Consolidated and Separate Financial Statements

In this section

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 246 to 394, which comprise the consolidated and separate statements of financial position as at 30 June 2023, 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 2023, and of their consolidated and separate financial performance and 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 judgement, 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 matter	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 23.77 billion and Rs 451.20 million and investment properties amounted to Rs 3.65 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 1.40 billion and Nil while the fair value adjustments in respect of investment property recorded in profit for the year was Rs 102.14 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 judgement 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 judgement 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 judgement, 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 judgement. 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 matter	How our audit addressed the key audit matter
Impairment of goodwill	
The Group has goodwill amounting to Rs 1.94 billion at 30 June 2023. Significant judgement is required by management in assessing the impairment of goodwill, if any, which is determined using discounted cash flows for each Cash Generating Unit (CGU) for which goodwill has been allocated. The management has disclosed the accounting judgement and estimate used in the above in Notes 3 and 6. The value-in-use is sensitive to changes in the weighted average cost of capital (WACC) rate and growth rate and significant judgement 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 assessment of goodwill, we reviewed the value-in-use calculations prepared by management. The procedures performed, with the support of our internal valuation specialists, included the following: · 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 management's strategic plans. · Compared the economic growth rates used to historical data 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 defined benefit plans and have recognised retirement benefit obligations of Rs 2.35 billion and Rs 775.23 million respectively at 30 June 2023. The management has applied judgement in determining the retirement benefits and has involved an independent 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 judgement associated with determining the amount of provision. The significant assumptions used in respect of the retirement benefit 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 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; · Assessed the reasonableness of future salary increase; · Verified the data used by the actuaries with the payroll report for completeness and accuracy; and · 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 matter	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 752.98 million and Rs 30.79 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. The management has also disclosed the accounting judgements 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 the management. We assessed the competence, capabilities and objectivity of the valuers. The procedures performed, with the support of our internal valuation specialists, included 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

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

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statutory disclosures, Certificate from Company Secretary 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 judgement 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	**LLK Ah Hee, FCCA**
Chartered Accountants	Licensed by FRC
28 September 2023	

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**2023**	2022	**2023**	2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	**34,363,614**	30,163,221	**545,359**	550,463
Investment properties	5	**3,646,098**	3,356,188	**–**	–
Intangible assets	6(a)	**2,565,719**	2,450,211	**11,796**	13,816
Land conversion rights	6(b)	**27,198**	27,198	**–**	–
Bearer biological assets	8(b)	**1,125**	–	**–**	–
Deferred tax assets	7	**325,760**	287,942	**99,129**	53,608
Right of use assets	16(a)	**5,880,010**	4,916,237	**74,957**	62,273
Non-current receivables	17(a)	**101,897**	80,788	**322,785**	154,818
Advance towards equity	17(b)	**637,975**	–	**1,403,341**	–
Retirement benefit obligations allocated to related parties	24	**6,026**	8,173	**181,191**	250,400
Investment in:					
– Subsidiaries	11	**–**	–	**29,077,267**	24,454,888
– Associates	12	**20,608,026**	10,234,684	**6,730,533**	6,611,217
– Joint ventures	13	**755,871**	109,104	**1,617,463**	406,932
– Other financial assets	14	**1,242,095**	978,579	**98,398**	125,221
		22,605,992	11,322,367	**37,523,661**	31,598,258
		70,161,414	52,612,325	**40,162,219**	32,683,636
CURRENT ASSETS					
Consumable biological assets	8(a)	**103,351**	77,086	**–**	–
Inventories	15	**8,828,983**	8,077,194	**1,930,736**	1,578,834
Trade and other receivables	18	**8,361,976**	6,104,799	**2,083,572**	1,634,131
Contract assets	29(b)	**1,048,635**	763,745	**–**	–
Gross outstanding claims – Reinsurance assets	9(a)	**1,995,711**	1,164,645	**–**	–
General insurance fund – Reinsurance assets	10	**384,229**	316,870	**–**	–
Current tax assets	26	**82,067**	53,725	**2,939**	1,944
Other financial assets	14	**69,211**	256,183	**–**	–
Cash and cash equivalents		**5,634,484**	5,848,841	**423,802**	603,898
		26,508,647	22,663,088	**4,441,049**	3,818,807
Assets classified as held for sale	21	**135,037**	828,556	**–**	–
TOTAL ASSETS		**96,805,098**	76,103,969	**44,603,268**	36,502,443

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**2023**	2022	**2023**	2022
		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
Revaluation and other reserves		**7,902,955**	6,988,087	**16,615,302**	15,087,595
Retained earnings		**9,885,852**	7,593,425	**4,858,211**	5,110,754
EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY		**19,150,748**	15,943,453	**22,835,454**	21,560,290
Restricted redeemable shares	20(b)	**5,000**	5,000	**5,000**	5,000
Convertible bonds	20(c)	**1,460,283**	1,460,283	**–**	–
Non-controlling interests		**15,921,627**	12,180,393	**–**	–
TOTAL EQUITY		**36,537,658**	29,589,129	**22,840,454**	21,565,290
NON-CURRENT LIABILITIES					
Borrowings	22	**20,720,686**	18,125,950	**11,000,000**	8,000,000
Lease liabilities	16(b)	**5,008,491**	4,037,626	**39,980**	45,618
Retirement benefit obligations	24	**2,351,306**	2,243,840	**775,229**	834,263
Government grants	27	**41,773**	51,480	**–**	–
Deferred tax liabilities	7	**1,526,136**	1,271,484	**–**	–
Contract liabilities	29(c)	**85,738**	–	**–**	–
Other payables	23	**59,738**	135,769	**29,006**	84,093
		29,793,868	25,866,149	**11,844,215**	8,963,974
CURRENT LIABILITIES					
Borrowings	22	**11,489,037**	6,627,119	**7,480,983**	4,242,204
Lease liabilities	16(b)	**525,055**	578,499	**39,864**	22,553
Trade and other payables	25	**13,030,206**	9,488,813	**2,034,973**	1,680,907
Other payables	23	**35,144**	45,047	**22,667**	27,515
Gross outstanding claims	9(a)	**2,719,802**	1,819,756	**–**	–
General insurance fund	10	**609,276**	504,553	**–**	–
Contract liabilities	29(c)	**1,313,561**	891,607	**–**	–
Dividend payable	19	**340,112**	–	**340,112**	–
Current tax liabilities	26	**399,095**	226,553	**–**	–
Government grants	27	**12,284**	12,163	**–**	–
		30,473,572	20,194,110	**9,918,599**	5,973,179
Liabilities associated with assets classified as held for sale	21	**–**	454,581	**–**	–
TOTAL LIABILITIES		**60,267,440**	46,514,840	**21,762,814**	14,937,153
TOTAL EQUITY AND LIABILITIES		**96,805,098**	76,103,969	**44,603,268**	36,502,443

Approved by the Board of Directors and authorised for issue on 28 September 2023.

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 240 to 245.

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**2023**	2022	**2023**	2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Continuing operations					
Revenue from contracts with customers	29(a)	**52,038,153**	43,248,880	**6,370,736**	5,442,503
Gross insurance premiums		**1,916,970**	1,614,142	**–**	–
Rental income		**114,696**	87,992	**2,025**	2,964
Dividend income		**15,822**	26,134	**1,577,598**	825,709
Revenue	29	**54,085,641**	44,977,148	**7,950,359**	6,271,176
Cost of sales		**(36,999,905)**	(31,239,760)	**(5,053,731)**	(4,320,857)
Reinsurance premiums ceded		**(1,338,405)**	(1,120,325)	**–**	–
(Charge)/release from general insurance fund	10	**(37,364)**	23,853	**–**	–
Gross profit		**15,709,967**	12,640,916	**2,896,628**	1,950,319
Other income	30	**1,145,337**	1,313,439	**74,846**	185,015
Administrative expenses		**(12,264,601)**	(10,540,522)	**(1,938,344)**	(1,518,400)
Expected credit losses	28(b)	**(41,062)**	247,718	**(22,902)**	71,477
Gross claims paid	9(b)	**(2,369,796)**	(1,057,652)	**–**	–
Claims recovered from reinsurers	9(b)	**1,988,624**	756,052	**–**	–
Operating profit	28	**4,168,469**	3,359,951	**1,010,228**	688,411
Interest income using the EIR method	31	**191,809**	63,411	**29,666**	1,394
Finance costs	32	**(2,066,795)**	(1,246,481)	**(899,132)**	(433,683)
Other gains and losses	33	**697,444**	(404,377)	**24,093**	–
Share of results of associates	12	**2,329,782**	870,570	**–**	–
Share of results of joint ventures	13	**176,413**	34,986	**–**	–
Profit before tax		**5,497,122**	2,678,060	**164,855**	256,122
Tax (expense)/credit	26	**(611,120)**	(736,366)	**44,879**	(11,811)
Profit for the year from continuing operations		**4,886,002**	1,941,694	**209,734**	244,311
Discontinued operations					
Profit for the year from discontinued operations	21	**–**	23,123	**–**	–
Profit for the year		**4,886,002**	1,964,817	**209,734**	244,311
Attributable to:					
– Owners of the Company		**3,064,183**	1,182,613	**209,734**	244,311
– Non-controlling interests		**1,821,819**	782,204	**–**	–
		4,886,002	1,964,817	**209,734**	244,311
Earnings per share (Rs)					
Basic and diluted:					
– From continuing and discontinued operations	40	**4.50**	1.74		
– From continuing operations	40	**4.50**	1.72		

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**2023**	2022	**2023**	2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**4,886,002**	1,964,817	**209,734**	244,311
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Net gain on equity instruments at FVTOCI	(a)	**34,813**	41,643	**1,500,983**	3,643,355
Revaluation of land and buildings		**1,399,081**	549,491	**–**	–
Deferred tax on revaluation of land and buildings		**(176,492)**	(54,303)	**–**	–
Remeasurement of employee benefit liabilities		**7,536**	(127,545)	**16,139**	(91,013)
Deferred tax on remeasurement of employee benefit liabilities		**1,717**	23,755	**(2,744)**	17,314
Remeasurement of employee benefit liabilities – share of associates and joint ventures		**45,812**	(22,759)	**–**	–
Share of OCI of associates – revaluation reserves		**8,597**	76,272	**–**	–
Share of OCI of associates – fair value		**378**	495	**–**	–
Share of OCI of associates and joint ventures – other reserves		**4,906**	1,711	**–**	–
		1,326,348	488,760	**1,514,378**	3,569,656
Items that may be reclassified subsequently to profit or loss					
Cash flow hedge movements		**(137,108)**	310,882	**–**	–
Deferred tax on cash flow hedge movements		**–**	(2,043)	**–**	–
Exchange differences on translating foreign operations		**290,331**	(294,885)	**–**	–
Share of OCI of joint ventures – other reserves		**(2,203)**	–	**–**	–
Share of OCI of associates and joint ventures – translation reserves		**(30,240)**	(110,307)	**–**	–
Total other comprehensive income		**1,447,128**	392,407	**1,514,378**	3,569,656
Total comprehensive income for the year		**6,333,130**	2,357,224	**1,724,112**	3,813,967
Attributable to:					
Owners of the Company		**3,737,297**	1,216,602	**1,724,112**	3,813,967
Non-controlling interests		**2,595,833**	1,140,622	**–**	–
		6,333,130	2,357,224	**1,724,112**	3,813,967
Total comprehensive income for the year analysed as follows:					
Continuing operations		**6,333,130**	2,334,101	**1,724,112**	3,813,967
Discontinued operations		**–**	23,123	**–**	–
		6,333,130	2,357,224	**1,724,112**	3,813,967

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

		THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiaries	11	**–**	–	**229,369**	3,067,129
Associates	12	**–**	–	**1,612,552**	542,588
Joint ventures	13	**–**	–	**(309,615)**	24,307
Other financial assets	14	**34,813**	41,643	**(31,323)**	9,331
		34,813	41,643	**1,500,983**	3,643,355

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

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 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
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 subsidiaries	–	–	–	–	–	–	–	–	–	–	19,722	19,722
Transfer 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
At 1 July 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**
Profit for the year	–	–	–	–	–	–	3,064,183	3,064,183	–	–	1,821,819	4,886,002
Other comprehensive income/(loss) for the year	–	–	589,226	100,400	6,973	(79,628)	56,143	673,114	–	–	774,014	1,447,128
Total comprehensive income/(loss) for the year	–	–	589,226	100,400	6,973	(79,628)	3,120,326	3,737,297	–	–	2,595,833	6,333,130
Changes in percentage holding in subsidiaries	–	–	–	–	–	–	(2,663)	(2,663)	–	–	2,013	(650)
Other movements in reserves and retained earnings	–	–	(26,650)	737	(8,142)	332,844	(298,789)	–	–	–	–	–
Other movements in reserves of associates	–	–	–	–	–	–	(27,213)	(27,213)	–	–	(6,606)	(33,819)
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	–	(19,783)	(19,783)
Effect of restructuring	–	–	(892)	–	–	–	(15,626)	(16,518)	–	–	(7,037)	(23,555)
Interest on convertible bonds	–	–	–	–	–	–	(34,660)	(34,660)	–	–	(26,717)	(61,377)
Shares issued to non-controlling interests	–	–	–	–	–	–	–	–	–	–	2,143,506	2,143,506
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(939,975)	(939,975)
Dividends (Note 19)	–	–	–	–	–	–	(448,948)	(448,948)	–	–	–	(448,948)
At 30 June 2023	**1,361,941**	**2,382,387**	**3,745,176**	**1,025,299**	**165,428**	**584,665**	**9,885,852**	**19,150,748**	**5,000**	**1,460,283**	**15,921,627**	**36,537,658**

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 240 to 245.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

THE COMPANY

	Stated capital	Fair value reserve	Revaluation reserve	Capital contribution reserve	Retained earnings	Equity attributable to ordinary shareholders	Restricted redeemable shares	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
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/(loss) 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
At 1 July 2022	**1,361,941**	**9,484,408**	**219,435**	**5,383,752**	**5,110,754**	**21,560,290**	**5,000**	**21,565,290**
Profit for the year	**–**	**–**	**–**	**–**	**209,734**	**209,734**	**–**	**209,734**
Other comprehensive income for the year	**–**	**1,500,983**	**–**	**–**	**13,395**	**1,514,378**	**–**	**1,514,378**
Total comprehensive income for the year	**–**	**1,500,983**	**–**	**–**	**223,129**	**1,724,112**	**–**	**1,724,112**
Transfer of fair value reserves to retained earnings	**–**	**26,724**	**–**	**–**	**(26,724)**	**–**	**–**	**–**
Dividends (Note 19)	**–**	**–**	**–**	**–**	**(448,948)**	**(448,948)**	**–**	**(448,948)**
At 30 June 2023	**1,361,941**	**11,012,115**	**219,435**	**5,383,752**	**4,858,211**	**22,835,454**	**5,000**	**22,840,454**

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES				
Profit before tax from continuing operations	**5,497,122**	2,678,060	**164,855**	256,122
Profit before tax from discontinued operations	**–**	23,123	**–**	–
Profit before tax	**5,497,122**	2,701,183	**164,855**	256,122
Adjustments to reconcile profit before tax to net cash flows:				
Share of profits from associates	**(2,329,782)**	(870,570)	**–**	–
Share of profits from joint ventures	**(176,413)**	(34,986)	**–**	–
Depreciation and impairment of property, plant and equipment	**1,839,485**	1,771,952	**49,392**	43,301
Amortisation of intangible assets	**83,275**	95,218	**6,219**	9,722
Depreciation on right of use assets	**661,221**	581,940	**26,677**	24,528
Profit on disposal of property, plant and equipment, intangible assets and investment properties	**–**	(28,496)	**(1,351)**	(493)
Assets written off	**4,201**	124,557	**6**	2,538
Impairment of property, plant and equipment and right of use assets	**212,573**	247,620	**–**	–
Termination of lease	**(3,165)**	(3,843)	**(2,344)**	–
Amortisation of grants	**(13,285)**	(21,890)	**–**	–
Impairment of goodwill	**18,841**	380,747	**–**	–
Gain on bargain purchase of associates	**–**	(21,631)	**–**	–
Gain on disposal and winding up of subsidiaries	**–**	(42,939)		–
Gain on disposal of associates	**(3,667)**	(158,236)	**–**	–
Impairment loss on associates and joint ventures	**15,713**	259,942	**–**	–
Impairment of held for sale assets	**–**	7,414	**–**	–
Exchange differences	**75,574**	(15,562)	**5,367**	(8,019)
Dividend income	**(15,822)**	(26,134)	**(26,410)**	–
Interest income	**(191,809)**	(63,411)	**(29,666)**	(1,394)
Interest expense	**2,066,795**	1,258,228	**903,084**	433,683
Movement in employee benefit liabilities	**101,582**	9,428	**26,314**	(5,413)
Fair value of investment properties	**(102,137)**	(290,279)	**–**	–
Fair value movement on land conversion rights	**–**	(1,576)	**–**	–
Fair value movement on consumable biological assets	**210**	20,291	**–**	–
Fair value movement on other financial assets measured at FVTPL	**(34,279)**	13,395	**–**	–
Expected credit losses on other financial assets and financial guarantee contracts	**(2,310)**	(127,256)	**31,342**	(38,107)
Release from general insurance fund	**37,364**	(23,853)	**–**	–
	7,741,287	5,741,253	**1,153,485**	716,468
Working capital adjustments:				
Movement in consumable biological assets	**(27,600)**	(42,950)	**–**	–
Movement in inventories	**(685,549)**	(1,893,456)	**(351,902)**	(390,751)
Movement in non-current loan receivables	**(21,109)**	11,475	**(308,731)**	(86,582)
Movement in contract assets	**(284,890)**	116,123	**–**	–
Movement in trade and other receivables	**(2,157,497)**	(980,002)	**(454,562)**	(111,463)
Movement in net insurance claims	**68,980**	36,409	**–**	–
Movement in trade and other payables	**4,134,342**	1,599,139	**296,024**	415,470
Movement in contract liabilities	**507,692**	290,930	**–**	(15,737)
CASH GENERATED FROM OPERATIONS	**9,275,656**	4,878,921	**334,314**	527,405
Interest paid	**(2,048,934)**	(1,213,688)	**(899,132)**	(430,219)
Tax paid, net of refund	**(448,705)**	(222,898)	**(4,381)**	56
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**6,778,017**	3,442,335	**(569,199)**	97,242

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**6,778,017**	3,442,335	**(569,199)**	97,242
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(4,101,030)**	(2,663,917)	**(44,840)**	(73,343)
Purchase of intangible assets	**(107,778)**	(127,702)	**(4,199)**	(4,744)
Purchase of investment properties	**(737,469)**	(97,984)	**–**	–
Purchase/reassessment of right of use assets	**7,307**	(38,887)	**–**	–
Proceeds from sale of property, plant and equipment, investment properties and intangible assets	**549,906**	373,657	**1,896**	62,842
Proceeds from disposal of other financial assets	**501,656**	289,714	**–**	–
Acquisition of investments	**(9,634,277)**	(423,691)	**(5,698,907)**	(71,418)
Advance towards acquisition of investments	**(637,975)**	–	**–**	–
Disposal of subsidiary	**–**	–	**10,206**	–
Net cash outflow on acquisition of subsidiaries (Note 38(a))	**(87,241)**	(271,781)	**–**	–
Net cash inflow on disposal and winding up of subsidiaries (Note 38(b))	**–**	15,490	**–**	–
Dividend received from associated companies and joint ventures	**502,996**	382,031	**–**	–
Dividend received	**15,822**	26,134	**–**	–
Interest received	**191,809**	63,411	**29,666**	1,394
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(13,536,274)**	(2,473,525)	**(5,706,178)**	(85,269)
FINANCING ACTIVITIES				
Net movement in borrowings	**7,239,012**	163,824	**6,848,864**	(84,594)
Repayment of leases	**(631,141)**	(575,243)	**(28,795)**	(26,374)
Convertible bonds issued	**–**	716,200	**–**	–
Interests on convertible bonds	**(61,377)**	(38,613)	**–**	–
Shares issued to non-controlling shareholders	**2,143,506**	22,167	**–**	–
Dividend paid to non-controlling shareholders	**(1,879,950)**	(242,263)	**–**	–
Dividend paid to owners of the Company	**(108,836)**	(632,608)	**(108,836)**	(632,608)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**6,701,214**	(586,536)	**6,711,233**	(743,576)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(57,043)**	382,274	**435,856**	(731,603)
NET FOREIGN EXCHANGE DIFFERENCE	**47,902**	81,063	**22,864**	8,019
CASH AND CASH EQUIVALENTS AT 1 JULY	**2,854,567**	2,391,230	**(1,604,482)**	(880,898)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**2,845,426**	2,854,567	**(1,145,762)**	(1,604,482)
Represented by:				
Cash and cash equivalents	**5,634,484**	5,848,841	**423,802**	603,898
Bank overdrafts (Note 22)	**(2,789,058)**	(3,117,094)	**(1,569,564)**	(2,208,380)
Cash and equivalents attributable to assets classified as held for sale (Note 21)	**–**	122,820	**–**	–
	2,845,426	2,854,567	**(1,145,762)**	(1,604,482)

The notes form an integral part of these financial statements.

