phoenix beverages

Annual Report

2014

GML

Think Green

As part of its ongoing programme to help protect the environment and within the context of the GML "Think Green" initiative, GML companies have chosen to use Lenza Green paper for their Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC (Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993. It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40 / 40
Fossil CO_2 emissions from manufacturing:	18 / 20
Waste to landfill:	10 / 10
Water pollution from bleaching:	10 / 10
Organic water pollution:	9 / 10
Environmental management systems:	10 / 10

Dear Shareholder

Your Board of Directors is pleased to present the Annual Report of Phoenix Beverages Limited ('PBL' or the "Company") for the year ended June 30, 2014. This report was approved by the Board on September 9, 2014.

On behalf of the Board of Directors of Phoenix Beverages Limited, we invite you to join us at the Annual Meeting of the Company which will be held:

Date: Tuesday, November 25, 2014
Time: 9.30 hours
Place: L'Ibéloise, 6th Floor, IBL House
Caudan Waterfront, Port Louis

We look forward to seeing you.

Sincerely,

Jean-Claude Béga
Chairman

Bernard Theys
Director

Contents

BRADLEY VINCENT

Bradley's dream is to take part in major competitions around the world. A determined and passionate athlete, nothing will stop him achieving his goal. Growing with each new experience, moving forward with each opportunity, becoming stronger with each victory, his dream becomes more of a reality every day.

Sponsored by Phoenix Beverages


TuksSwimming

Beer Quality Awards

2014	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		PHOENIX BEER	INTERNATIONAL HIGH QUALITY TROPHY
2013	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		BLUE MARLIN	GOLD MEDAL
2012	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		PHOENIX BEER	INTERNATIONAL HIGH QUALITY TROPHY
2011	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		GUINNESS FOREIGN EXTRA STOUT	GOLD MEDAL
		PHOENIX CIDER NON-ALCOHOLIC	GOLD MEDAL
		PHOENIX BEER	INTERNATIONAL HIGH QUALITY TROPHY
2010	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		PHOENIX SPECIAL BREW	SILVER MEDAL
		PHOENIX FRESH	GOLD MEDAL
2009	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		BLUE MARLIN	SILVER MEDAL
		STELLA PILS	GOLD MEDAL
		PHOENIX BEER	INTERNATIONAL HIGH QUALITY TROPHY
2008	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		BLUE MARLIN	BRONZE MEDAL
2007	MONDE SELECTION	PHOENIX BEER	GRAND GOLD MEDAL
		BLUE MARLIN	GRAND GOLD MEDAL
2006	MONDE SELECTION	PHOENIX BEER	SILVER MEDAL
		BLUE MARLIN	SILVER MEDAL
2003	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
		BLUE MARLIN	BRONZE MEDAL
2001	AUSTRALIAN INTERNATIONAL BEER AWARDS	PHOENIX BEER	GOLD AWARD
		BLUE MARLIN	SILVER AWARD
1997	AUSTRALIAN INTERNATIONAL BEER AWARDS	BLUE MARLIN	SILVER AWARD
		STELLA PILS	SILVER AWARD
		PHOENIX BEER	SILVER AWARD
1992	MONDE SELECTION	BLUE MARLIN	GOLD MEDAL
1989	MONDE SELECTION	STELLA PILS	GOLD MEDAL
		PHOENIX BEER	GOLD MEDAL
1983	BREWEX – UK	PHOENIX BEER	GOLD MEDAL
1981	MONDE SELECTION	PHOENIX BEER	GOLD MEDAL
1976	BREWEX – UK	STELLA PILS	GOLD MEDAL

A Bird's-eye View

- Established in 1960
- Listed on the Stock Exchange of Mauritius since 1993
- Wide range of beverages – beer, cider, soft drinks, table water, wines and spirits
- Employs more than 1,100 people
- Delivers to over 10,000 outlets
- Exports to Indian Ocean Islands, East & South Africa, Europe, Asia Pacific and Australia
- Present in Reunion Island through Phoenix Reunion SARL
- 1.3 million hectolitres sold in 2013/2014
- Rewarded Gold Medal and International High Quality Trophy for Phoenix Beer at Monde Selection 2014
- Rs 3.21 billion as market capitalisation on the Stock Exchange of Mauritius at June 30, 2014
- 1.50 million shares have been exchanged on the Stock Exchange of Mauritius in 2013/14
- Acquired the Eski brand in September 2014
- Invested in a wine bottling line to be commissioned in October 2014

Our Vision & Values

Our Vision

- Dedicated people providing world-class beverages

Our Values

- Innovation
- Trustworthiness
- Customer Oriented
- Honesty
- Adaptability

Group Profile

Phoenix Beverages Limited is a public company listed on the Stock Exchange of Mauritius. It was incorporated in September 1960 and started trading in 1963. Phoenix Beverages Limited is the leading beverage company in Mauritius.

Phoenix Beverages Limited offers a wide range of alcoholic products, wines and spirits, soft drinks, table water and other beverages to its customers. Its flagship, Phoenix Beer, was launched in 1963 and has since become the famous and preferred beer of Mauritius. The Company also produces Blue Marlin, Phoenix Special Brew, Phoenix Fresh, Stella Pils and Phoenix Cider. Phoenix Beverages Limited also has in its portfolio of world famous brands such as Guinness Foreign Extra Stout, Malta Guinness and Smirnoff Ice, which it produces and sells under contract agreement.

Phoenix Beverages Limited is also the authorised bottler of the products of The Coca-Cola Company in Mauritius, namely Coca-Cola, Fanta, Sprite, Schweppes, Dasani and Crystal table water.

Phoenix Beverages Limited has won many international awards over the years, the latest ones being Gold Medals and International High Quality Trophy for Phoenix Beer at "Monde Selection" 2014.

The Group today has just over 1,100 employees and operates two production plants in Phoenix. It also sells and distributes all its products from its Commercial Unit in Phoenix.

Board & Committees

BOARD OF DIRECTORS

Directors	Alternate Directors
Jean-Claude Béga - Chairman	
Jan Boullé	
François Dalais	Jean Pierre Dalais
Guillaume Hugnin	Marguerite Hugnin
Didier Koenig	
Arnaud Lagesse	
J. Cyril Lagesse	Arnaud Lagesse
Thierry Lagesse	
Patrick Rivalland	
Seewoocoomar Sewraz	
Bernard Theys - Chief Executive Officer	
George Wiehe	

BOARD COMMITTEES

Audit and Risk Committee

Jean-Claude Béga - Chairman
Jan Boullé
Didier Koenig
George Wiehe

Corporate Governance Committee

Guillaume Hugnin - Chairman
J. Cyril Lagesse
Seewoocoomar Sewraz
Bernard Theys

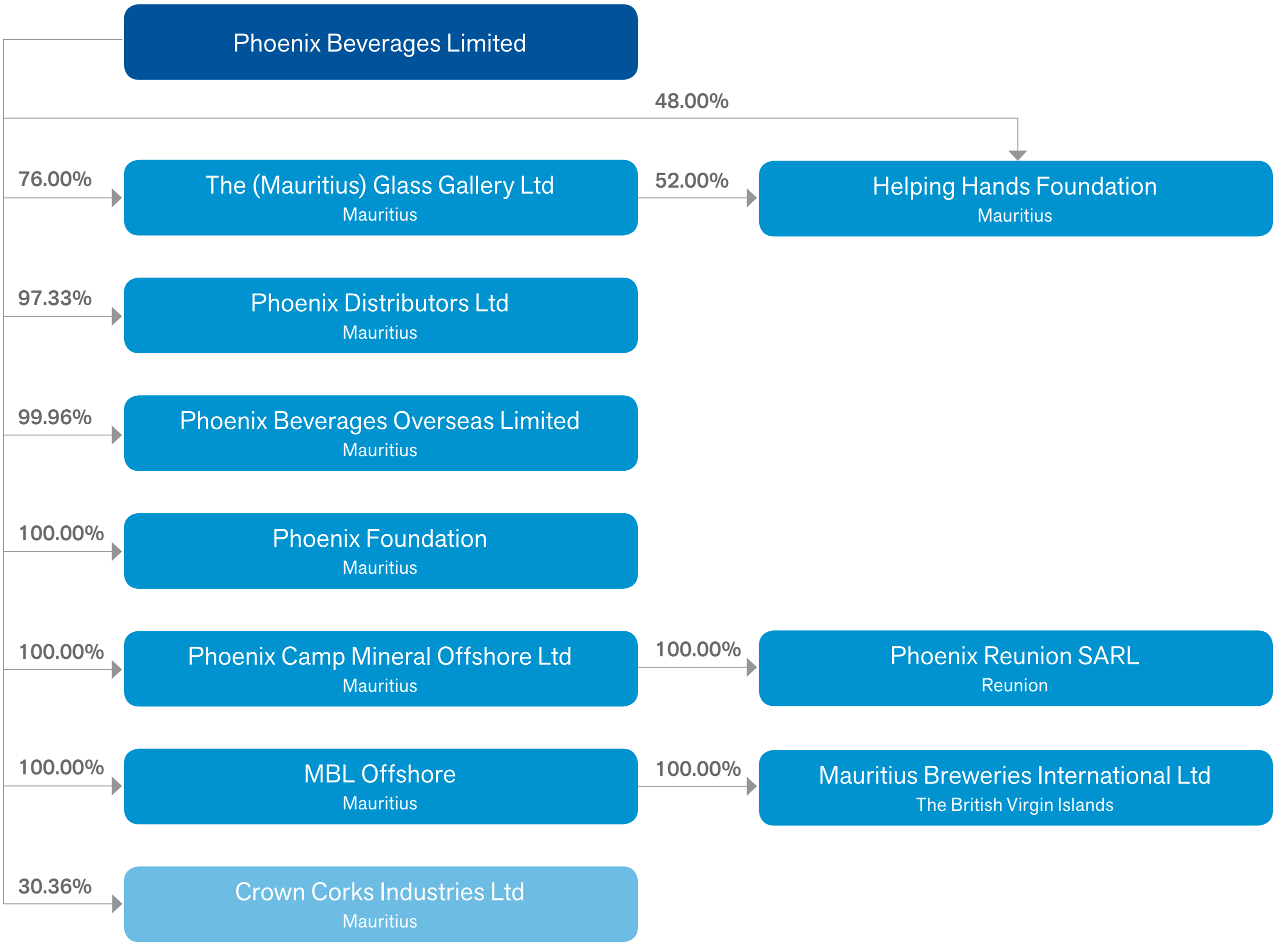
COMPANY SECRETARY

GML Management Ltée

Group Structure

Phoenix Beverages Limited

Subsidiaries	
Local	
Helping Hands Foundation	87.52%
MBL Offshore Ltd	100.00%
Phoenix Beverages Overseas Ltd	99.96%
Phoenix Camp Minerals Offshore Ltd	100.00%
Phoenix Distributors Ltd	97.33%
Phoenix Foundation	100.00%
The (Mauritius) Glass Gallery Ltd	76.00%
Foreign	
Mauritius Breweries International Ltd	100.00%
Phoenix Reunion SARL	100.00%
Associate	
Local	
Crown Corks Industries Ltd	30.36%



JULIAN
SEBLIN

Gazing out at the magnificent ocean, Julian allows his emotions to wash over him. Lulled and inspired, he relives the intense moments of his life and transforms them into lyrics and melodies. With a unique blend of sensitivity and determination, he lives his passion and achieves his dream of creating and sharing his music.

Winner of NOU PAYS, NOU LAMIZIK, sponsored by Phoenix Beverages.

Our Brands

Senior Managers' Profiles

BERNARD THEYS
Chief Executive Officer

Bernard Theys, born in 1965 in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at l'Association Internationale Americaine de Management (MCE) in 1995 and at INSEAD Fointainebleau in France in 2008. Bernard Theys had different General Management roles in the Brewery industry where he acquired a great experience in the Fast Moving Consumer Goods industry.

PATRICK RIVALLAND
Chief Operating Officer and Chief Financial Officer

Patrick Rivalland, born in 1972, is a Fellow member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed Group Senior Manager Finance and Administration in 2001 and Chief Operating Officer in 2014. He is a past President of the Association of Mauritian Manufacturers.

JAGANADEN CHELLUM
Senior Manager Human Resources

(Up to 15 October 2014)

Jaganaden Chellum, born in 1971, is the holder of a 'Maîtrise en Gestion des Entreprises Privées' from the University of Paris XII, France. Before joining the Group in 2000, he worked for Floréal Knitwear Limited. He was appointed Senior Manager Human Resources in April 2007.

GERARD MERLE
Senior Manager Limo Operations

Gerard Merle, born in 1968, has worked in the manufacturing sector for more than 21 years. Before joining Phoenix Beverages Limited in January 2009 as Senior Manager Limo Operations, he worked for Boxmore Plastics International.

GERVAIS RAMBERT
Head Brewer

Gervais Rambert, born in 1956, joined the brewery in 1977. He is the holder of a Certificate from the Brewing School of Diageo in Park Royal, London and from St James Gate, Dublin. He also holds a Diploma from 'L'Ecole Nationale Supérieure d'Agronomie et des Industries Alimentaires' in France and from VLB Institute and Research of Berlin. He worked in several breweries in Europe, namely Guinness Park Royal in London, Le Pécheur, Meteor and Kronenbourg Breweries in France. He is the Group's Head Brewer since 1992.

ANTIS TREEBHOOBUN
Senior Manager Business Systems

Antis Treebhoobun, born in 1959, is the holder of a BA in Computer Science from the University of Iowa. During the period 1987 to 1991, he worked in the USA as Software Engineer on contract for Boeing Avionics Corp. and from 1991 to 2001, he was the Senior IT Manager for Rogers Aviation & Tourism. He joined the Group in 2001 as Senior Manager Business Systems.

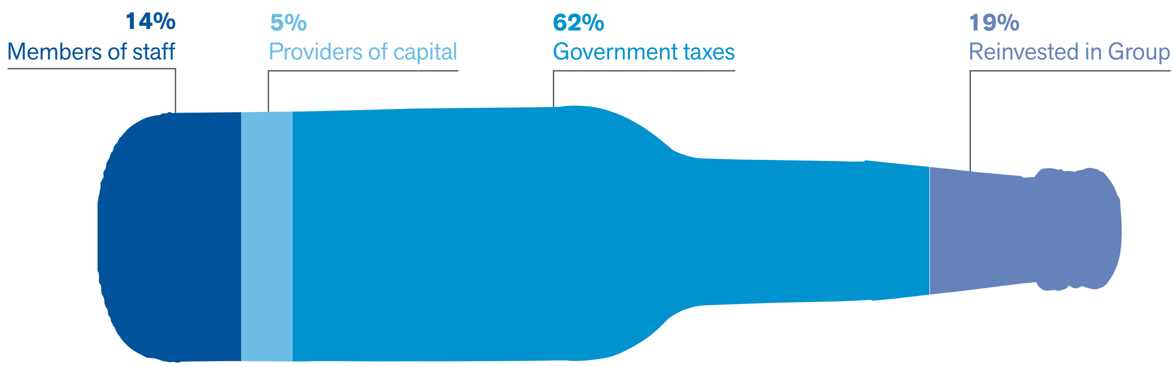
DIDIER VALLET
Senior Manager Commercial Operations

Didier Vallet, born in 1961, is the holder of a Diploma in Marketing and Sales Management from Cape Technikon School of Commerce. He joined the Group in 1986 as Assistant Sales and Marketing Manager. He was appointed Phoenix Beverages Group Senior Manager Commercial Operations in June 2005.

Value Added Statement

	2014		2013	
	Rs'000	%	Rs'000	%
Turnover including Value Added Tax	5,242,888		4,884,309	
Less: Paid to Suppliers for Materials and Services	(2,213,714)		(2,223,201)	
Value Added	3,029,174		2,661,108	
Other operating income	40,687		53,276	
Gain on disposal of associates	376,895		-	
Total wealth Created	3,446,756		2,714,384	
Distributed as follows :				
Members of Staff				
Renumeration and Benefits	498,268	14	460,866	17
Providers of Capital				
Dividends	138,155		131,576	
Interest	21,206		26,793	
	159,361	5	158,369	6
Government Taxes				
Excise, Customs & Other Specific Duties	1,660,329		1,509,046	
Net Value Added Tax	422,730		382,948	
Taxation	57,964		32,576	
	2,141,023	62	1,924,570	71
Reinvested in the Group				
Depreciation and amortisation	208,147		202,949	
Retained Profit	439,957		(32,370)	
	648,104	19	170,579	6
Total Distributed and Retained	3,446,756	100	2,714,384	100

Distribution of Wealth Created



Financial Highlights

	2014	2013	2012	2011	2010
		(Restated)	(Restated)	(Restated)	
Statements of profit or loss & other comprehensive income (Rs.M)					
Turnover	**4,820**	4,501	4,228	3,747	3,401
Excise & other specific duties	**1,523**	1,382	1,209	908	734
Results of associates	**38**	64	(49)	(39)	(43)
Profit before taxation	**712**	262	260	218	217
Profit attributable to shareholders	**579**	99	202	165	166
Depreciation and ammortisation	**208**	203	194	180	200
Net interest paid	**21**	27	26	29	22
EBITDA	**865**	362	480	429	442
Statement of financial position (Rs.M)					
Total assets	**3,987**	3,817	3,249	3,027	2,972
Net indebtedness	**-**	331	365	313	372
Working capital including cash	**696**	110	313	225	70
Shareholders' fund	**3,014**	2,589	2,067	2,037	2,138
Net asset value per share (Rs.)	**183.23**	157.41	125.67	123.83	130.02
Cash flow (Rs.M)					
Investment in fixed assets	**186**	207	215	183	318
Net cash generated from operating activities	**533**	377	293	353	208
Performance ratio					
Earnings per share (Rs.)	**39.83**	13.95	12.26	10.01	10.11
Net return on equity (%)	**23.63**	10.12	12.22	7.54	7.78
Net profit margin (%)	**11.99**	2.20	4.75	4.38	4.86
Liquidity & gearing ratio					
Current ratio (%)	**216.65**	112.96	137.09	132.37	110.70
Net borrowings to equity (%)	**-**	12.80	17.66	14.32	17.41
Interest cover (times)	**34.57**	10.78	11.00	8.65	10.89
Dividends					
Dividends declared (Rs.M)	**138.16**	131.58	123.35	110.19	110.19
Dividends per share (Rs.)	**8.40**	8.00	7.50	6.70	6.70
Dividend yield (%)	**4.31**	3.95	3.66	3.22	4.44
Dividend cover (times)	**4.19**	0.75	1.63	1.49	1.51
Market data					
Market price per share (Rs.)					
High	**205.00**	216.00	210.00	220.00	180.00
Low	**185.00**	200.00	190.00	151.00	126.00
Closing (30 June)	**195.00**	202.50	205.00	208.00	151.00
Market Capitalisation (Rs.Bn)	**3.21**	3.33	3.37	3.42	2.48
P/E ratio (times)	**4.90**	14.52	16.72	20.78	14.93

Taxes (Mauritius)

		2014	2013	2012	2011	2010
Excise taxes & other specific duties	Rs. '000	**1,523,002**	1,382,073	1,208,879	907,546	734,160
Excise duty - beer	Rs/litre	**35.90**	34.20	29.75	22.80	19.00
PET tax	Rs/unit	**2.00**	2.00	2.00	2.00	1.00
Can tax	Rs/unit	**2.00**	2.00	2.00	2.00	1.00
CWA - water fee (up to January 2013)	Rs/litre	**-**	1.50	1.50	-	-
Sugar Tax (as from February 2013)	Rs/gram	**0.03**	0.02	-	-	-
Income tax	Rs. '000	**50,738**	51,519	35,264	44,161	36,828
	% rate	**15.0**	15.0	15.0	15.0	15.0
Customs duty	Rs. '000	**50,350**	43,208	32,583	33,576	11,653
Net value added tax	Rs. '000	**419,188**	378,471	333,974	312,360	267,705
	% rate	**15.0**	15.0	15.0	15.0	15.0
TOTAL	Rs. '000	**2,043,278**	1,855,271	1,610,700	1,297,643	1,050,346

Group Quarterly Results

	Year ended 30.06.14	4th Quarter 3 months to 30.06.14	3rd Quarter 3 months to 31.03.14	2nd Quarter 3 months to 31.12.13	1st Quarter 3 months to 30.09.13
	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm
Continuing operations					
Revenue	**4,820**	1,120	1,088	1,577	1,035
Manufacturing costs	**(1,996)**	(451)	(458)	(674)	(413)
Excise and other specific duties	**(1,523)**	(350)	(352)	(475)	(346)
Gain on disposal of interest in associates	**377**	-	-	377	-
Other income	**41**	4	4	22	11
Overheads	**(986)**	(264)	(214)	(288)	(220)
Net finance costs	**(21)**	(2)	(6)	(7)	(6)
Profit before taxation	**712**	57	62	532	61
Tax expense	**(58)**	(15)	(6)	(28)	(9)
Profit from continuing operations	**654**	42	56	504	52
Discontinued operations					
Loss on discontinued operations	**(76)**	-	-	(38)	(38)
Profit after tax	**578**	42	56	466	14

Z U L U

Transported by the rhythm of the waves, free-spirited Zulu chills and lets his imagination run free. Mahebourg, his home village, inspires him at every turn – a chat with friends, special moments. His music is a blend of emotions as he plays concerts across the island, accompanied by his "Tribue" and inspired by his fans.

Sponsored by Phoenix Beverages for concerts in Mauritius.

Chairman's and CEO's Report

Jean-Claude
BEGA

Dear Shareholder,

We are pleased to present you with the Annual Report of your Company for the year ended 30 June 2014.

Overview

The beverages industry in Mauritius and abroad is facing new opportunities and challenges. Ever changing consumer demands and preferences require new ways of retaining current consumers and recruiting new ones. In our extremely competitive environment, our priority is to make sure that we have the appropriate strategy in place to exceed our consumers' expectations, offer products of the highest quality, efficiently distribute them and ensure safety, while keeping our prices as competitive as possible. In parallel, we are committed to reducing further the environmental impact of our operations.

Under the precious guidance of the Board of Directors, our dedicated management team has been consistently on the go to quickly capture new emerging opportunities, with the valuable support of our partners, mainly The Coca-Cola Company and Diageo. This has contributed to delivering a good year for our Group, a year which has seen the celebration of the 50th anniversary of our famous Phoenix beer.

The year was a particularly busy and exciting one. We made excellent progress towards our strategic objectives. Our major achievements included the acquisition of a new soft drink brand, the installation of a wine bottling line and the initiation of an organisational redesign. We also focused on the challenges our industry is facing and we put much emphasis on the following:

- The positioning of our heavily taxed products in a market where the purchasing power of consumers is consistently under pressure.
- Addressing the changing preferences of consumers towards a shift to health oriented wellness drinks.
- The growth of profitable volume in a highly competitive and slow growing market.
- Regional reorganisation and expansion.

Review of our results and operations

We are delighted by the strong performance achieved, with total sales volume growing by 3.2 % while improving our already strong balance sheet and cash flow.

Bernard **THEYS**

Reported profit before finance costs on continuing activities grew by 23.4% from Rs 288.7 million in 2012/13 to reach Rs 356.3 million this year, while total equity increased by 16.4%, from Rs 2.59 billion to Rs 3.01 Bn and our gearing ratio has fallen from 13% in 2012/13 to Nil at end of June 2014. Your Board has for the first time declared and paid an interim dividend (Rs 3.20/share) in December 2013. Total dividend declared and paid for the year 2013/14 was Rs 8.40 per share (2012/13: Rs 8.00).

At Phoenix Beverages, we recognise that the health of our business is directly linked to the well-being of the community we serve. In this respect, we have during the year started through The Coca Cola Ambassador programme, an Active Healthy Living (AHL) education campaign with the aim to build trust through transparency and openness with our various stakeholders in order to emphasise a healthy lifestyle with a balanced diet and physical activity. In addition, we are proud to offer a wide variety of products so that consumer can choose the best hydration options for their individual needs and lifestyle.

As part of our actions to address environmental issues and tackle the eroding purchasing power of our consumers, we have launched a new 200ml Coca-Cola in a returnable glass bottle (RGB) at the affordable recommended retail price (RRP) of Rs 10. In addition, despite increasing taxes and costs, we have been able to maintain the RRP of our 1 litre RGB at Rs 20. We are also working with our retailers to demonstrate the advantages for them of applying our RRP, which will also ultimately benefit the consumer.

As communicated recently, the Executive Director of the Competition Commission of Mauritius ('CCM') launched in March 2014, an investigation into an alleged collusive agreement that may have existed between Phoenix Beverages Limited (PBL), on the one hand, and the Castel Group and its subsidiary Stag Beverages Ltd on the other hand, in relation to the manufacture and supply of beer in Mauritius. We are pleased to report that PBL has fully cooperated with the CCM throughout the investigation, following which a financial penalty of Rs 20.3 million was imposed on PBL in addition to certain behavioural undertakings as regards the conduct of PBL's beer activities in Mauritius. Notwithstanding our view that PBL has always acted in accordance with the Competition Act 2007, we believe that complying with the decision of the Commission is in the best interests of all parties, including consumers of beer products.

Chairman's and CEO's Report (continued)

PBL has, in September 2014, acquired the Eski Brand which is the authentic and much appreciated Mauritian lemonade. This acquisition will enable PBL to have a more diversified portfolio and capture a new market segment. We are confident that this historic acquisition will provide additional shareholder value in the years to come.

In line with our strategy to extend our category of products and offer consumers quality products at affordable prices, PBL has, this year, invested in a wine bottling line. We plan to launch our locally bottled wine in October this year.

Overseas operations

In Reunion Island, the economic and competitive environment remains difficult. Since January 2013, our beer products attract a higher rate of excise duty as compared to the main locally brewed ones. Following a court action by PBL, we are however confident that this anomaly will disappear in the near future. In the meantime, this change in excise taxes has led us to review our growth strategy by further diversifying our portfolio.

In December 2013, we disposed of our entire interests in our associated Companies in Madagascar. The main reason behind this decision was to cut losses, as we think that the fierce competition in the beer sector coupled with the uncertain political and economic conditions in Madagascar would continue to pressure our Group's profitability and cash flow for at least the medium term. The net gain resulting from this transaction at Group Level amounted to Rs 289.1million, after taking into consideration its share of loss from discontinued operations and exchange differences realised on disposal of these associates.

The capital of Asia Pacific Brewery (Lanka) Limited ('APBL') has been restructured during the year, with the capitalisation of both the preference shares and shareholders loans of the main shareholder into equity capital. As such, PBL shareholding in APBL has been diluted resulting in a reclassification of this investment from associate to investments in financial assets at reporting date. We are presently working on various alternatives regarding our involvement in APBL.

Corporate Social Responsibility

While conducting our business, PBL is committed to observing the highest ethical standards and the best socially responsible attitudes. Leadership from the Board on corporate responsibility is a sine qua non condition to respecting this engagement. As such, the Board's priorities are the safety and well-being of all our people and of the communities in which we operate. The corporate governance update on pages 24 to 40 of this report provides a description of the Directors' approach on this matter.

We continuously improve our processes and activities by encouraging returnable packaging, recycling of PET (Polyethylene terephthalate), glasses and emission reductions to limit our ecological footprint. Pages 44 to 45 detail our different actions in this respect.

