

Phoenix Bev

THIRST FOR THE BEST. FIRST FOR YOU.



2022 INTEGRATED REPORT

CONTENTS

TABLE OF CONTENT

Reporting context

- 02 About this report
- 04 Chairman's message
- 06 2022 highlights
- 07 PhoenixBev in context

About Us

- 10 Who we are
- 12 Our Group through the years
- 14 Our strategic vision
- 15 The Sustainable Development Goals (SDGs)
- 18 Our investment case
- 20 Our business model

Our operating context

- 24 Capital trade-offs
- 25 Our operating context
- 26 Our material matters
- 30 Engaging with our stakeholders
- 34 Risk report

Our Performance

- 48 CEO's review
- 50 The performance capitals
- 72 Financial capital
- 78 Value added statement
- 79 Group financial summary

Governance and our leadership

- 82 Board of directors
- 88 Senior management team
- 90 Corporate governance report
- 114 Statement of compliance

Our Financial Statements

- 118 Statutory disclosures
- 122 Company secretary's certificate
- 123 Independent auditor's report
- 128 Statements of financial position
- 129 Statements of profit and loss and other comprehensive income
- 130 Statements of changes in equity
- 132 Statements of cash flows
- 133 Notes to the financial statements

Shareholders' Corner

- 208 Notice of annual meeting to shareholders
- 209 Corporate information
- 210 Shareholders' information
- 211 Proxy form



ABOUT THIS REPORT

Dear Shareholder,

This Integrated Report provides an overview of Phoenix Beverages Limited's (PhoenixBev) strategy, activities and performance for the year to 30 June 2022. It covers the matters most material to the Group's ability to create value in the short-, medium- and long-term. It includes our operations in Mauritius and Réunion Island.

The contents and presentation of this Report are guided by the Value Reporting Foundation's Integrated Reporting <IR> Framework 2021, which promotes transparent communication on both financial and non-financial performance. The Corporate Governance Report is guided by the National Code of Corporate Governance for Mauritius (2016) and the financial statements comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 are prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been externally audited and the unqualified opinion of the auditors is presented in their report on pages 123 to 126.

No previously disclosed information was restated that affects comparability with previous periods.

The Board of Directors acknowledges its responsibility to ensure the integrity of the Integrated Report. In the Board's opinion, the 2022 Integrated Report addresses all material matters and presents fairly the Group's integrated performance. This Report was approved by the Board on 27 September 2022.

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

Date: 13 December 2022

Time: 10:00 hours

Place: 1st Floor, IBL House
Caudan Waterfront
Port Louis

We look forward to seeing you.

Sincerely,

Arnaud Lagesse
Chairman

Bernard Theys
Chief Executive Officer

CASE STUDIES

Helping to build the road to a plastic-free Mauritius

Any effective solution to the global problem of plastic waste and its impact on the oceans and natural environment will require collaboration between government, business and the public. Creating a circular economy needs heightened consumer awareness about the importance of recycling and responsible waste disposal.

PhoenixBev has partnered with The Coca-Cola Company and the NGOs New Invaders Club, We Recycle, Mission Verte, Precious Plastic and Yes No Solutions to optimise the collection of plastic and recyclable waste in Mauritius.

The initiative has placed 15 bins at locations across Mauritius to provide convenient drop off points for recyclable waste and support a local circular economy. Each bin has two compartments to collect plastic bottles and aluminium cans, and can be easily found by the public on the Yes No Solutions website.

The partners ran a World Without Waste consumer awareness campaign over four weekends between December 2021 and March 2022, with our recycling van going 'door to door' to sensitise consumers on plastic pollution and the use of sorting bins to promote recycling. In total, the campaign collecting 7.5 tonnes of PET waste, reaching more than 65 000 people and visiting around sixty areas across Mauritius.

The PhoenixEarth team thanks all the partners who made these events such a success and everyone who took the time to collect and drop off their plastic bottles for recycling. Every contribution counts and each bottles will be recycled responsibly.



PhoenixEarth
INITIATIVE

CHAIRMAN'S MESSAGE



Good governance and ethical practices are the foundation of value creation and sustainability.

We continue to investigate other opportunities for acquisitional growth to supplement robust organic growth in the region.

Dear Shareholder,

Early in July 2022, PhoenixBev unveiled La Statue de la RenaiSenses, a 10-metre high sculpture, on the Pont-Fer roundabout opposite our head office. Built from scrap metals collected from our assembly line and other scrap yards in Mauritius, the statue signifies the re-awakening of the Nation's senses following the challenges of the last few years. It also exemplifies PhoenixBev's commitment to recycling and upcycling.

Sustainability and profitability are a fundamental pillar of our strategy, linked to the global aspirations set in our five priority Sustainable Development Goals (SDGs). We officially launched PhoenixEarth in December 2021 as the sustainability pole of the Group. Many of the platform's programmes involve collaborating with authorities, NGOs and other stakeholders to address the challenge of plastic waste and to build the circular economy.

World-class execution is another pillar and we continually invest in our manufacturing, warehousing and distribution facilities and equipment, as well as the skills of our team members, to ensure we achieve this aspiration and continue to grow.

The final pillar is our brands, which aim to meet the broad range of consumer preferences. We research new and innovative products and package sizes to further extend the portfolio to meet consumer demands as it evolves.

We are actively seeking new opportunities locally and abroad to broaden our product range, extend our reach and diversify into new geographies. During the year, we conducted extensive due diligence on a company based in the United Kingdom, but following a non-binding offer, we ultimately decided not to proceed. We continue to investigate other opportunities for acquisitional growth to supplement robust organic growth in the region.

Challenging conditions persist

With the immediate impact of Covid-19 lessening, the world faced new headwinds in 2022, including the conflicts in Ukraine, rising inflation and further supply chain constraints. Mauritius fully reopened to international tourists in October 2021 and tourism numbers started to recover.

Inflation rose to the highest level in over a decade, reducing disposable income for local consumers and increasing production costs. The weakening of the rupee further contributed to a material increase in the cost of our raw materials and packaging inputs.

Good growth in Mauritius and Réunion Island

PhoenixBev has a strong and diversified portfolio of partner and own brands, a robust balance sheet, low debt and good cash flows. This, together with our experienced management team and skilled workforce, allowed us to take the steps necessary to manage the supply chain challenges and support customers and team members where necessary.

Group revenue increased by 14.6% to MUR 9.0 billion (2021: MUR 7.9 billion), with revenue in Mauritius increasing by 14.8% and by 10.6% in Réunion Island.

Profit growth was held back by the combined effect of exceptional expenses relating to legal and due diligence exercises, the increased cost of our major raw and packaging materials, and lower profit from our subsidiary, Phoenix Beverages Overseas Limited, as a result of exchange rate fluctuations. Group profit before tax for the year stood at MUR 548.0 million (2021: MUR 595.4 million).

It is worth noting that PhoenixBev has this year paid MUR 2.65 billion as excise duties, up by 7.6% when compared to 2021. This represents 35.3% of our turnover at company level.

During the year under review, 18.0% and 23.9% of the group turnover and operating profit respectively were derived from our foreign operations.

The Financial Capital section on page 72 provides a comprehensive overview of the Group's financial performance and position.

The Board declared a total dividend of MUR 13.30 per share (2021: MUR 12.80). The Group's resilience is demonstrated by the annualised total shareholder return (TSR) of 7.82% and 13.20% over the last five and 10 years respectively.

Ethics and good governance

Good governance and ethical practices are the foundation of value creation and sustainability, supporting improved corporate performance, strengthening reputation and deepening relationships. PhoenixBev's Code of Ethics, which aligns with international principles of human rights and the relevant local

regulations, guides our actions and sets the required standards of behaviour. These principles underlying the Code are embedded and evident in the Group's policies, procedures and practices. The Code was updated and training rolled out across the Company.

During the year, Messrs Yvan Mainix-Chirio and Mr. Reshan Rambocus resigned as Directors, and Messrs. Jean-Pierre Dalais and Roger Espitalier Noël resigned as Alternate Directors of Messrs François Dalais and Guillaume Hugnin respectively. The Board thanks them for their service to the Company over the years and is pleased to welcome Mrs. Catherine McIlraith as a new Independent Non-executive Director.

The Group has fully applied the principles contained in the National Code of Corporate Governance for Mauritius (2016). Diversity is an important consideration at Board, executive and operational levels, bringing new perspectives to deliberations, balancing decision-making and deepening our understanding of the needs of our market and our stakeholders.

Outlook

It is not yet clear when we will see the resolution of the Russia/Ukraine conflict, supply chain disruptions, rising interest rates and exchange rate volatility. However, the trend in tourism arrivals is rising and our customers, while still cautious, are starting to benefit from the improved conditions.

The Group's strong financial position and focus on positive ESG impact support our sustainability and we are both positive for the future and well-placed to prosper when markets recover.

Acknowledgements

I thank my fellow Directors for their support and contribution in leading the Company. On behalf of the Board, I thank PhoenixBev's executives, the management team and all team members under the leadership of our CEO, Bernard Theys. Without their dedication and diligence the excellent progress made during the year would not have been possible. We would also like to thank the regulators, shareholders, business partners, customers and other stakeholders for their positive engagements and support.



Arnaud Lagesse
Chairman
27 September 2022

HIGHLIGHTS 2021/2022

Turnover



Operating Profit



EBITDA



Sales Volume



Net Profit After Tax



Earning per Share



Shareholders' Fund



Total Assets



Gearing



Free Cash Flow



Capital Investment



ROE



Dividends per Share



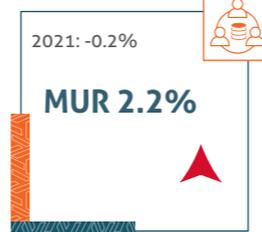
Share Price at 30 June



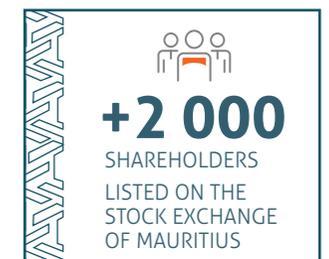
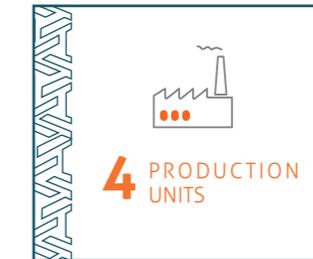
Market Capitalisation at 30 June

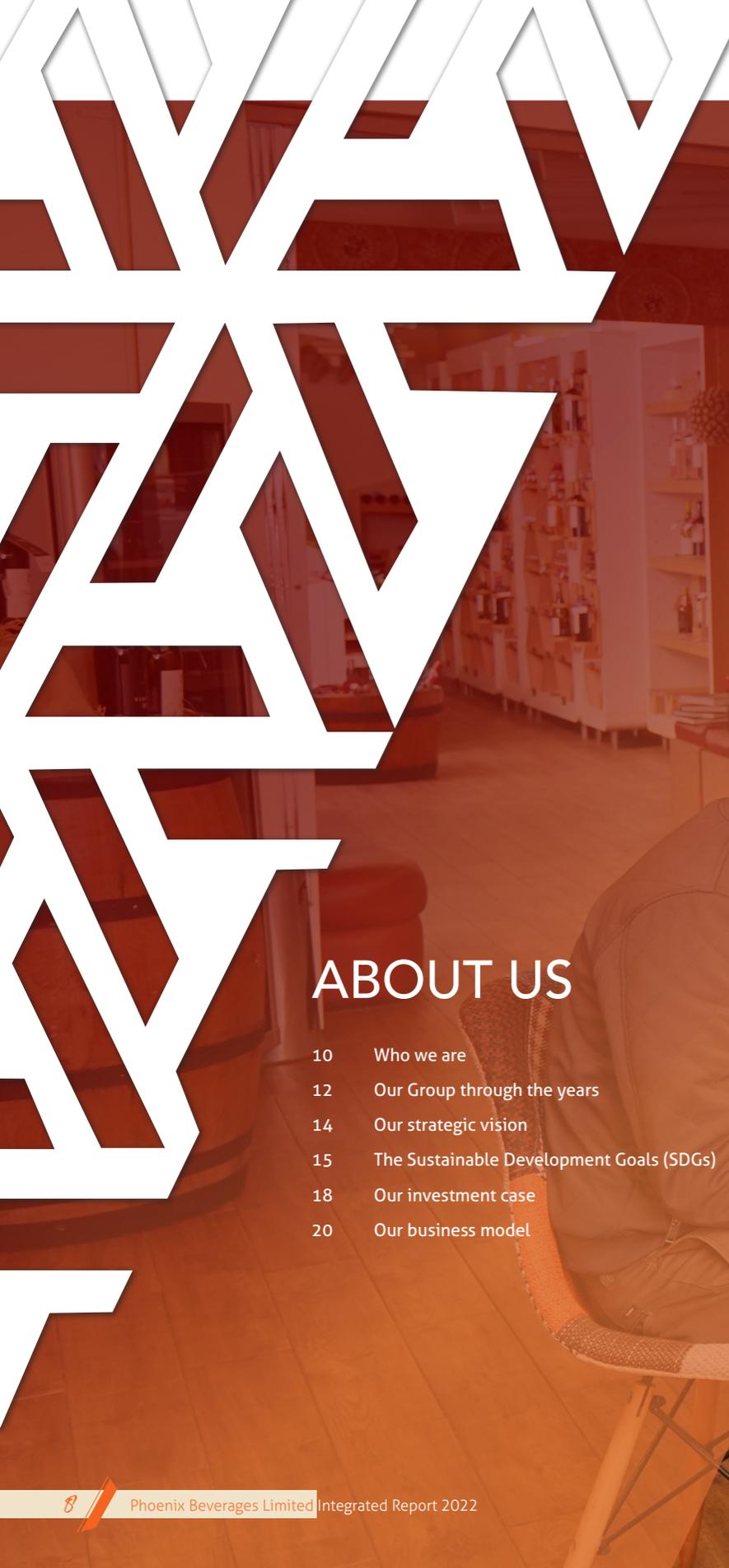


Total Shareholder Return



PHOENIXBEV IN CONTEXT





ABOUT US

- 10 Who we are
- 12 Our Group through the years
- 14 Our strategic vision
- 15 The Sustainable Development Goals (SDGs)
- 18 Our investment case
- 20 Our business model



WHO WE ARE

The journey that started when we first signed a bottling agreement with The Coca-Cola Company in 1953 has taught us how to **listen to our customers**, **adapt to changes** in our operating environment and find the positives in our setbacks. We have grown and **deepened our partnerships**, and **expanded our operations** locally and regionally to brew, produce, bottle and distribute a **strong portfolio** of **alcoholic** and **non-alcoholic** beverages. From our production sites in Mauritius and Réunion Island, we distribute our products throughout the Southern Indian Ocean region, and further afield to Australia, China, France and the United Kingdom.



- BEER:** PHOENIX BEER, PHOENIX CIDER, GISTER, STELLA, BLUE MARLIN, PHOENIX Pilsener, GUINNESS, MANAWA
- CARBONATED SOFT DRINKS:** Coca-Cola, Sprite, FANTA, ORANGINA, SEGA, Saki, Schweppes Tonic Water, Appletiser, Pearona, Cidona
- BOTTLED WATER:** crystal, EDENA, Bagatelle, crystal, EDENA, VOLCANIK
- SPIRIT AND READY TO DRINK (RTD):** SMIRNOFF ICE, LABEL 5, NIKKA WHISKY, PLANTATION
- STILL BEVERAGES:** fuze tea, Pulpy, Citro!, Malta GUINNESS, MONSTER
- WINE:** Château Beaulieu, J.P. CHENET, Penfolds, L'AVENIR, LINDEMAN'S, MATUA, GR8 CAPE

Our Products

PhoenixBev distributes more than **50 brands** in Mauritius and Réunion Island.

Our main brands (shown on the left) are all category leaders or perceived as high value brands.

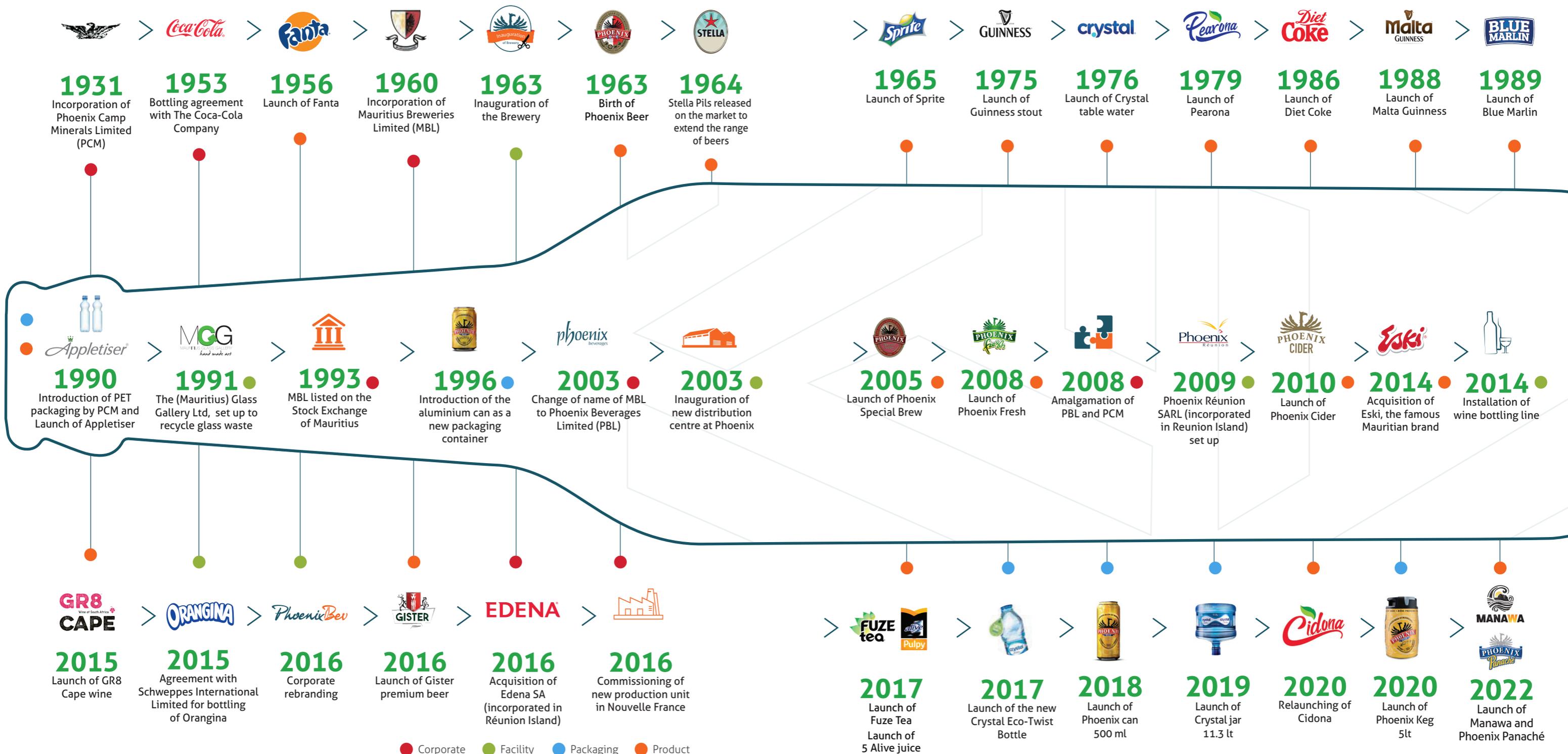
Our Values

Our activities and behaviour are guided by our five values, which inspire us to be:

- **Innovative**
- **Customer-oriented**
- **Adaptable**
- **Trustworthy**
- **Honest**



OUR GROUP THROUGH THE YEARS



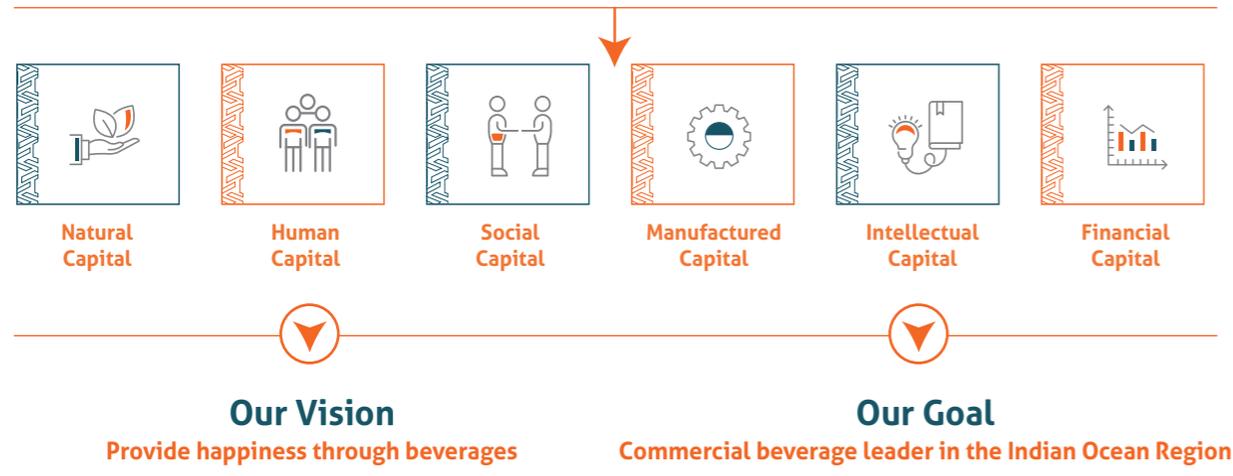
● Corporate ● Facility ● Packaging ● Product

OUR STRATEGIC VISION

Our goal is to be the leading commercial beverage company in the Indian Ocean region, 'Providing happiness through beverages' with our unmatched portfolio of leading alcohol and non-alcohol brands.

The strategy is built on our commitment to world-class execution that ensures availability and affordability of our products in our chosen markets. We view world-class execution as not only excellent production and distribution, but also excellence in health and safety, resource use efficiency and waste management. We pride ourselves on our ability to create new and innovative products that meet the changing needs of consumers and customers, and develop these brands.

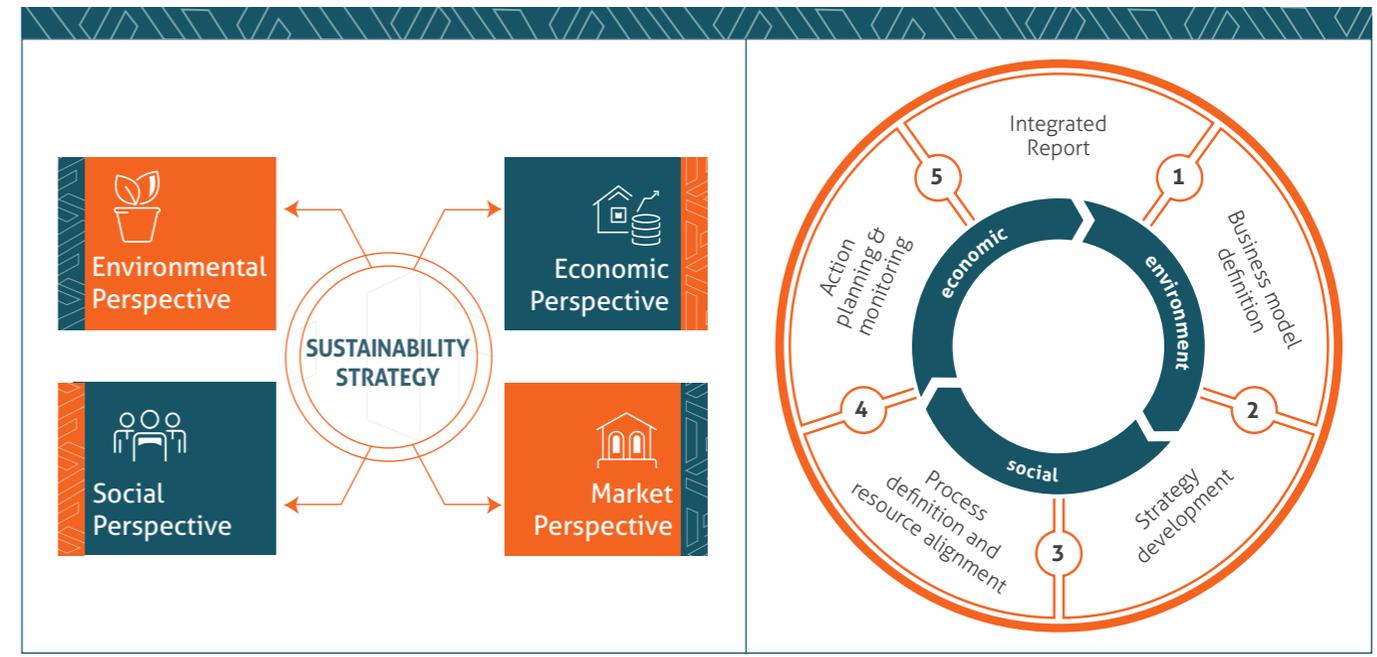
In line with our values, we are committed to responsible business practices, recognising that these are essential for long-term profitability and sustainability. We have identified five global aspirations from the United Nations Sustainable Development Goals (SDGs) (refer to page 16) that most closely align with our activities and goals as the areas where we can have the most impact.



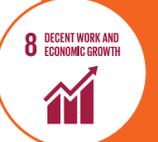
OUR SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) aim to ensure that growth and development address the many urgent social and environmental challenges facing the planet by creating a global collaboration to achieve peace and prosperity for people and the planet. PhoenixBev identified five SDGs (3, 8, 9, 12 and 13) which are most relevant to the Group and its stakeholders, and where we can have the biggest impact. PhoenixEarth is the focal point for the Group's sustainable development initiatives and coordinates engagements with the SDGs within the organisation.

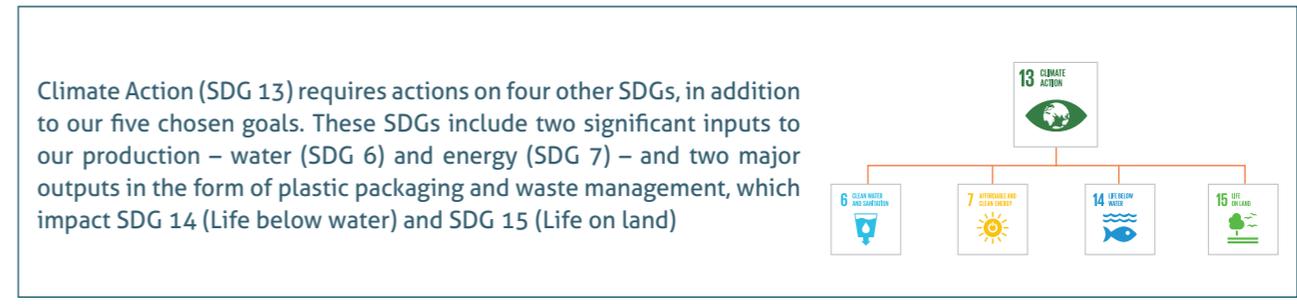
We are currently creating a formal sustainability strategy that supports the business strategy and is informed by the perspectives of the context in which we operate.



OUR SUSTAINABLE DEVELOPMENT GOALS

 <p>SDGs</p>	<p>Our contribution</p> <p>Our health and safety programme (see page 63) promotes safe working conditions and health support for team members, and includes effective Covid-19 protocols. We promote responsible alcohol consumption and lower calorie soft drinks to reduce sugar consumption. Our environmental management systems ensure responsible management of waste streams and emissions (see page 66), and align with all regulations to minimise pollution. Logistics planning aims to manage driver fatigue to reduce road accidents. Our corporate social investment programme (page 58) supports projects that promote community health and well-being, and is being aligned with our chosen SDGs.</p>	<p>Focus areas</p> <ul style="list-style-type: none"> • Enhance facilities at our operations to improve efficiency, increase productivity and promote the well-being of team members. • Uplift health and safety standards through culture, standardisation of practices, improved training processes and medical follow-up. • Provide a safe and accident-free workplace. • Set up engagement tools to boost morale. • Support safe working conditions.
 <p>SDGs</p>	<p>Our contribution</p> <p>Our strategy to achieve world-class execution and constant innovation includes a focus on resource-use efficiency. We provide jobs for more than 1700 team members and provide products that support the businesses of our customers. We pay a significant amount in taxes and make a positive contribution to economic growth (see page 60). Our ethical approach to business and sustainable supply chain practices include measures to support human and labour rights.</p>	<p>Focus areas</p> <ul style="list-style-type: none"> • Build resilience to survive financial and economic risks, based on our past track record and sustainable development initiatives in place. • Retain LIBA certification. • Provide training, learning and development tools to ensure adherence to required standards.
 <p>SDGs</p>	<p>Our contribution</p> <p>Our responsible approach to business aligns with the goals of sustainable and inclusive industrialisation. We continually invest in upgrading our production facilities, which improves efficiency, increases productivity, enhances employee well-being and reduces our environmental footprint (see page 66). We promote entrepreneurship and business development by supporting and helping our customers and business partners to grow their businesses.</p>	<p>Focus areas</p> <ul style="list-style-type: none"> • Implement an internal innovation process. • Roll out a new enterprise resource planning (ERP) system in 2023.

 <p>SDGs</p>	<p>Our contribution</p> <p>Our environmental management systems and commitment to achieving world-class execution ensure sustainable management and efficient use of natural resources. The waste management programme focuses on responsible management of our waste streams, including reduction, recycling, reuse and valorisation where possible (see page 66). We participate in a number of collaborative initiatives to promote waste management and raise awareness in communities and society (see pages 67 and 68).</p>	<p>Focus areas</p> <ul style="list-style-type: none"> • Implement new technologies, equipment and systems to improve the performance and efficiency of the brewing and packaging processes. • Keep up with the highest international standards for product quality. • Strengthen tools for data monitoring and evaluation on waste management. • Innovate with products with less sugar content. • Fulfil consumer needs through appropriately sized packaging.
 <p>SDGs</p>	<p>Our contribution</p> <p>PhoenixBev is committed to playing our part to address climate change by reducing our carbon emissions. We are improving our understanding of energy use and opportunities to reduce energy consumption, through energy audits at our operations. A carbon footprint exercise is planned to quantify our greenhouse gas emissions. Regular awareness sessions sensitise team members regarding environmental impacts and climate change, and we support external initiatives to raise awareness in society. Investments in upgrading our production facilities improve operational efficiency and resource-use efficiency, and reduce our environmental footprint.</p>	<p>Focus areas</p> <ul style="list-style-type: none"> • Improve facilities at our operations to reduce our environmental footprint. • Measure the carbon footprint. • Create a circular economy for plastics to reach the point where all of our primary packaging can be collected, recycled and reused. • Increase number of sorting bins across Mauritius. • Invest to reduce our environmental footprint.



STRONG AND GROWING PORTFOLIO

- We manufacture and market a portfolio of strong local and international brands, and continually develop new products and product categories to satisfy evolving customer needs and tastes.

SOLID MARKET BASE

- Strong market share in Mauritius and Réunion Island with a diversified customer base and distribution channels.

REGIONAL EXPANSION OPPORTUNITIES

- Multi-site production, with three production units in Mauritius and one in Réunion Island.
- Brand representation beyond our local markets includes the Seychelles, Mayotte, mainland Africa and Australia.
- Strategic regional expansion across the Western Indian Ocean region and beyond, driven by a coherent brand portfolio and supported by increasing regional diversification, production flexibility and economies of scale.

SKILLED AND MOTIVATED TEAM MEMBERS

- An employer of choice providing a safe and inspiring work environment. Our team comprises an excellent mix of new talent and experience to drive the business to new heights.
- We have a strong performance culture supported by ongoing talent development and a proven ability to capitalise on market opportunities and optimise operating efficiency.
- We are committed to acting always with integrity, guided by our values, social conscience and customer-centric mindset.

FINANCIAL STRENGTH

- An attractive growth strategy supported by strong cash generation.
- A sound balance sheet and well-balanced gearing.
- Significant capital investment over the past years has increased production capacity, flexibility and efficiency.
- Ongoing focus on cost and operational efficiencies.
- Strong organic growth complemented by a proven ability to integrate strategic acquisitions as well as excellent access to capital markets to fund expansion.



STRONG BRAND

REPRESENTATION IN THE REGION

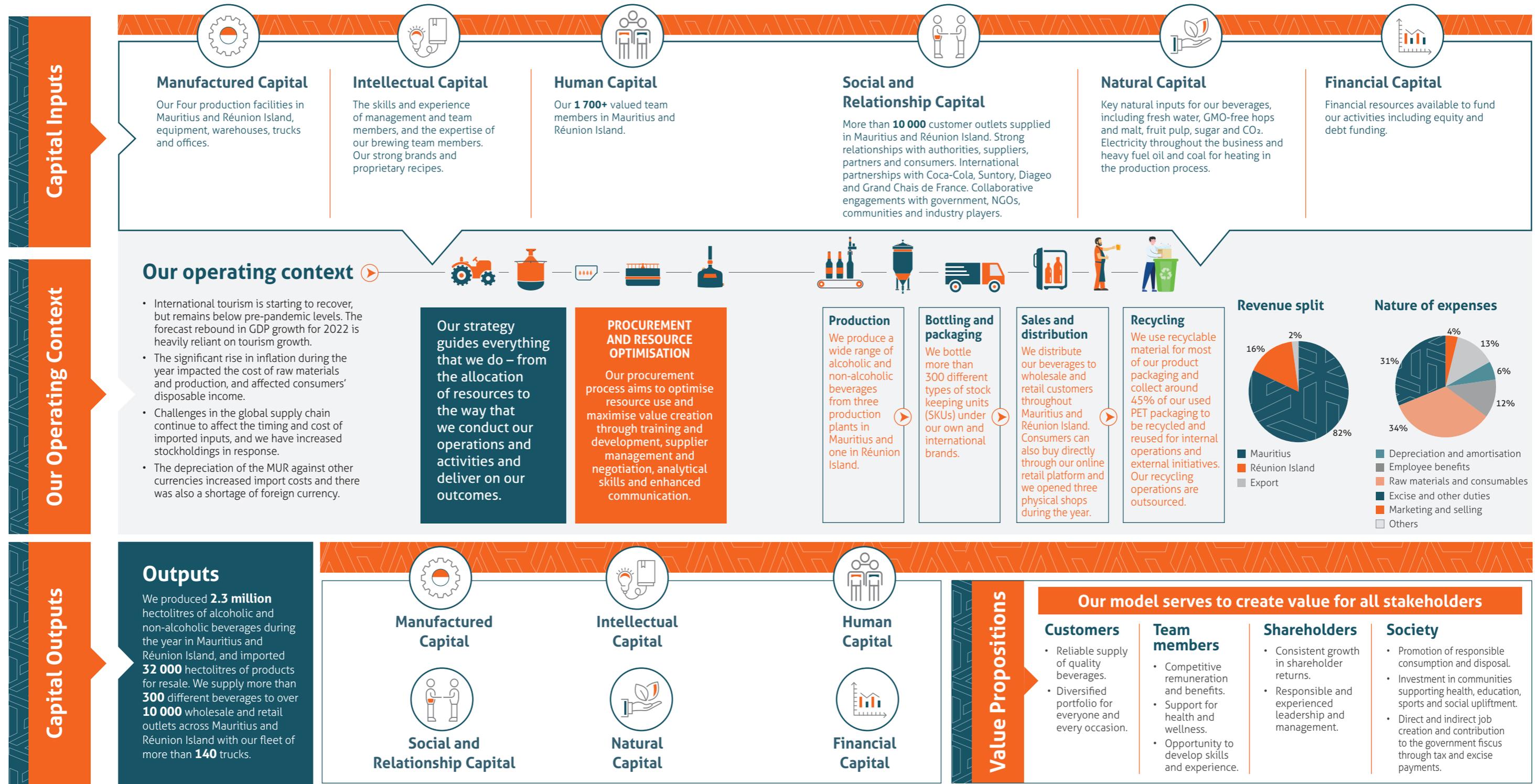
OPPORTUNITY FOR SHAREHOLDERS

A solid strategic platform in place to support our growth plans

- Business expansion
- Share price appreciation
- Average pay-out ratio of **42%** over the past five years
- Compound annual total shareholders' return of **8%** over the past five years
- Ongoing contribution to social and economic development in the regions where we operate
- Transparent communication and open engagement between management and investors

OUR BUSINESS MODEL

What we do and how we do it



Refer to pages 50 to 76 for the detailed analysis of capital outcomes

OUR OPERATING CONTEXT

- 24 Capital trade-offs
- 25 Our operating context
- 26 Our material matters
- 30 Engaging with our stakeholders
- 34 Risk report

CAPITAL TRADE-OFFS

In creating value, we draw from, contribute and transform the capitals available to us, remaining mindful that these trade-offs align with our values and principles. Significant trade-offs during the year includes those discussed below:

- The marked increase in inflation during the year materially increased the cost of our raw material inputs and other production and operational expenses, and also affected consumers' disposable income. Wherever possible, we chose not to increase our prices to cushion the impact on consumers.
- Our employees were also impacted by the increase in inflation, particularly through rising food and fuel prices. We provided assistance to the employees most affected in the form of gift packages and food coupons.
- In response to the ongoing supply chain disruptions and the increasing price of inputs, we planned further ahead and increased our stock holdings of raw materials (natural capital) and packaging inputs (manufactured capital).
- A number of the projects we implemented during the year aim to reduce our use of natural capital and environmental impact. These include a new rainwater harvesting system at Nouvelle France, solar system at the Limonaderie and a pilot project to test electric vehicles in our fleet.
- We continue to invest in developing our human capital through training and development, this year rolling out behaviour-based values, introducing service excellence training and launching a sales academy to align, upskill and inspire our internal talents.
- We continue to drive the circular economy through PhoenixEarth, working with partners, government and various NGOs to participate in, sponsor and support programmes to collect plastic packaging for recycling and reuse, promote awareness in schools and communities, drive social media campaigns, provide additional bins to reduce litter and participate in the harbour clean-up programme.



OUR OPERATING CONTEXT

GDP growth in Mauritius recovered in 2021, growing 3.6% following the 14.6% contraction in 2020. Growth for 2022 is forecast at 7.2%, which would take the economy back to less than 1% higher than 2019.

This forecast growth for 2022 is heavily dependent on tourism, which before Covid-19, contributed roughly 8% to GDP annually. With Mauritius closing its borders from March 2020 to October 2021, the tourism industry contracted 77% in 2020 and a further 22% in 2021. The 2022 forecast GDP assumes growth in the tourism of more than 200%. While monthly tourist arrivals are trending upwards, they remain well below pre-pandemic levels.



Source: Statistics Mauritius
Note: 2022 tourist arrivals are for the eight months to August 2022.

Many of PhoenixBev's customers are in the hotel/ restaurant/ café (Horeca) industry and were significantly affected by the closure of international tourism.

From the middle of 2021, headline inflation in Mauritius rose rapidly and significantly, affecting consumers' disposable income and impacting the price of raw materials and production costs

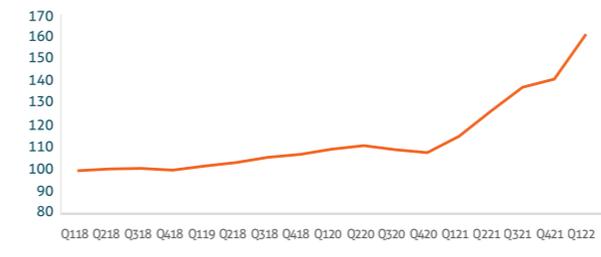
Headline inflation



Source: Statistics Mauritius

As an island nation, Mauritius is heavily reliant on imports, the price of which increased steadily from the start of 2021 as a result of global inflation and the devaluation of the Mauritian Rupee against the US Dollar and Euro. At the end of the first quarter of 2022, the import price index was 40% higher than Q1 2021. PhoenixBev experienced significant increases in the cost of our imported inputs.

Import Price Index (2018=100)



Source: Statistics Mauritius

The Mauritian Rupee has continued to depreciate against hard currencies since the start of the pandemic, exacerbated by the decrease in foreign currency brought into the country by tourists. At 30 June 2022, the Mauritian Rupee was 15% weaker against the US Dollar and the average rate for PhoenixBev's 2022 financial year was 7.8% weaker. This depreciation contributes to inflation in the cost of imports.