The Independent Auditor's report is on pages 240 to 245.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 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 Standards 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 2022.

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.

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

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous

IFRS 3 Business Combinations – Amendments updating a reference to the Conceptual Framework

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)

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 2024)

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

IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective 01 January 2024)

IAS 7 Statement of cash flows – Amendments regarding supplier finance arrangements (effective 01 January 2024)

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 12 Income Taxes – Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes (effective 01 January 2023)

IFRS 7 Financial Instruments Disclosure – Amendments regarding supplier finance arrangements (effective 01 January 2024)

IFRS 16 Leases – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 01 January 2024)

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

IFRS 17 Insurance Contracts – Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 01 January 2023) (effective 01 January 2023)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

New and revised IFRSs and IFRICs in issue but not yet effective (Continued)

IFRS 17 Insurance Contracts (and its related amendments)

Introduction

The IASB issued IFRS 17 Insurance Contracts in May 2017 and on 25 June 2020, the IASB issued amendments to the standard. The effective date of IFRS 17 is for annual reporting periods beginning on or after 01 January 2023. The Group shall apply the standard retrospectively on 01 July 2023 with restatement of comparatives for the 2023 financial period.

Project Governance and Progress

The Group established an IFRS 17 implementation programme to coordinate the efforts and deliver the necessary processes and requirements of the Group to successfully implement the standard. The implementation programme is in its advanced stages, and the Group has commenced efforts to perform its parallel run.

Accounting policy papers and actuarial methodologies have been provisionally prepared and will be subject to refinement based on the practical outcomes of the implementation phase.

As at 30 June 2023, the parallel run for the Group is still in progress. The actuarial and finance teams are closely monitoring all technical developments from the IASB and industry to evaluate the effects of such developments and where applicable, align the policy and methodology papers accordingly.

The implementation of IFRS 17 is significant for the Group's insurance activities, specifically in areas such as recognition, measurement and presentation in the statement of comprehensive income, the level of transparency of the measurement components and significant additional disclosure requirements. Significant effort has been applied to the technical interpretation of the standard and the corresponding decisions required.

The Group will focus on the following key areas during the 2024 financial period:

- Finalize the parallel run for the 2023 financial period.
- Assess disclosures for transition, interim financial statements, and annual financial statements.
- Refining remaining internal financial controls to ensure accuracy of reporting.
- Engage external auditors for the sign-off of June 2023 results (the comparative year) under IFRS 17.

The directors anticipate that these amendments will be adopted in the consolidated and separate 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.

Classification

The definition and scope of contracts to be measured under IFRS 17 are largely aligned to IFRS 4 for the Group, and therefore the Group will apply IFRS 17 to all insurance contracts issued and reinsurance contracts held.

Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

A contract is classified as an insurance contract where the Group provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary.

Where a distinct investment component, service component or embedded derivative are identified within the insurance contracts, these components are required to be separated out and measured under another applicable account standard.

No distinct investment component, service component or embedded derivative have been identified within the Group's contracts that require being unbundled and measured separately.

Some insurance or reinsurance contracts entered into by the Group may include an amount that meets the definition of a 'non-distinct investment component' ("NDIC") under IFRS 17. The NDIC is the amount that an insurance or reinsurance contract requires to be repaid to a policyholder or cedant respectively in all circumstances, regardless of whether an insured event occurs. Given that the potential investment components are deemed non-distinct, they are not required to be separated out from the contract to be measured separately.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

New and revised IFRSs and IFRICs in issue but not yet effective (Continued)

IFRS 17 Insurance Contracts (and its related amendments) (Continued)

Unit of account

Portfolios are established for insurance contracts that have similar risks and are managed together. Contracts within each portfolio are further grouped into cohorts of contracts not issued more than a year apart. The contracts are further divided into a minimum of three expected profitability groupings, namely those that are onerous, those that have a significant risk of becoming onerous over time, and the remaining contracts.

Measurement

The accounting model applied to these insurance contracts, including reinsurance contracts issued and/or held, for liability measurement purposes is either the General Measurement Model (GMM) or the Premium Allocation Approach (PAA).

Based on assessments performed to date, the Group does not have contracts which meet the definition of insurance or investment contracts with discretionary participation features. Therefore, the Group does not expect to apply the Variable Fee Approach (VFA) measurement model to insurance contracts in the Group.The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts.

The Group may apply the PAA to measure a group of insurance/reinsurance contracts issued or reinsurance held if, at inception of the group:

- the coverage period of each contract in the group of insurance contracts is one year or less; or
- the Group reasonably expects that the PAA would produce a measurement of the liability or asset for remaining coverage for a group of insurance contracts that would not differ materially from the measurement that would be achieved by applying the requirements of the GMM.

Given that the nature of the contracts entered into by the Group are largely short-term in nature, most of the contracts entered into by the Group are expected to be automatically eligible for the PAA measurement based on the first criterion above.

Where the coverage period for a group of contracts is greater than one year, the Group will assess the appropriateness of the PAA measurement model by performing quantitative PAA eligibility testing based on the second criterion above. Scenario testing will be performed by updating the projected fulfilment cash flows (best estimates and corresponding risk adjustments) under reasonably expected scenarios, which would be expected to affect cash flow variability.

The standard provides that the liability for remaining coverage (LRC) of insurance contracts and asset for remaining coverage (ARC) for reinsurance contracts be measured as:

- Fulfilment cash flows, that is, the present value of future cash flows necessary to fulfil insurance obligations under the contract; plus
- A risk adjustment for non-financial risk; and
- The contractual service margin (CSM) (representing unearned profit).

Under the simplified approach (PAA), the insurance and reinsurance groups of contracts are measured as the premiums received less acquisition costs (if the accounting policy choice was made to defer acquisition costs).

The liability for incurred claims (LIC) is measured as the best estimate of the present value of future cash flows necessary to fulfill a claim and associated expenses, plus an explicit risk adjustment for non-financial risk and applies to both GMM and PAA.

Transition approaches

If it is impracticable to apply IFRS 17 fully retrospectively, an entity can choose either a modified retrospective or a fair value approach to measure the initial IFRS 17 balances on the first retrospective restatement date (1 July 2022). The Group intends to apply IFRS 17 as of 01 July 2023 on a fully retrospective basis for all its portfolios, unless deemed impractical to do so. For such portfolios where it is assessed to be impracticable, the modified retrospective approach will be applied.

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 2023

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 FVTOCI;
- 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 consolidated and separate 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 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 2023. The directors will continue to monitor the impact of the situation on the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

(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 2023

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 subsequent 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 that interest 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 this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023

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 2023

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 2023

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 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 of 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 2023

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 20 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.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 become 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 (ii) 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 2023

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 2023

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 cost.

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 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 2023

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 continue to control the transferred asset, the Group and the Company recognise their 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 2023

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 are 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 measure 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 2023

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 their 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 at 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 2023

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 2023

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 2023

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 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 2023

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 represent 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 2023

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 consider 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 2023

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 allocates 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 represents a performance obligation and price for each service is 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 2023

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

(u) Revenue recognition (Continued)

Logistics (Continued)

For some contract 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 and other 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 represents 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 $1/24^{th}$ 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 2023

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 represents 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

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 recognised at the end of the trials.

2) Standard trials - The standard trials are studies that last for 1-week to1-month. There are 2 key deliverables for such trials which are signature of protocol and sending of report. Hence, revenue will be recognised 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 2023

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

(u) Revenue recognition (Continued)

Life and Technologies (Continued)

Hence, revenue will be recognised 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 recognised on an equal monthly basis over a specified time period since the tasks are repetitive. Revenue relating to pass-through are recognised 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).

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 2023

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 2023

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.

(ac) Fair value measurement

The Group and the Company measure their 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 2023

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 recognised 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 Group. 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 Group to sell property acquired in settling a claim (i.e. Salvage). The Group 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 2023

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 Group 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 judgement 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 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement 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. Judgements 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.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, 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 judgement, 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 judgement, 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.

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 judgement 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 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (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 judgement 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 judgement 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 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS 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. The key assumptions are provided in Note 17.

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 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS 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 to 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 judgement 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 judgement 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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 1 July 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
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 (Notes 16)	–	–	18,652	24,614	–	–	–	–	43,266
Transfer from investment properties (Note 5)	515,002	–	–	–	–	–	–	(17,777)	497,225
Transfer to intangible assets (Note 6)	–	–	–	–	–	(7,499)	–	(1,407)	(8,906)
Transfer to inventories	(12,819)	–	(816)	–	–	–	–	–	(13,635)
Transfer from 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
Adjustments			–	–	–	–	–	–	–
Translation differences	(107,979)	(150,426)	(143,117)	(2,375)	(5,558)	(2,009)	–	(42,531)	(453,995)
At 30 June 2022	22,630,554	1,618,629	11,725,378	824,260	3,195,627	968,968	469,953	735,302	42,168,671
At 1 July 2022	**22,630,554**	**1,618,629**	**11,725,378**	**824,260**	**3,195,627**	**968,968**	**469,953**	**735,302**	**42,168,671**
Reclassification (Note (i))	**(692,067)**	**–**	**704,174**	**–**	**(12,387)**	**280**	**–**	**–**	**–**
Additions	**885,750**	**906**	**1,010,577**	**57,327**	**500,884**	**113,485**	**104,403**	**1,427,698**	**4,101,030**
Disposals	**(71,799)**	**–**	**(257,956)**	**(58,870)**	**(57,578)**	**(46,665)**	**(48,256)**	**–**	**(541,124)**
Write offs	**(69,040)**	**–**	**(168,602)**	**(48,355)**	**(253,727)**	**(20,192)**	**–**	**–**	**(559,916)**
Impairment of assets (Notes (ii) and 33)	**(172,962)**	**–**	**(57,104)**	**–**	**(39,951)**	**(388)**	**–**	**–**	**(270,405)**
Revaluation adjustments	**589,801**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**589,801**
Transfer from right of use asset (Notes 16)	**–**	**–**	**80,641**	**30,026**	**–**	**6,710**	**–**	**–**	**117,377**
Transfer to investment properties (Note 5)	**(26,675)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(26,675)**
Transfer to intangible assets (Note 6)	**–**	**–**	**–**	**–**	**–**	**(32)**	**–**	**–**	**(32)**
Transfer to inventories	**–**	**–**	**(26,630)**	**–**	**–**	**–**	**–**	**–**	**(26,630)**
Transfer from assets in progress	**86,189**	**–**	**242,450**	**737**	**7,398**	**7,626**	**8,222**	**(352,622)**	**–**
Transfer from assets classified as held for sale (Note 21)	**1,109,254**	**–**	**311,181**	**12,588**	**27,725**	**16,351**	**–**	**–**	**1,477,099**
Acquisition of subsidiaries (Note 38(a))	**5,026**	**–**	**18,682**	**1,426**	**1,065**	**86**	**–**	**–**	**26,285**
Translation differences	**339,984**	**5,265**	**164,191**	**6,802**	**13,591**	**19,455**	**–**	**18,564**	**567,852**
At 30 June 2023	**24,614,015**	**1,624,800**	**13,746,982**	**825,941**	**3,382,647**	**1,065,684**	**534,322**	**1,828,942**	**47,623,333**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 1 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	–	–	–
Translation differences	(105,798)	–	(85,925)	(3,342)	(1,944)	(672)	–	–	(197,681)
At 30 June 2022	610,145	32,094	7,750,812	553,287	2,052,643	806,013	200,456	–	12,005,450
At 1 July 2022	**610,145**	**32,094**	**7,750,812**	**553,287**	**2,052,643**	**806,013**	**200,456**	**–**	**12,005,450**
Charge for the year	**520,028**	**19,066**	**737,540**	**64,112**	**295,891**	**98,418**	**104,430**	**–**	**1,839,485**
Disposals	**(69,260)**	**–**	**(252,222)**	**(49,562)**	**(56,518)**	**(42,267)**	**(42,898)**	**–**	**(512,727)**
Write offs	**(68,557)**	**–**	**(165,118)**	**(48,355)**	**(254,489)**	**(20,139)**	**–**	**–**	**(556,658)**
Revaluation adjustments	**(809,280)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(809,280)**
Transfer from right of use assets (Note 16)	**–**	**–**	**75,520**	**28,867**	**–**	**6,710**	**–**	**–**	**111,097**
Transfer from assets classified as held for sale (Note 21)	**672,272**	**–**	**259,030**	**12,784**	**21,066**	**16,303**	**–**	**–**	**981,455**
Reclassification (Note (i))	**(74,477)**	**–**	**71,145**	**1,668**	**1,419**	**245**	**–**	**–**	**–**
Transfer to inventories	**–**	**–**	**(1,461)**	**–**	**–**	**–**	**–**	**–**	**(1,461)**
Translation differences	**65,773**	**1,209**	**97,441**	**5,280**	**14,416**	**18,239**	**–**	**–**	**202,358**
At 30 June 2023	**846,644**	**52,369**	**8,572,687**	**568,081**	**2,074,428**	**883,522**	**261,988**	**–**	**13,259,719**
NET BOOK VALUE									
At 30 June 2023	**23,767,371**	**1,572,431**	**5,174,295**	**257,860**	**1,308,219**	**182,162**	**272,334**	**1,828,942**	**34,363,614**
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

(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 2023, one of the subsidiaries has recognised an impairment loss on part of property, plant and equipment destroyed by fire amounting to Rs 251m.

(iii) The main component of additions of property, plant and equipment in assets-in-progress is in respect of the redevelopment of Lux* Grand Baie.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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
COST/VALUATION	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 1 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
At 1 July 2022	**519,536**	**70,523**	**33,276**	**194,985**	**87,107**	**5,407**	**910,834**
Additions	**1,843**	**1,497**	**5,133**	**13,608**	**14,011**	**8,748**	**44,840**
Disposals	**(48,077)**	**–**	**(5,217)**	**(68)**	**(2,610)**	**–**	**(55,972)**
Write offs	**–**	**–**	**–**	**–**	**(5,502)**	**–**	**(5,502)**
At 30 June 2023	**473,302**	**72,020**	**33,193**	**208,525**	**93,006**	**14,155**	**894,200**
DEPRECIATION							
At 1 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
At 1 July 2022	**60,624**	**45,657**	**30,376**	**157,055**	**66,659**	–	**360,371**
Charge for the year	**9,556**	**7,599**	**1,337**	**15,981**	**14,919**	**–**	**49,392**
Disposals	**(48,077)**	**–**	**(4,784)**	**(68)**	**(2,498)**	**–**	**(55,427)**
Write offs	**–**	**–**	**–**	**–**	**(5,495)**	**–**	**(5,495)**
At 30 June 2023	**22,103**	**53,256**	**26,929**	**172,968**	**73,585**	**–**	**348,841**
NET BOOK VALUE							
At 30 June 2023	**451,199**	**18,764**	**6,264**	**35,557**	**19,421**	**14,155**	**545,359**
At 30 June 2022	458,912	24,866	2,900	37,930	20,448	5,407	550,463

The Directors have reviewed the carrying amount of the Company's property, plant and equipment and are of the opinion that no further impairment is required at reporting date (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Historical cost of revalued land and buildings:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost	**14,340,482**	13,525,625	**234,612**	280,846
Accumulated depreciation	**(4,456,431)**	(4,169,621)	**(84,517)**	(79,825)
Net book value	**9,884,051**	9,356,004	**150,095**	201,021

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, Chasteau Doger De Speville Ltd, 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 2021 and 2023.

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 techniques during the year.

Management and the directors have estimated that the carrying values of land and buildings approximate their fair values at 30 June 2022 and 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Borrowing costs capitalised during the year is Rs nil (2022: Rs 20.1 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
2023	
Land and buildings	**23,767,371**
Infrastructure production	**1,572,431**
	25,339,802
2022	
Land and buildings	22,020,409
Infrastructure production	1,586,535
	23,606,944
THE COMPANY	
2023	
Land and buildings	**451,199**
2022	
Land and buildings	458,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. INVESTMENT PROPERTIES

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At 1 July	**3,356,188**	3,267,618
Additions	**555,274**	87,007
Transfer from property, plant and equipment (Note 4)	**26,675**	(497,225)
Assets in progress	**182,195**	10,977
Transfer from inventories	**–**	295,270
Transfer to assets classified as held for sale (Note 21)	**(24,271)**	–
Disposals	**(490,452)**	(66,238)
Lease termination	**(61,648)**	(31,500)
Fair value movement	**102,137**	290,279
At 30 June	**3,646,098**	3,356,188
Rental income	**100,894**	85,297
Direct operating expenses:		
– generating rental income	**54,785**	42,562
– did not generate income	**9,248**	18,380

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, Chasteau Doger De Speville Ltd and Ramiah-Isabel Consultancy Ltd. The fair valuation exercise was carried out at 30 June 2023 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 2023

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 techniques during the year.

Management and the directors have estimated that the carrying values of the investment properties approximate their fair values at 30 June 2022 and 2023.

