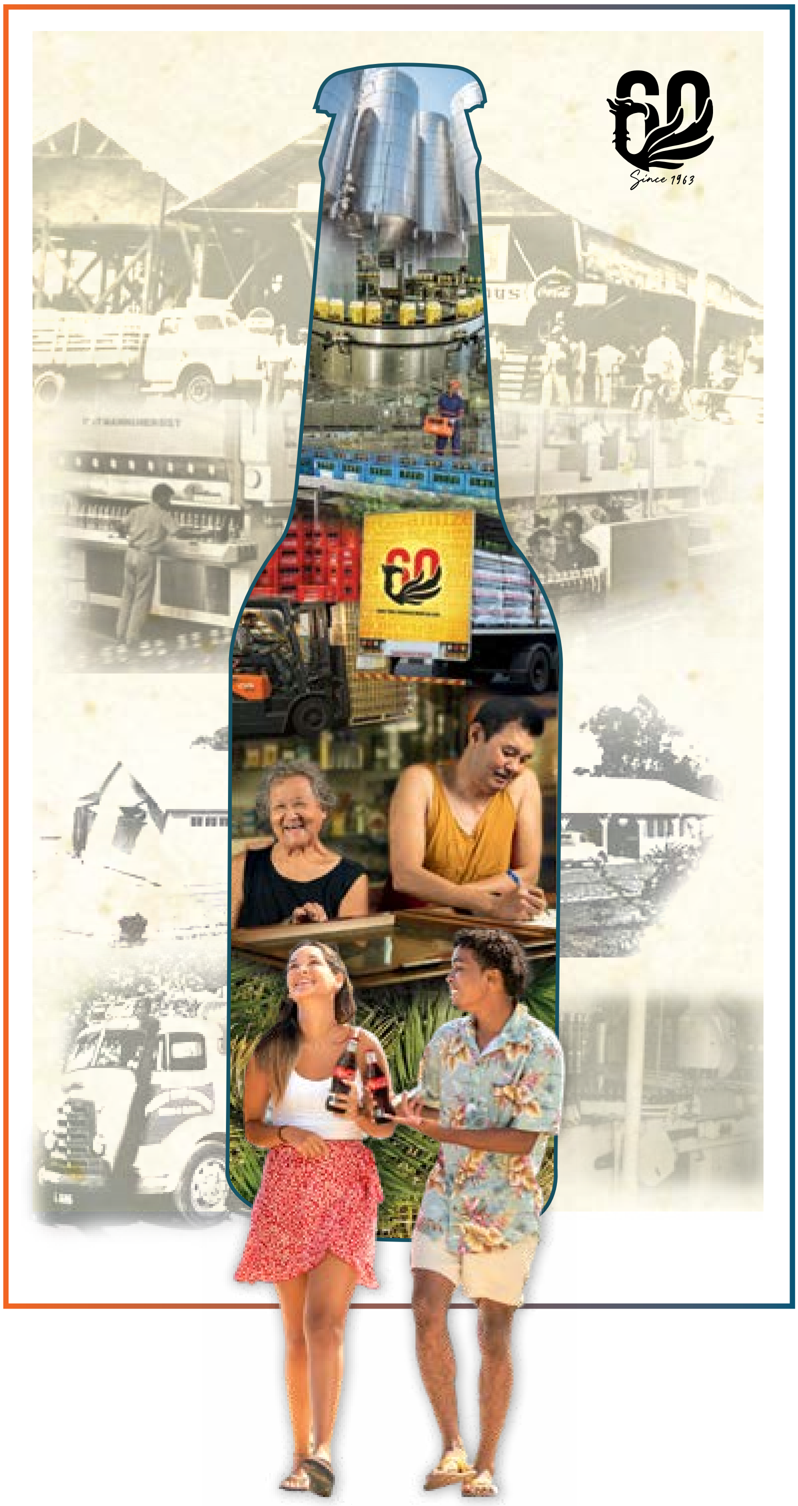
PhoenixBev

THIRST FOR THE BEST. FIRST FOR YOU.



Integrated Report 2023

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REPORTING CONTEXT

About this report

Dear Shareholder,

This Integrated Report provides information about the strategy, activities and performance of Phoenix Beverages Limited (PhoenixBev or the Group) for the twelve months from 1 July 2022 to 30 June 2023. It is structured around the matters most material to the Group's ability to create value in the short-, medium- and long-term. The activities of our operations in Mauritius and Réunion Island are included in the reporting boundary.

The contents and presentation of this Report are informed by the IFRS Foundation's Integrated Reporting <IR> Framework, 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, and are prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been externally audited and the unmodified opinion of the independent auditors is presented in their report on pages 117 to 120.

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 2023 Integrated Report addresses all material matters and presents fairly the Group's integrated performance. This Report was approved by the Board on 27 September 2023.

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: 29 November 2023

Time: 10:00 hours

Place: IBL House
Caudan Waterfront
Port Louis

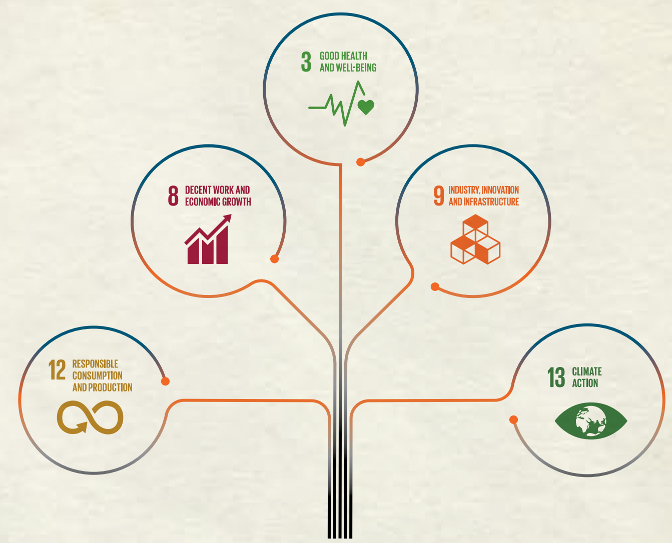
We look forward to seeing you.

Sincerely,

Arnaud Lagesse
Chairperson

Bernard Theys
Chief Executive Officer

Case Studies



PhoenixEarth
INITIATIVE

Phoenix Beverages Group is a proudly Mauritian company with a long history of doing business responsibly. We established PhoenixEarth in 2021 as the sustainability pole of the Group, where all of the Group's social and environmental responsibility projects are brought together. The initiative builds on our ethical and sustainable foundation to ensure that our local engagements continue to inspire progress through our chosen Sustainable Development Goals (SDGs).

PhoenixEarth's goal is to drive sustainability within the Group and to build a sustainable ecosystem around PhoenixBev aligned with the global social and environmental aspirations in our chosen SDGs.

The initiative also functions as a communication tool to highlight our strategies and to partner with internal and external stakeholders to create positive impacts. By implementing and promoting sustainable development principles and sound environmental practices, we can help to create a sustainable future for Mauritius and the broader Indian Ocean region.

In June 2023, PhoenixBev's environmental performance was recognised by the Ministry of Environment, Solid Waste Management and Climate Change, winning First Prize in the inaugural Environmental Awards in the Large Enterprises category for the Food and Beverage Manufacturing Sector.

Chairman's message

In a year of significant milestones, I am pleased to report a strong recovery in profitability and revenue growth of your company. PhoenixBev is well positioned to further enlarge our portfolio, consolidate our presence and extend our geographical reach.

Dear Shareholder,

2023 marks the 60th anniversary of the launch of Mauritius's iconic Phoenix Beer and 70 years of partnership with the US-Atlanta based Coca Cola Company. Our consistent history of innovation, customer-centric approach and dedication to world-class execution has seen the Group grow from humble beginnings into an industry leader that today produces well over two million hectolitres a year and employs more than 1 750 people across Mauritius and Réunion Island.

Over this time, our products have been recognised with many local and international accolades, and PhoenixBev has made a significant contribution to socio-economic growth in the region. While we are proud of what the Group has achieved, we recognise that this would not have been possible without the continued support of our many stakeholders, and we remain steadfast in our commitment to achieving our ambitious goals for future growth.

Navigating shifting economic conditions

The past year saw a marked shift towards a pre-Covid environment, with businesses moving closer to normal operating conditions. The strong recovery in tourist visitors to Mauritius provided good support for our customers in the hospitality sector, which includes hotels, restaurants, and cafés.

However, the rupee's depreciation against hard currencies contributed to high inflation that affected PhoenixBev's input costs and sustained pressure on local consumers. Profitability remains under pressure from factors including ongoing supply chain issues resulting from geopolitical tensions and instability, rising fuel prices, energy and freight costs and the increased lead time of imports and high cost of raw materials.

The health crisis of 2020 undeniably altered consumer values, evident in increased interest in healthy and functional beverages, a surge in demand for premium products, increased interest in purposeful messaging and an unexpected rise in digital commerce. At the same time, affordability grew in importance in the context of dwindling purchasing power.

Building on our strategic foundations

PhoenixBev's strategy is grounded in three fundamental pillars: world-class execution, strong brands and sustainability. Our ongoing investments to enhance our facilities and develop the skills of our team members underscore our dedication to achieve and surpass our performance goals. In the current transformative times, brands that are perceptive and responsive stand out. Our commitment to innovation and regional expansion supports the growth of our portfolio of valuable and meaningful brands. We saw good growth in Crystal waters and stills, and our Manawa craft beer continues to be well received.

A significant development that further extends our brand portfolio was the distribution licence for Pernod-Ricard products we secured for Réunion Island. We are evaluating new opportunities to expand further in the region, both through organic growth and through strategic acquisitions and partnerships.

Sustainability and profitability are inextricably linked and driven by our priority Sustainable Development Goals (SDGs) that are embedded in the core of the business in the PhoenixEarth initiative. PhoenixEarth is also the pivotal point of the Group's work with authorities, NGOs and other stakeholders to address the challenge of plastic waste and to build the circular economy.

A pleasing recovery in revenue and profits

Group revenue increased by 17.7% to MUR 10.6 billion (2022: MUR 9.0 billion), with revenue in Mauritius increasing by 20.0% and by 3.9% in Réunion Island.

Group profit before tax for the year recovered strongly (+55%) to MUR 849.9 million (2022: MUR 548.0 million) driven by good operational performance from both Mauritius and Réunion Island as well as improved profit from our subsidiary, Phoenix Beverages Overseas Limited, as a result, inter alia, of exchange rate fluctuations.

PhoenixBev paid MUR 2.9 billion as excise duties, an increase of 10.9% on 2022 and representing 32.4% of turnover at company level.

Our foreign operations continue to make a good contribution, comprising 16.3% and 22.9% of group turnover and group operating profit respectively in 2023.

Please refer to the Financial Capital section on page 68 for a detailed analysis of the Group's financial performance and position.

The Board declared a total dividend of MUR 16.00 per share (2022: MUR 13.30). Over the last ten years, PhoenixBev has delivered annualised total shareholder returns (TSR) of 12.3%, demonstrating the Group's resilience.

Ethics and good governance

The Board is committed to good governance and ethical business practices, recognising that these principles are the foundation of value creation and sustainability. The Group has fully applied the principles contained in the National Code of Corporate Governance for Mauritius (2016).

PhoenixBev's Code of Ethics aligns with international principles of human rights and local regulatory requirements, sets the required standards of behaviour and guides our actions. The principles underlying the Code are embedded and evident in the Group's policies, procedures and practices.

The Board recognises the value of diversity and the benefits it brings to the Group through new perspectives, balanced decision-making and improved appreciation of the needs of our market and our stakeholders.

During the year, we welcomed Mrs. Christine Marot and Mrs. Umulinga Karangwa to the Board, bringing our gender diversity, with four women on the Board, to 33% of directors seating on same.

Strengthening our platform for future growth

While there are positive signs of economic recovery in Mauritius after more than two years of global economic crisis, we remain cautious as the international economic context remains uncertain due to a number of global challenges. High inflation could threaten consumption and the risk of business failures is a concern.

PhoenixBev has established a strong platform for future growth in Mauritius and the surrounding region. The new partnership secured in Réunion Island has significantly bolstered our operation there, further enhancing our beverage range and providing additional impetus to our premiumisation drive.

We will continue our quest to enlarge our portfolio and consolidate our presence in existing markets while diversifying our geographical reach through further international expansion. The Group's strong balance sheet and success in protecting cash, liquidity and market share over the past few years demonstrate the strength of PhoenixBev's financial position to support future organic and inorganic growth.

Acknowledgements

During the year, Mr Jean Claude Béga retired from the Board. Mr Béga has been a director since 2011 and served as Chairman from 2013 to 2017. On behalf of the Board and the entire Group, I extend our sincerest gratitude for his contribution and leadership and wish him well in his future endeavours.

I extend my deepest appreciation to my fellow directors for their diligence and contribution in guiding the Company. A special acknowledgment goes to the executives and management team, under the leadership of our CEO, Bernard Theys and our COO/CFO, Patrick Rivalland, whose focused efforts underpinned the commendable progress made this year. To PhoenixBev's dedicated team members at all levels: your commitment has been invaluable in the Group's success.

In closing, I would like to thank the Group's broader stakeholders for their continued support during the year.

Arnaud Lagesse
Chairman

27 September 2023

Highlights 2023

Turnover MUR 10 609M 17.7% ⋀ 2022: MUR 9 015M	**Operating Profit** MUR 890M 53.5% ⋀ 2022: MUR 580M	**EBITDA** MUR 1 435M 37.4% ⋀ 2022: MUR 1 045M	**Sales Volume** 2.44 M HL 6.6% ⋀ 2022: 2.29M HL
Net Profit After Tax MUR 732M 75.6% ⋀ 2022: MUR 417M	**Earnings per Share** MUR 44.50 75.4% ⋀ 2022: MUR 25.37	**Shareholders' Fund** MUR 6 070M 9,3% ⋀ 2022: MUR 5 552M	**Total Assets** MUR 9 048M 9.3% ⋀ 2022: MUR 8 280M
Gearing MUR 8.44% 4.2% ⋀ 2022: MUR 4.28%	**Free Cash Flow** MUR 380M (1.9%) ⋁ 2022: MUR 388M	**Capital Investment** MUR 407M 14.9% ⋀ 2022: MUR 354	**ROE** 12.6% 4.8% ⋀ 2022: 7.8%
Dividends per Share MUR 16.00 20.3% ⋀ 2022: MUR 13.30	**Share Price at 30 June** MUR 530M (11.7%) ⋁ 2022: MUR 600M	**Market Capitalisation at 30 June** MUR 8 717M 11.7% ⋁ 2022: MUR 9 868	**Total Annual Shareholder Return** (9.0%) (11.2%) ⋁ 2022: 2.2%

PhoenixBev in context

+150 Distribution fleet trucks	**+1 750** Team members	**4** Production units
2 Operating countries	**16** Bottling lines	**7** Categories of Beverages
+50 Brands in our portfolio	**+2 000** SHAREHOLDERS LISTED ON THE STOCK EXCHANGE OF MAURITIUS	**+10 000** Customers
1 Glass recycling operation	**+52 000 m²** warehousing capacity	**9** Export countries

About us

Who we are

2023 is a significant milestone year for PhoenixBev, marking 70 years since the signing of the bottling agreement with The Coca-Cola Company, 60 years since we launched Phoenix Beer and 20 years since we rebranded to Phoenix Beverages.