MUR vs USD chart



Source: Mauritius Commercial Bank

OUR MATERIAL MATTERS

Our most material matters

PhoenixBev's material matters shape its approach to business and define the contents of this report. They are those matters that could most significantly affect our ability to create value over the short, medium and long term.

Material matters are identified by considering a range of financial and non-financial factors that could affect our strategy, performance and prospects. These include:

- SDG workshops attended by management and team members
- top risks and opportunities identified through our risk management process
- key stakeholder expectations
- guidelines and frameworks
- legislation
- industry initiatives

Material matters are reviewed at least annually. Those disclosed last year, remain relevant and are discussed below.



1 Profitability and returns

Aspects

- Cost control
- Capital expenditure and depreciation
- Cash flow
- Profitability
- Shareholder returns

Primary stakeholders affected

To create value over the long term, we need to generate and have access to sufficient financial capital in the short term. We also need to balance the needs and expectations of our stakeholders so that we continue to meet the return expectations of shareholders and providers of capital. Covid-19, the war in Ukraine, global inflation and supply chain disruptions affected demand during the year and created some production and operational challenges. Information on our operating context and financial performance is available on pages 25 and 79.

Related SDGs

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks: 1 2 3 11

2 World-class execution

Aspects

- Product quality and safety
- Maintenance and improvement of facilities and process efficiencies
- Portfolio diversification

Primary stakeholders affected

We aim to achieve operational excellence in production, distribution and management to better meet the needs of our customers and consumers, achieve our financial targets and reduce our environmental impact. More information on our investments in facilities and initiatives to ensure product quality and safety is available on page 51.

Related SDGs

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks: 8 9

3 Meeting market needs to provide happiness through beverages

Aspects

- Portfolio diversification
- Quality of our brands
- Product trademarks and copyrights
- Business ethics and compliance
- IT infrastructure

Primary stakeholders affected

We continue to develop new products and product categories to ensure we stay relevant to consumers as tastes and trends change. We promote responsible consumption. Building and sustaining our strong brand portfolio supports expansion in the region. PhoenixBev's commitment to ethical and responsible business practices supports the Group's reputation and its relationship with government and society. More information on our products, brands and governance is available on page 52.

Related SDGs

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks: 5 6 9 10

OUR MATERIAL MATTERS

CONTINUED

4

Team member safety, health and well-being

Aspects

- Driving a high-performance culture
- Skills development and talent management
- Team diversity and inclusion
- Ethics and human rights
- Health, safety and well being
- Response to Covid-19

Primary stakeholders affected

PhoenixBev's human capital is an important asset in achieving its strategic goals. Our human resources practices aim to attract, develop and retain team members with the rights skills to drive operational excellence. Systems are in place to support safe working conditions, good health and well-being, and fair treatment for all team members. More information on our human capital is available on page 62.

Related SDGs

Related risks: 1 8

5

Contribution to community and country

Aspects

- Customer and consumer satisfaction
- Our contribution to society

Primary stakeholders affected

In line with our values and commitment to supporting sustainable development through the SDGs, we invest in socio-economic initiatives in local communities, promote waste collection and a circular economy, and support national priorities. More information on these initiatives is available on pages 58 and 60.

Related SDGs

Related risks: 5 7

6

Business relationships

Aspects

- International partnerships
- Supply chain management
- Authorities

Primary stakeholders affected

Our portfolio of products includes beverages marketed and manufactured in partnership with some of the world's leading brands. Maintaining excellent relationships with these business partners is essential to achieve our strategy. We recognise our duty to manage our supply chain responsibly to ensure suppliers align with our ethical and responsible approach to doing business. Refer to page 58 for more information.

Related SDGs

Related risks: 1 2 6 4

7

Sustainable business practices

Aspects

- Water use and management
- Recyclability of packaging
- Waste management
- Carbon emissions

Primary stakeholders affected

We use natural resources responsibly, comply with all relevant legal requirements and minimise environmental impacts as far as possible as part of our commitment to world-class execution. More information on our environmental practices and impacts is available on page 66.

Related SDGs

Related risks: 5 6 7 12

8

Governance

Aspects

- Good governance
- Compliance with regulations and guidelines
- Human rights

Primary stakeholders affected

PhoenixBev is committed to ethical and responsible business practices. The principles of good governance are entrenched throughout the Group and reflected in our business activities. Our governance framework and focus areas for the year are available in the Corporate Governance section starting on page 90.

Related SDGs

Related risks: 4 6 7 12

Related risks	1 Pandemic	2 Conflicts, wars and natural disasters	3 Geographical constraints	4 Constraining regulatory and policy environment
	5 Changing societies and consumer preferences	6 Strategic stakeholder relationships	7 Environmental considerations	8 Team capabilities and needs
	9 Product safety and integrity	10 Digital challenges	11 Sustainable financial performance	12 Compliance

ENGAGING WITH OUR STAKEHOLDERS

Our stakeholders are those groups and people that affect or are affected by the activities of the Group. We respect the interests of our stakeholders and are committed to constructive engagements with them, in line with the recommendations of the National Code of Corporate Governance for Mauritius (2016). The Board is responsible for ensuring timely and comprehensive communication to all stakeholders regarding significant events, and is kept apprised of significant engagements and developments regarding stakeholder interests.

Our engagements with stakeholders promote appropriate dialogue to ensure we understand their legitimate needs and interests. Information from our stakeholders provides insight into developing trends, emerging risks and opportunities and material matters, and informs leadership discussions and strategy.

How we engage

Engagement takes place at different levels in the Group and through various channels, depending on how we usually interact with each stakeholder group. For example, the sales and distribution teams engage with customers as part of their day-to-day business activities, while shareholders are engaged at an executive or Board level.

The section that follows shows PhoenixBev's primary stakeholder groups, how we engage with them, their main concerns and how we address these:

Consumers and customers

Engagement channels

- Creative media in English, French and Creole
- Events and sponsorships
- Focus groups
- Market surveys
- Social media
- Customer Response Unit
- PR activities
- Websites, including the PhoenixEarth and Lespri Zil websites

Stakeholder expectations

- Products at competitive prices
- Business ethics and compliance
- Sustainable business practices
- Excellent service
- Product quality and safety
- Health and safety during Covid-19

How we address their primary concerns

Our product range includes cost-effective package sizes, we aim to contain costs across our value chain and we limit price increases as far as possible. We are committed to ethical business practices as well as environmental and social responsibility. We participate in joint projects and business planning with customers to align our interests and activities, and team members interact directly with customers to ensure excellent service. We conduct regular targeted customer surveys and the Customer Response Unit monitors customer satisfaction and needs. Strict quality assurance processes are in place from the start of the product life cycle, our management systems align with international quality and food safety management standards, and are regularly audited by key partners against industry best practice. Strict Covid-19 hygiene protocols are in place to safeguard the health and safety of team members and customers. Our Mauritian production facilities have been independently certified by LIBA in terms of their Feel Safe standards to assure consumers, customers, team members and the general public.

Related risks: 1 5 9

Partners and suppliers

How we engage

- Consultations and meetings
- Requests for proposals
- Site visits, operation and quality audits
- Workshops and brand summits

Stakeholder expectations

- Business ethics and compliance
- Contribution to society
- Economic impact
- Sustainable business practices
- Excellent service
- Fair labour practices
- Human rights
- Product quality and safety

How we address their primary concerns

We are committed to ethical and responsible business practices, which include compliance with all applicable laws, regulations and the fundamental principles of human rights, including those drawn up by the International Labour Organisation, and the relevant laws and conventions in our countries of operation. We support our host communities through our role as a local employer and our CSR activities. We engage with NGOs to promote the circular economy, social upliftment and environmental protection, and are active in contributing to national events. Strict quality assurance processes are in place from the start of the product life cycle, our management systems align with international quality and food safety management standards, and are regularly audited by key partners against industry best practice.

Related risks: 1 2 5 6 7 9 12

Team members

How we engage

- Communication during day-to-day business activities
- Inclusion in the decision-making process through the Comité d'entreprise
- Meetings with team member representatives
- Performance management process
- Workshops and meetings

Stakeholder expectations

- Fair labour practices
- Health and safety during Covid-19 and continued employment
- Business ethics and compliance
- Contribution to society
- Economic impact
- Sustainable business practices
- Human rights
- Profitability

How we address their primary concerns

PhoenixBev is committed to ethical and responsible business practices, which include compliance with all applicable laws and regulations, including labour laws, as well as respect for the fundamental principles of human rights. Programmes are in place to support the health, safety and well-being of our team members, and include a strict Covid-19 hygiene protocol.

Related risks: 1 8

ENGAGING WITH OUR STAKEHOLDERS

CONTINUED

Communities

How we engage

- Creative media in English, French and Creole
- Events, CSR and other PR activities
- Involvement in decision-making process through consultations and meetings
- Site visits

Stakeholder expectations

- Contribution to society
- Business ethics and compliance
- Sustainable business practices
- Fair labour practices
- Human rights
- Support during Covid-19

How we address their primary concerns

Our commitment to ethical and responsible business practices includes compliance with all applicable laws and regulations, and prioritises positive social impact and the reduction of our environmental footprint. We contribute to the communities in which we operate through our role as a local employer, our contribution to the government fiscus through tax and excise payments, and through our CSR activities. We engage with NGOs to promote social upliftment and environmental protection, and are active in contributing to national events.

Related risks: 7 12

Government and authorities

How we engage

- Interactions with authorities in Mauritius and Réunion Island
- Participation in national workshops on relevant topics
- PR activities

Stakeholder expectations

- Business ethics and compliance
- Contribution to society
- Economic impact
- Sustainable business practices
- Fair labour practices
- Human rights
- Product quality and safety
- Responsible operation during Covid-19
- Reduction of environmental footprint
- Affordable prices

How we address their primary concerns

PhoenixBev's commitment to ethical and responsible business practices includes compliance with all applicable laws and regulations, and in particular those concerning the prevention and detection of bribery and corruption. Our human resources practices align with local labour laws and we respect the fundamental principles of human rights. We prioritise the reduction of our environmental footprint and are committed to creating positive social impact. PhoenixBev contributes to wealth creation in Mauritius, the region and beyond by creating direct and indirect employment, through our contribution to the government fiscus through tax and excise payments and by supporting entrepreneurship and business development. We engage with NGOs to promote social upliftment and environmental protection, and are active in contributing to national events. We continually investigate ways to reduce, recycle or reuse waste and have dedicated programmes focused on recycling PET bottles and glass. We communicate information to customers and consumers on the safe and healthy consumption of our products on the packaging and through media communication.

Related risks: 1 4 5 7 9 12

Shareholders and funders

How we engage

- Annual and Board meetings
- Business reviews
- Corporate communication, including webcasts
- Quarterly financial reports, investor presentations

Stakeholder expectations

- Profitability
- Business ethics and compliance
- Contribution to society
- Economic impact
- Sustainable business practices
- Fair labour practices
- Human rights
- Product quality and safety

How we address their primary concerns

Our business model aims to deliver long-term value for our shareholders, aligned to a clear strategy and defined course of action. We continue to reinvest in value-generating assets to support future growth and expansion. We are committed to ethical and responsible business practices, including compliance with all applicable laws and regulations. We contribute to the communities in which we operate through our role as a local employer, our contribution to the government fiscus through tax and excise payments, and through our CSR activities (see page 58).

Related risks: 1 2 3 4 5 6 7 8 9 10 11 12

Related risks	1 Pandemic	2 Conflicts, wars and natural disasters	3 Geographical constraints	4 Constraining regulatory and policy environment
	5 Changing societies and consumer preferences	6 Strategic stakeholder relationships	7 Environmental considerations	8 Team capabilities and needs
	9 Product safety and integrity	10 Digital challenges	11 Sustainable financial performance	12 Compliance



The PhoenixBev Board of Directors sets the Group's risk appetite and is ultimately responsible for ensuring that risks are managed within these parameters. While value creation requires some degree of risk being taken on, effective and timely risk management allows such risks to be mitigated to acceptable levels while maximising opportunities. The Board reviews the adequacy of risk management practices and internal controls, as described in our Corporate Governance Report on page 105.

We proactively identify, evaluate and manage risks and opportunities by constantly monitoring the economic, operational and regulatory environments. Our analysis includes their immediate impacts on operational performance as well as their long-term effect on value creation. Risks are classified into external risks, over which we have little or no control, and internal risks where we have more control.

The risk management process has five steps:



CASE STUDIES

PhoenixEarth officially launched to the public

On 13 December 2021, PhoenixBev officially launched PhoenixEarth to the public at the Mauritius Glass Gallery in Phoenix.

PhoenixEarth is an evolving initiative that combines and coordinates all of the PhoenixBev group's current and future sustainability programmes and best practices, with the goal of making a meaningful contribution to the sustainable development of Mauritian society. It was rolled out internally last year with awareness sessions held with management and employees to ensure sustainability is embedded in the culture of the organisation.

In its launch phase, the initiative's goal is to renew and communicate PhoenixBev's vision to the public. This vision aims to demonstrate our genuine long-term commitment to the environment by optimising production, improving the efficiency with which we use energy and water, promoting responsible consumption of our products and ensuring effective waste management to develop a true circular economy in Mauritius.

At the launch, The Coca-Cola Foundation (TCCF), presented a cheque of USD 150 000 (MUR 6.5 million) to Mission Verte to promote a circular economy in Mauritius. Mission Verte is using the funding to accelerate its initiatives to strengthen systems to collect PET bottles for recycling across Mauritius and to raise awareness through educational sessions that encourage recycling and waste sorting.

PhoenixEarth stands firmly alongside Mission Verte to help them realise this large-scale project which is a flagship initiative supporting the ecological future of our island.



RESIDUAL RISK SIGNIFICANCE MATRIX

		SEVERITY				
Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
A – Almost Certain			3			
B – Likely			5	4		
C – Possible		8 10 11	7	1 2		
D – Unlikely		12	6			
E – Rare			9			

Low
 Moderate
 High
 Extreme

Qualitative measures of severity/Consequences/Impact

Level	Description	Description detail
1	Insignificant	Low financial loss, no injuries (for operations)
2	Minor	Medium financial loss, first aid treatment, on-site release immediately contained (for operations)
3	Moderate	High financial loss, medical treatment required, on-site release contained with outside assistance (for operations)
4	Major	Major financial loss, extensive injuries, loss of production capability, off-site release with no detrimental effects (for operations)
5	Catastrophic	Huge financial loss, death, toxic release off-site with detrimental effect (for operations)

Qualitative measures of likelihood

Level	Description	Description detail
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur some time
D	Unlikely	Could occur at some time
E	Rare	May occur only in exceptional circumstances

Our top risks

The table below shows our top risks, their potential impact on the Group, the related opportunities and how we mitigate these risks to an acceptable level.

Risk	Impacts and opportunities	Mitigation
<p>1. Pandemic (External)</p> <p>Pandemics present a significant public health risk. Steps taken to prevent their spread may have a severe impact on local, regional and global economies. The timing, speed and nature of the recovery is uncertain.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Team members affected and operations unable to function properly. Social/physical distancing and concerns around gatherings cause some of our customers to go out of business. Delayed recovery affects consumers and reduces demand for our products. Mismatch between costs and revenues. Shortages of resources and supply chain delays for essential supplies including raw and packaging materials, energy, spare parts, services, etc. Increased inflation, interest rates and taxes, and depreciation of the Mauritian Rupee. Shortages of foreign currencies to pay suppliers. Lockdown and closure of borders. <p>Associated opportunities</p> <ul style="list-style-type: none"> Support for team members, customers and communities strengthens our relationships with these key stakeholders. Working with customers to create safe places for consumers to interact and have fun while supporting recovery at industry and society levels. 	<ul style="list-style-type: none"> Implement strict hygiene protocols at operations, including Covid-19 sanitary protocols and certification by LIBA's Feel Safe label, and execute our Business Continuity Plan. Support customers to help them trade through, develop our online consumer platform and direct to consumer shops. Our product range provides cost-effective options and packaging that suit customers and consumers. Strict focus on cost controls, reducing discretionary operating and capital expenditure. Closely monitor cash flows, receivables and regular forecasting. Regular engagements with authorities, review and renegotiation of contracts, costs and pricing. Optimise foreign exchange management. Rigorous demand planning for raw materials and increased stock levels. Develop back-up suppliers for critical materials.

TREND



TREND ▲ Increase ▼ Decrease ▶ Stable

RISK REPORT

CONTINUED

Risk	Impacts and opportunities	Mitigation
<p>2. Conflicts, wars and natural disasters (External)</p> <p>A conflict, war and/or natural disaster may have significant impacts on our operations. The duration and the severity of the resulting effects could be uncertain.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Shortages of resources and supply chain delays for essential supplies including raw and packaging materials, energy, spare parts, services etc. Mismatch between costs and revenues. Increased inflation and taxes, and depreciation of the Mauritian Rupee. Shortages of foreign currencies to pay suppliers. Effect on worldwide economy. <p>Associated opportunities</p> <ul style="list-style-type: none"> Win new regional and international markets through our flexibility and unique value proposition. Develop and promote new/ alternative products. 	<ul style="list-style-type: none"> Execution of our business continuity plan. Rigorous demand planning for materials with increased stock levels. Develop back-up suppliers for raw and packaging materials with a specific focus on geographic risks. Our product range provides cost-effective options and packaging that suit customers and consumers. Strict focus on cost controls, reducing discretionary operating and capital expenditure. Closely monitor cash flows, receivables and regular forecasting. Regular engagements with authorities, review and renegotiation of contracts, costs and pricing.

TREND 

Risk	Impacts and opportunities	Mitigation
<p>3. Geographical constraints (External)</p> <p>Socio-economic challenges due to the small size and population of our country of operation (1.3 million), its remoteness and ensuing insularity, resulting in heavy dependence on imports of raw materials and manufactured goods.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Difficulty in expanding regionally and growing to achieve economies of scale. Challenging to sustain our international competitive edge in a tough trading environment. Difficulty in increasing our market base. Increased fees/additional charges when sourcing raw materials. <p>Associated opportunities</p> <ul style="list-style-type: none"> Win new regional and international markets through our flexibility and unique value proposition. Regional growth by emphasising our unique position in the Indian Ocean region and how our products represent the Island Spirit. 	<ul style="list-style-type: none"> We produce a wide range of beverages for all occasions and lifestyles, which increases local value creation. Enlarging our market potential and international competitiveness through our strategy to become the commercial beverages leader in the Indian Ocean region. Intensifying our efforts to improve overall performance through our Operational Excellence approach. Helping to position Mauritius as a destination of international standard by developing a portfolio of strong local brands and international reference brands. Explore opportunities to expand into other markets.

TREND 

Risk	Impacts and opportunities	Mitigation
<p>4. Constraining regulatory and policy environment (External)</p> <p>There are numerous current and planned regulations that apply to and affect our business or our customers.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Numerous direct taxes apply to our operations. Unpredictable policy changes make planning difficult. Targeting of our products for discriminatory taxes and regulations on consumer health, packaging and waste recovery. <p>Associated opportunities</p> <ul style="list-style-type: none"> Strengthen PhoenixBev's stance as a responsible player in the local and regional beverages market by contributing to the development of a legal framework that creates a level playing field, without prejudicing consumers and citizens. Increase product reputation by demonstrating compliance with consumer health regulations and offering reduced calorie and non-alcohol products. Collaborate with partners and NGOs through PhoenixEarth to demonstrate our commitment to addressing environmental and social challenges in our markets. Unique value proposition. 	<ul style="list-style-type: none"> Ongoing proactive dialogue with policy makers on proposed regulatory changes to ensure fair and equal treatment for all parties. Focus on unlocking further value from our base businesses to build resilience to withstand the increasing regulatory burden. Maintain our significant contributions to recycling and ongoing engagements with government, communities and other industry players to ensure responsible waste management.

TREND 



Risk	Impacts and opportunities	Mitigation
<p>5. Changing societies and consumer preferences (External)</p> <ul style="list-style-type: none"> Changes in demand for products. Increasing consumer consciousness about the products they buy. Decreasing and ageing population. Healthier lifestyles Changes in consumer behaviour linked with Covid-19. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Products not aligned with consumer expectations and behaviours, reducing sales. Change in consumption patterns in Mauritius towards healthier options driven by health issues related to diabetes and cardiovascular diseases, following similar trends in western developed countries. Prevalence of alcohol-related health problems in Mauritius and other markets. <p>Associated opportunities</p> <ul style="list-style-type: none"> Develop new product categories that respond to health-related requirements. Foster consumer loyalty by providing more detailed product information. Promote responsible alcohol consumption. Work with customers and partners to promote safe and responsible gatherings in the 'new normal'. 	<ul style="list-style-type: none"> Ongoing analysis of customer data from market surveys to identify emerging consumer preferences and requirements. Consistent and seamless contact with customers through a connected multiple-channel retail experience. Reducing the calorie content of products in the portfolio. Offer the right product, at the right price, in the right package through the right channel. Improve consumer information through more transparent product labelling. Ongoing discussions with government, NGOs and specialists to promote responsible alcohol consumption. Train our frontline sales team on our products and ingredients to be ambassadors of our beverages and provide customers and consumers with the facts they need to make informed decisions.

TREND 

Risk	Impacts and opportunities	Mitigation
<p>7. Environmental considerations (External and internal)</p> <ul style="list-style-type: none"> Environmental protection (water, biodiversity, waste management). Resource scarcity through natural disasters and climate change. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Increased pressure to promote eco-friendlier products and packaging. Waste reduction from production operations. Stopped or reduced production due to a lack of raw materials. Increased exposure to energy price fluctuations. <p>Associated opportunities</p> <ul style="list-style-type: none"> Positioning PhoenixBev as an industry leader in waste management and other eco-friendly practices. Using innovation to achieve greater resource efficiency. Re-use and recycling of waste. 	<ul style="list-style-type: none"> PhoenixEarth promotes environmental and social responsibility to support the UN SDGs. Ongoing engagements with regulators and industry to promote responsible packaging initiatives. Focus on identifying valorisation options for glass and other waste streams, including recycling glass through Mauritius Glass Gallery and our partnership with Beemanique. Recycling PET bottles. Careful planning and monitoring of water availability and use. Revamping production lines to improve water and energy efficiency. Various projects in progress on production sites to shift to green/renewable energy. Certification to international environment management system ISO 14001:2015 across our manufacturing sites to minimise our environmental impact and ensure responsible practices.

TREND 

Risk	Impacts and opportunities	Mitigation
<p>6. Strategic stakeholder relationships (External and internal)</p> <p>Particularly with our international partners.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Profitability adversely affected in the event of termination of agreements or less favourable renewal terms. Ineffective partnerships. <p>Associated opportunities</p> <ul style="list-style-type: none"> Sustained collaboration with our international partners to enable rapid achievement of goals and continued expansion of portfolio and markets. Leverage partnership to increase positive social and environmental impacts. 	<ul style="list-style-type: none"> Management focus on effective day to day interaction with our strategic partners. Engagement in joint projects and business planning with a focus on strategic issues affecting growth. Participation in senior management forums.

TREND 



Risk	Impacts and opportunities	Mitigation
<p>8. Team capabilities and needs (Internal)</p> <ul style="list-style-type: none"> Loss of key management and technical personnel through retirement or departure. Increasing competition for talented team members. Personnel not having the required skills to meet our future objectives. Risk of industrial accidents at our operations. Pandemic infection. Increasing socio-economic pressure on team members. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Loss of vital know-how affects product and market sustainability and development. Development and implementation of state-of-the-art technology impeded by the difficulty of recruiting and retaining suitably qualified team members. Inability to attract and retain skilled team members to enable safe, reliable and sustainable operation. Production capacity reduced due to physical and psychological impact on team members. Loss of team member trust as a reputable employer. Reputational damage with external stakeholders. Loss of revenue due to lawsuits or regulatory interventions (fines, etc). Team member health and morale affected by pandemic, temporary closure of operations and the current challenging economic conditions. <p>Associated opportunities</p> <ul style="list-style-type: none"> Develop long-term succession plans to create an in-house pipeline of qualified and experienced team members ready to lead and implement new projects and technologies as and when needed. Strengthen our reputation as an employer of choice through constant respect for legislated workers' rights and protection, promoting fair treatment and equal opportunities, and ensuring good health and safety practices in the workplace. 	<ul style="list-style-type: none"> The performance management system ensures the development of our team members at all levels and nurtures talent, particularly in young highly-qualified recruits. Succession planning strategies mitigate the departure, planned or otherwise, of key team members. External managerial training is in place, aligned with PhoenixBev's skills imperatives. Regular team member surveys identify current or emerging issues that could affect retention and development. Regular health and safety training for all team members to enhance safety behaviour. Periodic meetings with team members representatives to anticipate any issues and facilitate communication. GPS systems installed to monitor our fleet of distribution vehicles to optimise route planning and reduce driver fatigue. Strict Covid-19 hygiene protocols at our operations, certified by LIBA's Feel Safe label. Financial support for most-affected employees.

TREND



Risk	Impacts and opportunities	Mitigation
<p>9. Product safety and integrity (internal)</p> <p>Prevention of poor product quality or contamination whether accidental or malicious, causing public health hazards.</p>	<p>Potential impacts</p> <ul style="list-style-type: none"> Reduced sales volume and net sales revenue. Loss of consumer trust resulting in damage to brand and corporate reputation. Loss of market share. <p>Associated opportunities</p> <ul style="list-style-type: none"> Fostering a strong reputation for quality assurance as an important differentiator in our competitive market. 	<ul style="list-style-type: none"> Stringent quality control in place. Food safety, quality and laboratory competence management systems implemented to minimise food safety and quality issues including globally recognised standards such as FSSC 22000, ISO/IEC 17025:2017, ISO 9001:2018 and LIBA Feel Safe. Compliance to international partners' requirements. Robust recall and other appropriate crisis procedures in place to mitigate the impact, should an incident arise.

TREND



Risk	Impacts and opportunities	Mitigation
<p>10. Digital challenges (External and internal)</p> <ul style="list-style-type: none"> Rapid technological development impacting all aspects of our business. Effective systems and processes critical in reducing costs, increasing flexibility, and driving efficiency and productivity. Increased threat of cyber-attacks, compromised infrastructure and data security due to the ubiquitous nature of technology. Social media becoming increasingly powerful in shaping brand perceptions. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Inability to deliver IT requirements to support the growth of the business. Cyber-attacks, IT infrastructure disruptions and loss of data. Rapid spread of negative information through social media, including fake social media accounts. <p>Associated opportunities</p> <ul style="list-style-type: none"> Opportunities to improve efficiency, bring new digital offerings quicker to market and lower the cost of servicing the market. Increased connectivity creates opportunities to improve brand awareness and collect customer feedback. Social media provides opportunities for organic brand awareness growth through online communities. Common IT platform as a key enabler to unlock group synergies. 	<ul style="list-style-type: none"> We are developing a roadmap of Group-wide IT requirements to ensure consistency of services and processes across all entities and protect our business from security threats and business interruptions. Strong communication plans are in place on social media platforms. Management of our social media sub-contracted to a specialised agency for better control. We are implementing an enterprise resource management (ERP) system across our operations.

TREND



Risk	Impacts and opportunities	Mitigation
<p>11. Sustainable financial performance (External and Internal)</p> <ul style="list-style-type: none"> Promoting sustainable financial performance in a tough trading environment. International economic and political environment causing economic recession, inflation, social upheaval, trade restrictions and unstable exchange rates. Size and duration of the impact of the Covid-19 pandemic and Ukraine conflict on the global economy remains unclear. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Margin contraction from increased promotional activity and discounts, resulting in cost growth exceeding sales growth. Negative operating leverage due to uncontained cost growth. Liquidity issues. Decline in demand for some of our products. Erosion of competitive advantage. Lower return on invested capital. <p>Associated opportunities</p> <ul style="list-style-type: none"> Build resilience to survive the financial and economic risks, based on past track record and sustainable development initiatives in place. Identify new products and potential acquisitions arising from current conditions. 	<ul style="list-style-type: none"> Ability to leverage group systems, processes and structures to enhance margins. Diverse products and markets, with the opportunity for further diversification. Strengthen agility and responsiveness to changes in local demand. Prudent financial risk management processes are in place. Maintain an appropriate mix between fixed and floating interest rates on borrowings. Maintain tight control over credit exposure. Optimise the foreign exchange management.
TREND 		

Risk	Impacts and opportunities	Mitigation
<p>12. Compliance (External and Internal)</p> <ul style="list-style-type: none"> Ensuring ongoing compliance with current and proposed local and international laws and regulations. Need to understand, interpret and apply differing regulatory requirements in multiple jurisdictions. 	<p>Potential impacts</p> <ul style="list-style-type: none"> Increased risk of non-compliance due to unexpected changes in local and/or international legal and regulatory environment. Fines, claims and reputational damage in the event of non-compliance. Management time diverted to resolving legal issues. Restrictions on marketing certain products through traditional channels. <p>Associated opportunities</p> <ul style="list-style-type: none"> Strengthening our reputation as a reputable operator in all markets. Identify new ways of growing brand awareness using social media, online communities, etc. 	<ul style="list-style-type: none"> Legal compliance is fully entrenched in our risk and controls system. Processes and governance are in place to support ongoing compliance with the Mauritius Companies Act 2001 and the National Code of Corporate Governance for Mauritius (2016).
TREND 		

TREND  Increase  Decrease  Stable



OUR PERFORMANCE

- 48 CEO's review
- 50 The performance capitals
- 72 Financial capital
- 78 Value added statement
- 79 Group financial summary



Challenging times test the resilience of our brands and this year showed how loyal our consumers are, validating our continuous investment in building brands over the years. We saw progress in sales performance both in Mauritius and Réunion Island.

Dear Shareholder,

Our focus in the 2022 financial year was primarily on operating profitably and sustainably in the challenging economic conditions. The cost of many of our key raw materials and packaging components, the majority of which are imported, increased significantly as a result of both rising inflation and the devaluation of the MUR against the US Dollar and Euro. Availability of foreign currency to pay suppliers also became an issue. With the consumers currently under severe pressure, we limited product price increases.

We had to plan further ahead, given supply chain disruptions and long lead times in many of our inputs, resulting in increased stockholdings, increased investment in inventories and additional costs incurred to rent extra storage space.

Brand and product performance

Challenging times test the resilience of our brands and this year showed how loyal our consumers are, validating our continuous investment in building brands over the years. We saw progress in sales performance both in Mauritius (+6.2%) and Réunion Island (+2.5%) despite price increases and supply chain challenges.

We furthered our innovation drive by launching a state of the art craft brewery, and our first three craft beers inspired by Mauritius's most renowned wave, Manawa. This new range is already showing enthusiasm and engagement from craft beer and beach lifestyle lovers. The popular Phoenix Panaché in Reunion island was also placed on our shelves in Mauritius. In the non-alcoholic range, we maintained our objective to grow our non-sparkling and lower sugar beverages portfolio with two new Fuze Tea flavours (baobab and blueberry) and an amazing new variant of "No Sugar" Coca-Cola.

PhoenixBev believes that brands have a bigger role to play on the island, beyond fun and refreshment. This mission of making a better Mauritius through brands has further been reinforced this year through platforms that are showing growing engagement: Kafé Kiltir Moris and Renyon, Lespri Zil, Awanam and Nu Diferens. These concepts have been active both on social media and in gatherings to give depth and create unique experiences.

Improving efficiencies and reducing environmental impacts

We continue to invest in upgrading and modernising our production, warehousing and distribution facilities. These enhancements improve efficiencies, ensure exceptional product quality, reduce our environmental impact and increase capacity for future demand. We installed overall equipment effectiveness (OEE) analysers in the brewery to improve production monitoring, trialled washable labels and upgraded measurement of dissolved oxygen in brewery process water and finished product.

We added another rainwater harvesting system at Nouvelle France to reduce water withdrawal from aquifers and are installing water chillers in the brewery to improve sealing during filling, which will also reduce water use. We installed solar system to preheat water feeding the chillers bringing down grid electrical energy use at the Limonaderie, reducing our reliance on fossil fuels and our carbon footprint. The data we are gathering from this installation will guide the roll-out of other installations at our facilities.

We are running a pilot with two electric delivery vehicles to assess the feasibility of replacing our current fleet with electric vehicles over the coming years. We have also engaged experts to assess our water and energy use to inform an energy audit, carbon footprint calculation and improve wastewater management.

We continue to improve waste management and our partnerships with various organisations promote recycling, reuse and valorisation of our waste streams.

Investing in our team members

The skill and experience of PhoenixBev's team members are essential to our success. Although development programmes were hindered by Covid-19, we rolled out training to inculcate behaviour-based values, introduced service excellence training and launched a sales academy to align, upskill and inspire our internal talent. The talent development programme was reinforced and cascaded down into the entire workforce.

The safety and health of our team members, visitors and customers is of prime concern and strict Covid-19 sanitary protocols remain in place at all operations to ensure their health and well-being. Sadly, two of our team members passed away from Covid-19 during the year. At year-end, more than 90% of our team members were fully vaccinated.

We are fully aware of the increasing pressure on many of our team members from rising food costs and fuel prices. Where required, we provided assistance through gift packages and food coupons.

Supporting national and global priorities

PhoenixBev has a long history as a proudly Mauritian company committed to responsible business practices. PhoenixEarth combines and coordinates our sustainability programmes and best practices, promotes internal alignment with the SDGs and represents the Group in our engagements with stakeholders that promote environmental responsibility and socio-economic development.

Reducing plastic pollution is a particular focus to ensure the natural beauty of our islands, which is a significant attraction for the tourists that contribute to our economy. Many of our partnerships with business partners and NGOs promote collection and recycling of plastic packaging, and we continue to investigate ways to extend the benefits of these initiatives.

Focus for 2022

We will continue to optimise efficiencies, reduce costs and minimise environment impacts in line with our commitment to achieving world-class execution.



Bernard Theys
Chief Executive Officer
 27 September 2022

MANUFACTURING CAPITAL

Manufacturing facilities

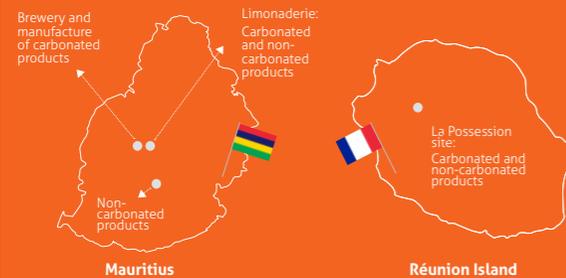
Our ongoing investment in maintaining and modernising our manufacturing facilities ensures that we can continue to produce beverages that meet the needs of our customers, maintain international quality standards, create financial value and strengthen our competitive position.

Implementing new technologies, equipment and systems improves the performance and efficiency of the brewing and packaging processes, supports employee well-being and reduces our environmental footprint.



Manufactured capital inputs

- Three production sites in Mauritius and one on Réunion Island
- +140 distribution fleet trucks
- 16 bottling lines
- 44 000 m³ warehouse capacity



Capital outcomes in 2022

- MUR 351 million invested in capital expenditure (2021: MUR 275 million)
- Production volumes increased 2.9% at the brewery and 7.8% at the non-alcohol operations

MUR 465 million in depreciation and amortisation (2021: MUR 438 million)

Preserving and sustaining value

- Continued to optimise production efficiencies and product quality while improving energy and water efficiency
- Installed new labellers in the Brewery and Limonaderie
- Installed overall equipment effectiveness (OEE) analysers to enable improved production monitoring
- Trialled washable labels and upgraded measurement of dissolved oxygen in brewery process water and finished product
- We are installing water chillers to improve water seals and reduce water use
- Started producing beer in the craft brewery in February 2022.

SDG targets

- Improve facilities to increase efficiency, productivity, employee well-being and reduce environmental footprint.
- Implement a new enterprise resource planning (ERP) system for all our operations
- Implement new technologies, equipment and systems to improve the performance and efficiency of the brewing and packaging processes



Maintaining facilities and process efficiencies

We continue to invest in modernising our facilities and implement lean and efficient manufacturing processes, logistics and warehousing to improve operational efficiency and achieve world-class execution. Improving process efficiencies reduces production costs and reduces the amount of resources we use, such as water and energy.

New labellers were installed in the brewery glass line 2 and in Limonaderie line 4. Production started in the craft beer plant and we launched our Manawa craft beer line in January 2022. Overall equipment effectiveness (OEE) analysers were installed on three production lines in the brewery to enable real time centralised monitoring of production and help to identify areas for improvement. We trialled washable labels in the brewery to improve the efficiency of reusing returnable glass bottles and will switch to these labels in the year ahead.

New equipment was installed to upgrade inline measurement of dissolved oxygen in brewery process water and finished product. Water chillers are being installed on the brewery glass line 2 to improve the water seal on filling and will reduce water use on the filling machines by 20%. At the Edena facility, we completed the automation of line 3 and upgraded the labeller and blower on the SACMI equipment to increase efficiency.

Planned certification of the brewery in terms of ISO 9001, ISO 14001 and ISO 45001 under an integrated management system audit was rescheduled for the second half of 2022.

Capital projects for 2023 include an upgraded cleaning station for the brewery and new fermenters for the craft plant to support increased production necessary to meet demand. The Limonaderie will install a sugar decolourisation unit to improve sugar yield.



IT infrastructure

PhoenixBev's information technology (IT) infrastructure and solutions help to improve efficiencies, reduce costs, increase flexibility, and mitigate the risk of cyberattacks. Production at the Nouvelle France site is controlled by a central computerised system that has been an important contributor to the success of the facility and its products.

We are in the process of migrating our business systems to an integrated business platform, Microsoft Dynamics AX, to improve productivity and collaboration, and help us to proactively provide better service to our customers. The project is being implemented with an international supplier and has been delayed by Covid-19. Development of the system is under way with go-live projected for the 2023 financial year, dependent on the Covid-19 situation in both Mauritius and the supplier's country.



Focus for 2023

As always, our focus remains on optimising production efficiencies and product quality, and successfully implementing the planned capital projects. Improving energy and water use efficiencies will continue to be a significant focus in the year ahead.

INTELLECTUAL CAPITAL

Building strong, valuable and meaningful brands

PhoenixBev's strong and diversified portfolio of brands is the foundation of our position as beverage leaders in the Indian Ocean region. Our ability to create innovative new products that meet emerging consumer trends keeps customers satisfied and ensures ongoing portfolio diversification.