(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
2023	
Investment properties	**3,646,098**
2022	
Investment properties	3,356,188

(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 2023

6(a). INTANGIBLE ASSETS

THE GROUP	Goodwill	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At 1 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
At 1 July 2022	**3,642,136**	**904,579**	**314,111**	**4,860,826**
Additions	**18,136**	**106,084**	**1,056**	**125,276**
Disposals	**–**	**(14,792)**	**–**	**(14,792)**
Write offs	**–**	**(9,694)**	**–**	**(9,694)**
Transfer from property, plant and equipment (Note 4)	**–**	**32**	**–**	**32**
Transfer from assets classified as held for sale (Note 21)	**–**	**2,075**	**–**	**2,075**
Acquisition of subsidiaries (Note 38(a))	**–**	**54**	**32,399**	**32,453**
Assets in progress	**–**	**638**	**–**	**638**
Exchange differences	**58,484**	**17,788**	**(296)**	**75,976**
At 30 June 2023	**3,718,756**	**1,006,764**	**347,270**	**5,072,790**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6(a). INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Goodwill	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000
AMORTISATION AND IMPAIRMENT				
At 1 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 (Note 33)	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
At 1 July 2022	**1,759,186**	**628,946**	**22,483**	**2,410,615**
Charge for the year	**–**	**78,812**	**4,463**	**83,275**
Disposals	**–**	**(14,792)**	**–**	**(14,792)**
Write offs	**–**	**(8,751)**	**–**	**(8,751)**
Impairment loss (Note 33)	**18,841**	**–**	**–**	**18,841**
Transfer to assets classified as held for sale (Note 21)	**–**	**952**	**–**	**952**
Exchange differences	**–**	**16,938**	**(7)**	**16,931**
At 30 June 2023	**1,778,027**	**702,105**	**26,939**	**2,507,071**
NET BOOK VALUE				
At 30 June 2023	**1,940,729**	**304,659**	**320,331**	**2,565,719**
At 30 June 2022	1,882,950	275,633	291,628	2,450,211

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6(a). INTANGIBLE ASSETS (CONTINUED)

THE COMPANY	Computer software	Total
	Rs'000	Rs'000
COST		
At 1 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
At 1 July 2022	**116,296**	**116,296**
Additions	**4,199**	**4,199**
Disposals	**(6,399)**	**(6,399)**
At 30 June 2023	**114,096**	**114,096**
AMORTISATION		
At 1 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
At 1 July 2022	**102,480**	**102,480**
Charge for the year	**6,219**	**6,219**
Disposals	**(6,399)**	**(6,399)**
At 30 June 2023	**102,300**	**102,300**
NET BOOK VALUE		
At 30 June 2023	**11,796**	**11,796**
At 30 June 2022	13,816	13,816

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. For one of the subsidiaries, 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 2023

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	
	2023	2022
	Rs'000	Rs'000
Building & Engineering	**25,567**	11,763
Commercial & Distribution	**729,135**	680,360
Financial Services	**232,742**	232,742
Logistics	**–**	12,606
Corporate Services	**32,096**	32,096
Hospitality & Services	**802,022**	792,442
Life & Technologies	**119,167**	120,941
	1,940,729	1,882,950

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 18.8 million (2022: Rs 380.7 million) is attributable to the cash generating units of Building & Engineering and Life & Technologies 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.

The Directors have reviewed the carrying values of goodwill at 30 June 2023 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), have been determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets prepared 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 cash generating unit 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).

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of the 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% (2022: 4%) for a period of five years; and
- cash flows after the five years period were extrapolated using a perpetual growth rate of 2% (2022: 2%) in order to calculate the terminal recoverable amount.

<u>Goodwill</u>

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 8.91% (2022: 7.63%). The WACC takes into account both debt and equity.

<u>Trademarks</u>

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 10.1% (2022: 6.65%). The WACC takes into account both debt and equity.

As a result of the above analysis, the directors are satisfied that there is no indication of impairment of goodwill of Edena S.A for the year ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6(a). INTANGIBLE ASSETS (CONTINUED)

Hospitality & Services

Lux Island Resorts Ltd ("LIR")

LIR has not recognised any impairment on goodwill for the year ended 30 June 2023 (2022: Rs Nil).

The recoverable amount of each cash generating unit (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 the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 12.14% to 15.78% (2022: 10.76% to 13.80%) for the various entities of the Group. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry in which each CGU operates.

A terminal growth of 3.30% to 5.1% (2022: 3.30% to 4%) has been assumed in the calculation.

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.

Building & Engineering

The United Basalt Products Limited ("UBP")

<u>Premix Ltd (formerly known as Pre-Mixed Concrete Ltd)</u>

On 27 October 2021, UBP exercised its first right of refusal in the acquisition of Premix Ltd after considering the CGU's synergies to UBP Group. The recoverable amount is based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five year period and a range of discount rate of 14.45% to 15.54% per annum. However, the purchase price agreed and paid was 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. In 2022, impairment losses amounting to Rs340.7 million were attributable to the cash generating units of Pre-Mixed Concrete Ltd to reflect the loss in value of the CGU. These were done for certain non-operating and loss making units.

Life & Technologies

Life Together

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% (2022: 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 13.32% (2022: 17.06%). The directors are satisfied that there is no indication of impairment of goodwill for the year ended 30 June 2023. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6(b). LAND CONVERSION RIGHTS

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At 1 July	**27,198**	25,622
Fair value movement	**–**	1,576
At 30 June	**27,198**	27,198

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 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. 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.

7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2022: 17%).

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities	**1,526,136**	1,271,484	**–**	–
Deferred tax assets	**(325,760)**	(287,942)	**(99,129)**	(53,608)
Net deferred tax at 30 June	**1,200,376**	983,542	**(99,129)**	(53,608)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**983,542**	645,998	**(53,608)**	(48,105)
Acquisition of subsidiaries (Note 38(a))	**19**	(14,308)	**–**	–
Translation differences	**2,855**	5	**–**	–
Other movement	**17,515**	(9,392)	**–**	5,282
Amounts recognised in profit or loss				
Charge/(Credit) for the year (Note 26(b))	**21,670**	328,648	**(48,265)**	6,529
Amounts recognised in other comprehensive income				
Deferred tax on hedge reserves	**–**	2,043	**–**	–
Deferred tax on revaluation of land and buildings	**176,492**	54,303	**–**	–
Deferred tax relating to remeasurement of retirement benefit obligations	**(1,717)**	(23,755)	**2,744**	(17,314)
At 30 June	**1,200,376**	983,542	**(99,129)**	(53,608)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 1 July 2021	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)
Transfer to assets classified as held for sale (Note 21)	–	(84,972)	–	24,550	(11,410)	(23,265)	234,315	139,218
Charge/(credit) to other comprehensive income	–	54,303	–	–	(23,755)	–	–	30,548
Charge/(credit) to profit or loss	189,430	–	2,043	(12,956)	(4,438)	–	–	174,079
Tax on acquisition of subsidiaries (Note 38(a))	3,086	–	–	–	–	–	–	3,086
Translation differences	5	–	–	–	–	–	–	5
At 30 June 2022	1,300,954	486,489	–	(100,020)	(354,709)	(112,168)	(237,004)	983,542
At 1 July 2022	**1,300,954**	**486,489**	**–**	**(100,020)**	**(354,709)**	**(112,168)**	**(237,004)**	**983,542**
Other movement	**6,778**	**6,416**	**–**	**(2,167)**	**(2,061)**	**8,233**	**316**	**17,515**
Charge/(credit) to profit or loss	**–**	**2,054**	**5,185**	**29,369**	**(17,277)**	**(41,378)**	**43,717**	**21,670**
Charge/(credit) to other comprehensive income	**–**	**176,492**	**–**	**–**	**(1,717)**	**–**	**–**	**174,775**
Translation differences	**–**	**–**	**–**	**–**	**2,855**	**–**	**19**	**2,874**
At 30 June 2023	**1,307,732**	**671,451**	**5,185**	**(72,818)**	**(372,909)**	**(145,313)**	**(192,952)**	**1,200,376**

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 1 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
Credit 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)
At 1 July 2022	**2,194**	**89,490**	**(35,293)**	**(108,626)**	**138**	**(1,511)**	**(53,608)**
Charge/(credit) to profit or loss	**2,294**	**–**	**(2,907)**	**246**	**(2,382)**	**(45,516)**	**(48,265)**
Charge to other comprehensive income	**–**	**–**	**–**	**2,744**	**–**	**–**	**2,744**
At 30 June 2023	**4,488**	**89,490**	**(38,200)**	**(105,636)**	**(2,244)**	**(47,027)**	**(99,129)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8(a). CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane	Plants	Vegetables	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 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**
Production	**14,992**	**49,538**	**49,535**	**114,065**
Sales	**14,401**	**(52,909)**	**(49,082)**	**(87,590)**
Fair value movement	**(24,944)**	**17,413**	**7,321**	**(210)**
At 30 June 2023	**11,475**	**60,969**	**30,907**	**103,351**

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:

	2023	2022
Standing cane		
Expected area to harvest (ha)	**97**	80
Estimated yields (%)	**10.2**	10.3
Estimated price of sugar – Rs (per ton)	**25,000**	22,350
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)	**58**	59
Discount factor (%)	**9.1**	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:35.0 ton/ha (2022: 34.7 ton/ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 163,184 (2022: Rs 11,152).
		Price of sugar: Rs 25,000/ton (2022: Rs 22,350/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 844,331 (2022: Rs 557,589).
		WACC:10.50% (2022: 8.51%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by –Rs 1,407 (2022: Rs 734).
Plants	Discounted cash flows	Average price of plants: Rs 329 (2022: Rs 224)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 3,106,687 (2022:Rs 2,882,903).
		Mortality rate:3 % (2022: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 3,352,133 (2022: Rs 2,889,299).
		WACC 18.5% (2022: 18%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 753,576 (2022: Rs 54,176).
Vegetables	Discounted cash flows	Discount factor:9.1% (2022: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 76,786 (2022: Rs 57,473).
		Price of vegetables: Rs 15,000 – Rs 29,000 (2022: Rs 10,500 – Rs 26,500)	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs 2,120,240 (2022: Rs 1,606,374).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8(b). BEARER BIOLOGICAL ASSETS

THE GROUP	Plant canes
	Rs'000
At 1 July 2022	–
Expenditure during the year	**1,125**
At 30 June 2023	**1,125**
Other information:	**2023**
Area harvested (Arpents)	**38**
Cost per Arpent (Rs)	**70,313**

The Directors made an assessment of the carrying value of the bearer plants as at 30 June 2023 and concluded that no impairment was required based on their forecasts.

9 (a). GROSS OUTSTANDING CLAIMS AND REINSURANCE ASSETS

THE GROUP	2023			2022		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
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
At 1 July	**1,819,756**	**(1,164,645)**	**655,111**	1,456,836	(838,134)	618,702
Movement in claims incurred	**2,454,775**	**(1,996,296)**	**458,479**	1,100,458	(756,052)	344,406
Cash (paid)/received for claims settled in the year	**(1,554,729)**	**1,165,230**	**(389,499)**	(737,538)	429,541	(307,997)
At 30 June	**2,719,802**	**(1,995,711)**	**724,091**	1,819,756	(1,164,645)	655,111
Analysed as:						
Claims notified	**2,554,532**	**(1,905,033)**	**649,499**	1,662,158	(1,084,186)	577,972
Claims incurred but not reported	**165,270**	**(90,678)**	**74,592**	157,598	(80,459)	77,139
	2,719,802	**(1,995,711)**	**724,091**	1,819,756	(1,164,645)	655,111

9 (b). NET CLAIMS INCURRED

THE GROUP	2023			2022		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs '000	**Rs '000**	**Rs '000**	Rs '000	Rs '000	Rs '000
Net claims incurred	**2,369,796**	**(1,988,624)**	**381,172**	1,057,652	(756,052)	301,600

10. GENERAL INSURANCE FUND AND REINSURANCE ASSETS

THE GROUP	Gross	Reinsurance	Net
	Rs '000	Rs '000	Rs '000
At 1 July 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**
Movement during the year	**104,723**	**(67,359)**	**37,364**
At 30 June 2023	**609,276**	**(384,229)**	**225,047**

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 2023

11. INVESTMENT IN SUBSIDIARIES

THE COMPANY

	Listed	Secondary market	Unquoted	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At FVTOCI				
At 1 July 2021	4,600,793	655,425	16,058,600	21,314,818
Additions	–	–	58,066	58,066
Capitalisation of loans (Note (ii))	–	–	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
At 1 July 2022	**6,036,229**	**744,792**	**17,673,867**	**24,454,888**
Additions	**–**	**–**	**4,290,566**	**4,290,566**
Capitalisation of loans (Note (ii))	**–**	**–**	**112,650**	**112,650**
Disposals	**–**	**–**	**(10,206)**	**(10,206)**
Fair value adjustment	**(531,525)**	**(277,119)**	**1,038,013**	**229,369**
At 30 June 2023	**5,504,704**	**467,673**	**23,104,890**	**29,077,267**

The additions have been financed as follows:

	2023	2022
	Rs'000	Rs'000
Cash	**4,290,566**	54,386
Payables	**–**	3,680
Capitalisation of loans	**112,650**	24,875
	4,403,216	82,941

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

(ii) During years ended 30 June 2023 and 2022, 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 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % held	
				Direct	**Indirect**	Direct	Indirect
IBL Energy Ltd *(Formerly: IBL Energy Holdings Ltd)*	Mauritius	Ordinary	Investment	**100.00**	**–**	100.00	–
IBL Waste to Energy Ltd *(Formerly: IBL Energy Ltd)*	Mauritius	Ordinary	Investment	**–**	**100.00**	–	100.00
IBL Energy (Kenya) Ltd	Kenya	Ordinary	Investment	**–**	**100.00**	–	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	Mauritius	Ordinary	Healthcare	**100.00**	**–**	100.00	–
WellActiv Company Ltd	Mauritius	Ordinary	Healthcare	**–**	**100.00**	100.00	100.00
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	**100.00**	**–**	100.00	–
BrandActiv Exports Ltd *(Formerly: 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 Tribeca Ltd *(Formerly: Pick and Buy Trianon Ltd)*	Mauritius	Ordinary	Hypermarket	**–**	**100.00**	–	100.00
CMPL (Mont Choisy) Limitée	Mauritius	Ordinary	Hypermarket	**–**	**100.00**	–	100.00
Mambo Retail Ltd	Mauritius	Ordinary	Investment holding	**65.29**	**–**	–	–
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
SCI Les Alamandas	Mauritius	Ordinary	Real estate	**–**	**100.00**	–	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
Mauritius Breweries Investments Ltd *(Formerly: 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 Limited *(Formerly: 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	**–**	**23.28**	–	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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(ii) Companies are inactive and in process of deregistration

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % 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
AFIX Scaff (Mauritius) Ltd	Mauritius	Ordinary	Construction	–	51.06	–	–
AFIX Stage Ltd	Mauritius	Ordinary	Construction	–	19.55	–	–
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	–
Engineering Services Ltd	Seychelles	Ordinary	Outsourcing	–	100.00	–	99.97
Manser Saxon Contracting Limited	Mauritius	Ordinary	Manufacturing & contracting	100.00	–	100.00	–
Fit-Out (Mauritius) Ltd	Mauritius	Ordinary	Manufacturing	–	75.50	–	75.50
Manser Saxon Interiors Ltd	Mauritius	Ordinary	Manufacturing	–	100.00	–	100.00
Manser Saxon Elevators Ltd	Mauritius	Ordinary	Manufacturing	–	100.00	–	100.00
Manser Saxon Plumbing Ltd	Mauritius	Ordinary	Manufacturing	–	100.00	–	100.00
Manser Saxon Training Services Ltd	Mauritius	Ordinary	Training services	–	100.00	–	100.00
Tower Bridge Projects (Mauritius) Ltd	Mauritius	Ordinary	Construction	–	100.00	–	100.00
Saxon International Ltd	Mauritius	Ordinary	Investment	–	100.00	–	100.00
Systems Building Contracting Ltd	Mauritius	Ordinary	Manufacturing & contracting	–	70.50	–	64.50
Tornado Limited	Mauritius	Ordinary	Manufacturing	–	100.00	–	100.00
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	Agriculture	–	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	–	25.52	–	33.14
Sheffield Trading(Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	–	25.52	–	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
Premix Ltd	Mauritius	Ordinary	Supplier of ready-mixed concrete	–	33.14	–	33.14
Société d'Investissement Rodriguais	Mauritius	Ordinary	Investment	–	33.14	–	33.14
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
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	–	33.14	–	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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % held	
				Direct	Indirect	Direct	Indirect
EKADA CAPITAL LTD	Mauritius	Ordinary	Wealth management	56.80	–	56.80	–
DTOS Holdings Ltd	Mauritius	Ordinary	Global business	100.00	–	–	–
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
DTOS Capital Markets Ltd (Formerly: LCF Holdings Ltd)	Mauritius	Ordinary	Investment dealing and advisory services	–	100.00	100.00	–
LCF Securities Ltd	Mauritius	Ordinary	Investment dealing and advisory services	–	100.00	–	77.00
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	–	3.14
Confido Holding Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
EllGeo Re (Mauritius) Ltd	Mauritius	Ordinary	Reinsurance	–	100.00	–	100.00
Life Together Ltd *(Formerly: IBL Life Ltd)*	Mauritius	Ordinary	Biotechnologies	100.00	–	100.00	–
Life Viva Medical Clinic Ltd *(Formerly: Life Together Medical Clinic Ltd)*	Mauritius	Ordinary	Clinical Activities	–	100.00	–	100.00
Care and Science Health Diagnostics Ltd	Mauritius	Ordinary	Medical and dental practice	–	100.00	–	100.00
Novalab	Mauritius	Ordinary	Laboratory testing	–	100.00	–	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
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	–	90.00	–	90.00
CIDP International	Mauritius	Ordinary	Clinical research and investment	–	–	–	89.10
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	–	90.00
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	–	–	–	90.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	–	90.00
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 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 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % 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	Dubai	Ordinary	Hospitality and Tourism	–	56.37	–	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	Mauritius	Ordinary	Management consultancy	100.00	–	100.00	–
DotExe Ventures Ltd	Mauritius	Ordinary	Management consultancy	–	100.00	–	100.00
IBL Link Investments Ltd	Mauritius	Ordinary	Management consultancy	100.00	–	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
Compagnie Thonière de l'Ocean Indien Ltée	Mauritius	Ordinary	Rental of fishing boats	–	–	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 Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	–	100.00	–
IBL Regional Development Limited	Mauritius	Ordinary	Investment	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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % held	
				Direct	Indirect	Direct	Indirect
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	–
Somatrans Bolloré Logistics Ltd *(Formerly: 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	Mauritius	Ordinary	Shipping	–	100.00	–	100.00
Indian Ocean Reefers Limited	Mauritius		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	Mauritius	Ordinary	Real Estate & Property Management	–	100.00	–	100.00
OneMoka Ltd	Mauritius	Ordinary	Real Estate & Property Management	–	–	–	100.00
MedNorth Ltd	Mauritius	Ordinary	Real Estate & Property Management	–	100.00	–	–
Retail Properties Ltd	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 Limited	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
Haute Rive Azuri Hotel Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	51.78	–	51.78
IBL India Investments Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2023 % held		2022 % 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 (ii)	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Biotechnology (Mauritius) Ltd (i)	Mauritius	Ordinary	Research and Development	98.99	–	98.99	–
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 (II)	Mauritius	Ordinary	Research and Development	100.00	–	100.00	–
Blyth Brothers & Company Limited *(Formerly: IBL Ugandan Holdings 1 Ltd)*	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Adam and Company Limited (i)	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
Société Mauricienne de Navigation Ltée (i)	Mauritius	Ordinary	Service provider	–	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 *(Formerly: 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	–
Ze Dodo Trail Ltd (ii)	Mauritius	Ordinary	Organiser of trails	100.00	–	100.00	–

(i) Companies are inactive
(ii) Companies are inactive and in process of deregistration