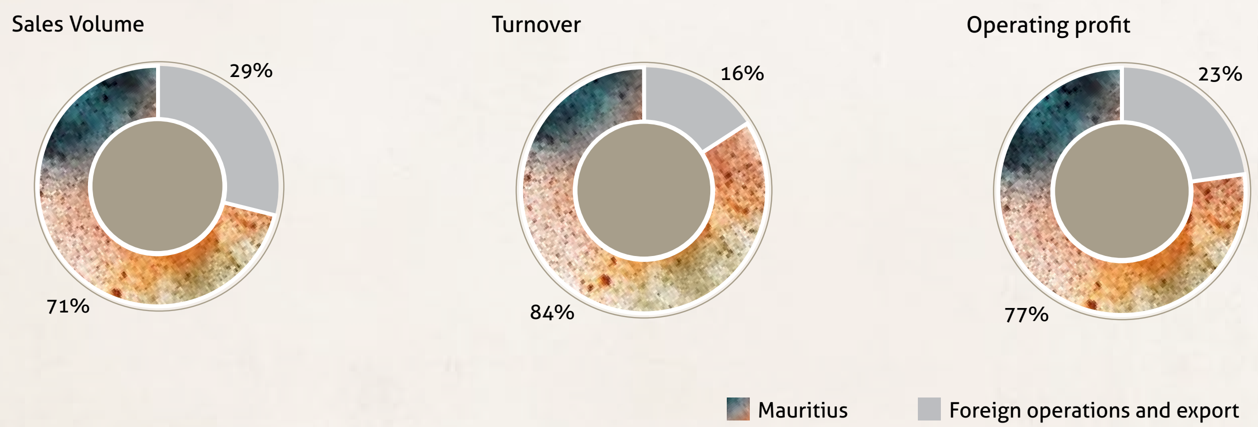
Along the way, we have adapted to changes in our operating environment, celebrated many highlights, learned the lessons from our setbacks and grown and deepened our partnerships. Listening closely to the needs of our customers and consumers, we continue to grow our strong portfolio of alcoholic and non-alcoholic beverages and expand our operations locally and regionally.

From our brewing, production, bottling and distribution sites in Mauritius and Réunion Island, we supply our products throughout the Southern Indian Ocean region, and further afield to Australia, China, France, the United Kingdom and Djibouti.

PhoenixBev
THIRST FOR THE BEST. FIRST FOR YOU.

- 99.96% Phoenix Beverages Overseas Ltd
- 97.33% Phoenix Distributors Ltd
- 100% Phoenix Foundation
- 100% Mauritius Breweries Investments Ltd
- 100% The (Mauritius) Glass Gallery Ltd
  - 52% Helping Hands Foundation
- 100% The Traditional Green Mill Ltd
  - 48% Helping Hands Foundation
- 100% Phoenix Camp Minerals Limited
  - 100% Phoenix Réunion SARL Réunion Island
- 100% Edena S.A. Réunion Island
  - 100% Espace Solution Réunion SAS Réunion Island
  - 99% SCI Edena Réunion Island
- 30.36% Crown Corks Industries Ltd
- 1% (Espace Solution Réunion SAS – SCI Edena Réunion Island)

Our Geographical Performance at a Glance



BEERS

CARBONATED SOFT DRINKS

Our Products

PhoenixBev distributes more than 50 brands in Mauritius and Réunion Island. Our main brands are all category leaders or perceived as high value brands.

Our Values

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

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

BOTTLED WATER

READY TO DRINK (RTD)

STILL BEVERAGES

ENERGY DRINKS

WINES & SPIRITS

Our Group through the years

- **1931** – Incorporation of Phoenix Camp Minerals Limited (PCM)
- **1953** – Bottling agreement with The Coca-Cola Company
- **1956** – Launch of Fanta
- **1960** – Incorporation of Mauritius Breweries limited (MBL)
- **1963** – Inauguration of the Brewery
- **1963** – Birth of Phoenix Beer
- **1964** – Stella Pils released on the market to extend the range of beers
- **1965** – Launch of Sprite
- **1975** – Launch of Guinness stout
- **1976** – Launch of Crystal table water
- **1979** – Launch of Pearona
- **1986** – Launch of Diet Coke
- **1988** – Launch of Malta Guinness
- **1989** – Launch of Blue Marlin
- **1990** – Introduction of PET packaging by PCM and Launch of Appletiser
- **1991** – The (Mauritius) Glass Gallery Ltd, set up to recycle glass waste
- **1993** – MBL listed on the Stock Exchange of Mauritius
- **1996** – Introduction of the aluminium can as a new packaging container
- **2003** – Change of name of MBL to Phoenix Beverages Limited (PBL)
- **2003** – Inauguration of new distribution centre at Phoenix
- **2005** – Launch of Phoenix Special Brew
- **2008** – Launch of Phoenix Fresh
- **2008** – Amalgamation of PB and PCM
- **2009** – Phoenix Réunion SARL (incorporated in Réunion Island set up)
- **2010** – Launch of Phoenix Cider
- **2014** – Acquisition of Eski, the famous Mauritian brand
- **2014** – Installation of wine bottling line
- **2015** – Launch of GR8 Cape wine
- **2015** – Agreement with Schweppes International Limited for bottling of Orangina
- **2016** – Corporate rebranding
- **2016** – Launch of Gister premium beer
- **2016** – Acquisition of Edena S.A. (incorporated in Réunion Island)
- **2016** – Commissioning of new production unit in Nouvelle France
- **2017** – Launch of Fuze Tea and 5 Alive
- **2017** – Launch of the new Crystal Eco-Twist Bottle
- **2018** – Launch of Phoenix Can 500 ml
- **2019** – Launch of Crystal Jar 11.3 Lt
- **2020** – Relaunching of Cidona
- **2020** – Launch of Phoenix Keg 5lt
- **2022** – Launch of Manawa and Phoenix Panaché
- **2023** – Launch of Salitos Tequila Beer

Phoenix Collector Edition

NOU TOU ANSAM DEPI 60 AN.

2023 has been a milestone year for our flagship brand **Phoenix**. Our new logo symbolises all the weight of a strong history and of a legendary story. The fiery head and wings of our evolved bird epitomise its immortal nature and its warm embrace. The diamond tail is the mark of 60 years history and the palm leaves on Phoenix packaging remind us of the origin of our name.

A YEAR OF CELEBRATION AND SHARING AT PHOENIX BEVERAGES GROUP

70 YEARS of partnership with The Coca Cola Company

60 YEARS of Phoenix Beer

20 YEARS of the rebranding of Phoenix Beverages

In 1953, Phoenix Beverages' parent company partnered with The Coca Cola Company to produce and market international soft drinks in Mauritius. In 1960, Mr. Pierre Hugnin and several partners first had the idea to launch an authentically Mauritian beer. Mauritius Breweries Ltd was established in the following year, with Mr. J. Cyril Lagesse among the founding members. In the beginning, the Phoenix brewery in Phoenix had only 40 employees and produced 30,000 hectoliters of beverages a year.

Since then, our customer-centric approach and commitment to excellence have seen the Company grow from strength to strength. For more than six decades, we have continued to invest in state-of-the-art equipment, grow our range of products, make strategic acquisitions and create innovative and exciting flavours and variants. Today Phoenix Beverages Group employs more than 1,750 team members and produces more than two million hectoliters a year at four production facilities in Mauritius and Réunion Island.

The brewery was established in Phoenix, attributed to its favourable climatic conditions, strategic location for island-wide product distribution, and water supply.

Phoenix beer was launched in 1963, named also after the city's rich history, and drawing inspiration from both the mythical bird and the endemic palm trees found exclusively in Mauritius and Réunion Island, bearing a resemblance to the Phoenician palm.

Six decades later the iconic Phoenix beer continues to delight taste buds and retains a special place in the hearts of consumers and beer lovers in Mauritius, Réunion Island and beyond. Along the way, it has received international recognition, winning awards including several Gold Medals at the Monde selection.

In 2003, Mauritius Breweries Limited rebranded to Phoenix Beverages Limited. We are proud to have been leaders in revolutionising the beverage industry in Mauritius and of the Group's significant contribution to the development of the country by supporting direct and indirect employment, entrepreneurship, local culture and the economy.

In December 2021, PhoenixBev officially launched the PhoenixEarth Initiative to drive the Group's commitment to social and environmental responsibility in support of global aspirations such as the UN SDGs and Net-Zero carbon emissions.

In 2023, we celebrate a triple-anniversary: 70 years of partnering with the Coca Cola brand, 60 years of Phoenix Beer and 20 years of the Phoenix Beverages brand. As we look forward to a promising future, this is a year of celebration and sharing.

We thank our shareholders, team members, customers, partners and loyal consumers for their trust and support over the past 70 years. We are actively exploring growth opportunities beyond Mauritius to take Phoenix Beverages Group to new heights.


NOU SELEBRE ANSAM
NOU KRWAR DAN LAMIZIK NOU KRWAR DAN LAKILTIR
PHOENIX BEER
The Famous Beer Of Mauritius
Of Mauritius
Happy Anniversary
Let's Get Cooking

Our strategy

Our strategic vision is to entrench PhoenixBev as 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.

We are committed to achieving world-class execution in all aspects of our business, and particularly production and distribution, health and safety, resource use efficiency and waste management. This ensures availability and affordability of quality products in our chosen markets. We continually research and develop new and innovative products and package sizes to meet the changing needs of consumers and customers, and invest in developing the brands in our portfolio.

We recognise that responsible business practices are essential for long-term profitability and sustainability. We have chosen five UN SDGs that most closely align with our activities and goals as the areas where we can have the most impact.

Our Vision
Provide happiness through beverages

Our Goal
Commercial beverage leader in the Indian Ocean Region

Our Foundations

- Achieve world-class execution through availability and affordability of our products locally and regionally
- Build strong, valuable and meaningful brands
- Build a sustainable and profitable business through our five chosen SDGs

Our Main Brands

Enablers	Barriers
Our facilities (page 56), natural resources (page 66), team members (page 60) and processes (page 19).	Competition, social pressure and regulatory constraint (page 32).

As part of the IBL Group, PhoenixBev is participating in a project to embed sustainability in the business by integrating the health of environmental and social systems into our core strategy. The process identifies emerging environmental, social and governance (ESG) factors relevant to our business, and deepens our understanding of PhoenixBev's direct impacts as well as those in our value chain on key system thresholds. These factors are evaluated through two lenses:

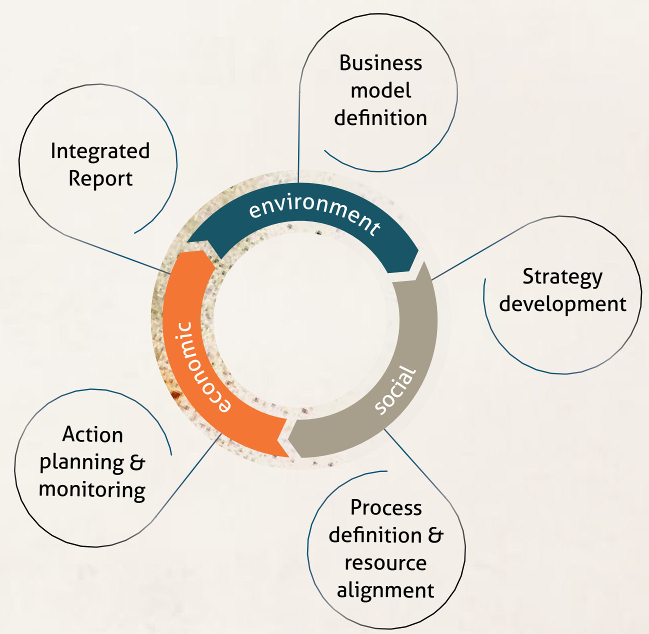
- Their potential impacts on the business and its value chain
- The potential impacts of the business and its value chain on communities and the environment.

Embedding sustainability into the strategy not only mitigates risks but improves our ability to seize opportunities for innovation and growth, while making a meaningful contribution to enhancing the health and resilience of the environmental and social systems that surround us.

Our Sustainable Development Goals

PhoenixBev chose five SDGs as those most relevant to the Group and its stakeholders, and where we can have the biggest impact.

Last year we launched PhoenixEarth as the focal point for the Group's sustainable development initiatives. We are currently working on a formal sustainability program that supports the business strategy and is informed by the perspectives of the context in which we operate. This process is being integrated into the strategy review currently underway, which considers sustainability factors and impacts as a core aspect of the process.



Our Sustainable Development Goals

Good health and wellbeing

Our contribution

We promote safe working conditions through our health and safety programme (page 60), provide health support for team members and plan logistics to manage driver fatigue to reduce road accidents. We promote responsible alcohol consumption and offer lower calorie soft drinks to reduce sugar consumption. Our environmental management system ensure responsible management of waste streams and emissions (page 66), and align with all regulations to minimise pollution. Our corporate social investment programme (page 58) supports projects that promote community health and well-being, and is being aligned with our chosen SDGs. We participate in and promote many initiatives to improve plastic recovery and recycling (page 66) to reduce plastic pollution.

Focus areas

- 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.

Decent work and economic growth

Our contribution

Our focus on world-class execution and constant innovation includes a focus on using key inputs efficiently, including natural ingredients, water and energy. We provide jobs for more than 1 750 team members and make products that help our customers to grow their businesses. We pay a significant amount in taxes and make a positive contribution to economic growth (page 59). Our ethical approach to business and sustainable supply chain practices include measures to support human and labour rights.

Focus areas

- Build resilience to survive financial and economic risks, based on our past track record and sustainable development initiatives in place.
- Provide training, learning and development tools to ensure adherence to required standards.

Industry, innovation and infrastructure

Our contribution

We take a responsible approach to business that aligns with the goals of sustainable and inclusive industrialisation. Our ongoing investment in upgrading our production facilities improves efficiencies, increases productivity, enhances employee well-being and reduces our environmental footprint (page 56). We promote entrepreneurism and business development by supporting and helping our customers and business partners to grow their businesses.

Focus areas

- Implement an internal innovation process.
- In the process of implementing a new enterprise resource planning (ERP) system.

Responsible consumption and production

Our contribution

Sustainable management and efficient use of natural resources are entrenched in our environmental management system and driven through our commitment to achieving world-class execution. We aim to manage our waste streams responsibly by reducing waste from production and promoting recycling, reuse and valorisation where possible (page 66). We participate in collaborative initiatives to promote waste management and raise awareness in communities and society (pages 67).

Focus areas

- 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 reduced sugar options.
- Fulfil consumer needs through appropriately sized packaging.