We are pleased to highlight that, in collaboration with bottling and recycling partners, we have since 2001 been actively participating in the implementation of recycling PET in Mauritius. Our latest figures indicate that we are achieving a rate of recycling of over 40%, leading our region, and comparing favourably with European countries.

Achievements

We are pleased to report that two employees of PBL have, this year, been certified Operational Excellence (OE) Black Belt Practitioner by The Coca-Cola Company Eurasia and Africa Group. Operational Excellence projects within PBL have enabled the elimination of inefficiencies, improved energy consumption and optimised production line utilisation. This is in line with our commitment to contain costs and promote sustainable growth.

We are also proud to communicate that Phoenix beer has been rewarded with gold medals and the International High Quality Trophy 2014 at Monde Selection. This again demonstrates that Phoenix beer is consistently able to successfully compete against the best international beers in the global arena. We wish to once again congratulate our head brewer and his team for their professionalism, dedication and hard work.

Organisational redesign

During the year, the Group initiated an organisational redesign. The purpose of this process is to identify ineffective work flows and structures, redesigning them to fit the current business needs and developing plans which will enable the Group to promptly achieve better results.

In this connection, we are pleased to announce that Mr Patrick Rivalland has been appointed Chief Operating Officer (COO) of the Group. This appointment recognises his remarkable execution capability and significant contributions towards the development of the Group over the past years. On behalf of the Board, we would like to wish him much success in his new position.

Outlook

Phoenix Beverages, throughout its more than half a century existence, has always adapted to the volatility and uncertainty of our socioeconomic environment.
Despite the uncertain macroeconomic conditions, we will manage our business with diligence and continue to progress our growth projects, with focus on improving both our operational efficiencies and competitiveness. We will also continue to build on our strengths and look for other opportunities to expand our business, both locally and regionally.

Acknowledgements

Reflecting on a successful year 2013/14, we wish to express our thanks and appreciation to our fellow Directors on the Board, our Senior Executives and the 1,100 employees of Phoenix Beverage Group. We are sure we have the right people and resources in place to continue to deliver sustainable and equitable growth in the years ahead. We are grateful to everyone for their commitment, professionalism and teamwork in such difficult and stressful times.

We also express our deep pride in all our stakeholders for bringing us to where we are, and our gratitude to you, our shareholders, for your unwavering support. We hope you share our excitement about your Company's performance.

Jean-Claude Béga
Chairman

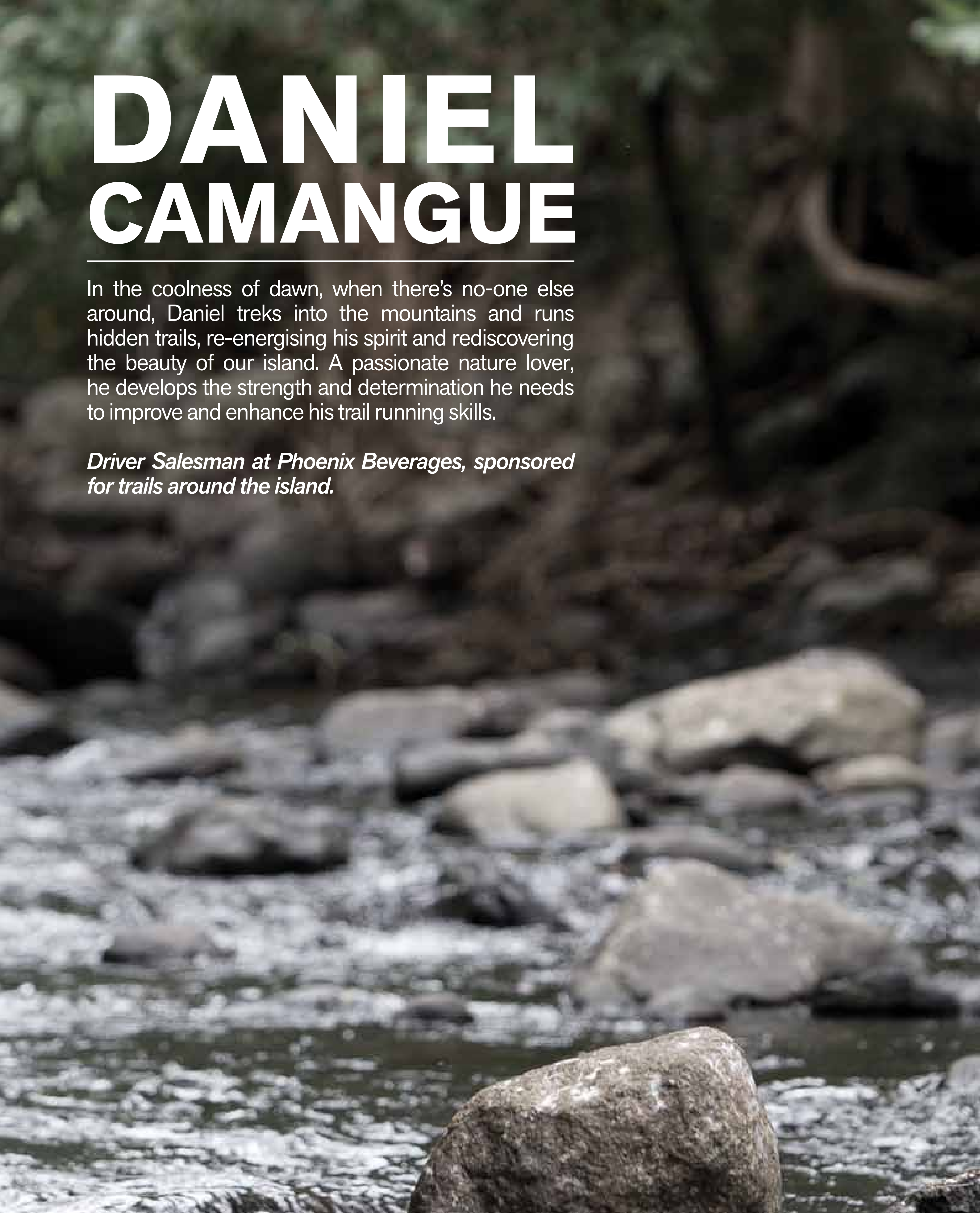
Bernard Theys
Director

September 9, 2014

DANIEL CAMANGUE

In the coolness of dawn, when there's no-one else around, Daniel treks into the mountains and runs hidden trails, re-energising his spirit and rediscovering the beauty of our island. A passionate nature lover, he develops the strength and determination he needs to improve and enhance his trail running skills.

Driver Salesman at Phoenix Beverages, sponsored for trails around the island.



Corporate Governance

COMPLIANCE

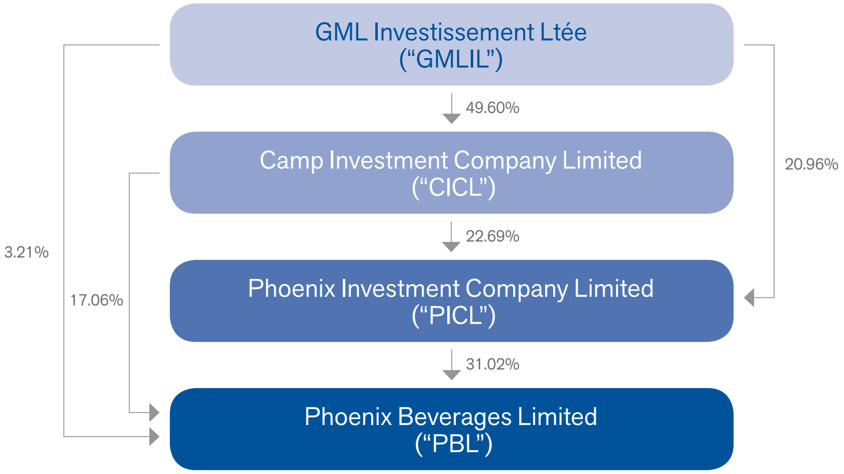
The Board of Phoenix Beverages Limited strives to achieve the utmost level of responsible conduct and best practice, as guided by the Code of Corporate Governance for Mauritius (the "Code"). Accordingly, Phoenix Beverages Limited fosters a culture that values and rewards the highest standards of ethics as well as personal and corporate integrity. It is also the Company's policy that Directors, employees, shareholders and officers as well as all other stakeholders observe the highest standards of ethics.

Phoenix Beverages Limited, through the Board of Directors, the Committees and Management, comply with the corporate governance statement requirements pursuant to the Code of Corporate Governance for Mauritius by virtue of the information included in this "Corporate Governance" section of the Annual Report of the Company. The report has been prepared in conformity with the obligations and requirements of the Code.

CASCADE HOLDING STRUCTURE

Phoenix Beverages Limited is listed on the Official Market of the Stock Exchange of Mauritius Ltd and, at the date of this Annual Report, the Company has 16,447,000 ordinary shares of Rs 10 each in issue and 1971 shareholders on its registry.

The cascade holding structure is as follows:



COMMON DIRECTORS

The Directors of the Company who also sit on the Boards of the above-mentioned holding companies are:

Directors	PBL	PICL	CICL	GMLIL
Jean-Claude Béga	√ **	√ **	√ **	
Jan Boullé	√	√	√	√ **
François Dalais	√	√	√	
Guillaume Hugnin	√		√	
Arnaud Lagesse	√	√	√	√ *
J. Cyril Lagesse	√	√	√	√
Thierry Lagesse	√	√	√	√
George Wiehe	√	√		

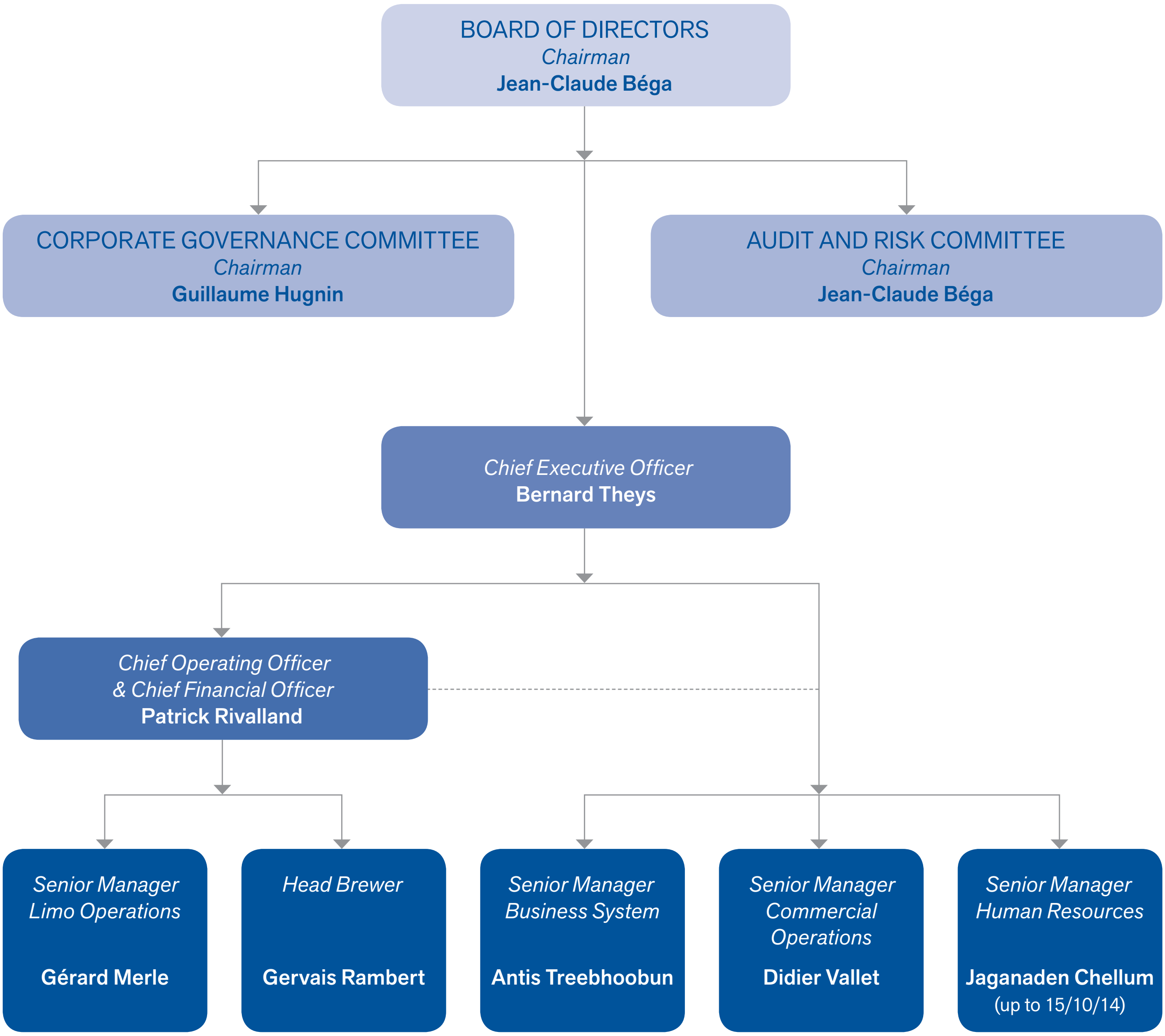
*** Chairman*

** Alternate Director*

COMPANY'S GENERAL ORGANISATION STRUCTURE

The Board of Phoenix Beverages Limited is guided in its activities by the Terms of Reference of its sub-committees which are updated for any applicable latest developments in Governance.

At the date of this report, the general organisation structure of PBL is as follows:



COMPANY'S GENERAL ORGANISATION STRUCTURE (CONTINUED)

Board Composition	Audit & Risk Committee Composition	Corporate Governance Committee Composition
Directors:	**Members:**	**Members:**
Jean-Claude Béga	Jean Claude Béga	Guillaume Hugnin
Jan Boullé	Jan Boullé	J. Cyril Lagesse
François Dalais	Didier Koenig	Seewoocoomar Sewraz
Guillaume Hugnin	Georges Wiehe	Bernard Theys
Didier Koenig		
Arnaud Lagesse		
J. Cyril Lagesse		
Thierry Lagesse		
Patrick Rivalland		
Seewoocoomar Sewraz		
Bernard Theys		
George Wiehe		
Alternate Directors:		
Jean Pierre Dalais		
Marguerite Hugnin		

THE ROLE OF THE BOARD

The Board's main role consists of helping to create long-term sustainable value for the Group's shareholders, focusing on strategic leadership, performance management investors' relation, risk management and governance. Each of these areas forms a key part on the Board's agenda and enables to plan meetings appropriately, giving sufficient time to focus on the schedule of objectives.

All Directors are aware of the key discussions and decisions of the sub-committees as the Chairman of each committee provides a summary to all the Directors at the main Board meeting following the relevant sub-committee meeting.

The Board's ultimate responsibility is for the supervision of the Group. It has the following principal duties:

- Formulating and monitoring the implementation of the Group's long-term business strategy;
- Approving the the Group's investment plans, budgets and forecasts;
- Reviewing reports submitted to the Board for approval;
- Reviewing the business operations of the Group;
- Establishing sound accounting and financial control principles, as well as principles of financial planning;
- Accountability to the shareholders for the proper conduct of business;
- Ensuring compliance with legal and ethical standards by facilitating the setting up of appropriate corporate governance structures for the management of the business operations; and
- Ensuring that the members of the Senior Management team are competent, and that an effective succession strategy and plan is adopted for the Group's senior executive positions.

Other specific responsibilities are delegated to Board committees who report regularly to the Board and make recommendations thereof for approval.

Board members have unrestricted access to the records of the Company and also have the right to seek independent professional advice, at the expense of the Company, to enable them to discharge their responsibilities effectively.

BOARD OF DIRECTORS

The Board of Phoenix Beverages Limited is chaired by Mr Jean-Claude Béga and at the year end, consisted of 12 Directors, of whom 2 are Executive Directors, 8 are Non-Executive Directors and 2 are Independent Non-Executive Directors and all of them with deep knowledge and experience in core and diverse business sectors within local and international markets. Furthermore, the Board does not believe that its members should be prohibited from serving on boards of other organisations and has not adopted any guidelines limiting such activities. Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of Phoenix Beverages Limited. The Directors have made the requisite disclosures regarding their directorships in other listed companies.

Every year, all the Directors submit themselves for re-election at the Annual Meeting of the Company. The Executive Directors have, based on the Company's policies, formal employment contracts with Phoenix Management Company Ltd.

BOARD'S GOVERNANCE

The offices of the Chairman and Chief Executive Officer are separate and there is a division of responsibilities that is clearly established and agreed by the Board to ensure that no one person has unfettered powers of decision. The Chairman is a Non-Executive Director selected by the Board.

THE CHAIRMAN OF THE BOARD

The Chairman conducts Board proceedings in a manner that ensures, inter alia, that:

- Effective participation of both Executive and Non-Executive Directors is secured;
- All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company and of the Group; and
- The Board is completely aware and in control of the Company's and Group's affairs, and alert to their obligations to all shareholders and other stakeholders.

THE CHIEF EXECUTIVE OFFICER

Mr Bernard Theys, appointed as Chief Executive Officer of Phoenix Beverages Limited on July 1, 2013, is responsible for the management of the Company's business and the implementation of management strategy and policy.

He is also responsible for:

- Overseeing, developing and recommending to the Board annual business plans and budgets that support the Group's long-term strategy and vision;
- Ensuring continuous improvement in the quality and value of the products;
- Ensuring that the Group has an effective management team, actively participating in the development of management and succession planning;
- Promoting a corporate culture that promotes ethical practices, offers equal opportunities, encourages individual integrity and fulfils social responsibility objectives and imperatives; and
- Serving as the chief spokesman for the Group on all operational and day-to-day matters.

DIRECTORS' APPOINTMENT

The Directors have, according to the Company's Constitution and upon recommendation of the Corporate Governance Committee in its role as Nomination Committee, the power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as addition to the existing Directors, but the total number of Directors shall not at any time exceed the number fixed by the Constitution. However, newly appointed Directors are subject to election by shareholders at the Company's Annual Meeting in their first year of appointment.

Upon appointment to the Board and/or its Committees, Directors receive a complete induction pack from the Company Secretary, as well as a leaflet on her/his duties and responsibilities as Director. In addition, newly appointed Directors are invited to meet members of the senior management in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

Furthermore, Phoenix Beverages Limited being listed on the Stock Exchange of Mauritius, every newly appointed Director must submit to this authority, through the Company Secretary, a complete "Declaration and Undertaking" questionnaire and a declaration of his interests in the Company.

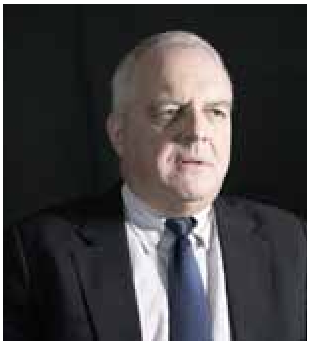
The Company Secretary will subsequently submit to the Financial Services Commission a copy of the declaration of the Director's interests.

Finally, at the next Annual Meeting to be held on November 25, 2014, the Board of Directors will propose, following the recommendation of the Corporate Governance Committee, the re-election of Mr J. Cyril Lagesse as Director of the Company, and the re-electionof Mrs Marguerite Hugnin as Alternate Director of Mr Guillaume Hugnin, under Section 138(6) of the Companies Act 2001.

Corporate Governance (continued)

DIRECTORS' PROFILES

The names of all Directors and Alternate Directors, their categories and profiles and the list of their directorships in other listed companies are provided hereunder.



Jean-Claude Béga

Non-Independent Chairman - first appointed to the Board in 2011 and as Chairman on August 14, 2013

51 years

Jean-Claude Béga is a Fellow of the Association of Chartered Certified Accountants. He joined GML in 1997 and is the Chief Financial Officer of GML Management Ltée. He is Director of a number of companies including Alteo Limited, Lux Island Resorts Ltd, AfrAsia Bank Limited, The Emerging Africa Infrastructure Fund Limited and is the Non-Executive Chairman of Phoenix Beverages Limited, Phoenix Investment Company Limited, Camp Investment Company Limited and Phoenix Management Company Ltd. Jean-Claude Béga is also the Chairman of the Audit and Risk Committee of the Company given his strong financial expertise.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius Ltd:

- Alteo Limited
- Lux Island Resorts Ltd
- BlueLife Limited (Alternate Director)

Jan Boullé

Non-Executive Director - first appointed to the Board in 2000

57 years

Jan Boullé is currently Head of Development and Project at Constance Group. He joined The Constance and La Gaieté Sugar Estates Co. Ltd in 1984. He is an 'Ingénieur Statisticien Economiste (France)' and holds a diploma of '3ème cycle, Sciences Economiques' Université Laval, (Canada). Jan Boullé is a member of the Board of Directors of several of the country's major companies. Furthermore, he has also been appointed as Non–Executive Chairman of GML Investissement Ltée since August 12, 2013. Jan Boullé is also a member of the Audit and Risk Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Belle Mare Holding Limited

François Dalais

Non-Executive Director - first appointed to the Board in 1992

56 years

François Dalais holds a Diploma in Business Administration (London). He is the founder and Director of the Mauritius Freeport Development Ltd, Sugarex Ltd, Tropical Cubes Co. Ltd, Atlas Communications International Ltd and Financière Marine International Ltd. François Dalais also sits on the Board of a number of companies in Mauritius.

Guillaume Hugnin

Non-Executive Director - first appointed to the Board in 2009

53 years

Guillaume Hugnin studied at the University of Cape Town in South Africa where he graduated as Bachelor of Arts in Economics and Post-Graduated with Honours in Economics. He completed his studies in 1997 by obtaining an MBA from the University of Surrey, United Kingdom. Guillaume Hugnin worked in South Africa and Australia for several years before joining the Food and Allied Group of Companies in 1993. He is currently the Managing Director of Panexport Co. Ltd, the international trading arm of the Food and Allied Group. He has directorships in the hotel industry and is a past Chairman of the Mauritius Exporters Association (MEXA). He has also acted as Council member of the Joint Economic Council (JEC). Guillaume Hugnin is currently the Chairman of the Corporate Governance Committee of the Company.

Didier Koenig

Independent Non-Executive Director - first appointed to the Board in 2001

59 years

Didier Koenig is currently the Accountant of Domaine de Labourdonnais Limitée. He is a past auditor of De Chazal Du Mée & Co. Didier Koenig is a member of the Audit and Risk Committee of the Company.

Arnaud Lagesse

Non-Executive Director - first appointed to the Board in 1998

46 years

Arnaud Lagesse, appointed as Director of the Company on March 30, 1998, holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined GML in 1993 as Finance and Administrative Director before becoming in August 2005 its Chief Executive Officer. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairman of Alteo Limited, Ireland Blyth Limited, BlueLife Limited, Lux Island Resorts Ltd, AfrAsia Bank Limited, inter alia. Arnaud Lagesse is an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. He is also the Chairman of GML Fondation Joseph Lagesse since July 2012.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Ireland Blyth Limited
- Lux Island Resorts Ltd
- BlueLife Limited
- The United Basalt Products Ltd

J. Cyril Lagesse

Non-Executive Director - first appointed to the Board in 1960 and Chairman from 1975 to 2007

82 years

J. Cyril Lagesse, well-known entrepreneur, took over his father's business in 1969 (Mon Loisir S.E) and set up GML Investissement Ltée in the early 1970's, to take advantage of the diverse investment opportunities that arose while Mauritius moved towards greater industrialisation. Since then, GML has expanded and is now the major shareholder of other well-established firms. J. Cyril Lagesse also sits on the Board of several of the country's most prestigious companies, some of which are listed on the Stock Exchange of Mauritius. J. Cyril Lagesse is a member of the Corporate Governance Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius Ltd:

- Ireland Blyth Limited
- Lux Island Resorts Ltd

Thierry Lagesse

Non-Executive Director - first appointed to the Board in 1998 and Chairman from 2007 to 2013

61 years

Thierry Lagesse was appointed Director on February 23, 1998. He holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the Non-Executive Chairman of GML, Ireland Blyth Limited, Alteo Limited, Phoenix Beverages Limited and The United Basalt Products Ltd up to August 2013 and is a Director of several other companies quoted on the Stock Exchange of Mauritius Ltd. He is also the Executive Chairman and founder of Palmar Group of Companies and Executive Chairman of Parabole Réunion SA.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius Ltd:

- Alteo Limited
- Ireland Blyth Limited
- The United Basalt Products Ltd

Corporate Governance (continued)

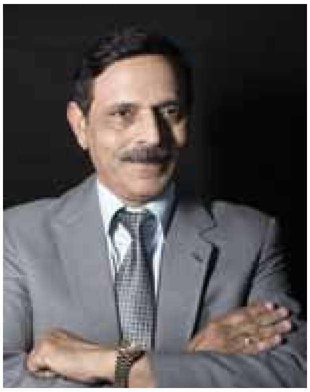
DIRECTORS' PROFILES (continued)

Patrick Rivalland

Executive Director - first appointed to the Board on September 2, 2013

41 years

Patrick Rivalland, is a Fellow member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed Group Senior Manager Finance and Administration in 2001 and Chief Operating Officer in 2014. He is a past President of the Association of Mauritian Manufacturers.



Seewoocoomar Sewraz

Independent Non-Executive Director - first appointed to the Board in 1982

60 years

Seewoocoomar Sewraz, is a member of the Institute of Book-keepers in the UK and holds the higher stage of London Chamber of Commerce. He has more than 30 years of work experience in the wholesale business. He is a member of the Board of Directors of several companies. Seewoocoomar Sewraz is a member of the Corporate Governance Committee of the Company.

Bernard Theys

Executive Director - first appointed to the Board on July 1, 2013

49 years

Bernard Theys, born in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at "l'Association Internationale Américaine de Management" (MCE), in 1995 and at INSEAD Fontainebleau in France in 2008. Bernard Theys had different General Management roles in the Brewery industry where he acquired a great experience in the Fast Moving Consumer Goods industry.

George Wiehe

Non-Executive Director - first appointed to the Board in 1994

58 years

George Wiehe, holds a Bachelor in Agricultural Management and a Diploma in Business Management. He is currently the Managing Director of Société Rouillard Frères & Cie. George Wiehe is also a member of the Audit and Risk Committee of the Company.

ALTERNATE DIRECTORS' PROFILES

Jean Pierre Dalais

Alternate Director - first appointed as Alternate Director in 1999

50 years

Jean Pierre Dalais, is the Alternate Director of François Dalais since October 1999. After obtaining his MBA from the International University of America, San Francisco, in 1988, he began his career with Arthur Andersen in Mauritius and France before joining CIEL in 1990. Jean-Pierre Dalais is an Executive Director of CIEL Limited, an important industrial and investment company with interests in a number of companies operating in different sectors of the Mauritian economy. He also sits on the Board of a number of well-known Mauritian companies involved in tourism, financial services, textile and healthcare.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- CIEL Limited
- IPRO Growth Fund Ltd
- Sun Resorts Limited

Marguerite Hugnin

Alternate Director - first appointed to the Board in 1998 and as Alternate Director in 2009

79 years

Marguerite Hugnin studied Secretariat and Management in Paris. She is a past Chairman of the 'Alliance Française de l'Ile Maurice'. Marguerite Hugnin has served as Director since 1998 and was a member of the Corporate Governance Committee of the Company. She resigned in favour of Guillaume Hugnin in July 2009.