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	
	2023	2022	2023	2022	2023	2022	2023	2022
			Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lux Island Resorts Ltd	43.53%	43.53%	629,829	217,051	3,157,969	3,995,504	119,373	–
Camp Investment Company Limited	50.40%	50.40%	121,947	339,560	4,608,084	4,197,169	30,232	(185,504)
United Basalt Products Ltd	66.86%	66.86%	102,667	(33,918)	2,922,272	2,444,259	–	(60,523)
Chantier Naval de l'Océan Indien Ltd	36.17%	36.17%	121,809	87,036	1,090,576	937,159	56,658	(50,186)
Bluelife Limited	42.59%	42.59%	20,558	48,787	1,007,784	951,175	–	–
Individually immaterial subsidiaries with non-controlling interests			825,009	123,688	3,134,942	(344,873)	(1,146,238)	(81,719)
Total			1,821,819	782,204	15,921,627	12,180,393	(939,975)	(377,932)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Lux Island Resorts Ltd

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**2,860,616**	2,473,935
Non-current assets	**16,369,492**	14,700,802
Current liabilities	**3,385,199**	2,477,618
Non-current liabilities	**7,781,422**	8,075,148
Equity attributable to owners of the company	**3,445,235**	1,166,184
Convertible bonds	**1,460,283**	1,460,283
Non-controlling interests	**3,157,969**	3,995,504

	2023 Rs'000	2022 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	**7,773,333**	6,810,860
Expenses	**(6,326,449)**	(6,332,184)
Profit for the year	**1,446,884**	478,676
Profit for the year:		
– Profit attributable to owners of the company	**817,055**	261,625
– Profit attributable to the non-controlling interests	**629,829**	217,051
	1,446,884	478,676
Other comprehensive income for the year:		
– Other comprehensive income attributable to owners of the company	**186,487**	212,188
– Other comprehensive income attributable to the non-controlling interests	**143,753**	166,729
	330,240	378,917
Total comprehensive income for the year:		
– Total comprehensive income attributable to owners of the company	**1,003,542**	473,813
– Total comprehensive income attributable to the non-controlling interests	**773,582**	383,780
	1,777,124	857,593
Summarised statement of cash flows:		
Net cash inflow from operating activities	**1,768,469**	2,024,371
Net cash outflow from investing activities	**(1,188,930)**	(616,310)
Net cash outflow from financing activities	**(684,513)**	(101,139)
Net cash (outflow)/inflow for the year	**(104,974)**	1,306,922

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Camp Investment Company Limited

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**3,282,664**	2,740,527
Non-current assets	**5,871,249**	5,657,357
Current liabilities	**1,838,042**	1,811,415
Non-current liabilities	**1,216,448**	1,018,845
Equity attributable to owners of the company	**1,491,339**	1,370,455
Non-controlling interests	**4,608,084**	4,197,169

	2023 Rs'000	2022 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	**10,608,594**	9,014,922
Expenses	**(9,798,380)**	(8,561,457)
Profit for the year	**810,214**	453,465
Profit for the year:		
– Profit attributable to owners of the company	**688,267**	113,905
– Profit attributable to the non-controlling interests	**121,947**	339,560
	810,214	453,465
Other comprehensive income for the year:		
– Other comprehensive income attributable to owners of the company	**623**	64,979
– Other comprehensive income attributable to the non-controlling interests	**36,699**	209,281
	37,322	274,260
Total comprehensive income for the year:		
– Total comprehensive income attributable to owners of the company	**688,890**	178,884
– Total comprehensive income attributable to the non-controlling interests	**158,646**	548,841
	847,536	727,725
Summarised statement of cash flows:		
Net cash inflow from operating activities	**985,313**	784,077
Net cash outflow from investing activities	**(404,847)**	(298,407)
Net cash outflow from financing activities	**(717,350)**	(442,609)
Net cash (outflow)/inflow for the year	**(136,884)**	43,061

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

United Basalt Products Limited

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**2,033,885**	2,014,636
Non-current assets	**5,718,726**	4,394,790
Current liabilities	**2,235,265**	1,322,485
Non-current liabilities	**1,182,596**	1,615,533
Equity attributable to owners of the Company	**1,412,478**	1,027,149
Non-controlling interests	**2,922,272**	2,444,259

	2023 Rs'000	2022 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	**4,691,080**	4,073,535
Expenses	**(4,529,175)**	(4,130,248)
Profit/(loss) for the year	**161,905**	(56,713)
Profit/(loss) for the year		
– Profit/(loss) attributable to owners of the company	**59,238**	(22,795)
– Profit/(loss) attributable to the non-controlling interests	**102,667**	(33,918)
	161,905	(56,713)
Other comprehensive income for the year:		
– Other comprehensive income attributable to owners of the company	**229,866**	37,687
– Other comprehensive income attributable to the non-controlling interests	**476,618**	76,076
	706,484	113,763
Total comprehensive income for the year:		
– Total comprehensive income attributable to owners of the company	**289,104**	14,892
– Total comprehensive income attributable to the non-controlling interests	**579,285**	42,158
	868,389	57,050
Summarised statement of cash flows:		
Net cash inflow from operating activities	**538,215**	55,463
Net cash outflow from investing activities	**(840,148)**	(741,570)
Net cash inflow from financing activities	**247,267**	226,118
Net cash outflow for the year	**(54,666)**	(459,989)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Chantier Naval de l'Océan Indien Limited

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**881,092**	1,006,770
Non-current assets	**3,280,367**	2,879,340
Current liabilities	**409,630**	675,111
Non-current liabilities	**784,181**	568,921
Equity attributable to owners of the Company	**1,877,072**	1,704,919
Non-controlling interests	**1,090,576**	937,159

	2023 Rs'000	2022 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	**2,012,404**	1,454,545
Expenses	**(1,675,637)**	(1,201,324)
Profit for the year	**336,767**	253,221
Profit for the year:		
– Profit attributable to owners of the company	**214,958**	166,185
– Profit attributable to the non-controlling interests	**121,809**	87,036
	336,767	253,221
Other comprehensive income/(loss) for the year:		
– Other comprehensive income/(loss) attributable to owners of the company	**122,221**	(148,785)
– Other comprehensive income/(loss) attributable to the non-controlling interests	**69,258**	(84,311)
	191,479	(233,096)
Total comprehensive income for the year:		
– Total comprehensive income attributable to owners of the company	**337,179**	17,400
– Total comprehensive income attributable to the non-controlling interests	**191,067**	2,725
	528,246	20,125
Summarised statement of cash flows:		
Net cash inflow from operating activities	**288,834**	214,662
Net cash outflow from investing activities	**(342,610)**	(269,912)
Net cash (outflow)/inflow from financing activities	**(27,112)**	43,107
Net cash outflow for the year	**(80,888)**	(12,143)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Bluelife Limited

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	449,787	740,779
Non-current assets	5,075,631	2,639,666
Current liabilities	119,551	553,072
Non-current liabilities	2,980,046	625,845
Equity attributable to owners of the Company	1,418,037	1,250,353
Non-controlling interests	1,007,784	951,175

	2023 Rs'000	2022 Rs'000
Summarised statement of profit or loss:		
Revenue from contracts with customers	1,007,662	717,683
Expenses	(957,649)	(598,476)
Profit for the year	50,013	119,207
Profit for the year		
– Profit attributable to owners of the company	29,455	70,420
– Profit attributable to the non-controlling interests	20,558	48,787
	50,013	119,207
Other comprehensive income/(loss) for the year:		
– Other comprehensive income/(loss) attributable to owners of the company	36,649	(38,580)
– Other comprehensive income/(loss) attributable to the non-controlling interests	34,162	(28,569)
	70,811	(67,149)
Total comprehensive income for the year:		
– Total comprehensive income attributable to owners of the company	66,104	31,840
– Total comprehensive income attributable to the non-controlling interests	54,720	20,218
	120,824	52,058
Summarised statement of cash flows:		
Net cash inflow/(outflow) from operating activities	246,973	(181,100)
Net cash inflow from investing activities	178,737	64,236
Net cash inflow from financing activities	18,159	209,246
Net cash inflow for the year	50,076	92,382

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. INVESTMENTS IN ASSOCIATES

	2023 Rs'000	2022 Rs'000
(a) **THE GROUP**		
At 1 July	10,234,684	10,180,691
Additions	8,656,839	8,421
Additions - Deposit on capital	27,079	4,564
Disposals	–	(145,131)
Impairment losses (Note 33)	(1,752)	(259,942)
Share of results - continuing operations	2,329,782	870,570
Dividend income	(406,874)	(332,031)
Remeasurement of retirement benefit obligations (OCI)	47,122	(26,866)
Movement in fair value reserves (OCI)	378	495
Movement in revaluation reserves (OCI)	8,597	76,272
Movement in reserves of associated companies (OCI)	4,906	1,711
Movement in currency translation reserves (OCI)	68,782	(110,307)
Movement in other reserves	(332,844)	102,357
Other movements in retained earnings	346,602	(94,699)
Transfer of revaluation reserves to retained earnings	(13,758)	(5,204)
Movement in retained earnings - change in percentage holding	7,809	(72,175)
Effect of restructuring	(361,902)	–
Transfer to assets classified as held for sale (Note 21)	(7,424)	–
Transfer from other financial assets (Note 14)	–	35,958
At 30 June	20,608,026	10,234,684

At 30 June 2023, the Group has recognised impairment loss in respect of investment in Scimat Ltee due to recoverable amount being lower than carrying value.

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 Limitee (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 Limitee.

(b) **THE COMPANY**

	Listed Rs'000	Unquoted Rs'000	Total Rs'000
At FVTOCI			
At 1 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
At 1 July 2022	2,799,459	3,811,758	6,611,217
Additions	–	500	500
Effect of restructuring	(1,493,736)	–	(1,493,736)
Fair value adjustments	(580,328)	2,192,880	1,612,552
At 30 June 2023	725,395	6,005,138	6,730,533

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

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Cash consideration	6,634,168	12,985	500	9,762
Payable	2,049,750	–	–	–
	8,683,918	12,985	500	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 2023

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g)

Details of associates	Country of incorporation	Type of shares	2023 % held Direct	2023 % held Indirect	2022 % held Direct	2022 % held Indirect
AfrAsia Bank Limited	Mauritius	Ordinary	**30.29**	**–**	30.29	–
Alteo Ltd	Mauritius	Ordinary	**27.64**	**–**	27.64	–
Compagnie des Travaux Maritimes des Mascareignes Ltee	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	–
Energie des Mascareignes Limitée	Mauritius	Ordinary	**–**	**30.00**	–	30.00
Island Management Ltd	Mauritius	Ordinary	**25.00**	**–**	25.00	–
IBL Energy Efficiency Ltd	Mauritius	Ordinary	**–**	**35.00**	–	35.00
IBL Photovoltaic Solutions Ltd	Mauritius	Ordinary	**–**	**40.00**	–	40.00
Identical Media Holding Ltd	Mauritius	Ordinary	**–**	**10.48**	–	10.48
Madalg SARL	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 Limitee	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
Naivas International Ltd	Mauritius	Ordinary	**–**	**33.55**	–	–
Naivas Limited	Kenya	Ordinary	**–**	**33.55**	–	–
Nouvelle Clinique du Bon Pasteur	Mauritius	Ordinary	**–**	**27.57**	–	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**	**–**	50.00	–
Switch Energy Ltd	Mauritius	Ordinary	**–**	**21.27**	–	21.27
Price Guru Ltd	Mauritius	Ordinary	**–**	**–**	–	20.00
Victoria Station Ltd	Mauritius	Ordinary	**–**	**19.34**	–	19.34
Proxifresh Ltd	Mauritius	Ordinary	**50.00**	**–**	50.00	–
Cement Transport Ltd	Mauritius	Ordinary	**–**	**8.29**	–	8.29
Terrarock Ltd	Mauritius	Ordinary	**–**	**15.24**	–	15.24
Prochimad Mine et Carrières SARL	Madagascar	Ordinary	**–**	**11.27**	–	11.27
Compagnie Mauricienne d'Entreprise Ltee	Mauritius	Ordinary	**–**	**6.70**	–	6.70

(i) Companies are inactive

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:

	2023 Rs'000	2022 Rs'000
The Group's share of loss from continuing operations	**100,819**	206,665
The Group's share of other comprehensive (loss)/income	**(31,130)**	57,171
The Group's share of profit and total comprehensive income	**69,689**	777,836
Carrying amount of the Group's total interest in its associates	**662,829**	341,926

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

	2023 Rs'000	2022 Rs'000
Summarised statements of financial position:		
Current assets	**117,281,520**	149,032,981
Non-current assets	**114,306,209**	59,966,708
Current liabilities	**214,766,040**	191,198,510
Non-current liabilities	**1,372,931**	7,608,961
Equity attributable to other shareholders	**1,385,768**	1,385,768
Summarised statements of profit or loss:		
Net operating income	**8,288,979**	3,297,512
Profit for the year attributable to ordinary shareholders of the company	**5,878,570**	1,429,266
Other comprehensive income attributable to ordinary shareholders of the company	**4,351**	6,288
Total comprehensive income for the year attributable to ordinary shareholders of the company	**5,882,921**	1,435,554
Group's share of profit for the year of the associate	**1,738,878**	413,223
Group's share of total comprehensive income of the associate	**1,318**	1,905
Dividend income from associate	**147,990**	71,177

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

	2023 Rs'000	2022 Rs'000
Net assets of the associate attributable to the Group	**14,062,985**	8,806,450
Percentage holding by the Group (Note 12(g))	**30.29%**	30.29%
Share of net assets	**4,259,678**	2,667,474
Goodwill	**364,963**	364,963
Carrying value of the Group's share	**4,624,641**	3,032,437

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates (Continued)

Alteo Ltd

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**3,490,026**	13,284,244
Non-current assets	**18,743,658**	18,742,424
Current liabilities	**1,875,469**	9,335,611
Non-current liabilities	**2,487,090**	3,378,177
Equity attributable to other shareholders	**444,068**	1,747,076
Summarised statement of profit or loss:		
Revenue from contracts with customers	**4,392,167**	12,100,019
Profit for the year attributable to ordinary shareholders of the company	**5,029,192**	996,436
Other comprehensive income attributable to ordinary shareholders of the company	**330,292**	72,701
Total comprehensive income for the year attributable to ordinary shareholders of the company	**5,359,025**	1,069,137
Group's share of profit for the year of the associate	**258,234**	275,415
Group's share of total comprehensive income of the associate	**42,799**	17,641
Dividend income from associate	**33,657**	69,545

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

	2023 Rs'000	2022 Rs'000
Net assets of associate	**17,427,057**	17,565,804
Percentage holding by the Group (Note 12(g))	**27.64%**	27.64%
Share of net assets	**4,816,839**	4,855,188
Carrying value of the Group's share	**4,816,839**	4,855,188

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates (Continued)

Princes Tuna (Mauritius) Ltd

	2023 Rs'000	2022 Rs'000
Summarised statement of financial position:		
Current assets	**5,219,184**	4,321,138
Non-current assets	**2,705,564**	2,620,664
Current liabilities	**2,921,797**	2,601,008
Non-current liabilities	**530,566**	496,586
Equity attributable to other shareholders	**4,472,385**	289,194
Summarised statement of profit or loss:		
Revenue from contracts with customers	**12,771,659**	10,465,002
Profit/(loss) for the year attributable to ordinary shareholders of the company	**333,500**	(56,622)
Other comprehensive (loss)/income attributable to ordinary shareholders of the company	**(339,452)**	89,803
Total comprehensive (loss)/income for the year attributable to ordinary shareholders of the company	**(5,952)**	33,181
Group's share of profit/(loss) for the year of the associate	**201,255**	(24,732)
Group's share of total comprehensive income of the associate	**114,953**	14,493
Dividend income from associate	**–**	36,223

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

	2023 Rs'000	2022 Rs'000
Net assets of associate attributable to the Group	**4,278,934**	3,555,014
Pecentage holding by the Group (Note 12(g))	**43.68%**	43.68%
Share of net assets	**1,868,039**	1,552,830
Goodwill	**393,753**	452,303
Carrying value of the Group's share	**2,261,792**	2,005,133

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(i) Details of significant associates (Continued)

Naivas Ltd

	2023 Rs'000
Summarised statement of financial position:	
Current assets	4,319,657
Non-current assets	7,018,770
Current liabilities	4,985,848
Non-current liabilities	3,935,653
Equity attributable to other shareholders	2,416,926
Summarised statement of profit or loss:	
Revenue from contracts with customers	31,989,132
Profit for the year attributable to ordinary shareholders of the company	819,814
Other comprehensive income attributable to ordinary shareholders of the company	–
Total comprehensive income for the year attributable to ordinary shareholders of the company	819,814
Group's share of profit for the year of the associate	30,596
Group's share of total comprehensive income of the associate	(92,412)
Dividend income from associate	182,200

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

	2023 Rs'000
Net assets of associate attributable to the Group	2,778,215
Percentage holding by the Group (Note 12(g))	40.00%
Share of net assets	1,111,286
Goodwill	7,130,639
Carrying value of the Group's share	8,241,925

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
At July 1	109,104	90,950	406,932	382,625
Additions	366,852	29,061	–	–
Share of results – continuing operations	176,413	34,986	–	–
Dividends	(96,122)	(50,000)	–	–
Impairment loss (Note 33)	(13,961)	–	–	–
Remeasurement of retirement benefit obligations (OCI)	(1,310)	4,107	–	–
Movement in other reserves (OCI)	(2,203)	–	–	–
Movement in currency translation reserve (OCI)	(99,022)	–	–	–
Fair value movement	–	–	(309,615)	24,307
Other movement in retained earnings	(35,269)	–	–	–
Effect of restructuring	351,389	–	1,520,146	–
At 30 June	755,871	109,104	1,617,463	406,932

During the year, the Board of Directors of Alteo Limited, announced its decision to separate Alteo Group into two distinct listed groups namely Miwa Sugar Limited and Alteo Limited. The restructuring was carried out by way of a Scheme of Arrangement under Section 261 to 264 of the Mauritius Companies Act 2001 by way of demerger and asset split. Upon implementation of the Scheme, the Company received Ordinary shares and Class A shares in Miwa Sugar Limited. The impact of the restructuring has been reflected in Note 12 and Note 13.

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 (2022: nil).