Climate action

Our contribution

We are committed to reducing our carbon emissions to play our part to address climate change. Upgrades to our equipment and production facilities improve operational efficiency and resource-use efficiency, and reduce our environmental footprint (page 56). Energy audits are helping to improve our understanding of energy use and opportunities to reduce energy consumption and a carbon footprint exercise is planned to quantify our greenhouse gas emissions. We hold regular awareness sessions to sensitise team members about environmental impacts and climate change, and we support external initiatives to raise awareness in society.

Focus areas

- Improve facilities at our operations to reduce our environmental footprint.
- Measure our carbon footprint.
- Promote a circular economy for plastics to reach the point where all of our primary packaging can be collected, recycled and reused.
- Increase the number of sorting bins across Mauritius.

Our investment case

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

Building on more than 70 years of experience, we have strong market shares in Mauritius and Réunion Island, a diversified customer base and well-established distribution channels.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Our commitment to good governance and responsible business practices centres around the PhoenixEarth initiative and five priority SDGs embedded in our strategy.

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, Australia, China, France, the United Kingdom and Djibouti.
- 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 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 **39%** over the past ten years
- Compound annual total shareholders' return of **12%** over the past ten 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

Capital Inputs

Intellectual Capital

The skills and experience of management and team members, and the expertise of our brewing team members. Our strong brands and proprietary recipes.

Manufactured Capital

Our four production facilities in Mauritius and Réunion Island, equipment, warehouses, trucks and offices.

Human Capital

Our **1 750+** valued team members in Mauritius and Réunion Island.

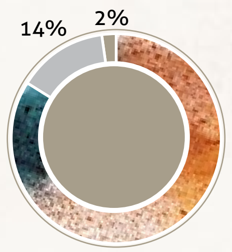
Social and Relationship Capital

More than **10 000** customer outlets supplied in Mauritius and Réunion Island. Strong relationships with authorities, suppliers, partners and consumers. International partnerships with Coca-Cola, Suntory, Diageo, Grand Chais de France and Pernod-Ricard. Collaborative engagements with government, NGOs, communities and industry players.

Our operating context

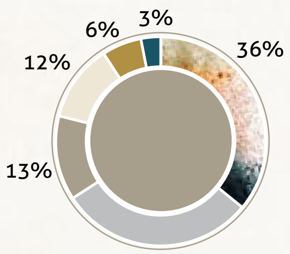
- GDP growth in Mauritius recovered strongly in 2022 and 2023 with tourist visits increasing, but the economy remains only marginally above pre-pandemic levels.
- Although inflation appears to have peaked, it remains at high levels, affecting the cost of raw materials and production, as well as consumers' disposable income.
- Challenges in the global supply chain continue to affect the timing and cost of imported inputs, and we have increased stockholdings in response.
- The depreciation of the MUR against other currencies increased import costs and there was also a shortage of foreign currency.

Revenue split



- Mauritius
- Réunion Island
- Export

Nature of expenses



- Raw materials and consumables
- Excise and other duties
- Others
- Employee benefits
- Depreciation and amortisation
- Marketing and selling

Natural Capital

Key natural inputs for our beverages, including fresh water, GMO-free hops and malt, fruit pulp, sugar and CO_2. Electricity throughout the business and heavy fuel oil and coal for heating in the production process.

Financial Capital

Financial resources available to fund our activities including equity and debt funding.

Capital Outputs

Outputs

We produced **2.4 million** hectolitres of alcoholic and non-alcoholic beverages during the year in Mauritius and Réunion Island, and imported **35 000** hectolitres of products for resale. We supply more than **300** different beverages to over **10 000** wholesale and retail outlets across Mauritius and Réunion Island with our fleet of more than **150** trucks.

Our strategy guides everything we do – from the allocation of resources to the way we conduct our operations and activities, and deliver on our outcomes.

Procurement and resource optimisation

Our procurement process aims to optimise resource use and maximise value creation through training and development, supplier management and negotiation, analytical skills and enhanced communication.

Production

We produce a wide range of alcoholic and non-alcoholic beverages from three production plants in Mauritius and one in Réunion Island.

Bottling and packaging

We bottle more than 300 different types of stock keeping units (SKUs) under our own and international brands.

Sales and distribution

We distribute our beverages to wholesale and retail customers throughout Mauritius and Réunion Island. Consumers can also buy directly through our online retail platform and at our four physical shops.

Recycling

We use recyclable material for most of our product packaging and collect around 45% of our used PET packaging to be recycled and reused for internal operations and external initiatives. Our recycling operations are outsourced.

Value Propositions

Our model serves to create value for all stakeholders

Customers

- Reliable supply of quality beverages.
- Diversified portfolio for everyone and every occasion.

Team members

- Competitive remuneration and benefits.
- Support for health and wellness.
- Opportunity to develop skills and experience.

Shareholders

- Consistent growth in shareholder returns.
- Responsible and experienced leadership and management.

Society

- Promotion of responsible consumption and disposal.
- Investment in communities supporting health, education, sports and social upliftment.
- Direct and indirect job creation and contribution to the government fiscus through tax and excise payments.

Manufactured Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

Financial Capital

Capital Trade-Offs

Our activities require that we draw from, contribute and transform the six capitals available to us. As we do so, we remain mindful of the trade-offs required and ensure that these align with our values and principles. Trade-offs during the year includes those discussed below:

- To counter the ongoing supply chain disruptions and high price of imports, including raw materials (natural capital) and packaging inputs (manufactured capital), we rented additional warehouse space (manufactured capital) to increase stock holdings.
- After securing a new distribution partnership with Pernod-Ricard in Réunion Island (social and relationship capital), we acquired land and buildings (manufactured capital) to facilitate further expansion in the region.
- We invested MUR 9.7 million to further develop our human capital, including Values Integration and Service Excellence programmes.
- PhoenixEarth works with partners, government and various NGOs (social and relationship capital) in various programmes that collect plastic packaging for recycling and reuse, promote awareness in schools and communities, drive social media campaigns and provide additional bins to reduce litter.

Case Studies

FY2023 on Réunion Island

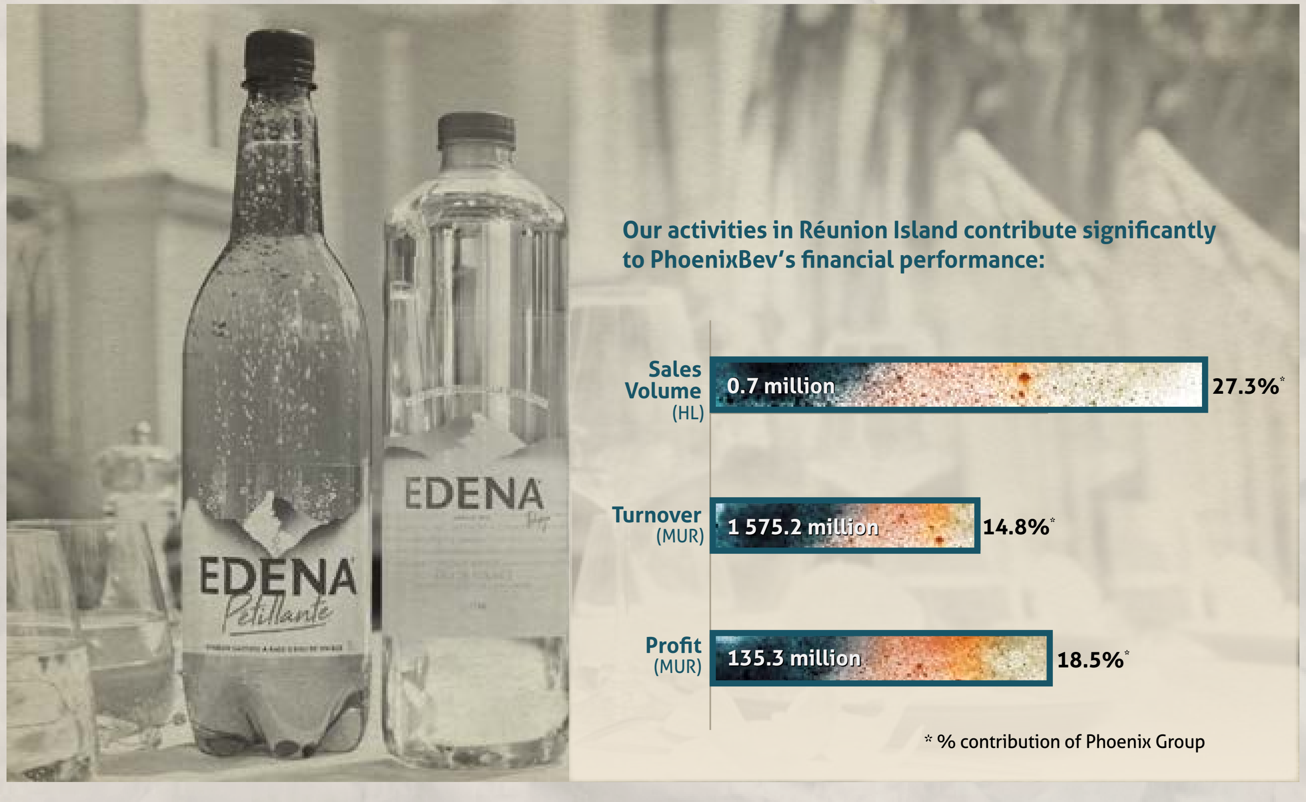
EDENA

Edena S.A. has been the pioneer in the bottling and distribution of pure spring water since 1972 in Réunion Island, featuring its well-known and leading brand **Edena**.

Throughout the years, Edena S.A. has developed its brand recognition and offered a wider range of beverages such as sparkling water, lemonade and soft drinks. After Phoenixbev acquired Edena S.A. in 2016, the company underwent a corporate rebranding into Edena Boissons giving a breath of fresh air to its corporate identity and has celebrated its 50 years of establishment in 2022. The Group further strengthened its position in the market by establishing a distribution partnership with the internationally recognised Pernod Ricard, in January 2023.

The Group activities in Réunion Island encompasses the bottling and distribution of spring water and soft drinks. Additionally, our group in Réunion Island distributes beer brands like Phoenix, Blue Marlin, Salitos and Manawa from Mauritius, along with a diverse selection of imported wines and spirits.

The Group is committed to enhancing its positive environment impact in Réunion Island by expanding efforts in recycling plastic bottles, organising waste collection campaigns and through its decade-long partnership between Bagatelle and the "Office National des Forêts" (ONF), by replanting thousands of trees in Réunion Island.



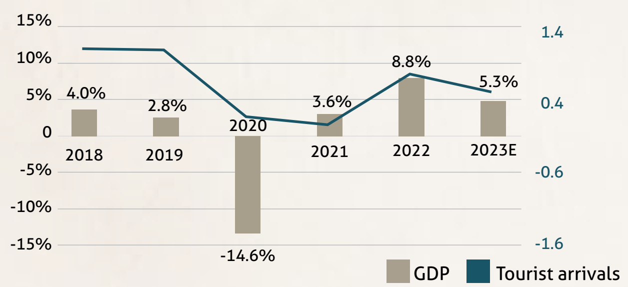
Our operating context

Our operating context

GDP growth in Mauritius improved to 8.8% in 2022. While growth has recovered well since the Covid-19 pandemic in 2020, the forecast growth for 2023 (+5.3%) will take total GDP to 1% above 2019 levels after adjusting for price effects (GDP deflator).

Growth in Mauritius and the businesses of our customers in the hotel/ restaurant/ café (Horeca) segment are heavily dependent on tourism. In 2018 and 2019, there were nearly 1.4 million visits to Mauritius a year and tourism contributed around 7% to GDP. However, tourism collapsed during Covid-19, with Mauritius closing its borders from March 2020 to October 2021. In 2022, nearly a million tourists visited the country and the 2023 GDP forecast expects 1.3 million arrivals, still below pre-pandemic levels.

GDP growth (%) and international tourist arrivals (m)



Source: Statistics Mauritius

Headline inflation rose rapidly from mid-2021, affecting consumers' disposable income, our customers' businesses, production costs and the price of raw materials. Although inflation started to decline from the start of 2023, it remains at high levels compared to historical trends.

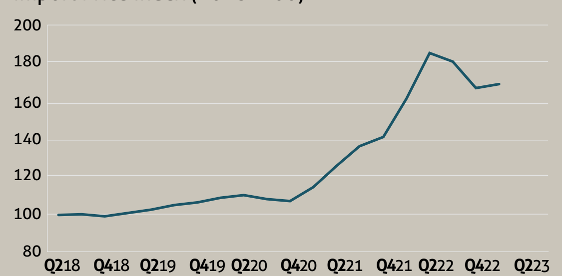
The Monetary Policy Committee of the Bank of Mauritius has met on several instances to try to combat the high inflation rate. The key rate, increased from 2.25% in June 2022 to 4.50% in June 2023.

Headline inflation

Source: Statistics Mauritius

Mauritius is heavily reliant on imports. The impact of global inflation and the devaluation of the Mauritian Rupee against the US Dollar and Euro resulted in a steady increase in the price of imported goods from the start of 2021. Although the import price index peaked in the second quarter of 2022, the cost of PhoenixBev's imported inputs remains high.

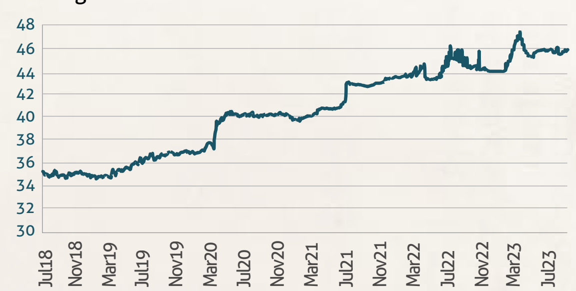
Import Price Index (2018=100)



Source: Statistics Mauritius

The Mauritian Rupee has continued to depreciate against hard currencies as a result of high inflation and the decrease in foreign currency brought into the country by tourists. At 30 June 2023, the Mauritian Rupee was 3.1% weaker against the US Dollar and the average rate for PhoenixBev's 2023 financial year was 3.8% weaker. This depreciation contributes to inflation in the cost of imports.