Intellectual capital inputs

- More than 50 category-leading or high-value local and international brands
- Expert brewing team
- Proprietary recipes
- Innovation process to create new products and flavours
- Rigorous operational excellence and quality assurance processes

Preserving and sustaining value

- Launched Manawa, two new flavours of Fuze Tea and Coca-Cola No Sugar
- Focused on organic and community-driven marketing
- Further developed our online and direct to consumer channels

Capital outcomes in 2022

- Increased our range of brands and flavours
- Ongoing innovation project to further diversify our portfolio
- Retained ISO, LIBA and FSSC certifications

SDG targets

- Implement an internal innovation process
- Keep up with the highest international standards for product quality for each brand
- Innovate with products with less sugar

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

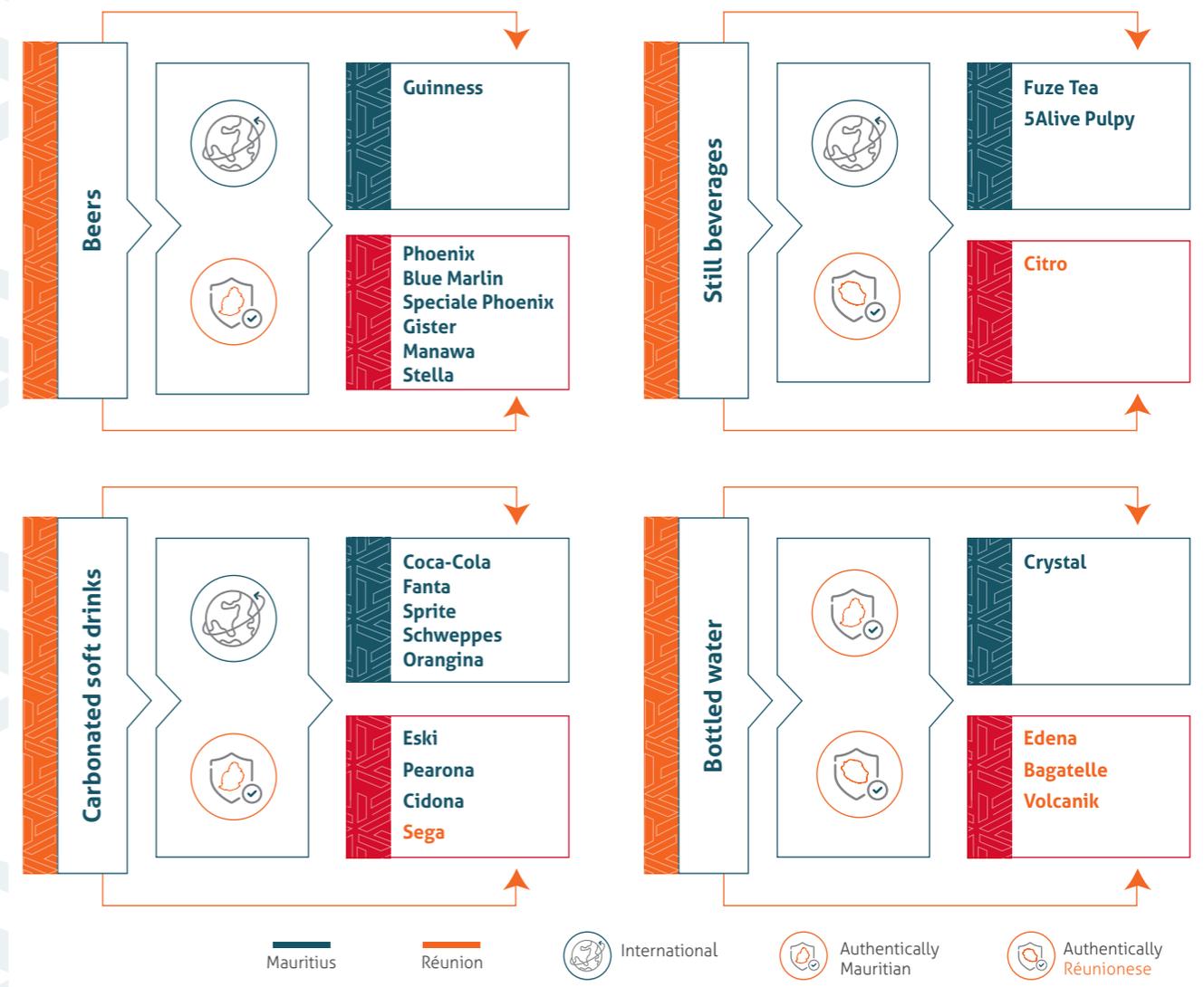
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The strength and success of our brands depend on how well they meet the needs of consumers, maintain the highest levels of product quality and ensure that our customers are kept supplied.

Brand quality and breadth

Our portfolio of partners and own brands combines a wide range of established and well-recognised brands as well as newer options that meet the changing needs of consumers.

These include:



PhoenixBev's product development process includes internal testing panels and research derived from our innovation function. Our direct to consumer channels provide additional insight into emerging trends and areas for growth.

PhoenixBev also markets energy drinks as well as a range of imported and locally bottled wines.

INTELLECTUAL CAPITAL
CONTINUED

Manawa meets the demand for craft beer and further diversifies our beer portfolio.

Fuze Tea now also comes in delicious Blueberry Jasmine and Mango Baobab.

Coca-Cola No Sugar with zero sugar, zero calories, a new recipe and refreshed packaging to highlight its new look.

Eski is now available in a smaller returnable glass bottle, offering consumers a more affordable alternative that demonstrates our commitment to environmentally responsible packaging.

We launched **Citro Pamplemousse** in Réunion Island, partnering with the Koh Lanta TV show and positioning the brand with adventure and nature.

New bottles were introduced for **Bagatelle** in Réunion Island, with the 'eco design' including smaller labels and caps, reduced plastic in the bottle and less ink. The brand has partnered with Project Rescue Ocean to raise awareness among the general public, especially young people, about caring for the environment, seas and oceans.

Marketing and branding in 2022

Our marketing initiatives aim to keep building brand preference with our markets by favouring equity to tactical activities that align with the themes that are most important to our customers and consumers. We are guided by our values and have linked our brands to the SDGs to ensure that we operate in the most sustainable way possible. This includes promoting responsible consumption and providing lower alcohol and reduced sugar content options.

While Mauritius is open again for tourism, gatherings remained limited with tight controls until June 2022, preventing traditional beverage marketing channels such as events and concerts. Amendments to the Public Health Regulations in July 2021 further restrict the advertisement, promotion and sponsorship of alcoholic drinks. Increasingly we rely on organic word of mouth community-driven marketing to raise awareness about our products and how to enjoy them responsibly.

PhoenixBev's online store was fast tracked during Covid-19 to meet consumer needs during lockdown and is now a fully-fledged ecommerce site that delivers anywhere on the island. It provides a fast, easy, safe and secure way for consumers to purchase beverages for any occasion. We also opened three physical direct to consumer stores selling wines and spirits in Tamarin, Grand Bay and Phoenix.



Kafe Kiltir Moris, a feel good culture platform sponsoring local musicians and artists to build equity for the Phoenix Beer brand. Season six focused on developing new artists and engaging key stakeholders of the cultural industry with online sessions to avoid restrictions on gatherings.

Awanam, a sustainability and lifestyle platform revolving around the beach life and protection of the ocean. Specially designed beach clubs were created and events held in Tamarin, Grand Bay and around the island.

Visibility and momentum for the new flavours of **Fuze Tea** were driven through free tastings and experiential activations.

Nou Diferans (We Are Different) brings people together by encouraging them to find strength in and celebrate their differences. It aims to reduce stigmatisation of difference and encourages people to be less judgemental and more empathic. Nou Diferans is linked to Blue Marlin, PhoenixBev's distinctively different beer.

The **Eski Independence Campaign 2022** highlights the brand's place in the heritage of Mauritius, with a focus on the teen market, including launching Eski's TikTok presence.

Refresh to lavi: Cidona's new tagline was launched to dynamise the brand and highlight the beverage's indulgence as an affordable non-alcoholic 'champagne-like' apple flavoured beverage.

Adopte la Maltattitude emphasised Malta Guinness's unique position as a natural energy drink and a healthier alternative in the category. The campaign leveraged its online community on Facebook, Instagram and Malta's blog: thehealthysquad.mu.

Lespri Zil (Island Spirit) promotes Phoenix as the leading beer in the Indian Ocean region, with an initial focus on Réunion Island. Marketing initiatives emphasise the brand's intrinsic product qualities as a regional beer with international beer quality. In preparation for celebrating 60 years of Phoenix next year, we conducted a market survey to ensure appropriate positioning of the brand.

Edena celebrated 50 years in Réunion Island this year with a new design, supported by a campaign to celebrate its 50 years "with emotion". The campaign included billboards, TV advertising and a digital campaign, with monthly prizes on the Edena Réunion website to reinforce the brand and recruit more followers and consumers.

Product quality and safety

Product quality and food safety are an ongoing priority and key elements of world-class execution. They ensure that our products satisfy and delight our customers, enhance brand loyalty and protect PhoenixBev's reputation.

Robust controls and assurance processes are in place at our operations to ensure consistent product quality and food safety. These include:

Internal controls and assurance	Rigorous quality and food safety controls at all four production sites supported by quality assurance processes and a comprehensive internal audit system to ensure inputs, outputs and waste conform to specifications and traceability. The quality teams participate in IBL's Technical Quality Committee to share and disseminate best practices across the IBL group.
Alignment with international management standards	Systems are in place that align with international management standards: FSSC 22000 V5.1 (food safety management), ISO 9001:2015 (quality management), ISO 14001:2015 (environmental management), ISO 45001:2018 (occupational health and safety management) and ISO/IEC 17025:2017 (competence of testing and calibration of laboratories). Operations are regularly audited and certified in terms of these standards as shown in the table on the facing page.
Compliance with partner standards	Our key international partners, including The Coca-Cola Company, Diageo and Schweppes International Limited, conduct regular audits of compliance with their requirements in the areas of food safety, quality, occupational safety, environmental and human rights standards.
LIBA Feel Safe	Following the first Covid-19 lockdown, we engaged LIBA to provide an additional external assessment of Covid-19 protocols, personal hygiene, workplace health and safety, and water systems safety at our operations.

	Certification	Brewery	Limonaderie	Nouvelle France	Edena
International standards	FSSC 22000 V5.1	🔗	🔗	🔗	Planned for 2024
	ISO 9001: 2015	Q4 2022	🔗	🔗	🔗
	ISO 14001: 2015	Q4 2022	🔗	🔗	🔗
	ISO 45001: 2018	Q4 2022	🔗	🔗	Planned for 2024
	ISO/IEC 17025: 2017	N/A	🔗	N/A	N/A
Partner standards	The Coca-Cola Company KORE-QSE	🔗	🔗	🔗	N/A
	The Coca-Cola Company SGP Human Rights	🔗	🔗	🔗	N/A
	Schweppes International Limited/Suntory Beverage & Food Europe	N/A	🔗	N/A	N/A
Voluntary standards	LIBA Feel Safe	🔗	🔗	🔗	N/A

Focus for 2023

We will continue to promote and expand our portfolio with innovative and unique products in the new financial year with activities revolving around the soccer world cup and around our brand assets like Kafe Kiltir or Lesprizil locally and regionally. Moreover, 2023 will bear a special celebration tone with the 60 years of Phoenix Beer and 70th anniversary of the launch of Coca-Cola on the island



SOCIAL CAPITAL

Our vision to "Provide happiness through beverages" applies not only to our customers and consumers, but also to our partners, suppliers and other stakeholders. PhoenixBev's CSR programme supports the aspirations set the SDGs by preserving and enhancing the well-being of community members.



Social capital inputs

- Good relationships with team members, customers, partners and suppliers
- Constructive engagements with regulators and NGOs
- Positive relationships with the unions
- Transparent and open engagement with investors and funders

Capital outcomes in 2022

- Expansion of PhoenixEarth as our sustainability hub
- Effective supply chain management to ensure uninterrupted supply of key inputs despite global disruptions

- Team members' morale affected by challenging economic conditions
- Meetings with NGOs could not be held for sanitary reasons (Covid-19)

Preserving and sustaining value

- Ongoing monitoring of customer satisfaction and partnership engagement
- MUR 620 000 distributed to stakeholders

SDG targets

- Raise awareness on plastic pollution throughout Mauritius
- Raise awareness on responsible consumption of sugar and alcoholic beverages
- Partner with NGOs to have more impactful campaigns



PhoenixBev's key stakeholders, their primary concerns and how we address these are discussed in the stakeholder engagement section on page 30. More information on how we manage our relationships with three key stakeholder groups is shown below.

Keeping our customers and consumers satisfied

- Our diverse portfolio of international and own-brand products provide options for all tastes and are available in a range of convenient packaging sizes.
- Our operations emphasise quality assurance and adhere to international quality and safety management standards.
- The Customer Response Unit monitors customer satisfaction assessed at customer visits and targeted customer surveys, and investigates any complaints.

We are proud **partners** of some of the world's leading beverage brands, including The Coca-Cola Company, Diageo, Schweppes International and Les Grands Chais de France.

- We carefully choose partner brands for product fit with our current portfolio, with the potential to create demand in our markets and their role in helping PhoenixBev to provide a total beverage solution.
- We also assess potential partners' brand reputation, quality standards and the sustainability of their value chain.
- Business partners provide input and external benchmarking for our operating processes and quality control, as well as sharing of global best practices in the international beverages industry.

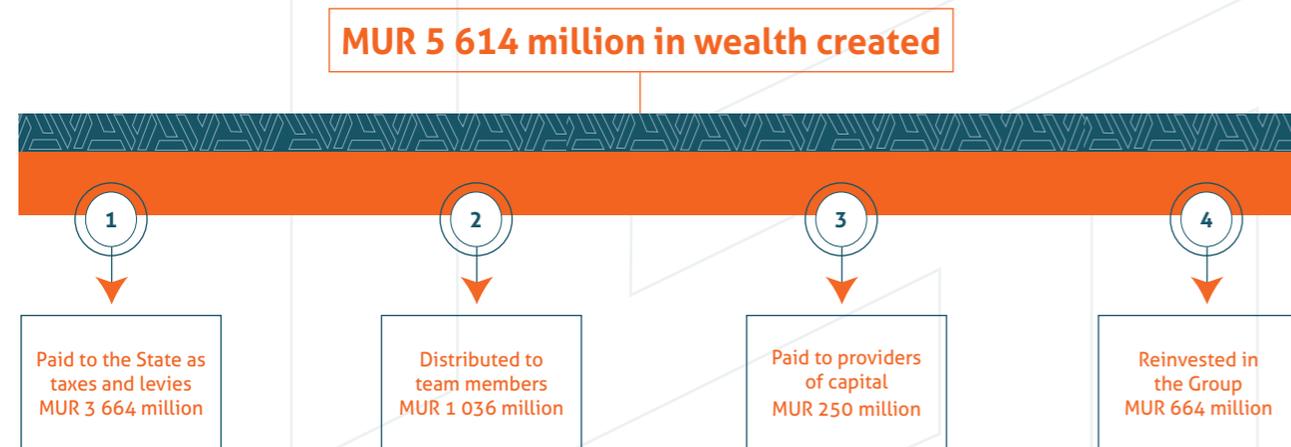
Effective **supply chain** management is essential to ensure consistent quality and reliable supply.

- We select suppliers that operate sustainably and ethically to ensure that they align with our values and to mitigate against reputational damage.
- Supplier selection and evaluation criteria include product quality, conformance to specifications, price and total cost of ownership, brand, country of origin, delivery time and environmental responsibility.
- We conduct annual formal supplier assessments and strategic suppliers are regularly audited by a multi-disciplinary team of key personnel from the relevant departments. Suppliers of certain key inputs are accredited by our key international partners.
- We buy locally where we can, but this is only possible for products available in Mauritius that meet the quality and other criteria required by our standards and the protocols of our partner brands. Other inputs are imported from all over the world.



PhoenixBev's contribution to society

In the financial year ended 30 June 2022, PhoenixBev created MUR 5 614 million in value, MUR 4 950 million of which was distributed to stakeholders as shown in the diagram below and MUR 664 million was reinvested into the Group. The value-added statement on page 78 provides more information on value created and distributed during the year.



Our "Amize pa Abize" initiative promotes responsible drinking and we engage with government, NGOs and specialists to promote responsible alcohol consumption. We are developing a 0% alcohol beer and more reduced-sugar beverages to increase options for consumers and reduced-sugar beverages. The GoldenTav initiatives supports small businesses by promoting and rejuvenating local taverns.

PhoenixEarth, our sustainability platform, aligns the Company to our priority SDGs and has a focus on promoting PET recycling, returnable glass bottles, responsible drinking, sports and education.

Our CSR strategy aims to support projects that make a significant contribution to local communities and broader society, and include a focus on positive social and environmental impacts by inspiring people to make environmentally friendly choices. We appointed a dedicated resource during the year to oversee sustainability and CSR. Covid-19 restrictions resulted in a decrease in CSR initiatives and team member volunteering during the FY2022, and some planned projects had to be postponed.

The Company hosted an environment week that included workshops on reducing food waste, protecting the marine environment and promoting recycling. Team members were invited to donate unused clothes, shoes and books, which were collected and distributed to needy people.

In 2022, PhoenixBev donated MUR 620 000 to various NGOs working in education, sports, health and social initiatives.

Focus for 2023

Going forward, our CSR projects will increasingly be aligned with our priority SDGs and the PhoenixEarth platform. We plan to sponsor a programme on Rodrigues to promote awareness about prostate cancer, including screening and treatment.

CASE STUDIES

PhoenixEarth INITIATIVE



The statue of the RenaiSenses

La Statue de la RenaiSenses was unveiled at the start of July 2022 on the Pont-Fer roundabout opposite PhoenixBev's head office. The project took three years to complete and started with the goals to promote art and ecology, and to highlight the city of Vacoas-Phoenix.

This remarkable statue is constructed from scrap metal collected from our assembly line and other scrap yards in Mauritius, as well as recycled material contributed by the people of Vacoas-Phoenix. These components have been given a second life in a memorable new 10-metre tall landmark that symbolises the eternal rebirth of the Phoenix and represents PhoenixBev's commitment to promoting sustainable development.

Our team members

PhoenixBev's team members embody our culture of dedication and commitment to exceed the expectations of our stakeholders. Our ongoing investment in talent development supports the Company's strong performance. Our approach to human capital aims to create a safe work environment where all team members are treated equally with dignity and respect. At the end of June 2022, there were 1 704 full time employees in the Group (2021: 1 654).



Human capital inputs

- 1 704 skilled and motivated team members (2021: 1 654)
- Excellent blend of new talent and experience
- Strong performance culture and a proven ability to capitalise on market opportunities and optimise operating efficiency
- Commitment to acting always with integrity, guided by our values, social conscience and customer-centric mindset

Capital outcomes in 2022

- MUR 877 million invested in wages, salaries and other employee benefits (2021: MUR 843 million)
- MUR 6.3 million invested in skills development (2021: MUR 4.5 million)
- Zero fatalities (2021: 0)
- Days lost to injuries reduced to 466 (2021: 923)

- Sadly, two employees passed away from Covid-19
- ISO 45001 certification of the brewery rescheduled for October 2022

Preserving and sustaining value

- Rolled out training to inculcate behaviour-based values, introduced service excellence training and launching of a sales academy
- Reviewed the salary grid for all team members
- Continued to improve communication tools
- Made progress towards finalising the collective agreement with the union
- Reinforced the talent development programme and extended it further down into the workforce
- Provided assistance to team members under pressure in the current economic situation

SDG targets

- Improve facilities at our operations to increase efficiency, productivity and team member well-being
- Uplift health and safety standards through culture interventions, standardising practices, improving training processes and medical follow-up
- Provide a safe and accident-free workplace.
- Set up engagement tools to boost team members' morale
- Implement systems to support safe working conditions during Covid-19 pandemics



Health, safety and well-being

The safety and health of PhoenixBev's team members is a critical concern. Common potential hazards associated with our activities include exposure to chemicals, minor cuts due to handling of broken glass, handling of heavy objects and the operation of industrial machinery and equipment. We are committed to excellence in safety and health by working towards an injury-free workplace through continuous risk assessments and capacity building of our teams. Safety and health programmes are reinforced through ongoing training programmes for all team members in production, technical operations and distribution.

Health and safety systems align with ISO 45001, the international occupational health and wellness standard. The Limonaderie and Nouvelle France units have been externally certified against the standard. Certification of the brewery was delayed due to Covid-19 and is planned for the year ahead.

The health and safety manager visits the Rodrigues operation to conduct an annual audit, review training and follow up on findings.



Safety

Safety is a shared responsibility of every team member and safety training is provided at induction and on an ongoing basis. Quality, safety and environment (QSE) representatives in the business units conduct safety checks and report outcomes to the health and safety manager.

Safety awareness initiatives, including the "Health and Safety Culture" campaign, emphasise the importance of prioritising safety in day-to-day activities. All accidents are investigated and reported in a corrective action plan to provide structured follow-up. Safety best practices are benchmarked and shared across the sites, along with learnings from accidents and near misses to provide ongoing improvement in safety processes.

A management safety working group ensures an emphasis on safety and an appropriate safety culture. Safety committees are in place and health and safety ambassadors are trained and appointed at each unit.

A total of 109 work accidents were reported during the year at our operations in Mauritius, Rodrigues and Réunion Island (2021: 135) resulting in 466 days lost to injury (2021: 923).

Health and well-being

A contracted doctor visits the three production sites and the commercial unit in Mauritius weekly to conduct medical surveillance, perform follow-ups and provide free medical advice to team members. Visits to Rodrigues site are done annually.

Strict Covid-19 hygiene sanitary protocols remain in place for all of our operations to safeguard the health and safety of team members, aligned with the relevant regulations, orders and advisories issued by the Ministry of Health and other government agencies. PhoenixBev bought bulk rapid tests for the operations to test onsite to reduce the chance of exposure at crowded clinics and public hospitals.

Vaccination continues and by year-end 91% of the workforce was fully vaccinated. A total of 221 cases were reported during the year, with 99% recovery, although two team members unfortunately passed away from Covid-19.

Awareness campaigns, screening, vaccinations and medical visits address the main non-communicable risks relevant to the workforce, which include diabetes, cardiovascular disease and cancer.

We encourage team members to participate in sporting, recreational and welfare activities to improve physical and mental health, foster personal development and work/life balance.

Team members at our Réunion Island operations are covered by the French healthcare system.

In 2022, PhoenixBev invested MUR 23.6 million in health and safety in Mauritius and Réunion Island.



Driving a high-performance culture

Fostering a high-performance culture in the Company is an ongoing priority. We engage with team members regularly through a range of channels including the Comité d'entreprise, newsletters, audio-visual presentations and using an e-Board. Regular team member surveys assess engagement levels, benchmark HR practices and identify areas for improvement. During the year, we started to hold more regular proactive meetings with union representatives to improve communication and facilitate improved workflow.

A programme is being implemented to embed our values (Our DNA) in daily activities by translating these into six key behaviours. The programme aims to clarify what the organisation expects from team members and positively impact the Company's image. Workshops cascaded the behaviours down to familiarise all team members and enable them to understand and be able to contextualise each behaviour in their department and working environment. Internal trainers were recruited and trained at the start of the current year, with workshops starting in August 2021, but these were subsequently postponed due to Covid-19. The workshops restarted in April 2022, will be completed in the 2023 financial year and will be followed by an engagement survey.

The Service Excellence Programme from Up Your Service by Ron Kaufman was implemented in collaboration with the IBL Training Academy. The HR and Talent Development Manager was certified as a workshop leader and 47 team members from the Refrigeration Department were certified as Service Excellence Champions. These champions will help to drive service excellence within their department. Another trainer is in the process of being certified. Eventually the company trainers will foster the training to the whole work force in the forthcoming years.

A sales training academy was launched to align and benchmark the approach to sales and share best practices. The induction programme was reviewed and digitalised for all new recruits to facilitate their integration. Workshops were also held for all supervisory staff and managers on the Workers Right Act. Environmental and sustainability awareness sessions were held across the Company to align team members and entrench responsible business practices.

Job evaluations have been aligned to the HAY system to ensure equity and alignment of salaries and benefits across the Company. This process has been completed for all staff and we are preparing to roll it out to the operations. The performance management system, which includes key indicators, objectives and competencies, is being rolled out to all levels in the Company continues.

Talent management and skills development

Our capacity-building initiatives balance the immediate operational job-related skill development of the current workforce with the long-term strategic requirements to build analytical and technical competencies.

Covid-19 impacted our ability to deliver training during the year. In response, we increased the number of virtual learning sessions with around a third of all programmes run online during the year. We also implemented apprenticeship schemes sponsored by the Human Resources Development Council and provided inhouse training sessions conducted by internal trainers. In total 97% of programmes scheduled have been completed.

The challenging economic conditions affected both the Company and our team members, and we provided food vouchers to those below a certain income in May and June when fuel and food prices increased significantly.

The talent management programme includes detailed personal development plans to support skills development and succession planning. An accelerated personal development programme fast tracks identified high potential team members.

PhoenixBev partners with the Mauritius Institute of Training and Development, The Youth Employment Programme, The Dual Training Programme and The Trainee Engineer to build the technical talent pool. Through these schemes, eleven apprentices were enrolled in the refrigeration, laboratory and engineering departments during the year.

Investment in training and development decreased to MUR 6.3 million in 2022 (2021: MUR 6.5 million) as some training sessions were postponed due to Covid constraints.

The Company sponsors students at the University of Mauritius and at various technical schools to develop the future pipeline of potential leadership and technical skills required by the Group. We also accommodate candidates under the Youth Empowerment Programme.

Diversity and inclusion

PhoenixBev is an equal opportunity employer and is committed to providing a workplace that is free of all forms of unfair discrimination. We do not tolerate discrimination in any way, shape or form, be it racial, sexual or otherwise, in hiring, promotion and the general supervision of work. Reports of harassment, discrimination and other questionable or unethical behaviour are promptly investigated, and we take appropriate action where necessary. An equal opportunity policy is in place and communicated to all team members.

Typical work in the beverages industry is less attractive for most women as it includes physically demanding labour and nightshifts. As a result, 90.4% of team members are men and people with disabilities make up less than 0.5% of the workforce. Trends such as increasing automation are shifting the skills needed from physical capacity to technical knowledge and are likely to improve opportunities for women and people with disabilities over time. We are exploring introducing ISO 21542 to improve usability and accessibility for people with disabilities at our operations.

Women in management increased to 33% in 2022 (2021: 30%). The average age of the workforce remained at 39 in 2022 and foreign nationals make up less than 0.25% of the workforce.

Ethics and human rights

PhoenixBev is committed to ethical business practices and full compliance with all legal requirements. The Code of Ethics (the Code) sets out the principles that guide the way we act and establishes the standards of behaviour required in the Company. Contractors are expected to abide by our ethical standards set out in the Codes.

The Code is based on the principle of respect for all stakeholders and our values and the principles underlying our actions align with the fundamental principles of human rights. These include those contained in the International Labour Organisation (ILO), particularly the ban on child labour and forced or compulsory labour, the Workers Relations Act as well as the Workers' Rights Act, Occupational Safety Health and Welfare Act. Team members can raise concerns and grievances with their supervisors, direct managers, the HR department or the CEO as per the established procedure in place.

Training on the Code is provided to new team members at induction and existing team members repeat induction training every second year to regularly refresh their understanding of the Company's position on safety, ethics and other new procedures, protocols, policies and new laws that have been recently implemented.

The Code was updated in February 2022 and shared with all team members. Sensitisation sessions were also held through the Comité d'entreprise.

As a partner of The Coca-Cola Company, PhoenixBev subscribes to the Coca-Cola Supplier Guiding Principles (SGPs), which emphasise the importance of responsible workplace policies and practices that comply at a minimum with applicable environmental laws and with local labour laws and regulations. The SGPs cover a range of human rights issues including freedom of association and collective bargaining, child labour, forced labour and abuse of labour, discrimination, work hours and wages, providing a safe and healthy workplace, protecting the environment, business integrity, compliance and grievance mechanisms. PhoenixBev is regularly audited to assess compliance with these requirements and has been certified accordingly. Suppliers and contractors involved in the supply chain for Coca-Cola products are required to commit to the SGPs and are certified by The Coca-Cola Company.

Focus for 2023

We will continue the roll-out of the values and service excellence programmes and extend these programmes to Rodrigues. Following the completion of the Our DNA values programme, we will conduct an employee engagement survey.

Human capital data	2022	2021	2020
Workforce breakdown			
Full-time employees (number)	1 704	1 654	1 685
– Mauritius	1 586	1 538	1 577
– Réunion	118	116	108
Gender representation in management (%)			
– Men	67.3	70.0	70.3
– Women	32.7	30.0	29.7
Gender representation in the workforce (%)			
– Men	90.4	91.6	91.5
– Women	9.6	8.4	8.5
People with disabilities (%)	0.6	<1	<1
Average age (years)	39	39	39
Foreign nationals (%)	0.3	<1	<1
Fines for breaches of labour law (number)	–	–	–
Safety			
Total work-related accidents (number)	109	126	72
– Fatalities	–	–	–
– First aid cases	45	47	30
Days lost to injuries (days)	466	626	386
Total injury frequency rate per 200 000 man-hours	6.4	7.6	4.3
Severity rate (days lost per injury)	4.3	5.0	5.4
Average days sick leave per team member (days)	10	8	10
Absenteeism rate (%)	4.8	4.7	3.2
Total spend on health and safety (MUR million)	23.6	20.0	17.4
Health and wellness			
Covid-19 cases (number)	221	–	–
Covid-19 recovery rate (%)	99	–	–
Vaccinations (% of workforce)	91	–	–
Medical surveillance tests (number)	677	601	350
Eye tests (number)	300	245	113
Training and development			
Team members trained (number)	1 622	1 611	1 620
Spend on training and development (MUR million)	6.3	6.5	7.1
Average training spend per team member (MUR)	3 722	4 035	4 383

NATURAL CAPITAL

We are committed to contributing towards a sustainable future for our islands by understanding the growing issues and impact that resources can have on the environment. This includes responsible management of our impact on natural resources and participating in collaborative solutions to address environmental challenges. Our strategic focus on achieving world-class execution means that we continually seek to optimise manufacturing processes, improving water and energy use efficiency and reducing waste and emissions.



Natural capital inputs

- 818 210 m³ of water withdrawn
- 1 251 tonnes of post-consumer PET collected
- 172 342 GJ of energy consumed
- Sugar, hops, malt, fruit pulp and CO₂

Preserving and sustaining value

- PhoenixEarth officially launched in December 2021
- Installed solar system to preheat water feeding the chillers bringing down grid electrical energy used as the Limonaderie
- Rainwater harvesting system installed at Nouvelle-France
- Partnerships to reuse and recycle waste
- Further solar PV installations planned

Capital outcomes in 2022

- Expansion of PhoenixEarth as our sustainability hub
- 160 kWh of solar PV installed at the Limonaderie
- 1 535 m³ of capacity added to harvest rainwater
- 230 tonnes of ash and 836 tonnes of glass waste diverted from landfill

SDG targets

- Improve facilities at our operations to increase efficiency, productivity and employee well-being.
- Provide a safe and accident-free workplace
- Set up engagement tools to boost team members' morale
- Implement systems to support safe working conditions during Covid-19
- Rainwater harvesting projects are being investigated
- Improve primary packaging collection
- Installation of further solar energy system



Environmental management

Water, energy and waste management are our priority operational environmental focus areas. Although we have identified SDG 13 (Climate Action) as our primary environmental SDG, water (SDGs 6 and 14), energy (SDG 7) and life on land (SDG 15) are directly linked to environmental responsibility and contribute to SDG 13.



PhoenixEarth was officially launched in December 2021 and represents the sustainability pole of PhoenixBev Group. The initiative aims to raise awareness of sustainability and environmental concerns, both within the Company and in broader society. Internally, various projects aim to deepen the sustainability culture in the Group and ensure that all team members and planned projects consider our chosen SDGs and the broader ESG impacts of our activities.

We are finalising a long-term sustainability strategy and as part of the process conducted awareness sessions with senior management and employees to emphasise the importance of sustainability to the Group and to get them to contribute and commit to our sustainability vision.

Environmental management systems are in place at all facilities aligned with ISO 14001, the international environmental management system standard. The Limonaderie, Nouvelle France and Edena units are certified in terms of ISO 14001 and the brewery facility is preparing for ISO 14001 certification.

Water usage and management

PhoenixBev is conscious of the importance of water and using it responsibly. Without water, the fruit, hops, barley, sugar and other natural ingredients we use to make our beverages cannot grow. Water is also used in the production process to clean and sanitise bottles and equipment, and interruptions to water supply could stop production. As an essential ingredient of beverages, water quality directly affects the taste and quality of our products.

Water is drawn mainly from local aquifers and on-site water storage tanks reduce the risk of supply interruptions. We constantly monitor the abstraction rate, water quality and ground water recharge. As part of the operating requirements of The Coca-Cola Company (KORE), we carry out in-depth quantitative and qualitative water source vulnerability assessments (SVAs) every five years, which includes updating the source water protection plan.

Capital investments to improve production efficiencies also improve the efficiency with which we use water and energy.

Harvested rainwater is used for washing delivery vehicles at the garage at Phoenix and another rainwater harvesting system was installed at Nouvelle France during the year that will reduce water withdrawal from aquifers by an estimated 3 600 m³ a year. Further rainwater harvesting projects are being investigated at other sites.

The Top 10 Water Tools initiative provides an internal checklist of critical issues in sustainable water management and improving water efficiency.



Reducing plastic pollution and waste

Plastic pollution has aesthetic and broader impacts, significantly affects water and sea-life, and is recognised globally as one of the most significant environmental issues. The natural beauty of island nations such as Mauritius and Réunion is a significant asset and tourism is a key driver of GDP and job creation.

Playing a part in preventing pollution is therefore not only ethical business, it also supports future financial returns by ensuring growth in the tourism industry. Litter and packaging waste can also affect our corporate reputation when packaging from our products is not disposed of responsibly by consumers.

PhoenixBev is committed to playing a leading role in finding solutions to plastic pollution and waste, and we engage with the authorities on an ongoing basis in this regard. The government of Mauritius is taking steps to reduce plastic waste and pollution, with a particular focus on PET waste.

As a packaging material, plastic is easily recyclable, has a lower carbon footprint than other packaging materials such as glass bottles and can be highly sustainable when included in a circular economy. Our focus is on reducing the amount of plastic waste while raising consumer awareness and supporting projects that promote a circular economy to reduce littering and the amount of plastic waste that ends up in waterways and the ocean.

NATURAL CAPITAL

CONTINUED

Initiatives include:

- ensuring that the majority of the packaging we produce is reusable, compostable or recyclable (currently 96%).
- retrieving packaging from the market. Currently around 45% of all plastic packaging we put into the market is collected back and recycled. Our goal is to reach the point where 100% of our primary packaging can be collected back, recycled or reused Lightweighting packaging.
- during the year, we changed to a lighter bottle design, reducing the amount of PET used by 2% to 6% on larger bottle sizes and around 10% to 20% on smaller units;
- building relationships with recyclers and collectors to improve monitoring, collection and recycling;
- working with various stakeholders to improve the PET collection circuit in public areas including by sponsoring collection bins, supporting local partners to increase waste collection, promoting innovative ways to increase recycling and upcycling, and partnering with eco-conscious social media influencers and NGOs that raise awareness about recycling;
- working with The Coca-Cola Company on recycled PET (rPET) standards; and
- investigating local solutions and local partnerships to promote plastic collection and recycling on Réunion Island.

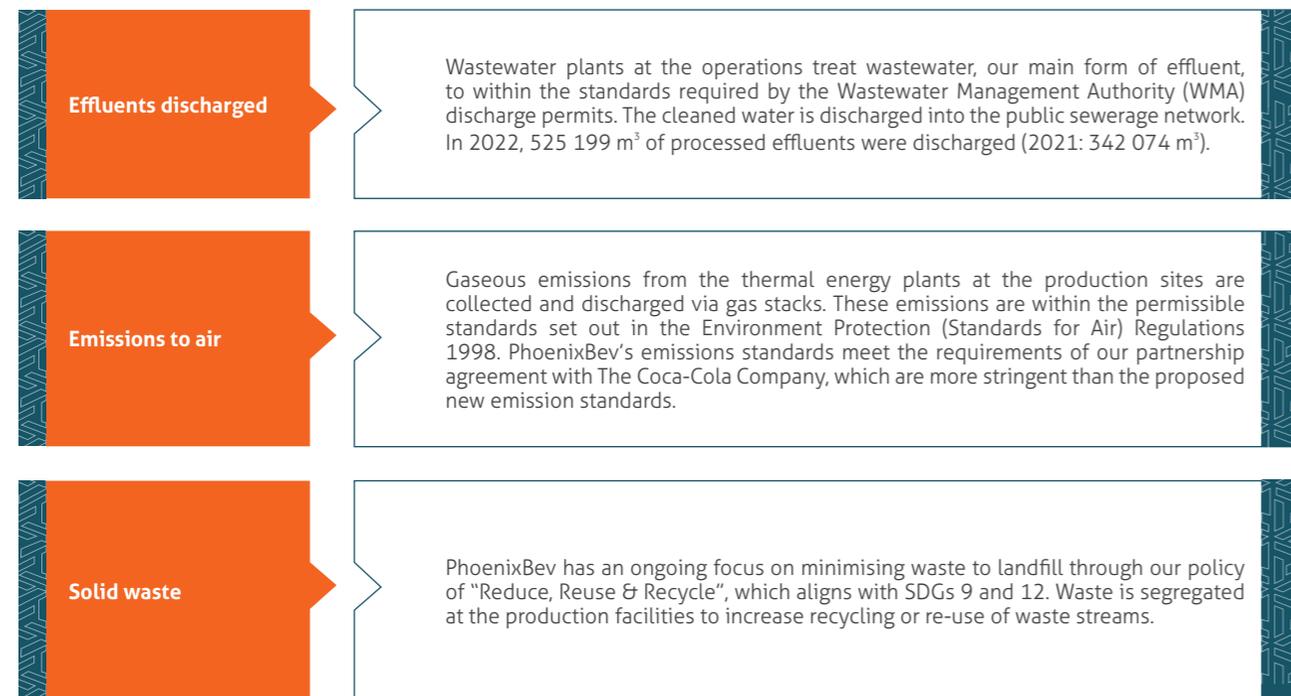
In 2022, 1 251 tonnes of post-consumer PET bottle packaging were collected in collaboration with local producers and collectors (2021: 1 349 tonnes). This plastic is exported for recycling and in 2022, PhoenixBev paid MUR 11.3 million to recyclers for this purpose (2021: MUR 11.4 million).

PhoenixBev partners with other IBL group companies and the Mauritius Port Authority to assist in cleaning up the Caudan Harbour. In the year to 30 June 2022 this initiative collected seven tonnes of waste, of which 57% was plastic waste (including PET, HDPE and other forms of plastic).

Waste management

Our main waste streams include effluent water, emissions to air and solid waste. We continually seek to identify ways to reduce waste produced, with a focus on recycling, reuse and valorisation to reduce waste to landfill. A waste dashboard system accurately captures solid waste data to improve monitoring of this waste stream.

Primary waste streams



Carbon emissions and energy

PhoenixBev recognises the significant impact that climate change could have on our business and the countries in which we operate. Small island nations such as Mauritius and Réunion Island are particularly vulnerable to the consequences of climate change, which include rising sea levels, changing rainfall patterns and increased frequency and intensity of extreme weather events such as heavy rainfall, flash floods and cyclones.

We are committed to reducing our carbon emissions to support the global response to global warming and are at an early stage of considering a formal climate change commitment.

Our main source of carbon emissions is from energy use, including electricity from the public grid, coal and heavy fuel oil for heating in the production processes, and diesel and LPG for transport and logistics. Energy efficiency initiatives are included in the requirements for ISO 14001 certification and include the implementation of the Top 10 Energy Tools, which are currently at 60% completion.

We have partnered with GreenYellow Indian Ocean to identify opportunities to save energy and GreenYellow has deployed energy efficiency and power reduction solutions at our operations.

We continue to invest in upgrading and modernising our production, warehousing and distribution facilities. These enhancements improve efficiencies, ensure exceptional product quality, reduce our environmental impact and increase capacity for future demand. We installed overall equipment effectiveness (OEE) analysers in the brewery to improve production monitoring, trialled washable labels and upgraded measurement of dissolved oxygen in brewery process water and finished product.

We are installing water chillers in the brewery to improve sealing during filling, which will also reduce water use. At the Limonaderie, we installed a solar system to preheat water feeding the chillers, reducing electricity use, our reliance on fossil fuels and our carbon footprint. The data we are gathering from this installation will guide the rollout of other possible installations at our facilities.

We are running a pilot project with two electric delivery vehicles to assess the feasibility of replacing our current fleet with electric vehicles over short-to-medium term. We have also engaged experts to assess our water and energy use to inform an energy audit, carbon footprint calculation and improve wastewater management.

NATURAL CAPITAL

CONTINUED

Availability and quality of natural ingredients

PhoenixBev's ability to meet market demand for quality beverages depends on our ability to secure a consistent supply of natural ingredients that meet our stringent quality standards. Critical natural ingredients we use as inputs include water, malt and hops for beer, sugar and fruit pulp for other drinks. Carbon dioxide (CO₂) is used to carbonate beverages.

We mitigate supply chain risk by ensuring that we have more than one supplier in place for key ingredients wherever possible. Suppliers are engaged and evaluated on an ongoing basis with quality conformance to specification and sustainability being key criteria. Suppliers in the supply chain for Coca-Cola products commit to the Coca-Cola Supplier Guiding Principles and are certified by The Coca-Cola Company.