BOARD EVALUATION

The work of the Board, like that of the Chairman, was lastly evaluated in 2009. This year, in order to ensure that the Board's primary responsibilities are satisfactorily discharged, the Board's performance has been once more appraised using a wide-ranging appraisal questionnaire prepared by the Corporate Governance Committee. This questionnaire was given to all Board members including the Chairman and the CEO. The results are being computed and the outcome will be circulated to the Board members and will be used to improve the effectiveness of the Board.

DIRECTORS' ATTENDANCE

It is the responsibility of the Directors to attend meetings. A Director of Phoenix Beverages Limited is expected to spend the time and effort necessary for him or her to properly discharge his/her responsibilities. The Non-Executive Directors have the responsibility for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables to promote success of the Company for the benefit of all its stakeholders. They are also responsible for overseeing the operational performance of the business.

A Director who is unable to attend a meeting is expected to notify either the Company Secretary or the Chairman of the Board or the Chairman of the appropriate Committee, in advance of such meeting.

The attendance of the Directors at meetings is set out on page 36 of the Annual Report.

BOARD MEETINGS

The Board meets at least 4 times in a financial year to consider the performance of the Group's business segments, strategy developments and to receive reports from its sub-committees. The Board also actively communicates relevant information informally in order to keep abreast of changes affecting or potentially impacting the interests of the Group and its stakeholders. In addition to regular Board meetings, there have been a number of other meetings to deal with specific matters.

At the beginning of each financial year, the Board, in consultation with the Chief Executive Officer, sets reasonable financial and non-financial targets, in line with the short, medium and long-term objectives of the Company and the Group.

Board meetings are convened by giving appropriate notice after obtaining the approval of the Chairman and the Chief Executive Officer. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. In order to address specific urgent business needs, meetings are, at times, called at shorter notice.

The minutes of each Board Meeting, recorded by the Company Secretary, are entered in the Minutes Book and are submitted for confirmation at its next meeting and signed by the Chairman and the Company Secretary.

It is the responsibility of the Directors to attend meetings. However, Directors unable to attend a meeting are advised on matters to be discussed and given the opportunity to make their own views known to the Chairman or the Chief Executive Officer prior to and/or after the meeting.

According to the Constitution of the Company, a quorum of 6 Directors is currently required for a Board meeting. The Chairman has a casting vote in case of an equal number of votes. In addition to Directors, key management personnel and outside consultants are invited to attend Board meetings when necessary.

BOARD ACTIVITIES IN 2013/2014

During the year under review, the Board met 9 times with an attendance rate of 91% and meetings lasted 2 hours on average.

During its meetings, the Board considered, appraised and approved, amongst other items:

- The commercial performance of the Group both in local and overseas market which is reviewed throughout the year;
- The monitoring of Nouvelle Brasserie de Madagascar SA, Phoenix Réunion SARL and The (Mauritius) Glass Gallery Ltd and ultimately the decision to sell its stake in Nouvelle Brasserie de Madagascar SA to its partner UNIBRA, due to the considerable loss accumulated and the lack of vision of Madagascar's future;
- The annual financial statements at June 30, 2013 and the relevant abridged audited consolidated results for publication;
- The operating and capital expenditure budget for 2013/2014;
- The contents of the annual report 2013;
- The unaudited quarterly & half-yearly and nine months consolidated results for publication;
- The declaration of an interim and a final dividend for the year ended June 30, 2014;
- The recommendations of the Audit and Risk Committee and of the Corporate Governance Committee; and
- The enquiry made by the Competition Commission regarding the alleged collusion with Castel Group in relation to colluding with one another in order to obtain a monopoly situation of the beer market in Mauritius. The case is now closed.

BOARD COMMITTEES

The Board has, for assistance in its functions, established a Corporate Governance Committee and an Audit and Risk Committee, each of which has formal terms of reference approved by the Board of Directors. These committees report regularly to the Board and make recommendations thereof for approval.

In order to fulfil the duties and responsibilities vested in each of the sub-committees, the Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company.

The Company Secretary acts as secretary to the Board Committees. The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are then signed by the Chairman of the Board Committee and the Company Secretary. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

Corporate Governance Committee

The composition of the Corporate Governance Committee at the date of this report is as follows:

Members	Category
Guillaume Hugnin - Chairman	Non-Executive Director
J. Cyril Lagesse	Non-Executive Director
Seewoocoomar Sewraz	Independent Non-Executive Director
Bernard Theys	Executive Director

The Corporate Governance Committee comprises of 3 Non-Executive Directors of whom, one is an Independent Director. Mr Bernard Theys, Executive Director, is also a member of this Committee. Even though the Code recommends that the Corporate Governance Committee be chaired by an Independent Non-Executive Director, the Committee members have nominated Mr Guillaume Hugnin, a Non-Executive Director, to chair this Committee upon the recommendation of Mr J. Cyril Lagesse, the resigning Chairman.

The Corporate Governance Committee operates under the terms of reference set by the Board of Directors and the Board has decided that this Committee also acts as Nomination Committee.

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its responsibilities towards the application of the principles of good corporate governance and to ensure that the Group follows prevailing corporate governance practices.

In its role as Nomination Committee, the Corporate Governance Committee is responsible for reviewing the structure, size and composition of the Board of Directors and to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company and the Group. It is also responsible in making recommendations thereof on matters relating to the appointment or reappointment of Directors, succession planning for Directors and the assessment of the independence of the Independent Non-Executive Directors. Following recommendation by the Nomination Committee, appointments to the Board are approved by the Board subject to the ratification by the shareholders at the following Annual Meeting.

During the year under review, the Committee met on two occasions with an attendance rate of 100%. A quorum of two members is currently required for a Corporate Governance Committee meeting. Decisions were also taken by way of resolutions in writing, agreed and signed by all members of the Committee then entitled to receive notice of the meeting.

During its meetings, the Corporate Governance Committee has:

- Approved the Corporate Governance section of the Annual Report 2013;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of November 15, 2013, the election as Directors of the Company, of two Board members who have been nominated by the Board;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of November 15, 2013, the re-election of a Board member in accordance with Section 138(6) of the Companies Act 2001;
- Recommended to the Board and to the shareholders of the Company at the Annual Meeting of November 15, 2013, the re-election of an Alternate Director in accordance with Section 138(6) of the Companies Act 2001;
- Made recommendations to the Board for the re-election of the other Directors of the Company through separate resolutions at the Annual Meeting of November 15, 2013;
- Set up the questionnaire for the Board appraisal exercise;
- Assessed the various policies and procedures implemented within the Company and the Group relating to the setting up of a Risk Register;
- Ensured and monitored compliance with the recommendations of the CCM regarding the policy for fridge displays;
- Examined corporate governance issues; and
- Recommended that the Code of Ethics be disseminated to all employees with regular monitoring of compliance.

The Corporate Governance Committee confirms that it has assumed its responsibilities for the year under review, in compliance with its terms of reference.

Audit and Risk Committee

The Code recommends that the Audit and Risk Committee is chaired by an Independent Non-Executive Director. However, Mr Jean-Claude Béga, even though being Non-Independent, acted as such in view of his qualifications, experience and knowledge. Furthermore, the Corporate Governance Committee acting as Nomination Committee has approved that Mr Béga acts as Chairman of the Board and of the Audit and Risk Committee.

The Board of Directors is of the view that the members of the Audit and Risk Committee have sufficient financial management expertise and experience to discharge its responsibilities properly.

The composition of the Audit and Risk Committee is as follows:

Members	Category
Jean-Claude Béga - Chairman	Non-Executive Chairman of the Board
Jan Boullé	Non-Executive Director
Didier Koenig	Independent Non-Executive Director
George Wiehe	Non-Executive Director

The Chief Executive Officer, Mr Bernard Theys and the Chief Operating Officer – Chief Financial Officer, Mr Patrick Rivalland also attend these meetings. In addition, the External Auditors, Deloitte and the Internal Auditors BDO & Co. attend these meetings when deemed appropriate.

The Audit and Risk Committee operates under the terms of reference set by the Board and under a formally approved Audit Committee Charter, modelled closely on the provisions of the Code. The Committee meets at least once each quarter and reports on its activities to the Board.

The Audit and Risk Committee has the following distinct responsibilities:

- To oversee that management has established effective systems of internal controls;
- To report to the Board on decisions taken, including approval of the annual financial statements;
- To make recommendations to the Board regarding the nomination of external auditors to be appointed by the shareholders;
- To discuss audit procedures, including the proposed scope and results and findings of procedures performed by external auditors;
- To ensure that the external auditors' findings are adequately addressed; and
- To create the environment and the structures for risk management to operate effectively.

The Audit and Risk Committee has also the authority to conduct or authorise investigations into any matters within its scope of responsibilities. It has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings.

The Committee met 4 times during the year under review with an attendance rate of 69%. Meetings lasted two hours on average. A quorum of two members is currently required for an Audit and Risk Committee meeting.

During the financial year ended June 30, 2014, the Audit and Risk Committee has, amongst other matters:

- Reviewed and recommended to the Board for approval, the annual financial statements at June 30, 2013 and the relevant abridged audited consolidated results for publication;
- Reviewed the management letter submitted by the external auditors and followed up on their recommendations;
- Reviewed and recommended to the Board for approval, the unaudited quarterly & three months consolidated results at September 30, 2013 for publication;
- Examined the reports of the internal auditors (please refer to page 34 of the report for information on the Internal Audit Function) on internal control systems arising from the fieldwork performed by them and ensured that their recommendations are implemented. The fieldwork performed during the year under review were based exclusively on audit exercises at the Company level and comprises:
    - the IT system; and
    - the revenue and distribution cycle
- Supervised the setting up of a Risk Register;
- Reviewed and recommended to the Board for approval, the unaudited quarterly & half-yearly consolidated results at December 31, 2013 for publication;
- Reviewed and recommended to the Board for approval, the unaudited quarterly & nine months consolidated results at March 31, 2014 for publication; and
- Examined the estimated results for the year ended June 30, 2014.

The Audit and Risk Committee confirms that, in accordance with its terms of reference, it has fulfilled its responsibilities for the year under review.

Messrs Deloitte have been appointed as the Group's external auditors since the year ended June 30, 2009. They were subsequently reappointed at the Company's Annual Meeting on November 15, 2013. Upon the recommendation of the Audit and Risk Committee, shareholders will be asked at the forthcoming Annual Meeting to approve the reappointment of Messrs Deloitte as external auditors and to authorise the Board of Directors to fix the remuneration of the auditors for the ensuing year.

In 2014/2015, the Audit and Risk Committee will maintain its focus on the continued examination and review of the internal control environment and risk management system within the Group.

INTERNAL AUDIT FUNCTION

The Audit and Risk Committee oversees the internal audit function and approves its charter. The committee is responsible for the mission and scope, accountability, independence, responsibilities and authority of internal audit.

The mission of internal audit is to:
- Ensure the adequacy and effectiveness of the internal control framework;
- Help in the improvement of the processes by which risks are identified and managed;
- Assist in the strengthening of the organisation's internal control framework.

The role of Internal Auditors is outsourced to Messrs BDO & Co.

Internal Auditors work on an audit plan agreed with the Audit and Risk Committee. In addition, special reviews and assignments are also made at the request of management or the Audit and Risk Committee, as required.

The Internal Auditors provide regular reports on areas audited and completion status on corrective action plans. These reports are also shared with External Auditors.

The Internal Auditors have full, free and unrestricted access to the Audit and Risk Committee and to all functions, records, property and personnel of the Group.

INTERNAL CONTROL

Phoenix Beverages Limited has in place a robust process for identifying, classifying and managing significant risks. The effectiveness of the internal control systems is reviewed by the Audit and Risk Committee and provides the Board with reasonable assurance that the assets are safeguarded, that operations are carried out effectively and efficiently, that the financial controls are reliable and comply with applicable laws and regulations.

To date, no material financial problems, which would have an impact on the results as reported in these financial statements, have been identified. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

RISK MANAGEMENT

At Phoenix Beverages Limited, Risk Management is a part of doing business – it is a responsibility of the Chief Executive Officer and his team to establish and maintain a risk management system. Risk Management falls under the supervision of the Audit and Risk Committee and subsequently under the Board of Directors of Phoenix Beverages Limited.

The Chief Executive Officer, in collaboration with his team, identifies potential risks to the Company's business, and conducts a rating of the identified risks with respect to both probability of occurrence and severity of impact. This team then develops strategies and action plans to manage and mitigate the identified risks. An annual review process enables reassessment of the probability and severity of risks as well as the effectiveness of implemented mitigating actions.

An Incident Management & Crisis Resolution Programme is in place and sets the framework for handling emergency incidents so as to protect human life and environment, prevent and mitigate damage to physical assets as well as preserve the image and trademarks of our company. The Incident Management Team is responsible for managing critical situations, evaluating their scope and impact, elaborating and implementing action and deploying necessary resources for the required actions. A communication strategy has also been devised to communicate information with internal and external stakeholders.

Among the risk areas identified and control procedures put in place, are the following:

Physical Risks

Risks: Physical risks identified are unavoidable events such as cyclones, fire, floods, riots and other natural calamities.

Actions:
- Mitigating actions include, among others, the establishment of cyclone and fire procedures, and training and preparedness exercises additionally to adequate insurance covers.

Human Resources Risk

Risks: The occurrence of work-site accidents, health and safety issues.

Actions:
- Procedures have been put in place upon the expertise of a full-time Health and Safety Officer and on regular independent review by third-party experts. Health surveillance is also performed regularly on employees in high-risk jobs.

Product Contamination Risk

Risks: The Company's products are daily consumption items for many thousands of consumers and it is essential that the products meet the highest quality and safety standards to be beyond reproach.

Actions:
- The implementation of Food Safety Management Systems for both brewery and soft drinks production sites. Strict adherence to requirements of our partners Diageo and The Coca Cola Company has become an inherent factor in our daily processes; these are validated by our annual partners' audits. Our Food Safety Management Systems are also annually audited by an external certification body to evaluate compliance to requirements of Food Safety Systems Certification, Hazard Analysis Critical Control Point and ISO 9001 Quality Management Systems certifications.

Competition Law

Risk: Phoenix Beverages Limited is in an advantageous position in various market segments.

Actions:
- All senior management and commercial front liners have been externally trained to ensure respect and compliance to competition law.
- All commercial contracts are vetted by lawyers informed and well versed in Mauritian competition law.
- During the year, following the launching of an investigation into an alleged collusive agreement in relation to the manufacture and supply of beer in Mauritius, the Competition Commission of Mauritius ('CCM') recommended the imposition of financial penalties on PBL. Not withstanding PBL's view that it has always acted in accordance with the Competition Act 2007, PBL believes that complying with the decision of the CCM is in the best interests of all parties concerned.

Production Shortfall

Risk: With high market shares in 3 major drinks segments, any shortfall in production can damage sales, market share and reputation.

Actions:
- The Company maintains a stormy preventive maintenance programme for key machinery on both production sites, utilising external expertise from Original Equipment suppliers.
- Stock holding capacity has been increased to build buffer stocks for market peak periods

Default

Risk: In depressed market conditions, the risk of default on payment by customers has increased.

Actions:
- The Company has overhauled its credit management systems and reviewed credit limits for all customers. A weekly credit control meeting is held to ensure close management in this area.
- The Company's policy is to actively pursue defaulters via the legal system.

FINANCIAL RISK MANAGEMENT

For the financial risk management, please refer to page 74 – Notes to the Financial Statements.

STATEMENT OF REMUNERATION PHILOSOPHY

In accordance with the Constitution of the Company, Directors are granted fees for holding office. This remuneration fee consists of a fixed fee and an attendance fee for each Board meeting. Any changes brought to the remuneration of Directors are submitted to the shareholders of the Company for approval at the Annual Meeting of shareholders.

Directors who are also Board Committee members receive a fixed fee and Chairmen of these Board Committees perceive a higher remuneration fee. The Board Committees' fees are approved by the Board of Directors.

The Board and Board Committees' fees at June 30, 2014 were as follows:

Board	Meeting Fees
Annual Director's fee	Rs 150,000
Attendance fee	Rs 10,000
Corporate Governance Committee	
Chairman's fee	Rs 50,000
Member's fee	Rs 35,000
Audit and Risk Committee	
Chairman's fee	Rs 75,000
Member's fee	Rs 50,000

In addition, the Executive Directors and key management personnel of the Company are remunerated by Phoenix Management Company Ltd further to a management contract between the latter and Phoenix Beverages Limited. The remuneration package takes into consideration the financial performance of Phoenix Beverages Limited, individual performance and market norms and best practices.

MANAGEMENT CONTRACT

Phoenix Management Company Ltd, in accordance with a management contract, provides to the companies of the Group, with a range of administrative, financial, commercial, technical, marketing and communication services. Phoenix Management Company Ltd employs and remunerates the executive personnel of the Group.

Please refer to page 12 of the Annual Report for the Senior Managers' profiles.

The management fee paid by Phoenix Beverages Limited during the year under review amounted to Rs 112.6 million (2013: Rs 73.8 million) while expenses incurred by Phoenix Management Company Ltd in providing the above-mentioned services amounted to Rs 67.3 million (2013: Rs 58.9 million) for the corresponding period. The increase in the management fee is partly attributable to the management of the sale of PBL's stake in Nouvelle Brasserie de Madagascar, given the fact that part of the management fees is indexed on the profit after taxation of PBG's consolidated accounts.

ATTENDANCE REPORT AND DIRECTORS' REMUNERATION AND BENEFITS

The attendance report of the Directors and their remuneration and benefits for the year ended June 30, 2014 are set out in the table below:

Directors	Board	Audit and Risk Committee	Corporate Governance Committee	Annual Meeting of shareholders (held on November 15, 2013)	Remuneration and Benefits received from the Company Rs
Jean-Claude Béga	9 of 9	4 of 4		Yes	315,000
Jan Boullé	8 of 9	2 of 4		No	280,000
François Dalais	7 of 9			No	220,000
Guillaume Hugnin	9 of 9		2 of 2	Yes	290,000
Didier Koenig	8 of 9	3 of 4		No	280,000
Arnaud Lagesse	9 of 9			Yes	240,000
J. Cyril Lagesse	8 of 9		2 of 2	Yes	265,000
Thierry Lagesse	7 of 9			No	220,000
Patrick Rivalland(1)	8 of 9	*4 of 4		Yes	Nil
Seewoocoomar Sewraz	8 of 9		2 of 2	Yes	265,000
Bernard Theys(1)	9 of 9	*4 of 4	2 of 2	Yes	Nil
George Wiehe	8 of 9	2 of 4		Yes	280,000
Alternate Directors					
Marguerite Hugnin	0 of 9			Yes	Nil
Jean Pierre Dalais	0 of 9			No	Nil
In attendance					
BDO & Co. - Internal Auditors		1 of 4		No	
Deloitte - External Auditors		1 of 4		Yes	

* *In attendance – not a member.*

(1) *Messrs Bernard Theys and Patrick Rivalland are employed and remunerated by Phoenix Management Company Ltd, the management company of Phoenix Beverages Limited. Furthermore, Mr Bernard Theys was appointed as Director on July 1, 2013 and Mr Patrick Rivalland was appointed as Director of the Company on September 2, 2013*

The Directors of Phoenix Beverages Limited did not receive any remuneration and benefits either from the Company's subsidiaries or from companies on which the Directors serve as representatives of Phoenix Beverages Limited.

Please refer to page 52 – Statutory Disclosures.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and officers of Phoenix Beverages Limited benefit from an indemnity insurance cover for liabilities incurred while performing their duties to the extent permitted by law.

DIRECTORS' AND OFFICERS' INTEREST IN SHARES OF PHOENIX BEVERAGES LIMITED

In accordance with the Companies Act 2001, written records of the interests in shares of Phoenix Beverages Limited of the Directors and their related parties are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he or she is interested in a transaction, or that his or her holdings or his or her associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All newly appointed Directors are required to notify, in writing to the Company Secretary, their direct and indirect holdings in shares of Phoenix Beverages Limited. According to the Company's Constitution, a Director is not required to hold shares in the Company.

Phoenix Beverages Limited is registered as a reporting issuer under the Securities Act 2005 administered by the Financial Services Commission ("FSC"). As such, the Company ensures that it abides by all relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated upon receipt of the notification of interest in securities by the Directors, the officers and the other insiders of Phoenix Beverages Limited.

The Directors and officers of Phoenix Beverages Limited having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2014 were, as follows:

	Direct Interest		Indirect Interest
Directors	No. of shares	%	%
Guillaume Hugnin	3,500	0.02	-
Arnaud Lagesse	-	-	0.20
J. Cyril Lagesse	-	-	0.01
Patrick Rivalland	3,057	0.02	-
Alternate Directors			
Jean Pierre Dalais	16,099	0.10	-
Marguerite Hugnin	47,509	0.29	1.75
Officers			
Didier Vallet	2,000	0.01	-

None of the Directors and officers had any interest in the equity of subsidiaries of Phoenix Beverages Limited.

DIRECTORS' AND OFFICERS' DEALINGS IN SHARES OF PHOENIX BEVERAGES LIMITED

The Directors of Phoenix Beverages Limited endeavour to abide by the absolute prohibition principles and notification requirements of the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius Ltd.

Phoenix Beverages Limited has set up the appropriate procedure whereby any Director wishing to deal in the shares of the Company should first notify the Chairman of the Company and receive a dated written acknowledgement. In case the Chairman of the Company decides to deal in the shares of the Company, he should notify the Board at a Board meeting and receive a dated written acknowledgement prior to undertaking such dealing.

The Directors and officers of the Company are prohibited from dealing in the shares of Phoenix Beverages Limited at any time when they are in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company's quarterly and yearly results and the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/ announcements.

Moreover, Directors and officers of Phoenix Beverages Limited are also required to comply with the insider trading laws at all times, even when dealing in securities within permitted trading periods.

THE COMPANY SECRETARY

The Company Secretary, GML Management Ltée, acts as Secretary to the Board of Directors and to Board Committees. In addition, the Company Secretary is responsible for:

- Assisting the Chairman in ensuring that all Directors have full and timely access to all relevant information;
- Ensuring that correct Board procedures are followed and advising the Board on corporate governance matters;
- Convening Boards, attending and drafting minutes of all Board meetings, specialised Committee meetings and shareholders' meeting;
- Providing guidance to the Directors with regard to their duties, responsibilities and powers; and
- Administrating the procedure under which Directors can, where appropriate, obtain independent professional advice at the Company's expense.

Besides, the Company Secretary is the primary channel of communication between the Company and the Stock Exchange of Mauritius Ltd.

Corporate Governance (continued)

SHAREHOLDERS' COMMUNICATION

The Board of Directors of Phoenix Beverages Limited places great importance on a clear, open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company by official press announcements, disclosures in the Annual Report and at the Annual Meeting of shareholders, which all Board members and shareholders, are encouraged to attend.

The Company's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company and its performance. The Chairmen of the Audit and Risk Committee and Corporate Governance Committee are normally available at the meeting to answer any questions relating to the work of these Board committees. The external auditors are also present. shareholders attending the Annual Meeting can be kept up to date with the Group's strategy and goals.

In line with good corporate governance practices, the Chief Executive Officer and the Chief Operating Officer – Chief Financial Officer regularly meet institutional investors and fund managers to discuss on the state of affairs of the Company, its subsidiaries and associates.

MAIN SHAREHOLDERS

The largest shareholders of the Company at June 30, 2014 were as follows:

Main Shareholding	Number of Shares Owned	% Holding
Phoenix Investment Company Limited	5,101,137	31.02
Camp Investment Company Limited	2,805,428	17.06
National Pensions Fund	1,007,827	6.13
GML Investissement Ltée	527,659	3.21
The Anglo-Mauritius Assurance Society Ltd	413,525	2.51
Guinness Overseas Limited	316,370	1.92
Hugnin Frères Ltée	252,536	1.53
Policy Ltd	195,761	1.19
Allan Gray Africa Ex-SA Equity Fund Ltd	184,600	1.12
Mr. Christian Marie François Ledoux	169,600	1.03

SHAREHOLDING PROFILE

The share ownership and categories of shareholders at June 30, 2014 are set out below:

Number of Shareholders	Size of Shareholders	Number of Shares Owned	Percentage of Total Issued Shares
1,069	1 - 500 shares	171,634	1.04
248	501 - 1,000 shares	191,981	1.17
397	1,001 - 5,000 shares	906,676	5.51
113	5,001 - 10,000 shares	811,115	4.93
120	10,001 - 50,000 shares	2,425,234	14.75
10	50,001 - 100,000 shares	733,150	4.46
5	100,001 - 250,000 shares	782,728	4.76
3	250,001 - 500,000 shares	982,431	5.97
4	Over 500,000 shares	9,442,051	57.41
1,969		**16,447,000**	**100.00**

Number of Shareholders	Size of Shareholders	Number of Shares Owned	Percentage of Total Issued Shares
1,790	Individuals	4,001,935	24.33
13	Insurance and Assurance Companies	595,524	3.62
34	Pension and Provident Funds	1,711,683	10.41
25	Investment and Trust Companies	8,492,253	51.63
107	Other Corporate Bodies	1,645,605	10.01
1,969		**16,447,000**	**100.00**

Number of Shareholders	Size of Shareholders	Number of Shares Owned	Percentage of Total Issued Shares
1,926	Local	15,915,168	96.77
43	Foreign	531,832	3.23
1,969		**16,447,000**	**100.00**

SHARES IN PUBLIC HANDS

In accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd, at least 25% of the shareholding of Phoenix Beverages Limited is in the hands of the public.

SHARE REGISTRY AND TRANSFER OFFICE

The Company's Share Registry and Transfer Office is administered by Abax Corporate Administrators Ltd.

SHARE PRICE INFORMATION

The share price of Phoenix Beverages Limited decreased by 3.7% over the past year from Rs 202.50 at June 30, 2013 to Rs 195.00 at June 30, 2014, with the SEMDEX increasing by 8.15% for the same period. However, the share price has been increasing again since July.

To date, the share of Phoenix Beverages Limited is quoted at Rs 202.50 on the Official Market of the Stock Exchange of Mauritius Ltd.

Date	Price (Rs)	Yearly Change (%)
June 30, 2010	151.00	19.8
June 30, 2011	208.00	37.7
June 30, 2012	205.00	(1.4)
June 30, 2013	202.50	(1.2)
June 30 2014	195.00	(3.7)

For additional information on the Company's share data, please refer to page 14 of the Annual Report.

DIVIDEND POLICY

No formal dividend policy has been determined by the Board. Dividend payments are determined by the profitability of the Company, its cash flow, its future investments and growth opportunities.

As from this financial year under review, the Board of Directors of Phoenix Beverages Limited has decided that, based on management forecasts and the Group's profitability, an interim dividend would be paid in December and a final dividend would be paid in June. Each dividend paid is subject to the satisfaction of the solvency test.

An interim dividend of Rs 3.20 per ordinary share was declared in November 2013 and a final dividend of Rs 5.20 per ordinary share was declared in May 2014, bringing the total amount of dividend declared for the financial year under review at Rs 8.40 per ordinary share.