Exchange rate - MUR vs USD



Source: Mauritius Commercial Bank

Our material matters

Our most material matters

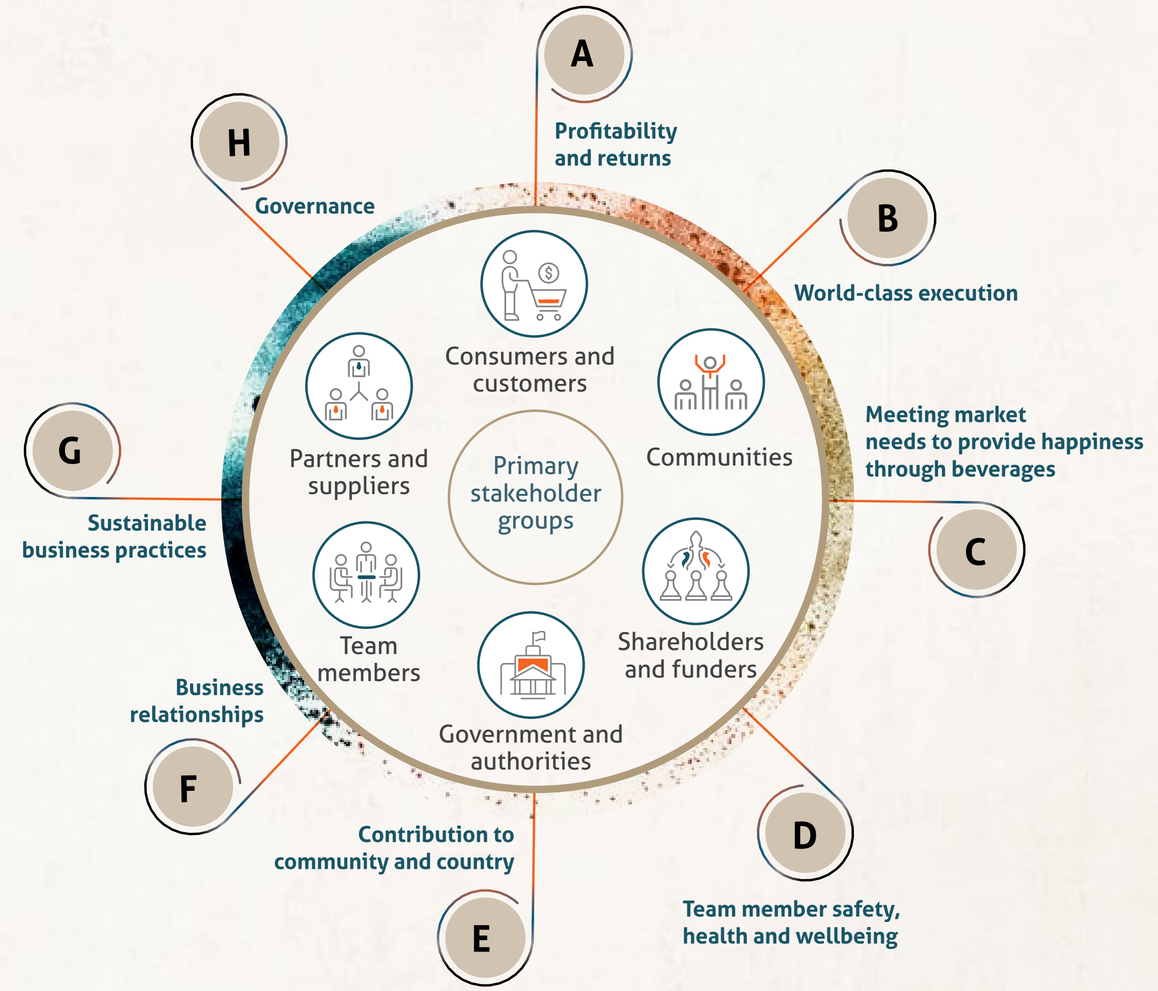
Our material matters are those factors that have the potential to affect our ability to create value over the short, medium and long term. This annual report aims to provide readers with relevant information about developments regarding these matters and how PhoenixBev responds to them.

Material matters are reviewed at least annually. The material matters discussed below and throughout this report were identified by assessing financial and non-financial factors that could affect our strategy, performance and prospects.

The factors assessed include:

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

Those disclosed last year, remain relevant and are discussed below



Related risks

1. Conflicts, wars and natural disasters
2. Pandemic/Epidemic
3. Geographical constraints
4. Constraining regulatory and policy environment
5. Changing societies and consumer preferences
6. Strategic stakeholder relationships
7. Digital challenges
8. Environmental considerations
9. Team capabilities and needs
10. Product safety & Integrity

Our material matters

A Profitability and returns

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Cost control • Capital expenditure and depreciation • Cash flow • Profitability • Shareholder returns	Long-term value creation requires access to sufficient financial capital in the short term to fund operations and invest in future growth. A profitable business with attractive returns creates short-term funds and ensures that further capital can be secured from funders and investors. The war in Ukraine, global inflation and supply chain disruptions continue to affect demand and affect production and operations. Information on our operating context and financial performance is available on pages 30 and 75.		8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks 1 2 3 10

B World-class execution

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Product quality and safety • Maintenance and improvement of facilities and process efficiencies • Portfolio diversification	Achieving operational excellence in production, distribution and management ensures that we meet the needs of our customers and consumers, deliver on our financial targets and minimise our environmental impacts. More information on our investments in facilities and initiatives to ensure product quality and safety is available on page 56.		8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks 9 10

C Meeting market needs to provide happiness through beverages

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Portfolio diversification • Quality of our products • Product trademarks and copyrights • Business ethics and compliance • IT infrastructure	Our ongoing focus on developing new products and product categories ensures that these stay relevant to evolving tastes and emerging trends. Building and sustaining our strong brand portfolio keeps us relevant to consumers and supports expansion in the region. PhoenixBev's commitment to ethical and responsible business practices, and our focus on promoting responsible consumption supports the Group's reputation and its relationship with government and society. More information on our products, brands and governance is available on page 11 and 64.		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Related risks 5 6 7 10

D Team member safety, health and well-being

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Driving a high-performance culture • Skills development and talent management • Team diversity and inclusion • Ethics and human rights • Health, safety and well being	Our human capital is essential to achieve our 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 60.		3 GOOD HEALTH AND WELL-BEING

Related risks 2 9

Our material matters continued

E Contribution to community and country

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Customer and consumer satisfaction • Our contribution to society	Our commitment to operational excellence in production and distribution aims to ensure customer and consumer expectations are met. PhoenixBev invests 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 59.		3 Good health and well-being; 8 Decent work and economic growth; 12 Responsible consumption and production

Related risks 5 8

F Business relationships

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• International partnerships • Supply chain management • Government and regulatory authorities	PhoenixBev partners with some of the world's leading brands to manufacture and market their products. Strong relationships with these business partners are 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.		8 Decent work and economic growth; 12 Responsible consumption and production

Related risks 1 2 5 6

G Sustainable business practices

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Water use and management • Recyclability of packaging • Waste management • Carbon emissions	PhoenixBev's commitment to world-class execution and responsible business practices mean that we use natural resources responsibly, comply with all relevant legal requirements and minimise environmental impacts as far as possible. More information on our environmental practices and impacts is available on page 66.		12 Responsible consumption and production; 13 Climate action

Related risks 5 6 8

H Governance

Aspects	Impact on value creation	Primary stakeholders affected	Related SDGs
• Good governance • Compliance with regulations and guidelines • Human rights	We are 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 84.		3 Good health and well-being; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action

Related risks 4 6 8

Engaging with our stakeholders

Stakeholders are those groups and people that affect or are affected by our activities. In line with the recommendations of the National Code of Corporate Governance for Mauritius (2016), PhoenixBev respects the interests of its stakeholders and is committed to constructive engagements with them.

Our engagements with stakeholders help us to understand their legitimate needs and interests, and to update them on developments in the Group. Feedback from these engagements provides valuable insight into developing trends, emerging risks and opportunities and material matters, and informs leadership discussions and strategy.

The Board is responsible for ensuring timely and comprehensive communication to all stakeholders regarding significant events, and is regularly updated about significant engagements and developments regarding stakeholder interests.

How we engage

Engagements with different stakeholder groups happen through the relevant channels. For example, shareholders and funders are engaged at an executive or Board level, while engagements with employee groups primarily take place through the human resources function.

The section below lists 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
- Entertaining and informative content

Related risks

1 2 7 10

How we address their primary concerns

- We offer cost-effective package sizes, aim to contain costs across our value chain and limit price increases as far as possible.
- PhoenixBev is committed to ethical business practices, including environmental and social responsibility.
- Participate in joint projects and business planning with customers aligns our interests and activities.
- Team members interact directly with customers to ensure excellent service.
- Strict quality assurance processes are in place from the start of the product life cycle.
- Management systems align with international quality and food safety management standards, and are regularly audited by key partners against industry best practice.
- Regular sharing and creation of high quality exclusive content on social media platforms.

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

Related risks

1 2 5 6 8 10

How we address their primary concerns

- PhoenixBev is 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.
- Our contribution to society includes tax and excise payments that fund government priorities, local employment, our CSR activities and our collaboration with NGOs and other partners to promote the circular economy, social upliftment, environmental protection and other national events.
- Strict quality assurance processes are in place from the start of the product life cycle.
- Management systems align with international quality and food safety management standards, and are regularly audited by key partners against industry best practice.

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
- Business ethics and compliance
- Contribution to society
- Economic impact
- Sustainable business practices
- Human rights
- Profitability

Related risks

2 9

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.

Engaging with our stakeholders continued

Communities

How we engage	Stakeholder expectations	Related risks
• Creative media in English, French and Creole • Events, CSR and other PR activities • Involvement in decision-making process through consultations and meetings • Site visits	• Contribution to society • Business ethics and compliance • Sustainable business practices • Fair labour practices • Human rights	7 8 9

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.
- Our contribution to society includes tax and excise payments that fund government priorities, local employment, our CSR activities and our collaboration with NGOs and other partners to promote the circular economy, social upliftment, environmental protection and other national events.
- We partner with NGOs and other industry representatives to promote social upliftment and environmental protection, and actively contribute to national events
- Strong support to cultural development throughout the island
- Support for diversity and ocean life considerations.

Government and authorities

How we engage	Stakeholder expectations	Related risks
• Interactions with authorities in Mauritius and Réunion Island • Participation in national workshops on relevant topics • PR activities	• Business ethics and compliance • Contribution to society • Economic impact • Sustainable business practices • Fair labour practices • Human rights • Product quality and safety • Reduction of environmental footprint • Affordable prices	2 4 5 8 10

How we address their primary concerns

- PhoenixBev is committed to ethical and responsible business practices, including compliance with all applicable laws and regulations, and in particular those concerning the prevention and detection of bribery and corruption.
- Human resources practices align with local labour laws and we respect the fundamental principles of human rights.
- Our values and strategy aims to reduce our environmental footprint and we 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.
- Our waste management strategy emphasises reducing, recycling or reusing waste and we have dedicated programmes focused on recycling PET bottles and glass.
- We promote safe and healthy consumption of our products to customers and consumers on packaging and through media communication

Shareholders and funders

How we engage	Stakeholder expectations	Related risks
• Annual and Board meetings • Business reviews • Corporate communication, including webcasts • Quarterly financial reports, investor presentations	• Profitability • Business ethics and compliance • Contribution to society • Economic impact • Sustainable business practices • Fair labour practices • Human rights • Product quality and safety	1 2 3 4 5 6 7 8 9 10

How we address their primary concerns

- PhoenixBev's business model (page 24) aims to deliver long-term value for our shareholders, aligned to a clear strategy and defined course of action.
- Our continuous investment in value-generating assets supports future growth and expansion.
- We are committed to ethical and responsible business practices, including compliance with all applicable laws and regulations.
- Our contribution to society includes tax and excise payments that fund government priorities, local employment, our CSR activities and our work with NGOs and other partners to promote the circular economy, social upliftment, environmental protection and other national events.

Risk report

The Board sets the Group risk appetite and ensures that risks are managed within these parameters. Effective and timely risk management mitigates the risks inherent in value creation to acceptable levels while maximising opportunities. The adequacy of risk management practices and internal controls are monitored by the Board, as described in our Corporate Governance Report on page 99.

Risks and opportunities are proactively identified, evaluated and managed through the risk identification and evaluation process. During the year, the risk evaluation methodology was enhanced, broadening the scope of risk assessment and improving the evaluation and categorisation of risks and opportunities to enable improved mitigation and action plans.

External risks and opportunities are identified through PESTEL analysis, which assesses factors arising from the political, economic, social, technology, environment and legal contexts. Internal factors are derived by evaluating strengths, weaknesses, opportunities and threats (SWOT analysis). Risks are classified into external risks, over which we have little or no control, and internal risks where we have more control.

The risk identification and evaluation process

1. Identify external factors affecting the business context (PESTEL)
2. Identify internal factors affecting operations (SWOT)
3. Identify and evaluate risks through the risk evaluation matrix
4. Define mitigating actions based on risks and opportunities
5. Regular review of residual risk assessments

PhoenixEarth INITIATIVE

Case Studies

PhoenixEarth

Over the years, PhoenixBev has implemented numerous projects to improve our understanding of, monitor and reduce our environmental impacts. When we plan upgrades to our production lines, we consider a range of factors that include improving production efficiencies, optimising quality and reducing environmental impact. Our ongoing investment in state-of-the-art equipment increases efficiencies to save time, reduce energy and water consumption, and minimise waste. We are also in the process of phasing out ozone depleting substances such as CFCs in refrigerators.

Environmental management systems at all facilities align with ISO 14001:2015, the international environmental management standard. This ensures that our environmental management system aligns with global best practice and embeds the principle of continual improvement in environmental performance. It also raises awareness with employees on environmental issues and impacts, and encourages innovation to improve water and energy efficiency, reduce waste and shift to renewable energy sources. Our facilities in Mauritius are all externally certified in terms of the standard.

Environmental awareness is promoted during annual refresher training, on World Environment Day and during monthly site inspections. These initiatives 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. Anonymous suggestion boxes were installed to provide a way for employees to provide feedback and improve our understanding of their concerns.

Risk report continued

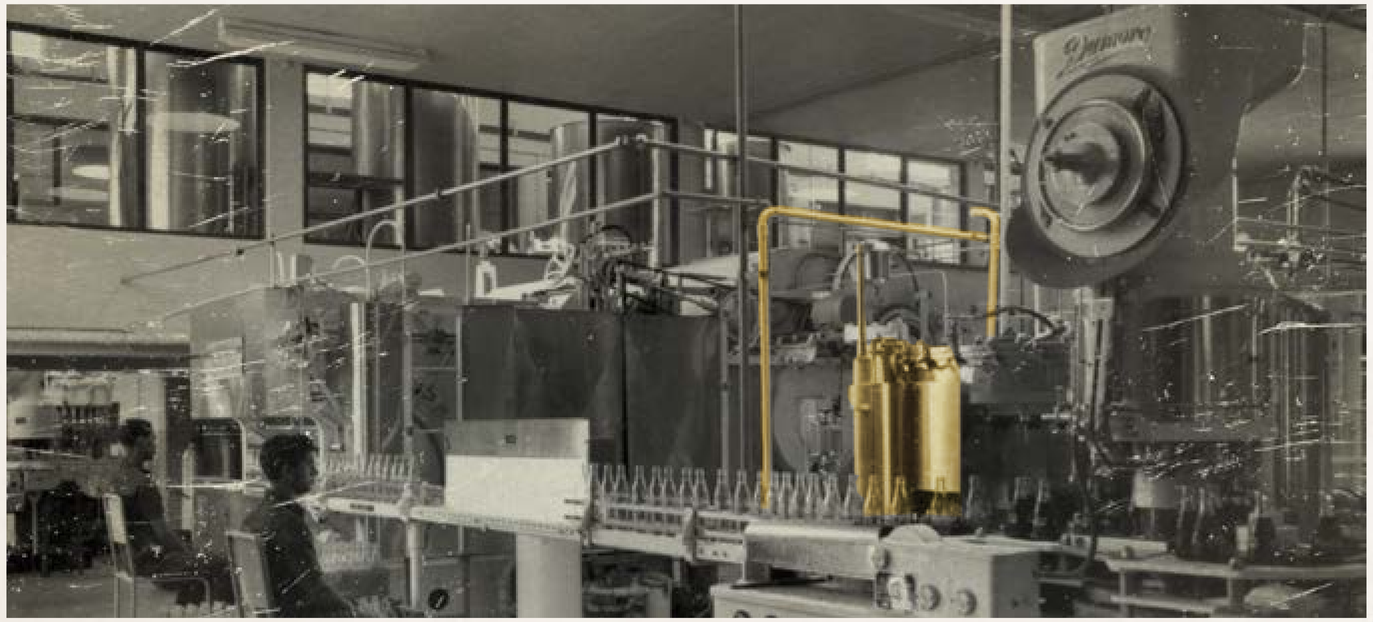
RESIDUAL RISK SIGNIFICANCE MATRIX

Likelihood \ SEVERITY	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain			3	1	
Likely		5 6 7	4	2	
Possible		8 9			
Unlikely			10		
Rare					

Risk significance Low · Medium · High · Extreme

Our top risks

The Group's top risks are shown in the table that follows, together with their potential impact on the Group, the related opportunities and how we mitigate these risks to an acceptable level.