Focus for 2023

We are engaging a number of experts to help us refine effluent management, to identify areas for improvement through an energy audit and to start the process of calculating an overall carbon footprint for the Group. We will continue our electric vehicle pilot and gather data from our current solar installation to inform the roll-out of further installations

CASE STUDIES

PhoenixEarth INITIATIVE

World Clean-up Day 2021

PhoenixBev is committed to responsible consumption and production, and to having a positive impact on our ecosystem. The group partnered with the municipality of Vacoas-Phoenix on World Clean-up Day (September 18) to organise a clean-up campaign in the area. Various partners and local volunteers participated, including the mayor of Vacoas-Phoenix, the CEO of PhoenixBev and the president of the Rotary Club of Ebène. The clean-up started at Morcellement Basalt which covers a number of areas and two rivers. In addition to collecting litter and waste, several trees were planted on the banks of the rivers.

Changing to clear to promote recycling

From January 2022, PhoenixBev changed Crystal Sparkling brand bottles from green to clear to improve their recyclability. While the previous green bottles were recyclable, clear PET is more highly valued by recyclers as it increases the options for reuse of the recycled material. The switch to clear will improve recycling rates and increase the shift to the circular economy.

Financial capital 2022

2022 was a challenging year for everyone and PhoenixBev was not an exception. The Russia-Ukraine conflict that started in February 2022 significantly exacerbated the challenges created by the Covid-19 pandemic. The Group is carefully monitoring the impact of both Covid-19 and the war in Ukraine on our current operations and we are cautiously evaluating potential future implications. Despite the difficult conditions, PhoenixBev successfully navigated these challenges and continues to create value for all its stakeholders.

Our operations in Mauritius were affected by the escalating inflation rate, partly fueled by the depreciation of the MUR against the dollar. Profitability came under pressure from several factors, including the ongoing supply chain issues resulting from the current geopolitical tensions and instability; rising fuel, energy and freight costs; the increased lead time of imports and the high cost of raw materials. Our efforts as a team to lessen these impacts were largely successful and the gross profit margin reduced only slightly from **23.9%** in 2021 to **22.5%** in 2022.

Most of our raw materials are imported and settled in dollars, while our revenue is primarily earned in MUR and Euros. We therefore had to devise new strategies and look for other opportunities to mitigate the impact of the unfavorable macroeconomic conditions. Wherever possible we sourced new suppliers or renegotiated payments terms with existing suppliers, enhanced efficiencies, and controlled internal costs to protect our profit margin. Given the lack of visibility on the duration of the current challenges, we chose to pass only part of the increased costs to our customers by trying to balance inflationary pressures between our suppliers and customers to smooth the impact on our margins.

The Company's profit in 2022 was also affected by two exceptional transactions. The first of these relate to the preliminary expenses for an aborted acquisition of a beverage company based in the United Kingdom. These expenses were largely offset at the Company level by the reversal of a group long-term receivables provision. However, the long-term provision reversal has no effect at Group level and the full impact of the preliminary acquisition costs can be seen in the decrease in Group profit.

Our operations in Réunion Island recovered well. Profit after tax for the year increased by **56.6%** from Euro **1.59** million (MUR 75.5 million) in 2021 to Euro **2.49** million (MUR 120.3 million). The improved performance is mainly attributed to higher sales volume and improved sales mix. Inflationary pressure in Réunion Island was also less severe than in Mauritius. However, at Group level, this improved performance was offset by a reduced contribution from our subsidiary, Phoenix Beverages Overseas Ltd, as a results of exchange rate fluctuations.



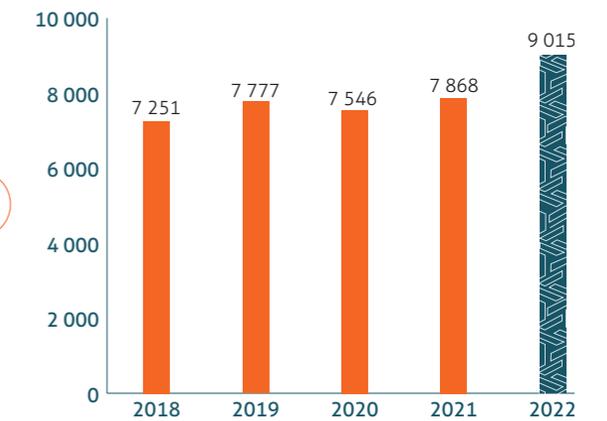
Sales volume and revenue

Sales volumes in Mauritius and in Réunion Island increased by **6.2%** and **2.5%** respectively. The progressive removal of Covid-19 restrictions and re-opening of hotels boosted the Mauritian economy and contributed to improved sales.

Turnover at Company level for the year increased by **14.8%** from MUR **6 535** million to MUR **7 502** million. In Réunion Island, turnover increased from EUR **28.3** million (MUR 1348 million) in 2021 to EUR **31.3** million (MUR 1516 million) in 2022.

During the year under review, **32%** of Group sales volumes and **18%** of turnover were derived from our foreign operations.

Revenue – MUR.M



Cost of sales and gross profit

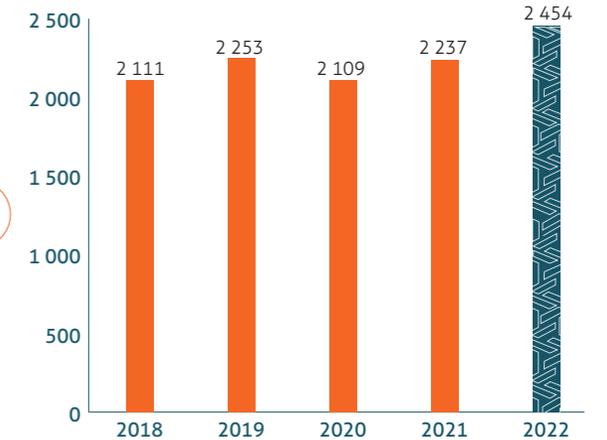
Manufacturing costs increased by **26.1%** and **23.4%** at Company and Group level respectively, mainly driven by increased volumes and prevailing macroeconomic conditions.

Excise and other specific taxes in Mauritius increased by **7.6%** reflecting increased volumes and the increase in excise tax on alcoholic products in June 2021 and June 2022.

Group gross profit increased by **9.7%** from MUR **2 237** million to MUR **2 454** million and by **8.0%** at Company level from MUR **1 560** million to MUR **1 685** million.

Group gross profit increased at a compounded annual growth rate of **3.8%** from 2018 to 2022.

Gross profit – MUR.M



Marketing, warehousing, selling, distribution and administrative expenses (MWSDA)

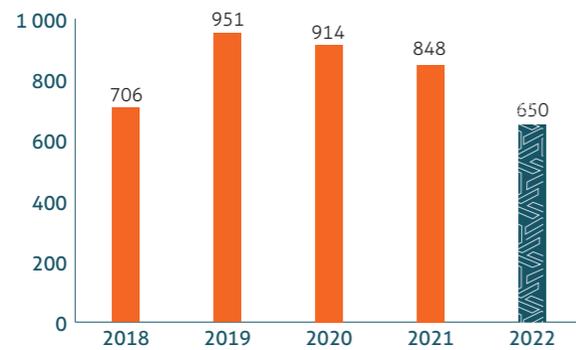
MWSDA expenses increased by **8.1%** and **7.5%** at Group and Company level respectively. The prevailing inflationary pressures and depreciation of the MUR against the dollar had a direct impact on the expenses at both Company and Group levels.

Borrowings and Gearing

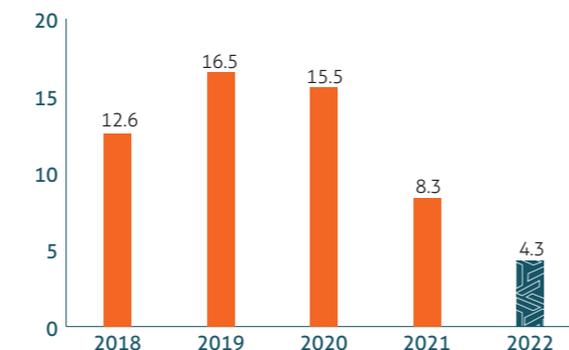
No new long-term bank loans were contracted at Group or Company level during the year as all capital expenditure was financed from operating cash flows. Group borrowings reduced by MUR 120.2 million from MUR 530.6 million to MUR 410.3 million, with Group gearing decreasing from 8.3% to 4.3%. The low gearing gives space for the Group for new investment opportunities in line with our strategy of diversifying our geographical reach.

In total 34.1% of Group gross interest-bearing debt at financial year-end was denominated in Mauritian Rupees and 65.9% in Euros.

Borrowings – MUR.M



Gearing (%)



Earnings and EBITDA

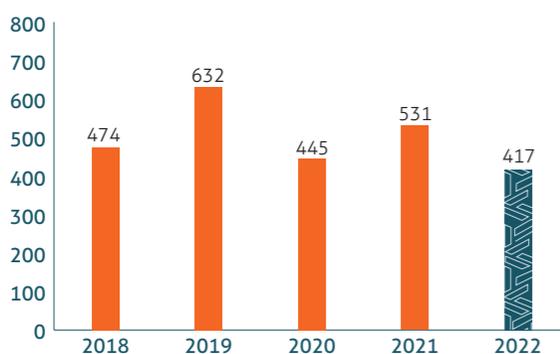
Group net profit for the year decreased by 21.5% to MUR 416.8 million with our activities in Réunion Island contributing MUR 120.3 million (2021: MUR 75.5 million). The fall in Group profit is mainly attributable to the preliminary expenses incurred for the aborted acquisition of a UK-based company and the impact of the depreciation of the Euro on Phoenix Beverages Overseas Ltd.

Group EBITDA remained in line with last year at MUR 1 071 million (2021: 1 079 million) and EBITDA at Company level increased 16.7% from MUR 783.6 million to MUR 914.4 million.

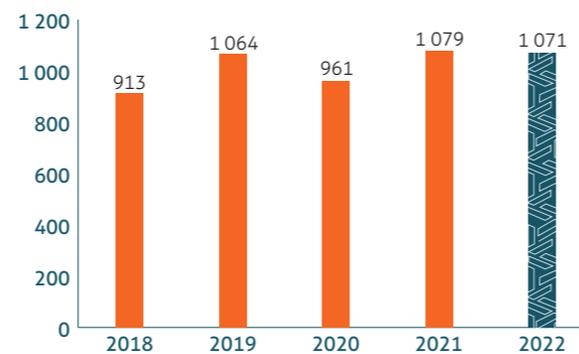
From 2018 to 2022, Group EBITDA increased at a compounded annual growth rate of 4.1%.

During the year under review, 23.9% of Group operating profit was derived from our foreign operations.

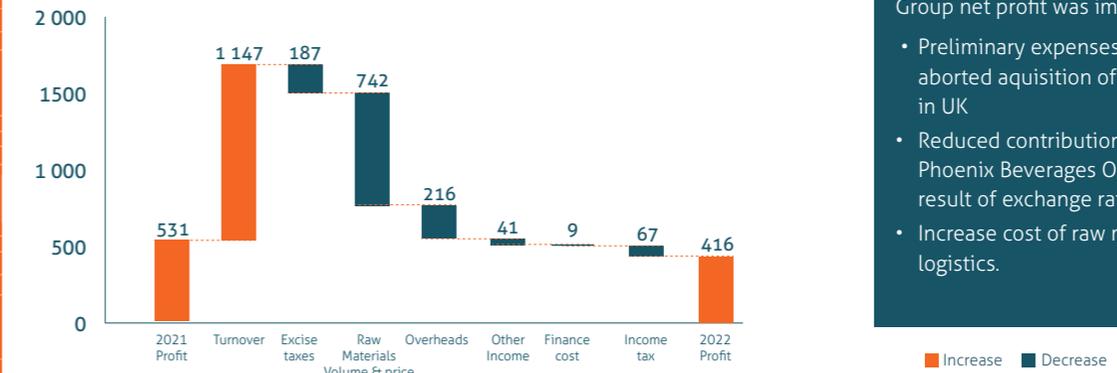
Profit – MUR.M



EBITDA – MUR.M



Net Profit reconciliation – MUR.M

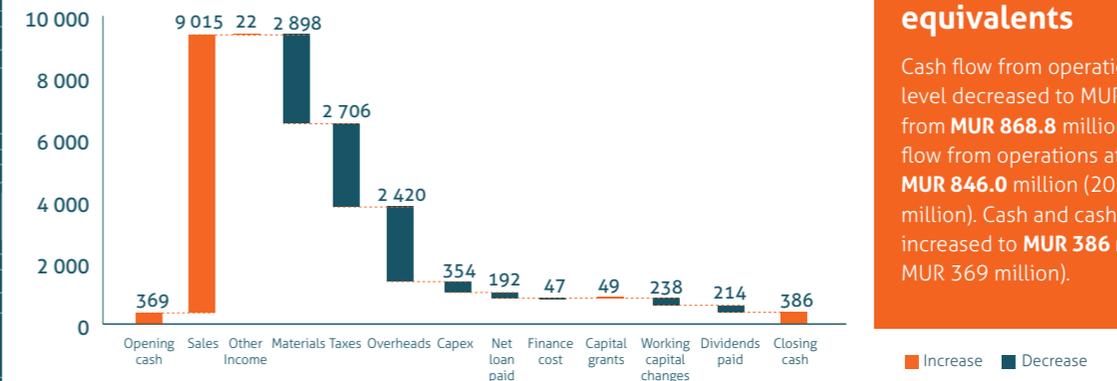


Group net profit

Group net profit was impacted by:

- Preliminary expenses incurred for the aborted acquisition of a beverage company in UK
- Reduced contribution from our subsidiary Phoenix Beverages Overseas Ltd, as a result of exchange rate fluctuations
- Increase cost of raw materials and logistics.

Cash Flow Highlights – MUR.M



Cash flow and cash equivalents

Cash flow from operations at Company level decreased to MUR 738.9 million from MUR 868.8 million in 2021. Cash flow from operations at Group level was MUR 846.0 million (2021: MUR 1 054.3 million). Cash and cash equivalents have increased to MUR 386 million (2021: MUR 369 million).

Capital expenditure and depreciation

The Group invested MUR 351 million in capital expenditure during 2022, which mainly relates to:

- installation costs for the launching of our new Manawa craft beer;
- acquisition of bottles and crates;
- improvements in computer hardware and software.

The substantial capital expenditure in the past five years demonstrates the Group's commitment to further developing its production capabilities in line with our product and regional expansions strategy.

Capital expenditure and depreciation – MUR.M

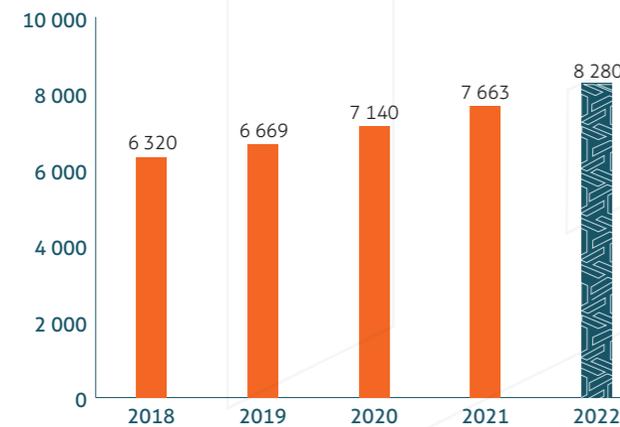


Equity and shareholders' return

Total equity increased by **9.3%** from MUR **5.078** billion to MUR **5.552** billion. The company paid a dividend of MUR **13.30** per share for the year (2021: MUR 12.80).

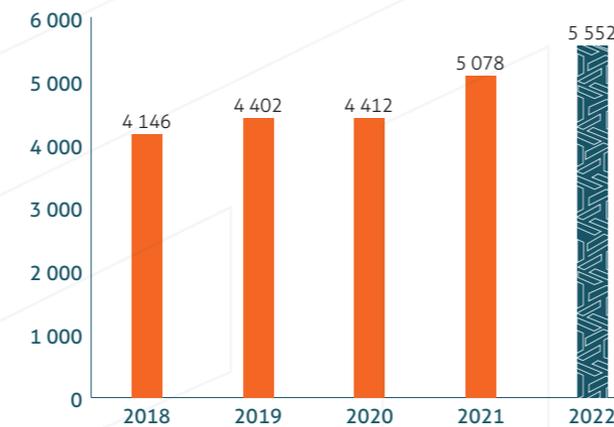
Total shareholder return for the year, being the combination of share price appreciation and dividends paid, was **2.2%** (2021: -0.2%) and return on equity decreased to **7.8%** (2021: 11.2%).

Total assets – MUR.M



The compound annual growth rate in total assets over the last five years was 7.0%.

Shareholder's equity – MUR.M



The compound annual growth rate in shareholder's equity over the last five years was 7.5%.

	Year 2022		Five-year period (2018–2022)	
	MUR	%	MUR	Annualised %
Capital appreciation	–	–	145.00	5.69%
Dividend received	13.30	2.22%	63.10	2.13%
Holding period return	13.30	2.22%	208.10	7.82%

Total shares traded	Average daily volume traded
2022: 406 689 (2.5% of total)	2022: 1 595
2021: 765 759 (4.7% of total)	2021: 3 027

Share price as at 30 June	Market capitalisation as at 30 June
2022: MUR 600	2022: MUR 9.9 Bn
2021: MUR 600	2021: MUR 9.9 Bn

Highest share price	Lowest share price
2022: MUR 615	2022: MUR 592
2021: MUR 630	2021: MUR 573

PhoenixBev's share price increased by **31.8%** over the last five years with an annualised return of **5.7%**. The annualised total Shareholders Return (including dividends) over the last five years is **7.8%**.

Share price performance (Five years trend vs SEMDEX)

Five-year share price-indexed 100 at 30 June 2017



CASE STUDIES



Reducing our environmental impacts

As part of our sustainable development strategy, PhoenixBev recently installed solar panels in partnership with Green Yellow at the Limonaderie. Renewable energy from the solar system is powering the coolers at the facility, reducing energy consumed from fossil fuels.

A new rainwater recovery system was installed at our Nouvelle France site to reuse rainwater for internal use, reducing consumption from groundwater sources.

We also bought two PhoenixEarth-branded electric vehicles to test the feasibility of moving away from diesel and petrol powered delivery vehicles. If the pilot is successful, we will investigate shifting to a clean energy fleet powered by solar energy.



VALUE ADDED STATEMENT

	2022 MUR '000	%	2021 MUR '000	%
Turnover including value added tax	9 683 939		8 503 617	
Less: Paid to suppliers for materials and services	(4 089 031)		(3 197 092)	
Value added	5 594 908		5 306 525	
Other operating income	18 968		56 764	
Total wealth created	5 613 876		5 363 289	
Distributed as follows:				
Members of staff				
Remuneration and benefits	1 035 805	19	1 009 015	19
Providers of capital				
Dividends	218 745		210 522	
Interest	31 497		38 147	
	250 242	4	248 669	5
Government taxes				
Excise, customs and other specific duties	2 752 896		2 565 513	
Net value added tax	774 941		712 946	
Taxes	136 486		67 410	
	3 664 323	65	3 345 869	62
Reinvested in the Group				
Depreciation and amortisation	464 911		437 601	
Retained profit	198 595		322 135	
	663 506	12	759 736	14
Total distributed and retained	5 613 876	100	5 363 289	100

GROUP FINANCIAL SUMMARY

	2022	2021	2020
Statements of profit or loss and other comprehensive income (MUR M)			
Turnover	9 015	7 868	7 546
Excise and other specific duties	2 648	2 461	2 270
Profit before tax	548	595	514
Profit attributable to shareholders	417	533	446
Depreciation and amortisation	465	438	398
Net interest paid	58	49	49
EBITDA	1 071	1 079	961
Statement of financial position (MUR M)			
Total assets	8 280	7 663	7 140
Net indebtedness	248	462	810
Working capital	893	771	455
Shareholders' fund	5 552	5 086	4 420
Net asset value per share (MUR)	337.58	308.72	268.28
Cash flow (MUR M)			
Net cash generated from operating activities	742	927	757
Performance ratio			
Earnings per share (MUR)	25.37	32.39	27.13
Net return on equity (%)	7.85	11.21	10.11
Net profit margin (%)	4.62	6.75	5.89
Liquidity and gearing ratio			
Current ratio (%)	151.37	153.14	135.06
Gearing ratio (%)	4.28	8.34	15.51
Interest cover (times)	10.49	13.10	11.47
Dividends			
Dividends declared (MUR M)	218.75	210.52	210.52
Dividends per share (MUR)	13.30	12.80	12.80
Dividend yield (%)	2.22	2.13	2.08
Dividend cover (times)	1.91	2.53	2.12
Market data			
Market price per share (MUR)			
High	615.00	630.00	625.00
Low	592.00	573.00	520.00
Closing (30 June)	600.00	600.00	614.00
Market capitalisation (MUR Bn)	9.8682	9.8682	10.0985
P/E ratio (times)	23.65	18.53	22.63

GOVERNANCE AND OUR LEADERSHIP

- 82 Board of directors
- 88 Senior management team
- 90 Corporate governance report
- 114 Statement of compliance

BOARD OF DIRECTORS

1

Arnaud Lagesse

2

Jean-Claude Béga

3

Jan Boullé

4

François Dalais

5

Guillaume Hugnin

6

Hugues Lagesse

7

Thierry Lagesse

8

Sylvia Maigrot

9

Catherine McIlraith

10

Patrick Rivalland

11

Bernard Theys



BOARD OF DIRECTORS

CONTINUED



1. ARNAUD LAGESSE

Non-Executive Chairperson
Appointed to the Board in 1998
and as Chairperson in 2017
Citizen and resident of Mauritius

Skills and Experience

Arnaud Lagesse is the Group CEO of IBL Ltd. He is one of the Mauritian private sector's most prominent leaders and is known to drive IBL Group with innovative and challenging undertakings. In 2016, he initiated the merger of GML Investissement Ltée and Ireland Blyth Limited and created the new entity IBL Ltd which thus became the n°1 group in Mauritius and second largest group in the region excluding South Africa.

Qualifications and Professional Development

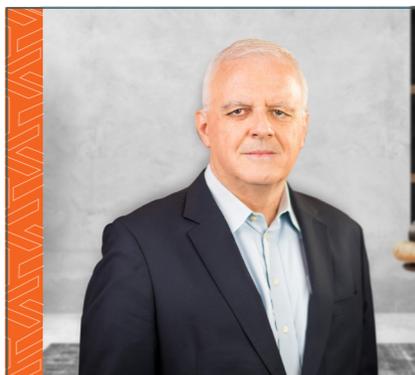
- Breakthrough Executive Programme – Egon Zehnder-Mobius, Portugal
- Advanced Management Programme (AMP180) – Harvard Business School, United States
- Executive Education Programme – INSEAD, France
- Graduated from the Institut Supérieur de Gestion – Paris, France
- Masters in Management – Université d'Aix-Marseille II, France

Core competencies

- Business and Finance
- Deal Structuring
- Strategic Business Development

External appointments on listed companies

- IBL Ltd
- Phoenix Investment Company Limited



2. JEAN-CLAUDE BÉGA

Non-Executive Director
Appointed in 2011
Citizen and resident of Mauritius

Skills and Experience

Born in 1963, Jean-Claude Béga started his career in 1980, spending seven years as an external auditor before moving to a sugar group to perform various functions within accounting and finance and then joining GML in 1997 as Finance Manager. He is currently the Group Head of Financial Services and Business Development of IBL Ltd and was also appointed an Executive Director of that company in 2018.

Jean-Claude is a member of the Audit and Risk Committee of the Company.

Qualifications and Professional Development

- Fellow of the Association of Chartered Certified Accountants

Core Competences and Contribution

- Finance
- Mergers and Acquisitions
- Strategic Business Development

External appointments on listed companies

- BlueLife Limited
- IBL Ltd
- Lux Island Resorts Ltd
- The Bee Equity Partners Ltd
- The United Basalt Products Limited



3. JAN BOULLÉ

Non-Executive Director
Appointed in 2000
Citizen and resident of Mauritius

Skills and Experience

Jan Boullé worked for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships, his last position being Group Head of Projects and Development. He was appointed as Chairman of IBL Ltd, the ultimate holding company of PhoenixBev, on 1 July 2016. Jan Boullé is also a member of the Audit and Risk Committee as well as of the Corporate Governance Committee of the Company.

Qualifications and Professional Development

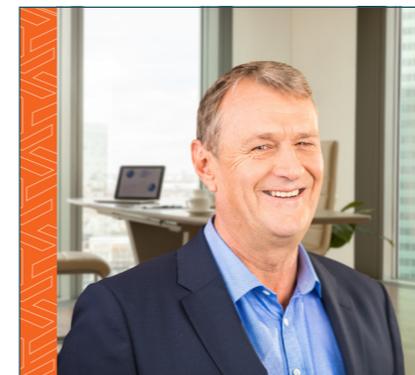
- Qualified as an Ingénieur Statisticien Economiste, France
- Pursued post graduate studies in Economics at Université de Laval, Canada

Core Competences and Contribution

- Strategic Business Development
- Hospitality
- Real Estate Development

External appointments on listed companies

- Alteo Limited
- BlueLife Ltd
- IBL Ltd
- Lux Island Resorts Ltd
- Phoenix Investment Company Limited
- The United Basalt Products Ltd



4. FRANÇOIS DALAIS

Non-Executive Director
Appointed in 1992
Citizen and resident of Mauritius

Skills and Experience

François Dalais is the co-founder and director of the Mauritius Freeport Development Ltd, Sugarex Ltd, Tropical Cubes Ltd, Atcomm Group and a director of Metier Intl and Caulea Ltd. He also sits on the Board of a number of private companies in Mauritius and abroad.

Qualifications and Professional Development

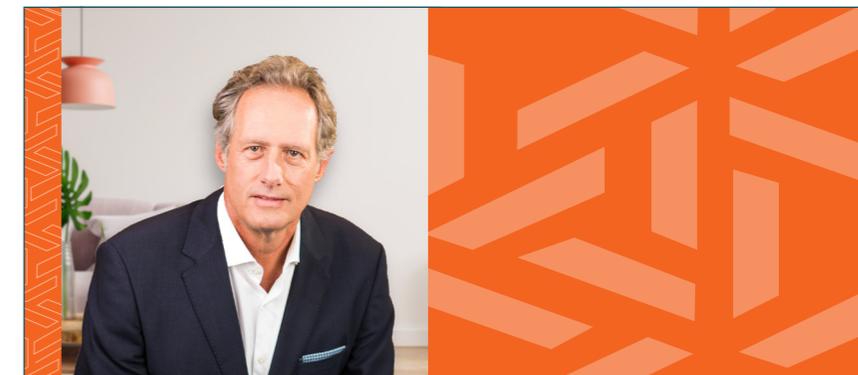
- Diploma in Business Administration, London

Core Competences and Contribution

- Trading
- Strategic Development
- Management

External appointments on listed companies

- Phoenix Investment Company Limited



5. GUILLAUME HUGNIN

Non-Executive Director
Appointed in 2009
Citizen and resident of Mauritius

Skills and Experience

Guillaume Hugnin worked in South Africa and Australia for several years before joining the Eclasia Group of Companies in 1993. He is currently Head Group Exports of the Eclasia Group. He has participated in the creation and/or the development of many of Eclasia's companies. He has vast experience in international trade and logistics. He participated in many trade negotiating forums at SADC, and Comesa. Based at the Group's Corporate Office, he heads the Eclasia Group Export Division.

Guillaume has directorships in the FMCG sector, the hotel industry and is the past Chairman of the Mauritius Exporters Association (MEXA). He has also acted as Council member of the Joint Economic Council (JEC). He sits on the board of MloD (Mauritius Institute of Directors) and has served as Council member of Business Mauritius. He has been appointed as Director on the board of Mauritius Network Services Ltd (MNS) and Maurinet Investment Ltd (Maurinet).

Guillaume Hugnin has been elected to the council of the Mauritius Chamber of Commerce and Industry (MCCI) of which he was President for 2 consecutive mandates, from July 2019 to March 2022. He is the President of MCCI Business School.

Guillaume Hugnin is also a member of the Corporate Governance Committee of the Company.

Qualifications and Professional Development

- Honours in Economics, University of Cape Town, South Africa
- MBA, University of Surrey, United Kingdom

Core Competences and Contribution

- Corporate Governance
- Strategic Business Development
- Local and Regional Market Knowledge
- International Trade

External appointments on listed companies

- Phoenix Investment Company Limited

BOARD OF DIRECTORS

CONTINUED



6. HUGUES LAGESSE

**Non-Executive Director
Appointed in 2016**

Citizen and resident of Mauritius

Skills and Experience

Hugues Lagesse is the Chief Executive Officer of BlueLife Limited, a real estate company developing property in Mauritius. He has acquired considerable experience and competence in high-end residential market and mixed-use real estate.

Qualifications and Professional Development

- Diploma in administration and finance from Ecole Supérieure de Gestion, Paris, France
- Management Programme from INSEAD, France
- Real Estate Programme from Harvard Business School, United States
- General Management Programme for Mauritius and South East Africa from ESSEC

Core Competences and Contribution

- Real Estate
- Property Development
- Management

External appointments on listed companies

- BlueLife Limited
- IBL Ltd
- Phoenix Investment Company Limited



7. THIERRY LAGESSE

**Non-Executive Director
Appointed in 1998**

Citizen and resident of Mauritius

Skills and Experience

Thierry Lagesse is the Founder of the Palmar Group, a textile and garment-oriented manufacturing company. A visionary entrepreneur in 1999, he also launched a Direct To Home satellite television company in the Indian Ocean Islands. He serves as a director on the Boards of several listed companies on the Stock Exchange of Mauritius.

Qualifications and Professional Development

- Maitrise des Sciences de gestion from Université de Paris Dauphine, France

Core Competences and Contribution

- Entrepreneurship
- Business Development and Finance
- Strategic Business Development
- Manufacturing
- Textile
- Media
- Hospitality
- Sugar

External appointments on listed companies

- Alteo Limited
- IBL Ltd
- Lux Island Resorts Ltd
- Phoenix Investment Company Limited
- The United Basalt Products Ltd



8. SYLVIA MAIGROT

**Independent Non-Executive Director
Appointed in 2017**

Citizen and resident of Mauritius

Skills and Experience

Sylvia Maigrot, born in 1970, is the partner in charge of corporate and business facilitation services at Box Office Ltd and counts more than 30 years' experience in company administration and secretarial practice, corporate governance, managing stakeholders' relationships and dealing with regulatory authorities. She provides transaction advisory services in company restructuring, due diligence and business acquisitions and specialises in the hospitality industry.

She is the Chairperson of the Corporate Governance Committee of the Company

Qualifications and Professional Development

- Associate of the Chartered Governance Institute, United Kingdom

Core Competences and Contribution

- Corporate Law
- Governance
- Administration
- Management
- Compliance

External appointments on listed companies

- None



9. CATHERINE MCILRAITH

**Independent Non-Executive Director
Appointed in 2022**

Citizen and resident of Mauritius

Skills and Experience

Catherine McIlraith, born in 1964, served her articles at Ernst & Young and held many senior positions in the Investment Banking industry in South Africa prior to returning to Mauritius in 2004 to join Investec Bank where she was Head of Specialized Finance and Banking until 2010. Since then, she has served as an Independent Non-Executive Director and as a member of various Committees of a number of public and private companies across various sectors internationally and in Mauritius.

She is the Chairperson of the Audit and Risk Committee of the Company with effect from 1 July 2022.

Qualifications and Professional Development

- Bachelor of Accountancy degree from the University of the Witwatersrand, Johannesburg, South Africa
- Member of the South African Institute of Chartered Accountants since 1992
- Fellow member of the Mauritius Institute of Directors
- Member of the MIOD Directors forum

Core Competences and Contribution

- Audit and Risk
- Corporate Governance
- Banking and Specialized Finance

External appointments on listed companies

- CIEL Limited
- Grit Real Estate Income Group Limited
- MUA Ltd • Astoria Limited
- Les Gaz Industriels Limited
- Paradise Hospitality Group Ltd



10. PATRICK RIVALLAND

**Executive Director
(Chief Operations Officer-
Chief Financial Officer)**

Appointed in 2013

Citizen and resident of Mauritius

Skills and Experience

Patrick Rivalland, born in 1972, worked for BDO and then The Sugar Industry Pension Fund Board before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager. He was appointed as Group Senior Manager Finance and Administration in 2001 and Chief Operations Officer in 2014. He is a past President of the Association of Mauritian Manufacturers.

Qualifications and Professional Development

- Fellow member of the Chartered Association of Certified Accountants

Core Competences and Contribution

- Accounting and Finance
- Management
- Strategy
- Operations
- Fast-Moving Consumer Goods (FMCG) Industry and market knowledge

External appointments on listed companies

- The Mauritius Chemical and Fertilizer Industry Limited



11. BERNARD THEYS

**Executive Director
(Chief Executive Officer)**

Appointed in 2013

Non-citizen and resident of Mauritius

Skills and Experience

Bernard Theys was born in 1965 in Brussels and has held various general management roles in the brewing industry where he has acquired substantial experience in the Fast-Moving Consumer Goods (FMCG) industry.

Qualifications and Professional Development

- Diploma in Economic Science from Louvain University, Belgium
- BBA in Business Tourism Management from ICP
- Several programmes in Executive and Business Education at l'Association Internationale Américaine de Management (MCE) in 1995 and at INSEAD Fontainebleau in France in 2008

Core Competences and Contribution

- Management
- Strategic Business Development
- Specialised in Operations and FMCG Industry

External appointments on listed companies

- None

MANAGEMENT

SENIOR MANAGEMENT TEAM



1. FRÉDÉRIC DUBOIS
Senior Manager
Sales and Distribution

Frédéric Dubois, born in 1979, holds a Master's degree from ISEG business school in France. He worked for more than ten years in the FMCG sector for international companies such as Bacardi Martini Group, Pernod Ricard, JTI, locally and internationally, before joining the Group as Senior Manager – Sales, Distribution and Warehousing in October 2015.



2. JEAN-BRUNO HENRIOT
Senior Manager
Brewery Operations

Jean-Bruno Henriot, born in 1976, joined the Brewery (ex-MBL) in 2001 as Trainee Brewer. He holds a Diploma in Applied Science and Technology and a BSc (Hons) in Agriculture, as well as a Certificate in Brewing from the Siebel Institute. He moved to Madagascar in 2009, holding the position of Senior Technical Manager for five years at the "Nouvelle Brasserie de Madagascar", an operation co-owned at that time by Phoenix Beverages Ltd. He has taken his new role as Senior Manager Brewery Operations since September 2021.



3. GÉRARD MERLE
Senior Manager
Technical Operations

Gérard Merle, born in 1968, has worked in the manufacturing sector for more than 21 years. Before joining PhoenixBev in January 2009 as Senior Manager – Limo Operations, he worked for Boxmore Plastics International. He was appointed Senior Manager – Civil Engineering and Non-Alcoholic Beverages in 2014 and subsequently as Senior Manager - Technical Operations in 2022.



5. DHARAMRAJ NARAYYA
Senior Manager
Human Resources

Rama Narayya, born in 1967, has acquired wide experience in the HR functions whilst working for international companies and local conglomerates. He worked in diverse industries ranging from hotels, bottling, textile and hypermarkets to airlines. He holds three diplomas; Occupational Safety and Health, Human Resources Management and Business Administration. He completed an Executive MBA with IAE Paris Sorbonne Business School.

Rama joined the Group as Senior Manager – Human Resources in September 2014.



6. PATRICE SHEIK BAJJEET
Senior Manager
Marketing

Patrice Sheik Bajjeet, born in 1974, holds a BSc Management Degree from the University of Mauritius and MBA from IAE Paris Sorbonne. After 12 years in the cellular operations industry and leading marketing at Emtel, he spent four years at The Coca-Cola Company regional office. He is also the founder of the first digital and trade marketing agency on the island. He joined Phoenix Beverages Group in January 2015 as Senior Manager – Marketing.



7. ANTIS TREEBHOOBUN
Senior Manager
Business Systems

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



4. DANIEL NARAYANEN
Senior Manager
Supply Chain

Daniel Narayanan, born in 1974, is a Fellow member of the Chartered Association of Certified Accountants. Before joining PhoenixBev in 2004, he worked for De Chazal Du Mée BDO Ltd in the Audit and Assurance division for seven years where he handled a wide portfolio of clients in different industries, together with special consultancy assignments. He started with the Group as Internal Audit Manager with a reporting line to the Audit Committee and after four years took over the management of the procurement department in 2008. He was appointed Senior Manager – Supply Chain in 2019.



8. PATRICK RIVALLAND
Refer to Directors' profiles
on page 87

9. BERNARD THEYS
Refer to Directors' profiles
on page 87



CORPORATE GOVERNANCE

INTRODUCTION

Phoenix Beverages Limited ("PhoenixBev" or the "Company"), incorporated on 9 September 1960, is a Public Interest Entity as defined under the Financial Reporting Act 2004. PhoenixBev is listed on the Official Market of the Stock Exchange of Mauritius Ltd. This Corporate Governance Report sets out how the Company has applied the principles contained in the National Code of Corporate Governance for Mauritius (2016) (the "Code of Corporate Governance").

The Board of Directors (the "Board") affirms its commitment to ensuring that good governance principles are entrenched throughout the PhoenixBev group (the "Group") and reflected in all its business activities.

To the best of the knowledge of the Board, PhoenixBev has complied with the Code of Corporate Governance during the year ended 30 June 2022. The Company has applied all eight principles set out in the Code and explained how these principles have been applied.

This report is available on the PhoenixBev website: www.phoenixbeveragesgroup.mu

PRINCIPLE 1: GOVERNANCE STRUCTURE

Board Charter

The governance structure of PhoenixBev is set out in its Board Charter. The Charter defines the role, function and objectives of the Board, the Board Committees, the Chairperson and the Group Chief Executive Officer ("CEO"). It also sets out how they interact to promote efficient, transparent and ethical functioning and decision-making processes within PhoenixBev.

The Corporate Governance Committee of PhoenixBev had reassessed the adequacy of the aforementioned Board Charter, which was adopted in 2018, during the financial year 2020/2021, and confirmed to the Board of Directors that the Committee was satisfied with the contents of the said Charter and these were still in conformity with the current requirements of the Company and the Group. The Board Charter remains a dynamic document and shall be regularly reassessed by the Board and amended as and when deemed necessary.