Key dividend information over the past 5 years is shown below:

	2010	2011	2012	2013	2014
Dividend per share (Rs)	6.70	6.70	7.50	8.00	8.40
Dividend cover (Number of times)	1.51	1.49	1.63	0.75	4.19
Dividend yield (%)	4.44	3.22	3.66	3.95	4.31

To date, a small number of cheques remain outstanding. shareholders who have not yet received their dividend cheques are requested to contact Abax Corporate Administrators Ltd, the Company's Share Registry and Transfer Office.

TOTAL SHAREHOLDERS' RETURN

The total return for the shareholders over the last 5 years is shown below:

	2010	2011	2012	2013	2014
Share price at June 30 - current year (Rs)	151.00	208.00	205.00	202.50	195.00
Share price at June 30 - previous year (Rs)	126.00	151.00	208.00	205.00	202.50
Increase/(decrease) in PBL share price (Rs)	25.00	57.00	(3.00)	(2.50)	(7.50)
Dividend - current year (Rs)	6.70	6.70	7.50	8.00	8.40
Total return per share (Rs)	31.70	63.70	4.50	5.50	0.90
Total return based on previous year share price (%)	25.16	42.19	2.16	2.68	0.44

SHAREHOLDERS' AGREEMENT

At the date of this Annual Report and to the Company's knowledge, there exists no shareholders' agreement between its shareholders.

CALENDAR OF FORTHCOMING EVENTS

November 2014	Publication of first quarter results to September 30, 2014
November 2014	Declaration of interim dividend
November 2014	Annual Meeting of shareholders
December 2014	Payment of interim dividend
February 2015	Publication of half-year results to December 31, 2014
May 2015	Publication of third quarter results to March 31, 2015
May 2015	Declaration of final dividend
June 2015	Payment of final dividend
August/ September 2015	Publication of abridged end-of-year results to June 30, 2015

Corporate Governance (continued)

COMPANY'S CONSTITUTION

The Constitution of Phoenix Beverages Limited is in conformity with the provisions of the Companies Act 2001 and Appendix 4 of the Listing Rules of the Stock Exchange of Mauritius Ltd.

Its salient features are:

- The Company has wide objects and powers;
- The Company may acquire and hold its own shares;
- Fully paid up shares are freely transferable;
- There are no pre-emptive rights attached to the shares;
- The Board may authorise a distribution by the Company if it is satisfied on reasonable grounds that the Company will satisfy the solvency test immediately after the distribution;
- The quorum for a shareholders' meeting is 5 shareholders present or represented and holding at least 50% of the share capital of the Company;
- The Board of Directors shall consist of not less than 10 or not more than 12 Directors;
- A quorum for a meeting of the Board shall be fixed by the Board and if not so fixed shall be 6 Directors;
- In case of equality of votes at either a Board meeting or a shareholders' meeting, the Chairman of the meeting has a casting vote; the Directors have the power to appoint any person to be a Director, either to fill a vacancy arising or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election;
- A Director is not required to hold shares in the Company; and
- The Company may indemnify and/or insure any Director or employee of the Company or a related company.

A copy of the Company's Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

CODE OF ETHICS

Phoenix Beverages Limited believes that it is essential that all its employees act with the highest degree of ethic and professionalism. These values are extended to all colleagues, visitors, clients, suppliers and all other stakeholders.

As such, the Phoenix Beverages Group's Code of Ethics is shared within all employees and forms part of the documents communicated to new comers during their induction. The Code is based on the important principles of respect, loyalty and honesty. These fundamental principles apply to all the Company's stakeholders and to the community at large.

Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as for external interactions. It also defines what behaviour is regarded as acceptable and not acceptable for the Group as a whole.

All employees have taken cognizance of the Phoenix Beverages Group's Code of Ethics and are expected to act according to it.

SAFETY, HEALTH AND WORK ENVIRONMENT PRACTICES

The Group firmly believes that the security and health of its employees is a sine qua non obligation. As in previous years, a number of training initiatives have been carried out for employees and other persons on the Group's sites to enhance the level of safety and health in the workplace. The Group's policy also covers safety precautions and guidelines, which all contractors working on site are required to observe.

CORPORATE SOCIAL & ENVIRONMENTAL RESPONSIBILITY

Please refer to page 44 for information on the Group's Corporate Social & Environmental Responsibility.

CHARITABLE DONATIONS

Please refer to page 52 of the Annual Report.

POLITICAL CONTRIBUTIONS

As in the previous year, the Group and Company did not make any donations to political parties.

EMPLOYEE SHARE OPTION PLAN

Phoenix Beverages Limited has no employee share option plan.

PROVISION FOR PENSION BENEFITS

The details of the total amount of provisions booked or otherwise recognised by the Company for payment of pensions are provided on page 103 - Notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

For details on related party transactions, please refer to page 113 - Notes to the Financial Statements.

Jean-Claude Béga	Bernard Theys
Chairman	*Director*

September 9, 2014

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act)

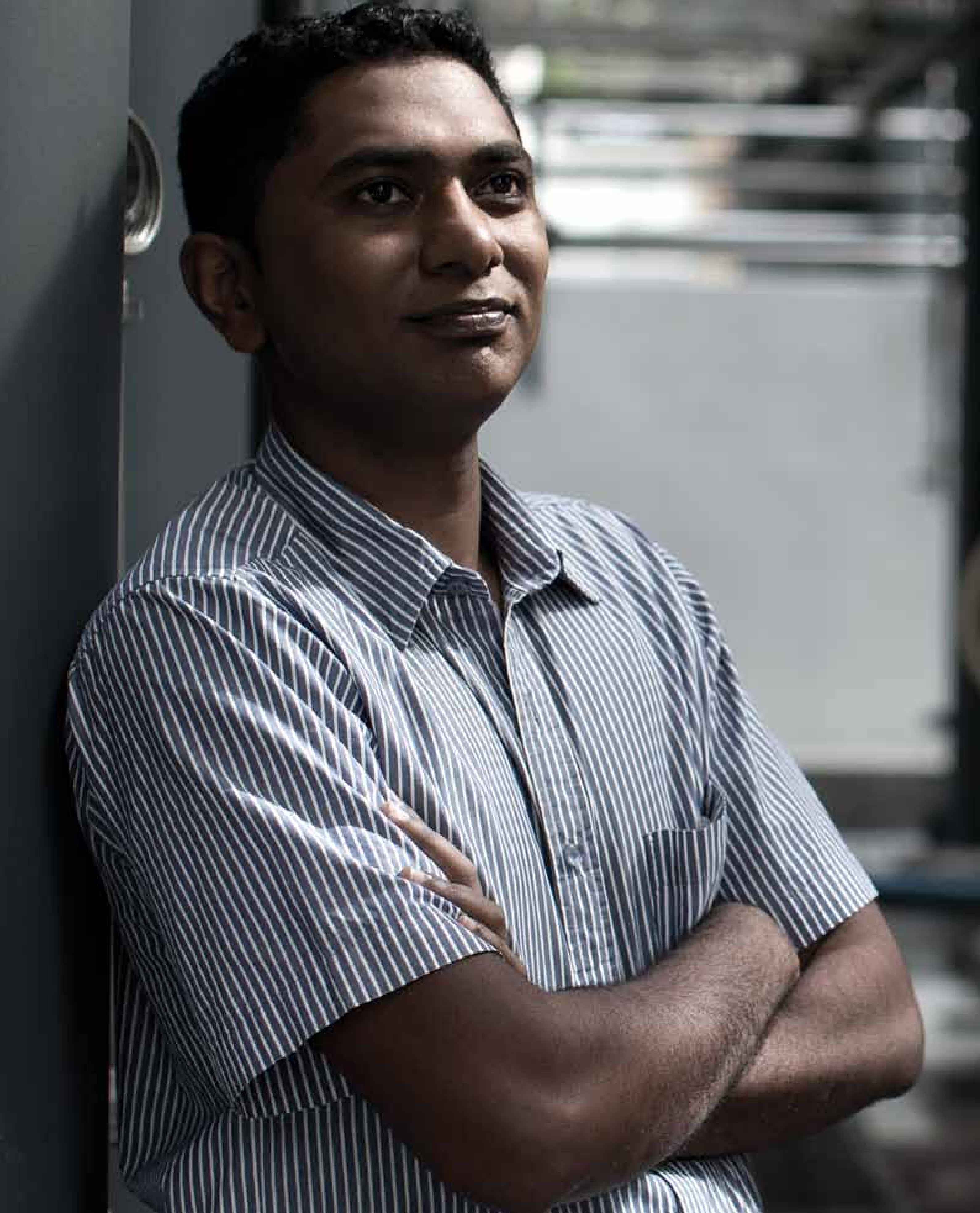
Name of PIE: Phoenix Beverages Limited

Reporting Period: June 30, 2014

We, the Directors of Phoenix Beverages Limited, confirm that to the best of our knowledge, the Company has complied with most of its obligations and requirements under the Code of Corporate Governance except for the chairmanship of the Audit and Risk Committee and the Corporate Governance Committee. Please refer to the first paragraphs of page 32 "Corporate Governance Committee" and page 33 "Audit and Risk Committee" respectively.

Jean-Claude Béga	Bernard Theys
Chairman	*Director*

September 9, 2014



AJAGEN POINEN

Ajagen has always been fascinated by microbiology. Through a blend of passion, determination and knowledge, he finally achieved his ambition, living the dream in his laboratory, brewing the elixir so loved by Mauritians – Phoenix. He looks back on his journey with pride and enjoys a delicious cold beer, his own special vintage.

Brewer at Phoenix Beverages, sponsored for a BSc (Hons) Microbiology with Operations Research.

Corporate Social & Environmental Responsibilities

As in previous years, Phoenix Beverages Limited (PBL) has fostered its CSR strategy in 3 major areas of interest, namely; Sports, Education and Health. Over and above these three areas, PBL has also earmarked Environment as an area to focus on during financial year 2013-2014.

PBL's active involvement in the Mauritian Society is carried out mainly through its Special Purpose Vehicle (SPV), the Phoenix Foundation and through the GML Fondation Joseph Lagesse.

Through its financial support to Non-Governmental Organisations implementing community activities and by offering assistance to needy individuals, PBL is actively present in the social life of the Mauritian community.

SPORTS

Internal

In view of promoting sports and team spirit, PBL has sponsored different sports activities in which its employees have participated, namely:

August 2013	Mexa Football Tournament (23 employees)
April 2014	FMSC Football Shield 2014 (23 employees)
June 2014	FMSC Petanque Championship 2014 (21 employees)
June 2014	Volleyball Championship 2014 (12 employees)
June 2014	PBL Football Seven A Side Competition (187 Employees)

External

In view of encouraging high-level sports among youngsters in Mauritius, Phoenix Foundation has sponsored Richarno Colin for the 4th consecutive year, through the 'Association Mauricienne de Boxe'.

Phoenix Foundation has also sponsored the 'Fondation pour la Formation au Football' which caters for youngsters from deprived regions.

The 'Federation Mauricienne de Triathlon' also benefited from the Phoenix Foundation's sponsorship of the African Triathlon Cup.

EDUCATION

Internal – Educational sponsorship

PBL has in place a scheme to enable its employees' children to pursue their studies. The scheme classifies the needs under 3 categories, and up to 35% of the cost incurred is sponsored by the Company.

- Secondary Education – mainly for the payment of examination fees – 53 beneficiaries
- Tertiary Education – mainly for enrolment fees – 10 beneficiaries
- Computer acquisition when required for studies – 7 beneficiaries

External

Government Schools

In partnership with the Rotary Club of Albion, Phoenix Foundation is continuing its assistance to the Albion community at large. A donation of 4 laptops together with the setting-up of a whole Information Technology (IT) infrastructure for the Albion Community Center has given a boost to the inhabitants' interest in IT. The beneficiaries are the students of the neighbouring primary school as well as the unemployed youngsters who can draft their CV and apply online for vacant positions.

Adolescent Non Formal Education Network ('ANFEN')

ANFEN is one of the few Mauritian NGOs to assist teenagers who have academic difficulties. This year too they have benefited from Phoenix Foundation's assistance for their project of educational and psychological accompaniment of children.

HEALTH

Internal

PBL offers its support to every one of its employees, particularly those with long-term sickness. In some specific cases this assistance has been extended to 9 employees family members.

External

The NGO 'Link to Life' (LTF) has, since its creation, accomplished much, both in terms of awareness, screening and vaccination against cervical cancer. This year again, Phoenix Foundation has supported this NGO in their endeavour.

Phoenix Foundation also made substantial donations to other NGOs under its health initiative, namely:

- Palliative Care Mauritius Limited – which takes care of those suffering from cancer;
- I CAN – founded in 2004, this Special Needs School accommodate around 40 children suffering from disabilities

A financial assistance has also been given to four needy individuals who were facing difficulties in meeting their medical expenses.

ENVIRONMENT

Internal

In view of having a substantial positive impact on its global carbon footprint, PBL has extended the initiative of replacing CFL to LED to all its sites.

External

PBL participates in environmental protection mainly through its contribution to the GML Fondation Joseph Lagesse within which the 'Comité Environnement' operates.

The Lions Club of Quatre Bornes received Phoenix Foundation's support for its project of restoration of native forest at Plaine Champagne

Mission Verte has also benefited from Phoenix Foundation's support to continue placing their recycling bins throughout the country.

OTHER ACTIONS WITHIN THE FRAME OF THE COMPANY'S CSER

GML Fondation Joseph Lagesse

During the year under review, PBL has met its obligations towards GML Fondation Joseph Lagesse in assigning Rs 2.9 million representing 50% of its CSR contribution. This financial commitment undoubtedly indicates the Company's determination to support GML Fondation Joseph Lagesse in its constant endeavours towards the needy specifically in terms of education as well as for environmental projects

Charitable Donations

During the year under review, the Group donated Rs 7.7 million to beneficiaries. Please refer to page 52 - Statutory Disclosures.

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company and comply with the Companies Act 2001 and International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessing of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Group and ensuring timely and comprehensive communication to all stakeholders on events significant to the Group.

Accounting records to be kept

The Board of Directors shall cause accounting records to be kept that:

- correctly record and explain the transactions of the Company;
- shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether or not the Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management. The Board has appointed a firm of accountants as Internal Auditors to ensure the adequacy and effectiveness of the internal control framework.

The Board of Directors confirms that it endeavours to implement corporate governance best practices.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group and the Company.

The Board of Directors confirms that it is satisfied that Phoenix Beverages Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

Jean-Claude Béga
Chairman

Bernard Theys
Director

September 9, 2014

Corporate Information

HEAD OFFICE
Pont Fer
Phoenix
Mauritius
BRN: C07001183
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: pbl@pbg.mu
Website: www.phoenixbeveragesgroup.com

COMMERCIAL UNIT
Tel: (230) 601 2200
Fax: (230) 697 2967 (Sales, Marketing & Distribution)
(230) 696 0455 (Export)

FINANCE AND ADMINISTRATION
Tel: (230) 601 2000
Fax: (230) 697 6480 (Finance)
(230) 697 5028 (Procurement)
(230) 686 9204 (Information Technology)

TECHNICAL AND PRODUCTION
Tel: (230) 601 2000
Fax: (230) 686 7197 (Brewery)
Tel: (230) 601 1800

RODRIGUES OPERATIONS
Pointe L'Herbe
Rodrigues
Tel: (230) 831 0982
Fax: (230) 831 2181

REGISTERED OFFICE
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius

COMPANY SECRETARY
GML Management Ltée
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius

SHARE REGISTRY & TRANSFER OFFICE
If you are a Shareholder and have inquiries regarding your account, wish to change your name or address, or have questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

Abax Corporate Administrators Ltd
6th Floor, Tower A
1 CyberCity
Ebène
Mauritius

AUDITORS
Deloitte
Chartered Accountants

BANKERS
AfrAsia Bank Limited
Barclays Bank PLC
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Ltd
The Mauritius Commercial Bank Ltd

OUR OPERATIONAL SUBSIDIARIES

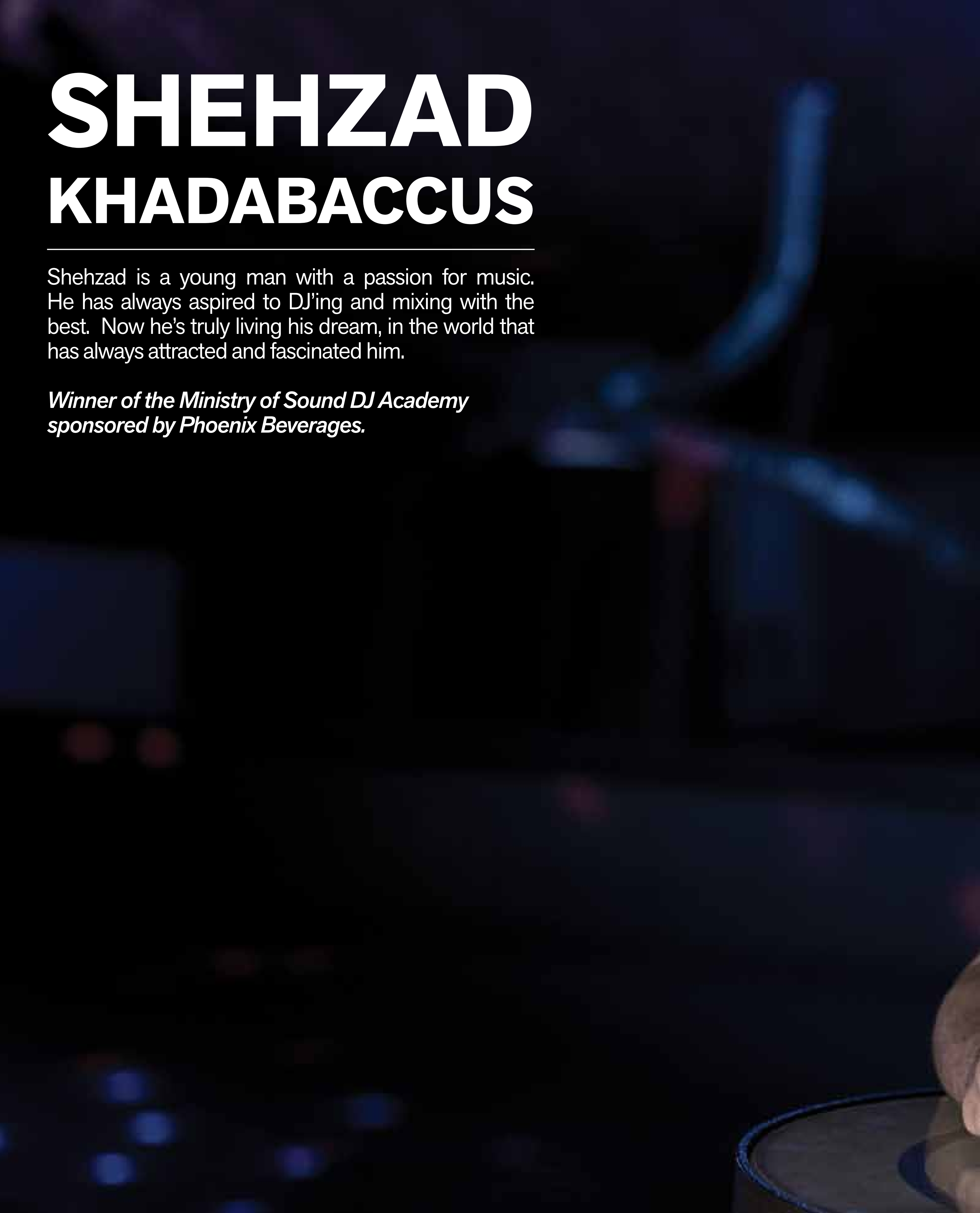
The (Mauritius) Glass Gallery Ltd
Pont Fer
Phoenix
Mauritius
Tel: (230) 696 3360
Fax: (230) 696 8116

Phoenix Réunion SARL
7 rue de l'Armagnac
Z1 No1
97821 Le Port Cedex
Ile de La Réunion
Tel: (262) 262 241730
Fax: (262) 692 452972

SHEHZAD KHADABACCUS

Shehzad is a young man with a passion for music. He has always aspired to DJ'ing and mixing with the best. Now he's truly living his dream, in the world that has always attracted and fascinated him.

Winner of the Ministry of Sound DJ Academy sponsored by Phoenix Beverages.



Statutory Disclosures

June 30, 2014

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

PRINCIPAL ACTIVITIES

The principal activities of the Group consist of:
- brewing of beer, bottling and sale of beer, soft drinks, table water and alternative beverages; and
- manufacture and sale of glass-made products.

DIRECTORS

The name of the Directors of Phoenix Beverages Limited and its subsidiaries holding office as at June 30, 2014 were as follows:

	Phoenix Beverages Limited	Helping Hands Foundation	Mauritius Breweries International Ltd	MBL Offshore Ltd	Phoenix Beverages Overseas Ltd	Phoenix Camp Minerals Offshore Ltd	Phoenix Distributors Ltd	Phoenix Foundation	Phoenix Réunion SARL	The (Mauritius) Glass Gallery Ltd
Directors										
Jean-Claude Béga	*									*
Jan Boullé	*									
François Dalais	*		*	*	*		*			
Guillaume Hugnin	*									
Didier Koenig	*									
Arnaud Lagesse	*			*						
J. Cyril Lagesse	*									
Thierry Lagesse	*			*	*	*		*		
Charles Prettejohn										*
Patrick Rivalland	*	*						*		*
Paul Rose		*								
Seewoocoomar Sewraz	*									
Bernard Theys	*	*	*	*	*	*	*	*	*	*
George Wiehe	*									
Alternate Directors										
Jean Pierre Dalais	*									
(Alternate to François Dalais)										
Marguerite Hugnin	*									
(Alternate to Guillaume Hugnin)										
Arnaud Lagesse	*									
(Alternate to J. Cyril Lagesse)										

The following changes occurred in the directorships during the year under review:

Phoenix Beverages Limited
On July 1, 2013, Mr Bernard Theys was appointed as Director.
On September 2, 2013, Mr Patrick Rivalland was appointed as Director.

Helping Hands Foundation
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Mauritius Breweries International Limited
On July 1, 2013, Mr Bernard Theys was appointed as Director.

MBL Offshore Ltd
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Phoenix Beverages Overseas Ltd
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Phoenix Camp Minerals Offshore Ltd
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Phoenix Distributors Ltd
On July 1, 2013, Mr Bernard Theys was appointed as Director.

The (Mauritius) Glass Gallery Ltd
On July 1, 2013, Mr Bernard Theys was appointed as Director.
On December 3, 2013, Mr Jean-Claude Béga was appointed as Director.
On December 3, 2013, Mr Marc Piat resigned as Director.

Phoenix Foundation
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Phoenix Réunion SARL
On July 1, 2013, Mr Bernard Theys was appointed as Director.

Directors' service contracts

One Director of Phoenix Beverages Limited has a service contract with an expiry term with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

One Director of Phoenix Beverages Limited has a service contract with no expiry term with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

Directors' and Senior Officers' interests in shares

The direct and indirect interest of the Directors and Senior Officers in the securities of the Company as at June 30, 2014 were:

	Direct Interest		Indirect Interest
Directors	**No. of Shares**	**%**	**%**
Jean-Claude Béga	-	-	-
Jan Boullé	-	-	-
François Dalais	-	-	-
Guillaume Hugnin	3,500	0.02	-
Didier Koenig	-	-	-
Arnaud Lagesse	-	-	0.20
J. Cyril Lagesse	-	-	0.01
Thierry Lagesse	-	-	-
Patrick Rivalland	3,057	0.02	-
Bernard Theys	-	-	-
Seewoocoomar Sewraz	-	-	-
George Wiehe	-	-	-
Alternate Directors			
Jean Pierre Dalais	16,099	0.10	-
Marguerite Hugnin	47,509	0.29	1.75
Senior Managers			
Jaganaden Chellum	-	-	-
Jean François Henri	-	-	-
Gérard Merle	-	-	-
Gervais Rambert	-	-	-
Antis Treebhoobun	-	-	-
Didier Vallet	2,000	0.02	-
Company Secretary			
GML Management Ltée	-	-	-

The Directors, the Alternate Directors, the Senior Managers and the Company Secretary did not hold any shares in the subsidiaries of the Company whether directly or indirectly.

Contracts of significance

During the year under review, there was no contract of significance to which Phoenix Beverages Limited, or one of its subsidiaries, was a party and in which a Director of Phoenix Beverages Limited was materially interested, either directly or indirectly.

Directors' remuneration and benefits

Total of the remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries are disclosed below:

	2014		2013	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	Rs'000	Rs'000	Rs'000	Rs'000
The Company				
Phoenix Beverages Limited	-	2,655	225	2,185
The Subsidiaries				
Helping Hands Foundation	-	-	-	-
Mauritius Breweries International Ltd	-	-	-	-
MBL Offshore Ltd	-	-	-	-
Phoenix Beverages Overseas Ltd	-	-	-	-
Phoenix Camp Minerals Offshore Ltd	-	-	-	-
Phoenix Distributors Ltd	-	-	-	-
Phoenix Foundation	-	-	-	-
Phoenix Réunion SARL	-	-	-	-
The (Mauritius) Glass Gallery Ltd	-	-	-	-

All the Executive Directors are engaged in full-time employment.

Indemnity insurance

During the year, the indemnity insurance cover was renewed in respect of the liability of the Directors and key officers of the Company and its subsidiaries.

SHAREHOLDERS

Substantial shareholders

The following shareholders are directly interested in 5% or more of the ordinary share capital of the Company:

	Interest %	Number of shares
National Pension Fund	6.13	1,007,827
Camp Investment Company Limited	17.06	2,805,428
Phoenix Investment Company Limited	31.02	5,101,137

Except for the above, no shareholder has any material interest of 5% or more of the equity share capital of the Company.

Contract of significance with controlling shareholders

The Company has a management contract with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited. The key management personnel of the Company is remunerated by the latter.

DONATIONS

		2014	2013
		Rs'000	Rs'000
The Company			
Phoenix Beverages Limited	- Political	-	-
	- Others	7,730	5,437

The subsidiaries have not made any donation during the years 2014 and 2013.

AUDITORS' REMUNERATION

The fees payable to the auditors for audit and other services were:

	2014		2013	
	Audit	**Other services**	Audit	Other services
	Rs'000	**Rs'000**	Rs'000	Rs'000
DELOITTE				
The Company				
Phoenix Beverages Limited	**1,265**	**80**	1,100	73
The Subsidiaries				
Helping Hands Foundation	**-**	**-**	-	-
Mauritius Breweries International Ltd	**6**	**-**	6	-
MBL Offshore Ltd	**18**	**7**	18	6
Phoenix Beverages Overseas Ltd	**80**	**7**	76	6
Phoenix Camp Minerals Offshore Ltd	**18**	**7**	18	6
Phoenix Distributors Ltd	**6**	**-**	6	-
Phoenix Foundation	**-**	**-**	-	-
The (Mauritius) Glass Gallery Ltd	**141**	**13**	133	12
	1,534	**114**	1,357	103
EXCO REUNION AUDIT	**Eur'000**	**Eur'000**	Eur'000	Eur'000
Phoenix Réunion SARL	**19**	**4**	15	5
	19	**4**	15	5

Other services relate to tax services.

The auditor, Deloitte, has expressed its willingness to continue in office and a resolution proposing its reappointment will be submitted to the Annual Meeting of the Shareholders.

Company Secretary's Certificate

June 30, 2014

In terms of Section 166(d) of the Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2014, all such returns as are required of the Company under the Companies Act 2001.