Details of joint ventures	Type of Shares	Country of incorporation	Type of investment	Percentage held	
				2023	2022
City Brokers Ltd	Ordinary	Mauritius	Direct	50.00	50.00
Miwa Sugar Limited	Ordinary	Mauritius	Direct	27.64	–
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	50.00	50.00
Panacea Pharma Ltee	Ordinary	Mauritius	Indirect	50.00	50.00
Laboratoire d'Innovations Phyto-Aromatiques Ltee	Ordinary	Mauritius	Indirect	50.00	50.00
Energy Pulse Ltd	Ordinary	Mauritius	Indirect	51.00	–
E-Motion Recharge Solutions Ltd	Ordinary	Mauritius	Indirect	50.00	–
JV Enerfund	Ordinary	Mauritius	Indirect	60.00	–
Enerfund LLP	Ordinary	Kenya	Indirect	51.00	–

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

	2023 Rs'000	2022 Rs'000
The Group's share of loss from continuing operations	37,629	34,986
The Group's share of other comprehensive (loss)/income	(277)	4,107
The Group's share of profit and total comprehensive income	37,352	39,093
Carrying amount of the Group's total interest in its joint ventures	267,907	109,104

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Details of significant joint ventures

Miwa Sugar Ltd

	2023 Rs'000
Summarised statement of financial position:	
Current assets	4,792,498
Non-current assets	5,647,061
Current liabilities	3,643,954
Non-current liabilities	4,106,560
Equity attributable to other shareholders	923,617
Summarised statement of profit or loss:	
Revenue from contracts with customers	6,369,035
Profit for the year attributable to ordinary shareholders of the company	503,147
Other comprehensive income attributable to ordinary shareholders of the company	242,187
Total comprehensive income attributable to ordinary shareholders of the company	745,335
Group's share of profit for the year of the joint venture	139,061
Group's share of total comprehensive income of the joint venture	(102,535)
Dividend income from joint venture	70,922

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

	2023 Rs'000
Net assets of joint venture	1,765,427
Percentage holding by the Group (Note 12(g))	27.64%
Share of net assets	487,964
Carrying value of the Group's share	487,964

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 1 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
At 1 July 2022	**404,343**	**348,453**	**481,966**	**1,234,762**
Additions	**285,128**	**69,661**	**176,110**	**530,899**
Disposals	**(212,779)**	**(180,651)**	**(104,560)**	**(497,990)**
Fair value adjustments	**34,813**	**34,279**	**–**	**69,092**
Translation differences	**5,910**	**850**	**8,836**	**15,596**
Transfer to held for sale (Note 21)	**–**	**–**	**(44,668)**	**(44,668)**
Accrued interest during the year	**–**	**–**	**1,305**	**1,305**
Expected credit losses (Note (i))	**–**	**–**	**2,310**	**2,310**
At 30 June 2023	**517,415**	**272,592**	**521,299**	**1,311,306**

Analysed as follows:	2023	2022
	Rs'000	Rs'000
Current	69,211	256,183
Non-current	1,242,095	978,579
	1,311,306	1,234,762
Analysed as follows:		
Listed	558,322	576,065
Unquoted	752,984	658,697
	1,311,306	1,234,762

THE COMPANY	Equity securities designated at FVTOCI	Total
	Rs'000	Rs'000
At 1 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
At 1 July 2022	**125,221**	**125,221**
Additions	**4,500**	**4,500**
Fair value adjustments	**(31,323)**	**(31,323)**
At 30 June 2023	**98,398**	**98,398**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. OTHER FINANCIAL ASSETS (CONTINUED)

	Listed		Unquoted	
	2023	2022	**2023**	2022
Analysed as follows:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At 1 July	**36,457**	32,805	**88,764**	69,495
Additions	**–**	–	**4,500**	13,590
Fair value adjustments	**414**	3,652	**(31,737)**	5,679
At 30 June	**36,871**	36,457	**61,527**	88,764

(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 (2022: nil).

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials	**1,763,738**	1,297,260	**–**	–
Spare parts and consumables	**695,288**	608,365	**735**	769
Work in progress - others	**332,109**	534,247	**–**	–
Work in progress - property	**361,972**	497,081	**–**	–
Finished goods	**4,855,764**	4,303,634	**1,414,804**	1,295,410
Goods in transit	**782,246**	748,056	**515,197**	282,655
Stock of land for sale	**37,866**	88,551	**–**	–
	8,828,983	8,077,194	**1,930,736**	1,578,834

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 2,733.3 million (2022: Rs 2,982.4 million) for the Group and Rs 1,414.8 million (2022: Rs 1,295.4 million) for the Company. The cost of inventories recognised as an expense includes an amount of Rs 3,230.92 million (2022: Rs 82.4 million) in respect of write down of inventories to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 1 July 2021	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
At 1 July 2022	**4,174,098**	**512,862**	**199,921**	**29,356**	**4,916,237**	**29,056**	**33,217**	**62,273**
Additions for the year	**1,006,713**	**64,492**	**279,239**	**2,046**	**1,352,490**	**15,795**	**34,874**	**50,669**
Termination of lease	**(26,245)**	**(24,960)**	**(13,618)**	**(1,018)**	**(65,841)**	**–**	**(11,308)**	**(11,308)**
Reversal Impairment of leased assets (Note (i) and 33)	**57,832**	**–**	**–**	**–**	**57,832**	**–**	**–**	**–**
Reassessment of leases (Note (ii))	**175,986**	**–**	**–**	**–**	**175,986**	**–**	**–**	**–**
Transfer to property, plant and equipment (Note 4)	**–**	**(5,121)**	**(1,159)**	**–**	**(6,280)**	**–**	**–**	**–**
Transfer from held for sale (Note 21)	**28,519**	**–**	**–**	**–**	**28,519**	**–**	**–**	**–**
Exchange differences	**82,980**	**(3,358)**	**2,666**	**–**	**82,288**	**–**	**–**	**–**
Depreciation charge for the year	**(442,131)**	**(56,721)**	**(161,327)**	**(1,042)**	**(661,221)**	**(16,398)**	**(10,279)**	**(26,677)**
At 30 June 2023	**5,057,752**	**487,194**	**305,722**	**29,342**	**5,880,010**	**28,453**	**46,504**	**74,957**

(i) One of the subsidiaries of the Group has reversed impairment loss previously booked, upon review of the cash flow projections on the economic viability of the right of use assets.

(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 2023

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

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**4,616,125**	4,586,594	**68,171**	76,883
Additions for the year	**1,359,797**	246,187	**50,168**	13,534
Acquisition of subsidiaries (Note 38(a))	**1,709**	391,787	**–**	–
Interest expense (Note 32)	**383,574**	345,349	**3,952**	4,128
Termination of lease	**(133,638)**	(3,843)	**(13,653)**	–
Reassessment of lease liability (Note a(ii))	**178,969**	42,162	**–**	–
Transfer from assets classified as held for sale	**39,739**	(39,739)	**–**	–
Lease payment	**(1,014,715)**	(920,592)	**(28,794)**	(26,374)
Exchange differences	**101,986**	(31,780)	**–**	–
At 30 June	**5,533,546**	4,616,125	**79,844**	68,171

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Analysed as follows:				
Current	**525,055**	578,499	**39,864**	22,553
Non-current	**5,008,491**	4,037,626	**39,980**	45,618
	5,533,546	4,616,125	**79,844**	68,171

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

The following are the amounts recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation charge of right of use assets	**661,221**	580,944	**26,677**	24,528
Interest expense on lease liabilities (Note 32)	**383,574**	345,349	**3,952**	4,128
Total amount recognised in profit or loss	**1,044,795**	926,293	**30,629**	28,656

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 1,015 million (2022: Rs 920 million) and Rs 29 million (2022: Rs 26 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

(c) Minimum lease payments:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	**725,436**	778,880	**31,752**	19,375
After one year but not more than five years	**2,559,298**	2,801,267	**57,044**	70,431
More than five years	**14,477,232**	11,993,091	**–**	–
	17,761,966	15,573,238	**88,796**	89,806
Less: future finance charges	**(12,228,420)**	(10,957,113)	**(8,952)**	(21,635)
Present value of lease obligations	**5,533,546**	4,616,125	**79,844**	68,171

The present value of liabilities may be analysed as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	**525,055**	578,499	**39,864**	22,553
After one year but not more than five years	**2,196,034**	2,438,003	**20,181**	45,618
More than five years	**2,812,457**	1,599,623	**19,799**	–
	5,533,546	4,616,125	**79,844**	68,171

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Lease liabilities	**1.0% – 8.25%**	3.0% – 8.0 %	**1.0% – 8.25%**	3.0% – 8.0%

During the year under review, the Group has taken exemption for short-term lease accounting amounting to Rs 5.4 million (2022: 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 2023

17(a) NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amount due from related parties (Note (a))	**–**	–	**192,328**	189,086
Loan receivable	**–**	–	**399,697**	206,858
Less: Provision for expected credit losses (Note (b))	**–**	–	**(270,740)**	(242,626)
Other amounts receivable (Note (c))	**100,397**	79,288	**–**	–
Other assets	**1,500**	1,500	**1,500**	1,500
At 30 June	**101,897**	80,788	**322,785**	154,818

(i) Amount due from related parties

The Company has 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 165 million (2022: Rs 240 million) are interest-free while remaining balances of Rs 323 million (2022: Rs 156 million) bear interest at rates ranging from 4% to 8% (2022: 4% to 8%). 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 years ended 30 June 2022 and 2023, several balances due from related parties were converted into equity investments.

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

	THE GROUP	THE COMPANY
	Rs'000	**Rs'000**
At 1 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
At 1 July 2022	**–**	**242,626**
Increase in loss allowance recognised in profit or loss during the year	**–**	**28,114**
At 30 June 2023	**–**	**270,740**

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

Other receivables also include an amount of Rs 48,187,000 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 SAS 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%.

(iv) Management has assessed ECL on other amounts receivable and other financial assets and the ECL amount is insignificant (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17(b) ADVANCE TOWARDS EQUITY

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**–**	–	**–**	–
Additions	**637,975**	–	**1,403,341**	–
At 30 June	**637,975**	–	**1,403,341**	–

Advance towards equity relates to funds disbursed for investments for which shares have not yet been alloted.

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables (Note (a))	**5,105,189**	4,483,299	**777,464**	631,453
Trade receivables from related parties	**332,941**	223,716	**377,714**	454,170
Less: Allowance for expected credit losses	**(717,075)**	(718,054)	**(64,552)**	(74,575)
	4,721,055	3,988,961	**1,090,626**	1,011,048
Other receivables	**2,658,048**	1,501,227	**353,875**	93,040
Less: Allowance for expected credit losses (Note (b))	**(22,289)**	(10,610)	**(4,902)**	–
Prepayments	**610,960**	436,340	**73,039**	44,598
Tax receivables (VAT, TDS, etc.)	**300,902**	120,658	**46,810**	9,877
Dividend receivable	**93,300**	68,223	**524,124**	475,568
	8,361,976	6,104,799	**2,083,572**	1,634,131

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and 30 June 2022:

THE GROUP

		Number of days past due									
	Not past due	**< 30**	**31 – 60**	**61 – 90**	**91 – 120**	**121 – 150**	**151 – 180**	**181 – 270**	**271 – 360**	**> 360**	**Total**
At 30 June 2023											
Expected credit loss rate (%)	**0–0.08**	**0–0.06**	**0–65**	**0–74**	**0–26**	**0–17**	**0–18**	**0–19**	**0–4.7**	**0–63**	
Expected total gross carrying amount at default (Rs'000)	**2,758,389**	**963,274**	**427,127**	**216,996**	**206,096**	**89,393**	**33,611**	**81,401**	**64,920**	**596,923**	**5,438,130**
Lifetime ECL (Rs'000)	**(64,755)**	**(25,601)**	**(16,054)**	**(16,869)**	**(93,772)**	**(9,207)**	**(11,265)**	**(40,386)**	**(38,318)**	**(400,848)**	**(717,075)**
At 30 June 2022											
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	1,854,451	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)

THE COMPANY

		Number of days past due									
	Not past due	**< 30**	**31 – 60**	**61 – 90**	**91 – 120**	**121 – 150**	**151 – 180**	**181 – 270**	**271 – 360**	**> 360**	**Total**
At 30 June 2023											
Expected credit loss rate (%)	**0–0.1**	**0–0.06**	**0–62**	**0–17**	**0–12**	**0–15**	**0–1.4**	**0–0.1**	**0**	**0–63**	
Expected total gross carrying amount at default (Rs'000)	**781,521**	**221,370**	**35,209**	**12,564**	**4,526**	**46,524**	**3,871**	**1,356**	**1,324**	**46,913**	**1,155,178**
Lifetime ECL (Rs'000)	**(33,927)**	**(4,274)**	**(1,767)**	**(869)**	**(617)**	**(3,201)**	**(3,209)**	**(12,521)**	**–**	**(4,167)**	**(64,552)**
At 30 June 2022											
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	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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and 30 June 2022 per industry groups:

THE GROUP

At 30 June 2023	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	**79,706**	**1,393,996**	**3,876,117**	**672,631**	**511,763**	**125,509**	**292,581**	**128,463**	**246,142**	**157,696**	**(2,046,474)**	**5,438,130**
Lifetime ECL	**–**	**(219,775)**	**(367,453)**	**(46,617)**	**(36,617)**	**(16,263)**	**(10,878)**	**(20,449)**	**–**	**(23,344)**	**24,321**	**(717,075)**
At 30 June 2022												
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)

THE COMPANY

At 30 June 2023	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	**–**	**–**	**1,004,257**	**–**	**–**	**–**	**3,534**	**–**	**–**	**147,387**	**–**	**1,155,178**
Lifetime ECL	**–**	**–**	**(41,208)**	**–**	**–**	**–**	**–**	**–**	**–**	**(23,344)**	**–**	**(64,552)**
At 30 June 2022												
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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	Individually assessed	Total
	Rs'000	Rs'000	Rs'000
At 1 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
At 1 July 2022	**414,113**	**303,941**	**718,054**
Increase/(decrease) in loss allowance	**34,882**	**(36,321)**	**(1,439)**
Transfer to assets held for sale	**7,428**	**–**	**7,428**
Acquisition of subsidiaries	**715**	**–**	**715**
Reclassification	**(140,521)**	**140,521**	**–**
Amounts written off	**(3,382)**	**(3,678)**	**(7,060)**
Amounts recovered during the year	**(7,964)**	**(10,311)**	**(18,275)**
Net foreign exchange loss	**2,763**	**14,888**	**17,651**
At 30 June 2023	**308,035**	**409,040**	**717,075**

THE COMPANY	Collectively assessed	Individually assesed	Total
	Rs'000	Rs'000	Rs'000
At 1 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
At 1 July 2022	**27,160**	**47,415**	**74,575**
Decrease in loss allowance	**(5,673)**	**(2,547)**	**(8,220)**
Reclassification	**28,949**	**(28,949)**	**–**
Amounts recovered during the year	**4,777**	**(6,580)**	**(1,803)**
At 30 June 2023	**55,213**	**9,339**	**64,552**

(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	THE COMPANY
	Rs'000	Rs'000
At 1 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	–
At 1 July 2022	**10,610**	**–**
Increase in loss allowance	**17,187**	**4,902**
Amounts recovered during the year	**(5,508)**	**–**
At 30 June 2023	**22,289**	**4,902**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19. DIVIDENDS

On 05 December 2022, the Board of Directors declared an interim dividend of Rs 0.16 per share (2022: Rs 0.15 per share) which was paid on 30 December 2022. On 06 June 2023 a final dividend of Rs 0.50 per share (2022: Rs 0.45 per share) was declared and paid on 10 July 2023. The total dividends declared for the year amounted to Rs 448.9 million (2022: Rs 408.1 million). The Company had a dividend payable of Rs 340.1 million at 30 June 2023 (2022: Rs Nil).

20.(a) STATED CAPITAL

The Group and the Company

Issued and fully paid	2023 Rs'000	2022 Rs'000
At 30 June 2023: 680,224,040 ordinary shares of no par value (2022: 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 2022 and 2023.

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, Lux Island Resorts Ltd signed a subscription agreement 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 have mutually agreed to reduce the subscription amount to Rs 920 million (92 bonds).

During the financial year 2022, the Group, through one of its subsidiary companies, Merville Limited also signed an agreement with the MIC to issue redeemable convertible bonds for a total amount of Rs 700 million comprising of 70 bonds of Rs 10 million each. Only Rs 550 million out of the total amount of Rs 700 million have been subscribed for up to date.

The key terms and conditions of the funding arrangements for Lux Island Resorts Ltd and Merville Limited are as follows:

- The maturity date is 9 years from disbursement of the first tranche of the subscription proceeds
- The conversion has been pre-determined prior to subscription
- Interest rates are as follows:

(a) 3.00% p.a. over the duration of the bonds for Lux Island Resorts Ltd (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.

(b) the key repo rate plus 2.25% but subject to a floor of 4.10% p.a.over the duration of the bonds for Merville Limited (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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

20 (c). CONVERTIBLE BONDS (CONTINUED)

The Group (Continued)

The option price shall be determined as follows:

- if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount.
- if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.
- all outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

The number of shares to be issued shall be determined as per below formula:

[(A+B)/C]

- A is the nominal amount of all bonds held by the subscriber
- B is equal to the amount of outstanding and unpaid interest in relation to the bonds held by the subscriber, and
- C is the conversion price which has been set at Rs 33.52 and Rs 405 for Lux Island Resorts Ltd and Merville Limited respectively.

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. Hence all the assets and liabilities of the entity were classified as held for sale as at 30 June 2022. However, in financial year 2023, the authorities of Reunion Island made an offer to LIR so that the latter can acquire the land on which the resort has been constructed. Negotiations to sell the hotel have been closed and hence the hotel's assets and liabilities are no longer classified as held for sale and have been reclassified to their respective class of assets and liabilities at start of the current year.

(b) **UBP Madagascar**

UBP had the intention to sell its Malagasy subsidiary, UBP Madagascar and had initiated an active programme to locate a buyer as from 01 November 2021. As a result the entity had been classified as a disposal group held for sale and presented separately in the statement of financial position for the years ended 30 June 2022 and 2021. As at reporting date, no buyer has been identified and no deal has been completed and as per the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, UBP Madagascar is now presented under continuing operations in the statement of profit or loss and other comprehensive income.

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

In June 2021, UBP initiated an active programme to locate a buyer following its intention to sell its Sri Lankan subsidiary, United Granite Products (Private) Limited. This operation, which was expected to be sold within 12 months, was classified as a disposal group held for sale and presented separately in UBP's consolidated 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 beyond the Group's control took place and further complicated the negotiations. Management remained committed to their plan to sell UGPL which continued to be classified as a disposal group held for sale and presented separately in UBP's consolidated statement of financial position at 30 June 2022.

However, at 30 June 2023, no potential buyer was identified and no deal has been completed and UGPL is now presented under continuing operations in the statement of profit or loss and other comprehensive income since the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are not met.

(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 and these investment properties of CSHL were 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 were sold in the first quarter of the year ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

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

APPL owns bare land in the state of Kerala in India. On 1 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 expects to complete the sale during the financial year ending 30 June 2024.

(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 for the year ended 30 June 2022.

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

SHL entered into a voluntary administration in February 2021. Consequently, The Lux Collective Ltd ("TLC") lost control over the activities of SHL. TLC had 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 financial year 2022, SHL exited from the voluntary administration, as explained in Note 38(a), and the restructured SALT Hospitality Ltd was consolidated effective as from 5 January 2022.

(h) **Hotel Le Récif**

On 1 August 2020, LIR had finalised the sale of Hotel Le Récif, 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 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 as the disposal proceeds exceeds 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 264.5m. This resulted in a gain on disposal of Rs 12.5m at 30 June 2021. Cash proceeds upon disposal of Hotel Le Récif was Rs 231.1m. Total fair value of consideration was Rs 277m.