The Board Charter is available on the website of PhoenixBev at: www.phoenixbeveragesgroup.mu

Management Contract

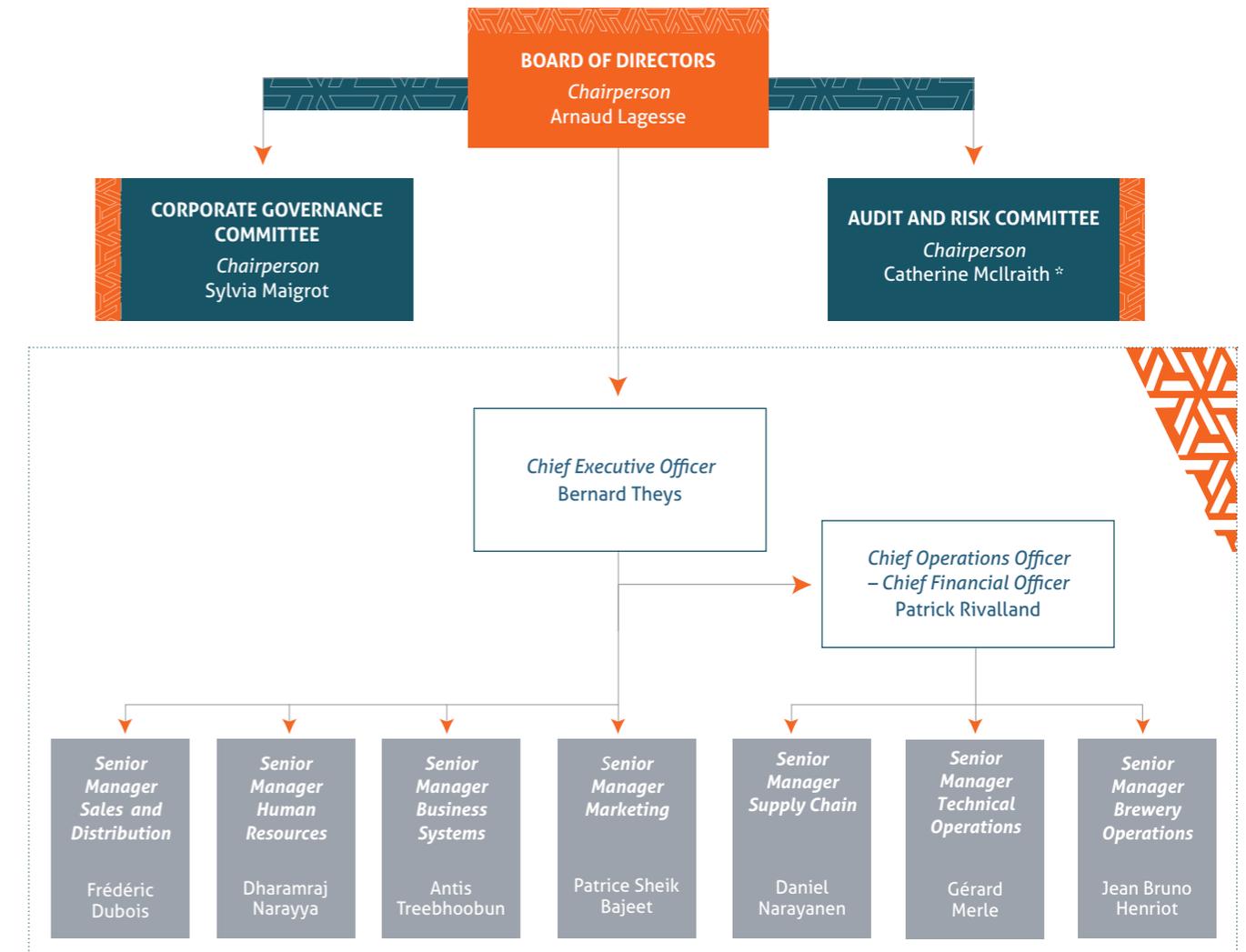
Phoenix Management Company Ltd ("PMC"), under the aegis of a management contract, provides the companies of the Group with a range of management and executive services. These include administrative, financial, commercial, technical, marketing and communication services. PMC employs and remunerates the senior executives of the Group.

The management contract which started in 2001 has since been renewed with the current one expiring in June 2024.

The management fee paid by Phoenix Beverages Limited during the year under review amounted to MUR 163.5 million (2021: MUR 152.8 million).

Organisation chart and statement of accountabilities

The governance structure and organisation chart of PhoenixBev setting out the key senior positions as well as the reporting lines, as approved by its Board, are shown below:



The Executive Directors and Senior Managers inside the dotted lines are employed and remunerated by PMC, in line with the management contract referred to above.

* Mrs. Catherine McIlraith took over the chairmanship of the Audit and Risk Committee on 1 July 2022 from Mr. Reshan Rambocus who resigned as Director and Chairperson of Audit and Risk Committee on 30 June 2022.

The profiles of the Senior Managers can be found on pages 88 and 89 of this report.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board of Directors

PhoenixBev is led by an effective and highly committed unitary Board comprising eleven Directors who possess the appropriate skills, knowledge, independence and experience in the core and other business sectors, for both local and regional markets, to enable them to discharge their duties and responsibilities effectively. The Board plays a key role in determining the Company's and Group's direction, monitoring its performance and overseeing risks, and is collectively responsible for the long-term success of the Company and the Group. The Board believes that it possesses an adequate balance of skills to fulfil its duties and responsibilities.

The composition of the Board as at the date of this report is as follows:

Name	Status
Arnaud Lagesse	Non-Executive Chairperson
Jean-Claude Béga	Non-Executive Director
Jan Boullé	Non-Executive Director
François Dalais	Non-Executive Director
Guillaume Hugnin	Non-Executive Director
Hugues Lagesse	Non-Executive Director
Thierry Lagesse	Non-Executive Director
Sylvia Maigrot	Independent Non-Executive Director
Catherine McIlraith	Independent Non-Executive Director
Patrick Rivalland	Executive Director (Chief Operations Officer – Chief Financial Officer)
Bernard Theys	Executive Director (Chief Executive Officer)

The following changes occurred in the Board composition during the year under review:

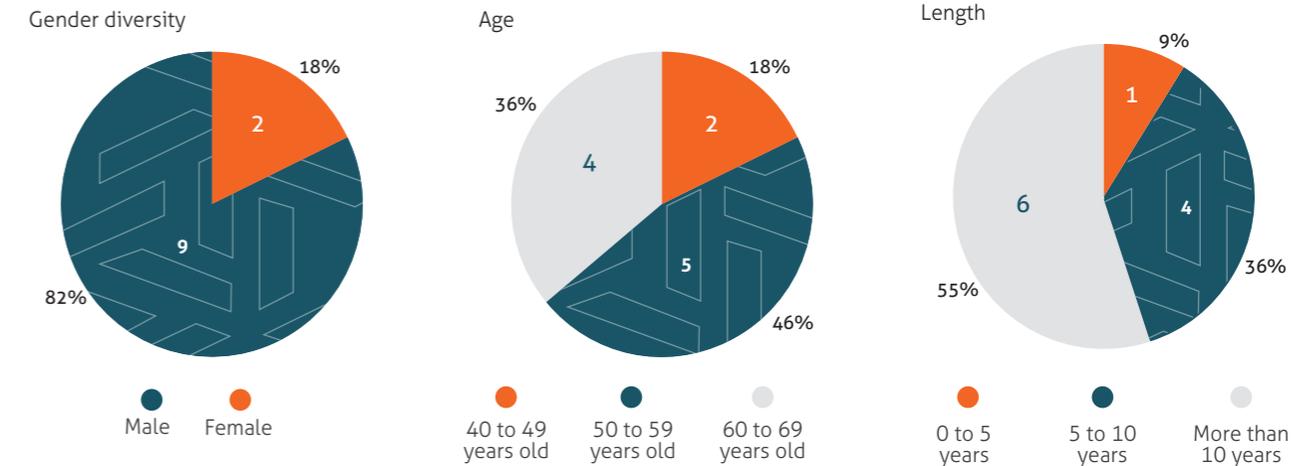
- On 7 February 2022, Mr. Yvan Mainix-Chirio resigned as Director
- On 4 April 2022, Mrs. Catherine McIlraith was appointed as Director
- On 4 April 2022, Messrs. Jean-Pierre Dalais and Roger Espitalier Noël resigned as Alternate Directors of Messrs. François Dalais and Guillaume Hugnin respectively
- On 30 June 2022, Mr. Reshan Rambocus resigned as Director

Profiles of Directors and details of other directorships

The profiles of the Directors including their external directorships in listed companies are disclosed on pages 84 to 87 of this report.

Details of other directorships are available upon request to the Company Secretary, IBL Management Ltd, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

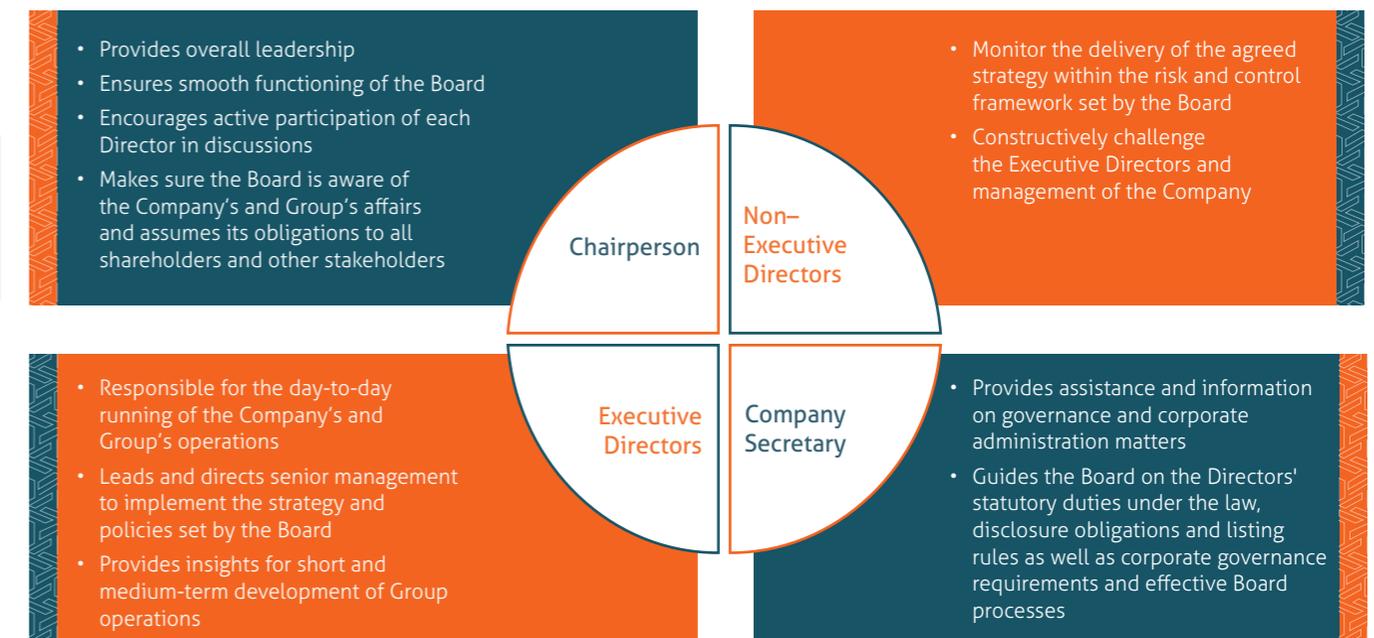
Balance and gender diversity of Board Members



Key roles and responsibilities within the Board

PMC has been delegated with the responsibility of managing and executing the strategic development of PhoenixBev. However, the Board of PhoenixBev has the responsibility to ensure that there is an effective organisational and reporting structure in place within PMC so that there are clear reporting lines within the Group and well-defined roles and responsibilities. The above delegation of responsibilities has been implemented while ensuring that the decision-making process involves the adequate resources. The ultimate responsibility of supervision of the Group remains with the Board of PhoenixBev.

The key senior governance positions and responsibilities, as approved by the Board, are as follows



Common directorships

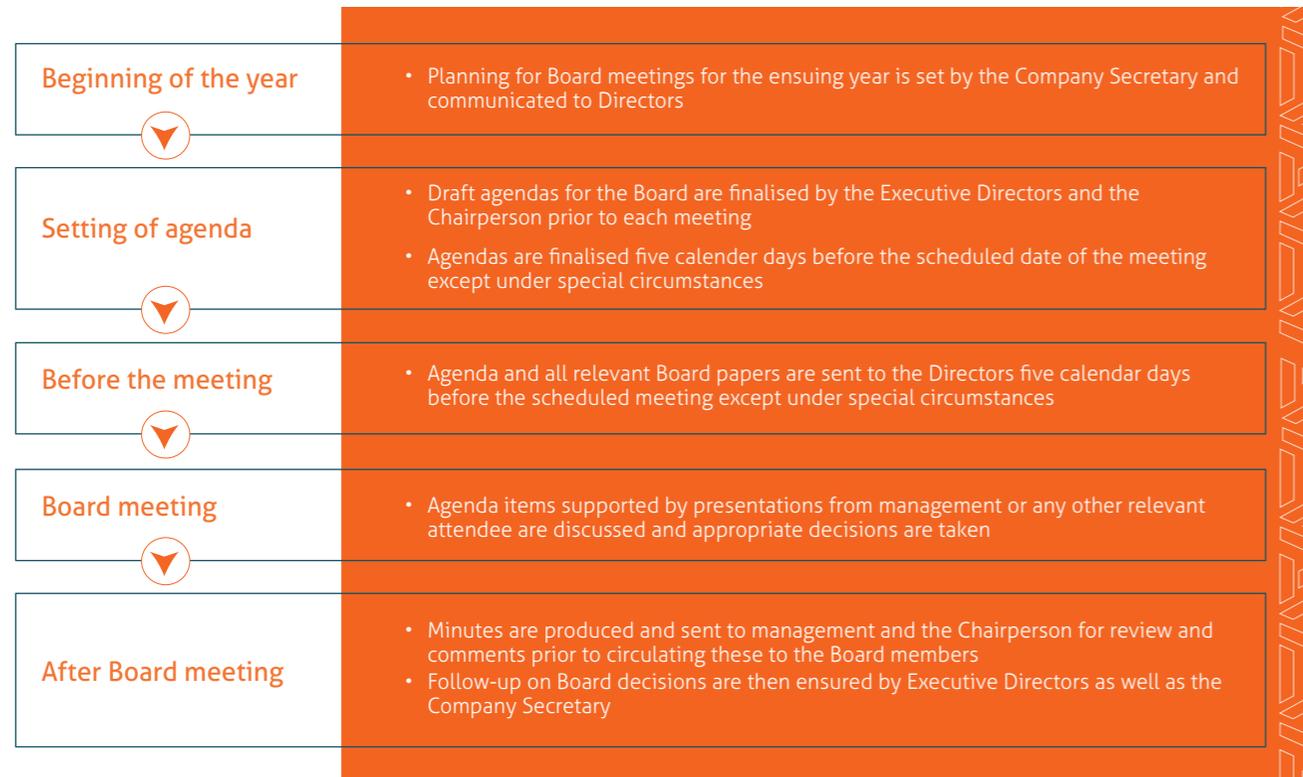
The Directors of the Company who also sit on the boards of the holding companies of PhoenixBev, namely Phoenix Investment Company Limited ("PICL"), Camp Investment Company Limited ("CICL") and IBL Ltd, (see page 110 for cascade holding structure) are:

Directors	PhoenixBev	PICL	CICL	IBL Ltd
Arnaud Lagesse	√*	√*	√*	√
Jean-Claude Béga	√	–	–	√
Jan Boullé	√	√	√	√*
François Dalais	√	√	√	–
Guillaume Hugnin	√	√	√	–
Hugues Lagesse	√	√	√	√
Thierry Lagesse	√	√	√	√

* Chairperson

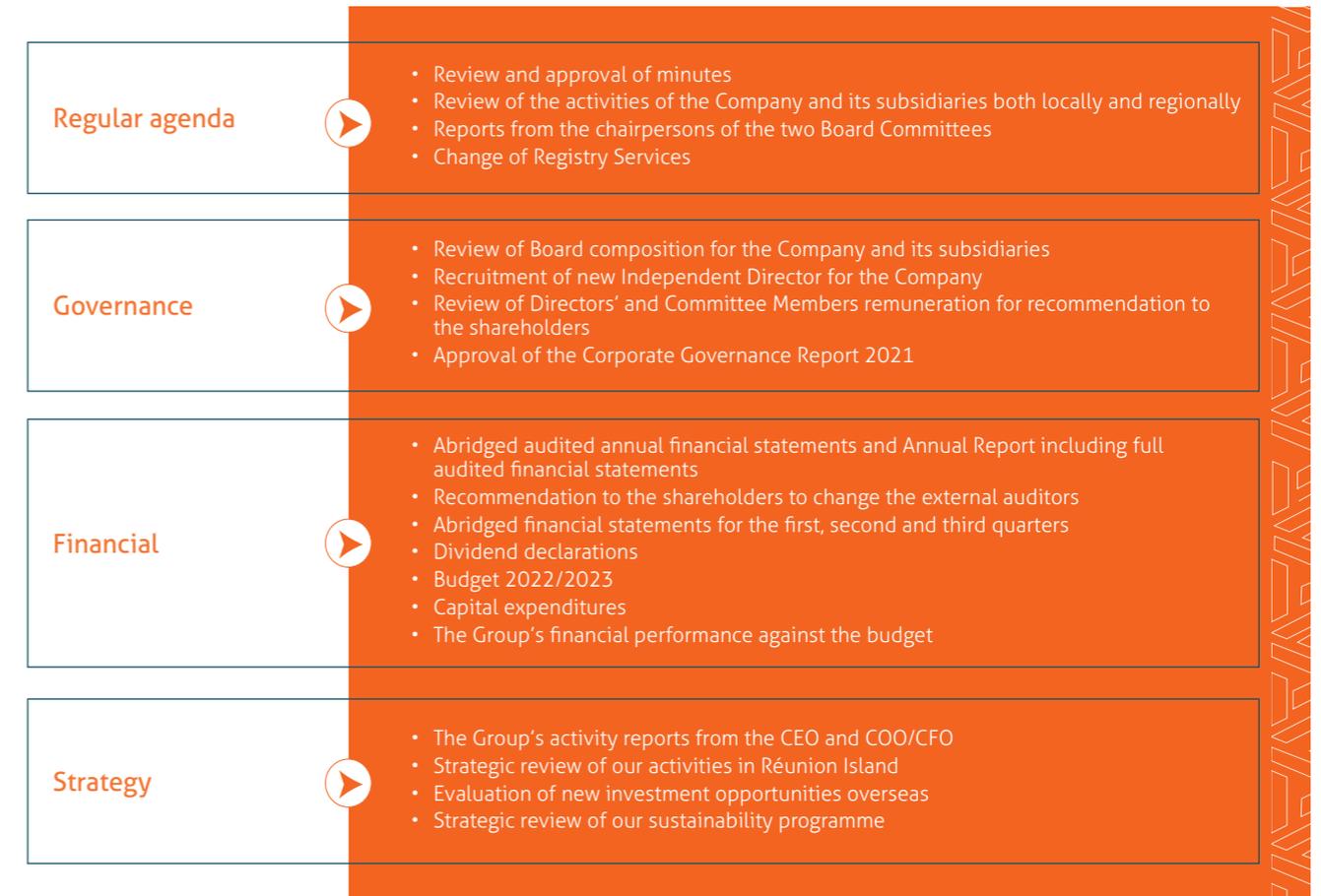
Board processes, meetings and activities in 2021 to 2022

Board meeting process



Board meetings and activities

The Board met nine times during the year under review. The main items discussed at these meetings are shown below. Decisions were also taken by way of written resolutions signed by all the Directors.



Attendance at Board meetings in 2021-2022

Directors	27 September 2021	5 October 2021	18 November 2021	6 December 2021	27 January 2022	11 February 2022	21 February 2022	13 May 2022	28 June 2022	Total attendance
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Jean-Claude Béga	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Jan Boullé	✓	✓	✓	✓	✓	✓	✓			7/9
François Dalais	✓	✓	✓	✓			✓	✓	✓	7/9
Guillaume Hugnin	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Hugues Lagesse		✓	✓	✓	✓	✓	✓	✓	✓	8/9
Thierry Lagesse						✓	✓	✓	✓	4/9
Sylvia Maigrot	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Yvan Mainix-Chirio*	✓					n/a	n/a	n/a	n/a	1/5
Catherine McLraith**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	2/2
Reshan Rambocus***	✓	✓	✓	✓	✓	✓	✓	✓		8/9
Patrick Rivalland	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Bernard Theys	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9

* Mr. Yvan Mainix-Chirio resigned on 7 February 2022

** Mrs. Catherine McLraith was appointed on 4 April 2022

*** Mr. Reshan Rambocus resigned as Director of the company by close of business 30 June 2022.

The Board usually meets four to five times during the year. However, the evaluation of a new investment opportunity which was in line with the Company's diversification strategy required additional attention of Directors. Accordingly, during the year under review the Board met four additional times to consider same.

Annual effectiveness review

The Board confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Board Committees

The Board is assisted in its functions by two main Committees, namely the Audit and Risk Committee and the Corporate Governance Committee (which also acts as the Nomination Committee and Remuneration Committee with respect to Non-Executive Directors and Executive Directors). These Committees operate within defined terms of reference and may not exceed the authority delegated by the Board. The Committees are chaired by experienced chairpersons who report to the Board on the main issues discussed at each of their meetings.

The Company Secretary also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of meetings of Board Committees, regardless of whether the Director is a member of the Board Committee in question or not.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities. It is responsible for reviewing the integrity of the financial statements and the effectiveness of the internal and external auditors. The Committee also oversees that management has established effective systems of internal control and assists in creating an environment and structures for effective risk management. The Audit and Risk Committee of PhoenixBev also reviews the financial statements and reporting of its holding companies PICL and CICL.

The Audit and Risk Committee is governed by its Charter, which is available on the Company's website www.phoenixbeveragesgroup.mu

Composition

For the year under review, the Committee has been chaired by Reshan Rambocus who resigned on 30 June 2022. Catherine McLraith, who is an Independent Non-Executive Director took over the chairmanship of the Committee as from 1 July 2022. In line with the requirements of the Code, the Board considers that the current chairperson is sufficiently independent in character and

judgement and has substantial accounting and financial experience to chair the Audit and Risk Committee. The other members of the Committee are Jean-Claude Béga and Jan Boullé, who are both Non-Executive Directors. The meetings are also attended by the CEO, the Chief Operations Officer-Chief Financial Officer as well as the internal and external auditors as and when required.

Attendance at Audit and Risk Committee meetings in 2021 to 2022

Members	20 September 2021	9 November 2021	7 February 2022	6 May 2022	Total attendance
Reshan Rambocus	✓	✓	✓	✓	4/4
Jean-Claude Béga	✓	✓	✓	✓	4/4
Jan Boullé	✓	✓	✓	✓	4/4
In attendance (not members)					
Patrick Rivalland	✓	✓	✓	✓	4/4
Bernard Theys	✓	✓	✓	✓	4/4

For proper handing-over purposes, Catherine McLraith was invited to attend the Committee of 6 May 2022 even if her appointment as member and Chairperson of the Audit and Risk Committee was only effective as from 1 July 2022.

Matters considered in 2021/2022

During the year under review, the Audit and Risk Committee met four times. Matters discussed included:

Regular financial matters	<ul style="list-style-type: none"> • Abridged audited annual financial statements and Annual Report including full audited financial statements • Report from the external auditors • Abridged unaudited financial statements for the first, second and third quarters • Management accounts for each quarter • Follow-up on IFRS implementation and RBO
Internal Audit	<ul style="list-style-type: none"> • Quality Management System • Planning for forthcoming internal audits
Other matters	<ul style="list-style-type: none"> • Follow-up on ERP system implementation • Follow-up of the wine and spirits activity • Follow-up of Réunion Island activities • Recommendation for the change of external auditors • Follow-up on the risk report

Annual effectiveness review

The Audit and Risk Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Corporate Governance Committee

The Corporate Governance Committee advises the Board on matters pertaining to corporate governance and ensures that the principles of the Code of Corporate Governance are applied. This Committee also acts as the Nomination Committee and the Remuneration Committee with respect to Non-Executive Directors and the CEO and COO.

The Corporate Governance Committee is governed by its Charter which is available on the Company's website www.phoenixbeveragesgroup.mu

Composition

The Committee is chaired by Sylvia Maigrot who is an Independent Non-Executive Director. The other members of the Committee are Jan Boullé and Guillaume Hugnin who are both Non-Executive Directors as well as Bernard Theys, Executive Director.

Attendance at Corporate Governance Committee meetings in 2021 to 2022

Members	14 September 2021	12 November 2021	8 February 2022	23 March 2022	Total attendance
Sylvia Maigrot	✓	✓	✓	✓	4/4
Guillaume Hugnin	✓	✓	✓	✓	4/4
Jan Boullé	✓	✓	✓	✓	4/4
Bernard Theys	✓	✓	✓	✓	4/4

Matters considered in 2021-2022

The Corporate Governance Committee met four times during the year. Matters discussed included:

Corporate Governance	<ul style="list-style-type: none"> • Review of the Corporate Governance Report 2021 and notice of Annual Meeting 2021 • Launch of Directors' self-appraisal exercise
Nomination	<ul style="list-style-type: none"> • Recommendation to the Board for the reappointments of directors pursuant to the rotation plan • Recommendation for the appointment of a new Independent Director for the Company in replacement of Mr. Reshan Rambocus as Director and Chairperson of the Audit and Risk Committee • Review of Board composition of subsidiaries
Remuneration	<ul style="list-style-type: none"> • Review of remuneration of Directors and Committees Members for recommendation to the Board

Annual effectiveness review

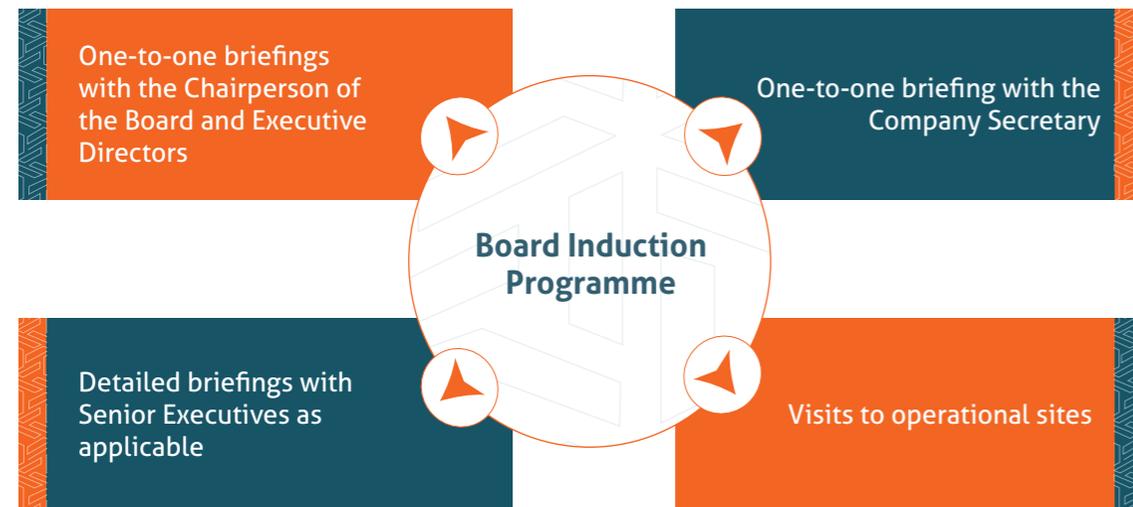
The Corporate Governance Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

- Profiling of candidates by Corporate Governance Committee
- Potential candidates are identified and selected by the Corporate Governance Committee
- Recommendation by the Corporate Governance Committee to the Board of Directors
- Appointment of the new Director by the Board of Directors
- The newly appointed Director is subject to election in their first year of appointment by the shareholders at the Annual Meeting
- Once appointed and in accordance with the Constitution of Phoenix Beverages Limited, every year three Directors must stand for re-election at the Company's Annual Meeting

Board induction

The Company Secretary assists the Chairperson in ensuring that an induction programme is in place for all new Directors to enable them to develop a good understanding of the Company and of the Group as a whole. As per the Board Charter, all newly-appointed Directors receive an induction pack containing documents pertaining to their role, duties and responsibilities.



Furthermore, since PhoenixBev is listed on the Stock Exchange of Mauritius, every new Director must submit to this authority, through the Company Secretary, a complete "Declaration of Understanding" questionnaire and a declaration of interests in the Company.

The declaration of the Director's interests is also submitted to the Financial Services Commission.

Professional development and training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices. Most of the Directors confirmed having engaged in learning activities to develop and enhance their abilities during the year under review. Professional development programmes are organised by the Company as and when necessary.

Time commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. Directors have a duty to act in the best interests of the Company and are expected to ensure that their other responsibilities do not impinge on their responsibilities as Directors of PhoenixBev.

Succession plan

The Board, upon the recommendation of the Corporate Governance Committee acting as Nomination Committee, is responsible for preparing the succession plan for Directors and assessing the independence of Independent Non-Executive Directors. The Board believes that good succession planning is a key contributor in the delivery of the Company's strategy. The Board is committed to recognising and nurturing talent within executive and management levels across the Group to ensure that it creates opportunities to develop current and future leaders.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' duties

Directors are aware of their legal duties. Once appointed to the Board, Directors receive the following documents pertaining to their duties and responsibilities:

- Board and Committee Charters as applicable
- The Constitution of PhoenixBev
- Salient features of the Listing Rules, the Securities Act 2005 as well as the Mauritius Companies Act 2001

Interests register, conflicts of interest and related party transactions policy

The constitutive documents of PhoenixBev contain provisions to prevent insider dealing as well as any potential conflict of interest.

In accordance with the Mauritius Companies Act 2001, written records of the interests in shares of PhoenixBev held by the Officers, Directors and their related parties are kept in a register of interests. All newly appointed Directors are required to notify the Company Secretary in writing of their direct and indirect holdings in shares of PhoenixBev. According to the Constitution of PhoenixBev, a Director is not required to hold shares in the Company. As soon as a Director becomes aware that he has an interest in a transaction or that his holdings or his associates' holdings have changed, the interest must be reported to the Company in writing. The register of interests is updated on a continuous basis with any subsequent transactions entered into by the Directors and persons closely associated with them.

PhoenixBev is registered as a reporting issuer under the Securities Act 2005 administered by the Financial Services Commission and the Company ensures that it abides by all relevant disclosure requirements.

The register of interests is maintained by the Company Secretary and available to shareholders upon written request being made to the Company Secretary.

The Directors and Officers of PhoenixBev having direct and/or indirect interests in the ordinary shares of the Company at 30 June 2021 were as follows:

Directors	Direct interest		Indirect interest
	Number of shares	Percentage holding (%)	Percentage holding (%)
Guillaume Hugnin	3 200	0.02	0.01
Patrick Rivalland	4 057	0.02	-

None of the other Directors and Officers had any interest in the equity of subsidiaries of PhoenixBev.

Directors' and Officers' dealings in shares of Phoenix Beverages Limited

The Directors of PhoenixBev 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.

PhoenixBev has set up appropriate procedures whereby any Director wishing to deal in the Company shares shall first notify the Chairperson of the Company and receive a dated written acknowledgement. Should the Chairperson decide to deal in the shares of the Company, the Board shall be notified and a dated written acknowledgement be received prior to undertaking such dealing.

The Directors and Officers of the Company are prohibited from dealing in the PhoenixBev shares 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. This prohibition ends on the date of such publications or announcements.

Moreover, one month prior to the board meetings scheduled for the approval of abridged accounts, a correspondence is sent by the Company Secretary to the Directors of the Company reminding them of the commencement date of the close period and drawing their attention to the fact that they should not deal in the shares of the Company during this period of time.

The Directors and Officers of PhoenixBev are also required to comply with insider trading laws at all times, even when dealing in securities within permitted trading periods.

Information, information technology and information security governance

The Board is responsible for the governance of information. It is the role of senior executives to manage information technology and ensure information security.

Information governance policies are applicable at PhoenixBev and all employees are continuously encouraged to consult these on a regular basis. The main programmes and guidelines covered by these policies are listed below:

- Antivirus management procedures
- Backup procedures
- Change management procedures
- Data destruction procedures
- Incident management procedures
- Information handling procedures
- Log review procedures
- Patch management procedures
- User account management procedures
- Guidelines cabling security
- Guidelines intellectual property rights
- Guidelines IT team
- Guidelines server rooms
- Guidelines for user

In some specific cases, expenditure and investment in IT shall be discussed and put to the Board for approval.

PhoenixBev ensures ongoing compliance with the data protection regulations.

Code of Ethics and whistleblowing

PhoenixBev believes that it is essential that all its employees act in a professional manner and extend the highest courtesy to co-workers, visitors, clients and all other stakeholders.

As such, the Phoenix Beverages Group adopted a Code of Ethics (the "Code"). The Code is based on the important principle of respect. This fundamental principle applies to consumers, customers, employees, shareholders and the communities in which the Group operates.

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

All employees are aware of and have taken cognisance of the Code and it is ensured that it is complied with. Compliance with the Code, which is available on the Company's website (www.phoenixbeveragesgroup.mu), is continuously monitored by the Senior Manager Human Resources.

The Company is committed to full compliance with legal requirements and the corporate governance framework aims to ensure compliance with all relevant codes, policies, regulations and standards. Legal compliance is fully entrenched in PhoenixBev risk and controls system.

Remuneration policy

Shareholders approve the fees to be paid to the Board members at the Annual Meeting. As such, the Annual Meeting held on 31 December 2021 approved fee payments to the Board members for the financial year ended 30 June 2022. Upon recommendation of the Corporate Governance Committee, shareholders voted in favour of a new remuneration structure, namely a fixed annual fee of MUR 500 000 and MUR 300 000 to be paid to the Chairperson of the Board and the Non-Executive Directors respectively. The shareholders also approved an attendance fee of MUR 40 000 per Board meeting for the Chairperson and MUR 30 000 per meeting for each Non-Executive Director per meeting.

Executive Directors do not receive Directors' fees. The Executive Directors and key management personnel of PhoenixBev are remunerated by PMC as per terms of a management contract between the latter and PhoenixBev. Remuneration packages take into consideration the Company's financial performance, individual performance, market norms and best practice.

Directors who are also Board Committee members receive a fixed fee as well as an attendance fee and chairpersons of these Board Committees receive a higher fixed remuneration fee and attendance fee. The Board Committees' fees are approved by the Board. The remuneration structure for the Board Committees has also been reviewed during the financial year 2021/2022.

The Board and Board Committees' fees at 30 June 2022 were as follows:

Board	2022 (MUR)	2021 (MUR)
Annual Chairperson's fee	500 000	250 000
Attendance Chairmanship fee per meeting	40 000	20 000
Annual Director's fee	300 000	250 000
Attendance Director's fee per meeting	30 000	20 000
Corporate Governance Committee		
Annual Chairperson's fee	75 000	75 000
Attendance Chairmanship fee per meeting	15 000	–
Annual Member's fee	50 000	50 000
Attendance Member's fee per meeting	10 000	–
Audit and Risk Committee		
Annual Chairperson's fee	100 000	100 000
Attendance Chairmanship fee per meeting	15 000	–
Annual Member's fee	75 000	75 000
Attendance Member's fee per meeting	10 000	–



The remuneration and benefits of the Directors for the year ended 30 June 2022 are set out in the table below:

Directors	Remuneration and benefits received from the Company	
	2022 (MUR)	2021 (MUR)
Arnaud Lagesse*	860 000	350 000
Jean-Claude Béga*	685 000	445 000
Jan Boullé*	715 000	455 000
François Dalais	510 000	370 000
Guillaume Hugnin	660 000	420 000
Hugues Lagesse	540 000	370 000
Thierry Lagesse	420 000	370 000
Sylvia Maigrot	705 000	445 000
Catherine McIlraith	135 000	N/A
Yvan Mainix-Chirio	205 000	310 000
Reshan Rambocus	700 000	470 000
Patrick Rivalland**	N/A	N/A
Bernard Theys**	N/A	N/A

* The emoluments of Arnaud Lagesse, Jean-Claude Béga and Jan Boullé were paid to IBL Ltd.

** Bernard Theys and Patrick Rivalland are employed and remunerated by PMC, a sister company of PhoenixBev. Management fees paid by PhoenixBev to PMC include the salaries of the two Executive Directors.

The change in fees payable to Directors from year 2021 to year 2022 is explained by the following factors:

- Review of fees structure as detailed above and approved by shareholders at Annual Meeting 2021
- There were nine meetings of the Board during the year under review instead of the usual yearly four or five meetings.

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

Please refer to the Statutory Disclosures of the Annual Report.

Incentive schemes

A performance management policy is in place to drive the performance and personal development of PhoenixBev executives and team members, and includes annual objectives, competencies and development plans. Discretionary bonuses are paid if these targets are achieved. The outcome of the performance management process is also used for succession planning.

Short-term incentive schemes for Executive Directors are overseen by the board of PMC.

Board evaluation

Following a decision of the Board and pursuant to its Charter, it was agreed that an evaluation exercise of the Board and its Directors would be carried out as and when deemed necessary. It was decided in 2020 that, following the previous exercise conducted by BDO & CO, the next evaluation would be led by the Company Secretary. Accordingly, the evaluation was launched in mid-2021 using a self-assessment questionnaire. The questionnaire sought the views of all Directors through a set of survey questions, including some open statements and covering several main themes.

The questionnaire was reviewed by the Corporate Governance Committee to ensure it was updated with best governance practices.

All Directors completed the questionnaire and the results have been duly collated, analysed and presented to the Corporate Governance Committee held in September 2022 and then to all the Directors for consideration and action during the Board held in September 2022.

The survey results showed constructive remarks from Directors. Areas of focus have been identified for improvement.

Management, under the supervision of the Corporate Governance Committee, is ensuring that appropriate actions are being taken and that issues identified are given due consideration.

The Board will assess when the next evaluation exercise should be conducted and whether this will be led by an independent service provider.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management

The Directors are responsible for maintaining an effective system of risk management. While the Audit and Risk Committee oversees risk governance, the nature of risk and risk appetite of PhoenixBev remain the ultimate responsibility of the Board.

The responsibilities of the Board in this respect include, among others:

- Ensuring that structures and processes are in place to manage risks
- Identifying the principal risks, uncertainties and opportunities
- Ensuring that management has developed and implemented the relevant internal control framework
- Ensuring that systems and processes are in place to implement, maintain and monitor internal controls
- Identifying any deficiencies in the system of internal control

Risk management is an integral part of doing business at PhoenixBev. It is the responsibility of the CEO and his dedicated team, under the supervision of the Audit and Risk Committee, to establish and maintain a risk management system.

The CEO, in collaboration with his risk management 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. Strategies and action plans are established and implemented to manage and mitigate the identified risks.

An annual review process reassesses the evolving probability and severity of the identified risks as well as of new risks emerging. The effectiveness of implemented mitigating actions is also assessed.

The Risk Report, which is an annexure to this Corporate Governance Report, details the main risk areas identified, potential impacts and mitigating controls put in place accordingly.

Financial risk management

For financial risk management, please refer to note 3 – Notes to the financial statements.

Internal control

PhoenixBev has processes in place to identify, classify and manage 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 assets are safeguarded, operations are run effectively and efficiently, financial controls are reliable, and that applicable laws and regulations are complied with.

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness.

A firm of accountants, namely BDO & CO, provide internal audit services to ensure the adequacy and effectiveness of the internal control framework. Nothing has come to the Board's attention to indicate any material breakdown in the functioning of the Company's internal controls and systems during the period under review that could have a material impact on the business.

To date, no material financial issues, 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.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Board assumes responsibility for leading and controlling the Company and for meeting all legal and regulatory requirements.

The Directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Other main responsibilities of the Board include assessing management's performance against corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body that monitors and reports on the sustainability performance of the Group and ensuring timely and comprehensive communication to all stakeholders regarding events significant to the Company.

The Directors are responsible for preparing the Annual Report including the Corporate Governance Report and financial statements of the Group and the Company in accordance with applicable laws and regulations. Company law requires the Directors to prepare the financial statements in accordance with International Financial Standards ("IFRS") and the Mauritius Companies Act 2001 for each financial year.

In preparing the financial statements, the Directors report that:

- adequate accounting records and an effective system of internal controls and risk management have been maintained
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently
- International Financial Reporting Standards have been adhered to and any departure of interest in fair presentation has been disclosed, explained and quantified
- the Code of Corporate Governance has been adhered to in all material aspects
- the financial statements fairly present the state of affairs of the Company and the Group as at the end of the financial year and the results of the operations and cash flows for that period
- the financial statements have been prepared on the going concern basis

The Board confirms that it is satisfied that PhoenixBev 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.

PRINCIPLE 7: AUDIT

Internal audit

The Audit and Risk Committee oversees the internal audit function. 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 to improve the processes by which risks are identified and managed
- Assist in the strengthening of the Group's internal control framework.