1. Conflicts, wars and natural disasters (External)

Risk	Impacts and opportunities	Mitigation
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.	**Potential impacts** • 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 global economy. **Associated opportunities** • Win new regional and international markets through our flexibility and unique value proposition. • Develop and promote new/alternative products.	• Execution of our business continuity plan. • Rigorous demand planning for materials with increased stock levels and warehouse space. • 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.

2. Pandemic/epidemic (External)

Risk	Impacts and opportunities	Mitigation
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. They also represent a significant operational risk through their impacts on supply chains which disrupt operations.	**Potential impacts** • 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. **Associated opportunities** • 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.	• 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 the crisis, 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, increased stock levels and warehouse space. • Develop back-up suppliers for critical materials.

Risk report continued

3. Geographical constraints - Supply chain risks (External)

Risk	Impacts and opportunities	Mitigation
Socio-economic challenges due to the country's geographical constraints of size, small population (1.3 million), remoteness and ensuing insularity, resulting in heavy dependence on imports of raw materials, manufactured goods, equipment and spare parts as well as reliance on foreign experts for technical support.	**Potential impacts** • Difficulty in expanding our business and realising the benefit of economies of scale. • Challenging to sustain international competitive edge in a tough trading environment. • Difficulty in increasing our market base. • Increased fees/additional charges when sourcing raw materials, equipment, spare parts and technical support. **Associated opportunities** • 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	• 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. • Rigorous demand planning for materials with increased stock levels. • Develop back-up suppliers for raw and packaging materials, equipment, spare parts and technical support with a specific focus on geographic risks. • Qualified technicians on site for immediate assistance and support available from other production sites

4. Constraining regulatory and policy environment (External)

Risk	Impacts and opportunities	Mitigation
There are numerous current and planned regulations that apply to and affect our business or our customers	**Potential impacts** • 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. **Associated opportunities** • 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. • Enhance 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.	• 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. • Explore solar power and optimise energy use.

5. Changing societies and consumer preferences (External)

Risk	Impacts and opportunities	Mitigation
• Changes in demand for products. • Increasing consumer consciousness about the products they buy. • Decreasing and ageing population. • Healthier lifestyles.	**Potential impacts** • 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. **Associated opportunities** • 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'.	• 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. • Expand into new product lines.

Risk report continued

6. Strategic stakeholder relationships (External and internal)

Risk	Impacts and opportunities	Mitigation
• Loss of a strategic partner • Deterioration in relationship with one of our strategic stakeholder	**Potential impacts** • Profitability adversely affected in the event of termination of agreements or less favourable renewal terms. • Ineffective partnerships. **Associated opportunities** • Sustained collaboration with our international partners to enable rapid achievement of goals and continued expansion of portfolio and markets. • Leverage partnerships to increase positive social and environmental impacts.	• Management focus on regular 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.

7. Digital challenges including cyber risks (External and internal)

Risk	Impacts and opportunities	Mitigation
• Rapid technological development impacting all aspects of our business and increasing the risk of obsolescence. • Shortage of skills to keep up with evolving trends/ automating processes. • Effective systems and processes critical in reducing costs, increasing flexibility, and driving efficiency and productivity. • Increased threat of cyberattacks, compromised infrastructure and data security due to the ubiquitous nature of technology. • Data fraud, theft and misappropria-tion of information. • Social media becoming increasing-ly powerful in shaping brand perceptions. • IT infrastructure failure . • Loss of access to operational database and software. • Uncertain impacts of Artificial Intelligence.	**Potential impacts** • 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. • Increasing gap between skills and rapidly evolving AI technology. **Associated opportunities** • 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. AI tools provide opportunities for improved market intelligence.	• 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. • An IT management system based on ISO 27000 (information security management systems) is in place. • Regular training on cybersecurity for team members by the IT department. • 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 (ERM) system across our operations.

8. Environmental considerations (External and internal)

Risk	Impacts and opportunities	Mitigation
• Environmental protection (water, biodiversity, waste management). • Resource scarcity through natural disasters and climate change. • Climate change leading to consumers being more environmentally conscious/ Biodiversity loss and ecosystem collapse. • Coastal erosion and rising sea level. • Man-made catastrophes such as oil spills, chemical spills/leaks, radioactive contamination/ pollution	**Potential impacts** • 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. **Associated opportunities** • Positioning PhoenixBev as an industry leader in waste management and other eco-friendly practices. • Using innovation to achieve greater resource efficiency. • Re-use and recycle waste.	• PhoenixEarth promotes environmental and social responsibility to support the UN SDGs and is embedding sustainability into our business strategy. • 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 and promoting returnable glass 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, ensure responsible practices and embed the principle of continual improvement in environmental performance. • Replacing ozone depleting refrigerants in coolers placed in the market. • Invest in emerging technologies including renewable energy, electric vehicles, rainwater harvesting etc.

Risk report continued

9. Team capabilities and needs (External and internal)

Risk	Impacts and opportunities	Mitigation
• Loss of key personnel through retirement or departure. • The strong job market is increasing competition for talented team members leading to increased turnover and skills shortages. • Brain drain due to increasing opportunities for expatriates around the world. • 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.	**Potential impacts** • 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. **Associated opportunities** • 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.	• 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. • Talent acquisition and retention programs and skills needed in the 'new normal' identified.

10. Product safety and integrity (internal)

Risk	Impacts and opportunities	Mitigation
• Prevention of poor product quality or contamination whether accidental or malicious, causing public health hazards	**Potential impacts** • Reduced sales volume and net sales revenue. • Loss of consumer trust resulting in damage to brand and corporate reputation. • Loss of market share. **Associated opportunities** • Fostering a strong reputation for quality assurance as an important differentiator in our competitive market.	• 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.

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Our performance

CEO'S review

With demand returning to the market, we took a number of steps to protect and recover margin. Our aim is to ensure that PhoenixBev has a refreshing and attractive beverage option for every taste and price point.

Dear Shareholder,

The business environment remained challenging during the year, characterised by several significant headwinds. These included a shortage of foreign currency to pay international suppliers, supply chain disruptions that led to extended lead times and increased costs for vital inputs, a tightening labour market with a focus on technical skills, high interest rates and rising energy costs.

Despite these obstacles, there was a notable resurgence in market demand, resulting in an 11% growth in sales volumes in Mauritius and a 7% increase at the Group level. We implemented strategic measures to safeguard and enhance our profit margins, including diversifying our supplier base, renegotiating payment terms, enhancing operational efficiencies, and closely monitoring internal cost controls. To address supply chain challenges, we increased our inventory holdings and acquired additional storage space to accommodate these increased inventories.

The impact of the global economic crisis in Réunion Island's economy eased in the second half of the financial year and subsidies to alleviate sea freight expenses supported our operation on the island. The business also secured a new distribution partnership with Pernod-Ricard that adds spirits to its brand portfolio and contributed significantly to turnover in the region during the period. We acquired land and buildings adjacent to our existing site in Réunion Island to facilitate further expansion.

The combination of price adjustments and improved sales mix supported an 18% increase in group revenue, while we strived to limit price increases given the current pressure on consumers. Group profit after tax increased by 76%, although it must be noted that the prior year comparative results were significantly impacted by Covid-19 restrictions, economic and supply chain issues arising from the Russia-Ukraine war and exceptional expenses incurred in assessing a potential overseas acquisition that did not materialise.

Brand and product performance

The health crisis of 2020 undeniably altered consumer values. We have seen increased interest in healthy and functional beverages, a surge in premium market demand, a quest for purposeful consumption and an unexpected rise in digital commerce. At the same time, the importance of affordability grew against the backdrop of dwindling purchasing power.

In such transformative times, brands that are perceptive and responsive stand out. Our water and stills business saw significant growth over the year, thanks to the emphasis on quality and health, and Monster is now the undisputed leading energy drink in the region. Our Manawa beer emerged as a perfect premium craft option for discerning beer enthusiasts. The bold 'Nu Diferans Campaign', which champions diversity, and our engaging World Cup campaigns and the Kafe Kiltir platform, added a touch of joy and positivity. This year also marked the commencement of the 60th-anniversary celebrations for our flagship brand, Phoenix.

Ensuring everyone has access to refreshing beverages is a cornerstone of PhoenixBev's mission. Despite facing rising costs, we remained committed to providing affordable choices, spearheaded by brands like Eski, while also strengthening our traditional distribution channels. One of our proudest achievements has been the rapid growth of our online platform, shop.phoenixbev.mu, now serving over 1,500 customers. We also celebrated the opening of Phoenix Bev Wines and Spirits in Tribeca Mall, the largest mall in the Indian Ocean.

We have laid a strong foundation for future growth in Mauritius and the surrounding region. Our business in Réunion Island has been significantly bolstered by the Pernod-Ricard distribution agreement, enhancing our comprehensive beverage range and propelling our drive towards premiumisation.

Safeguarding and investing in our team members

At PhoenixBev, we recognise that our team members are the drivers of the Group's success and we care about their wellbeing and development. We are committed to excellence in safety, health and wellness by working towards an injury-free workplace by providing comprehensive medical surveillance and support.

In the 2023 financial year, a substantial MUR 9.7 million was invested in training and development to build operational job-related skills as well as the analytical and technical competencies required to achieve our long-term goals. We upgraded our training centre and earned accreditation from the Mauritius Qualifications Authority to provide training, and issue certificates in various fields. We are rolling out a Values Integration Program to embed key behaviours aligned with PhoenixBev's values as well as a Service Excellence Programme in collaboration with the IBL Training Academy.

Catalysing progress towards the SDGs

PhoenixBev is proud of its long history as a responsible Mauritian company. Our PhoenixEarth initiative builds on our ethical and sustainable foundation to drive sustainability and build a sustainable ecosystem around the Group, aligned with the global social and environmental aspirations in our priority SDGs.

We seek to minimise our environmental impacts, both as part of our commitment to responsible business practices and our drive for world-class execution. Upgrades to our production facilities include an emphasis on improving water and energy efficiency, and reducing waste. Water conservation initiatives include recycling of rinse water and rainwater harvesting systems to reduce water withdrawal from aquifers.

We have engaged experts to identify opportunities to save energy, reduce carbon emissions, improve effluent management and assist in calculating and reducing the Group's carbon footprint. A number of energy efficiency and power reduction solutions are in place at our operations, and we are piloting two electric delivery vehicles in our delivery fleet. A solar PV installation at the Limonaderie helps to reduce energy consumption and carbon emissions, and we are investigating opportunities to implement renewable energy systems at other facilities.

Significant improvements to our tracking of solid waste generated has led to focused action plans to decrease waste generated and identified opportunities to reduce waste to landfill by promoting recycling, reuse and valorisation.

Through PhoenixEarth, we participate in collaborations with business partners and NGOs to promote collection, recycling, upcycling and re-use of plastic packaging by educating consumers and promoting the circular economy. In the past two years the World Without Waste and Nu Bann Consom-Akter Responsab campaigns collected more than 15 tonnes of PET waste and touched more than 90 000 Mauritians across the island.

PhoenixBev's strong environmental commitment and performance was recognised with First Prize in our category at Mauritius's inaugural Environmental Awards.

Building capacity to meet our expansion goals

Our plans for the year ahead include further investments to increase production capacity and improve efficiencies, as well as releasing exciting new products to meet the needs of our customers. After a number of delays due to Covid-19, we will implement our new enterprise resource planning system early in the upcoming financial year. We are gearing up for a new era of growth for the Group in a responsible and efficient way.

Bernard Theys
Chief Executive Officer
27 September 2023

Manufacturing capital

Manufacturing facilities

PhoenixBev has three production sites in Mauritius and one in Réunion Island, with a combined total of 16 bottling lines. We continually invest to maintain and modernise these facilities to ensure consistent product quality, increase operational efficiency and enhance customer satisfaction. These investments not only optimise our brewing, manufacturing, bottling and packaging processes, but also support team members' well-being growth and reduce our environmental footprint.

3 Production sites in Mauritius

+

1 Production site in Réunion Island

16 BOTTLING LINES

Product quality, food safety and responsible production

The production sites implement stringent quality and food safety measures, supplemented by robust controls, internal audits and quality assurance processes. These ensure all elements, from inputs to waste, meet required standards and traceability.

International management standards are in place at the facilities, which are regularly audited and certified for compliance. During the year, the brewery achieved certification in terms of ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management) under an integrated management system. All three production sites in Mauritius are now certified in terms of these standards, as well as FSSC 22000 V5.1 (food safety management).