As per the deed of sale of SAS Hotel Le Récif, an amount of EUR 1 million (Rs 45.9m) is receivable 4 years after effective date of transfer. Furthermore, a contingent fee of EUR 1 million is receivable upon Hotel le Recif 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 at its net present value using an effective discount rate of 3%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

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

	THE GROUP	
	2023 Rs'000	2022 Rs'000
Assets		
Property, plant and equipment (Note (i))	**58,674**	554,318
Investment property (Note (ii))	**24,271**	31,055
Intangible assets (Note (iii))	**–**	1,123
Right of use assets (Note (iv))	**–**	28,519
Investments in associates	**7,424**	–
Other financial assets	**44,668**	–
Inventories	**–**	41,071
Trade and other receivables	**–**	49,650
Cash and cash equivalents	**–**	122,820
Assets classified as held for sale	**135,037**	828,556
Liabilities		
Borrowings	**–**	147,608
Retirement benefit obligations (Note (v))	**–**	14,446
Current tax liabilities	**–**	870
Lease liabilities	**–**	39,739
Trade and other payables	**–**	251,918
Liabilities associated with assets classified as held for sale	**–**	454,581

The results for the years ended 30 June 2023 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	
	2023 Rs'000	2022 Rs'000
Revenue	**–**	189,183
Cost of sales	**–**	(139,787)
Gross profit	**–**	49,396
Other income	**–**	52,532
Administrative expenses	**–**	(97,789)
Operating profit	**–**	4,139
Finance costs	**–**	(11,747)
Other gains and losses	**–**	30,731
Profit before tax	**–**	23,123
Tax expense	**–**	–
Profit for the year from discontinued operations	**–**	23,123
Attributable to:		
· Owners of the Company		14,769
· Non-controlling interests		8,354
	–	23,123

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Movement in the assets during the year ended 30 June 2023:

		THE GROUP	
		2023 Rs'000	2022 Rs'000
(i)	Property, plant and equipment		
	Carrying amount at 1 July	**554,318**	466,540
	Additions	**–**	1,210
	Impairment of assets	**–**	(7,414)
	Depreciation for the year	**–**	(5,854)
	Disposal of subsidiary	**–**	(363,612)
	Disposal of assets	**–**	(1,600)
	Transfer (to)/from property, plant and equipment (Note 4)	**(495,644)**	476,751
	Translation differences	**–**	(11,703)
	Carrying amount at 30 June	**58,674**	554,318
(ii)	Investment property		
	Carrying amount at 1 July	**31,055**	109,219
	Transfer from investment property	**24,271**	–
	Disposal of assets	**(31,055)**	(78,164)
	Carrying amount at 30 June	**24,271**	31,055
(iii)	Intangible assets		
	Carrying amount at 1 July	**1,123**	211
	Transfer (to)/from intangible assets (Note 6)	**(1,123)**	1,123
	Amortisation for the year	**–**	(137)
	Disposal of subsidiary	**–**	(74)
	Carrying amount at 30 June	**–**	1,123
(iv)	Right of use assets		
	Carrying amount at 1 July	**28,519**	79,389
	Depreciation charge for the year	**–**	(996)
	Disposal of subsidiary	**–**	(78,393)
	Transfer (to)/from right of use assets (Note 16)	**(28,519)**	28,519
	Carrying amount at 30 June	**–**	28,519
(v)	Retirement benefit obligations		
	Carrying amount at 1 July	**14,446**	1,411
	Movement for the year – profit or loss	**–**	(446)
	Disposal of subsidiary	**–**	13,481
	Transfer to retirement benefit obligations (Note 24)	**(14,446)**	–
	Carrying amount at 30 June	**–**	14,446

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Within one year	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Secured bank overdrafts	**1,472,517**	897,156	**256,351**	6,748
Unsecured bank overdrafts	**1,316,541**	2,219,938	**1,313,213**	2,201,632
Secured bank loans	**7,975,115**	1,399,363	**5,911,419**	–
Unsecured borrowings	**58,591**	66,209	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**10,298**	1,032,345	**–**	1,032,345
Bonds and notes issued	**655,975**	1,012,108	**–**	1,001,479
Borrowings – Current	**11,489,037**	6,627,119	**7,480,983**	4,242,204
After one year and before two years				
Secured bank loans	**1,613,364**	1,485,957	**–**	–
Unsecured borrowings	**12,000**	–	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**3,000,000**	–	**3,000,000**	–
Bonds and notes issued	**–**	650,000	**–**	–
	4,625,364	2,135,957	**3,000,000**	–
After two years and before five years				
Secured bank loans	**2,852,802**	2,837,626	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**4,731,390**	5,000,000	**4,731,390**	5,000,000
	7,584,192	7,837,626	**4,731,390**	5,000,000
After five years				
Secured bank loans	**2,203,855**	2,569,954	**–**	–
Unsecured borrowings	**1,665**	3,413	**–**	–
Bonds secured by floating charges (Note (b)(iii))	**3,268,610**	3,000,000	**3,268,610**	3,000,000
Bonds and notes issued	**3,037,000**	2,579,000	**–**	–
	8,511,130	8,152,367	**3,268,610**	3,000,000
Borrowings – Non-current	**20,720,686**	18,125,950	**11,000,000**	8,000,000
Total borrowings	**32,209,723**	24,753,069	**18,480,983**	12,242,204

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22. BORROWINGS (CONTINUED)

(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 2023 and 2022, there has been no breach of bank covenants by the Group and the Company.

(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 9 billion.

In September 2017, the Company issued the first Series of notes, in 4 tranches for an aggregate nominal amount of Rs 2 billion (in Mauritian Rupees) 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 08 September 2022, notes with maturity period of 5 years aggregating to Rs 1 billion were fully repaid.

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. The notes issued aggregating to Rs 2 billion are listed on the Stock Exchange of Mauritius and the fair value of these notes at 30 June 2023 amounted to Rs 2.01 billion (2022: Rs 2.01 billion).

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.

On 09 March 2023, the Company issued notes for an aggregate amount of Rs 3 billion (in Mauritian Rupees) which are secured by floating charges on the assets of the Company. Tenor period ranges from 4 to 7 years and interest is payable quarterly at fixed rates. The notes are listed on the Stock Exchange of Mauritius and the fair value 2023 amounts to Rs 3 billion.

(iv) The Company had also issued a promissory note of Rs1 billion to a financial institution which has been repaid during the year.

(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 2023, the outstanding balance was Rs 2.75 billion (2022 : Rs 2.30 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 be 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 2023

22. BORROWINGS (CONTINUED)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Secured borrowings	**1.50% – 7.05%**	1.45% – 7.75%	**5.40 – 5.70%**	4.50%
	PLR + (0.53% – 7.14%)	PLR + (0.53% – 7.14%)	**–**	–
	–	LIBOR + (1.25% – 5.00%)	**–**	–
	EURIBOR + (1.30% – 5.00%)	EURIBOR + (1.30% – 4.50%)	**–**	–
	–	PLR – (1.00% – 4.95%)	**–**	–
	SOFR + (2.75% – 5.00%)	–	**SOFR + 3.50 %**	–
Unsecured borrowings	**3.25% – 7.00%**	3.25% – 7.00%	**–**	2.00% – 4.95%
	PLR + (1.00 % – 4.00%)	PLR + (0.25% – 5.00%)	**–**	–
Bonds and Notes	**4.00% – 6.25%**	4.00% – 7.50%	**4.00% – 6.25%**	4.00% – 5.50%
	Repo + (1.00 – 2.05%)	Repo + (0.75% – 2.05%)	**Repo + (0.75% – 2.05%)**	Repo + (0.75% – 2.05%)

(d) 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 statements of cash flows.

THE GROUP			Non-cash changes							
	At 1 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))	
2023										
Bank loans	**8,292,900**	**5,827,686**	**–**	**–**	**137,108**	**–**	**236,974**	**147,608**	**2,860**	**14,645,136**
Other borrowings	**69,622**	**(2,227)**	**4,822**	**–**	**–**	**–**	**–**	**–**	**39**	**72,256**
Bonds and notes	**13,273,453**	**1,413,553**	**–**	**–**	**–**	**–**	**–**	**–**	**16,267**	**14,703,273**
Lease liabilities	**4,616,125**	**(631,141)**	**1,709**	**–**	**–**	**1,359,797**	**101,986**	**39,739**	**45,331**	**5,533,546**
	26,252,100	**6,607,871**	**6,531**	**–**	**137,108**	**1,359,797**	**338,960**	**187,347**	**64,497**	**34,954,211**
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22. BORROWINGS (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities (Continued)

THE COMPANY			Non-cash changes		
	At 1 July	Financing cash flows	New leases	Others	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023				(Note (ii))	
Other borrowings	**–**	**5,882,688**	**–**	**28,731**	**5,911,419**
Bonds and notes	**10,033,824**	**966,176**	**–**	**–**	**11,000,000**
Lease liabilities	**68,171**	**(28,795)**	**50,168**	**(9,700)**	**79,844**
	10,101,995	**6,820,069**	**50,168**	**19,031**	**16,991,263**
2022					
Other borrowings	84,594	(84,594)	–	–	–
Bonds and notes	10,032,844	–	–	980	10,033,824
Lease liabilities	76,883	(26,374)	13,534	4,128	68,171
	10,194,321	(110,968)	13,534	5,108	10,101,995

(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.

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Long term incentive scheme (Note (a))	**79,709**	155,420	**51,673**	100,335
Other payables	**15,173**	25,396	**–**	11,273
	94,882	180,816	**51,673**	111,608
Analysed as follows:				
Current	**35,144**	45,047	**22,667**	27,515
Non-current	**59,738**	135,769	**29,006**	84,093
	94,882	180,816	**51,673**	111,608

IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 1 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 1 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Amounts recognised in the statements of financial position:				
Defined benefit plans (Note (i))	**1,138,583**	1,302,174	**607,322**	734,351
Other retirement benefits (Note (ii))	**1,212,723**	941,666	**167,907**	99,912
	2,351,306	2,243,840	**775,229**	834,263
DB plan allocated to related companies	**(6,026)**	(8,173)	**(181,191)**	(250,400)

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 1 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 2023 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 for expected credit losses (ECL) on the employee benefit assets and ECL are deemed to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

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

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Amounts recognised in the statements of financial position:				
Present value of funded obligation	**3,231,664**	3,549,787	**1,672,180**	1,841,729
Present value of unfunded obligation	**238,180**	106,791	**46,814**	9,941
Fair value of plan assets	**(2,331,261)**	(2,354,404)	**(1,111,672)**	(1,117,319)
Liability recognised in the statements of financial position	**1,138,583**	1,302,174	**607,322**	734,351
DB plan allocated to related companies	**(6,026)**	(8,173)	**(181,191)**	(250,400)

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

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
At 1 July	**1,302,174**	1,217,056	**734,351**	627,125
Amount recognised in profit or loss	**126,472**	125,606	**61,557**	53,691
Amount recognised in other comprehensive income	**(130,430)**	100,809	**(110,466)**	153,645
Acquisition of subsidiaries (Note 38(a))	**-**	21,321	**-**	-
Contributions and direct benefit paid	**(159,633)**	(162,618)	**(78,120)**	(100,110)
At 30 June	**1,138,583**	1,302,174	**607,322**	734,351

Amounts recognised in:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
- Statements of profit or loss:				
Current service cost	**73,493**	76,035	**32,351**	28,816
Net interest cost	**52,979**	49,571	**29,207**	24,875
	126,472	125,606	**61,558**	53,691
Allocated to related companies	**(209)**	(600)	**(12,936)**	(20,008)
Components of amount recognised in profit or loss	**126,263**	125,006	**48,622**	33,683
- Statements of other comprehensive income:				
Return on plan assets (excluding amounts included in net interest expense)	**29,788**	58,416	**22,780**	76,978
Actuarial (gain)/loss arising from changes in financial assumptions	**(364,694)**	31,334	**(222,113)**	45,402
Actuarial loss arising from experience adjustments	**204,476**	11,059	**88,867**	31,265
	(130,430)	100,809	**(110,466)**	153,645
Allocated to related companies	**(1,584)**	(2,002)	**57,776**	(51,023)
Components of amount recognised in other comprehensive income	**(132,014)**	98,807	**(52,690)**	102,622
Total	**(5,751)**	223,813	**(4,068)**	136,305

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (Continued)

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
At 1 July	**3,656,578**	3,513,962	**1,851,670**	1,796,784
Current service cost	**69,213**	66,540	**28,815**	22,413
Interest cost	**150,656**	150,989	**75,076**	74,001
Curtailment or settlement loss	**(5,020)**	–	**–**	–
Benefits paid	**(333,562)**	(201,514)	**(103,321)**	(118,195)
Actuarial loss arising from experience adjustments	**204,476**	11,059	**88,867**	31,265
Actuarial (gain)/loss arising from changes in financial assumptions	**(335,108)**	23,450	**(222,113)**	45,402
Transfer of liabilities to Annuity Fund	**45,903**	48,156	**–**	–
Acquisition of subsidiaries	**–**	43,834	**–**	–
Employee's contribution	**16,708**	102	**–**	–
At 30 June	**3,469,844**	3,656,578	**1,718,994**	1,851,670

Movements in the fair value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
At 1 July	**2,354,404**	2,296,906	**1,117,319**	1,169,659
Interest income	**97,677**	101,418	**45,869**	49,126
Current service cost	**(1,475)**	–	**–**	–
Transfer from member account to Annuity Fund	**45,903**	48,156	**–**	–
Acquisition of subsidiaries	**–**	22,513	**–**	–
Actuarial loss/(gain) arising from changes in financial assumptions	**29,586**	(7,884)	**–**	–
Return on plan assets excluding interest income	**(29,788)**	(58,416)	**(22,780)**	(76,978)
Employer contributions	**159,633**	162,618	**78,120**	100,110
Employee's contribution	**16,708**	102	**–**	–
Scheme expenses	**(6,477)**	(6,113)	**(2,450)**	(4,457)
Cost of insuring risk benefits	**(1,348)**	(3,382)	**(1,086)**	(1,946)
Benefits paid	**(333,562)**	(201,514)	**(103,319)**	(118,195)
At 30 June	**2,331,261**	2,354,404	**1,111,673**	1,117,319

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (Continued)

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Cash and cash equivalents	**312,994**	219,032	**137,771**	138,857
Equity investments categorised by industry type:				
– Local	**789,761**	633,890	**427,673**	375,739
– Foreign	**696,286**	657,896	**329,039**	390,952
Fixed interest instruments	**502,937**	791,910	**217,190**	211,771
Properties	**29,283**	51,676	**–**	–
Total market value of assets	**2,331,261**	2,354,404	**1,111,673**	1,117,319
Actual return on plan assets	**67,889**	43,002	**23,089**	153,645

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Discount rate	**4.1%-7%**	3.2% - 5.2%	**5.7%**	4.8%
Future long term salary increase	**2.1%**	1.9%	**1.5%**	1.0%
Future pension increase	**0%**	0%	**0.3%**	1%
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	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**389,065**	556,150	**198,467**	252,116
Decrease in defined benefit obligation due to 1% increase in discount rate	**324,643**	475,120	**166,978**	208,900
Increase in defined benefit obligation due to 1% increase in salary	**107,426**	140,098	**35,027**	43,309
Decrease in defined benefit obligation due to 1% decrease in salary	**97,802**	133,380	**32,487**	40,038

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 expect to make a contribution of Rs 66.2 million to the defined benefit plan during the year ending 30 June 2024 (2023: Rs 66.2 million).

The average duration of the defined benefit obligation at 30 June 2023 was between 9 and 21 years (2022: 9 and 22 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(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 2023 by Swan Life Ltd.

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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement gratuities under The Worker's Rights Act 2019	**1,212,723**	941,666	**167,907**	99,912

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**941,666**	877,040	**99,912**	102,721
Acquisition of subsidiaries (Note 38(a))	**(6,276)**	7,598	**–**	–
Disposal of subsidiaries (Note 38(b))	**–**	–	**–**	–
Transfers	**(358)**	502	**–**	85
Amount recognised in profit or loss	**231,803**	101,972	**37,170**	10,804
Amount recognised in other comprehensive income	**124,478**	28,738	**36,551**	(11,609)
Translation difference	**1,786**	(1,627)	**–**	–
Transfer from/(to) liabilities associated with assets classified as held for sale (Note 21)	**14,446**	(13,481)	**–**	–
Benefits paid	**(94,822)**	(59,076)	**(5,726)**	(2,089)
At 30 June	**1,212,723**	941,666	**167,907**	99,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Other retirement benefits (Continued)

Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**82,415**	63,880	**9,459**	6,170
Past service cost	**106,911**	820	**23,095**	–
Settlement cost	**–**	(148)	**–**	–
Net interest cost	**42,477**	37,420	**4,615**	4,634
Components of amount recognised in profit or loss	**231,803**	101,972	**37,169**	10,804
Remeasurement of the net defined benefit liability:				
Actuarial loss/(gain) arising from experience adjustments	**144,343**	(4,589)	**33,451**	(24,929)
Actuarial (gain)/loss arising from changes in financial assumptions	**(19,865)**	33,327	**3,100**	13,320
Components of amount recognised in other comprehensive income	**124,478**	28,738	**36,551**	(11,609)
At 30 June	**356,281**	130,710	**73,720**	(805)

Movements in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**941,666**	877,040	**99,912**	102,721
Acquisition of subsidiaries (Note 38(a))	**(6,276)**	7,598	**–**	–
Transfer to liabilities associated with assets classified as held for sale (Note 21)	**14,446**	(13,481)	**–**	–
Transfer to subsidiaries	**(359)**	502	**–**	85
Current service cost	**82,415**	63,880	**9,459**	6,170
Settlement cost	**–**	(148)	**–**	–
Interest cost	**42,477**	37,420	**4,615**	4,634
Past service cost	**106,911**	820	**23,096**	–
Actuarial loss/(gain) arising from experience adjustments	**144,343**	(4,589)	**33,451**	(24,929)
Actuarial (gain)/loss arising from changes in financial assumptions	**(19,865)**	33,327	**3,100**	13,320
Benefits paid	**(94,822)**	(59,076)	**(5,726)**	(2,089)
Translation difference	**1,787**	(1,627)	**–**	–
At 30 June	**1,212,723**	941,666	**167,907**	99,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Other retirement benefits (Continued)

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Discount rate	**4.7%-7%**	2.4% - 5.8%	**5.2%**	4.1%
Future long term salary increase	**2.1%**	2.6%	**2.5%**	3.0%

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.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**157,206**	122,069	**23,588**	16,752
Decrease in defined benefit obligation due to 1% increase in discount rate	**157,945**	122,642	**20,169**	14,242
Increase in defined benefit obligation due to 1% increase in salary	**183,681**	142,627	**23,707**	16,479
Decrease in defined benefit obligation due to 1% decrease in salary	**142,396**	110,569	**20,541**	14,176

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 2023 was between 9 and 21 years (2022: 9 and 22 years).

(iii) Defined contribution plans

As from 1 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.