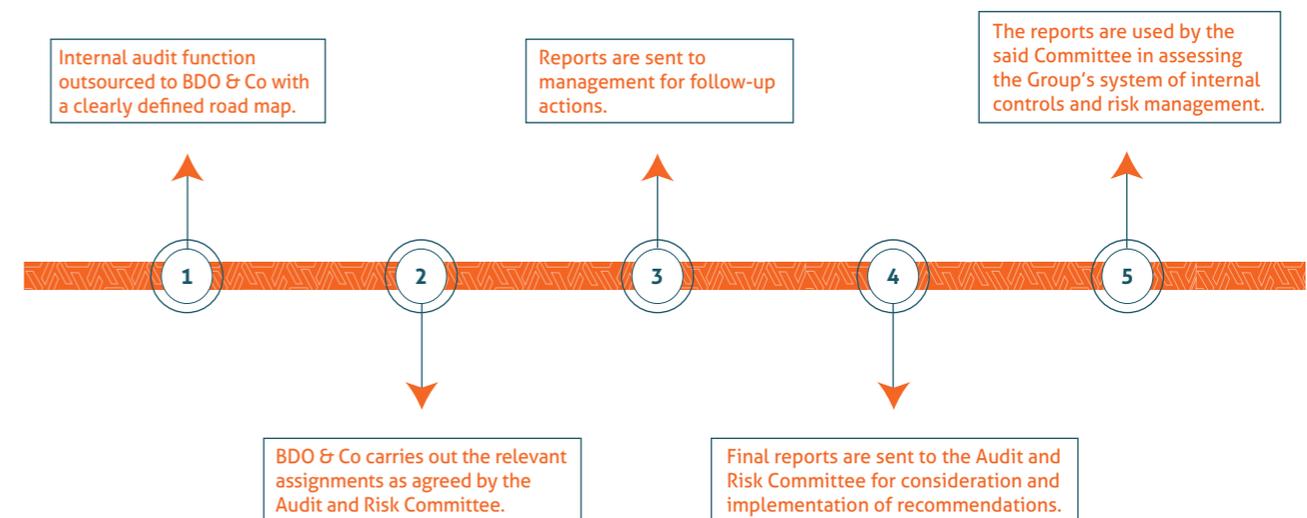
The Group's internal audit function is currently outsourced to BDO & CO, who provides independent and objective assurance and consultancy services. BDO & CO employs a systematic and disciplined approach with a view to evaluate and improve governance and risk management processes including reliability of information, compliance with laws, regulations and procedures, as well as efficient and effective use of resources. The methodology applied is in accordance with the standards of the Institute of Internal Auditors and other relevant governing bodies.

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

The internal auditors provide regular reports on the areas audited and the completion status of 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 audit process



The various internal audit exercises carried out by BDO & CO during the year have been detailed in the section "Audit and Risk Committee – Matters considered in 2021-2022" of this report.

External audit

The Board has decided to rotate its auditors as from the financial year ended 30 June 2022 from Ernst & Young to Deloitte.

The shareholders approved the appointment of Deloitte as external auditors for the year under review during the Annual Meeting held on 31 December 2021.

Our Subsidiaries in Réunion Island, Edena S.A and Phoenix Réunion SARL are audited by EXCO Bertrand & Associés and Espace Solution Réunion S.A.S by EXA.

The Audit and Risk Committee is responsible for reviewing the terms, nature and audit scope and approach, and ensure no unjustified restrictions or limitations have been placed on the scope.

The external auditors have full, free and unrestricted access to the Audit and Risk Committee should they wish to discuss any matters privately and to all functions, records, property and personnel of the Group.

Auditors' independence

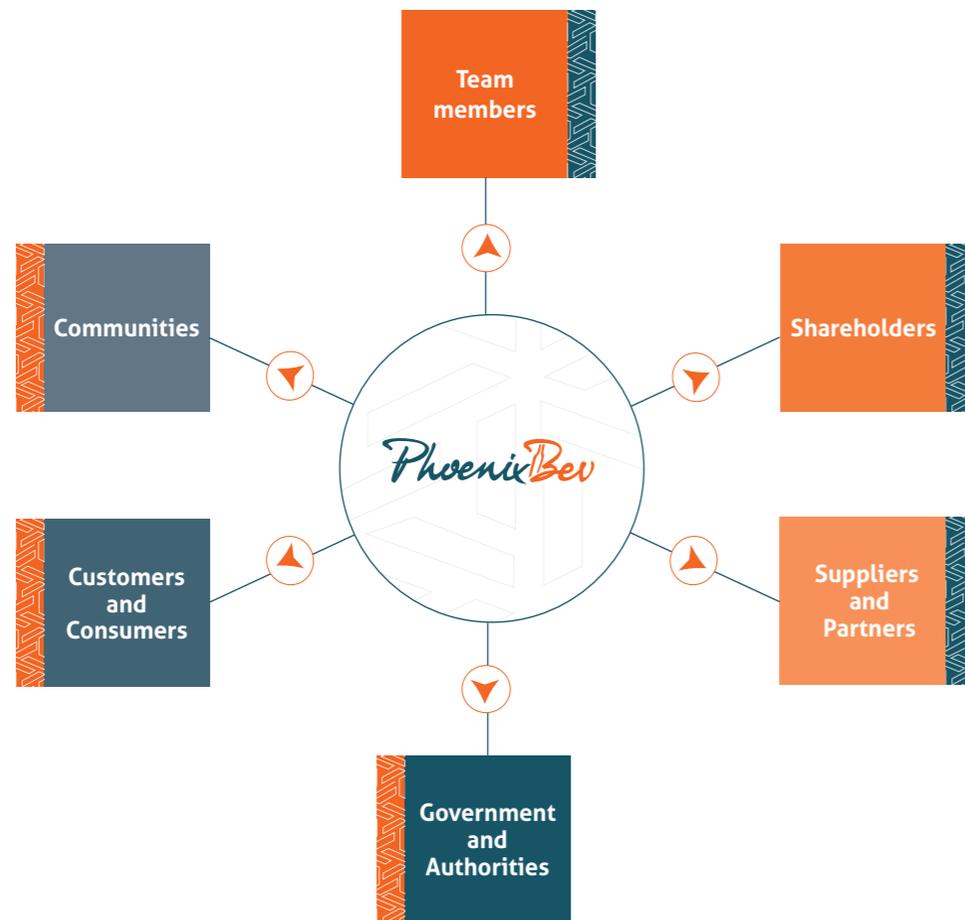
The Audit and Risk Committee is responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements and for maintaining control over the provision of non-audit services.

The external auditors are prohibited from providing non-audit services where their independence might be compromised by later auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

For remuneration of our External Auditors, please refer to the Statutory Disclosures section of the Integrated Report.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS

PhoenixBev's key stakeholders



Shareholders' communication

The Board places great importance on clear, open and transparent communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company through official press announcements, its website, 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 Chairpersons of the Audit and Risk Committee and of the 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 are kept up to date with the Group's strategy and goals.

The attendance of Directors at the last Annual Meeting of the Company held on 31 December 2021 was as follows:

Directors	Attendance
Arnaud Lagesse	Attended
Jean-Claude Béga	Attended
Jan Boullé	Not Attended
François Dalais	Attended
Guillaume Hugnin	Attended
Hugues Lagesse	Not Attended
Thierry Lagesse	Not Attended
Sylvia Maigrot	Attended
Yvan Mainix-Chirio	Not Attended
Reshan Rambocus	Attended
Patrick Rivalland	Attended
Bernard Theys	Attended

Legend: ■ Attended ■ Not Attended

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

Shareholding profile

The stated capital of the Company is made up of 16 447 000 ordinary shares of MUR 10.00 each.

Main shareholders

As at 30 June 2022, there were 2 014 shareholders recorded in the share register of the Company.

The list of the ten largest shareholders which also includes the shareholders holding more than five percent of the ordinary shares of the Company as at 30 June 2022 are set out below.

Name of shareholder	Number of shares held	Percentage holding (%)
Phoenix Investment Company Limited	5 101 137	31.02
Camp Investment Company Limited	2 805 428	17.06
National Pensions Fund	746 973	4.54
IBL Ltd	527 659	3.21
Hugnin Frères Ltée	368 212	2.24
Guinness Overseas Limited	316 370	1.92
The Mauritius Commercial Bank Ltd (Superannuation Fund)	231 506	1.41
Mr Christian Marie Francois Ledoux	132 094	0.80
Societe Pierre Larcher & Cie	117 767	0.72
Diageo Holdings Netherlands Bv	115 000	0.70

Cascade holding structure



* IBL Ltd is the ultimate holding company of PhoenixBev

Breakdown of share ownership as at 30 June 2022

Size of shareholding	Number of shareholders	Number of shares	Percentage holding (%)
1 – 500 shares	1 214	177 263	1.08
501 – 1 000 shares	198	153 929	0.94
1 001 – 5 000 shares	357	831 256	5.05
5 001 – 10 000 shares	97	673 307	4.09
10 001 – 50 000 shares	116	2 319 330	14.10
50 001 – 100 000 shares	17	1 276 034	7.76
100 001 – 250 000 shares	9	1 150 102	7.00
250 001 – 500 000 shares	2	684 582	4.16
Above 500 000 shares	4	9 181 197	55.82
	2 014	16 447 000	100.00

Category	Number of shareholders	Number of shares	Percentage holding (%)
Individuals	1 788	3 482 219	21.17
Insurance and assurance companies	9	198 212	1.20
Pensions and provident funds	77	2 430 135	14.78
Investment and trust companies	24	8 059 945	49.01
Other corporate bodies	116	2 276 489	13.84
	2 014	16 447 000	100.00

Note: The above number of shareholders is indicative, due to the consolidation of multi-portfolios for reporting purposes.

Share registry and transfer office

The share registry and transfer office of the Company are administered by DTOS Registry Services Ltd, 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène.

Share price information

The share price of PhoenixBev remained the same over the past year at MUR 600 at 30 June 2022.

Date	Price (MUR)	Yearly change (%)
30 June 2017	455	24.32
30 June 2018	600	31.87
30 June 2019	580	(3.33)
30 June 2020	614	5.86
30 June 2021	600	(2.28)
30 June 2022	600	-

Dividend policy

No formal dividend policy has been set by the Board. Dividend payments are determined by the profitability of the Company, its cash flow, its future investment and growth opportunities. The Board of Directors decided that, based on management forecasts and the Group's profitability, an interim dividend would be declared in November 2021 and a final dividend declared in June 2022. Each dividend paid was subject to the satisfaction of the corresponding solvency test.

As such, an interim dividend of MUR 4.20 per ordinary share was paid in December 2021 and a final dividend of MUR 9.10 per ordinary share was paid in July 2022, bringing the total dividend declared for the financial year under review to MUR 13.30 per ordinary share, the same as the previous year.

Key dividend information over the past five years is shown in the table below:

	2022	2021	2020	2019	2018
Dividend per share (MUR)	13.30	12.80	12.80	13.30	10.90
Dividend cover (Number of times)	1.87	2.54	2.12	2.89	2.64
Dividend yield (%)	2.22	2.13	2.08	2.29	1.82

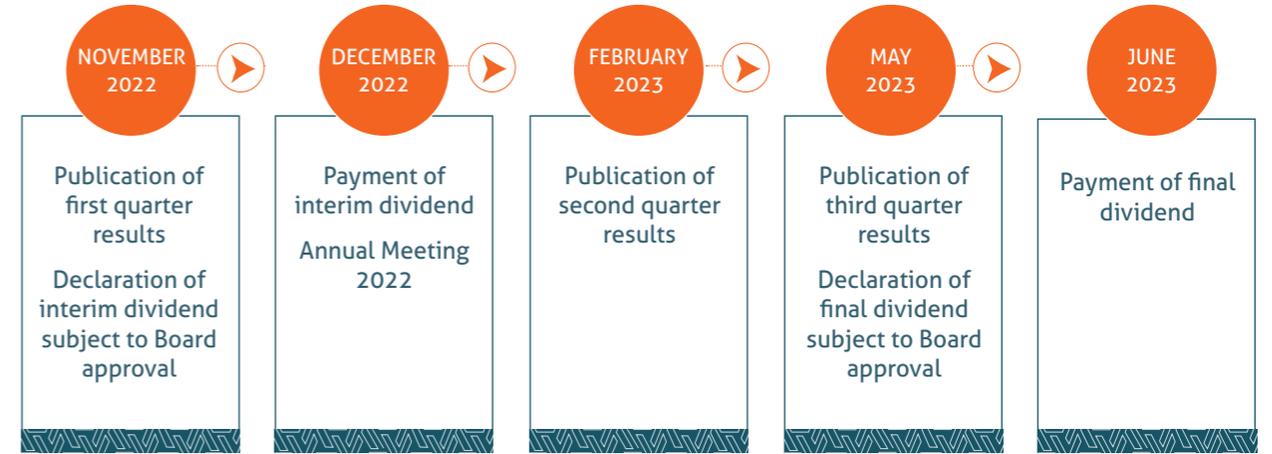
To date, a small number of dividend cheques remain outstanding. Shareholders who have not yet received their dividend cheques are requested to contact DTOS Registry Services Ltd, the Company's share registry and transfer office.

Total shareholder's return

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

	2022	2021	2020	2019	2018
Share price at 30 June, current year (MUR)	600.00	600.00	614.00	580.00	600.00
Share price at 30 June, previous year (MUR)	600.00	614.00	580.00	600.00	455.00
(Decrease) increase in share price (MUR)	-	(14.00)	34.00	(20.00)	145.00
Dividend, current year (MUR)	13.30	12.80	12.80	13.30	10.90
Total return per share (MUR)	13.30	(1.20)	46.80	(6.70)	155.90
Total return based on previous year share price (%)	2.22	(0.20)	8.07	(1.12)	34.26

Calendar of forthcoming shareholders' events



Arnaud Lagesse

Chairperson

27 September 2022

Sylvia Maigrot

Chairperson of the Corporate Governance Committee

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: **Phoenix Beverages Limited (the "Company")**

Reporting Period: **1 July 2021 to 30 June 2022**

We, the Directors of Phoenix Beverages Limited, confirm that, to the best of our knowledge, the Company has complied with all its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016).



Arnaud Lagesse
Chairperson

27 September 2022



Sylvia Maigrot
Chairperson of the Corporate Governance Committee

CASE STUDIES

PhoenixEarth INITIATIVE

Raising awareness about plastic recycling

PhoenixEarth reiterated its commitment to sustainable development in Mauritius and Rodrigues through various internal and external initiatives with Coca-Cola and other NGO partners to commemorate World Environment Day and World Oceans Day over two weeks from 27 May to 18 June 2022. This year marked the 50th anniversary of World Environment Day, under the theme #OnlyOneEarth, calling the world to collective action to celebrate, protect and restore our planet.

A donation drive was set up at PhoenixBev in collaboration with The Good Shop that encouraged staff to donate quality second-hand items. Funds raised from the donated items sold by The Good Shop are used to improve the lives of people in Mauritius. On World Food Safety Day (June 7), PhoenixBev in collaboration with FoodWise, organised awareness sessions on the issue of food waste, solutions and current Company initiatives.

External programmes aimed to raise awareness of young people on the need to adopt responsible behaviours to protect the environment and promote simple actions that will create a greener and more ecological Mauritius. These included cleanup campaigns in areas around the island as well as demonstrations by Mission Verte and Freedom Plastic of plastic recycling equipment. New Invaders Club held awareness sessions for scholars at the Nouvelle France school and planted trees and plants in the school grounds and surrounding areas. A similar initiative was held at the Human Service Trust in Calebasses.

Events held at the Mauritius Glass Gallery included the always popular Trash to Music event at which brilliant local artist Kan Chan Kin demonstrated how to build musical instruments from waste.

Other events included awareness sessions and talks on recycling, climate change, food waste and marine conservation as well as a repair and reuse workshop.



FINANCIAL STATEMENTS

- 118 Statutory disclosures
- 122 Company secretary's certificate
- 123 Independent auditor's report
- 128 Statements of financial position
- 129 Statements of profit and loss and other comprehensive income
- 130 Statements of changes in equity
- 132 Statements of cash flows
- 133 Notes to the financial statements

STATUTORY DISCLOSURE - 30 JUNE 2022

(Pursuant to Section 221 of the Mauritius 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 names of the Directors of Phoenix Beverages Limited and its subsidiaries holding office as at 30 June 2022 were as follows:

	Phoenix Beverages Limited	Edena S.A.	Espace Solution Réunion S.A.S.	Helping Hands Foundation	MBL Offshore Ltd	Phoenix Beverages Overseas Ltd	Phoenix Camp Minerals Offshore Ltd	Phoenix Distributors Ltd	Phoenix Foundation	Phoenix Réunion SARL	SCI Edena	The (Mauritius) Glass Gallery Ltd	The Traditional Green Mill Ltd
Directors													
Arnaud Lagesse	*	*			*								
Jean-Claude Béga	*												
Jan Boullé	*												
François Dalais	*				*	*		*					
Guillaume Hugnin	*											*	
Hugues Lagesse	*												
Thierry Lagesse	*				*	*	*		*				
Sylvia Maigrot	*												
Catherine McIlraith	*												
Reshan Rambocus ¹	*											*	
Patrick Rivalland	*	*		*					*			*	*
Paul Rose				*									
Bernard Theys	*	*	*	*	*	*	*	*	*	*	*	*	*

During the year under review the following changes occurred:

Mr. Yvan Mainix-Chirio resigned as Director of Phoenix Beverages Limited on 7 February 2022

Mr. Yvan Mainix-Chirio resigned as Director of Edena SA on 21 April 2022

Mrs. Catherine McIlraith was appointed as Director of Phoenix Beverages Limited on 4 April 2022

Mr. Jean-Pierre Dalais resigned as Alternate Director to Mr. François Dalais on 4 April 2022

Mr. Roger Espitaler Noël resigned as Alternate Director to Mr. Guillaume Hugnin on 4 April 2022

Mr. Jean-Claude Béga resigned as Director of The (Mauritius) Glass Gallery on 13 May 2022

Mr. Guillaume Hugnin was appointed as Director of The (Mauritius) Glass Gallery Ltd on 18 May 2022

Mr. Charles Prettejohn resigned as Director of The (Mauritius) Glass Gallery Ltd on 16 June 2022

¹ Mr. Reshan Rambocus resigned as Director of The Company by close of business on 30 June 2022

Directors' service contracts

As at 30 June 2022, there was no service contract between any Director and Phoenix Beverages Limited.

One Executive Director of Phoenix Beverages Limited namely, Mr. Bernard Theys has a service contract with expiry terms with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

One Executive Director namely, Mr. Patrick Rivalland of Phoenix Beverages Limited has a service contract with no expiry terms with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

Directors' and Senior Officers' interests in shares

The direct and indirect interests of the Directors and Senior Officers in the securities of the Company as at 30 June 2022 were:

Directors	Direct Interest		Indirect Interest
	Number of Shares	%	%
Arnaud Lagesse	-	-	-
Jean-Claude Béga	-	-	-
Jan Boullé	-	-	-
François Dalais	-	-	-
Guillaume Hugnin	3 200	0.02	0.01
Hugues Lagesse	-	-	-
Thierry Lagesse	-	-	-
Sylvia Maigrot	-	-	-
Catherine McIlraith	-	-	-
Reshan Rambocus	-	-	-
Patrick Rivalland	4 057	0.02	-
Bernard Theys	-	-	-
Senior Managers	-	-	-
Frédéric Dubois	-	-	-
Jean-Bruno Henriot	-	-	-
Gérard Merle	-	-	-
Rama Narayya	-	-	-
Daniel Narayanan	-	-	-
Patrice Sheik Bajjeet	-	-	-
Antis Treebhoobun	-	-	-
Company Secretary	-	-	-
IBL Management Ltd	-	-	-

The 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 between The Company and its Directors other than the service contract disclose above.

STATUTORY DISCLOSURE - 30 JUNE 2022

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

Directors' remuneration and benefits

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

	2022		2021	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	MUR '000	MUR '000	MUR '000	MUR '000
The Company				
Phoenix Beverages Limited	-	6 135	-	4 005
The Subsidiaries				
Edena S.A.	-	-	-	-
Espace Solution Réunion S.A.S.	-	-	-	-
Helping Hands Foundation	-	-	-	-
MBL Offshore Ltd	-	-	-	-
Phoenix Beverages Overseas Ltd	-	-	-	-
Phoenix Camp Minerals Offshore Ltd	-	-	-	-
Phoenix Distributors Ltd	-	-	-	-
Phoenix Foundation	-	-	-	-
Phoenix Réunion SARL	-	-	-	-
SCI Edena	-	-	-	-
The (Mauritius) Glass Gallery Ltd	-	-	-	-
The Traditional Green Mill Ltd	-	-	-	-

All the Executive Directors are engaged in full-time employment. The Executive Directors are employed and remunerated by Phoenix Management Company Ltd, a sister company of Phoenix Beverages Ltd. Management fees paid to Phoenix Management Ltd by Phoenix Beverages Ltd include the salaries of the two Executive Directors.

The disclosure of emoluments paid to Directors on individual basis are set out under the "Remuneration Policy" Section of the Principle 4 of the Corporate Governance report

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 have direct interest of more than 5% of the ordinary share capital of the Company:

	Percentage interest	Number of shares
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 ordinary 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 Phoenix Management Company Ltd.

DONATIONS

	2022 MUR '000	2021 MUR '000
The Company		
Phoenix Beverages Limited - Corporate Social Responsibility	8 922	9 860
- Political	-	-
- Others	921	418

The subsidiaries have not made any donation during the years 2021 and 2022.

AUDITORS' REMUNERATION

At the Annual Meeting held on 31 December 2021, shareholders approved the appointment of Deloitte as auditors for financial year ended 30 June 2022 in replacement of Ernst & Young.

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

	2022		2021	
	Audit MUR '000	Other services MUR '000	Audit MUR '000	Other services MUR '000
	DELOITTE		ERNST & YOUNG	
The Company				
Phoenix Beverages Limited	1 800	144	1 902	124
The Subsidiaries				
Helping Hands Foundation	-	-	17	1
MBL Offshore Ltd	25	13	26	12
Phoenix Beverages Overseas Ltd	100	13	116	11
Phoenix Camp Minerals Offshore Ltd	25	13	25	11
Phoenix Distributors Ltd	25	4	7	1
Phoenix Foundation	-	-	17	1
The (Mauritius) Glass Gallery Ltd	185	23	202	19
	2 160	210	2 311	180
EXCO RÉUNION AUDIT	EUR '000	EUR '000	EUR '000	EUR '000
Edena S.A.	26	-	21	-
Phoenix Réunion SARL	31	-	31	-
	57	-	52	-
EXA	EUR '000	EUR '000	EUR '000	EUR '000
Espace Solutions Reunion S.A.S.	7	-	6	-

Other services relate to tax and consultancy services.

COMPANY SECRETARY'S CERTIFICATE - 30 JUNE 2022

In terms of Section 166(d) of the Mauritius 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 30 June 2022, all such returns as are required of the Company under the Companies Act 2001.



Deborah Nicolin, ACG (CS)
Per IBL Management Ltd
Company Secretary

27 September 2022

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Phoenix Beverages Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Phoenix Beverages Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries (collectively referred as the "Group") set out on pages 128 to 205, which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Fair value of freehold land and freehold buildings</p> <p>At 30 June 2022, the carrying amounts of freehold land and freehold buildings amounted to MUR 2 409 174 000 for the Group and MUR 2 117 819 000 for the Company and the fair value adjustments recorded is MUR 402 354 000 for the Group and MUR 398 149 000 for the Company respectively.</p> <p>The significant assumptions used have been disclosed in Note 5(c).</p> <p>Significant judgement is required by management in determining the fair value of freehold land and freehold buildings. Consequently, valuation of freehold land and freehold buildings is considered to be a key audit matter due to the significance of their carrying amounts to the financial statements as a whole, together with the judgement associated with fair value determination.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We assessed the credentials of the independent valuers. In addition, we discussed the scope of their work with management to determine that there were no matters that imposed scope limitations. We assessed that the approaches used were consistent with IFRS and valuation norms. Involved our fair value specialists in evaluating the valuers' judgement, in particular: <ul style="list-style-type: none"> The methods used by valuers; and The significant assumptions including comparable market data, depreciation rates and replacement costs used in the market approach for freehold land and depreciated replacement cost approach for buildings. Verified the existence of the comparable which the valuers made by reference in its market approach.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Phoenix Beverages Limited

Key Audit Matter	How our audit addressed the key audit matter
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Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment assessment on goodwill and trademarks</p> <p>The carrying value of goodwill arising from the acquisition of a business in prior years amount to MUR 680 360 000. The Group and the Company also had trademarks arising from the purchase of a brand in prior years at its cost of MUR 193 000 000. Management is required to conduct annual impairment tests to assess the carrying amounts of goodwill and trademarks. The significant assumptions used have been disclosed in Note 6. We have identified the impairment tests on goodwill and trademarks as a key audit matter due to the materiality of the balances and the associated subjective nature of the management's projected cash flow prepared and model used.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Validated the assumptions used to calculate the weighted average cost of capital by making reference to market data. Analysed the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current market conditions and expected future performance of the cash generating units. Subjected the key assumptions to sensitivity analysis. Compared the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of these projections. Involved our fair value specialists who assessed the reasonableness and appropriateness of the key inputs.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of investments through FVTOCI</p> <p>The fair value of unquoted investments amounting to MUR 1 378 939 000 at year end is derived by using projections prepared by management which includes estimates and judgements. The significant assumptions used have been disclosed in Note 7. We have identified the significant judgements, namely the economic recovery and cash flows forecast to be a key audit matter due to the subjective nature of the management's projected cash flow prepared and model used.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Tested the mathematical accuracy of the valuation models. Assessed the reasonableness of the forecasts used in the fair value exercise. Compared actual performance to that of previous years forecast. Assessed the key inputs in the valuation models by comparing the inputs to the weighted average cost of capital discount rate to independently obtained data such as the cost of debt, risk free rates in the market, specific risk premium, debt/equity ratios as well as the beta of comparable companies. Involved our fair value specialists who assessed the reasonableness and appropriateness of the key inputs.

Other matter

The consolidated and separate financial statements for the year ended 30 June 2021 were audited by another auditor, who on 29 September 2021 expressed an unmodified opinion thereon.

Other information

The directors are responsible for the other information. The other information comprises the Reporting Context, information on the Group including the Operating Context and Group Performance, Statutory Disclosures, the Corporate Governance Report and Company Secretary's Certificate. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

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

Responsibilities of directors for the consolidated and separate financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Phoenix Beverages Limited

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacities as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate governance report

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

Use of this report

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

Deloitte

Deloitte
Chartered Accountants

27 September 2022

R. Srinivasa Sankar

R. Srinivasa Sankar, FCA
Licensed by FRC



STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	THE GROUP		THE COMPANY	
		2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4 524 351	4 175 784	4 049 691	3 635 434
Intangible assets	6	902 750	964 641	221 809	220 363
Right-of-use assets	19(a)	217 757	295 016	144 392	176 545
Investments in subsidiaries	7	–	–	1 378 939	1 478 976
Investment in associate	8	1 437	1 480	1 077	1 110
Financial assets at fair value through other comprehensive income	9	3 330	3 440	2 091	2 091
Long-term receivables at amortised cost	10	–	–	–	30 330
		5 649 625	5 440 361	5 797 999	5 544 849
Current assets					
Inventories	11	1 521 291	1 208 843	1 219 421	977 759
Trade and other receivables	12	706 485	609 486	408 865	331 597
Current tax assets	20(b)	–	17 994	–	13 985
Bank and cash balances	30(b)	402 225	385 956	247 795	234 471
		2 630 001	2 222 279	1 876 081	1 557 812
Total assets		8 279 626	7 662 640	7 674 080	7 102 661
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	366 962	366 962	366 962	366 962
Other reserves	14	1 504 348	1 227 907	1 948 179	1 693 723
Retained earnings		3 680 939	3 491 247	3 360 799	3 169 780
Equity attributable to owners of the Company		5 552 249	5 086 116	5 675 940	5 230 465
Non-controlling interests		–	(8 571)	–	–
Total equity		5 552 249	5 077 545	5 675 940	5 230 465
Non-current liabilities					
Borrowings	15	301 704	419 436	224 673	315 652
Lease liabilities	19(b)	126 400	221 568	79 904	137 675
Deferred tax liabilities	16	288 011	247 956	282 901	244 189
Employee benefit obligation	17	222 346	216 775	221 204	215 439
Deferred revenue	21	51 480	28 225	–	–
		989 941	1 133 960	808 682	912 955
Current liabilities					
Trade and other payables	18	1 426 808	1 219 052	950 203	824 554
Borrowings	15	108 618	111 133	74 891	77 330
Lease liabilities	19(b)	113 749	96 109	83 488	57 357
Current tax liabilities	20(b)	76 098	13 922	80 876	–
Deferred revenue	21	12 163	10 919	–	–
		1 737 436	1 451 135	1 189 458	959 241
Total equity and liabilities		8 279 626	7 662 640	7 674 080	7 102 661

These financial statements have been approved by the Board of Directors and authorised for issue on: 27 September 2022



Catherine McLraith
Chairperson of the Audit and Risk Committee



Patrick Rivalland
Director

The notes on pages 133 to 205 form an integral part of these financial statements | Auditor's report is on pages 123 to 126.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	THE GROUP		THE COMPANY	
		2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Revenue from contracts with customers	23	9 014 922	7 868 359	7 501 814	6 534 635
Manufacturing costs	24	(3 912 657)	(3 170 296)	(3 169 464)	(2 512 912)
Excise and other specific duties	24	(2 647 776)	(2 461 226)	(2 647 776)	(2 461 226)
Cost of sales		(6 560 433)	(5 631 522)	(5 817 240)	(4 974 138)
Gross profit		2 454 489	2 236 837	1 684 574	1 560 497
Other income	26	18 968	56 764	50 909	24 897
Marketing, warehousing, selling and distribution expenses	24	(1 148 235)	(1 062 021)	(810 898)	(754 147)
Administrative expenses	24	(709 137)	(594 908)	(361 624)	(371 157)
Profit before finance costs, share of associate and credit loss (expense)/reversal on trade receivables	27	616 085	636 672	562 961	460 090
Finance costs	28	(57 742)	(49 192)	(27 449)	(43 962)
Share of results of associate	8(a)	(78)	2 725	–	–
Profit before credit loss (expense)/reversal on trade receivables		558 265	590 205	535 512	416 128
Credit loss (expense)/reversal on trade receivables	12	(10 265)	5 178	(8 770)	343
Profit before tax		548 000	595 383	526 742	416 471
Tax expense	20(c)	(131 221)	(64 168)	(117 249)	(40 007)
Profit for the year		416 779	531 215	409 493	376 464
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Changes in fair value of equity instrument at fair value through other comprehensive income		–	–	(100 070)	293 505
Revaluation/(reversal of revaluation) on land and buildings		402 354	(13 064)	398 149	(13 064)
Remeasurements of employment benefit obligations	17	727	318 729	327	318 362
Deferred tax on revaluation on buildings		(45 264)	–	(43 623)	–
Deferred tax on employment benefit obligations	16	(56)	(54 101)	(56)	(54 121)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(80 684)	95 781	–	–
Other movements in associate	8(a)	35	(2 907)	–	–
Total other comprehensive income		277 112	344 438	254 727	544 682
Total comprehensive income for the year		693 891	875 653	664 220	921 146
Profit attributable to:					
Owners of the Company		417 340	532 657	409 493	376 464
Non-controlling interests		(561)	(1 442)	–	–
		416 779	531 215	409 493	376 464
Total comprehensive income attributable to:					
Owners of the Company		694 355	877 028	664 220	921 146
Non-controlling interests		(464)	(1 375)	–	–
		693 891	875 653	664 220	921 146
Basic and diluted earnings per share (MUR.cs)	29	25.37	32.39		

The notes on pages 133 to 205 form an integral part of these financial statements | Auditor's report is on pages 123 to 126.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

(ATTRIBUTABLE TO OWNERS OF THE COMPANY)

THE GROUP	Notes	Share capital MUR '000	Share premium MUR '000	Revaluation and other reserves MUR '000	Fair value reserve MUR '000	Retained earnings MUR '000	Total MUR '000	Non-controlling interests MUR '000	Total MUR '000
At 1 July 2021		164 470	202 492	1 228 309	(402)	3 491 247	5 086 116	(8 571)	5 077 545
Profit for the year		-	-	-	-	417 340	417 340	(561)	416 779
Other comprehensive income for the year		-	-	276 406	35	574	277 015	97	277 112
Total comprehensive income for the year		-	-	276 406	35	417 914	694 355	(464)	693 891
Change in shareholding without affecting control	7	-	-	-	-	(9 477)	(9 477)	9 035	(442)
Dividends	22	-	-	-	-	(218 745)	(218 745)	-	(218 745)
At 30 JUNE 2022		164 470	202 492	1 504 715	(367)	3 680 939	5 552 249	-	5 552 249
At 1 July 2020		164 470	202 492	1 145 960	2 505	2 904 183	4 419 610	(7 196)	4 412 414
Profit for the year		-	-	-	-	532 657	532 657	(1 442)	531 215
Other comprehensive income/(loss) for the year		-	-	82 717	(2 907)	264 561	344 371	67	344 438
Total comprehensive income for the year		-	-	82 717	(2 907)	797 218	877 028	(1 375)	875 653
Transfer		-	-	(368)	-	368	-	-	-
Dividends	22	-	-	-	-	(210 522)	(210 522)	-	(210 522)
At 30 JUNE 2021		164 470	202 492	1 228 309	(402)	3 491 247	5 086 116	(8 571)	5 077 545

The notes on pages 133 to 205 form an integral part of these financial statements | Auditor's report is on pages 123 to 126.

THE COMPANY	Notes	Share capital MUR '000	Share premium MUR '000	Revaluation and other reserves MUR '000	Fair value reserve MUR '000	Retained earnings MUR '000	Total MUR '000
At 1 July 2021		164 470	202 492	1 051 957	641 766	3 169 780	5 230 465
Profit for the year		-	-	-	-	409 493	409 493
Other comprehensive income/(loss) for the year		-	-	354 526	(100 070)	271	254 727
Total comprehensive income for the year		-	-	354 526	(100 070)	409 764	664 220
Dividends	22	-	-	-	-	(218 745)	(218 745)
At 30 JUNE 2022		164 470	202 492	1 406 483	541 696	3 360 799	5 675 940
At 1 July 2020		164 470	202 492	1 065 389	348 261	2 739 229	4 519 841
Profit for the year		-	-	-	-	376 464	376 464
Other comprehensive (loss)/income for the year		-	-	(13 064)	293 505	264 241	544 682
Total comprehensive income for the year		-	-	(13 064)	293 505	640 705	921 146
Transfer		-	-	(368)	-	368	-
Dividends	22	-	-	-	-	(210 522)	(210 522)
At 30 JUNE 2021		164 470	202 492	1 051 957	641 766	3 169 780	5 230 465

The notes on pages 133 to 205 form an integral part of these financial statements | Auditor's report is on pages 123 to 126.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	THE GROUP		THE COMPANY	
		2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Cash flows from operating activities					
Cash generated from operations	30(a)	846 971	1 054 254	738 864	868 617
Interest received		779	701	258	417
Interest paid		(31 497)	(38 147)	(27 449)	(32 917)
Contributions paid on pension	17	(16 235)	(19 179)	(16 235)	(19 179)
Net tax paid	20(b)	(52 155)	(63 047)	(21 780)	(64 600)
CSR contribution	20(b)	(5 575)	(8 011)	(5 575)	(8 011)
Net cash generated from operating activities		742 288	926 571	668 083	744 327
Cash flows from investing activities					
Purchase of property, plant and equipment		(351 365)	(275 191)	(313 838)	(232 236)
Proceeds from disposal of plant and equipment		4 917	2 887	628	2 887
Purchase of intangible assets	6	(3 049)	(25 703)	(2 659)	(25 410)
Acquisition of investments in subsidiaries	7	-	-	(442)	(50)
Capital grants received	21	49 434	-	-	-
Dividends received		724	2 658	24 943	2 658
Net cash used in investing activities		(299 339)	(295 349)	(291 368)	(252 151)
Cash flows from financing activities					
Proceeds from borrowings		102,000	87,688	102,000	53,000
Repayment of borrowings		(196,112)	(139,748)	(179,606)	(128,507)
Payment of principal portion of leases	19(b)	(98 159)	(100 765)	(61 071)	(51 500)
Dividends paid to Company's owners	18, 22	(213 811)	(192 364)	(213 811)	(192 364)
Net cash used in financing activities		(406 082)	(345 189)	(352 488)	(319 371)
Increase in cash and cash equivalents		36 867	286 033	24 227	172 805
Movement in cash and cash equivalents					
At July 1		369 393	62 960	234 471	50 620
Effect of foreign exchange rate changes		(19 847)	20 400	(10 903)	11 046
Increase		36 867	286 033	24 227	172 805
At 30 June	30(b)	386 413	369 393	247 795	234 471

The notes on pages 133 to 205 form an integral part of these financial statements | Auditor's report is on pages 123 to 126.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Phoenix Beverages Limited ("the Company") is a public limited company incorporated and domiciled in Mauritius. The Directors regard Phoenix Investment Company Limited and IBL Ltd as the immediate 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 shareholders of the Company.

The Company and its ultimate holding company are quoted on the official market of the Stock Exchange of Mauritius. The Company's immediate holding company is quoted on the Development Enterprise Market of the Stock Exchange of Mauritius.

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

- (i) freehold land and buildings are carried at revalued amounts; and
- (ii) relevant financial assets and financial liabilities are stated at their fair value.

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). The consolidated and separate financial statements are presented in Mauritian Rupee (MUR'000).

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

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Phoenix Beverages Limited, its subsidiaries and its associates using the acquisition method and the equity method respectively. The results of subsidiaries and associates acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date of their acquisitions or up to the date of their disposals respectively.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests that are present ownership interests and entitle their holders to proportionate share of the entity's net assets in the event of liquidation may initially be measured either at fair value or at the non-controlling interests' proportionate share of the recognised amount of the acquiree's identifiable net assets.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements to the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

(c) Investments in subsidiaries

Subsidiaries are those companies over which the Company exercises control. These are categorised as fair value through OCI and accounted at fair value in the Company's separate financial statements. Profit or loss on fair value of investments is recognised in the statement of other comprehensive income.

(d) Investment in associate

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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company recognises its investment in associate at fair value through Other Comprehensive Income (OCI) and these are stated at fair value in the Company's separate financial statements. Profit or loss on fair value of investment in associate is recognised in the statement of other comprehensive income. 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 financial statements. Under the equity method of accounting, the Group's share of the associate's profit or loss for the year is recognised in profit or loss and statement of other comprehensive income and the Group's interest in the associate 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 associate 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 recognised in profit or loss.

(e) Intangible assets

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

The carrying amount of intangible assets is reviewed annually and adjusted for impairment where it is considered necessary. Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is indication that the asset may be impaired.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(i) Computer software

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

(ii) Trademarks

Trademarks with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets (continued)

(iii) Goodwill

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 (CGUs) 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 CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(iv) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupee, 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 Rupee, 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 foreign operations are translated into Mauritian Rupee (Rs) at a rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is recognised in profit or loss.

(g) 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 and impairment losses recognised after the date of revaluation. However, management assesses whether the carrying amount has not changed significantly over years. 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 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	2–10
Containers	5–10

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Land and buildings	9–60
Motor vehicles	5–7

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

The right-of-use assets are also subject to impairment in terms of IAS 36.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's and the Company's lease liabilities are included in borrowings (see note 15).

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(j) 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.

(k) Financial instruments

(i) Financial assets

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost includes trade and other receivables, intercompany receivables and long term receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for trade receivables with third parties that are not covered or partly covered by an insurance policy. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group makes use of the roll rate methodology. It predicts the probability of default based on delinquency and calculates the percentage of debtors' balance in each bucket that deteriorates to the next bucket in the following month.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group

is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. When the trade receivables are referred to attorneys and there is no reasonable expectation of recovery, the debtors are written off. The information about the ECLs on the Group's trade receivables is disclosed in note 12. The Group uses the debtors days ratio to determine whether there has been a significant increase in credit risk.

The Company recognises an allowance for expected credit losses (ECLs) for the long term receivables under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, interest-bearing loans and borrowings, trade and other payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing loans and borrowings, including bank overdrafts.

Subsequent measurement

The Group and the Company's financial liabilities are subsequently classified as financial liabilities at amortised cost.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

This category generally applies to trade and other payables, interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Group operates and generates taxable income. The income tax is recognised as a charge in profit or loss.

Deferred income tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable and there are convincing evidence that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Deferred income tax assets and deferred income tax liabilities are offset only where both criteria below are met:

- (a) has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group and the Company have disclosed deferred income tax assets and deferred income tax liabilities separately as it does not meet the above criteria.

Corporate Social Responsibility

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

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

(m) 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.