FSSC 22000 Food safety management

ISO 9001 Quality management

ISO 14001 Environmental management

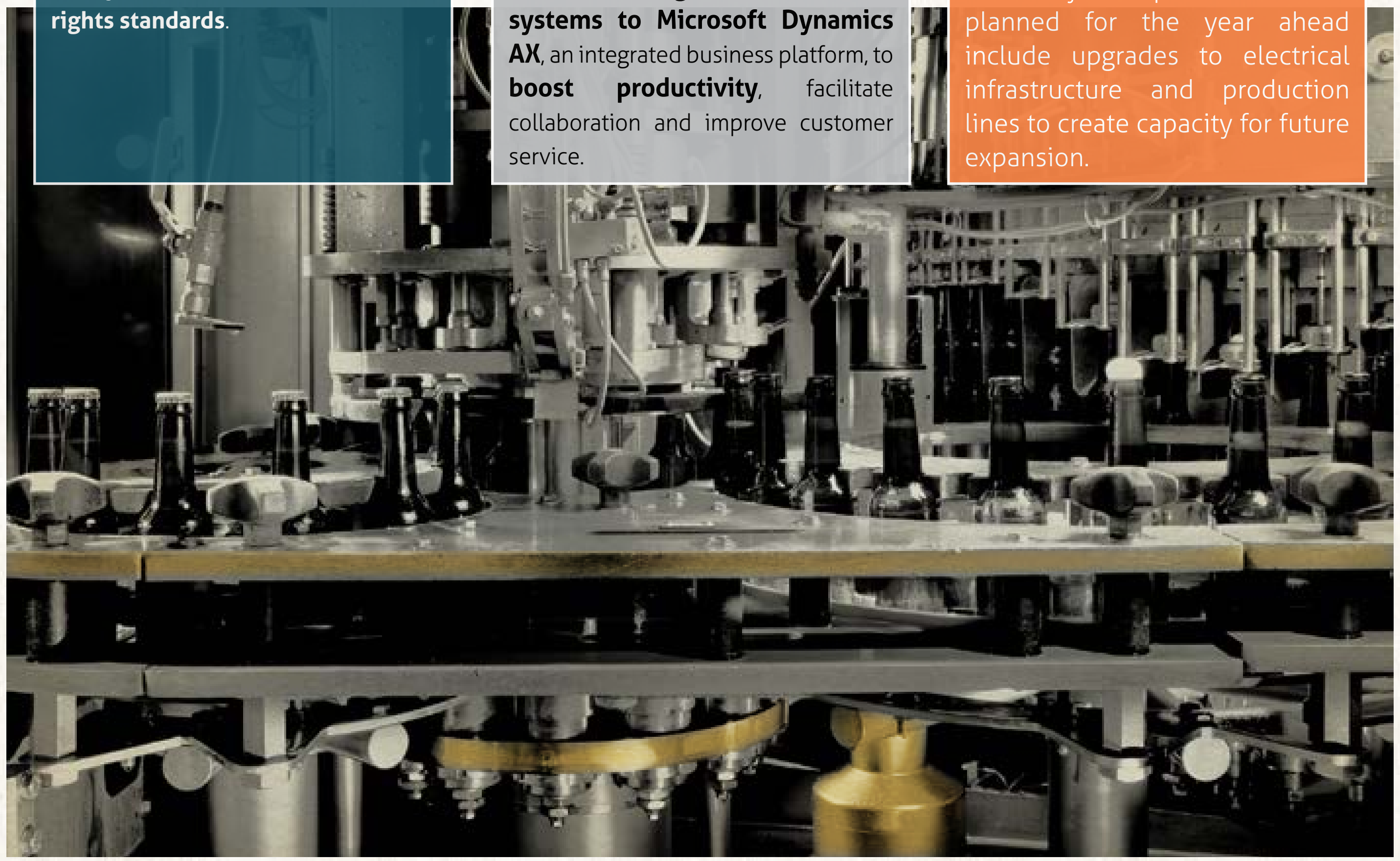
ISO 45001 Occupational health and safety management

ISO/IEC 17025 Competence of testing and calibration of laboratories

Our key international partners, including **The Coca-Cola Company**, **Diageo** and **Schweppes International Limited**, regularly audit adherence to their requirements in the areas of **food safety**, **quality**, **occupational safety**, **environmental**, and **human rights standards**.

The Group's information technology (IT) infrastructure and solutions **help to improve efficiencies**, **reduce costs**, **increase flexibility**, and **mitigate the risk of cyberattacks**. We are implementing a project in Mauritius to **migrate our business systems to Microsoft Dynamics AX**, an integrated business platform, to **boost productivity**, facilitate collaboration and improve customer service.

Delivery of equipment to **upgrade the brewery** cleaning station and the additional fermenters for the craft beer plant was delayed during the year. These **upgrades will be implemented in the 2024** financial year. Capital investments planned for the year ahead include upgrades to electrical infrastructure and production lines to create capacity for future expansion.



Social capital

Our ability to achieve our vision to "**Provide happiness through beverages**" depends on how well we meet the needs of our customers and consumers, as well as the quality of our relationships with our partner brands, suppliers and other stakeholders.

PhoenixBev's contribution to society

Since 1931, The Group has been a significant contributor to the economy, culture and people of Mauritius. In the financial year to 30 June 2023, PhoenixBev created MUR **6 715** million in value, distributed MUR **5 701** million to stakeholders and reinvested MUR **1 014** million into the Group. The value-added statement on page 74 provides more information on value created and distributed during the year.

Customer satisfaction

We offer customers and consumers a diverse portfolio of international and own-brand products that provide options for all tastes in convenient packaging sizes. Customer satisfaction is assessed from feedback gathered at customer visits and from targeted surveys. The Customer Response Unit monitors this feedback and investigates any complaints.

We work closely with government, NGOs and specialists to promote responsible alcohol consumption. Product development includes reduced-sugar beverages and lower alcohol content beers to increase options for consumers.

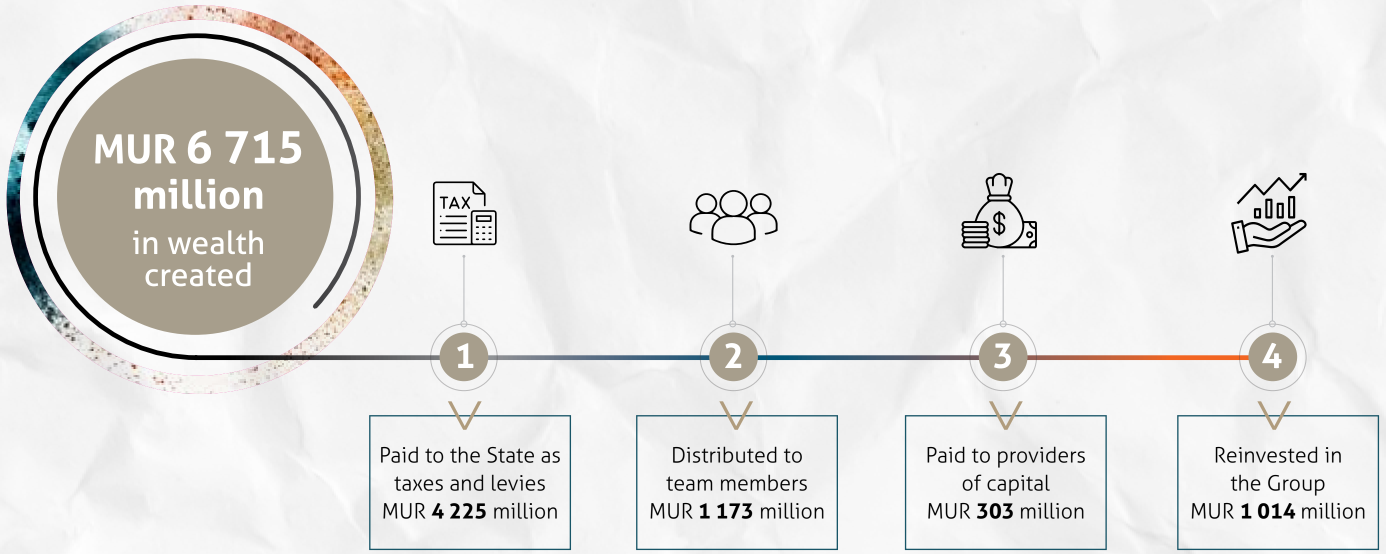
Quality assurance is an ongoing priority and our operations adhere to international quality and food safety management standards. Our business partners provide input and external benchmarking for operating processes, quality control, as well as global best practices in the international beverages industry.

Partner relationships

Our partners include some of the world's leading beverage brands, such as The Coca-Cola Company, Diageo, Schweppes International, Suntory, Monster Energy Limited, MBG and Les Grands Chais de France. Partner brands are carefully chosen for their fit in our current portfolio, brand reputation, quality standards and the sustainability of their value chains.

Consistent quality and availability depend on effective supply chain management. We aim to buy locally where Mauritian products are available that meet the quality and other criteria required by our standards and the requirements of our partner brands. Other inputs are imported from around the world.

Suppliers are subject to annual formal assessments, we conduct regular audits of strategic suppliers and those of certain key inputs are accredited by our key international partners. We select suppliers that operate sustainably and ethically to ensure that they align with our values and to mitigate against reputational damage.



Corporate social responsibility

PhoenixBev's corporate social responsibility (CSR) program aligns with our sustainability platform PhoenixEarth and our priority SDGs. The CSR strategy supports projects that make a significant contribution to local communities and broader society by inspiring people to make environmentally friendly and socially responsible choices. Priorities areas include promoting PET recycling, returnable glass bottles, responsible consumption, sports and education.

The CSR program was reviewed and reorganised during the year, with a focus on ensuring effective governance and oversight in NGO partners.

Human capital

Our team members exemplify PhoenixBev's culture of dedication and commitment to surpass the expectations of our stakeholders. We aim to foster a safe and inclusive work environment, ensuring that all team members are treated with equal dignity and respect. Regular engagements with team members take place at the Comité d'entreprise, at performance reviews and through newsletters, audio-visual presentations and updates on e-Board in communal areas.

2023
1 787
FULL TIME TEAM MEMBERS

2022
1 704
FULL TIME TEAM MEMBERS

3 GOOD HEALTH AND WELL-BEING

Health, safety and well-being

PhoenixBev is committed to excellence in safety and health by working towards an injury-free workplace through continuous risk assessments and capacity building. Our health and safety initiatives aim to create a culture of safety and an environment where everyone feels protected and valued.

The safety programme aligns with ISO 45001 (the international occupational health and safety management standard) and is built on continuous risk assessments and safety awareness campaigns to foster a proactive safety mindset. Safety training is provided during induction and on an ongoing basis to enhance safety knowledge and skills.

Accidents are thoroughly investigated, with all incidents reported in a corrective action plan that facilitates structured follow-up. Best practices and learnings from accidents and near misses are shared across sites, contributing to the continuous improvement of safety processes.

Common potential hazards associated with PhoenixBev's activities:

- Exposure to chemicals
- Minor cuts due to handling of broken glass
- Handling of heavy objects
- Operation of industrial machinery and equipment
- Road accident as our sales and refrigeration crew operates around the island

A management safety working group ensures an ongoing emphasis on safety. Safety committees and Health and Safety Ambassadors at each unit ensure that all aspects of health and safety are observed and addressed efficiently. Safety training is being provided to all managers to promote safety leadership, empower managers to serve as safety champions and drive safety culture throughout the organisation

Regular audits ensure ongoing compliance with health and safety standards. These including audits in terms of ISO 45001, KORE (Coca Cola's Operating Requirements) and external audits commissioned by the IBL Group.

During the year, the Safety and Health Manager attended comprehensive training on The Coca-Cola Company KORE-QSE, further aligning our operations with industry best practices. An Assistant Safety & Health Officer was recruited, enhancing capacity to reinforce safety measures and the Brewery achieved external certification with ISO 45001 for the first time. The Limonaderie and Nouvelle France units are already certified in terms of the standard.

There were 130 work accidents reported at operations in Mauritius, Rodrigues, and Réunion Island (2022: 109) and 474 days lost to injury (2022: 466).

Health and wellness are prioritised through comprehensive medical surveillance and support. A newly contracted occupational health doctor visits the three production sites and commercial unit in Mauritius to conduct pre- and post-employment assessments, medical surveillance, and to provide free medical advice to team members.

PhoenixBev runs awareness campaigns and provides access to screenings, vaccinations, and medical visits to address non-communicable risks, such as diabetes, cardiovascular disease and cancer. The Group also promotes physical and mental health by encouraging team members to participate in sporting, recreational, and welfare activities.

WORK ACCIDENTS		DAYS LOST TO INJURY	
2023	2022	**2023**	2022
130	109	**474**	466

MAURITIUS | RODRIGUES | REUNION ISLAND

Supporting skills development and building a high-performance culture

Our approach to skills development aims to balance operational job-related skills and long-term strategic requirements, with a focus on building analytical and technical competencies. Personal development plans and an accelerated program support skills development and succession planning.

During the year, our training centre was registered with the Mauritius Qualifications Authorities, allowing it to provide accredited training and issue certificates in various fields. Fifteen managers received training to become trainers and the training room was upgraded.

Attracting and retaining technical skills is becoming more challenging in a tightening market in Mauritius. We proactively engage technical and educational institutes to develop the pool of technical talent and position PhoenixBev as an employer of choice in the market.

The Values Integration Program embeds key behaviours aligned with PhoenixBev's values through workshops, e-learning courses and face-to-face master classes for managers. Rollout of the Service Excellence Programme, run in collaboration with the IBL Training Academy, was completed in the Refrigeration Department, improving the service culture, unlocking synergies, reducing complaints and enhancing our understanding of customer expectations. The programme is extended to the Sales Department, building on these learnings.

The Company's investment in training and development was
2023
MUR 9.7 MILLION
(2022: MUR 6.3 million)

Human capital continued

Diversity and inclusion

PhoenixBev respects and values diversity. We are committed to creating an environment where everyone is valued and respected, providing equal opportunities and eliminating unfair discrimination. We aim to maintain a workplace that is free from all forms of unfair discrimination in hiring, promotion and work supervision. Reports of harassment, discrimination or unethical behaviour are promptly investigated, with appropriate action taken when necessary. A Diversity and Inclusion Policy is being developed and will be in place early in the new financial year.

Ethics and human rights

PhoenixBev is committed to ethical business practices, human rights and full compliance with all legal requirements. Our principles and values are rooted in respect for all stakeholders and fundamental human rights, aligning with international principles and relevant local labour regulations.

The Code of Ethics establishes expected standards of behaviour and applies to all managers, team members and contractors. Training on the Code is provided during induction and through periodical refresher training. Team members can raise concerns and grievances through established procedures with supervisors, managers, the HR department or the CEO.

PhoenixBev subscribes to and is audited in terms of Coca-Cola's Supplier Guiding Principles, which include responsible workplace policies and practices, human rights, environment protection, business integrity, compliance and grievance mechanisms.

Human capital data	2023	2022	2021
Workforce breakdown			
Full time employees (number)	**1 787**	1 704	1 654
- Mauritius	**1 661**	1 586	1 538
- Réunion	**126**	118	116
Gender representation in management (%)			
- Men	**73.3**	67.3	70.0
- Women	**26.7**	32.7	30.0
Gender representation in the workforce (%)			
- Men	**90.4**	90.4	91.6
- Women	**9.6**	9.6	8.4
People with disabilities (%)	**0.6**	0.6	<1
Average age (years)	**39**	39	39
Foreign nationals (%)	**0.2**	0.3	<1
Fines for breaches of labour law (number)	**1**	–	–
Safety			
Total work-related accidents (number)	**130**	109	126
- Fatalities	**–**	–	–
- First aid cases	**55**	45	47
Days lost to injuries	**474**	466	626
Total injury frequency rate per 200 000 man hours	**7.4**	6.4	7.6
Severity rate (days lost per injury)	**3.6**	4.3	5.0
Average days sick leave per team member (days)	**12**	10	8
Absenteeism rate (%)	**5.5**	4.8	4.7
Total spend on health and safety (MUR million)	**8.8**	9.7	8.6
Health and wellness			
Medical surveillance tests (number)	**781**	677	601
Eye tests (number)	**154**	300	245
Training and development			
Team members trained (number)	**1 789**	1 622	1 611
Spend on training and development (MUR million)	**9.7**	6.3	6.5
Average training spend per team member (MUR)	**5 405**	3 722	4 035

Case Studies

Improving water efficiency

We recently upgraded our returnable glass bottle washer at Limonaderie site to a high-tech version that has reduced water and energy consumption, decreased wastewater effluent volumes to the wastewater treatment plant and reduced the use of chemicals in the cleaning process. Last year we invested in a rainwater harvesting system at Nouvelle France to reduce dependency on groundwater sources and to free up water for other users. We are investigating rolling these systems out at other sites.