	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contributions for the defined contribution plans (Note 28(a)(i))	**165,164**	104,405	**37,389**	38,265

(iv) State pension plan

	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
National Pension Scheme contribution expensed (Note 28(a)(i))	**151,949**	67,974	**28,379**	30,483

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**4,962,849**	4,386,215	**856,967**	675,018
Other payables	**5,624,529**	2,752,707	**884,222**	463,038
Amounts payable to related companies	**58,137**	65,931	**110,231**	249,433
COVID-19 levy payable	**-**	4,506	**-**	-
Accruals	**2,145,510**	2,045,552	**183,553**	291,525
Provision for financial guarantees	**-**	1,893	**-**	1,893
Dividend payable to non-controlling interests	**239,181**	232,009	**-**	-
	13,030,206	9,488,813	**2,034,973**	1,680,907

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 financial year ended 30 June 2022, 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 2023

26. TAXATION

Income tax is calculated at the rate of 15% (2022: 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 of the MRA at the time of submission of the income tax return for the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
At 1 July	**172,828**	(11,443)	**(1,944)**	(2,000)
Acquisition of subsidiaries (Note 38(a))	**3,072**	(2,483)	**–**	–
(Over)/under provision in income tax in previous years	**(33,812)**	35,173	**2,987**	5,282
Provision for the year	**561,116**	338,937	**–**	–
Tax paid	**(365,286)**	(209,095)	**(134)**	–
Tax refunded	**14,100**	43,511	**549**	3,838
Provision for contribution CSR	**62,146**	33,608	**399**	–
CSR paid during the year	**(15,711)**	(11,903)	**(274)**	–
Tax deducted at source	**(81,808)**	(45,411)	**(4,522)**	(3,782)
Transfer from/(to) assets classified as held-for-sale (Note 21)	**870**	(870)	**–**	–
Exchange difference	**–**	(286)	**–**	–
Other movements	**(487)**	3,090	**–**	(5,282)
At 30 June	**317,028**	172,828	**(2,939)**	(1,944)
Tax assets	**(82,067)**	(53,725)	**(2,939)**	(1,944)
Tax liabilities	**399,095**	226,553	**–**	–
	317,028	172,828	**(2,939)**	(1,944)

(b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Provision for the year - continuing operations	**561,116**	338,937	**–**	–
(Over)/Under provision in income tax in previous years	**(33,812)**	35,173	**2,987**	5,282
Deferred tax movement (Note 7)	**21,670**	328,648	**(48,265)**	6,529
Provision for contribution CSR	**62,146**	33,608	**399**	–
Tax expense for the year	**611,120**	736,366	**(44,879)**	11,811
Attributable to:				
- Continuing operations	**611,120**	736,366	**(44,879)**	11,811
- Discontinued operations (Note 21)	**–**	–	**–**	–
	611,120	736,366	**(44,879)**	11,811

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

26. TAXATION (CONTINUED)

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Profit before tax from continuing operations	**5,497,122**	2,678,060	**164,855**	256,122
Profit before tax from discontinued operations (Note 21)	**–**	23,123	**–**	–
	5,497,122	2,701,183	**164,855**	256,122
Tax calculated at a rate of 17% (2022: 17%)	**934,511**	459,201	**28,025**	43,541
Adjustments for:				
Non-deductible expenses	**366,164**	387,239	**188,735**	102,266
Exempt income	**(21,064)**	(99,698)	**(268,192)**	(140,370)
Tax losses utilised	**(55,031)**	18,682	**–**	–
Tax rate differential	**(94,458)**	(27,893)	**40**	–
(Over)/under provision of deferred tax in previous years	**(37,488)**	8,057	**2,254**	–
(Over)/under provision in income tax in previous years	**(33,812)**	35,173	**2,987**	5,282
Share of results of associates and joint ventures	**(476,667)**	(123,824)	**–**	–
Depreciation of assets not qualifying for capital allowances	**1,467**	137	**1,467**	1,092
Deferred tax not recognised	**6,155**	80,106	**–**	–
CSR adjustment	**14,417**	(2,428)	**399**	–
Others	**6,926**	1,614	**(595)**	–
Tax expense	**611,120**	736,366	**(44,880)**	11,811

(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**	**52,847**
Assuming no future tax loss, the losses shall be extinguished as follows:		
30 June 2024	**18,451**	**–**
30 June 2025	**46,943**	**–**
30 June 2026	**172,190**	**–**
30 June 2027	**69,978**	**–**
30 June 2028	**700,659**	**223,780**
	1,356,384	**276,627**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

27. GOVERNMENT GRANTS

THE GROUP	2023 Rs'000	2022 Rs'000
At 1 July	63,643	42,510
Additions	–	49,434
Release against depreciation charge	(13,285)	(21,890)
Exchange differences	1,965	(4,678)
Transfer from/(to) asset held for sale	1,734	(1,733)
At 30 June	54,057	63,643
Non-current	41,773	51,480
Current	12,284	12,163
	54,057	63,643

Majority portion of 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.

28. OPERATING PROFIT

(a) Operating profit is arrived at after charging the following main items:

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Continuing operations				
Depreciation on property, plant and equipment	1,839,485	1,759,915	49,392	43,301
Depreciation on right of use assets	661,221	580,944	26,677	24,528
Amortisation of intangible assets	83,275	95,081	6,219	9,722
Cost of inventories recognised as expense	25,966,909	18,599,880	5,053,731	4,312,451
Selling and distribution expenses	648,993	315,538	59,228	69,914
Excise and specific duties	2,936,171	2,648,810	–	–
Staff costs (Note (i))	6,702,134	5,785,540	982,033	851,322
Termination benefits	8,359	9,908	–	4,911
Entertainment and passage benefits	56,605	35,901	8,109	11,503
Advertising and promotional expenses	276,422	328,683	28,305	4,558
Repairs and maintenance	205,115	200,141	4,335	4,885
Motor vehicle expenses	223,787	183,449	13,921	23,507
Loss/(gain) on exchange	87,864	139,140	(5,878)	(18,980)
Termination of leases	3,165	3,843	2,345	–
Assets written off	4,201	124,557	7	2,538
Discontinued operations				
Depreciation on property, plant and equipment (included in Note 4)	–	6,183	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

28. OPERATING PROFIT (CONTINUED)

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
(i) The following are included in staff costs:				
Post employment benefits (Note 24):				
Defined benefit plans	358,066	226,978	85,791	44,487
Defined contribution plans	165,164	104,405	37,389	38,265
State pension plan	151,949	67,974	28,379	30,483
	675,179	399,357	151,559	113,235

(b) Expected credit losses

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Allowance for credit losses on trade and other receivables	(15,749)	29,856	3,319	(16,036)
Allowance for credit losses on contract assets	(29,517)	(5,670)	–	–
Allowance for credit losses on non-current loan receivables	–	96,276	(28,114)	49,406
Allowance for credit losses on financial guarantees in other payables	1,893	123,417	1,893	38,107
Allowance for credit losses on other financial assets	2,310	3,839	–	–
	(41,063)	247,718	(22,902)	71,477

29. REVENUE

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).

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Revenue from contracts with customers (Note (a))	52,038,153	43,438,063	6,370,736	5,442,503
Gross insurance premiums	1,916,970	1,614,142	–	–
Rental income	114,696	87,992	2,025	2,964
Dividend income	15,822	26,134	1,577,598	825,709
Total revenue	54,085,641	45,166,331	7,950,359	6,271,176
Attributable to :				
– Continuing operations	54,085,641	44,977,148	7,950,359	6,271,176
– Discontinued operations (Note 21)	–	189,183	–	–
	54,085,641	45,166,331	7,950,359	6,271,176

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

29. REVENUE (CONTINUED)

(a)

Revenue from contracts with customers	Timing of revenue recognition	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
Disaggregation of revenue					
Construction and repairs of ships	Over time	1,858,287	1,292,594	–	–
Construction and sale of properties	Over time	556,863	49,777	–	–
Construction contracts – construction, engineering and interior design	Over time	2,169,386	1,446,379	–	–
Customer loyalty programmes	Over time	4,119	166	5,210	3,725
Freight forwarding and custom clearing services	At a point in time	553,351	687,965	–	–
Hotel operations, management and leisure	Over time	8,220,389	7,114,925	–	–
Maintenance, repairs and after sale services	Over time	163,559	123,802	–	–
Manufacturing, storage and sale of seafood and associated products	At a point in time	1,728,733	1,195,537	–	–
Medical research	Over time	2,284,350	314,764	1,979,741	–
Processing and sale of beverages	At a point in time	13,209	8,573,633	–	119,689
Professional services – local and global businesses	Over time	751,971	774,406	86,633	–
Sale of equipment – heavy machineries, generators and irrigation	At a point in time	731,626	639,139	–	–
Sale of goods – tools, spare parts and electrical goods	At a point in time	250,930	721,381	–	–
Sales of goods – consumer, retail, wholesale and other products	At a point in time	31,964,142	19,820,145	4,204,003	5,238,198
Shipping and aviation services	Over time	426,956	260,801	93,741	80,891
Transport services – cargo and passengers	At a point in time	358,976	416,462	1,408	–
Travel-related services – corporate and leisure	At a point in time	–	2,780	–	–
Others	At a point in time	1,306	3,407	–	–
		52,038,153	43,438,063	6,370,736	5,442,503
Attributable to:					
– Continuing operations		52,038,153	43,248,880	6,370,736	5,442,503
– Discontinued operations (Note 21)		–	189,183	–	–
		52,038,153	43,438,063	6,370,736	5,442,503

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 2023 Rs'000	THE GROUP 2022 Rs'000
At 1 July	763,745	879,868
Addition during the year	422,213	49,461
Allowance for expected credit losses	(29,517)	(5,670)
Write offs during the year	(20,163)	(94,319)
Progress billings	(88,048)	(66,847)
Exchange differences	405	1,252
At 30 June	1,048,635	763,745
Non-current	–	–
Current	1,048,635	763,745
	1,048,635	763,745

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:

	2023 Rs'000	2022 Rs'000
At 1 July	(9,424)	(3,754)
Increase in loss allowance recognised in profit or loss during the year	(29,517)	(5,670)
At 30 June	(38,941)	(9,424)

(c) Contract liabilities

The contract liabilities relate to advance consideration received from customers for which revenue is recognised over time.

	THE GROUP At 1 July Rs'000	Amount received during the year Rs'000	Amount recognised in revenue Rs'000	At 30 June Rs'000
2023				
Arising on upfront fees from management services recognised over time	76,258	83,633	(77,583)	82,308
Deposits collected on future stay from customers	321,350	498,053	(349,472)	469,931
Amounts related to construction contracts	481,662	804,903	(452,357)	834,208
Amounts related to research and development	12,337	12,710	(12,195)	12,852
	891,607	1,399,299	(891,607)	1,399,299
2022				
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

	2023 Rs'000	2022 Rs'000
Non-current	85,738	–
Current	1,313,561	891,607
	1,399,299	891,607

The Company had no contract liabilities as at 30 June 2023 and 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Sundry income (Note (i))	**1,013,394**	548,556	**125,574**	171,719
Transport income	**34,416**	28,054	**–**	–
Profit on disposal of property, plant and equipment	**–**	28,519	**–**	493
(Loss)/ profit on disposal of intangible assets	**–**	(23)	**1,351**	–
Professional services	**–**	7,766	**–**	5,690
Gain / (loss) on exchange	**81,677**	190,561	**(82,794)**	(3,863)
Management and secretarial fees	**4,202**	2,692	**30,715**	10,976
Wage assistance scheme	**–**	238,757	**–**	–
Bad debts recovered	**3,893**	1,701	**–**	–
Profit on sale of IHS units	**–**	319,388	**–**	–
Profit on disposal of right of use asset	**2,255**	–	**–**	–
Gain on revaluation of investment property	**5,500**	–	**–**	–
	1,145,337	1,365,971	**74,846**	185,015
Attributable to:				
– Continued operations	**1,145,337**	1,313,439	**74,846**	185,015
– Discontinued operations (Note 21)	**–**	52,532	**–**	–
	1,145,337	1,365,971	**74,846**	185,015

(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	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Interest income	**191,809**	63,411	**29,666**	1,394
Attributable to:				
– Continuing operations	**191,809**	63,411	**29,666**	1,394

32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Interest expense on:				
– Bank loans	**865,803**	326,620	**333,764**	–
– Bank overdrafts	**54,654**	55,361	**–**	25,465
– Bonds and notes	**762,764**	530,898	**561,416**	404,090
– Leases	**383,574**	345,349	**3,952**	4,128
	2,066,795	1,258,228	**899,132**	433,683
Attributable to:				
– Continuing operations	**2,066,795**	1,246,481	**899,132**	433,683
– Discontinued operations (Note 21)	**–**	11,747	**–**	–
	2,066,795	1,258,228	**899,132**	433,683

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Fair value adjustment on investment properties	**102,137**	290,279	**–**	–
Gain/(loss) on debt instruments at FVTPL	**34,279**	(13,395)	**–**	–
Gain on disposal of investment	**–**	158,236	**–**	–
Gain on Exchange	**49,445**	–	**6,097**	–
Gain on disposal of associates	**3,667**	38,145	**–**	–
Gain on winding up of subsidiaries	**–**	4,794	**–**	–
Impairment loss on investment in associates	**(1,752)**	(259,942)	**–**	–
Impairment loss on investment in joint ventures	**(13,961)**	–	**–**	–
Impairment of goodwill	**(18,841)**	(380,747)	**–**	–
Insurance recovered	**738,577**	–	**–**	–
Impairment of property, plant and equipment	**(270,405)**	(211,830)	**–**	–
Gain on bargain purchase on acquisition of an associate	**–**	21,631	**–**	–
Impairment of held for sale assets	**–**	(7,414)	**–**	–
Impairment of right of use assets	**57,832**	(35,790)	**–**	–
Reversal of provisions	**16,466**	–	**17,996**	–
Refund of contract assets	**–**	22,387	**–**	–
	697,444	(373,646)	**24,093**	–
Attributable to:				
– Continuing operations	**697,444**	(404,377)	**24,093**	–
– Discontinued operations (Note 21)	**–**	30,731	**–**	–
	697,444	(373,646)	**24,093**	–

34. COMMITMENTS

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
(a) Capital commitments				
Authorised by the Board of Directors and:				
Contracted for	**1,685,049**	394,374	**67,890**	11,000
Not contracted for	**886,368**	988,295	**46,654**	12,678
	2,571,417	1,382,669	**114,544**	23,678

The associates and joint ventures of the Group had contracted and non-contracted capital commitments amounting to Rs 1.5 billion (2022: Rs 1.2 billion) for the year ended 30 June 2023.

One of the associates had undrawn commitments for loans and receivables amounting to Rs 9.8 billion at 30 June 2023 (2022: Rs 5.1 billion).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

34. COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The Group as a lessor

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 receivable under non-cancellable leases as at 30 June are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Within one year	**281,948**	60,876
After one year but not more than five years	**159,216**	109,250
More than five years	**27,957**	6,850
	469,121	176,976

Rental income earned during the year was Rs 114.7 million (2022: Rs 88.0 million).

35. CONTINGENT LIABILITIES

(a) Legal claim contingency

Lux Island Resorts ("LIR")

Legal claims of Rs 61.5 million (2022: Rs 59.4 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")

Severance allowance

Legal action has been initiated by former employees against UBP in respect of unpaid severance allowances. The estimated payout is Rs 4.8 million (2022: Rs 39.5 million), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. UBP 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.

Voluntary retirement scheme

During the year ended 30 June 2022, legal actions have been initiated by beneficiaries of the Voluntary Retirement Scheme against UBP in respect of unpaid benefit. The estimated payout is Rs 28.2m (2022: Rs 28.2m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. UBP 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 for the year ended 30 June 2023.

Alteo Limited ("Alteo")

During the year, a foreign supplier made a claim to the Mauritius Sugar Syndicate ("MSS") relating to a batch of contaminated sugar supplied by Alteo. However, management is disputing the claim with the MSS and discussion between both parties are still ongoing. The Directors performed an assessment during the financial year and recorded a provision amounting to Rs 10m. The Group's share of the provision was Rs 2.8 million at 30 June 2023 (2022: Nil).

Miwa Sugar Limited ("Miwa")

There are several open legal cases against Transmara Sugar Company Ltd, a subsidiary of Miwa, relating to disputes and breach of out-growers' contracts and termination of employment with a total exposure amounting to Rs 124.0 million. In addition, the matters that have been given stay orders in court but can be reinstated through arbitration amounting to Rs 130.3 million. A provision amounting to Rs 10.6 million in the period for the cases that management assessed the probability of losing as possible. An amount of Rs 6.9 million was accrued for already proclaimed cases during the period. An appeal has been launched for these cases. For the rest of the amount, management has assessed risk of crystalizing as not more than likely, and hence no provision was taken. The Group's share of the provision was Rs 2.9 million at 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

35. CONTINGENT LIABILITIES (CONTINUED)

(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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank guarantees	**599,130**	131,700	**122,157**	59,505
Guarantees provided by group companies to subsidiaries	**2,432,498**	2,418,980	**862,283**	905,900
	3,031,628	2,550,680	**984,440**	965,405

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:

	2023	2022
	Rs'000	Rs'000
Bank guarantees	**25,239**	21,560
Financial guarantees and letters of credit	**5,081,469**	2,855,268
	5,106,708	2,876,828

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.

36. RELATED PARTY TRANSACTIONS

THE GROUP

	Associates and joint ventures	
	2023	2022
Balances	**Rs'000**	Rs'000
Cash and cash equivalents	**245,666**	246,633
Trade and other receivables	**334,281**	223,716
Trade and other payables	**65,634**	65,931
Bank overdrafts and borrowings	**452,009**	489,289

	Associates and joint ventures	
	2023	2022
Transactions	**Rs'000**	Rs'000
Sale of goods and services	**1,214,318**	1,117,831
Purchase of goods and services	**908,146**	859,743
Purchase of property, plant and equipment	**9,916**	914
Administrative expenses	**84,409**	143,523
Other income	**14,200**	26,329
Interest expense	**16,915**	10,752

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

36. RELATED PARTY TRANSACTIONS (CONTINUED)

THE COMPANY

	Subsidiaries		Associates and joint ventures	
	2023	2022	**2023**	2022
Balances	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**–**	–	**59,242**	100,482
Trade and other receivables	**355,402**	432,971	**22,312**	16,791
Trade and other payables	**109,680**	232,954	**551**	16,479
Bank overdrafts and borrowings	**–**	–	**493,859**	492,040

	Subsidiaries		Associates and joint ventures	
	2023	2022	**2023**	2022
Transactions	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sale of goods and services	**1,288,343**	1,108,648	**21,815**	22,852
Purchase of goods and services	**152,969**	152,782	**214,064**	216,710
Dividend income	**1,273,528**	601,674	**302,270**	219,664
Interest expense	**53,009**	32,278	**16,924**	3,478
Other income	**37,483**	43,508	**3,584**	5,393
Administrative expenses	**504,189**	340,187	**22,240**	1,940
Management fees	**62,190**	61,677	**11,811**	17,256

The Group and the Company have applied the ECL rates on trade receivables and have also made provision amounting to Rs 271 million (2022: Rs 243 million) on amount due by related parties.

The terms and conditions of transactions with related party are presented in their respective notes.

Retirement benefit – group plan

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit costs				
Retirement benefit costs allocated to subsidiaries	**–**	–	**46,634**	(68,429)
Retirement benefit costs allocated to joint venture	**(1,793)**	(2,602)	**(1,793)**	(2,602)
	(1,793)	(2,602)	**44,841**	(71,031)
Retirement benefit liability				
Retirement benefit liability allocated to subsidiaries	**–**	–	**175,165**	242,227
Retirement benefit liability allocated to joint venture	**6,026**	8,173	**6,026**	8,173
	6,026	8,173	**181,191**	250,400

Compensation paid to key management personnel

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term benefits	**692,119**	921,502	**289,486**	263,104
Post employment benefits	**89,760**	121,157	**59,816**	51,196
	781,879	1,042,659	**349,302**	314,300

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt (Note (i))	**37,743,269**	29,369,194	**18,560,827**	12,310,375
Less: Cash and cash equivalents	**(5,634,484)**	(5,848,841)	**(423,802)**	(603,898)
Net debt	**32,108,785**	23,520,353	**18,137,025**	11,706,477
Total equity	**36,537,658**	29,589,129	**22,840,454**	21,565,290
Gearing (net debt / (net debt + total equity))	**47%**	44%	**44%**	35%

(i) Total debt includes borrowings (Note 22) and lease liabilities (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	
	2023	2022	**2023**	2022
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Financial assets at fair value through other comprehensive income	**517,415**	404,343	**37,523,661**	31,598,258
Financial assets at fair value through profit or loss	**272,592**	348,453	**–**	–
Financial assets at amortised cost	**17,136,369**	14,204,655	**2,710,310**	2,338,372
	17,926,376	14,957,451	**40,233,971**	33,936,630
Financial liabilities				
Amortised cost	**55,537,751**	42,128,896	**20,987,585**	14,102,858

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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**
2023	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Other financial assets	**558,322**	**43,051**	**188,634**	**790,007**
2022				
Other financial assets	256,371	222,335	274,090	752,796

	THE COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
2023	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Investment in subsidiaries	**5,504,704**	**467,673**	**23,104,890**	**29,077,267**
Investment in associates	**725,395**	**–**	**6,005,138**	**6,730,533**
Investment in joint ventures	**–**	**1,122,424**	**495,039**	**1,617,463**
Other financial assets	**36,871**	**–**	**61,527**	**98,398**
	6,266,970	**1,590,097**	**29,666,594**	**37,523,661**
2022				
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

There has been no transfer between Level 1 and Level 2 as at 30 June 2023 and 30 June 2022.