(n) Retirement benefit obligations

The employees of the Group are members of IBL Pension Fund ("IBLPF"). The IBLPF 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 IBLPF 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 IBLPF are entitled to the Retirement Gratuity as provided by the Workers Rights Act 2019. However, half of any lump sum and 5 years pension (relating to the employer's share of contributions only) payable from the IBLPF, 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 cover 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 IBLPF are payable from an annuity fund within IBLPF. 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 statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Retirement benefit obligations (continued)

Other Post-Retirement Benefit Obligations (continued)

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

The Group and 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 recognised in the statements 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.

(o) Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(p) Revenue recognition

Revenue from contract with customers

The main revenue stream of the Group and the Company are the sale of beverages which consists of alcoholic and non-alcoholic drinks sold locally and overseas. Deposit on containers is estimated based on the redemption rate over a five years period and the portion that is expected to be recovered is accounted as revenue on sale of products.

Performance obligations and timing of revenue recognition

The majority of the revenue of the Group and the Company is derived from selling of goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to

the customers. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group and the Company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices, with the exception that some contracts provide customers with a limited right of return. Historical experience enables the Group to estimate reliably the value of goods that will be returned and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when goods are returned.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all products are capable of being, and are, sold separately).

Deposit on containers

Deposit on containers is released to profit or loss based on average percentage growth of the deposit over a five year period. An assessment is made every year.

Volume rebates

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price).

Other revenues earned by the Group and the Company are recognised as follows:

- Interest income - on a time proportion basis using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.
- 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, cash in bank accounts and cash in a bank overdraft. Cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

(r) 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.

(s) Related parties

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

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Fair value measurement

The Group and the Company measures financial instruments, such as financial assets at fair value through other comprehensive income and land and buildings at fair value at each reporting date. Also, fair values of financial instruments are disclosed in note 3.2 and its respective notes.

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

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

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

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

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

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group and the Company. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for recurring fair value measurement, such as Financial Assets at Fair value through other comprehensive income.

External valuers are involved for valuation of significant assets such as land and buildings. Involvement of external valuers is decided and approved by the Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

New and revised standards that are effective but with no material effect on the financial statements

In the current year, the Group and the Company have adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to the Group's and the Company's operations and effective for accounting periods beginning on 1 July 2021.

(i) Relevant new and revised Standards in issue but 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 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 1 January 2023)
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective 1 January 2023)
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018 - 2020 (fees in the '10 per cent' test for derecognition of financial liabilities (effective 1 January 2022)

(ii) New and revised standards that are effective but with no material effect on the financial statements

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

IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform
IFRS 16	Leases - Amendments regarding issues in the context of the IBOR reform
IFRS 16	Leases - Amendment to extend the exemption from assessing whether Covid-19 related rent concession is a lease modification

The directors anticipate that these Standards and Interpretation will be applied on their financial statements at the above effective dates in future periods. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 program. Sub-committees have been set up and 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 program 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 (EUR) and US Dollar (USD). 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. The Company has the assistance of the Group Finance Committee to obtain the best rates on the market for the settlement of foreign currency payments.

Foreign currency sensitivity analysis

The Group

The following table details the Group's sensitivity to a 5% change in the Mauritian Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Mauritian Rupee strengthens 5% against the relevant currencies. There would be an equal and opposite impact on the profit and other equity where the Mauritian Rupee weakens 5% against the relevant currencies, and the balances below would be negative.

	2022 MUR '000	2021 MUR '000
Increase in profit and other equity		
USD	1 285	2 703
EUR	11 377	24 872

The Company

The following table details the Company's sensitivity to a 5% change in the Mauritian Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Mauritian Rupee strengthens 5% against the relevant currencies. There would be an equal and opposite impact on the profit and other equity where the Mauritian Rupee weakens 5% against the relevant currencies, and the balances below would be negative.

	2022 MUR '000	2021 MUR '000
Increase in profit and other equity		
USD	2 046	3 053
EUR	3 407	9 231

(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 financial assets at fair value through other comprehensive income. No sensitivity analysis is performed for FVTOCI as the impact is immaterial. For investment in subsidiaries classified as FVTOCI, the sensitivity analysis is performed in note 3.2.

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

(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.

Rupee-denominated borrowings

At 30 June 2022, 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Effect on profit				
+50 basis points – Decrease in profit	(788)	(963)	(788)	(963)
-50 basis points – Increase in profit	788	963	788	963

Other currencies – denominated borrowings

The Group have borrowings amounting to MUR 270.3m (2021: MUR 355.6m) and the Company MUR 159.6m (2021: MUR 218.0m) denominated in EUR.

Interest rates are disclosed in note 15(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors and risk management policies (continued)

(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 had adopted a policy of only dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on a regular basis.

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 11% (2021:14%) of the trade receivables of the Group. These counterparties are unrelated and have different characteristics.

The Group's credit risk is primarily attributable to its trade receivables and cash deposited in financial institutions. The amount presented in the statements of financial position are net of allowances for expected credit losses, estimated by management based on prior experience and represents the Company's maximum exposure to credit risk and an on going credit evaluation is performed on the financial conditions of trade receivable, insurance cover is taken for some customers in order to minimise credit risk. Management considers these trade receivables of having a low credit risk as the risk of default from these financial institutions are low.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The maximum exposure to credit risk at the reporting date and the measurement basis used to determine expected credit losses are disclosed in note 12. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

When the trade receivables are referred to attorneys and there is no reasonable expectation of recovery, the debtors are written off.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Bank balances are assessed to have low credit risk at reporting date since these are held in reputable banking institutions. The identified impairment loss on these balances was immaterial.

For long-term receivables, the Company manages the long-term receivables from related parties through considering the purpose of advances and their financial position and forecasted cash flows.

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, 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 end of the reporting date to the contractual maturity date has been disclosed in note 15(b). All trade and other payables are due within one year.

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	Less than 1 month MUR '000	1-3 months MUR '000	3 months to 1 year MUR '000	1-5 years MUR '000	Over 5 years MUR '000	Total MUR '000
2022							
Variable interest rate	2.78%	4 043	11 129	39 180	186 345	-	240 697
Fixed interest rate	3.97%	3 446	10 337	27 564	139 854	-	181 201
Lease liabilities	5.31%	9 193	32 789	85 208	116 922	76 881	320 993
Non-interest bearing:							
Trade and other payables		586 548	207 907	95 865	18 518	1 249	910 087
		603 230	262 162	247 817	461 639	78 130	1 652 978
2021							
Variable interest rate	3.21%	23 779	1 079	39 839	151 541	-	216 238
Fixed interest rate	2.34%	1 986	3 972	58 501	277 646	15 483	357 588
Lease liabilities	5.31%	5 957	11 913	92 361	215 207	82 462	407 900
Non-interest bearing:							
Trade and other payables		711 675	115 974	180 674	-	11 119	1 019 442
		743 397	132 938	371 375	644 394	109 064	2 001 168

Variable interest rate and Fixed interest rate pertain to items in Borrowings.

THE COMPANY

	Weighted average effective interest	Less than 1 month MUR '000	1-3 months MUR '000	3 months to 1 year MUR '000	1-5 years MUR '000	Over 5 years MUR '000	Total MUR '000
2022							
Variable interest rate	4.10%	3 036	9 109	24 290	109 305	-	145 740
Fixed interest rate	3.65%	3 446	10 337	27 564	124 040	-	165 387
Lease liabilities	7.57%	6 311	24 309	65 188	69 569	76 881	242 258
Non-interest bearing:							
Trade and other payables		183 923	137 994	32 097	-	-	354 014
		196 716	181 749	149 139	302 914	76 881	907 399
2021							
Variable interest rate	4.10%	540	1 079	39 839	151 541	-	192 999
Fixed interest rate	3.65%	579	1 159	47 545	188 013	-	237 296
Lease liabilities	7.57%	5 800	11 600	52 198	129 152	82 462	281 212
Non-interest bearing:							
Trade and other payables		333 267	93 435	177 337	-	11 119	615 158
		340 186	107 273	316 919	468 706	93 581	1 326 665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 is not presented on the Group's statements of financial position at the fair values are not materially different from their carrying amounts.

Fair value measurements recognised in the statements 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 COMPANY			
	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
2022				
Investments in subsidiaries	-	-	1 378 939	1 378 939
Investments in associate	-	-	1 077	1 077
Financial assets at fair value through other comprehensive income	-	-	2 091	2 091
Total	-	-	1 382 107	1 382 107

	THE COMPANY			
	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
2021				
Investments in subsidiaries	-	-	1 478 976	1 478 976
Investments in associate	-	-	1 110	1 110
Financial assets at fair value through other comprehensive income	-	-	2 091	2 091
Total	-	-	1 482 177	1 482 177

THE GROUP

	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
	2022			
Financial assets at fair value through other comprehensive income	-	-	3 330	3 330

THE GROUP

	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
	2021			
Financial assets at fair value through other comprehensive income	-	-	3 440	3 440

Reconciliation of level 3 fair value measurements of financial assets

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	3 440	3 236	1 482 177	1 188 622
Additions	-	-	-	50
Exchange differences	(110)	204	-	-
Total (loss)/gains recognised in other comprehensive income	-	-	(100 070)	293 505
At 30 June	3 330	3 440	1 382 107	1 482 177

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation of financial instruments (continued)

The following unobservable inputs were used to measure the financial assets measured at fair value in the Company's separate financial statements:

THE COMPANY						
Description	Fair value as at 30 June		Valuation techniques	Unobservable input	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2022 MUR '000	2021 MUR '000				
Unquoted investments in subsidiaries	1 175 383	1 268 143	Discounted cash flows	Discount rate	2022: (7.63%) and 2021: (6.11%)	A 5% increase will lead to a decrease of MUR 90.6m (2021: MUR 93.0m). A 5% decrease will lead to an increase of MUR 79.2m (2021: MUR 108.0m).
					Growth rate	2022 and 2021: 2%
Investment in associate	1 077	1 110	Net assets	Illiquidity discount	Illiquidity discount	A 5% increase in rate will lead to decrease of MUR 18k (2021: MUR 18k). A 5% decrease in rate will lead to an increase of MUR 18k (2021: MUR 18k).
Financial assets at fair value through other comprehensive income	2 091	2 091	Net assets	Cost	Not applicable	Not applicable
THE GROUP						
Financial assets at fair value through other comprehensive income	3 330	3 440	Net assets	Cost	Not applicable	Not applicable

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 and the Company manage the capital structure and makes adjustments to it in 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 the shareholders, or sell assets to reduce debt.

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 statements of financial position) less cash and bank balances. Capital structure comprises all components of equity (i.e. share capital, share premium, retained earnings and other reserves).

The debt to equity ratio at 30 June 2022 and 30 June 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Total debt (note 15 & 19)	650 471	848 246	462 956	588 014
Less: bank and cash balances (note 30(b))	(402 225)	(385 956)	(247 795)	(234 471)
Net debt	248 246	462 290	215 161	353 543
Total equity	5 552 249	5 077 545	5 675 940	5 230 465
Debt-to-equity ratio	0.04:1	0.09:1	0.04:1	0.07:1

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 and trademarks

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

The Group tests annually whether goodwill and trademarks have suffered any impairment, in accordance with the accounting policy stated in Note 2e(ii) and 2e(iii), respectively. Refer to Note 6.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

4.1 Critical accounting estimates and assumptions (continued)

(b) Expected credit losses of trade receivables

The Group and the Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. ECL for the year amounts to MUR 148.558m (2021: MUR 128.518m) for the Group and MUR 75.304m (2021: MUR 66.985m) for the Company.

(c) 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, future salary increases, mortality rates and future pension increases. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group and the Company 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 and the Company 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. Refer to Note 17 for more details.

(d) Revaluation of land and buildings

Land and buildings are measured at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group and the Company engage an independent valuer to determine the fair value on a regular basis. These estimates have been based on recent transactions for similar properties. The actual amount of the land and buildings could therefore defer significantly from the estimates in the future. Refer to Note 5 for more details.

(e) Provision for slow-moving stock

A provision for slowing moving stock is determined using a combination of factors (quality and ageing of stock) to ensure that inventory is not overstated at year end. Refer to Note 11 for more details.

(f) Depreciation and amortisation rates

The Group and the Company depreciates or amortises its assets to their residual values over their estimated useful lives. The estimation of useful lives is based on historical performance and expectation about future use and requires significant degree of judgement. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset if the asset were already of the age and in condition expected at the end of its useful life. Refer to Note 5 for more details.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible but where this is not feasible a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Refer to Note 3.1 for more details.

(h) Useful life of trademarks

As there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group and the Company, trademarks have been assessed as having an indefinite useful life. Refer to Note 6 for more details.

(i) Estimating variable consideration for returns and volume rebates

The Group and the Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group and the Company has contracts with certain supermarkets and point of sales whereby if certain target turnover is achieved, an end of year rebate is earned by them. Some of those contracts are coterminous with the financial year and some are based on calendar year. For the coterminous contracts, the annual rebate is straight-away and based on actual sales. However, for those contracts based on the calendar year, the estimated rebate is based on actual six-months sales till June plus estimated sales till December based on historical data and current trend.

The Group and the Company applied a statistical model for estimating expected rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate estimated by the Group and the Company.

The Group and the Company updates its assessment of expected sales rebates half-yearly and the refund liabilities are adjusted accordingly. Estimates of expected rebates are sensitive to changes in circumstances and the Group's and the Company's past experience regarding sales and rebate entitlements may not be representative of customers' actual sales and rebate entitlements in the future.

As at 30 June 2022, the amount recognised as end of year discount for the expected sales and turnover rebates was MUR 207.6m (2021: MUR 161.4) for the Group and MUR 81.6m (2021: MUR 54.0m) for the Company. Refer to Note 18 for more details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

4.1 Critical accounting estimates and assumptions (continued)

(j) Expected credit losses of long-term receivables

The measurement of impaired losses of financial assets requires judgements, in particular, the estimation of the amount and timing of future cash flows when determining impaired losses and the assessment of a significant increase in credit risk. The estimations are driven by a number of factors, changes in which can result in different levels of allowances. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer to Note 10 for more details.

(k) Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay' which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The IBR used to estimate the lease liability ranges from 1.8% to 8% for the Group and 4.1% to 8% for the Company. Refer to Note 19 for more details.

5. PROPERTY, PLANT AND EQUIPMENT

(a) Cost or valuation

	THE GROUP						
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Plant and machinery MUR '000	Motor vehicles MUR '000	Furniture, computer, office, and other equipment MUR '000	Containers MUR '000	Total MUR '000
2022							
At 1 July 2021	1 235 275	1 238 664	3 089 232	289 657	918 366	333 957	7 105 151
*Additions	3 891	35 224	58 247	11 894	49 014	148 677	306 947
Disposals	–	(4 412)	(13 057)	(2 586)	(13 075)	(12 681)	(45 811)
Revaluation adjustment	131 549	152 078	–	–	–	–	283 627
Exchange differences	(5 002)	(44 349)	(49 149)	(63)	(7 580)	–	(106 143)
At 30 JUNE 2022	1 365 713	1 377 205	3 085 273	298 902	946 725	469 953	7 543 771
DEPRECIATION							
At 1 July 2021	14 133	411 195	1 652 086	145 223	642 471	134 727	2 999 835
Charge for the year	7 166	54 293	130 847	25 388	68 670	78 242	364 606
Disposals	–	(4 412)	(13 053)	(2 410)	(10 000)	(12 513)	(42 388)
Revaluation adjustment	(21 142)	(97 585)	–	–	–	–	(118 727)
Exchange differences	–	(29 904)	(34 619)	(63)	(4 434)	–	(69 020)
At 30 JUNE 2022	157	333 587	1 735 261	168 138	696 707	200 456	3 134 306
NET BOOK VALUE							
At 30 JUNE 2022	1 365 556	1 043 618	1 350 012	130 764	250 018	269 497	4 409 465
Capital expenditure in progress	1 318	9 950	64 346	–	26 111	13 161	114 886
TOTAL PROPERTY PLANT AND EQUIPMENT	1 366 874	1 054 568	1 414 358	130 764	276 129	282 658	4 524 351

* Additions include an amount of MUR 55.6m (2021: MUR 159.0m) transferred from capital expenditure in progress to property, plant and equipment for the Group. Total cash outflow consist of additions of MUR 307m (2021: MUR 392m) and capital expenditure in progress of MUR 100m (2021: MUR 42m) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Cost or valuation (continued)

	THE GROUP						
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Plant and machinery MUR '000	Motor vehicles MUR '000	Furniture, computer, office, and other equipment MUR '000	Containers MUR '000	Total MUR '000
2021							
At 1 July 2020	1 229 297	1 130 969	2 889 358	306 652	934 855	320 930	6 812 061
Additions	11 768	54 838	216 162	15 597	18 715	74 710	391 790
Transfer between categories	–	–	43 171	–	(43 171)	–	–
Disposals	–	–	(121 570)	(32 676)	(4 807)	(61 683)	(220 736)
*Impairment	(12 419)	(2 763)	–	–	–	–	(15 182)
Exchange differences	6 629	55 620	62 111	84	12 774	–	137 218
At 30 JUNE 2021	1 235 275	1 238 664	3 089 232	289 657	918 366	333 957	7 105 151
DEPRECIATION							
At 1 July 2020	8 027	322 676	1 607 394	158 517	572 635	133 676	2 802 925
Charge for the year	6 106	52 194	123 508	19 047	68 976	62 734	332 565
Disposals	–	–	(121 485)	(32 425)	(4 583)	(61 683)	(220 176)
*Impairment	–	(368)	–	–	–	–	(368)
Exchange differences	–	36 693	42 669	84	5 443	–	84 889
At 30 JUNE 2021	14 133	411 195	1 652 086	145 223	642 471	134 727	2 999 835
NET BOOK VALUE							
At 30 JUNE 2020	1 221 142	827 469	1 437 146	144 434	275 895	199 230	4 105 316
Capital expenditure in progress	–	9 950	37 438	–	14 658	8 422	70 468
TOTAL PROPERTY, PLANT AND EQUIPMENT	1 221 142	837 419	1 474 584	144 434	290 553	207 652	4 175 784

* During the year 2021, the Directors have assessed the carrying amount of a specific property and consider the property to be of no business use and development that will lead economic benefits to flow to the Group. The Directors have therefore impaired land and buildings which had a carrying amount of MUR 14.8m at 30 June 2021.

(b) Cost or valuation

	THE COMPANY						
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Plant and machinery MUR '000	Motor vehicles MUR '000	Furniture, computer, office, and other equipment MUR '000	Containers MUR '000	Total MUR '000
2022							
At 1 July 2021	1 106 113	703 828	2 510 258	288 552	823 458	333 957	5 766 166
*Additions	3 891	19 498	37 674	11 894	46 579	148 677	268 213
Disposals	–	–	(3 760)	(2 586)	(6 685)	(12 681)	(25 712)
Revaluation adjustment	120 403	165 292	–	–	–	–	285 695
At 30 JUNE 2022	1 230 407	888 618	2 544 172	297 860	863 352	469 953	6 294 362
DEPRECIATION							
At 1 July 2021	14 132	67 296	1 250 749	144 118	588 096	134 729	2 199 120
Charge for the year	7 166	25 066	97 569	25 388	63 938	78 242	297 369
Disposals	–	–	(3 756)	(2 410)	(6 672)	(12 513)	(25 351)
Revaluation adjustment	(21 142)	(91 312)	–	–	–	–	(112 454)
At 30 JUNE 2022	156	1 050	1 344 562	167 096	645 362	200 458	2 358 684
NET BOOK VALUE							
At 30 JUNE 2022	1 230 251	887 568	1 199 610	130 764	217 990	269 495	3 935 678
Capital expenditure in progress	1 318	9 950	64 346	–	25 238	13 161	114 013
TOTAL PROPERTY, PLANT AND EQUIPMENT	1 231 569	897 518	1 263 956	130 764	243 228	282 656	4 049 691

* Additions include an amount of MUR 27.5m (2021: MUR 159.0m) transferred from capital expenditure in progress to property, plant and equipment for the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Cost or valuation (continued)

THE COMPANY

	Freehold land and yard MUR '000	Freehold buildings MUR '000	Plant and machinery MUR '000	Motor vehicles MUR '000	Furniture, computer, office and other equipment MUR '000	Containers MUR '000	Total MUR '000
2021							
At 1 July 2020	1 106 764	694 976	2 413 494	305 631	809 380	320 930	5 651 175
Additions	11 768	11 615	218 334	15 597	18 715	74 710	350 739
Disposals	–	–	(121 570)	(32 676)	(4 637)	(61 683)	(220 566)
*Impairment	(12 419)	(2 763)	–	–	–	–	(15 182)
At 30 JUNE 2021	1 106 113	703 828	2 510 258	288 552	823 458	333 957	5 766 166
DEPRECIATION							
At 1 July 2020	8 027	43 362	1 280 716	157 496	528 635	133 678	2 151 914
Charge for the year	6 105	24 302	91 518	19 047	63 874	62 734	267 580
Disposals	–	–	(121 485)	(32 425)	(4 413)	(61 683)	(220 006)
*Impairment	–	(368)	–	–	–	–	(368)
At 30 JUNE 2021	14 132	67 296	1 250 749	144 118	588 096	134 729	2 199 120
NET BOOK VALUE							
At 30 JUNE 2021	1 091 981	636 532	1 259 509	144 434	235 362	199 228	3 567 046
Capital expenditure in progress	–	9 950	37 438	–	12 578	8 422	68 388
TOTAL PROPERTY, PLANT AND EQUIPMENT	1 091 981	646 482	1 296 947	144 434	247 940	207 650	3 635 434

* During the year 2021, the Directors have assessed the carrying amount of a specific property and consider the property to be of no business use and development that will lead economic benefits to flow to the Group. The Directors have therefore impaired land and buildings which had a carrying amount of MUR 14.8m at 30 June 2021.

(c) In respect of freehold land and buildings of the Company:

- Freehold land and buildings were revalued in June 2022 by CDDS land surveyors and property, an independent valuer. 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 carrying amount was adjusted to the revalued amount at 30 June 2022 and the revaluation surplus was recorded under revaluation reserve.

In respect of freehold land and buildings of Edena S.A. and SCI Edena:

- Freehold land and buildings were revalued in June 2022 by Galtier Valuation an independent valuer. The basis of valuation of land and buildings was arrived at using an average of the following: comparing the value of other land and buildings in the neighbourhood giving due consideration to their respective location, shape, extent, development and potential; taking into consideration the depreciated replacement cost of buildings after making allowance for their age, standard and state of repair; and capitalised earnings.
Freehold land and buildings are revalued every 4-6 years.
- Fair value hierarchy measurement of freehold land and yard are classified as level 2 amounting to MUR 1 354.4m (2021: MUR 1 221.1m) for the Group and MUR 1 230.0m (2021: MUR 1 092.0m) for the Company and buildings as level 3 amounting to MUR 1 054.8m (2021: MUR 827.5m) for the Group and MUR 887.6m (2021: MUR 636.5m) for the Company.
- There were no transfers under level 2 and 3 during the year.
- Bank borrowings are secured by fixed and floating charges over the assets of the Group, which include property, plant and equipment.
- Information about fair value measurements using significant unobservable inputs (Level 3)

THE GROUP

Description	Fair value at 30 June		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2022 MUR '000	2021 MUR '000				
Buildings	1 043 618	827 469	Replacement cost less depreciation approach	Price per square metre	MUR 3 200 - MUR 54 740 per square metre	The higher the price per square metre, the higher the fair value

There was no change in the valuation technique during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(g) Information about fair value measurements using significant unobservable inputs (Level 3) (continued)

THE COMPANY						
Description	Fair value at 30 June,		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2022 MUR '000	2021 MUR '000				
Buildings	887 568	636 532	Replacement cost less depreciation approach	Price per square metre	MUR 3 200 - MUR 54 740 per square metre	The higher the price per square metre, the higher the fair value
			Income based approach	Price per square metre	MUR 68 - MUR 835 per square metre	The higher the price per square metre, the higher the fair value

(h) Information about fair value measurements using significant unobservable inputs (Level 2):

THE GROUP						
Description	Fair value at 30 June,		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2022 MUR '000	2021 MUR '000				
Freehold land and yard	1 365 556	1 221 142	Cost approach / Direct comparison approach	Price per square metre	MUR 1 688 to MUR 7 700 per square metre	The higher the price per square metre, the higher the fair value

THE COMPANY						
Description	Fair value at 30 June,		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2022 MUR '000	2021 MUR '000				
Freehold land and yard	1 230 251	1 091 981	Cost approach / Direct comparison approach	Price per square metre	MUR 1 688 to MUR 7 700 per square metre	The higher the price per square metre, the higher the fair value

(i) Depreciation

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Cost of sales	261 167	232 716	209 089	182 784
Selling and distribution expenses	80 611	77 784	75 769	73 143
Administrative expenses	22 828	22 065	12 511	11 653
	364 606	332 565	297 369	267 580

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

	THE GROUP		
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Total MUR '000
At 30 JUNE 2022			
Cost	366 862	1 123 820	1 490 682
Accumulated depreciation	(36 482)	(533 143)	(569 625)
Net book value	330 380	590 677	921 057
At 30 JUNE 2021			
Cost	367 973	1 137 357	1 505 330
Accumulated depreciation	(36 461)	(539 155)	(575 616)
Net book value	331 512	598 202	929 714

	THE COMPANY		
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Total MUR '000
At 30 JUNE 2022			
Cost	313 127	642 008	955 135
Accumulated depreciation	(36 482)	(200 609)	(237 091)
Net book value	276 645	441 399	718 044
At 30 JUNE 2021			
Cost	309 236	622 510	931 746
Accumulated depreciation	(36 461)	(200 395)	(236 856)
Net book value	272 775	422 115	694 890

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

6. INTANGIBLE ASSETS (continued)

Goodwill

The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC) of 7.63% (2021: 6.11%). The WACC takes into account both debt and equity.

Trademarks

The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC) of 6.65% (2021: 5.12%). The WACC takes into account both debt and equity.

The Directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena Group to exceed their aggregate recoverable amount.

7. INVESTMENTS IN SUBSIDIARIES

(a) Unquoted

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
At 1 July	1 478 976	1 183 246
Addition	442	50
Impairment*	(442)	–
(Decrease)/increase in fair value	(100 037)	295 680
At 30 June	1 378 939	1 478 976

* An additional investment made in a subsidiary company namely, The (Mauritius) Glass Gallery Ltd, has been impaired during the year.

Investments in subsidiaries are classified as financial assets measured at fair value through other comprehensive income. The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because it is considered to be more appropriate for these strategic investments.

Investments in subsidiaries comprise unquoted equity securities and are measured at fair value in the Company's separate financial statements.

In financial year ended 30 June 2021, with a steady economic recovery, the future cash flows forecast were adjusted positively, thereby resulting in an increase in fair value of Euro 4.5m equivalent to MUR 228.3m. Moreover, with the appreciation of the MUR vs Euro, a gain of MUR 158.4m was accounted upon retranslation of the Euro denominated investment. In financial year ended 30 June 2022, with a steady economic recovery, the future cash flows forecast were adjusted positively, thereby resulting in an increase in fair value of Euro 326.7k equivalent to MUR 15.1m. However, with the depreciation of the MUR vs Euro, a loss of MUR 107.8m was accounted upon retranslation of the Euro denominated investment.

On 16 June 2022, the Company acquired an additional 24% of the issued shares of The (Mauritius) Glass Gallery Ltd for a purchase consideration of USD 10 000 equivalent to MUR 442 000. The Group derecognised the accumulated share of loss attributable to the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of MUR 9 477 000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022 MUR '000
Cash consideration paid to non-controlling interests	442
Add: Carrying amount of accumulated share of loss of non-controlling interests acquired	9 035
Adjustment recognised in retained earnings	9 477

(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 (MUR)	Percentage holding and voting power			
						The Company		Other Group companies	
						2022	2021	2022	2021
Edena S.A.	Réunion	30 June	Bottling and sale of soft drinks, table water and alternative beverages	Ordinary	138 594 435	100.00%	100.00%	–	–
Espace Solution Réunion S.A.S.	Réunion	30 June	Distributor of beverages and other commodities	Ordinary	54 313 672	–	–	100.00%	100.00%
Helping Hands Foundation	Mauritius	30 June	Charitable institution	Ordinary	10 000	48.00%	48.00%	52.00%	52.00%
MBL Off-shore Ltd (ii)	Mauritius	30 June	Investment holding	Ordinary	27 215 400	100.00%	100.00%	–	–
Phoenix Beverages Overseas Ltd	Mauritius	30 June	Export of beverages	Ordinary	25 000	99.96%	99.96%	–	–
Phoenix Camp Minerals Offshore Ltd	Mauritius	30 June	Investment holding	Ordinary	86	100.00%	100.00%	–	–
Phoenix Distributors Ltd (ii)	Mauritius	30 June	Distributor of beverages	Ordinary	206 000	97.33%	97.33%	–	–
Phoenix Foundation	Mauritius	30 June	Charitable institution	Ordinary	1 000	100.00%	100.00%	–	–
Phoenix Réunion SARL	Réunion	30 June	Distributor of beverages and other commodities	Ordinary	342 640	–	–	100.00%	100.00%
SCI Edena	Réunion	30 June	Property holding	Ordinary	40 250	–	–	100.00%	100.00%
The (Mauritius) Glass Gallery Ltd (i)	Mauritius	30 June	Manufacture and sale of glass related products	Ordinary	5 110 000	100.00%	76.00%	–	–
The Traditional Green Mill Ltd	Mauritius	30 June	Restaurants	Ordinary	50 000	100.00%	100.0%	–	–

Note:

(i) Change in shareholding did not result in change in control for this subsidiary.

(ii) Dormant companies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

7. INVESTMENTS IN SUBSIDIARIES (continued)

(c) The Directors are of the opinion that non-controlling interests are not material to the Group.

The investments are classified as level 3 in the fair value hierarchy. Refer to note 3.2.

8. INVESTMENT IN ASSOCIATE

(a) The Group

	THE GROUP	
	2022 MUR '000	2021 MUR '000
At 1 July	1 480	4 380
Share of results	(78)	2 725
Dividends	–	(2 718)
Other movement in reserves	35	(2 907)
At 30 JUNE	1 437	1 480

The Group's interest in the associate is accounted using equity method in the consolidated financial statements.

(b) The Company

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
At 1 July	1 110	3 285
Movement in fair value	(33)	(2 175)
At 30 JUNE	1 077	1 110

Investment in associate is classified as financial asset at fair value through other comprehensive income. The investment in associate is classified as level 3 in the fair value hierarchy. Refer to note 3.2.

(c) The associate, which is unlisted as at 30 June 2022 and 2021, is 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	
					The Company	Other Group Companies
Crown Corks Industries Ltd	Mauritius	30 June	Trading of closures	Ordinary	30.36%	–

(d) Summarised financial information

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

Name of company	Current assets MUR '000	Non-current assets MUR '000	Current liabilities MUR '000	Revenue MUR '000	(Loss)/profit for the year MUR '000	Other comprehensive loss for the year MUR '000	Total comprehensive income for the year MUR '000	Dividends received during the year MUR '000
2022								
Crown Corks Industries Ltd	4 542	254	64	32	(256)	115	(141)	–
2021								
Crown Corks Industries Ltd	5 312	329	769	9 361	8 976	(9 576)	(600)	2 718

(e) Reconciliation of summarised financial information

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

Name of company	Opening net assets MUR '000	(Loss)/Profit for the year MUR '000	Other comprehensive loss for the year MUR '000	Dividends for the year	Closing net assets MUR '000	Ownership interest %	Interest in associates MUR '000	Carrying value MUR '000
2022								
Crown Corks Industries Ltd	4 873	(256)	115	–	4 732	30.36%	1 437	1 437
2021								
Crown Corks Industries Ltd	14 427	8 976	(9 576)	(8 954)	4 873	30.36%	1 480	1 480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	3 440	3 236	2 091	2 091
Exchange differences	(110)	204	-	-
At 30 JUNE	3 330	3 440	2 091	2 091

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Unquoted:				
Equity securities - Mauritius	2 091	2 091	2 091	2 091
Equity securities - Réunion	1 239	1 349	-	-
	3 330	3 440	2 091	2 091

(iii) As per IFRS 9 in limited circumstances, cost less impairment may provide an appropriate estimate of fair value. This would be the case if sufficient recent information is not available to measure the fair value. The directors considered the requirements of IFRS 9 and are of the opinion that cost is the best estimate for fair value.

(iv) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Unquoted:				
Ecocentre Limitee	2 091	2 091	2 091	2 091
Société Civile de Placement Immobilier	1 239	1 349	-	-
	3 330	3 440	2 091	2 091

(v) Equity investments at fair value through other comprehensive income are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	2 091	2 091	2 091	2 091
Euro	1 239	1 349	-	-
	3 330	3 440	2 091	2 091

10. LONG-TERM RECEIVABLES AT AMORTISED COST

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
Receivables from subsidiaries	86 177	196 136
Less allowance for ECL	(86 177)	(165 806)
	-	30 330

The long-term receivables from subsidiaries are stated at amortised cost. The long-term receivables have been fully provided during the year under review. The DCF model has been used to determine the fair value of the long term receivables. The fair value of the long term receivables approximate its carrying amount.

The Company recognises an allowance for expected credit losses (ECLs) for the long term receivables under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Factors considered by the Group when concluding that a long term receivable is credit impaired, thus resulting in Stage 3, include the event when the balance due is more than 120 days.

(a) The receivables are interest free, unsecured and will not be recalled within the next 12 months.

(b) The carrying amounts of the long-term receivables at amortised cost as of 30 June are denominated in the following currencies:

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
Mauritian Rupee	-	-
Euro	-	30 330
	-	30 330

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. LONG-TERM RECEIVABLES AT AMORTISED COST (continued)

The table below shows the credit quality and the maximum exposure to credit risk as per the Group's policy and year-end classification. The amounts are gross of loss allowances.

An analysis of changes in the gross amount and the corresponding ECL allowances in relation to long-term receivable is as follows:

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
Gross carrying amount as at 1 July	196 136	263 901
Additions	14 332	96 321
Repayments	(119 484)	(173 519)
Exchange differences	(4 807)	9 433
At 30 JUNE	86 177	196 136

	Credit impaired	
	2022 MUR '000	2021 MUR '000
Stage 3		
ECL allowance as at 1 July	165 806	152 374
(Decrease)/increase in exposure	(79 629)	13 432
At 30 JUNE	86 177	165 806

ECL on long-term receivables has been classified in administrative expenses.

11. INVENTORIES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Raw and packaging materials	590 380	447 235	521 225	404 028
Spare parts and consumables	180 527	154 916	147 426	125 053
Finished goods	612 211	502 370	444 951	389 850
Work in progress	46 509	38 102	46 509	38 102
Goods in transit	91 664	66 220	59 310	20 726
	1 521 291	1 208 843	1 219 421	977 759

The cost of inventory recognised as an expense includes an impairment of MUR 31.9m (2021: a net reversal of impairment of MUR 1.7m) for the Group and an impairment of MUR 27.7m (2021: a net reversal of impairment of MUR 5.3m) for the Company in respect of write-downs of inventory to net realisable value. The reversal in prior year is due to an increase in net realisable value following change in economic circumstances.

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

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Trade receivables (net of provisions)	516 964	442 418	296 576	205 727
Other receivables*	92 896	66 232	7 067	19 393
Prepayments	23 467	31 227	23 467	29 512
Receivables from group companies (net of provisions):				
- Enterprises in which ultimate holding company has significant interest	73 158	69 609	73 158	69 609
- Subsidiary companies	-	-	8 597	7 356
	706 485	609 486	408 865	331 597

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. Out of the trade receivables balance at end of the year, MUR 65.6m (2021: MUR 69.5m) is due from the Group's largest customer. There are no other customers who represent more than 11% (2021: 14%) of the total balance of trade receivables of the Group.

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

* Other receivables comprise of advances made to suppliers, staff loans and other sundry debtors.

(a) The carrying amounts of trade receivables and receivables from group companies are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	377 552	269 123	378 331	278 983
US Dollar	13 702	4 741	-	-
Euro	198 868	238 163	-	3 709
	590 122	512 027	378 331	282 692

(b) Expected credit loss for trade receivables and amount due from related parties

The Group applies the IFRS 9 simplified approach to measure expected credit losses. It is determined by the Group and the Company using provision matrix which makes use of the roll rate model. It refers to the percentage of customers who become increasingly bad on their accounts.

In order to assess the expected credit losses, the trade receivables have been grouped based on their credit risk characteristics and the days past due. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of loss allowance.

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables and amount due from related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

12. TRADE AND OTHER RECEIVABLES (continued)

(b) Expected credit loss for trade receivables and amount due from related parties (continued)

	THE GROUP					
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
At 30 June 2022	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Expected loss rate	1.83%	3.29%	14.18%	82.91%	82.64%	
Gross carrying amount:						
Trade receivables*						
- Uninsured debtors	255 104	120 994	27 259	12 865	125 369	541 591
- Insured debtors	92 879	79 770	1 455	1 221	-	175 325
Total	347 983	200 764	28 714	14 086	125 369	716 916
Loss allowance	4 678	3 979	3 866	10 666	103 605	126 794

* Including receivables from Group companies.

	THE GROUP					
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
At 30 June 2021	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Expected loss rate	1.90%	7.38%	21.57%	69.49%	98.20%	
Gross carrying amount:						
Trade receivables*						
- Uninsured debtors	272 366	78 276	26 670	25 526	95 782	498 620
- Insured debtors	65 556	75 218	254	733	164	141 925
Total	337 922	153 494	26 924	26 259	95 946	640 545
Loss allowance	5 188	5 777	5 754	17 737	94 062	128 518

* Including receivables from Group companies.

	THE COMPANY					
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
At 30 June 2022	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Expected loss rate	3.34%	4.19%	22.70%	100.00%	100.00%	
Gross carrying amount:						
Trade receivables						
- Uninsured debtors	112 253	86 118	15 511	4 244	28 110	246 236
- Insured debtors	92 879	79 770	1 455	1 221	-	175 325
Amount due from related parties	-	-	-	-	32 074	32 074
Total	205 132	165 888	16 966	5 465	60 184	453 635
Loss allowance	3 750	3 605	3 521	4 244	60 184	75 304

THE COMPANY

	THE COMPANY					
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
At 30 June 2021	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Expected loss rate	3.82%	9.34%	55.38%	95.84%	100.00%	
Gross carrying amount:						
Trade receivables						
- Uninsured debtors	86 386	58 888	9 590	5 192	19 445	179 501
- Insured debtors	65 556	75 218	254	733	164	141 925
Amount due from related parties	-	-	-	12 078	16 173	28 251
Total	151 942	134 106	9 844	18 003	35 782	349 677
Loss allowance	3 300	5 502	5 311	17 254	35 618	66 985

THE GROUP AND THE COMPANY

Insured debtors - Allowance of ECL on insured debtors is MUR 5.5m.

Trade receivables - ECL is calculated based on the expected loss rate which varies for the Company and its foreign subsidiaries depending on their risk characteristics.

For amount due from related parties, general approach is used. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

(c) The closing loss allowances for trade receivables as at 30 June 2022 and 2021 reconcile to the opening loss allowances as follows:

	THE GROUP			THE COMPANY		
	Collectively assessed	Individually assessed	Total	Collectively assessed	Individually assessed	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
At 1 July 2021	11 706	116 812	128 518	7 010	59 975	66 985
Charge for the year	3 781	6 484	10 265	3 915	4 855	8 770
Write off	-	(4 441)	(4 441)	-	(451)	(451)
Exchange differences	(265)	(7 283)	(7 548)	-	-	-
At 30 June 2022	15 222	111 572	126 794	10 925	64 379	75 304

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

12. TRADE AND OTHER RECEIVABLES (continued)

(c) The closing loss allowances for trade receivables as at 30 June 2022 and 2021 reconcile to the opening loss allowances as follows (continued):

	THE GROUP			THE COMPANY		
	Collectively assessed	Individually assessed	Total	Collectively assessed	Individually assessed	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
At 1 July 2020	14 286	111 011	125 297	10 450	57 188	67 638
(Reversal)/Charge for the year	(3 440)	(1 738)	(5 178)	(3 440)	3 097	(343)
Write off	–	(310)	(310)	–	(310)	(310)
Exchange differences	860	7 849	8 709	–	–	–
At 30 June 2021	11 706	116 812	128 518	7 010	59 975	66 985

(d) 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 amounts of trade and other receivables approximate their fair values.