Thierry Labat
GML Management Ltée
Company Secretary

September 9, 2014

Independent Auditors' Report to the Shareholders of Phoenix Beverages Limited

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 205 of the 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 auditors' 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.

Report on the Financial Statements

We have audited the financial statements of Phoenix Beverages Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 114 which comprise the statements of financial position at June 30, 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements set out on pages 56 to 114 give a true and fair view of the financial position of the Group and the Company at June 30, 2014, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

Report on other legal requirements

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

- we have no relationship with, or interests in, the Company or any of its subsidiaries other than in our capacities as auditors and tax advisors;
- 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 these records.

The Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

Deloitte.

Deloitte
Chartered Accountants

L. Yeung Sik Yuen, ACA
Licensed by FRC

September 9, 2014

Statements of Financial Position

June 30, 2014

	Notes	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE GROUP 2012 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)	THE COMPANY 2012 Rs'000 (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	5	**2,662,237**	2,686,512	2,057,311	**2,655,599**	2,682,808	2,051,500
Intangible assets	6	**10,231**	7,814	9,947	**3,997**	1,551	3,772
Investments in subsidiaries	7	**-**	-	-	**71,013**	64,526	56,558
Investments in associates	8	**9,361**	7,292	7,750	**2,955**	305,535	198,347
Investments in financial assets	9	**10,009**	16,669	16,503	**8,547**	15,649	15,503
Long-term receivables	10	**-**	135,428	-	**74,168**	255,804	40,613
Deferred tax assets	16	**1,802**	1,091	1,055	**-**	-	-
		2,693,640	2,854,806	2,092,566	**2,816,279**	3,325,873	2,366,293
Current assets							
Inventories	11	**567,242**	576,828	528,219	**480,435**	496,617	459,406
Trade and other receivables	12	**327,907**	314,988	549,625	**279,718**	266,193	572,550
Bank and cash balances	28(b)	**398,361**	70,232	79,042	**374,588**	51,606	65,008
		1,293,510	962,048	1,156,886	**1,134,741**	814,416	1,096,964
Total assets		**3,987,150**	3,816,854	3,249,452	**3,951,020**	4,140,289	3,463,257
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	13	**366,962**	366,962	366,962	**366,962**	366,962	366,962
Other reserves	14	**929,444**	941,027	321,841	**986,895**	981,484	356,682
Retained earnings		**1,717,355**	1,280,130	1,376,997	**1,741,042**	1,671,890	1,670,499
Equity attributable to owners of the Company		**3,013,761**	2,588,119	2,065,800	**3,094,899**	3,020,336	2,394,143
Non-controlling interests		**(137)**	841	886	**-**	-	-
Total equity		**3,013,624**	2,588,960	2,066,686	**3,094,899**	3,020,336	2,394,143
Non-current liabilities							
Borrowings	15	**7,499**	22,219	48,292	**7,499**	22,219	48,292
Deferred tax liabilities	16	**161,812**	155,279	174,526	**161,812**	155,284	174,526
Retirement benefit obligations	17	**207,172**	198,727	116,253	**206,737**	198,300	115,743
		376,483	376,225	339,071	**376,048**	375,803	338,561
Current liabilities							
Trade and other payables	18	**499,702**	447,203	445,623	**404,985**	361,386	352,836
Borrowings	15	**85,894**	379,427	395,607	**63,624**	357,714	375,238
Current tax liabilities	19(a)	**11,447**	25,039	2,465	**11,464**	25,050	2,479
		597,043	851,669	843,695	**480,073**	744,150	730,553
Total equity and liabilities		**3,987,150**	3,816,854	3,249,452	**3,951,020**	4,140,289	3,463,257

These financial statements have been approved by the Board of Directors and authorised for issue on September 9, 2014.

Jean-Claude Béga
Chairman

Bernard Theys
Director

The notes on pages 60 to 114 form an integral part of these financial statements.
Auditor's report on page 55.

Statements of Profit or Loss and Other Comprehensive Income

Year ended June 30, 2014

	Notes	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)
Continuing operations					
Revenue	2(p)	**4,820,158**	4,501,361	**4,501,542**	4,205,358
Manufacturing costs	22	**(1,996,121)**	(1,956,831)	**(1,764,546)**	(1,743,603)
Excise and other specific duties	22	**(1,523,002)**	(1,382,073)	**(1,523,002)**	(1,382,073)
Cost of sales		**(3,519,123)**	(3,338,904)	**(3,287,548)**	(3,125,676)
Gross profit		**1,301,035**	1,162,457	**1,213,994**	1,079,682
Other income	24	**40,687**	53,276	**30,083**	38,000
Marketing, warehousing, selling and distribution expenses	22	**(640,411)**	(602,250)	**(540,635)**	(514,680)
Administrative expenses	22	**(344,997)**	(324,776)	**(379,970)**	(346,838)
Profit before finance costs	25	**356,314**	288,707	**323,472**	256,164
Finance costs	26(c)	**(21,206)**	(26,793)	**(20,288)**	(25,895)
Share of results of associates	8(a),(d)	**38**	64	**-**	-
Gain/(loss) on disposal of interest in associates	8(f)	**376,895**	-	**(33,471)**	-
Profit before taxation		**712,041**	261,978	**269,713**	230,269
Tax expense	19(b)	**(57,964)**	(32,576)	**(58,674)**	(32,636)
Profit for the year from continuing operations		**654,077**	229,402	**211,039**	197,633
Discontinued operations					
Loss for the year from discontinued operations	20	**(75,965)**	(130,196)	**-**	-
Profit for the year		**578,112**	99,206	**211,039**	197,633
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of property	5(b)	**-**	630,300	**-**	630,300
Deferred tax on revaluation of property	16	**-**	(11,135)	**-**	(11,135)
Remeasurements of post employment benefit obligations	17	**(4,365)**	(75,933)	**(4,391)**	(76,078)
Deferred tax on post employment benefit obligations	16	**655**	11,390	**659**	11,412
		(3,710)	554,622	**(3,732)**	554,499
Items that may be reclassified subsequently to profit or loss:					
(Decrease)/increase in fair value of securities		**(723)**	(335)	**6,321**	5,637
Reclassification adjustments for loss of financial assets included in profit or loss		**(3,231)**	-	**(910)**	-
Exchange differences on translating foreign operations		**(9,660)**	631	**-**	-
Other movements in associates	8(a)	**2,031**	(274)	**-**	-
		(11,583)	22	**5,411**	5,637
Total other comprehensive income		**(15,293)**	554,644	**1,679**	560,136
Total comprehensive income for the year		**562,819**	653,850	**212,718**	757,769
Profit/(loss) attributable to:					
Owners of the Company		**579,095**	99,281	**211,039**	197,633
Non-controlling interests		**(983)**	(75)	**-**	-
		578,112	99,206	**211,039**	197,633
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**563,797**	653,895	**212,718**	757,769
Non-controlling interests		**(978)**	(45)	**-**	-
		562,819	653,850	**212,718**	757,769
Basic and undiluted earnings/(loss) per share (Rs.cs):					
- From continuing operations	27	**39.83**	13.95		
- From discontinued operations	27	**(4.62)**	(7.92)		

The notes on pages 60 to 114 form an integral part of these financial statements.
Auditor's report on page 55.

Statements of Changes in Equity

Year ended June 30, 2014

THE GROUP

	Notes	Share capital Rs'000	Share premium Rs'000	Revaluation and other reserves Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total Rs'000
		(Attributable to owners of the Company)							
At July 1, 2013									
- As previously reported		164,470	202,492	932,255	8,772	1,406,313	2,714,302	737	2,715,039
- Effect of adopting IAS 19 (Revised)	2(a)	-	-	-	-	(126,183)	(126,183)	104	(126,079)
- As restated		164,470	202,492	932,255	8,772	1,280,130	2,588,119	841	2,588,960
Other comprehensive income									
Profit/(loss) for the year		-	-	-	-	579,095	579,095	(983)	578,112
Other comprehensive (loss)/income		-	-	(9,660)	(1,923)	(3,715)	(15,298)	5	(15,293)
Total comprehensive (loss)/income for the year		-	-	(9,660)	(1,923)	575,380	563,797	(978)	562,819
Dividends	21	-	-	-	-	(138,155)	(138,155)	-	(138,155)
At June 30, 2014		**164,470**	**202,492**	**922,595**	**6,849**	**1,717,355**	**3,013,761**	**(137)**	**3,013,624**
At July 1, 2012									
- As previously reported		164,470	202,492	312,459	9,382	1,441,980	2,130,783	809	2,131,592
- Effect of adopting IAS 19 (Revised)	2(a)	-	-	-	-	(64,983)	(64,983)	77	(64,906)
- As restated		164,470	202,492	312,459	9,382	1,376,997	2,065,800	886	2,066,686
Other comprehensive income									
Profit/(loss) for the year		-	-	-	-	99,281	99,281	(75)	99,206
Other comprehensive income/(loss)		-	-	619,796	(610)	(64,572)	554,614	30	554,644
Total comprehensive income/(loss) for the year		-	-	619,796	(610)	34,709	653,895	(45)	653,850
Dividends	21	-	-	-	-	(131,576)	(131,576)	-	(131,576)
At June 30, 2013		164,470	202,492	932,255	8,772	1,280,130	2,588,119	841	2,588,960

THE COMPANY

	Notes	Share capital Rs'000	Share premium Rs'000	Revaluation and other reserves Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000
At July 1, 2013							
- As previously reported		164,470	202,492	921,474	60,010	1,798,399	3,146,845
- Effect of adopting IAS 19 (Revised)	2(a)	-	-	-	-	(126,509)	(126,509)
- As restated		164,470	202,492	921,474	60,010	1,671,890	3,020,336
Profit for the year		-	-	-	-	211,039	211,039
Other comprehensive income/(loss) for the year		-	-	-	5,411	(3,732)	1,679
Total comprehensive income for the year		-	-	-	5,411	207,307	212,718
Dividends	21	-	-	-	-	(138,155)	(138,155)
At June 30, 2014		**164,470**	**202,492**	**921,474**	**65,421**	**1,741,042**	**3,094,899**
At July 1, 2012							
- As previously reported		164,470	202,492	302,309	54,373	1,735,725	2,459,369
- Effect of adopting IAS 19 (Revised)	2(a)	-	-	-	-	(65,226)	(65,226)
- As restated		164,470	202,492	302,309	54,373	1,670,499	2,394,143
Profit for the year		-	-	-	-	197,633	197,633
Other comprehensive income/(loss) for the year		-	-	619,165	5,637	(64,666)	560,136
Total comprehensive income for the year		-	-	619,165	5,637	132,967	757,769
Dividends	21	-	-	-	-	(131,576)	(131,576)
At June 30, 2013		164,470	202,492	921,474	60,010	1,671,890	3,020,336

The notes on pages 60 to 114 form an integral part of these financial statements.
Auditor's report on page 55.

Statements of Cash Flows

Year ended June 30, 2014

	Notes	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)
Cash flows from operating activities					
Cash generated from operations	28(a)	**617,238**	432,059	**607,353**	427,635
Interest received		**1,825**	750	**1,510**	710
Interest paid		**(21,393)**	(26,923)	**(20,468)**	(26,016)
Tax paid	19(a)	**(65,079)**	(29,030)	**(65,073)**	(29,030)
Net cash generated from operating activities		**532,591**	376,856	**523,322**	373,299
Cash flows from investing activities					
Purchase of property, plant and equipment		**(185,982)**	(206,975)	**(180,721)**	(205,749)
Proceeds from disposal of plant and equipment		**4,893**	10,921	**4,893**	10,076
Proceeds from disposal of other securities		**5,809**	-	**5,809**	-
Proceeds from disposal of interest in associates		**193,248**	-	**193,248**	-
Purchase of intangible assets		**(3,570)**	(89)	**(3,570)**	-
Investment in financial assets		**(482)**	(482)	**(482)**	(482)
Loans granted to associates		**(65,301)**	(15,436)	**(65,301)**	(15,436)
Repayment of amount due by associates		**289,966**	-	**289,966**	-
Dividends received		**244**	187	**244**	187
Net cash generated from/(used in) investing activities		**238,825**	(211,874)	**244,086**	(211,404)
Cash flows from financing activities					
Proceeds from borrowings		**28,500**	50,500	**28,500**	50,500
Repayment of borrowings		**(152,272)**	(95,799)	**(152,272)**	(95,799)
Finance leases principal payments		**(13,532)**	(13,044)	**(13,532)**	(12,895)
Dividends paid to Company's owners		**(138,155)**	(131,576)	**(138,155)**	(131,576)
Net cash used in financing activities		**(275,459)**	(189,919)	**(275,459)**	(189,770)
Increase/(decrease) in cash and cash equivalents		**495,957**	(24,937)	**491,949**	(27,875)
Movement in cash and cash equivalents					
At July 1,		**(143,392)**	(118,492)	**(140,305)**	(112,306)
Effect of foreign exchange rate changes		**3,121**	37	**2,539**	(124)
Increase/(decrease)		**495,957**	(24,937)	**491,949**	(27,875)
At June 30,	28(b)	**355,686**	(143,392)	**354,183**	(140,305)

The notes on pages 60 to 114 form an integral part of these financial statements.
Auditor's report on page 55.

Notes to the Financial Statements

Year ended June 30, 2014

1. GENERAL INFORMATION

Phoenix Beverages Limited is a public limited company incorporated and domiciled in Mauritius. The Directors regard Phoenix Investment Company Limited and GML Investissement Ltée as the holding company and ultimate holding company of Phoenix Beverages Limited respectively. All three Companies are incorporated in Mauritius and their registered office are at 4th Floor, IBL House, Caudan Waterfront, Port Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of owners of the Company.

The Company is quoted on the official list of the Stock Exchange of Mauritius.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that:

(i) Freehold land and buildings are carried at revalued amounts; and
(ii) Available-for-sale financial assets are stated at their fair value as disclosed in the accounting policies hereafter.

The financial statements include the consolidated financial statements of the Company and its subsidiaries (the Group) and the separate financial statements of the Company (the Company).

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

In the current year, the Group has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("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 July 1, 2013.

2.1 Revised Standards applied with no material effect on the financial statements

IAS 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 cycle (comparative information)
IAS 16	Property, plant and equipment - Amendments resulting from Annual Improvements 2009-2011 cycle (servicing equipment)
IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements (as amended in 2011) - Original issue
IAS 28	Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)
IAS 32	Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 cycle (tax effect of equity distributions)
IAS 34	Interim Financial Reporting - Amendments resulting from Annual Improvements 2009 - 2011 Cycle (interim reporting of segment assets)
IFRS 7	Financial Instruments: Disclosures - Amendments related to the offsetting of assets and liabilities
IFRS 10	Consolidated Financial Statements - Original issue
IFRS 10	Consolidated Financial Statements - Amendments to transitional guidance
IFRS 12	Disclosures of Interests in Other Entities - Original issue
IFRS 12	Disclosures of Interests in Other Entities - Amendments to transitional guidance
IFRS 13	Fair Value Measurement

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

2.2 Revised IFRS affecting amounts reported and/or disclosures in the financial statements

Changes in accounting estimates and errors

IFRS 13 Fair Value Measurement

The Group and the Company have applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group and the Company have not made any new disclosures required by IFRS 13 for the 2012 comparative period (refer to notes 3 and 5 for the 2013 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the financial statements.

Amendments to IAS 1 Presentation of financial statements (as point of the annual improvements to IFRSs 2009-2011 cycle)

The Annual Improvements to IFRSs 2009 – 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the Group and the Company are the amendments to IAS 1 regarding when a statement of financial position as at the beginning of the preceeding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

In the current year, the Group and the Company have applied a number of new and revised IFRSs (see the discussion above), which has resulted in material effects on the information in the consolidated statement of financial position as at July 1, 2012. In accordance with the amendments to IAS 1, the Group and the Company have presented a third statement of financial position as at July 1, 2012 without the related notes except for the disclosure requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

2.2 Revised IFRS affecting amounts reported and/or disclosures in the financial statements (continued)

Changes in accounting estimates and errors (continued)

IAS 19 Employee Benefits (as revised in 2011)

In the current year, the Group and the Company have applied IAS 19 (as revised in 2011) Employee Benefits and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years (see the tables below for details). In addition, IAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in 2011). The Group and the Company have applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

Impact on total comprehensive income for the year ended June 30, 2013 of the application of IAS 19 (as revised in 2011)

Impact on profit for the year	**THE GROUP**	**THE COMPANY**
	2013	**2013**
	Rs'000	Rs'000
Decrease in administration expenses	3,964	3,980
Increase in income tax expenses	(595)	(597)
Increase in profit for the year	3,369	3,383
Impact on other comprehensive income for the year	**2013**	**2013**
	Rs'000	Rs'000
Decrease in remeasurement of defined benefit obligation	(75,933)	(76,078)
Increase in income tax relating to items of other comprehensive income	11,390	11,412
Decrease in other comprehensive income for the year	(64,543)	(64,666)
Decrease in total comprehensive income for the year	(61,174)	(61,283)
Impact on earnings per share		
Increase in earnings per share (Rs.cs)	0.2	

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

2.2 Revised IFRS affecting amounts reported and/or disclosures in the financial statements (continued)

Impact on assets, liabilities and equity as at June 30, 2012 of the application of IAS 19 (as revised in 2011)

	THE GROUP			THE COMPANY		
	At July 1, 2012 as previously reported	IAS 19 adjustments	At July 1, 2012 as restated	At July 1, 2012 as previously reported	IAS 19 adjustments	At July 1, 2012 as restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Retirement benefit obligation	(39,892)	(76,361)	(116,253)	(39,006)	(76,737)	(115,743)
Deferred tax liabilities	(186,037)	11,511	(174,526)	(186,037)	11,511	(174,526)
Deferred tax assets	1,111	(56)	1,055	-	-	-
Total effect on net assets	(224,818)	(64,906)	(289,724)	(225,043)	(65,226)	(290,269)
Retained earnings	1,441,980	(64,983)	1,376,997	1,735,725	(65,226)	1,670,499
Non-controlling interests	809	77	886	-	-	-
Total effect on equity	1,442,789	(64,906)	1,377,883	1,735,725	(65,226)	1,670,499

Impact on assets, liabilities and equity as at June 30, 2013 of the application of IAS 19 (as revised in 2011)

	THE GROUP			THE COMPANY		
	At July 1, 2013 as previously reported	IAS 19 adjustments	At July 1, 2013 as restated	At July 1, 2013 as previously reported	IAS 19 adjustments	At July 1, 2013 as restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Retirement benefit obligation	(50,398)	(148,329)	(198,727)	(49,465)	(148,835)	(198,300)
Deferred tax liabilities	(177,610)	22,331	(155,279)	(177,610)	22,326	(155,284)
Deferred tax assets	1,172	(81)	1,091	-	-	-
Total effect on net assets	(226,836)	(126,079)	(352,915)	(227,075)	(126,509)	(353,584)
Retained earnings	1,406,313	(126,183)	1,280,130	1,798,399	(126,509)	1,671,890
Non-controlling interests	737	104	841	-	-	-
Total effect on equity	1,407,050	(126,079)	1,280,971	1,798,399	(126,509)	1,671,890

Impact on assets, liabilities and equity as at June 30, 2013 of the application of IAS 19 (as revised in 2011)

	THE GROUP	THE COMPANY
	IAS 19 adjustments	IAS 19 adjustments
	Rs'000	Rs'000
Increase in retirement benefit obligation	(148,329)	(148,835)
Decrease in deferred tax liabilities	22,331	22,326
Decrease in deferred tax assets	(81)	-
Decrease in net assets	(126,079)	(126,509)
Decrease in retained earnings	(126,183)	(126,509)
Increase in non-controlling interests	104	-
Decrease in equity	(126,079)	(126,509)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

2.3 Relevant new and revised Standards in issue not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 16	Property, plant and equipment - Amendments resulting from Annual Improvements 2010-2012 cycle (proportionate restatement of accumulated depreciation on revaluation) (effective July 1, 2014)
IAS 16	Property, plant and equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective January 1, 2016)
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service (effective July 1, 2014)
IAS 24	Related Party Disclosure - Amendments resulting from Annual Improvements 2010 - 2012 Cycle (management entities) (effective July 1, 2014)
IAS 27	Consolidated and Separate Financial Statements – Reissued as Separate Financial Statements (as amended in 2011) - Amendments for investment entities (effective January 1, 2014)
IAS 27	Consolidated and Separate Financial Statements – Reissued as Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective January 1, 2016)
IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities (effective January 1, 2014)
IAS 36	Impairment of assets: Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets (effective January 1, 2014)
IAS 38	Intangible Assets - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) (effective July 1, 2014)
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective January 1, 2016)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for novations of derivatives (effective January 1, 2014)
IAS 39	Financial Instruments: Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective January 1, 2018)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective January 1, 2018)
IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective January 1, 2018)
IFRS 8	Operating Segments - Amendments resulting from Annual Improvements 2010 -2012 Cycle (aggregation of segments, reconciliation of of segment assets) (effective July 1, 2014)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective January 1, 2018)
IFRS 10	Consolidated Financial Statements - Amendments for investment entities (effective January 1, 2014)
IFRS 12	Disclosures of Interests in Other Entities - Amendments for investment entities (effective January 1, 2014)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (Short-term receivables and payables) (Amendments to basis for conclusions only) (effective July 1, 2014)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (Scope of the portfolio exception in paragraph 52) (effective July 1, 2014)
IFRS 15	Revenue from Contracts with Customers - Original issue (effective January 1, 2017)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

The Directors anticipate that these Standards and Interpretations will be applied on their effective dates in future periods. The Directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Phoenix Beverages Limited, its subsidiaries and its associates using the purchase method and the equity method respectively. The results of subsidiaries and associates acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisitions or up to the date of their disposals respectively. Intra group transactions and profits are eliminated on consolidation and all sales and profits relate to external transactions only.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. 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 an acquisition-by-acquisition 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.

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 IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Business combinations

Acquisitions of subsidiaries and businesses are 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 (see below). 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations (continued)

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 (2008) 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.

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.

(d) Investments in subsidiaries

Subsidiaries are those companies over which the Company exercises control and are accounted for at fair value based on a cost and net asset basis in the Company's separate financial statements.

(e) Investments in associates

Associates are those companies which are not subsidiaries and over which the Group exercises significant influence by holding between 20% and 50% of the voting equity, unless it can be clearly demonstrated that the Group does not have significant influence.

The Company states its investments in associates at fair value which has been determined based on a cost and weighted average basis of net asset value and capitalised earnings as appropriate. The Group uses the equity method of accounting to account for its associates.

Results of the associates in which the Group exercises significant influence are equity accounted for by using their most recent audited financial statements or unaudited interim statements. Under the equity method of accounting, the Group's share of the associates' profit or loss for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates is carried in the statement of financial position at an amount that reflects the post acquisition change in the share of net assets of the associates and unimpaired goodwill.

After the Group's interest in an associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Losses recognised under the equity method in excess of the Company's investment are applied to other components of the Company's interest in the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

(i) Intangible assets include computer software whose estimated useful life is considered to be 5 years.

Intangible assets are initially recorded at cost and amortised using the straight-line method over their estimated useful life.

The carrying amount of intangible assets is reviewed annually and adjusted for impairment where it is considered necessary.

(ii) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). 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.

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 attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Mauritian Rupees, which is the Group's and the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(iii) Group companies

On consolidation, the assets and liabilities of the Group's overseas entities are translated at exchange rates prevailing at the end of the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences, if any arising, are taken to equity.

Such translation differences are recognised as income or as expense in the year in which the investment is disposed of.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Land and buildings are stated at their revalued amount, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit or loss.

Properties in the course of construction for production, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Depreciation on other assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

No depreciation is charged on capital expenditure in progress.

Depreciation is calculated on a straight line method to depreciate the cost of assets or the revalued amounts, to their residual values over their estimated useful lives as follows :

	Years
Yard	10 - 15
Freehold buildings	10 - 50
Plant and machinery	5 - 25
Motor vehicles	5 - 15
Furniture, computer, office and other equipment	5 - 10
Containers	5 - 10

Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with carrying amount and are included in profit or loss.

(i) Impairment of assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases

Leases in which a significant portion of risks and rewards and ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charged to profit or loss on a straight line basis over the period of the lease.

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease terms, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all costs incurred in bringing the inventories to its present condition and location. The cost of finished goods and work in progress comprises purchase cost or raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(l) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the group has become party to the contractual provisions of the financial instruments.

Except where stated separately, the carrying amounts of the group's financial instruments approximate their fair values. These instruments are measured as set out below:

(i) Financial assets

Financial assets are classified into the following specified categories: 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(a) Available-for-sale (AFS) financial assets

Listed shares held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the year.

Available-for-sale investments which do not have a quoted market price and whose fair value cannot be reliably measured, are carried at cost, less any impairment loss.

(b) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

(i) Financial assets (continued)

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 asset, or, where appropriate, a shorter period.

(d) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities

(a) 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 arrangement.

(b) 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 Company are recorded at the proceeds received, net of direct issue costs.

(c) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or has expired.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

(iii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as, default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through other comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

(m) Deferred tax

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. If the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates that have been enacted by the end of the reporting date and are expected to apply in the period when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Alternative Minimum Tax (AMT)

Alternative Minimum Tax (AMT) is provided for, where the Company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated at the lower of 10% of the dividend paid and 7.5% of book profit.

(o) Retirement benefit obligations

The employees of the Group are members of Group Mon Loisir Pension Fund (GMLPF). The GMLPF is a multi-employer defined contribution pension scheme. Employees who were transferred from the ex Defined Benefit schemes are entitled to a No-Worse Off Guarantee (NWOG).

Defined contribution plan

For employees who are not entitled to the NWOG, the Group pays fixed contributions into the GMLPF, and has no other legal or constructive obligations in respect of pension benefits. The contributions paid are charged as an expense as they fall due.

Defined contribution plan with No-Worse-Off Guarantee

Employees who were transferred from the ex-Defined Benefit schemes are entitled to a NWOG whereby their respective employers are committed to top-up the Defined Contribution pension in order to meet the pension promise under their respective ex-Defined Benefit schemes. The provisions made include liabilities in respect of this NWOG and is funded by additional contributions over and above those payable under the Defined Contribution scheme.

Gratuity on Retirement

Employees covered under the GMLPF are entitled to the Retirement Gratuity as provided by Section 49 of the Employment Rights Act 2008. However, half of any lump sum and 5 years pension (relating to the employer's share of contributions only) payable from the GMLPF, is deducted from this Gratuity. Any remaining amount has to be met by the employer and is not funded, the provisions made include an amount for any such liabilities.

Other Post-Retirement Benefit Obligations

The provisions also covers pensions payable directly by the employer from its cash-flow. These pensions would stop on death of the pensioner.

The pensions in respect of employees retiring from GMLPF are payable from an annuity fund within GMLPF. This annuity fund is a multi-employer fund and is currently fully funded. Therefore, no provisions have been made in respect of these pensioners.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, 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. Re-measurement 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Retirement benefit obligations (continued)

Other Post-Retirement Benefit Obligations (continued)

The Company presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit liability recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. 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.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(p) Revenue recognition

Revenue comprises the fair value for the sale of goods, net of Value Added Tax and discounts, and after eliminating sales within the Group.

Sales of goods are recognised when goods are delivered and title has passed.