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

	2023	2022
	Rs'000	Rs'000
At 1 July	**274,090**	237,660
Additions	**4,418**	14,169
Disposals	**(96,814)**	–
Fair value adjustment	**3,676**	11,792
Translation difference	**(123)**	(399)
Reclassification from Level 1 to Level 3	**222**	712
Reclassification from Level 3 to Level 1/2	**3,166**	10,156
At 30 June	**188,635**	274,090

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 2023

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (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**
2023			
PE Multiple	Multiple	10.78x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 5,290,000
PE Multiple	Discount for lack of marketability	20%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 3,654,000
		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 in fair value.
		Unquoted equity investment	
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 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 in fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (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		
2023			
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 910,179,371
DCF method	WACC	11.11%-18.37% (14.11%)	1% increase (decrease) would result in a decrease (increase) in fair value by Rs 1,203,066,289
PE Multiple	Multiple	5.00x-13.08x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 261,032,368
PE Multiple	Discount for lack of marketability	0-60%	An increase of 5% (decrease) would result in a decrease (increase) in fair value by Rs 143,125,928
PB Multiple	Multiple	0.95x-1.18x	An increase of 5% (decrease) would result in an increase (decrease) in fair value by Rs 270,792,685
EV/EBITDA Multiple	EBITDA	2.89x-13.11x	An increase of 1x (decrease) would result in an increase (decrease) in fair value by Rs 130,317,032
	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	
	2023	2022	**2023**	2022
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Mauritian Rupee	**16,609,590**	12,674,968	**40,228,712**	30,471,382
US Dollar	**898,404**	963,319	**42**	14,817
Euro	**285,598**	1,019,211	**752**	14,195
Great Britain Pound	**43,394**	89,310	**3,221**	11,740
Others	**89,390**	210,643	**1,244**	3,424,496
	17,926,376	14,957,451	**40,233,971**	33,936,630
Financial liabilities				
Mauritian Rupee	**49,675,138**	34,362,772	**20,987,585**	12,826,015
US Dollar	**3,243,753**	2,675,656	**–**	259,342
Euro	**1,895,570**	3,140,140	**–**	265,007
Great Britain Pound	**652,482**	653,784	**–**	6,127
Others	**70,808**	1,296,544	**–**	746,367
	55,537,751	42,128,896	**20,987,585**	14,102,858

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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact – US Dollar				
Profit or loss	**(234,535)**	(171,234)	**4**	(24,453)
Equity	**(62,696)**	(105,050)	**–**	–
Impact – Euro				
Profit or loss	**(160,997)**	(212,093)	**75**	(25,081)
Equity	**(74,097)**	(75,696)	**–**	–
Impact – Great Britain Pound				
Profit or loss	**(60,909)**	(56,447)	**322**	561
Equity	**(32,524)**	(30,393)	**–**	–

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 2023

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 below 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 2023 would decrease/increase by Rs 188,870,479 (2022: Rs 177,304,310) and the Company's profit for the year ended 30 June 2023 would decrease/increase by Rs 82,314,195 (2021: Rs 68,092,880). 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 risk 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 below has been determined based on the exposure to equity price risk 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 2023 and 2022 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 (2022: Rs 25,637,100) for the Group and Rs 626,697,000 (2022: Rs 961,693,700) 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 2023

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**
2023	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Lease liabilities	**–**	**525,055**	**2,196,034**	**2,812,457**	**5,533,546**
Non-interest bearing instruments**	**–**	**16,125,264**	**59,738**	**–**	**16,185,002**
Variable interest rate instruments	**962,233**	**6,280,533**	**6,262,673**	**5,381,609**	**18,887,048**
Fixed interest rate instruments	**1,826,825**	**2,419,446**	**5,946,883**	**3,129,521**	**13,322,675**
Financial guarantee contracts*	**2,432,498**	**–**	**–**	**–**	**2,432,498**
	5,221,556	**25,350,298**	**14,465,328**	**11,323,587**	**56,360,769**
2022					
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

*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**
2023	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Lease liabilities	**–**	**39,864**	**20,181**	**19,799**	**79,844**
Non-interest bearing instruments	**–**	**2,057,640**	**29,006**	**–**	**2,086,646**
Variable interest rate instruments	**–**	**4,136,419**	**3,328,000**	**767,000**	**8,231,419**
Fixed interest rate instruments	**1,569,563**	**1,775,000**	**4,403,390**	**2,501,610**	**10,249,563**
Financial guarantee contracts*	**862,283**	**–**	**–**	**–**	**862,283**
	2,431,846	**8,008,923**	**7,780,577**	**3,288,409**	**21,509,755**
2022					
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

*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 2023

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 movement for the year amounting to Rs 137,108,000 (2022: Rs 281,121,000) 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 77,425,000 (2022: Rs 158,741,000) is attributable to the Group while an amount of Rs 59,683,000 (2022: Rs 122,380,000) is attributable to non-controlling interests.

Cash flow hedge reserves

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At 1 July	**(346,498)**	(652,442)
Cash flow hedge on loan in foreign currency	**(161,974)**	241,974
Cash flow hedge reserve released on repayment of loan	**24,866**	68,908
Deferred tax	**–**	(4,938)
At 30 June	**(483,606)**	(346,498)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

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.

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.

		2023			2022	
Class of business	**Gross**	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Accident	**26,760**	**(5,683)**	**21,077**	19,262	(2,421)	16,841
Engineering	**203,300**	**(177,752)**	**25,548**	111,424	(89,866)	21,558
Fire	**1,356,074**	**(1,295,181)**	**60,893**	770,509	(706,344)	64,165
Liability	**328,828**	**(184,707)**	**144,121**	313,744	(178,130)	135,614
Motor	**383,989**	**(75,810)**	**308,179**	329,697	(50,409)	279,288
Health	**51,461**	**(37,084)**	**14,377**	45,948	(33,533)	12,415
Transportation	**204,125**	**(128,815)**	**75,310**	71,574	(23,483)	48,091
IBNR	**165,270**	**(90,678)**	**74,592**	157,598	(80,459)	77,139
	2,719,807	**(1,995,710)**	**724,097**	1,819,756	(1,164,645)	655,111

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

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.

2023

	2018	2019	2020	2021	2022	2023	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	841,151	840,449	825,515	742,886	1,092,813	2,257,825	6,600,639
1 year later	59,271	51,996	47,362	(9,262)	(53,250)	–	96,117
2 years later	24,714	(71)	(30,984)	2,900	–	–	(3,441)
3 years later	(11,478)	(2,025)	172,734	–	–	–	159,231
4 years later	(9,642)	2,027	–	–	–	–	(7,615)
5 years later	(312)	–	–	–	–	–	(312)
Current estimate of cumulative claims	903,704	892,376	1,014,627	736,524	1,039,563	2,257,825	6,844,619
Accident year	310,894	308,367	508,812	472,863	472,171	1,041,192	3,114,299
1 year later	179,049	415,540	211,620	135,969	278,343	–	1,220,521
2 years later	51,861	29,820	33,809	30,832	–	–	146,322
3 years later	4,456	9,467	122,065	–	–	–	135,988
4 years later	10,685	8,262	–	–	–	–	18,947
5 years later	1,558	–	–	–	–	–	1,558
Cumulative payment to date	558,503	771,456	876,306	639,664	750,514	1,041,192	4,637,635
	345,201	120,920	138,321	96,860	289,049	1,216,633	2,206,984
Liabilities in respect of prior years*							347,548
IBNR							165,270
Total gross liabilities							2,719,802

** This represents the cumulative liabilities prior to 2018*

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 2023

38. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries

Acquisitions in 2023

In January 2023, one of the subsidiaries, Chantier Naval de l'Ocean Indien Limited acquired 80% of AFIX Scaff (Mauritius) Ltd ("AFIX") and obtained control over the subsidiary. AFIX is engaged in the business of rental, sale, erecting and dismantling of scaffoldings for buildings and events. This acquisition is vertical integration to create synergies among different players in the building & engineering cluster.

Acquisitions in 2022

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 excecution, 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.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2023	2022
Assets	**Rs'000**	Rs'000
Property, plant and equipment	**26,285**	207,337
Intangible assets	**32,453**	83,759
Non-current receivables	**–**	–
Right of use assets	**–**	357,666
Deferred tax assets	**–**	14,308
Investment in subsidiaries	**–**	–
Inventories	**–**	18,194
Trade and other receivables	**50,030**	203,800
Contract assets	**–**	–
Other financial assets	**–**	–
Current tax assets	**–**	2,483
Cash and cash equivalents	**10,677**	13,922
	119,445	901,469
Liabilities		
Borrowings	**4,822**	14,277
Bank overdrafts	**–**	287
Trade and other payables	**10,908**	244,318
Retirement benefit obligations	**–**	28,919
Deferred tax liability	**19**	–
Current tax liabilities	**3,072**	–
Contract liabilities	**–**	2,946
Lease liabilities	**1,709**	391,787
	20,530	682,534
Fair value of net assets acquired	**98,915**	218,935
Less Non controlling interest	**(19,782)**	–
Share of net assets acquired	**79,133**	218,935
Consideration paid in cash	**97,269**	285,416
Fair value of previously held interests	**–**	274,235
	97,269	559,651
Goodwill	**18,136**	340,716

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

Cash flow	**2023**	2022
	Rs'000	Rs'000
Consideration paid in cash	**97,269**	285,416
Less: cash and cash equivalents acquired in subsidiary	**(10,677)**	(13,635)
Net cash outflow on acquisition	**86,592**	271,781

(b) Disposal of subsidiaries

There were no disposals of subsidiaries during the year.

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 ended 30 June 2022, the Group has also deconsolidated certain subsidiaries following the winding up of these subsidiaries. They were deconsolidated on 1 July 2021.

Analysis of assets and liabilities over which control was lost:

	2022
	Rs'000
Assets	
Property, plant and equipment	363,612
Intangible assets	74
Right of use assets	78,393
Deferred tax assets	5,107
Inventories	4,494
Trade and other receivables	26,222
Cash and cash equivalents	23,016
	500,918
Liabilities	
Borrowings	331,167
Bank overdraft	29,944
Trade and other payables	191,045
Retirement benefit obligations	2,861
Lease liabilities	–
	555,017
Net assets disposed	(54,099)
Share of net assets disposed	(34,377)
Profit on disposal	38,145
Profit on winding up of subsidiaries	4,794
	8,562
Consideration	
Consideration received in cash	8,562

Cash flow

	2022
	Rs'000
Consideration paid in cash	8,562
Less: cash and cash equivalents acquired in subsidiary	6,928
Net cash inflow on disposal	15,490

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries

On 30 June 2023, Manser Saxon Contracting Ltd, a subsidiary of the Company acquired an additional 6% stake in System Building Contracting Ltd by capitalising loan in the latter amounting to Rs 10,802,206. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 2,812,375. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2023
	Rs'000
Cash consideration paid to non-controlling interests	**10,802**
Less: Carrying amount of non-controlling interests acquired	**(7,990)**
Adjustment recognised in retained earnings (Debit)	**2,812**

In July 2022, a subsidiary acquired remaining stake in LCF Securities Ltd for a consideration of Rs 650,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 150,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2023
	Rs'000
Cash consideration paid to non-controlling interests	**650**
Less: Carrying amount of non-controlling interests acquired	**(800)**
Adjustment recognised in retained earnings (Credit)	**(150)**

On 1 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 1 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries (Continued)

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

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023

	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)	11,821	10,466,937	32,401,646	2,676,439	8,768,852	678,650	2,210,691	1,389,976	1,944,531	212,772	(6,676,674)	54,085,641
Results												
Segment result	(58,269)	674,374	1,738,452	86,282	1,879,693	(118,750)	97,657	306,557	410,323	(892,902)	45,052	4,168,469
Share of results of												
Associates & Joint Ventures	397,883	19,064	36,745	1,806,974	–	44,597	–	(3,439)	189,563	14,808	–	2,506,195
Finance costs (Note 32)												(2,066,795)
Finance income (Note 31)												191,809
Other gains and losses (Note 33)												697,444
Profit before tax (continuing operations)												5,497,122
Tax expense (Note 26)												(611,120)
Profit for the year												4,886,002

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

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023

	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	29,106	14,677,760	21,202,526	4,542,602	20,050,186	719,474	1,692,010	9,268,043	2,088,977	1,795,272	(2,478,924)	73,587,032
Investments in:												
Associates (Note 12)	148,524	76,530	8,492,132	21,313	–	223,478	493	127,351	834,770	6,730,533	3,952,902	20,608,026
Joint ventures (Note 13)	366,852	2,500	–	–	–	11,433	–	8,249	–	1,617,463	(1,250,626)	755,871
Other financial assets (Note 14)	–	3,084	4,878	1,042,331	4	325	1,446	–	–	98,398	160,840	1,311,306
Total investments	515,376	82,114	8,497,010	1,063,644	4	235,236	1,939	135,600	834,770	8,446,394	2,863,116	22,675,203
Deferred tax assets (Note 7)	–	27,827	55,165	42,546	36,719	3,356	53,062	7,087	2,367	99,304	(1,672)	325,760
Current tax assets (Note 26)	–	48,129	3,269	6,808	–	–	20,820	7,732	640	3,635	(8,966)	82,067
Assets classified as held for sale (Note 21)	–	–	–	76,363	–	–	–	–	58,674	–	–	135,037
Consolidated total assets												96,805,099
Segment liabilities	78,025	6,964,643	12,676,520	4,339,286	11,026,698	801,946	1,070,316	4,383,673	518,937	20,160,556	(3,678,394)	58,342,206
Deferred tax liabilities (Note 7)												1,526,136
Current tax liabilities (Note 26)												399,095
Liabilities associated with assets classified as held for sale (Note 21)												–
Consolidated total liabilities												60,267,438

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023											
Additions to non-current assets	**2,290**	**894,019**	**1,270,480**	**36,687**	**1,194,764**	**92,328**	**40,377**	**1,150,279**	**72,876**	**27,480**	**4,781,580**
Depreciation and amortisation	**958**	**419,458**	**668,460**	**38,958**	**491,238**	**33,949**	**70,133**	**76,235**	**97,145**	**26,226**	**1,922,760**
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	2023 Rs'000	2022 Rs'000
Building & Engineering	· Contracting & equipment	**10,466,937**	7,680,102
Commercial & Distribution	· Consumer goods, sale of beverages & chain of supermarkets	**32,401,646**	27,636,798
Financial Services	· Insurance, leasing and management services	**2,676,439**	2,352,096
Hospitality & Services	· Hotels operation	**8,768,852**	7,210,029
Life & Technologies	· Medical research	**678,650**	409,166
Logistics	· Freight forwarding	**2,210,691**	2,052,067
Seafood	· Seafood sector	**1,944,531**	1,547,247
Others		**1,614,569**	910,756
Consolidation adjustments		**(6,676,674)**	(4,821,113)
		54,085,641	44,977,148

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:

	2023 Rs'000	2022 Rs'000
Mauritius	**44,338,733**	36,474,198
Europe	**1,010,239**	1,223,804
USA	**50,593**	72,741
Madagascar, Comoros, Seychelles & Reunion	**3,916,141**	3,360,875
Dubai, Africa, Australia & others	**2,286,079**	1,271,758
Maldives	**2,483,856**	2,573,772
	54,085,641	44,977,148

40. EARNINGS PER SHARE

	2023 Rs	2022 Rs
Earnings per share		
Basic and diluted:		
– From continuing and discontinued operations	**4.50**	1.74
– From continuing operations	**4.50**	1.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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:

	2023 Rs'000	2022 Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing and discontinued operations	**3,064,183**	1,182,613
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing operations	**3,064,183**	1,167,844

	2023	2022
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

	2023 Rs'000	2022 Rs'000
At 1 July	**254,426**	375,775
Opening balance of subsidiaries acquired	**–**	–
Amounts received during the year from clients	**2,110,501**	4,511,237
Amounts disbursed during the year on behalf of clients	**(2,221,754)**	(4,632,586)
At 30 June	**143,173**	254,426

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.

42. 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 3 July 2023, the Board of Directors of the Company has expressed its intention to subscribe to additional shares in Mambo Retail Ltd. The proceeds of the subscription of shares will be utilised by Mambo Retail Ltd for the acquisition of additional 11% stake in Naivas Limited, the leading retail chain in Kenya. This will result in Mambo Retail Ltd holding 51% of the shares in Naivas International Ltd.

On 11 August 2023, the Company subscribed through Run Distribution Ltd to 51% of the share capital of Make Distribution, the retail operator of 4 hypermarkets trading under the brand name of "Run Market" in Reunion Island.

The Lux Collective Ltd ("TLC")

At the general meeting of TLC on 13 June 2023, the shareholders approved the resolution for the re-domiciliation of TLC in another jurisdiction. The procedures for re-domiciliation have been initiated and were still in process at the time of this report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

43. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	2023 Rs'000	2022 Rs'000
Statements of profit or loss and other comprehensive income		
Revenue	54,085,641	44,977,148
Share of results of associates and joint ventures	2,506,195	905,556
Profit before tax	5,497,122	2,678,060
Tax expense	(611,120)	(736,366)
Profit for the year from continuing operations	4,886,002	1,941,694
Profit for the year from discontinued operations	–	23,123
Profit for the year	4,886,002	1,964,817
Other comprehensive income for the year, net of tax	1,447,128	392,407
Total comprehensive income for the year	6,333,130	2,357,224
Profit attributable to:		
– Owners of the Company	3,064,183	1,182,613
– Non-controlling interests	1,821,819	782,204
	4,886,002	1,964,817
Total comprehensive income attributable to:		
– Owners of the Company	3,737,297	1,216,602
– Non-controlling interests	2,595,833	1,140,622
	6,333,130	2,357,224
Dividends	448,948	408,134

	2023 Rs'000	2022 Rs'000
Statements of financial position		
Assets		
Non-current assets	70,161,414	52,612,325
Current assets	26,508,647	22,663,088
Assets classified as held for sale	135,037	828,556
Total assets	96,805,098	76,103,969
Equity and liabilities		
Share capital and reserves	19,150,748	15,943,453
Restricted redeemable shares	5,000	5,000
Convertible bonds	1,460,283	1,460,283
Non-controlling interests	15,921,627	12,180,393
Total equity	36,537,658	29,589,129
Liabilities		
Non-current liabilities	29,793,868	25,866,149
Current liabilities	30,473,572	20,194,110
Liabilities associated with assets classified as held for sale	–	454,581
Total liabilities	60,267,440	46,514,840
Total equity and liabilities	96,805,098	76,103,969