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

13. STATED CAPITAL

2022 and 2021	THE GROUP AND THE COMPANY			
	Number of shares	Ordinary shares MUR '000	Share premium MUR '000	Total MUR '000
Issued and fully paid				
At 1 July and at 30 June	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 (2021: 16 447 000) with a par value of MUR 10 per share (2021: MUR 10 per share). All issued shares are fully paid.

14. OTHER RESERVES

(a) The Group

	REVALUATION AND OTHER RESERVES				
	Revaluation reserve MUR '000	Other reserves MUR '000	Translation reserve MUR '000	Fair value reserve MUR '000	Total MUR '000
2022					
At 1 July 2021	1 050 285	5 350	172 674	(402)	1 227 907
<i>Other comprehensive income:</i>					
Other movements in associate	–	–	–	35	35
Revaluation on land and buildings	402 354	–	–	–	402 354
Deferred tax on revaluation of buildings	(45 264)	–	–	–	(45 264)
Exchange differences	–	–	(80 684)	–	(80 684)
At 30 JUNE 2022	1 407 375	5 350	91 990	(367)	1 504 348

The Group

	REVALUATION AND OTHER RESERVES				
	Revaluation reserve MUR '000	Other reserves MUR '000	Translation reserve MUR '000	Fair value reserve MUR '000	Total MUR '000
2021					
At 1 July 2020	1 063 717	5 350	76 893	2 505	1 148 465
<i>Other comprehensive income:</i>					
Other movements in associate	–	–	–	(2 907)	(2 907)
Reversal of revaluation on land and buildings	(13 064)	–	–	–	(13 064)
Exchange differences	–	–	95 781	–	95 781
Transfer to retained earnings	(368)	–	–	–	(368)
At 30 JUNE 2021	1 050 285	5 350	172 674	(402)	1 227 907

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

14. OTHER RESERVES (continued)

(b) The Company

	REVALUATION AND OTHER RESERVES			
	Revaluation reserve MUR '000	Capital reserve MUR '000	Fair value reserve MUR '000	Total MUR '000
2022				
At 1 July 2021	1 050 125	1 832	641 766	1 693 723
<i>Other comprehensive income:</i>				
Revaluation on land and buildings	398 149	–	–	398 149
Deferred tax on revaluation of buildings	(43 623)	–	–	(43 623)
Decrease in fair value	–	–	(100 070)	(100 070)
At 30 JUNE 2022	1 404 651	1 832	541 696	1 948 179
2021				
At 1 July 2020	1 063 557	1 832	348 261	1 413 650
<i>Other comprehensive income:</i>				
Reversal of revaluation on land and buildings	(13 064)	–	–	(13 064)
Increase in fair value	–	–	293 505	293 505
Transfer to retained earnings	(368)	–	–	(368)
At 30 JUNE 2021	1 050 125	1 832	641 766	1 693 723

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 subsidiaries operations.

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of subsidiaries and associate that has been recognised in other comprehensive income until the investments are derecognised or impaired in the Company's financial statements. In the Group's financial statements, fair value reserve pertain to the share of the associate's reserve.

Other reserves

Other reserves comprise legal reserve and capital reserve.

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Current				
Bank overdrafts (note 30(b))	15 812	16 563	–	–
Bank loans	92 806	94 570	74 891	77 330
	108 618	111 133	74 891	77 330
Non-current				
Bank loans (b)	301 704	419 436	224 673	315 652
	301 704	419 436	224 673	315 652
Total borrowings	410 322	530 569	299 564	392 982

(a) The borrowings include secured liabilities (bank overdrafts and bank loans) amounting to MUR 410.3m (2021: MUR 530.6m) for the Group and MUR 299.6m (2021: MUR 393.0m) for the Company. The borrowings are secured by fixed and floating charges over the Group and Company's assets and bearing interest at 1.45% - 4.10% per annum (2021: 1.87% - 4.10% per annum) for the Group and 3.65% - 4.10% per annum (2021: 3.65% - 4.10% per annum) for the Company.

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
After one year and before two years	93 922	144 629	74 891	77 330
After two years and before three years	94 166	84 288	74 891	77 330
After three years and before five years	106 628	175 410	74 891	160 992
After five years	6 988	15 109	–	–
	301 704	419 436	224 673	315 652

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

	THE GROUP		THE COMPANY	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	4.29	4.00	–	–
Bank loans	1.45 - 4.10	1.87 - 4.10	3.65 - 4.10	3.65 - 4.10

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

15. BORROWINGS (continued)

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	140 000	174 999	140 000	174 999
Euro	270 322	355 570	159 564	217 983
	410 322	530 569	299 564	392 982

16. DEFERRED TAX LIABILITIES

Deferred tax liabilities and assets 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Deferred tax liabilities	288 011	247 956	282 901	244 189

Deferred tax liabilities are calculated on all temporary differences under the liability method at a tax rate of 17% (2021: 17%). The movements on the deferred tax account are as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	247 956	197 097	244 189	193 073
Credit to profit or loss (note 20(c))	(5 265)	(3 242)	(4 967)	(3 005)
Charge to other comprehensive income	45 320	54 101	43 679	54 121
At 30 June	288 011	247 956	282 901	244 189

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

(a) The Group

	At July 1 2021 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2022 MUR '000
2022				
Deferred tax liabilities				
Asset revaluation	45 662	(1 342)	45 264	89 584
Accelerated tax depreciation	271 314	3 317	–	274 631

	At July 1 2021 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2022 MUR '000
2022				
Deferred tax assets				
Retirement benefit obligations	(36 646)	(1 035)	56	(37 625)
Leases	(4 313)	(87)	–	(4 400)
Provision on stock and receivables	(28 061)	(6 118)	–	(34 179)
Net deferred tax liabilities	247 956	(5 265)	45 320	288 011

	At July 1 2020 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2021 MUR '000
2021				
Deferred tax liabilities				
Asset revaluation	44 776	886	–	45 662
Accelerated tax depreciation	273 566	(2 252)	–	271 314
Deferred tax assets				
Leases	(3 889)	(424)	–	(4 313)
Retirement benefit obligations	(88 204)	(2 543)	54 101	(36 646)
Provision on stock and receivables	(29 153)	1 092	–	(28 061)
Net deferred tax liabilities	197 096	(3 241)	54 101	247 956

(b) The Company

	At July 1 2021 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2022 MUR '000
2022				
Deferred tax liabilities				
Leases	(3 143)	(87)	–	(3 230)
Asset revaluation	40 704	(1 026)	43 623	83 301
Accelerated tax depreciation	271 316	3 299	–	274 615
Deferred tax assets				
Retirement benefit obligations	(36 627)	(1 035)	56	(37 606)
Provision on stock and receivables	(28 061)	(6 118)	–	(34 179)
Net deferred tax liabilities	244 189	(4 967)	43 679	282 901

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

16. DEFERRED TAX LIABILITIES (continued)

(b) The Company (continued)

	At July 1 2020 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2021 MUR '000
2021				
Deferred tax liabilities				
Leases	(2 644)	(499)	-	(3 143)
Asset revaluation	39 507	1 197	-	40 704
Accelerated depreciation	273 568	(2 252)	-	271 316
Deferred tax assets				
Retirement benefit obligations	(88 205)	(2 543)	54 121	(36 627)
Provision on stock and receivables	(29 153)	1 092	-	(28 061)
Net deferred tax liabilities	193 073	(3 005)	54 121	244 189

17. EMPLOYEE BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Amounts recognised in the statements of financial position				
Pension scheme (note (i))	222 346	216 775	221 204	215 439
Charge to profit or loss				
- Pension benefits (note (iv))	22 533	34 383	22 327	34 135
Credit to other comprehensive income				
- Pension benefits (note (v))	(727)	(318 729)	(327)	(318 362)

Pension scheme

The assets of the funded plan are held independently in a registered superannuation fund (IBL Pension Fund). Retirement benefit obligations have been provided for based on the report from Swan Life Ltd dated 25 August 2022.

The plan is a hybrid arrangement in respect of employees who were previously members of a Defined Benefit (DB) plan. These employees have a No Worse Off Guarantee whereby, at retirement, their pension benefits will not be less than what would have been payable under the previous DB plan. An employee forgoes this guarantee if he leaves before normal retirement age.

The unfunded liability relates to employees who are entitled to Retirement Gratuities payable under the Worker's Rights Act 2019 (WRA). The latter provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the Defined Contribution plan or Defined Benefit plan, half of any lump sum and 5 years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Present value of funded obligations	770 210	722 661	770 210	722 542
Fair value of plan assets	(615 724)	(562 433)	(615 724)	(562 433)
	154 486	160 228	154 486	160 109
Present value of unfunded obligations	67 860	56 547	66 718	55 330
Liability in the statements of financial position	222 346	216 775	221 204	215 439

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	216 775	520 300	215 439	518 845
Amount recognised in other comprehensive income	(727)	(318 729)	(327)	(318 362)
Amount recognised in profit or loss (note 25)	22 533	34 383	22 327	34 135
Contributions paid*	(16 235)	(19 179)	(16 235)	(19 179)
At 30 June	222 346	216 775	221 204	215 439

* The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the IBL Pension Fund and exclude cash payments which are treated as defined contributions and amounted to MUR 35.4m (2021: MUR 31.1m) for the Group and MUR 35.0m (2021: MUR 30.5m) for the Company.

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Present value of funded obligation at 1 July	722 661	925 018	722 542	925 018
Present value of unfunded obligation at 1 July	56 547	75 228	55 330	73 773
Current service cost	14 244	19 651	14 088	19 448
Interest cost	32 715	28 655	32 665	28 610
Liability loss/(gains) due to change in financial assumptions	19 113	(249 952)	19 513	(249 585)
Transfer from member account*	45 904	25 638	45 904	25 638
Benefit paid	(53 114)	(45 030)	(53 114)	(45 030)
At 30 JUNE	838 070	779 208	836 928	777 872

* These pertain to transfer of total contributions made by employees under the DC Scheme during their length of services to the annuity fund on their retirement during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

17. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Pension scheme (continued)

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	562 433	479 946	562 433	479 946
Interest income	24 426	13 923	24 426	13 923
Employer contributions	14 384	16 756	14 384	16 756
Disability PHI	1 851	2 423	1 851	2 423
Transfer from DC Reserve Account	45 904	25 638	45 904	25 638
Benefits paid	(53 114)	(45 030)	(53 114)	(45 030)
Actuarial gain	19 840	68 777	19 840	68 777
At 30 JUNE	615 724	562 433	615 724	562 433

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Service cost	14 244	19 651	14 088	19 448
Net interest cost	8 289	14 732	8 239	14 687
	22 533	34 383	22 327	34 135

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Liability experience loss/(gain) due to change in financial assumptions	19 113	(249 952)	19 513	(249 585)
Actuarial gain	(19 840)	(68 777)	(19 840)	(68 777)
Actuarial gain recognised in other comprehensive income	(727)	(318 729)	(327)	(318 362)

(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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Cash and cash equivalents	50 182	45 839	50 182	45 839
Equity investments * categorised by industry type:				
- Banks & Insurance	102 210	93 364	102 210	93 364
- Industry	9 728	8 886	9 728	8 886
- Investment	56 953	52 024	56 953	52 024
- Leisure & Hotels	32 818	29 978	32 818	29 978
- Commerce	16 256	14 849	16 256	14 849
- Others	1 724	1 575	1 724	1 575
Fixed interest instruments	176 776	161 474	176 776	161 474
Properties (categorised by nature and location):				
- Commercial properties in Mauritius	22 597	20 641	22 597	20 641
Investment funds	144 940	132 396	144 940	132 396
Commodities	1 540	1 407	1 540	1 407
Total market value of assets	615 724	562 433	615 724	562 433
Actual return on plan assets	44 267	53 082	44 267	53 082

* Out of the fair value of the planned assets, 33.6% (2021: 22.6%) represent the local equity instruments and 35.6% (2021: 29.5%) the foreign equity instruments.

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	
	2022 %	2021 %
Discount rate	4.8/5.2	4.4/5.3
Future long-term salary increase	3.0	2.0
Future expected pension increase	1.0	1.0
Expected return on plan assets	4.4/5.2	4.4/5.3
Future long-term NPS increase	4.0	4.0
Post retirement mortality tables	PN00	PA(92)

Retirement is assumed to occur at age 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

17. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Pension scheme (continued)

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

	THE GROUP	THE COMPANY
	MUR '000	MUR '000
2022		
Increase in defined benefit obligations due to 1% decrease in discount rate	178 911	178 614
Decrease in defined benefit obligations due to 1% increase in discount rate	154 336	154 082
Increase in defined benefit obligations due to 1% increase in future long-term salary assumption	49 077	48 778
Decrease in defined benefit obligations due to 1% decrease in future long-term salary assumption	52 986	52 725
2021		
Increase in defined benefit obligations due to 1% decrease in discount rate	169 144	168 962
Decrease in defined benefit obligations due to 1% increase in discount rate	145 022	144 709
Increase in defined benefit obligations due to 1% increase in future long-term salary assumption	47 927	47 741
Decrease in defined benefit obligations due to 1% decrease in future long-term salary assumption	50 205	49 885

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

The sensitivity analysis may not be representative of the actual change in the defined benefit obligations 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 the calculation, 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 does not expect to make any contributions to its post-employment benefit plans for the year ending 30 June 2023.

(xii) The weighted average duration of the defined benefit obligation is 10-16 years for the Group and the Company at the end of the reporting date (2021: 10-16 years for the Group and for the Company).

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Trade payables	591 797	443 171	348 787	267 256
Deposits from customers (see note (b))	91 972	71 257	91 972	71 257
Amounts due to Group companies:				
- Fellow subsidiary	2 434	1 860	2 434	1 860
- Subsidiaries	-	-	-	15 754
- Enterprises in which ultimate holding Company has significant interest	5 189	2 095	5 189	2 095
End of year discount (note (c))	207 613	161 424	81 626	53 974
Dividend payable	154 668	149 734	154 668	149 734
Accrued expenses and other payables	373 135	389 511	265 527	262 624
	1 426 808	1 219 052	950 203	824 554

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 and the Company have policies to ensure that all payables are paid within the credit time frame.

(b) Deposits from customers on containers

	THE GROUP AND THE COMPANY	
	2022 MUR '000	2021 MUR '000
At 1 July	71 257	76 510
Net increase/(decrease) in deposits*	20 715	(5 253)
At 30 June	91 972	71 257

*This relates to deposit taken from customers for crates, bottles and jars.

(c) It relates to discount given to customers based on targeted turnover. The contracts can be either the calendar year or the accounting period. Payment is effected at the end of the contract agreement. Movement on end of year discount is as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	161 424	139 769	53 974	63 161
Movement during the year	46 189	21 655	27 652	(9 187)
At 30 JUNE	207 613	161 424	81 626	53 974

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

18. TRADE AND OTHER PAYABLES (continued)

(d) The carrying amounts of trade payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	242 152	124 189	240 098	124 072
US Dollar	48 255	62 659	48 255	62 186
Euro	294 500	248 663	53 544	73 338
Others	6 890	7 660	6 890	7 660
	591 797	443 171	348 787	267 256

19. LEASES

(a) Right of use assets

Group as a lessee

The Group has lease contracts for land and buildings and motor vehicles used in its operations. Land and buildings has a lease term between 9 and 60 years, while motor vehicles generally have lease terms between 5 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are disclosed below.

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

	THE GROUP		
	Land and buildings MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2021	129 446	165 570	295 016
Additions for the year	–	29 431	29 431
Depreciation charge for the year	(32 173)	(66 030)	(98 203)
Exchange differences	(5 912)	(2 575)	(8 487)
At 30 June 2022	91 361	126 396	217 757

	THE GROUP		
	Land and buildings MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2020	117 563	207 831	325 394
Additions for the year	38 771	18 685	57 456
Depreciation charge for the year	(37 467)	(65 450)	(102 917)
Exchange differences	10 579	4 504	15 083
At 30 June 2021	129 446	165 570	295 016

THE COMPANY

	Land and buildings MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2021	50 224	126 321	176 545
Additions for the year	–	29 431	29 431
Depreciation charge for the year	(13 398)	(48 186)	(61 584)
At 30 JUNE 2022	36 826	107 566	144 392

THE COMPANY

	Land and buildings MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2020	20 416	171 794	192 210
Additions for the year	38 771	–	38 771
Depreciation charge for the year	(8 963)	(45 473)	(54 436)
At 30 JUNE 2021	50 224	126 321	176 545

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	317 677	345 387	195 032	207 761
New leases	29 431	57 456	29 431	38 771
Interest expense	15 213	17 444	13 411	15 081
Lease payment	(113 372)	(118 209)	(74 482)	(66 581)
Exchange differences	(8 800)	15 599	–	–
At 30 JUNE	240 149	317 677	163 392	195 032

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Current	113 749	96 109	83 488	57 357
Non-current	126 400	221 568	79 904	137 675
	240 149	317 677	163 392	195 032

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

19. LEASES (continued)

(c) The following are the amounts recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Depreciation expense of right-of-use assets	98 203	102 917	61 584	54 436
Interest expense on lease liabilities	15 213	17 444	13 411	15 081
Total amount recognised in profit or loss	113 416	120 361	74 995	69 517

During the year under review, the Group and the Company have taken exemption for short-term leases amounting to MUR 37.8m (2021: MUR 37.1m). These leases were taken for a period of 6-12 months (2021: 6-12 months).

In 2022, total cash outflows for leases (including short term lease) amounted to MUR 151m (2021: MUR 155m) for the Group and MUR 112m (2021: MUR 104m) for the Company. Non-cash additions to right-of-use assets and lease liabilities amounted to MUR 29.4m (2021: MUR 57.5m) for the Group and MUR 29.4m (2021: MUR 38.8m) for the Company.

The following provides information on the Group's and the Company's lease payments, including the magnitude in relation to fixed payments:

	THE GROUP		THE COMPANY	
	2022 Fixed payments MUR '000	2021 Fixed payments MUR '000	2022 Fixed payments MUR '000	2021 Fixed payments MUR '000
Fixed rent	113 372	118 209	74 482	66 581

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

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	THE GROUP		
	Within five years MUR '000	More than five years MUR '000	Total MUR '000
Termination options not expected to be exercised			
At 30 June 2022	215 120	25 029	240 149
At 30 June 2021	290 616	27 061	317 677

	THE COMPANY		
	Within five years MUR '000	More than five years MUR '000	Total MUR '000
Termination options not expected to be exercised			
At 30 June 2022	138 363	25 029	163 392
At 30 June 2021	167 971	27 061	195 032

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Maturity Analysis				
Year 1	127 190	82 465	95 808	45 397
Year 2	57 268	125 689	32 041	94 308
Year 3	41 499	55 768	21 289	30 541
Year 4	13 979	45 231	12 063	19 589
Year 5	4 176	15 359	4 176	11 361
Onwards	76 881	83 976	76 881	81 056
	320 993	408 488	242 258	282 252
Less: unearned interest	(15 810)	(21 745)	(15 473)	(21 008)
	305 183	386 743	226 785	261 244

20. TAXATION

(a) Income tax

Income tax is calculated at 15% (2021: 15%) on the profit for the year as adjusted for income tax purposes. Tax rate in Réunion Island is at 26.5% (2021: 28%).

Corporate Social Responsibility

The Company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

20. TAXATION (continued)

(b) Current tax liabilities and assets 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Current tax assets	–	(17 994)	–	(13 985)
Current tax liabilities	76 098	13 922	80 876	–
	76 098	(4 072)	80 876	(13 985)

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Tax liability/(asset)				
At 1 July	(4 072)	(50)	(13 985)	15 614
Income tax expense	98 399	93 208	84 109	68 810
Investment tax credit	–	(29 183)	–	(29 183)
Corporate social responsibility	8 922	9 860	8 922	9 860
Under/(over) provision in previous year	29 165	(6 475)	29 185	(6 475)
Tax deducted at source	(20)	(44)	(20)	(44)
Tax and CSR paid	(56 525)	(71 014)	(26 150)	(72 567)
Withholding tax on dividends	(1 185)	–	(1 185)	–
Exchange differences	1 414	(374)	–	–
At 30 JUNE	76 098	(4 072)	80 876	(13 985)

(c) Tax expense

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Income tax provision at applicable rate	98 399	93 208	84 109	68 810
CSR contribution	8 922	9 860	8 922	9 860
Investment tax credit	–	(29 183)	–	(29 183)
Under/(over) provision in previous year	29 165	(6 475)	29 185	(6 475)
	136 486	67 410	122 216	43 012
Deferred tax charge to profit or loss (note 16)	(5 265)	(3 242)	(4 967)	(3 005)
Tax expense	131 221	64 168	117 249	40 007

(d) 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Profit before taxation	548 000	595 383	526 742	416 471
Tax calculated at the rate of 17% (2021: 17%)	93 160	101 215	89 546	70 800
Tax effect of:				
Income not subject to tax	(28 307)	(25 705)	(6 376)	(3 225)
Expenses not deductible for tax purposes	25 967	8 136	7 544	5 791
CSR adjustment	(2 334)	1 530	(2 334)	1 530
Differential in tax rate	14 860	10 970	(316)	–
Investment tax credit	–	(29 183)	–	(29 183)
Under/(over) provision in previous year	29 165	(6 475)	29 185	(6 475)
Depreciation of non-qualifying assets	–	682	–	682
Effect of tax on associate	13	(462)	–	–
Deferred tax on provision for receivables	–	87	–	87
Deferred tax asset on tax losses not recognised	(1 303)	3 373	–	–
Tax charge	131 221	64 168	117 249	40 007

21. DEFERRED REVENUE

	THE GROUP	
	2022 MUR '000	2021 MUR '000
At 1 July	39 144	40 637
Addition	49 434	–
Income recognised	(20 257)	(6 272)
Exchange differences	(4 678)	4 779
At 30 JUNE	63 643	39 144
Maturity analysis:		
Current	12 163	10 919
Non-current	51 480	28 225
	63 643	39 144

The deferred revenue arises as a result of the capital grants received from the government by one of the subsidiaries of the Group following their capital expenditure incurred on building improvements and plant and machinery. This deferred revenue will be released and offset against the depreciation charge over the useful life of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22. DIVIDENDS

On 18 November 2021, the Board of Directors declared an interim dividend of MUR 4.20 per share (2021: MUR 4.00 per share) which was paid on 27 December 2021. On 14 June 2022, a final dividend of MUR 9.10 per share (2021: MUR 8.8 per share) was declared and paid on 15 July 2022.

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
Dividends declared		
2022: MUR 13.30 per share (2021: MUR 12.80 per share)	218 745	210 522

Refer to Note 18 for dividend payable as at end of financial year.

23. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Type of goods				
Non-alcoholic beverage	4 453 624	4 049 083	3 281 917	2 880 232
Alcoholic beverage	4 924 963	4 204 901	4 394 434	3 856 023
Discount and trade deals	(370 508)	(389 494)	(174 537)	(201 620)
	9 008 079	7 864 490	7 501 814	6 534 635
Recycled glass and related products	6 843	3 869	-	-
Total revenue	9 014 922	7 868 359	7 501 814	6 534 635
Geographical markets				
Local	7 394 710	6 450 132	7 501 814	6 534 635
Overseas	1 620 212	1 418 227	-	-
Total revenue	9 014 922	7 868 359	7 501 814	6 534 635
Timing of revenue recognition				
Goods transferred at a point in time	9 014 922	7 868 359	7 501 814	6 534 635

Revenue, net of excise and other specific duties amounted to MUR 6 367m for the Group (2021: MUR 5 407m) and MUR 4 854m for the Company (2021: MUR 4 073m).

24. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Depreciation on property, plant and equipment (note 5)	364 606	332 565	297 369	267 580
Depreciation on right-of-use assets (note 19 (a))	98 203	102 917	61 584	54 436
Amortisation of intangible assets (note 6)	2 102	2 119	1 213	1 199
Employee benefit expense (note 25)	1 035 805	1 009 015	710 367	695 471
Changes in inventories of finished goods and work in progress	(112 980)	(58 086)	(63 508)	(76 946)
Purchases of finished goods, raw materials and consumables used	2 899 021	2 162 891	2 206 769	1 698 627
Excise and other specific duties	2 647 776	2 461 226	2 647 776	2 461 226
Other marketing and selling expenses	324 631	272 255	272 884	241 058
Management fees	163 477	152 833	163 477	152 833
Impairment of investment in subsidiary (note 7)	-	-	442	-
Other expenses	995 164	850 716	691 389	603 958
Total cost of sales, warehousing, selling and marketing and administrative expenses	8 417 805	7 288 451	6 989 762	6 099 442

25. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Wages, salaries and other employee benefits	876 751	843 147	633 859	608 520
Social security costs	106 878	100 346	25 100	22 322
Pension costs – defined benefit plans (note 17(iv))	22 533	34 383	22 327	34 135
Pension costs – defined contribution plans	29 643	31 139	29 081	30 494
	1 035 805	1 009 015	710 367	695 471

26. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Interest income	779	701	258	417
Dividend income	724	77	24 943	2 795
Profit on disposal of plant and equipment	1 494	2 327	267	2 327
Management fees received	-	-	3 503	2 484
Sundry income	15 854	9 781	21 821	16 874
Net foreign exchange gains	117	43 878	117	-
	18 968	56 764	50 909	24 897

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

27. PROFIT BEFORE FINANCE COSTS, SHARE OF ASSOCIATE AND CREDIT LOSS EXPENSE/REVERSAL ON TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Profit before finance costs is arrived at after crediting:				
Profit on disposal of plant and equipment	1 494	2 327	267	2 327
Deferred revenue (note 21)	24 935	1 493	-	-
Reversal of impairment loss recognised on long-term receivables (note 10)	-	-	79 629	-
and charging:				
Cost of inventories expensed	6 586 315	5 668 287	5 895 200	5 060 835
Depreciation on property, plant and equipment	364 606	332 565	297 369	267 580
Depreciation on right-of-use assets (note 19(a))	98 203	102 917	61 584	54 436
Amortisation of intangible assets (note 6)	2 102	2 119	1 213	1 199
Employee benefit expense (note 25)	1 035 805	1 009 015	710 367	695 471
Impairment of investment in subsidiary (note 7)	-	-	442	-
Provision for impairment loss recognised on long-term receivables (note 10)	-	-	-	13 432

28. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Bank overdrafts	937	1 450	297	1 004
Bank loans	15 347	19 253	13 741	16 831
Leases	15 213	17 444	13 411	15 082
Net foreign exchange losses	26 245	11 045	-	11 045
	57 742	49 192	27 449	43 962

29. EARNINGS PER SHARE

	THE GROUP	
	2022 MUR '000	2021 MUR '000
Profit attributable to owners of the Company (MUR '000)	417 340	532 657
Number of ordinary shares in issue	16 447 000	16 447 000
Basic and diluted earnings per share (MUR.cs)	25.37	32.39

30. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Profit before tax	548 000	595 383	526 742	416 471
Adjustments for:				
Depreciation on property, plant and equipment (note 5)	364 606	332 565	297 369	267 580
Depreciation on right-of-use assets (note 19(a))	98 203	102 917	61 584	54 436
Amortisation of intangible assets (note 6)	2 102	2 119	1 213	1 199
Profit on disposal of plant and equipment (note 26)	(1 494)	(2 327)	(267)	(2 327)
Exchange differences	30 999	(19 483)	(4 909)	3 015
Loss allowance recognised on trade receivables (note 12(c))	10 265	-	8 770	-
Reversal of loss allowance on trade receivables (note 12(c))	-	(5 178)	-	(343)
Reversal of impairment loss on long-term receivables (note 10)	-	-	(79 629)	-
Impairment loss on long-term receivables (note 10)	-	-	-	13 432
Reversal of impairment loss on inventory (note 11)	-	(1 658)	-	(5 258)
Impairment loss on land and buildings	-	1 750	-	1 750
Dividend income (note 26)	(724)	(77)	(24 943)	(2 658)
Interest income (note 26)	(779)	(701)	(258)	(417)
Deferred revenue (note 21)	(20 305)	(1 493)	-	-
Increase in pension provision (note 21)	22 533	34 383	22 327	34 137
Interest expense (note 28)	31 497	38 147	27 449	32 917
Share of results of associate (note 8(a))	78	(2 725)	-	-
	1 084 981	1 073 622	835 448	813 934
Changes in working capital				
- Trade and other receivables	(103 657)	17 589	24 363	55 015
- Inventories	(337 175)	(91 572)	(241 662)	(116 624)
- Trade and other payables	202 822	54 617	120 715	116 292
Cash generated from operations	846 971	1 054 256	738 864	868 617

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Bank and cash balances	402 225	385 956	247 795	234 471
Bank overdrafts (note 15)	(15 812)	(16 563)	-	-
Cash and cash equivalents	386 413	369 393	247 795	234 471

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

30. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

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

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	90 372	156 007	88 515	154 501
US Dollar	8 853	5 986	7 340	5 097
Euro	277 897	207 280	142 649	74 753
Other currencies	9 291	120	9 291	120
	386 413	369 393	247 795	234 471

(d) Reconciliation of liabilities arising from financing activities

THE GROUP	Non-cash changes				2022 MUR '000
	2021 MUR '000	Cash flows MUR '000	Additions MUR '000	Foreign exchange movement MUR '000	
Bank loans (note 15)	514 006	(94 112)	–	(25 384)	394 510
Lease liabilities (note 19(b))	317 677	(98 159)	29 431	(8 800)	240 149

THE GROUP	Non-cash changes				2021 MUR '000
	2020 MUR '000	Cash flows MUR '000	Additions MUR '000	Foreign exchange movement MUR '000	
Bank loans (note 15)	536 672	(52 060)	–	29 394	514 006
Lease liabilities (note 19(b))	345 387	(100 765)	57 456	15 599	317 677

THE COMPANY	Non-cash changes				2022 MUR '000
	2021 MUR '000	Cash flows MUR '000	Additions MUR '000	Foreign exchange movement MUR '000	
Bank loans (note 15)	392 982	(77 606)	–	(15 812)	299 564
Lease liabilities (note 19(b))	195 032	(61 071)	29 431	–	163 392

THE COMPANY	Non-cash changes				2021 MUR '000
	2020 MUR '000	Cash flows MUR '000	Additions MUR '000	Foreign exchange movement MUR '000	
Bank loans (note 15)	442 102	(75 507)	–	26 387	392 982
Lease liabilities (note 19(b))	207 761	(51 500)	38 771	–	195 032

31. 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 and type of products. The principal products from which segments derive revenue are beverages and glass recycled products.

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 segments:

Segment revenues and segment results

	Segment Revenue		Segment Result	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Local	7 508 657	6 538 505	471,239	448 293
Overseas	2 315 868	2 090 651	144 846	188 379
Total	9 824 525	8 629 156	616 085	636 672
Intersegment revenue	(809 603)	(760 797)	–	–
	9 014 922	7 868 359	616 085	636 672
Share of results of associate			(78)	2 725
(Credit loss expense)/reversal of credit loss on trade receivables			(10,265)	5 178
Finance costs			(57 742)	(49 192)
Profit before tax			548 000	595 383
Tax expense			(131 221)	(64 168)
Profit for the year			416 779	531 215

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

31. SEGMENTAL INFORMATION (continued)

Segment revenues and segment results (continued)

Overseas revenue represents sales made through subsidiaries to the Indian Ocean Islands, Australia, Africa, Europe and China.

Revenue reported above represents revenue generated from external customers and amounted to MUR 9.0 billion (2021: MUR 7.9 billion).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2(r). Segment profit represents the profit earned by each segment without allocation of share of results of associate, finance costs and 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Local	6 942 493	6 203 597	1 993 391	1 859 260
Overseas	1 337 133	1 459 043	733 986	725 835
Consolidated assets/liabilities	8 279 626	7 662 640	2 727 377	2 585 095

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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Local	360 530	338 299	299 632	408 192
Overseas	104 381	99 302	39 109	41 347
	464 911	437 601	338 741	449 539

Revenue from major products and services

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

	2022 MUR '000	2021 MUR '000
Beverages	9 008 079	7 864 490
Recycled glass and related products	6 843	3 869
	9 014 922	7 868 359

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, trade receivables, right of use assets, investments at fair value through OCI and exclude investment in associate. Segment liabilities comprise of borrowings, leases, retirement benefit obligations, deferred revenue, tax and other operating liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

32. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party respectively of the Group are Phoenix Investment Company Limited and IBL Ltd, 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	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
(i) Dividend income				
Subsidiaries	–	–	24 888	–
Fellow subsidiaries	33	9	33	9
(ii) Sales of goods or services				
Subsidiaries	–	–	110 662	86 375
Enterprise in which ultimate holding Company has significant interest	444 089	389 323	444 089	389 323
(iii) Purchase of goods or services				
Subsidiaries	–	–	369	391
Enterprise in which ultimate holding Company has significant interest	91 068	61 585	91 068	61 551
(iv) Management fees/interest paid/donations paid				
Subsidiaries	–	–	2 231	2 465
Fellow subsidiaries	163 477	152 833	163 477	152 833
(v) Management fees/interest received				
Subsidiaries	–	–	3 503	2 484
(vi) Rechargeable costs				
Subsidiaries	–	–	8 019	11 747

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

32. RELATED PARTY TRANSACTIONS (continued)

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
(vii) Outstanding balances				
<i>Receivables from related parties</i>				
Subsidiaries	–	–	40 937	144 278
Enterprises in which ultimate holding Company has significant interest	73 158	69 609	73 158	69 609
Fellow subsidiary	–	–	–	–
<i>Payables to related parties</i>				
Subsidiaries	–	–	4 665	4 826
Enterprises in which ultimate holding Company has significant interest	5 189	2 095	5 189	2 095
Fellow subsidiary	3 477	196	3 477	196

The balances have been netted off in the statements of financial position and not in the related party disclosures. The outstanding receivables in the related party disclosure have been reported with expected credit losses.

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 guarantee has been given or received. Except for an amount of MUR 116.1m (2021: MUR 194.6m) previously 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.

33. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Capital commitments contracted for and not provided in the financial statements:				
Property, plant and equipment	67 545	33 598	62 584	28 637

34. CONTINGENT LIABILITIES

At 30 June 2022, the Group and the Company had contingent liabilities in respect of bank guarantees of MUR 76.8m (2021: MUR 95.9m) arising in the ordinary course of business. The Group and the Company have not made any provisions for this liability as directors consider the probability of the liability to be uncertain.

35. RUSSIA-UKRAINE WAR

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

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

Going concern

Management concludes that there are no uncertainties on the Group's and the Company's activities resulting from the impact of the Russia-Ukraine geopolitical conflicts.

36. SUBSEQUENT EVENTS

There are no significant events after the reporting date which require adjustments or additional disclosures in the financial statements for the Group and the Company.

SHAREHOLDER'S CORNER

- 208 Notice of annual meeting to shareholders
- 209 Corporate information
- 210 Shareholders' information
- 211 Proxy form

NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of **Phoenix Beverages Limited** will be held at **1st Floor, IBL House, Caudan Waterfront, Port Louis** on **Tuesday 13 December 2022** at **10.00 hours** to transact the following business in the manner required for the passing of **ORDINARY RESOLUTIONS**:

AGENDA:

- To consider the Integrated Report 2022 of the Company.
- To receive the report of Deloitte, the auditors of the Company for the year ended 30 June 2022.
- To consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2022.
- To elect, as Director of the Company, Mrs. Catherine McIlraith* who has been nominated by the Board and who offers herself for election
- To re-elect by rotation, on the recommendation of the Board of Directors, Mr Guillaume Hugnin* who offers himself for re-election as Director of the Company.
- To re-elect by rotation, on the recommendation of the Board of Directors, Mr Hugues Lagesse* who offers himself for re-election as Director of the Company.
- To re-elect by rotation, on the recommendation of the Board of Directors, Mr Thierry Lagesse* who offers himself for re-election as Director of the Company.
- To fix the remuneration of the Directors for the year to 30 June 2023 and to ratify the emoluments paid to the Directors for the year ended 30 June 2022.
- To reappoint Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
- To ratify the emoluments paid to Deloitte, the external auditors, for the financial year ended 30 June 2022.

BY ORDER OF THE BOARD



Deborah Nicolin, ACG (CS)
Per IBL Management Ltd
Company Secretary

27 September 2022

NOTES:

- 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.
- The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène, by **Monday 12 December 2022** at **10.00 hours** and in default, the instrument of proxy shall not be treated as valid.
- A proxy form is included in the Integrated Report and is also available at the Share Registry and Transfer Office of the Company.
- 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 at close of business on 17 November 2022.
- The minutes of the Annual Meeting to be held on 13 December 2022 will be available for consultation and comments during office hours at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis from 2 February to 10 February 2023.

* Footnote: The profiles and categories of the Directors proposed for election/re-election are set out in the Integrated Report.

CORPORATE INFORMATION

Head Office

Pont Fer, Phoenix, Mauritius
BRN: C07001183
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: contact@phoenixbev.mu
Website: www.phoenixbeveragesgroup.mu

Rodrigues Operations

Pointe L'Herbe
Rodrigues
Tel: (230) 831 1648
Fax: (230) 831 2181

Company Secretary

IBL Management Ltd
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius
Tel: (230) 211 1713

Commercial Unit

Tel: (230) 601 2200
Fax: (230) 697 2967

Registered Office

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

Share Registry & Transfer Office

If you are a Shareholder and have enquiries regarding your account, or 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:

DTOS Registry Services Ltd
10th Floor, Standard Chartered Tower,
19 CyberCity
Ebène
Mauritius
Tel: (230) 404 6000

Finance and Administration

Tel: (230) 601 2000
Fax: (230) 686 6920 (Administration)
(230) 697 6480 (Finance)
(230) 697 5028 (Procurement)
(230) 686 9204 (Information Technology)

Auditors

Deloitte
7th - 8th Floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Technical and Production

Tel: (230) 601 2000 (Brewery)
Fax: (230) 686 7197
Tel: (230) 601 1800 (Limonaderie)
Fax: (230) 6971394
Tel: (230) 697 7700 (Nouvelle France)

Bankers

AfrAsia Bank Limited
Absa Bank (Mauritius) Limited
SBM Bank (Mauritius) 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
Website: www.edena.re

Edena SA

10 Rue Eugène de Louise
97419 La Possession
Ile de La Réunion
Tel: (262) 262 421530
Fax: (262) 262 420502

Phoenix Beverages Overseas Ltd

Pont Fer, Phoenix, Mauritius
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: contact@phoenixbev.mu
Website: www.phoenixbeveragesgroup.mu

SHAREHOLDERS' INFORMATION

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 17 November 2022 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 17 November 2022 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, DTOS Registry Services Ltd, (10th floor Standard Chartered Tower, 19 Cybercity, Ebène), no later than 10.00 hours on Monday 12 December 2022.

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, DTOS Registry Services Ltd, (10th floor Standard Chartered Tower, 19 Cybercity, Ebène), no later than 10.00 hours on Monday 12 December 2022.

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 **1st Floor, IBL House, Caudan Waterfront, Port Louis** on **Tuesday 13 December 2022** at **10.00 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 Integrated Report 2022 of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To receive the report of Deloitte, the auditors of the Company for the year ended 30 June 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect, as Director of the Company, Mrs. Catherine McIlraith who has been nominated by the Board and who offers herself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect by rotation on the recommendation of the Board of Directors, Mr. Guillaume Hugnin who offers himself for re-election as Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect by rotation on the recommendation of the Board of Directors, Mr. Hugues Lagesse who offers himself for re-election as Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect by rotation on the recommendation of the Board of Directors, Mr. Thierry Lagesse who offers himself for re-election as Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To fix the remuneration of the Directors for the year to 30 June 2023 and to ratify the emoluments paid to the Directors for the year ended 30 June 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To reappoint Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To ratify the emoluments paid to Deloitte, the external auditors, for the financial year ended 30 June 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2022.

Signature(s)

Notes:

- 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.
- 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.
- 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, DTOS Registry Services Ltd, 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène, by **Monday 12 December 2022** at **10.00 hours** and in default, the instrument of proxy shall not be treated as valid.