Our facilities recycle rinse water from bottle washing and backwash water from rinsing carbon filters. Other projects under investigation include re-using treated wastewater in flush toilets.

Intellectual capital

Building strong, valuable and meaningful brands

PhoenixBev's success as beverage leaders in the Indian Ocean region is built on our strong and diverse portfolio of more than 50 category-leading or high-value local and international brands. The success of our brands depends on our ability to continue to satisfy our customers' emotional and quality expectations.

Ideas for new products and flavours are developed through internal testing panels, research from our innovation function and the insights we derive from our direct-to-consumer channels. This helps us to create unique products that meet emerging consumer trends.

While most of our products are sold to traditional shops, key retail, hotels, restaurants and cafes, we also sell directly to consumers through our online store, which delivers anywhere on the island. Our wines and spirits are also sold through four physical stores in Tamarin, Grand Bay, Phoenix and Tribeca Mall. These stores also allow us to gather important insights and immediate feedback from consumers.

Our portfolio of partner and own brands (shown on the facing page) combines a wide range of established and well-recognised brands as well as new options that meet the changing needs of consumers.

Beers

International
- Guinness
- Salitos

Authentically Mauritian
- Phoenix
- Speciale Phoenix
- Manawa
- Blue Marlin
- Gister
- Stella
- Panaché

Carbonated soft drinks

International
- Coca-Cola
- Fanta
- Sprite
- Schweppes
- Orangina
- Appletiser

Authentically Mauritian
- Eski
- Pearona
- Cidona

Authentically Rèunionese
- Sega
- Volcatonik

Still beverages

International
- Fuze Tea
- 5 Alive Pulpy

Authentically Rèunionese
- Citro

Bottled water

Authentically Mauritian
- Crystal
- Crystal Sparkling

Authentically Rèunionese
- Edena
- Bagatelle
- Volcanik

Energy & RTD

International
- Monster
- Malta Guinness
- Smirnoff Ice

Wines & spirits

The Group also markets a range of imported and locally bottled wines and spirits.

We build long-term affinity with our customers and consumers by aligning ourselves with what is most important to them. This favours organic word-of-mouth community-driven campaigns that promote our products in our chosen markets. Our brands are aligned with our priority SDGs to ensure that we operate sustainably and in line with our values, including by promoting responsible consumption and providing lower alcohol and reduced sugar options.

During FY2023, we focused on entrenching Manawa craft beer in the market, promoting Blue Marlin's very successful "Nou Diferans" platform, and introduced Salitos, a new locally-produced tequila-based beer. We launched a new plum and clove Fuze Tea flavour and repositioned Eski as an iconic Mauritian brand for teenagers, while accelerating the Group's digital presence on social media platforms such as TikTok.

Highlighting the strong contribution of the Phoenix Brand to Mauritian life over the last 60 years was a significant focus in the second half of the year that will continue into the new year.

Natural Capital

As a proudly Mauritian Group with a long history of doing business responsibly, PhoenixBev is committed to monitoring, managing and mitigating our impact on natural resources and participating in collaborative solutions to address environmental challenges. Aligned with our priority SDGs, our priority operational environmental focus areas are water, energy and waste management. All our production sites are certified ISO 14001: 2015.

Ongoing upgrades to our production facilities include a focus on improving water and energy efficiency, and reducing waste. We are working with external consultants to identify areas for improvement in effluent management and energy use, and to start the process of calculating an overall carbon footprint for the Group.

Water usage and management

Water is an essential ingredient of our products and is also used to clean and sanitise bottles and equipment. Water is drawn mainly from local aquifers and we constantly monitor the abstraction rate, water quality and ground water recharge. Detailed quantitative and qualitative water source vulnerability assessments (SVAs) are conducted every five years as part of the operating requirements of The Coca-Cola Company (KORE). These include updating the source water protection plan.

To reduce pressure on local aquifers, harvested rainwater is used to wash delivery vehicles at the garage at Phoenix and a 1 535m^3 rainwater harvesting system was installed at Nouvelle France last year that reduces the use of groundwater by an estimated 3 600 m^3 a year. Similar projects are currently being investigated at other sites.

In 2023, PhoenixBev withdrew 1 016 799m^3 of water (2022: 818 210m^3) which amounts to 0.42m^3 per unit of production (2022: 0.36m^3).

Carbon emissions and energy

Carbon emissions at our operations mainly arise from energy use. Energy sources include electricity from the public grid, coal and heavy fuel oil for heating in the production processes, and diesel and LPG for transport and logistics. In partnership with GreenYellow Indian Ocean we are working to identify opportunities to save energy and have implemented a number of energy efficiency and power reduction solutions at our operations.

A 160 kWh solar system at the Limonaderie preheats water feeding the chillers, reducing electricity use, our reliance on fossil fuels and our carbon footprint. We are investigating opportunities to implement renewable energy systems at other facilities. We are also conducting a pilot test with two electric vehicles in our delivery fleet.

To aid at objective towards SDG 13 Climate Action, PBL has further light weighted performs used for bottles manufacture, hence reducing virgin resin requirements. Furthermore, all coloured PET bottles have been replaced by clear ones to facilitate recycling process and rate.

PBL has been shortlisted for support on its Carbon Footprint Assessment by Cap Business Océan Indien. This forms part of the 2021-2026 Cap Business Indian Ocean Action Program financed by AFD.

PhoenixBev consumed 120 026GJ of energy in 2023 (2022: 172 342GJ) which amounts to 0.060GJ per unit of production (2022: 0.075GJ).

Waste management

Our main waste streams include effluent water, emissions to air and solid waste. Wastewater is treated at wastewater plants to required standards and discharged into the public sewerage system. Gaseous emissions from the thermal energy plants are monitored to ensure these are within permissible standards. Air quality monitoring is done annually.

Solid waste

Our "Reduce, Reuse & Recycle" policy aims to minimise waste to landfill. Solid waste is segregated at the production facilities and waste streams are captured and reported in a waste dashboard system to improve monitoring and identify opportunities for reuse or recycling (see page 121). Our hazardous waste streams primarily comprise used oil, batteries and fluorescent lamps. Used oil is recycled by an external company and other hazardous wastes are disposed of at a licenced facility.

Financial capital

Financial capital

Economic activity improved in 2023 compared to the previous year which was affected by international challenges, primarily the Covid-19 pandemic and the outbreak of the Russia-Ukraine conflict. PhoenixBev proved its ability to thrive through the challenges, demonstrating its adaptability, innovation and steadfast commitment to its values and stakeholders.

The inflation rate reached double digits in 2023, the highest recorded since the global financial crisis in 2008 and price pressures remain high. On a positive note, we witnessed a relative fall in freight costs, which helped mitigate some of these adverse impacts. However, we remain cautious due to the persistent risks, including rising fuel and energy costs, as well as anticipated price increases in some of our major raw materials. Excise duties on alcohol products in Mauritius increased by **10%** during the year, impacting our cost of sales. Management strategies to address supply chain disruptions caused by shortages of raw materials and forex include:

- **Diversification of suppliers and raw material sources:** Identifying alternative suppliers for critical raw materials and components to reduce dependence on a single source, thereby mitigating the risk of shortages.
- **Effective inventory management:** Optimising inventory levels to ensure that the company has an adequate inventory holding of key raw materials, without excessive overstocking, to cater for any potential disruptions.
- **Collaborative relationships with suppliers:** Strengthening relationships with suppliers through communication, partnership and collaboration to ensure a smooth flow of materials and address any potential challenges collectively.
- **Currency risk management:** Implementing strategies to mitigate the impact of fluctuating foreign exchange rates, such as forward buying or renegotiated some supplier contracts in MUR.
- **Lean manufacturing and process optimisation:** Streamlining operations and adopting lean manufacturing principles to maximise efficiency, minimise waste and reduce production lead times.

The increase in PhoenixBev's gross profit margin from 22.5% in 2022 to **23.1%** indicates that these strategies were effective in enhancing profitability and reducing the impact of the disruptions on the Company's bottom-line.

Our operations in Réunion Island were also impacted by the global economic crisis in the first half of 2023 but nevertheless displayed a better overall performance. Profit after tax for the year increased by **12.8%** from Euro 2.4m (MUR 120.0M) in 2022 to **Euro 2.9M** (MUR 135.3M) in 2023. This improvement in turnover is mainly attributable to better sales mix and price adjustments. Favourable circumstances namely freight subsidies on raw and packaging materials and a new distribution partnership with an international player since January 2023 have helped to mitigate the above negative impact on our performance in Réunion Island.

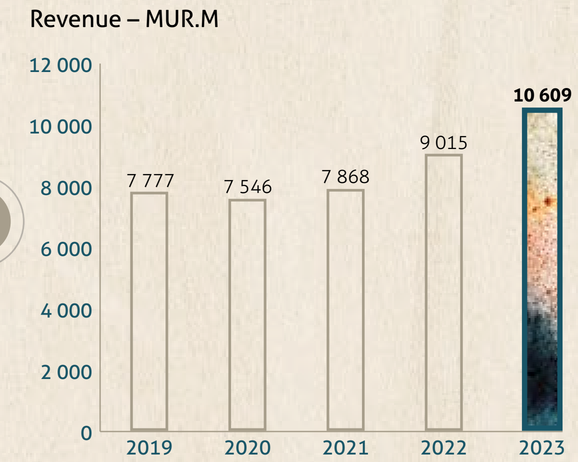
Our subsidiary Phoenix Beverages Overseas Ltd posted better performance during the year under review as a result of exchange rate fluctuations.

Sales volume and revenue

Sales volume in Mauritius for the year ended 30 June 2023 increased by **11.1%** and that in Réunion Island decreased by 4.4%. Group sales volume for the year increased by 6.8%.

Turnover at Company level increased by **20.6%** from **MUR 7 501.8** million to MUR 9 050.5 million and that in Réunion Island increased from EUR 31.3 million (MUR 1 516.4 million) in 2022 to **EUR 33.7 million** (MUR 1 575.2 million). Group turnover increased by **17.7%** to **MUR 10 609 million**.

During the year under review, **29.4%** (2022: 32.3%) and **16.3%** (2022: 18.0%) of the Group's volume and turnover respectively were derived from our foreign operations.



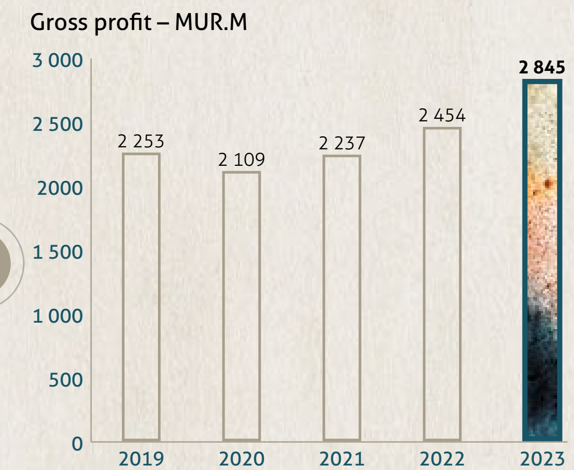
Cost of sales and gross profit

Manufacturing costs increased by 27.0% and 23.4% at Company and Group level respectively. This was primarily influenced by increased volumes and elevated input expenses attributable to prevailing macroeconomic conditions.

Excise and other specific taxes in Mauritius increased by **10.9%** (from MUR 2 647.8 million to **MUR 2 936.2 million**), reflecting both the increase in excise tax on alcoholic products in June 2023 and increased volumes during the year.

Group gross profit increased by **15.9%** (from MUR 2 454.5 million to **MUR 2 844.8 million**) and by **24.1%** at Company level (from MUR 1 684.6 million to **MUR 2 090.2 million**).

Group gross profit increased at a compounded annual growth rate (CAGR) of **6.0%** between 2019 and 2023.



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

MWSDA expenses increased by 10.6% and 19.5% at Group and Company level respectively. The prevailing inflationary pressures and supply chain disruptions, coupled with increased volumes, directly impacted both Company and Group expenses.

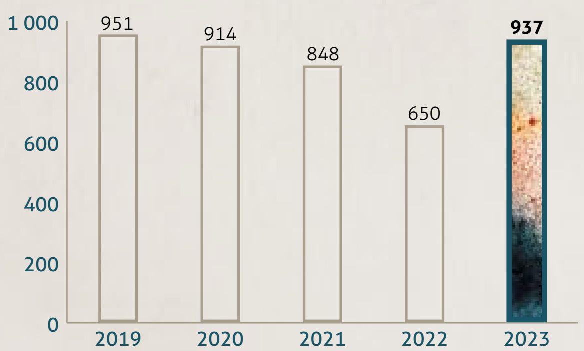
Financial Capital continued

Borrowings and Gearing

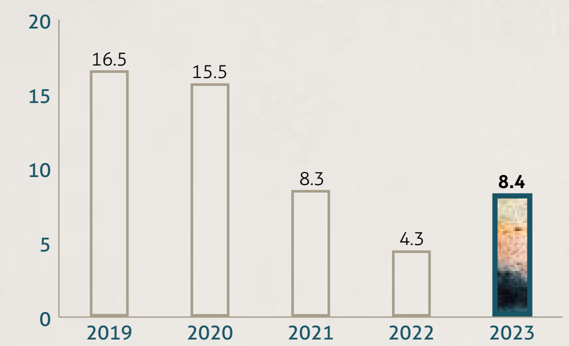
Our subsidiaries in Réunion Island contracted loans amounting to **Euro 3.0 million** for the acquisition of land and buildings and for business expansion. Our local operations were fully funded through their own operating cash flows and bank overdraft facilities. As such, Group borrowings increased by MUR 286.5 million during the year to **MUR 936.9 million** (2022: MUR 650.4 million) and gearing increased from 4.3% to **8.4%**.

36.2% of Group gross-interest bearing debt at financial year end was denominated in Mauritian Rupees and 63.8% in Euros.