Other income earned by the Group are recognised on the following bases:

- Interest income - on a time proportion basis using the effective interest method.
- Dividend income - when the shareholder's right to receive payment is established.

(q) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(s) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(t) Related parties

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party to exercise significant influence over the other party in making financial and operating decisions.

(u) Comparative figures

Comparative figures have been regrouped or restated, where necessary, to conform to the current year's presentation.

3. FINANCIAL RISK MANAGEMENT

A Management Risk Committee, composed of the senior managers of the Company and chaired by the Chief Executive Officer is in place, operating under the terms of reference approved by the Audit and Risk Committee. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk. The most significant risks faced by the Group include those pertaining to the economic environment, the supply chain, regulations, skills and people, technology as well as foreign currency and interest rates. These risks are included in the risk management programme. Sub-committees have been set up, chaired by the respective senior managers sitting on the Management Risk Committee, to make detailed identification, assessment, measurement and finally to develop and implement risk response strategies.

3.1 Financial risk factors and risk management policies

A description of the significant risk factors is given below together with the risk management policies applicable.

The Group's activities expose it to a variety of financial risks, including:

- Market risk (including currency risk, price risk and cash flow and fair value interest rate risk);
- Credit risk; and
- Liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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, financial liability and equity instruments are disclosed in note 2 to the financial statements.

(a) Market risk

(i) Currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Foreign currency sensitivity analysis

The Group

At June 30, 2014, if the Rupee had weakened/strengthened by 5% against the Euro and US Dollar with all other variables held constant, post-tax profit for the year would have been Rs.27,464,519 (2013: Rs.15,254,685) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro and US Dollar denominated trade and other receivables and trade payables.

Impact of 5% weakened/strengthened of the USD and EUR against the Mauritian Rupee:

	June 30, 2014	June 30, 2013
Profit/(loss)	**Rs.**	Rs.
United States Dollar (USD)	**(1,514,217)**	(1,690,220)
Euro (EUR)	**28,978,736**	16,944,905

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(a) Market risk (continued)

(i) Currency risk management (continued)

Foreign currency sensitivity analysis (continued)

The Company

At June 30, 2014, if the Rupee had weakened/strengthened by 5% against the Euro and US Dollar with all other variables held constant, post-tax profit for the year would have been Rs.16,642,244 (2013: Rs.6,710,739) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro and US Dollar denominated trade payables and other receivables.

Impact of 5% weakened/strengthened of the USD and EUR against the Mauritian Rupee:

	June 30, 2014	June 30, 2013
Profit/(loss)	**Rs.**	Rs.
United States Dollar (USD)	**(2,067,756)**	(1,931,445)
Euro (EUR)	**18,710,000**	8,642,184

(ii) Price risk

The Group and the Company are exposed to equity securities price risk because of investments held by the Group and the Company classified on the statement of financial position as investments in financial assets.

Equity investments are held for strategic rather than for trading purposes. The Group and the Company do not actively trade these investments.

Equity price sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity at the reporting date. The analysis is based on the assumption that the fair value had increased/decreased by 5% with all other variables held constant.

Categories of investments:	Impact on equity			
	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Investments in financial assets	**500**	833	**427**	782
Investments in subsidiaries	**-**	-	**3,551**	3,226
Investments in associates	**468**	365	**148**	15,277
	968	1,198	**4,126**	19,285

(iii) Cash flow and fair value interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrows at both fixed and variable rates. In respect of the latter, it is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The risk is managed by maintaining an appropriate mix between fixed and floating interest rates on borrowings.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk management (continued)

Interest rate sensitivity analysis

Rupee-denominated borrowings

At June 30, 2014, if interest rates on borrowings had been 50 basis points higher/lower, with all other variables held constant, profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Effect on profit	96	215	96	214

Other currencies - denominated borrowings

At June 30, 2014, if interest rates on borrowings had been 50 basis points higher/lower, with all other variables held constant, the effect on profit for the year of the Group would not have been material as a result of higher/lower interest expense on floating rate borrowings.

The Company does not have any borrowings that are denominated in foreign currency.

Interest rates are disclosed in note 15(e).

(b) 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.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties, except for the Group's largest customer which represents 9% of the trade receivables of the Group. These counterparties are unrelated and have different characteristics.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Credit exposure is controlled by counterparty limits that are continuously reviewed.

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The Group's financial liabilities analysed into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date has been disclosed in note 15(b). All trade and other payables are due within one year.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(c) Liquidity risk management (continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

THE GROUP

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014						
Non-interest bearing	-	114,554	229,106	95,082	-	438,742
Finance lease liability	8.14%	1,337	2,668	12,008	7,974	23,987
Variable interest rate	7.65%	42,675	-	-	-	42,675
Fixed rate instrument	7.50%	28,500	-	-	-	28,500
		187,066	**231,774**	**107,090**	**7,974**	**533,904**
2013						
Non-interest bearing	-	124,342	149,136	83,217	-	356,695
Finance lease liability	8.14%	1,335	2,674	12,004	24,104	40,117
Variable interest rate	6.92%	215,374	3,496	7,704	-	226,574
Fixed rate instrument	7.26%	90,399	30,451	18,472	-	139,322
		431,450	185,757	121,397	24,104	762,708

THE COMPANY

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014						
Non-interest bearing	-	111,964	138,513	93,999	-	344,476
Finance lease liability	8.14%	1,337	2,668	12,008	7,974	23,987
Variable interest rate	7.65%	20,405	-	-	-	20,405
Fixed rate instruments	7.50%	28,500	-	-	-	28,500
		162,206	**141,181**	**106,007**	**7,974**	**417,368**
2013						
Non-interest bearing	-	113,931	141,771	79,173	-	334,875
Finance lease liability	8.14%	1,335	2,674	12,004	24,104	40,117
Variable interest rate	7.77%	193,661	3,496	7,704	-	204,861
Fixed rate instruments	7.26%	90,399	30,451	18,472	-	139,322
		399,326	178,392	117,353	24,104	719,175

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting date. The fair value of financial instruments that are not traded in an active market is stated on a weighted average of earnings and asset value.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of those financial assets and liabilities not presented on the Group's statement of financial position at the fair values are not materially different from their carrying amounts.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments 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:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2014				
Available-for-sale financial assets				
Quoted investment	6,456	-	-	6,456
Unquoted investments	-	-	3,553	3,553
Total	**6,456**	**-**	**3,553**	**10,009**

There were no transfers between Level 1 and Level 2 during the year.

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2013				
Available-for-sale financial assets				
Quoted investment	14,040	-	-	14,040
Unquoted investments	-	-	2,629	2,629
Total	14,040	-	2,629	16,669

There were no transfers between Level 1 and Level 2 during the year.

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2014				
Investments in subsidiaries	-	-	71,013	71,013
Investments in associates	-	-	2,955	2,955
Available-for-sale financial assets	6,456	-	2,091	8,547
Total	**6,456**	**-**	**76,059**	**82,515**

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments (continued)

2013	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Investments in subsidiaries	-	-	64,526	64,526
Investments in associates	-	-	305,535	305,535
Available-for-sale financial assets	14,040	-	1,609	15,649
Total	14,040	-	371,670	385,710

Reconciliation of level 3 fair value measurements of financial assets

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**2,629**	2,127	**371,670**	256,032
Additions	**482**	482	**482**	109,665
Disposals	**-**	-	**(303,137)**	-
Total gains recognised in other comprehensive income	**-**	-	**7,044**	5,973
Exchange differences	**442**	20	**-**	-
At June 30,	**3,553**	2,629	**76,059**	371,670

For the financial assets categorised within level 3, there are no significant changes in one or more of the unobservable inputs which would require disclosure of the fact and effect of those changes.

3.3 Capital risk management

The Group's and the Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group's and the Company's overall strategy remains unchanged from 2013.

The Group and the Company manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, or sell assets to reduce debt.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Capital risk management (continued)

The Group and the Company monitor capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and bank balances. Capital structure comprises all components of equity (i.e. share capital, share premium, equity attributable to owners of the Company, retained earnings and reserves).

The gearing ratios at June 30, 2014 and June 30, 2013 were as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
Total debt (note 15)	**93,393**	401,646	**71,123**	379,933
Less: bank and cash balances (note 28(b))	**(398,361)**	(70,232)	**(374,588)**	(51,606)
Net (cash)/debt	**(304,968)**	331,414	**(303,465)**	328,327
Total equity	**3,013,624**	2,588,960	**3,094,899**	3,020,336
Gearing ratio	**-**	13%	**-**	11%

3.4 Categories of financial instruments

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets						
Investments in subsidiaries	**-**	-	-	**71,013**	64,526	56,558
Investments in associates	**9,361**	7,292	7,750	**2,955**	305,535	198,347
Investments in financial assets	**10,009**	16,669	16,503	**8,547**	15,649	15,503
Loans and receivables *	**694,047**	377,149	583,354	**624,105**	396,069	593,678
	713,417	401,110	607,607	**706,620**	781,779	864,086
Financial liabilities						
Amortised costs	**532,135**	710,035	865,271	**415,598**	687,104	752,115

* Including cash and cash equivalents but excluding prepayments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f) (ii).

(b) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Unquoted investments in subsidiaries and associates

Determining whether investments in subsidiaries and associates are impaired requires an estimate of the value in use of the investments. In considering the value in use, the Directors have taken into consideration the audited financial statements, management accounts and expected future results of the subsidiaries and the associates. The actual results could, however, differ from the estimate.

(d) Retirement benefit obligations

The present value of the pension obligations depend 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 the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

(e) Revaluation of freehold land and yard and freehold buildings

The Group measures land and buildings at fair value based on periodic valuations by external independent valuers.

5. PROPERTY, PLANT AND EQUIPMENT

2014 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST OR VALUATION							
At July 1, 2013	930,012	516,738	1,588,776	196,886	427,004	805,194	4,464,610
Additions	11,530	23,455	45,529	12,486	35,843	77,887	206,730
Disposals	-	-	-	(18,210)	(818)	-	(19,028)
Exchange differences	-	-	-	-	247	-	247
At June 30, 2014	**941,542**	**540,193**	**1,634,305**	**191,162**	**462,276**	**883,081**	**4,652,559**
DEPRECIATION							
At July 1, 2013	12,166	27,271	855,993	98,276	251,465	613,788	1,858,959
Charge for the year	949	11,825	55,873	13,732	37,113	87,500	206,992
Disposals	-	-	-	(14,856)	(818)	-	(15,674)
Exchange differences	-	-	-	-	158	-	158
At June 30, 2014	**13,115**	**39,096**	**911,866**	**97,152**	**287,918**	**701,288**	**2,050,435**
NET BOOK VALUE							
At June 30, 2014	**928,427**	**501,097**	**722,439**	**94,010**	**174,358**	**181,793**	**2,602,124**
Capital expenditure in progress	**-**	**1,755**	**41,369**	**-**	**10,140**	**6,849**	**60,113**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**928,427**	**502,852**	**763,808**	**94,010**	**184,498**	**188,642**	**2,662,237**

2013 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) COST OR VALUATION							
At July 1, 2012	370,045	486,466	1,575,704	174,528	387,607	763,971	3,758,321
Additions	3,902	478	27,906	41,474	42,803	44,144	160,707
Disposals	-	-	(14,834)	(19,116)	(2,892)	(2,921)	(39,763)
Exchange differences	-	-	-	-	(514)	-	(514)
Revaluation adjustment	556,065	29,794	-	-	-	-	585,859
At June 30, 2013	930,012	516,738	1,588,776	196,886	427,004	805,194	4,464,610
DEPRECIATION							
At July 1, 2012	10,658	60,559	810,684	101,847	220,247	531,608	1,735,603
Charge for the year	1,508	11,153	58,523	13,096	33,697	82,748	200,725
Disposals	-	-	(13,214)	(16,667)	(1,820)	(568)	(32,269)
Exchange differences	-	-	-	-	(659)	-	(659)
Revaluation adjustment	-	(44,441)	-	-	-	-	(44,441)
At June 30, 2013	12,166	27,271	855,993	98,276	251,465	613,788	1,858,959
NET BOOK VALUE							
At June 30, 2013	917,846	489,467	732,783	98,610	175,539	191,406	2,605,651
Capital expenditure in progress	5,215	5,222	41,752	-	28,672	-	80,861
TOTAL PROPERTY, PLANT AND EQUIPMENT	923,061	494,689	774,535	98,610	204,211	191,406	2,686,512

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2012 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST OR VALUATION							
At July 1, 2011	370,045	479,054	1,526,032	163,116	357,791	653,762	3,549,800
Additions	-	7,412	49,672	31,487	32,978	110,209	231,758
Disposals	-	-	-	(20,075)	(2,523)	-	(22,598)
Exchange differences	-	-	-	-	(639)	-	(639)
At June 30, 2012	370,045	486,466	1,575,704	174,528	387,607	763,971	3,758,321
DEPRECIATION							
At July 1, 2011	9,236	50,229	750,968	110,194	189,476	454,740	1,564,843
Charge for the year	1,422	10,330	59,716	10,765	32,608	76,868	191,709
Disposals	-	-	-	(19,112)	(1,504)	-	(20,616)
Exchange differences	-	-	-	-	(333)	-	(333)
At June 30, 2012	10,658	60,559	810,684	101,847	220,247	531,608	1,735,603
NET BOOK VALUE							
At June 30, 2012	359,387	425,907	765,020	72,681	167,360	232,363	2,022,718
Capital expenditure in progress	-	2,383	26,541	165	5,504	-	34,593
TOTAL PROPERTY, PLANT AND EQUIPMENT	359,387	428,290	791,561	72,846	172,864	232,363	2,057,311

2014 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(d) COST OR VALUATION							
At July 1, 2013	930,012	515,249	1,587,736	191,150	408,009	805,194	4,437,350
Additions	11,530	23,455	45,221	12,486	30,890	77,887	201,469
Disposals	-	-	-	(18,210)	(818)	-	(19,028)
At June 30, 2014	**941,542**	**538,704**	**1,632,957**	**185,426**	**438,081**	**883,081**	**4,619,791**
DEPRECIATION							
At July 1, 2013	12,209	25,819	853,637	92,537	237,413	613,788	1,835,403
Charge for the year	949	11,825	55,536	13,732	35,034	87,500	204,576
Disposals	-	-	-	(14,856)	(818)	-	(15,674)
At June 30, 2014	**13,158**	**37,644**	**909,173**	**91,413**	**271,629**	**701,288**	**2,024,305**
NET BOOK VALUE							
At June 30, 2014	**928,384**	**501,060**	**723,784**	**94,013**	**166,452**	**181,793**	**2,595,486**
Capital expenditure in progress	**-**	**1,755**	**41,369**	**-**	**10,140**	**6,849**	**60,113**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**928,384**	**502,815**	**765,153**	**94,013**	**176,592**	**188,642**	**2,655,599**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2013 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(e) COST OR VALUATION							
At July 1, 2012	370,045	484,977	1,574,664	168,792	367,692	763,971	3,730,141
Additions	3,902	478	27,906	41,474	41,577	44,144	159,481
Disposals	-	-	(14,834)	(19,116)	(1,260)	(2,921)	(38,131)
Revaluation adjustment	556,065	29,794	-	-	-	-	585,859
At June 30, 2013	930,012	515,249	1,587,736	191,150	408,009	805,194	4,437,350
DEPRECIATION							
At July 1, 2012	10,701	59,107	808,702	96,199	206,917	531,608	1,713,234
Charge for the year	1,508	11,153	58,149	13,005	31,730	82,748	198,293
Disposals	-	-	(13,214)	(16,667)	(1,234)	(568)	(31,683)
Revaluation adjustment	-	(44,441)	-	-	-	-	(44,441)
At June 30, 2013	12,209	25,819	853,637	92,537	237,413	613,788	1,835,403
NET BOOK VALUE							
At June 30, 2013	917,803	489,430	734,099	98,613	170,596	191,406	2,601,947
Capital expenditure in progress	5,215	5,222	41,752	-	28,672	-	80,861
TOTAL PROPERTY, PLANT AND EQUIPMENT	923,018	494,652	775,851	98,613	199,268	191,406	2,682,808

2012 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(f) COST OR VALUATION							
At July 1, 2011	370,045	477,565	1,524,992	157,380	335,604	653,762	3,519,348
Additions	-	7,412	49,672	31,487	32,195	110,209	230,975
Disposals	-	-	-	(20,075)	(107)	-	(20,182)
At June 30, 2012	370,045	484,977	1,574,664	168,792	367,692	763,971	3,730,141
DEPRECIATION							
At July 1, 2011	9,279	48,777	749,428	104,694	176,693	454,740	1,543,611
Charge for the year	1,422	10,330	59,274	10,617	30,240	76,868	188,751
Disposals	-	-	-	(19,112)	(16)	-	(19,128)
At June 30, 2012	10,701	59,107	808,702	96,199	206,917	531,608	1,713,234
NET BOOK VALUE							
At June 30, 2012	359,344	425,870	765,962	72,593	160,775	232,363	2,016,907
Capital expenditure in progress	-	2,383	26,541	165	5,504	-	34,593
TOTAL PROPERTY, PLANT AND EQUIPMENT	359,344	428,253	792,503	72,758	166,279	232,363	2,051,500

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(g) In respect of property, plant and equipment of the Company:

- Freehold land and buildings were revalued in June 2013 by Société D'Hotman De Spéville. The basis of valuation of land was arrived at by comparing the value of other land in the neighbourhood giving due consideration to their respective location, shape, extent, development and potential. The values of buildings were arrived at by taking into consideration their depreciated replacement cost after making allowance for their age, standard and state of repair. The Directors have assessed the fair value of the freehold land and buildings at June 30, 2014 and have estimated the fair value to approximate the carrying value as at that date.

- In June 2013, recognition basis of plant and machinery has been changed from revaluation to cost model due to the plant and machinery being specialised ones and given that there is no appropriate valuation method for these assets.

(h) Fair value hierarchy measurement of freehold land and yard are classified as level 2 amounting to Rs.928,427,000 (2013: Rs.923,061,000) for the Group and Rs.928,384,000 (2013: Rs.923,018,000) for the Company and building as level 3 amounting to Rs.502,852,000 (2013: Rs.494,689,000) for the Group and Rs.502,815,000 (2013:Rs.494,652,000) for the Company.

(i) Bank borrowings are secured by fixed and floating charges over the assets of the Group, which include property, plant and equipment.

(j) Additions during the year include Rs.Nil (2013: Rs.Nil and 2012: Rs.12.4m) of assets held under finance leases and comprise of the following:

	THE GROUP			THE COMPANY		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Motor vehicles	**-**	-	12,417	**-**	-	12,417
	-	-	12,417	**-**	-	12,417

(k) Assets held under finance leases comprise of the following:

THE GROUP	Plant and machinery			Motor vehicles			Total		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Cost - capitalised finance leases	**48,458**	48,458	48,458	**17,693**	17,693	18,378	**66,151**	66,151	66,836
Accumulated depreciation	**(6,789)**	(5,091)	(3,393)	**(4,272)**	(2,805)	(1,931)	**(11,061)**	(7,896)	(5,324)
Net book value	**41,669**	43,367	45,065	**13,421**	14,888	16,447	**55,090**	58,255	61,512

THE COMPANY	Plant and machinery			Motor vehicles			Total		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Cost - capitalised finance leases	**48,458**	48,458	48,458	**17,693**	17,693	17,693	**66,151**	66,151	66,151
Accumulated depreciation	**(6,789)**	(5,091)	(3,393)	**(4,272)**	(2,805)	(1,337)	**(11,061)**	(7,896)	(4,730)
Net book value	**41,669**	43,367	45,065	**13,421**	14,888	16,356	**55,090**	58,255	61,421

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(l) Depreciation

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost of sales	**153,321**	150,789	146,343	**152,961**	150,363	145,862
Selling and distribution expenses	**38,096**	36,107	31,139	**38,077**	36,008	30,857
Administrative expenses	**15,575**	13,829	14,227	**13,538**	11,922	12,032
	206,992	200,725	191,709	**204,576**	198,293	188,751

(m) If freehold land, yard and freehold buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	Freehold land and yard	Freehold buildings	Total
THE GROUP	Rs'000	Rs'000	Rs'000
At June 30, 2014			
Cost	**194,494**	**426,982**	**621,476**
Accumulated depreciation	**(13,336)**	**(116,367)**	**(129,703)**
Net book value	**181,158**	**310,615**	**491,773**
At June 30, 2013			
Cost	182,964	403,527	586,491
Accumulated depreciation	(12,233)	(108,279)	(120,512)
Net book value	170,731	295,248	465,979
At June 30, 2012			
Cost	179,062	403,049	582,111
Accumulated depreciation	(10,707)	(101,343)	(112,050)
Net book value	168,355	301,706	470,061
THE COMPANY			
At June 30, 2014			
Cost	**194,494**	**426,982**	**621,476**
Accumulated depreciation	**(13,336)**	**(116,367)**	**(129,703)**
Net book value	**181,158**	**310,615**	**491,773**
At June 30, 2013			
Cost	182,964	403,527	586,491
Accumulated depreciation	(12,233)	(108,279)	(120,512)
Net book value	170,731	295,248	465,979
At June 30, 2012			
Cost	179,062	403,049	582,111
Accumulated depreciation	(10,707)	(101,343)	(112,050)
Net book value	168,355	301,706	470,061

6. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY	
	Computer software	Goodwill	Total	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST					
At July 1, 2013	13,822	6,175	19,997	11,402	11,402
Additions	3,570	-	3,570	3,570	3,570
Exchange differences	40	-	40	-	-
At June 30, 2014	**17,432**	**6,175**	**23,607**	**14,972**	**14,972**
AMORTISATION					
At July 1, 2013	12,183	-	12,183	9,851	9,851
Charge for the year	1,155	-	1,155	1,124	1,124
Exchange differences	38	-	38	-	-
At June 30, 2014	**13,376**	**-**	**13,376**	**10,975**	**10,975**
NET BOOK VALUE					
At June 30, 2014	**4,056**	**6,175**	**10,231**	**3,997**	**3,997**
(b) COST					
At July 1, 2012	13,699	6,175	19,874	11,402	11,402
Additions	89	-	89	-	-
Exchange differences	34	-	34	-	-
At June 30, 2013	13,822	6,175	19,997	11,402	11,402
AMORTISATION					
At July 1, 2012	9,927	-	9,927	7,630	7,630
Charge for the year	2,224	-	2,224	2,221	2,221
Exchange differences	32	-	32	-	-
At June 30, 2013	12,183	-	12,183	9,851	9,851
NET BOOK VALUE					
At June 30, 2013	1,639	6,175	7,814	1,551	1,551
(c) COST					
At July 1, 2011	10,825	6,175	17,000	8,528	8,528
Additions	2,874	-	2,874	2,874	2,874
At June 30, 2012	13,699	6,175	19,874	11,402	11,402
AMORTISATION					
At July 1, 2011	7,931	-	7,931	5,984	5,984
Charge for the year	1,996	-	1,996	1,646	1,646
At June 30, 2012	9,927	-	9,927	7,630	7,630
NET BOOK VALUE					
At June 30, 2012	3,772	6,175	9,947	3,772	3,772

The Directors have assessed impairment at the reporting date and are satisfied that no impairment loss should be recognised.

The group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. There were no indicators of any impairment of goodwill during the three years ended June 30, 2014.

(d) AMORTISATION

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Administrative expenses	**1,155**	2,224	1,996	**1,124**	2,221	1,646

7. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY		
	2014	2013	2012
(a) Unquoted	**Rs'000**	Rs'000	Rs'000
At July 1,	**64,526**	56,558	53,257
Increase in fair value of securities	**6,487**	7,968	3,301
At June 30,	**71,013**	64,526	56,558

Investments in subsidiaries comprise unquoted equity securities, whose fair values have been based on a cost and net asset basis as appropriate.

The directors are of the opinion that no impairment adjustment is required.

(b) Details of the Company's subsidiaries are as follows:

Name of company	Country of operation and incorporation	Year ended	Main business	Class of shares held	Share capital (Rs)	Percentage holding and voting power: Group companies 2014	Group companies 2013	Group companies 2012	The Company 2014	The Company 2013	The Company 2012
The (Mauritius) Glass Gallery Ltd	Mauritius	June 30	Manufacture and sale of glass related products	Ordinary	5,110,000	**-**	-	-	**76.00%**	76.00%	76.00%
MBL Offshore Ltd	Mauritius	June 30	Investment	Ordinary	27,215,400	**-**	-	-	**100.00%**	100.00%	100.00%
Mauritius Breweries International Ltd	The British Virgin Islands	June 30	Investment	Ordinary	27	**100.00%**	100.00%	100.00%	**-**	-	-
Phoenix Beverages Overseas Ltd	Mauritius	June 30	Export of beverages	Ordinary	25,000	**-**	-	-	**99.96%**	99.96%	99.96%
Helping Hands Foundation	Mauritius	June 30	Charitable institution	Ordinary	10,000	**52.00%**	52.00%	52.00%	**48.00%**	48.00%	48.00%
Phoenix Camp Minerals Offshore Ltd	Mauritius	June 30	Investment	Ordinary	86	**-**	-	-	**100.00%**	100.00%	100.00%
Phoenix Distributors Ltd	Mauritius	June 30	Distributor of beverages	Ordinary	206,000	**-**	-	-	**97.33%**	97.33%	97.33%
Phoenix Foundation	Mauritius	June 30	Charitable institution	Ordinary	1,000	**-**	-	-	**100.00%**	100.00%	100.00%
Phoenix Réunion SARL	Reunion	June 30	Distributor of beverages and other commodities	Ordinary	342,640	**100.00%**	100.00%	100.00%	**-**	-	-

8. INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2014 Rs'000	2013 Rs'000	2012 Rs'000
At July 1,	**7,292**	7,750	48,424
Additions	**-**	109,183	-
Exchange differences	**-**	8,123	(67)
Share of results	**38**	(117,490)	(39,510)
Other movement in reserves	**2,031**	(274)	(1,097)
At June 30,	**9,361**	7,292	7,750

(b) THE COMPANY

	2014 Rs'000	2013 Rs'000	2012 Rs'000
At July 1,	**305,535**	198,347	199,647
Additions	**-**	109,183	-
Disposal	**(303,137)**	-	-
Increase/(decrease) in fair value of securities	**557**	(1,995)	(1,300)
At June 30,	**2,955**	305,535	198,347

Investments in associates comprise unquoted equity securities, whose fair values have been assessed on a cost and weighted average basis of net asset value and capitalised earnings as appropriate.

The directors are of the opinion that no further impairment adjustment is required.

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) The associates, all of which are unlisted, are as follows:

Name of company	Principal place of business and country of incorporation	Year ended	Main business	Class of shares held	% Holding and voting rights held	
					Group Companies	**The Company**
2014						
Crown Corks Industries Ltd	Mauritius	June 30	Trading of closures	Ordinary	-	**30.36%**

Name of company	Principal place of business and country of incorporation	Year ended	Main business	Class of shares held	% Holding and voting rights held	
					Group Companies	The Company
2013						
Crown Corks Industries Ltd	Mauritius	June 30	Trading of closures	Ordinary	-	30.36%
* Asia Pacific Brewery (Lanka) Limited	Sri Lanka	September 30	Brewing, bottling and selling of beer	Ordinary	20.00%	-
* Nouvelle Brasserie de Madagascar SA	Republic of Malagasy	December 31	Brewing, bottling and selling of beer	Ordinary	9.34%	40.66%
* TM Océan Indien Ltée	Mauritius	December 31	Franchising activities	Ordinary	-	50.00%
* JV Mada S.A	Luxembourg	December 31	Investment	Ordinary	-	50.00%

Name of company	Principal place of business and country of incorporation	Year ended	Main business	Class of shares held	% Holding and voting rights held	
					Group Companies	The Company
2012						
Crown Corks Industries Ltd	Mauritius	June 30	Trading of closures	Ordinary	-	30.36%
* Asia Pacific Brewery (Lanka) Limited	Sri Lanka	September 30	Brewing, bottling and selling of beer	Ordinary	20.00%	-
* Nouvelle Brasserie de Madagascar SA	Republic of Malagasy	December 31	Brewing, bottling and selling of beer	Ordinary	-	40.66%
* TM Océan Indien Ltée	Mauritius	December 31	Franchising activities	Ordinary	-	50.00%

* Management financial statements have been used for associates with different reporting dates.

(i) All of the above associates are accounted for using the equity method.

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) Summarised financial information

Summarised financial information in respect of each of the associates is set out below.

Name of company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	Other comprehensive income for the year	Total comprehensive income for the year	Dividends received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014									
Crown Corks Industries Ltd	**11,860**	**19,064**	**93**	**-**	**1,792**	**126**	**6,691**	**6,817**	-
2013									
Crown Corks Industries Ltd	11,285	12,846	117	-	1,522	210	(904)	(694)	-
Asia Pacific Brewery (Lanka) Limited	165,647	146,320	238,293	395,741	759,011	(73,551)	-	(73,551)	-
Nouvelle Brasserie de Madagascar SA	258,737	555,136	520,570	395,825	152,671	(258,061)	-	(258,061)	-
TM Ocean Indien Ltée	13,715	-	845	16,079	3,651	(3,647)	(60)	(3,707)	-
JV Mada S.A	2,603	-	32,904	139	-	(1,896)	(1,180)	(3,076)	-
2012									
Crown Corks Industries Ltd	10,867	14,190	348	-	4,298	1,565	(3,612)	(2,047)	-
Asia Pacific Brewery (Lanka) Limited	168,633	102,893	240,733	279,309	718,626	(10,247)	-	(10,247)	-
Nouvelle Brasserie de Madagascar SA	244,281	639,093	473,960	433,874	238,445	(118,546)	-	(118,546)	-
TM Océan Indien Ltée	11,638	-	1,566	9,574	4,527	(3,592)	-	(3,592)	-

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(d) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets	Net assets at date of acquisition	Increase in share capital	Profit/ (loss) for the year	Other comprehensive income for the year	Net assets at date of derecognition	Closing net assets	**Ownership interest**	Interest in associates	Goodwill	Long term receivables (note 10)	Unrecognised accumulated losses	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014													
Crown Corks Industries Ltd	24,014	-	-	126	6,691	-	30,831	30.36%	9,361	-	-	-	9,361
Asia Pacific Brewery (Lanka) Limited	(322,067)	-	-	-	-	322,067	-	0.00%	-	-	-	-	-
Nouvelle Brasserie de Madagascar SA	(102,521)	-	-	(151,930)	12,074	242,377	-	0.00%	-	-	-	-	-
TM Océan Indien Ltée	(3,209)	-	-	-	(248)	3,457	-	0.00%	-	-	-	-	-
JV Mada S.A	(30,440)	-	-	-	(828)	31,268	-	0.00%	-	-	-	-	-
Total	**(434,223)**	**-**	**-**	**(151,804)**	**17,689**	**599,169**	**30,831**		**9,361**	**-**	**-**	**-**	**9,361**
2013													
Crown Corks Industries Ltd	24,708	-	-	210	(904)	-	24,014	30.36%	7,292	-	-	-	7,292
Asia Pacific Brewery (Lanka) Limited	(248,516)	-	-	(73,551)	-	-	(322,067)	20.00%	(64,413)	-	-	64,413	-
Nouvelle Brasserie de Madagascar SA	(24,460)	-	180,000	(258,061)	-	-	(102,521)	50.00%	(51,260)	43,893	7,367	-	-
TM Océan Indien Ltée	498	-	-	(3,647)	(60)	-	(3,209)	50.00%	(1,605)	-	-	1,605	-
JV Mada S.A	-	(27,364)	-	(1,896)	(1,180)	-	(30,440)	50.00%	(15,220)	-	15,220	-	-
Total	(247,770)	(27,364)	180,000	(336,945)	(2,144)	-	(434,223)		(125,206)	43,893	22,587	66,018	7,292
2012													
Crown Corks Industries Ltd	26,755	-	-	1,565	(3,612)	-	24,708	30.36%	7,501	-	-	-	7,501
Asia Pacific Brewery (Lanka) Limited	(238,269)	-	-	(10,247)	-	-	(248,516)	20.00%	(49,703)	-	-	49,703	-
Nouvelle Brasserie de Madagascar SA	94,086	-	-	(118,546)	-	-	(24,460)	40.66%	(9,945)	-	9,945	-	-
TM Océan Indien Ltée	4,090	-	-	(3,592)	-	-	498	50.00%	249	-	-	-	249
Total	(113,338)	-	-	(130,820)	(3,612)	-	(247,770)		(51,898)	-	9,945	49,703	7,750

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(d) Reconciliation of summarised financial information (continued)

Investment in Asia Pacific Brewery (Lanka) Limited (APBL) by a subsidiary has been impaired and accounted for accordingly in year 2002. Since the Group has not given any guarantee or incurred any obligations on behalf of APBL, it has discontinued recognising its share of loss in the associate. In 2014, further to the conversion of non-cumulative redeemable and convertible preference shares to ordinary shares, by the majority shareholder, in view of the restructuring of APBL, the group's holding has decreased to 3%. The investment has been transferred to available for sale financial assets at Nil value at the reporting date.

As at June 30, 2013, the Group's share of losses of Nouvelle Brasserie de Madagascar SA (NBM), exceeded its interest in the investment by Rs.22.6m and the movement has been recognised in profit or loss (note 10).

(e) Change in ownership interest in associates

In the prior year, the Company held a 50% interest in Nouvelle Brasserie de Madagascar SA, TM Ocean Indien Ltee & JV Mada S.A and accounted for the investments as associates. In December 2013, the Company disposed of its interest in Nouvelle Brasserie de Madagascar SA, TM Ocean Indien Ltee & JV Mada S.A to a third party for net proceeds of Rs.193m.

This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows.

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Proceeds of disposal	193,248	193,248
Less: carrying amount of investments on the date of loss of significant influence	-	303,137
	193,248	(109,889)
Reversal of provision on long term receivables	66,650	66,650
Net foreign exchange gains	23,916	12,086
Release of fair value	-	(2,318)
Reversal of share of losses previously recognised against long term receivables	93,081	-
Gain/(loss) recognised	376,895	(33,471)

9. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Available-for-sale financial assets						
At July 1,	**16,669**	16,503	22,943	**15,649**	15,503	22,931
Additions	**482**	482	482	**482**	482	482
Disposals	**(6,861)**	-	-	**(6,861)**	-	-
Exchange differences	**442**	36	(6)	**-**	-	-
Impairment loss recognised	**-**	(16)	-	**-**	-	-
Impairment loss reversed	**-**	-	994	**-**	-	-
Decrease in fair value of securities	**(723)**	(336)	(7,910)	**(723)**	(336)	(7,910)
At June 30,	**10,009**	16,669	16,503	**8,547**	15,649	15,503

Impairment loss has been recognised in other expenses (note 22).

The Directors are of opinion that cost represents the fair value of available-for-sale unquoted securities.

Available-for-sale financial assets include the following:

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Equity securities at fair value:						
- Quoted on Development and Enterprise Market	**6,456**	14,040	14,376	**6,456**	14,040	14,376
- Unquoted	**3,553**	2,629	2,127	**2,091**	1,609	1,127
Total available-for-sale financial assets	**10,009**	16,669	16,503	**8,547**	15,649	15,503

Available-for-sale financial assets are denominated in the following currencies:

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Mauritian Rupee	**8,547**	15,649	15,503	**8,547**	15,649	15,503
Euro	**1,462**	1,020	1,000	**-**	-	-
	10,009	16,669	16,503	**8,547**	15,649	15,503

10. LONG-TERM RECEIVABLES

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Receivables from subsidiaries	**-**	-	-	**74,168**	97,789	40,613
Receivables from associated companies	**-**	158,015	-	**-**	158,015	-
Loss recognised in excess of investment in associate	**-**	(22,587)	-	**-**	-	-
	-	135,428	-	**74,168**	255,804	40,613

The long-term receivables from subsidiaries and associated companies relate to amounts due from subsidiaries and associated companies and are stated at amortised cost. The above amount is net of provision of impairment loss of Rs.Nil (2013: Rs.66,650,000) for the Group and Rs.114,183,551 (2013: Rs.120,833,000) for the Company.

10. LONG-TERM RECEIVABLES (CONTINUED)

(a) Movement in the provision for long term receivables are as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	66,650	-	-	120,833	5,947	-
Impairment loss recognised on receivables	-	66,650	-	60,000	114,886	5,947
Reversal during the year	(66,650)	-	-	(66,650)	-	-
At June 30,	-	66,650	-	114,183	120,833	5,947

(b) The receivables are unsecured, interest free and will not be recalled within the next twelve months.

(c) The carrying amounts of long term receivables are denominated in the following currencies:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	-	-	-	2,915	2,915	2,915
US Dollar	-	-	-	-	13,562	-
Euro	-	135,428	-	71,253	239,220	37,698
Other	-	-	-	-	107	-
	-	135,428	-	74,168	255,804	40,613

11. INVENTORIES

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Raw and packaging materials	226,747	219,064	194,753	223,187	216,708	193,787
Spare parts and consumables	61,777	56,843	57,631	61,777	56,843	57,631
Finished goods	233,066	245,072	236,136	149,819	167,217	168,289
Work in progress	28,719	33,025	30,784	28,719	33,025	30,784
Goods in transit	16,933	22,824	8,915	16,933	22,824	8,915
	567,242	576,828	528,219	480,435	496,617	459,406

The cost of inventory recognised as an expense includes Rs.3,137,421 (2013: Rs.4,051,487) for the Group and the Company in respect of write-downs of inventory to net realisable value.

The inventories have been pledged as security for borrowings and are valued on a weighted average basis.

12. TRADE AND OTHER RECEIVABLES

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables (net of provisions)	280,585	271,611	294,035	185,096	183,838	163,508
Prepayments and other receivables	46,227	31,185	262,135	47,929	33,107	262,085
Receivables from group companies						
- Fellow subsidiary	1,095	12,192	3,400	1,095	12,192	3,400
- Subsidiary companies	-	-	-	45,598	37,056	143,557
Loss recognised in excess of investment in associate	-	-	(9,945)	-	-	-
	327,907	314,988	549,625	279,718	266,193	572,550

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new credit customer, the Group assesses the potential customer's credit worthiness and defines credit limits for the customer. Limits and scoring attributed to customers are reviewed twice a year. Of the trade receivables balance at end of the year, Rs.25.1m (2013: Rs.22.8m and 2012: Rs.21.6m) is due from the Group's largest customer. There are no other customers who represent more than 9% of the total balance of trade receivables.

The credit period is 30 days end of month for the Company and the Group.

(a) At June 30, 2014, the amount of the provision was Rs.30,492,000 (2013: Rs.28,197,000 and 2012: Rs.29,629,000) for the Group and Rs.20,636,003 (2013: Rs.18,238,000 and 2012: Rs.15,370,000) for the Company. The individually impaired receivables are mainly related to receivables with overdue balances. It was assessed that a proportion of these receivables is expected to be recovered. The ageing of these receivables is as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
3 to 6 months	**-**	954	6,052	**-**	-	-
Over 6 months	**30,492**	27,243	23,577	**20,636**	18,238	15,370
	30,492	28,197	29,629	**20,636**	18,238	15,370

(b) At June 30, 2014, trade receivables of Rs.61,078,000 (2013: Rs.48,825,000 and 2012: Rs.23,729,000) for the Group and for the Company Rs.13,172,000 (2013: Rs.19,858,000 and 2012: Rs.7,786,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2 to 3 months	**44,669**	31,468	4,508	**12,734**	9,930	4,508
3 to 6 months	**14,782**	8,211	16,628	**438**	782	926
Over 6 months	**1,627**	9,146	2,593	**-**	9,146	2,352
	61,078	48,825	23,729	**13,172**	19,858	7,786

(c) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	**186,138**	185,122	167,460	**185,096**	183,838	163,508
US Dollar	**11,616**	5,230	31,064	**-**	-	-
Euro	**82,831**	81,259	95,511	**-**	-	-
	280,585	271,611	294,035	**185,096**	183,838	163,508

(d) Movement in the provision for trade receivables are as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**28,197**	29,629	32,014	**18,238**	15,370	16,114
Impairment loss recognised on receivables	**5,838**	9,172	960	**4,499**	4,020	-
Receivables written off during the year as uncollectible	**(3,543)**	(10,604)	(3,345)	**(2,101)**	(1,152)	(744)
At June 30,	**30,492**	28,197	29,629	**20,636**	18,238	15,370

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

(e) The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The carrying amount of trade and other receivables approximate their fair values.

(f) Bank borrowings are secured by fixed and floating charges over the receivables of the Group and Company.

13. STATED CAPITAL

THE GROUP AND THE COMPANY	Number of shares	Ordinary shares	Share premium	Total
Issued and fully paid		Rs'000	Rs'000	Rs'000
At July 1, and at June 30,	**16,447,000**	**164,470**	**202,492**	**366,962**

The holders of the fully paid ordinary shares are entitled to one voting right per share, carry a right to dividends but no right to fixed income.

The total number of ordinary shares issued is 16,447,000 (2013 and 2012: 16,447,000) with a par value of Rs.10 per share (2013 and 2012: Rs.10 per share). All issued shares are fully paid.

14. OTHER RESERVES

(a) THE GROUP	REVALUATION AND OTHER RESERVES				
	Revaluation reserve	Capital reserve	Translation reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014					
At July 1, 2013	919,802	1,694	10,759	8,772	941,027
Decrease in fair value of securities	-	-	-	(723)	(723)
Reclassification adjustments for gains on financial assets included in profit or loss	-	-	-	(3,231)	(3,231)
Other movements in associates	-	-	-	2,031	2,031
Exchange differences	-	-	(9,660)	-	(9,660)
At June 30, 2014	**919,802**	**1,694**	**1,099**	**6,849**	**929,444**
2013					
At July 1, 2012	300,637	1,694	10,128	9,382	321,841
Decrease in fair value of securities	-	-	-	(336)	(336)
Gain on revaluation of property	630,300	-	-	-	630,300
Deferred tax on revaluation of property	(11,135)	-	-	-	(11,135)
Other movements in associates	-	-	-	(274)	(274)
Exchange differences	-	-	631	-	631
At June 30, 2013	**919,802**	**1,694**	**10,759**	**8,772**	**941,027**

14. OTHER RESERVES

(a) THE GROUP

	REVALUATION AND OTHER RESERVES				
	Revaluation reserve	Capital reserve	Translation reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2012					
At July 1, 2011	281,444	1,694	3,251	18,389	304,778
Decrease in fair value of securities	-	-	-	(7,910)	(7,910)
Deferred tax on revaluation of property	19,193	-	-	-	19,193
Other movements in associates	-	-	-	(1,097)	(1,097)
Exchange differences	-	-	6,877	-	6,877
At June 30, 2012	300,637	1,694	10,128	9,382	321,841

(b) THE COMPANY

	REVALUATION AND OTHER RESERVES			
	Revaluation reserve	Capital reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2014				
At July 1, 2013	919,642	1,832	60,010	981,484
Increase in fair value of securities	-	-	6,321	6,321
Reclassification adjustments for gains of financial assets included in profit or loss	-	-	(910)	(910)
At June 30, 2014	**919,642**	**1,832**	**65,421**	**986,895**

	REVALUATION AND OTHER RESERVES			
	Revaluation reserve	Capital reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2013				
At July 1, 2012	300,477	1,832	54,373	356,682
Gain on revaluation of properties	630,300	-	-	630,300
Deferred tax on revaluation of property	(11,135)	-	-	(11,135)
Increase in fair value of securities	-	-	5,637	5,637
At June 30, 2013	919,642	1,832	60,010	981,484
2012				
At July 1, 2011	281,284	1,832	60,282	343,398
Deferred tax on revaluation of property	19,193	-	-	19,193
Decrease in fair value of securities	-	-	(5,909)	(5,909)
At June 30, 2012	300,477	1,832	54,373	356,682

Revaluation reserve

Revaluation reserve relates to the revaluation of freehold land, yard and freehold buildings.

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

15. BORROWINGS

	THE GROUP			THE COMPANY		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**
Current	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Bank overdrafts (note 28(b))	**42,675**	213,624	197,534	**20,405**	191,911	177,314
Bank loans	-	62,572	95,829	-	62,572	95,829
Loans at call (unsecured)	**28,500**	89,700	89,200	**28,500**	89,700	89,200
Obligations under finance lease (see note (c))	**14,719**	13,531	13,044	**14,719**	13,531	12,895
	85,894	379,427	395,607	**63,624**	357,714	375,238
Non-current						
Bank loans (see note (d))	-	-	12,542	-	-	12,542
Obligations under finance lease (see note (c))	**7,499**	22,219	35,750	**7,499**	22,219	35,750
	7,499	22,219	48,292	**7,499**	22,219	48,292
Total borrowings	**93,393**	401,646	443,899	**71,123**	379,933	423,530

(a) The borrowings include secured and unsecured liabilities (bank overdrafts, other loans, bank loans and finance leases) amounting to Rs.93,393,000 (2013: Rs.401,646,000 and 2012: Rs.443,899,000) for the Group and Rs.71,123,000 (2013: Rs.379,933,000 and 2012: Rs.423,530,000) for the Company. The borrowings are secured by fixed and floating charges over the companies' assets and bearing interest at 4.36% - 9.00% per annum (2013: 4.08% - 9.00% per annum and 2012: 4.12% - 9.00% per annum).

(b) The maturity of non-current borrowings is as follows:

	THE GROUP			THE COMPANY		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
After one year and before two years	**4,740**	14,719	26,073	**4,740**	14,719	26,073
After two years and before three years	**2,759**	4,740	14,719	**2,759**	4,740	14,719
After three years and before five years	-	2,760	7,500	-	2,760	7,500
	7,499	22,219	48,292	**7,499**	22,219	48,292

(c) Finance leases liabilities - minimum lease payments:

	THE GROUP			THE COMPANY		
	2014	**2013**	**2012**	**2014**	**2013**	**2012**
Amounts payable	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
- within one year	**16,013**	16,013	16,627	**16,013**	16,013	16,469
- after one year and before two years	**5,099**	16,013	16,013	**5,099**	16,013	16,013
- after two years and before three years	**2,875**	5,215	16,013	**2,875**	5,215	16,013
- after three years and before five years	-	2,876	7,974	-	2,876	7,974
	23,987	40,117	56,627	**23,987**	40,117	56,469
Future finance charges on finance leases	**(1,769)**	(4,367)	(7,833)	**(1,769)**	(4,367)	(7,824)
Present value of finance lease liabilities	**22,218**	35,750	48,794	**22,218**	35,750	48,645

15. BORROWINGS (CONTINUED)

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Representing present value of minimum lease payments:						
- within one year	**14,719**	13,531	13,044	**14,719**	13,531	12,895
- after one year and before two years	**4,740**	14,719	13,531	**4,740**	14,719	13,531
- after two years and before three years	**2,759**	4,740	14,719	**2,759**	4,740	14,719
- after three years and before five years	**-**	2,760	7,500	**-**	2,760	7,500
	22,218	35,750	48,794	**22,218**	35,750	48,645

The fair values of finance lease liabilities are approximately equal to their carrying amounts.

The average effective borrowing rate was 8.14% per annum (2013: 8.14% p.a. and 2012: 6.39% p.a.).

Leasing arrangements

Finance leases relate to machinery and motor vehicles with lease terms of five years. The Group has options to purchase the machinery and motor vehicles for a nominal amount at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

(d) The carrying amounts of non-current bank borrowings are not materially different from their fair values.

Non current bank borrowings can be analysed as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
- After one year and before two years						
Bank loans	**-**	-	12,542	**-**	-	12,542
	-	-	12,542	**-**	-	12,542

(e) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	%	%	%	**%**	%	%
Bank overdrafts	**4.36 - 7.90**	4.08 - 7.90	4.12 - 8.75	**7.28 - 7.90**	7.28 - 7.90	7.60 - 8.65
Bank and other loans	**7.50**	6.25 - 7.90	6.75 - 8.00	**7.50**	6.25 - 7.90	6.75 - 8.00
Finance leases	**8.00 - 9.00**	8.00 - 9.00	8.00 - 9.00	**8.00 - 9.00**	8.00 - 9.00	8.00 - 9.00

(f) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP			THE COMPANY		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Mauritian Rupee	**71,126**	379,933	423,679	**71,123**	379,933	423,530
Euro	**22,267**	21,713	20,220	**-**	-	-
	93,393	401,646	443,899	**71,123**	379,933	423,530

16. DEFERRED TAX (LIABILITIES)/ASSETS

Deferred tax assets and liabilities are offset when they relate to the same fiscal authority. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
Deferred tax liabilities	161,812	155,279	161,812	155,284
Deferred tax assets	(1,802)	(1,091)	-	-
	160,010	154,188	161,812	155,284

Deferred tax liabilities are calculated on all temporary differences under the liability method at tax rate of 15% (2013 and 2012: 15%). The movements on the deferred tax account are as follows :

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
At July 1,				
- As previously reported	176,438	184,926	177,610	186,037
- Effect of adopting IAS 19 (Revised)	(22,250)	(11,455)	(22,326)	(11,511)
- As restated	154,188	173,471	155,284	174,526
Charge/(credit) to profit or loss (note 19(b))	6,477	(19,028)	7,187	(18,965)
Credit to other comprehensive income	(655)	(255)	(659)	(277)
At June 30,	160,010	154,188	161,812	155,284

Deferred tax assets and liabilities, deferred tax charge/(credit) in the statements of profit or loss and other comprehensive income are attributable to the following items:

(a) THE GROUP

2014	At July 1, 2013 as previously reported	Effect of adopting IAS 19 (Revised)	As restated	Charge/ (credit) to profit or loss	Credit to other comprehensive income	At June 30, 2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated tax depreciation	185,120	-	185,120	7,782	-	192,902
	185,120	-	185,120	7,782	-	192,902
Deferred tax assets						
Retirement benefit obligations	(8,682)	(22,250)	(30,932)	(1,305)	(655)	(32,892)
	(8,682)	(22,250)	(30,932)	(1,305)	(655)	(32,892)
Net deferred tax liabilities	176,438	(22,250)	154,188	6,477	(655)	160,010

16. DEFERRED TAX (LIABILITIES)/ASSETS (CONTINUED)

(a) THE GROUP (CONTINUED)

2013	At July 1, 2012 as previously reported	Effect of adopting IAS 19 (Revised)	As restated	(Credit)/ charge to profit or loss	Charge/(credit) to other comprehensive income	At June 30, 2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated tax depreciation	192,059	-	192,059	(18,074)	11,135	185,120
	192,059	-	192,059	(18,074)	11,135	185,120
Deferred tax assets						
Tax losses carried forward	(1,118)	-	(1,118)	27	-	(1,091)
Retirement benefit obligations	(6,015)	(11,455)	(17,470)	(981)	(11,390)	(29,841)
	(7,133)	(11,455)	(18,588)	(954)	(11,390)	(30,932)
Net deferred tax liabilities	184,926	(11,455)	173,471	(19,028)	(255)	154,188

(b) THE COMPANY

2014	At July 1, 2013 as previously reported	Effect of adopting IAS 19 (Revised)	As restated	Charge/ (credit) to profit or loss	Credit to other comprehensive income	**At June 30, 2014**
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
Deferred tax liabilities						
Accelerated depreciation	185,030	-	185,030	7,794	-	**192,824**
	185,030	-	185,030	7,794	-	**192,824**
Deferred tax assets						
Retirement benefit obligations	(7,420)	(22,326)	(29,746)	(607)	(659)	**(31,012)**
	(7,420)	(22,326)	(29,746)	(607)	(659)	**(31,012)**
Net deferred tax liabilities	177,610	(22,326)	155,284	7,187	(659)	**161,812**

2013	At July 1, 2012 as previously reported	Effect of adopting IAS 19 (Revised)	As restated	(Credit)/ charge to profit or loss	Charge/(credit) to other comprehensive income	At June 30, 2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated depreciation	191,888	-	191,888	(17,993)	11,135	185,030
	191,888	-	191,888	(17,993)	11,135	185,030
Deferred tax assets						
Retirement benefit obligations	(5,851)	(11,511)	(17,362)	(972)	(11,412)	(29,746)
	(5,851)	(11,511)	(17,362)	(972)	(11,412)	(29,746)
Net deferred tax liabilities	186,037	(11,511)	174,526	(18,965)	(277)	155,284

17. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)
Amounts recognised in the statements of financial position						
Pension scheme (note (a) (i))	**207,172**	198,727	116,253	**206,737**	198,300	115,743
Analysed as follows:						
Non-current liabilities	**207,172**	198,727	116,253	**206,737**	198,300	115,743
Charge to profit or loss						
- Pension benefits (note (a) (iv))	**19,769**	12,976		**19,735**	12,913	
Charge to other comprehensive income						
- Pension benefits (note (a) (v))	**4,365**	75,933		**4,391**	76,078	

(a) Pension scheme

The assets of the funded plan are held independently in a registered superannuation fund (GML Pension Fund). Retirement benefit obligations have been provided for based on the report from The Anglo-Mauritius Assurance Society Ltd dated June 18, 2014.

(i) The amounts recognised in the statements of financial position are as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)
Present value of funded obligations	**297,304**	278,592	198,174	**296,869**	278,592	198,174
Fair value of plan assets	**(129,701)**	(115,991)	(114,876)	**(129,701)**	(115,991)	(114,876)
	167,603	162,601	83,298	**167,168**	162,601	83,298
Present value of unfunded obligations	**39,569**	36,126	32,955	**39,569**	35,699	32,445
Liability in the statements of financial position	**207,172**	198,727	116,253	**206,737**	198,300	115,743

The reconciliation of the opening balances to the closing balances for the net benefit defined liability is as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)
At July 1,						
- As previously reported	**50,398**	39,892	42,515	**49,465**	39,006	41,662
- Effect of adopting IAS 19 (Revised)	**148,329**	76,361	44,785	**148,835**	76,737	45,166
- As restated	**198,727**	116,253	87,300	**198,300**	115,743	86,828
Amount recognised in other comprehensive income	**4,365**	75,933	33,366	**4,391**	76,078	33,376
Amount recognised in profit or loss (note 23)	**19,769**	12,976	10,819	**19,735**	12,913	10,771
Contributions paid *	**(15,689)**	(6,435)	(15,232)	**(15,689)**	(6,434)	(15,232)
At June 30,	**207,172**	198,727	116,253	**206,737**	198,300	115,743

*The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the GML Pension Fund and exclude cash payments which are treated as defined contributions and amounted to Rs.20,456,699 (2013: Rs.24,119,579 and 2012: Rs.14,590,532) for the Group and Rs.20,108,628 (2013: Rs.23,813,054 and 2012: Rs.14,275,646) for the Company.

17. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligation at start of year	278,592	198,174	170,364	278,592	198,174	170,365
Present value of unfunded obligation at start of year	36,127	32,955	28,901	35,699	32,445	28,427
Current service cost	4,940	3,151	3,106	4,938	3,138	3,104
Interest cost	23,553	19,973	19,260	23,521	19,923	19,214
Liability loss due to change in financial assumptions	4,907	76,578	17,708	4,933	76,723	17,719
Benefit paid	(11,246)	(16,112)	(8,210)	(11,245)	(16,112)	(8,210)
Balance at 30 June,	336,873	314,719	231,129	336,438	314,291	230,619

(iii) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	115,991	114,876	111,964	115,991	114,876	111,964
Interest income	8,725	10,148	11,547	8,724	10,148	11,547
Employer contributions	15,689	6,434	15,232	15,689	6,434	15,232
Benefits paid	(11,246)	(16,112)	(8,210)	(11,245)	(16,112)	(8,210)
Return on plan assets excluding interest income	542	645	(15,657)	542	645	(15,657)
Balance at 30 June,	129,701	115,991	114,876	129,701	115,991	114,876

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
Service cost	4,940	3,151	4,938	3,138
Net interest cost	14,828	9,825	14,797	9,775
	19,768	12,976	19,735	12,913

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Remeasurement on the net defined benefit liability:	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
Liability experience loss/(gain) due to change in financial assumptions	4,907	76,578	4,933	76,723
Return on plan asset excluding interest income	(542)	(645)	(542)	(645)
Actuarial losses	4,365	75,933	4,391	76,078

17. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

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

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	7,912	5,104	17,117	7,912	5,104	17,117
Equity investments categorised by industry type:						
- Banks & Insurance	20,363	19,834	16,657	20,363	19,834	16,657
- Industry	2,335	2,203	2,298	2,335	2,203	2,298
- Investment	11,673	5,336	4,250	11,673	5,336	4,250
- Leisure & Hotels	6,485	6,959	2,871	6,485	6,959	2,871
- Sugar	389	1,972	1,723	389	1,972	1,723
- Commerce	3,372	2,668	3,446	3,372	2,668	3,446
- Transport	389	348	-	389	348	-
- Others	259	-	115	259	-	115
Fixed interest instruments	38,391	30,970	27,915	38,391	30,970	27,915
Properties (categorised by nature and location):						
- Commercial properties in Mauritius	2,335	2,552	2,757	2,335	2,552	2,757
Investment funds	30,351	33,405	32,510	30,351	33,405	32,510
Private equity	5,447	4,640	3,217	5,447	4,640	3,217
Total Market value of assets	129,701	115,991	114,876	129,701	115,991	114,876
Actual return on plan assets	9,267	10,793		9,266	10,793	

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

(vii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY		
	2014	2013	2012
	%	%	%
Discount rate	7.5	7.5	9.5
Expected rate of return on plan assets	7.5	7.5	9.5
Expected salary increases	6.0	6.0	8.0
Expected NPS increase	5.5	5.5	5.5
Future pension increases	3.5	3.5	3.5

	2014	2013	2012
Expected future lifetime for a 60 year old:	Years	Years	Years
Male	21	21	21
Female	24	24	24

17. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	107,009	106,863
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	60,300	60,116

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(ix) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk and salary risk.

Longevity Risk - The liabilities disclosed are based on the mortality tables A 67/70 and PA (92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

Interest Rate Risk - If the Bond interest rate decreases, the liabilities 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 assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(x) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xi) The Group expects to pay Rs.6.3m in contributions to its post-employment benefit plans for the year ending June 30, 2015.

(xii) The weighted average duration of the defined benefit obligation is 16-20 years for the Group and 17 years for the Company at the end of the reporting period (2013: 17-21 years for the Group and 18 years for the Company).

18. TRADE AND OTHER PAYABLES

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	247,960	222,132	220,825	183,899	165,775	158,008
Deposits from customers (see note (b))	36,369	30,127	24,251	36,369	30,127	24,251
Amounts due to Group companies:						
- Fellow subsidiary	26,565	130	1,325	26,565	130	1,325
- Subsidiaries	-	-	-	3,658	2,129	1,403
Accrued expenses and other payables	188,808	194,814	199,222	154,494	163,225	167,849
	499,702	447,203	445,623	404,985	361,386	352,836

The carrying amounts of trade and other payables approximate their fair values.

(a) The credit period on purchase of goods is 30 days. No interest is charged by trade payables. The Group has policies to ensure that all payables are paid within the credit timeframe.

18. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Deposits from customers on containers

	THE GROUP AND THE COMPANY		
	2014	2013	2012
	Rs'000	Rs'000	Rs'000
At July 1,	30,127	24,251	43,026
Net increase/(decrease) in deposits	6,242	5,876	(18,775)
	36,369	30,127	24,251

(c) The carrying amounts of trade payables are denominated in the following currencies.

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	105,455	90,536	76,118	103,511	88,829	71,526
US Dollar	69,689	69,364	80,921	55,358	56,977	61,527
Euro	67,014	57,591	57,129	19,227	15,328	18,298
Other	5,802	4,641	6,657	5,803	4,641	6,657
	247,960	222,132	220,825	183,899	165,775	158,008

19. CURRENT TAX LIABILITIES

Income tax is calculated at 15% (2013 and 2012: 15%) on the profit for the year as adjusted for income tax purposes.

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Tax liability						
At July 1,	25,039	2,465	20,947	25,050	2,479	20,947
Current tax on the adjusted profit for the year 15% (2013 and 2012: 15%)	50,738	51,522	35,183	50,738	51,519	35,181
Underprovision in previous year	749	82	893	749	82	893
Tax paid	(65,079)	(29,030)	(54,558)	(65,073)	(29,030)	(54,542)
At June 30,	11,447	25,039	2,465	11,464	25,050	2,479

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
(b) Tax expense				
Current tax on the adjusted profit for the year 15% (2013: 15%)	50,738	51,522	50,738	51,519
Underprovision in previous year	749	82	749	82
	51,487	51,604	51,487	51,601
Deferred tax charge/(credit) to profit or loss (note 16)	6,477	(19,028)	7,187	(18,965)
Tax expense	57,964	32,576	58,674	32,636

19. CURRENT TAX LIABILITIES (CONTINUED)

(c) The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000 (Restated)	Rs'000	Rs'000 (Restated)
Profit before taxation	712,041	261,978	269,713	230,269
Tax calculated at the rate of 15% (2013: 15%)	106,806	39,297	40,457	34,540
Tax effect of:				
Income not subject to tax	(56,288)	(4,521)	(1,804)	(3,007)
Expenses not deductible for tax purposes	1,887	11,702	18,670	18,892
Differential in tax rate	(5,118)	(4,768)	-	-
Underprovision in previous year	749	82	749	82
Depreciation of non-qualifying assets	602	603	602	602
Effect of tax on associated companies	6	9	-	-
Deferred tax asset on tax losses not recognised	9,320	8,677	-	-
Deferred tax asset under provided in previous years	-	(11)	-	-
Deferred tax liability over provided in previous years	-	(18,494)	-	(18,473)
Tax charge	57,964	32,576	58,674	32,636

20. DISCONTINUED OPERATIONS

(a) In December 2013, the Company disposed of its associated companies Nouvelle Brasserie de Madagascar SA, TM Océan Indien Ltée and JV Mada S.A. The disposals were effected due to heavy losses being incurred by these associated companies.

(b) An analysis of the result of discontinued operations is as follows:

	THE GROUP	
	2014	2013
	Rs'000	Rs'000
Share of results of associates	(75,965)	(130,196)
Loss for the year from discontinued operations	(75,965)	(130,196)

21. DIVIDENDS

	THE COMPANY		
	2014	2013	2012
	Rs'000	Rs'000	Rs'000
Dividends paid 2014: Rs.8.40 per share (2013: Rs.8.00 per share and 2012: Rs.7.50 per share)	138,155	131,576	123,353

22. EXPENSES BY NATURE

	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)
Depreciation (note 5)	**206,992**	200,725	**204,576**	198,293
Amortisation of intangible assets (note 6)	**1,155**	2,224	**1,124**	2,221
Employee benefit expense (note 23)	**498,269**	460,866	**440,743**	414,224
Changes in inventories of finished goods and work in progress	**17,386**	(11,177)	**21,704**	(1,169)
Purchases of finished goods, raw materials and consumables used	**1,353,179**	1,336,087	**1,141,047**	1,139,346
Excise and other specific duties	**1,523,002**	1,382,073	**1,523,002**	1,382,073
Other marketing and selling expenses	**279,017**	278,052	**266,932**	255,500
Impairment loss recognised on long-term receivables	**-**	66,650	**60,000**	114,886
Other expenses	**625,531**	550,431	**549,025**	481,821
Total cost of sales, warehousing, selling and marketing and administrative expenses	**4,504,531**	4,265,931	**4,208,153**	3,987,195

23. EMPLOYEE BENEFIT EXPENSE

	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)
Wages , salaries and other employee benefits	**429,628**	397,212	**384,020**	362,280
Social security costs	**28,415**	26,559	**16,879**	15,218
Pension costs - defined benefit plans (note 17(a)(iv))	**19,768**	12,976	**19,735**	12,913
Pension costs - defined contribution plans	**20,457**	24,119	**20,109**	23,813
	498,268	460,866	**440,743**	414,224

24. OTHER INCOME

	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000
Interest income	**1,319**	1,177	**1,004**	1,137
Dividend income	**244**	187	**244**	187
Profit on disposal of investment in financial assets	**2,179**	-	**2,179**	-
Profit on disposal of plant and equipment	**1,539**	3,427	**1,539**	3,628
Sundry income	**7,930**	13,851	**4,778**	9,711
Net foreign exchange gains	**27,476**	34,634	**20,339**	23,337
	40,687	53,276	**30,083**	38,000

25. PROFIT BEFORE FINANCE COSTS

	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000 (Restated)	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000 (Restated)
Profit before finance costs is arrived at after				
crediting:				
Profit on disposal of plant and equipment	**1,539**	3,427	**1,539**	3,628
Reversal of impairment loss previously recognised on long-term receivables	**66,650**	-	**66,650**	-
Reversal of impairment loss previously recognised on inventories	**-**	367	**-**	-
and charging:				
Cost of inventories expensed	**2,947,577**	2,770,635	**2,725,162**	2,560,375
Depreciation on property, plant and equipment				
- owned assets	**203,827**	197,467	**201,411**	195,127
- leased assets under finance lease	**3,165**	3,258	**3,165**	3,166
Amortisation of intangible assets (note 6)	**1,155**	2,224	**1,124**	2,221
Employee benefit expense (note 23)	**498,269**	460,866	**440,743**	414,224
Impairment loss recognised on long-term receivables	**-**	66,650	**60,000**	114,886
Impairment loss recognised on trade receivables	**5,838**	9,172	**4,499**	4,020
Impairment loss recognised on financial assets	**-**	16	**-**	-

26. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts	6,763	8,270	5,845	7,372
Bank and other loans	11,961	14,949	11,961	14,949
Finance leases	2,482	3,574	2,482	3,574
	21,206	26,793	20,288	25,895

27. EARNINGS/(LOSS) PER SHARE

	THE GROUP	
	2014	2013
		(Restated)
(a) From continuing operations		
Profit attributable to owners of the Company (Rs'000)	655,060	229,477
Number of ordinary shares in issue	16,447,000	16,447,000
Basic earnings per share (Rs.cs)	39.83	13.95
(b) From discontinued operations		
Loss attributable to owners of the Company (Rs'000)	(75,965)	(130,196)
Number of ordinary shares in issue	16,447,000	16,447,000
Basic loss per share (Rs.cs)	(4.62)	(7.92)

28. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations		(Restated)		(Restated)
Profit before taxation from continuing operations	712,041	261,978	269,713	230,269
Loss from discontinued operations	(75,965)	(130,196)	-	-
Adjustments for:				
Depreciation (note 5)	206,992	200,725	204,576	198,293
Amortisation of intangible assets (note 6)	1,155	2,224	1,124	2,221
Impairment loss recognised on long-term receivables	-	66,650	60,000	114,886
Impairment loss recognised on financial assets	-	16	-	-
Profit on sale of financial asset	(2,179)	-	(2,179)	-
Profit on sale of plant and equipment	(1,539)	(3,427)	(1,539)	(3,628)
Profit/(loss) on disposal of interest in associates	(376,895)	-	33,471	-
Exchange differences	7,056	(9,355)	8,354	(7,541)
Impairment loss recognised on trade receivables	5,838	9,172	4,499	4,020
Impairment loss recognised on inventory	3,137	4,051	3,137	4,051
Impairment loss on inventory reversed	-	(367)	-	-
Investment income	(244)	(187)	(244)	(187)
Interest income	(1,319)	(1,177)	(1,004)	(1,137)
Increase in pension provision	4,080	6,542	4,046	6,479
Interest expense	21,206	26,793	20,288	25,895
Share of results of associates	75,927	130,132	-	-
	579,291	563,574	604,242	573,621
Changes in working capital				
- Trade and other receivables	(189,776)	(145,161)	(53,470)	(113,679)
- Inventories	8,209	(49,048)	13,045	(41,262)
- Trade and other payables	219,514	62,694	43,536	8,955
Cash generated from operations	617,238	432,059	607,353	427,635

28. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Bank and cash balances	398,361	70,232	374,588	51,606
Bank overdrafts (note 15)	(42,675)	(213,624)	(20,405)	(191,911)
Cash and cash equivalents	355,686	(143,392)	354,183	(140,305)

(c) The carrying amounts of cash and cash equivalents are denominated in the following currencies.

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	14,762	(167,499)	11,734	(170,092)
US Dollar	12,699	18,630	11,437	18,349
Euro	328,204	5,283	330,991	11,244
Other currencies	21	194	21	194
	355,686	(143,392)	354,183	(140,305)

29. SEGMENTAL INFORMATION

THE GROUP

Segment information

IFRS 8 requires operating segments to be identified on the basis of 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.

Products and services from which reportable segments derive their revenues

The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more specifically focussed on the geographical location of operations. The principal products from which segments derive revenue are beverages and glass recycled product.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

Segment revenues and segment results

	Segment Revenue		Segment Result	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000 (Restated)
Local	4,512,631	4,215,575	367,851	296,655
Overseas	504,759	485,354	(11,537)	(7,948)
Total	5,017,390	4,700,929	356,314	288,707
Intersegment revenue	(197,232)	(199,568)	-	-
	4,820,158	4,501,361	356,314	288,707
Share of results of associates			38	64
Finance costs			(21,206)	(26,793)
Gain on disposal of interest in associates			376,895	-
Profit before taxation			712,041	261,978
Tax expense			(57,964)	(32,576)
Profit for the year from continuing operations			654,077	229,402
Loss for the year from discontinued operations			(75,965)	(130,196)
Profit for the year			578,112	99,206

Overseas revenue represent sales made through a subsidiary to the Indian Ocean Islands, Australia, Africa and Europe.

29. SEGMENTAL INFORMATION (CONTINUED)

Revenue reported above represents revenue generated from external customers and amounted to Rs.4.8 billion (2013: Rs.4.5 billion).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2(s). Segment profit represents the profit earned by each segment without allocation of share of results of associates, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Assets			Liabilities		
	2014	2013	2012	**2014**	2013	2012
	Rs'000	Rs'000 (Restated)	Rs'000 (Restated)	**Rs'000**	Rs'000 (Restated)	Rs'000 (Restated)
Local	**3,769,036**	3,623,068	3,022,466	**839,537**	1,086,984	1,053,974
Overseas	**218,114**	193,786	226,986	**133,989**	140,910	128,792
Consolidated assets/liabilities	**3,987,150**	3,816,854	3,249,452	**973,526**	1,227,894	1,182,766

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments.
- trade and other payables are allocated to reportable segments.

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Local	**206,114**	201,249	**205,362**	159,481
Overseas	**2,033**	1,700	**4,938**	1,315
	208,147	202,949	**210,300**	160,796

Revenue from major products and services

The Group's revenue from continuing operations from its major products and services were as follows:

	2014	2013
	Rs'000	Rs'000
Beverages	**4,809,069**	4,491,190
Recycled glass and related products	**11,089**	10,171
	4,820,158	4,501,361

Information about major customers

The Group has a diverse portfolio of domestic and foreign customers and no individual customer exceeds 10% of total revenue.

Segment assets consist primarily of property, plant and equipment, motor vehicles, intangible assets, inventories, receivables and exclude investments in associates. Segment liabilities comprise of operating liabilities and exclude items such as taxation, dividend payable and certain borrowings. Capital expenditure comprises additions to property, plant and equipment, motor vehicles, office equipment and intangible assets.

30. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party respectively of the Group are Phoenix Investment Company Limited and GML Investissement Ltée, both incorporated in Mauritius.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties and outstanding balances due from/to related parties are disclosed below:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Dividend income				
Fellow subsidiaries	**18**	14	**18**	14
(ii) Sales of goods or services				
Subsidiaries	**-**	-	**145,059**	138,662
Associates	**-**	894	**-**	-
Enterprise in which ultimate holding Company has significant interest	**185,368**	162,153	**185,368**	162,153
Fellow subsidiaries	**461**	2,223	**461**	2,223
(iii) Purchase of goods or services				
Subsidiaries	**-**	-	**15,127**	16,973
Enterprise in which ultimate holding Company has significant interest	**93,194**	196,494	**86,310**	187,795
(iv) Management fees/interest paid				
Entreprises in which ultimate holding Company has significant interest	**10,051**	10,335	**10,051**	10,335
Fellow subsidiaries	**112,653**	74,666	**112,653**	74,666
(v) Management fees/interest received				
Associates	**-**	699	**-**	699
Entreprises in which ultimate holding Company has significant interest	**3**	1	**3**	1
(vi) Rechargeable cost				
Associates	**-**	45,931	**-**	45,931
Subsidiaries	**-**	-	**29,103**	29,437

30. RELATED PARTY TRANSACTIONS (CONTINUED)

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
(vii) Outstanding balances	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Receivables from related parties						
Subsidiaries	-	-	-	167,652	134,845	184,170
Associates	-	167,290	207,501	-	165,943	202,622
Entreprises in which ultimate holding Company has significant interest	25,585	26,711	23,519	25,585	26,711	23,519
Fellow subsidiary	1,095	12,192	3,400	1,095	12,192	3,400
Payables to related parties						
Subsidiaries	-	-	-	3,710	2,129	1,403
Entreprises in which ultimate holding Company has significant interest	35,673	104,776	108,428	34,898	104,152	106,251
Fellow subsidiary	26,565	130	1,325	26,565	130	1,325

Sales of goods or services to related parties were made at the Group's usual list prices. Purchases were made at market prices.

The amounts outstanding are unsecured, interest free and will be settled in cash. No guarantees have been given or received. Except for an amount of Rs.114,183,551 (2013: Rs.120,833,000) recognised as impairment loss in respect of amounts due from subsidiaries and associates, no other expense has been recognised for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation to Key Management Personnel is borne by a subsidiary of the intermediate holding Company.

31. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Capital commitments contracted for and not provided in the financial statements:				
Property, plant and equipment	93,148	74,891	93,148	74,891

32. OPERATING LEASE ARRANGEMENTS

Operating lease commitments - where the Group is the lessee.

Operating lease relate to land and motor vehicles with renewal options for the land only. The Group does not have an option to purchase the leased assets. The lease periods end August 2014, December 2015, March and April 2016 for motor vehicles.

The payment recognised as an expense under operating leases are as follows:

	THE GROUP AND THE COMPANY		
	2014	2013	2012
	Rs'000	Rs'000	Rs'000
Payment recognised as an expense	17,547	8,896	8,896

The future aggregate minimum lease payments under operating leases are as follows:

	THE GROUP AND THE COMPANY		
	2014	2013	2012
	Rs'000	Rs'000	Rs'000
Not later than one year	16,371	1,919	8,896
Later than one year and not later than five years	47,132	2,012	3,673
	63,503	3,931	12,569

33. CONTINGENT LIABILITIES

At June 30, 2014 the Group had contingent liabilities in respect of bank guarantees of Rs.31m (2013: Rs.33.4m) arising in the ordinary course of business and claim from The Central Electricity Board (2013: Rs.9.0m) and Waste Water Authority (2013: Rs.1.8m) have both been settled during the year.

34. SUBSEQUENT EVENTS

On September 1, 2014, the Group acquired new beverage trademarks.

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of **Phoenix Beverages Limited** will be held at L'Ibéloise, 6th Floor, IBL House, Caudan Waterfront, Port Louis on **Tuesday, November 25, 2014** at **9.30 hours** to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the Annual Report 2014 of the Company.
2. To receive the report of Messrs Deloitte, the auditors of the Company.
3. To consider and adopt the Group's and Company's audited financial statements for the year ended June 30, 2014.
4. To re-elect, on the recommendation of the Corporate Governance Committee, as Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr J. Cyril Lagesse[1] who offers himself for re-election.
5. To re-elect on the recommendation of the Corporate Governance Committee, as Alternate Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mrs Marguerite Hugnin[1] who offers herself for re-election.

6-16. To re-elect, on the recommendation of the Corporate Governance Committee, as Directors of the Company to hold office until the next Annual Meeting, the following persons[1] who offer themselves for re-election (as separate resolutions):

6. Mr Jean-Claude Béga
7. Mr Jan Boullé
8. Mr François Dalais
9. Mr Guillaume Hugnin
10. Mr Didier Koenig
11. Mr Arnaud Lagesse
12. Mr Thierry Lagesse
13. Mr Patrick Rivalland
14. Mr Seewoocoomar Sewraz
15. Mr Bernard Theys
16. Mr George Wiehe

17. To fix the remuneration of the Directors for the year to June 30, 2015 and to ratify the emoluments paid to the Directors for the year ended June 30, 2014.
18. To reappoint Messrs Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
19. To ratify the remuneration paid to the auditors for the financial year ended June 30, 2014.

BY ORDER OF THE BOARD

Thierry Labat
GML MANAGEMENT LTÉE
Company Secretary

September 9, 2014

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, by Monday, November 24, 2014 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at October 28, 2014.*
5. *The minutes of the Annual Meeting held on November 15, 2013 are available for consultation by the shareholders during office hours at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.*
6. *The minutes of the Annual Meeting to be held on November 25, 2014 will be available for consultation during office hours at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis from February 2 to February 13, 2015.*

Footnote[1]: The profiles and categories of the Directors proposed for re-election are set out at pages 28 to 30 of the Annual Report 2014.

Shareholders' Corner

Meeting procedures

Q: Who can attend the Annual Meeting?

A: In compliance with Section 120(3) of the Companies Act 2001, the Board has resolved that anyone who is registered in the share register of Phoenix Beverages Limited as at October 28, 2014 is entitled to attend the meeting.

Q: Who can vote at the Annual Meeting?

A: If you are registered in the share register of Phoenix Beverages Limited as at October 28, 2014 you have the right to vote at the meeting.

Q: How many votes does a shareholder have?

A: Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q: How many shareholders do you need to reach a quorum?

A: A quorum is reached where five (5) shareholders holding at least fifty percent (50%) of the share capital of the Company are present or represented. At the date of this report, Phoenix Beverages Limited has 16,447,000 ordinary shares in issue.

Q: How are the votes counted?

A: On a show of hands, the Chairman shall count the votes. However, if a poll is demanded, the counting will be done by the auditors of the Company who will be acting as scrutineers.

Q: How can I obtain a copy of the minutes of proceedings of the last Annual Meeting of the Company?

A: You can make such a request to the Company Secretary prior to the Annual Meeting.

Voting procedures

Q: What is the voting procedure?

A: Voting at the Annual Meeting is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q: How do I appoint someone else to go to the Annual Meeting and vote my share(s) for me?

A: The Chairman of the meeting has been named in the proxy to represent shareholders at the meeting. You can appoint someone else to represent you at the meeting. Just complete a proxy form by inserting the person's name in the appropriate space on the proxy form. The person you appoint does not need to be a shareholder but must attend the meeting to vote your share(s).

Q: Is there a deadline for my proxy to be received?

A: Yes. Your proxy must be received by the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (6th Floor, Tower A, 1 CyberCity, Ebène), no later than 9.30 hours on Monday, November 24, 2014.

Q: How will my share(s) be voted if I return a proxy?

A: By completing and returning a proxy, you are authorising the person named in the proxy to attend the Annual Meeting and vote your share(s) on each item of business according to your instructions. If you have appointed the Chairman of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

Q: What if I change my mind?

A: If you are a registered shareholder and have voted by proxy, you may revoke your proxy by delivering to the Company's Share Registry and Transfer Office, a duly executed proxy with a later date or by delivering a form of revocation of proxy. This new proxy must be received by the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (6th Floor, Tower A, 1 CyberCity, Ebène), no later than 9.30 hours on Monday, November 24, 2014.

Or, you may revoke your proxy and vote in person at the meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Company Secretary at the meeting before the vote in respect of which the proxy is to be used is taken.

In any case, you are advised to attach an explanatory note to such amended proxy form to explain the purpose of the amended document and expressly revoke the proxy form previously signed by you.

Proxy Form

I/We, ...

of ....,

being a member/members of Phoenix Beverages Limited, do hereby appoint:

....

of ....

or failing him/her, ...

of ....

or failing him/her the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at L'Ibéloise, 6th Floor, IBL House, Caudan Waterfront, Port Louis on Tuesday, November 25, 2014 at 9.30 hours and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		FOR	AGAINST	ABSTAIN
1.	To consider the Annual Report 2014 of the Company.			
2.	To receive the report of Messrs Deloitte, the auditors of the Company.			
3.	To consider and adopt the Group's and Company's audited financial statements for the year ended June 30, 2014.			
4.	To re-elect, on the recommendation of the Corporate Governance Committee, as Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr J. Cyril Lagesse who offers himself for re-election.			
5.	To re-elect on the recommendation of the Corporate Governance Committee, as Alternate Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mrs Marguerite Hugnin who offers herself for re-election.			
6-16.	To re-elect, on the recommendation of the Corporate Governance Committee, as Directors of the Company to hold office until the next Annual Meeting, the following persons who offer themselves for re-election (as separate resolutions):			
	6. Mr Jean-Claude Béga			
	7. Mr Jan Boullé			
	8. Mr François Dalais			
	9. Mr Guillaume Hugnin			
	10. Mr Didier Koenig			
	11. Mr Arnaud Lagesse			
	12. Mr Thierry Lagesse			
	13. Mr Patrick Rivalland			
	14. Mr Sewoocoomar Sewraz			
	15. Mr Bernard Theys			
	16. Mr George Wiehe			
17.	To fix the remuneration of the Directors for the year to June 30, 2015 and to ratify the emoluments paid to the Directors for the year ended June 30, 2014.			
18.	To reappoint Messrs Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.			
19.	To ratify the remuneration paid to the auditors for the financial year ended June 30, 2014.			

Signed this ....day of ....2014.

....

Signature(s)

Notes:

1. *A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.*
3. *The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, by Monday, November 24, 2014 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.*

Notes

Notes