Borrowings – MUR.M



Gearing (%)



Earnings and EBITDA

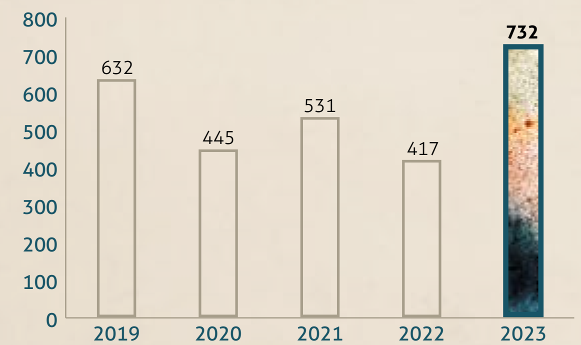
Group net profit for the year increased by **75.6%** to **MUR 731.9** million, with our activities in Réunion Island contributing **MUR 135.3 million** (2022: MUR 120.0 million). The increase in profit is mainly attributable to (i) a better operating performance in Mauritius (ii) preliminary expenses incurred last year for the aborted acquisition of a UK-based company and (iii) favourable exchange rate fluctuations. Freight subsidies and new distribution partnership in Réunion Island also contributed to the improved performance.

Group EBITDA increased by **37.4%** to **MUR 1 435.1 million** (2022: MUR 1 044.5 million) and increased by **24.2%** to **MUR 1 136.0 million** (2022: MUR 914.4 million) at Company level.

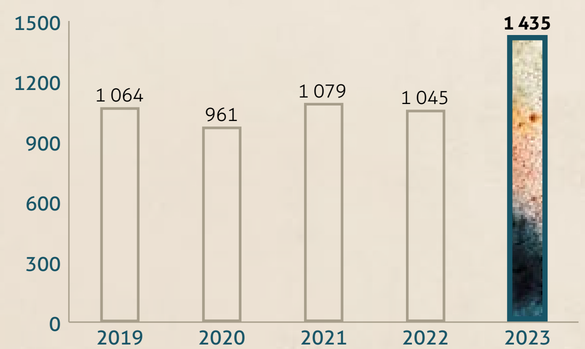
Group EBITDA increased at a CAGR of **7.8%** between 2019 and 2023.

During the year under review, 22.9% (2022: 25.0%) of Group operating profit was derived from our foreign operations.

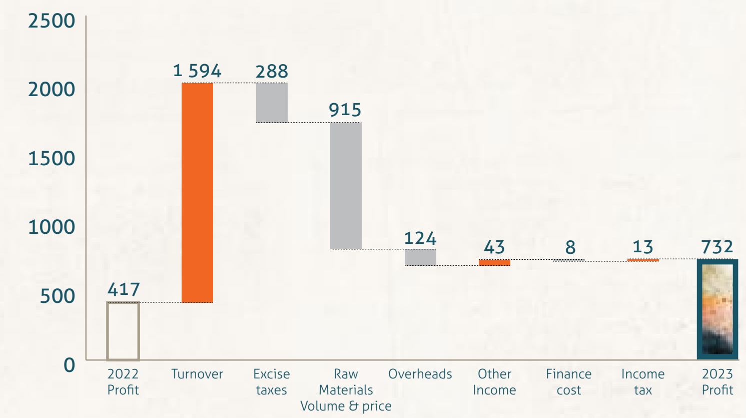
Profit – MUR.M



EBITDA – MUR.M



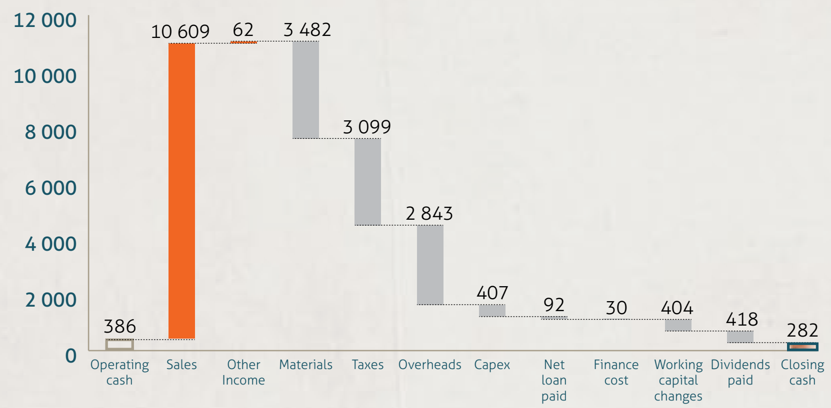
Net Profit reconciliation – MUR.M



Group net profit

The improvement in Group results was primarily due to economic activities reaching pre-Covid levels and better performance in Mauritius.

Cash Flow Highlights – MUR.M



Cash flow and cash equivalents

Cash flow from operations at Company level increased to M**UR 845.5 million** from MUR 738.9 million in 2022. At Group level, cash flow from operations increased to **MUR 1 011.0 million** compared to MUR 847.0 million in 2022.

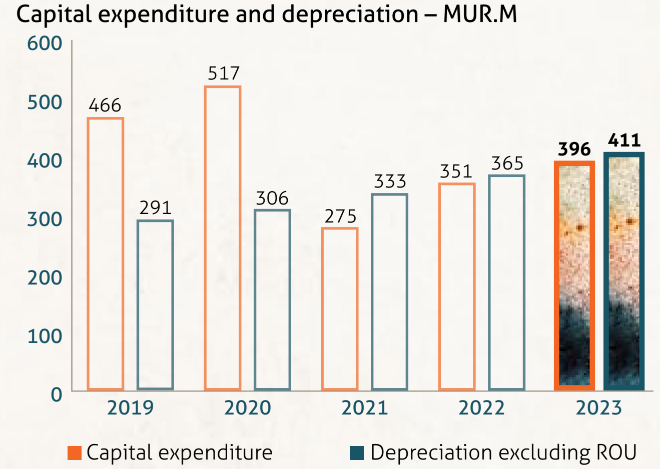
Capital expenditure and depreciation

The Group invested **MUR 396 million** in capital expenditure during FY2023. The main acquisitions were:

- land and building in Réunion Island
- improvements to our manufacturing units and equipments
- bottles and crates

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 expansion strategy.

Capital expenditure and depreciation – MUR.M



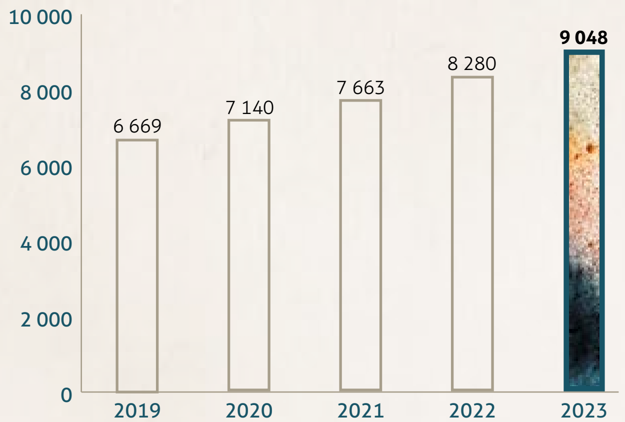
Financial Capital continued

Equity and shareholders' return

Total equity increased by **9.3%** from MUR 5 552 million to **MUR 6 070 million**. The company paid a dividend of **MUR 16.00** per share for the year (2022: MUR 13.30).

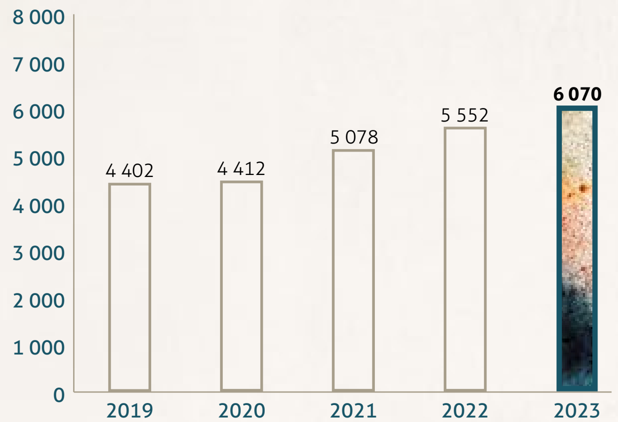
Total shareholder return for the year, being the combination of share price appreciation and dividends paid, was **-9.0%** (2022: 2.2%) and return on equity increased to **12.6%** (2022: 7.8%).

Total assets – MUR.M



The compound annual growth rate in total assets over the last five years was 7.9%.

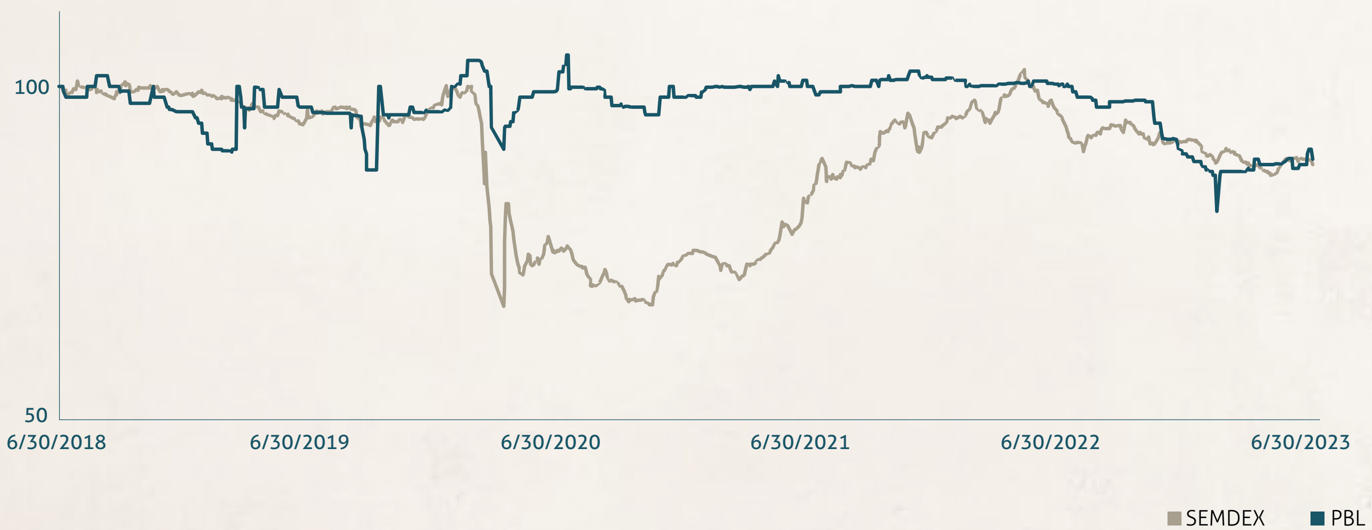
Shareholder's equity – MUR.M



The compound annual growth rate in shareholder's equity over the last five years was 8.4%.

Share price performance (Five years trend vs SEMDEX)

Five-year share price–indexed 100 at 30 June 2018



Shareholder's Information

	Year 2023		Ten-year period (2014–2023)	
				Annualised
	MUR	%	MUR	%
Capital appreciation	(70.00)	(11.67)	327.50	10.10
Dividend received	16.00	2.67	116.35	2.21
Holding period return	(54.00)	(9.00)	443.85	12.31

392 670
2023
(2.4% of total)
406 689
2022
(2.5% of total)

Total shares traded

1 577
2023
1 595
2022

Average daily volume traded

MUR 530
2023
MUR 600
2022

Share price as at 30 June

MUR 8.7 Bn
2023
MUR 9.9 Bn
2022

Market capitalisation as at 30 June

MUR 602
2023
MUR 615
2022

Highest share price

MUR 480
2023
MUR 592
2022

Lowest share price

PhoenixBev's share price increased by **161.7%** over the last ten years with an annualised return of **10.1%**. The annualised total Shareholders Return (including dividends) over the last ten years is **12.3%**.

Value added statement

	2023 MUR '000	%	2022 MUR '000	%
Turnover including value added tax	**11 397 313**		9 683 939	
Less: Paid to suppliers for materials and services	**(4 745 040)**		(4 089 031)	
Value added	**6 652 273**		5 594 908	
Other operating income	**62 388**		18 968	
Total wealth created	**6 714 661**		5 613 876	
Distributed as follows:				
Members of staff				
Remuneration and benefits	**1 172 976**	**17**	1 035 805	19
Providers of capital				
Dividends	**263 152**		218 745	
Interest	**39 674**		31 497	
	302 826	**5**	250 242	4
Government taxes				
Excise, customs and other specific duties	**3 123 034**		2 752 896	
Net value added tax	**969 555**		774 941	
Taxes	**132 002**		136 486	
	4 224 591	**63**	3 664 323	65
Reinvested in the Group				
Depreciation and amortisation	**545 532**		464 911	
Retained profit	**468 736**		198 595	
	1 014 268	**15**	663 506	12
Total distributed and retained	**6 714 661**	**100**	5 613 876	100

Group financial summary

	2023	2022	2021
Statements of profit or loss and other comprehensive income (MUR M)			
Turnover	**10 609**	9 015	7 868
Excise and other specific duties	**2 936**	2 648	2 461
Profit before tax	**850**	548	595
Profit attributable to shareholders	**732**	417	533
Depreciation (including ROU) and amortisation	**546**	465	438
Net interest paid	**40**	31	49
EBITDA	**1 435**	1 044	1 079
Statement of financial position (MUR M)			
Total assets	**9 048**	8 280	7 663
Net indebtedness	**559**	248	462
Working capital	**1 378**	893	771
Shareholders' fund	**6 070**	5 552	5 086
Net asset value per share (MUR)	**369.07**	337.58	308.72
Cash flow (MUR M)			
Net cash generated from operating activities	**788**	742	927
Performance ratio			
Earnings per share (MUR)	**44.50**	25.37	32.39
Net return on equity (%)	**12.59**	7.85	11.21
Net profit margin (%)	**6.90**	4.62	6.75
Liquidity and gearing ratio			
Current ratio (%)	**176.28**	151.37	153.14
Gearing ratio (%)	**8.44**	4.28	8.34
Interest cover (times)	**22.42**	18.40	13.10
Dividends			
Dividends declared (MUR M)	**263.15**	218.75	210.52
Dividends per share (MUR)	**16.00**	13.30	12.80
Dividend yield (%)	**3.02**	2.22	2.13
Dividend cover (times)	**2.78**	1.91	2.53
Market data			
Market price per share (MUR)			
High	**602**	615	630
Low	**480**	592	573
Closing (30 June)	**530**	600	600
Market capitalisation (MUR Bn)	**8.72**	9.87	9.87
P/E ratio (times)	**11.91**	23.65	18.53

Governance and our Leadership

Board of Directors

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 2nd largest group in the region excluding South Africa.

Qualifications and Professional Development

- Anti-Money Laundering/Combating the Financing of Terrorism Introduction Course – DTOS – April 2023
- Breakthrough Executive Program – Egon Zehnder-Mobius, Portugal
- Advanced Management Program (AMP180) – Harvard Business School, United States
- Executive Education Program – 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

- Alteo Limited - (Non-Executive Director)
- IBL Ltd - (Executive Director)
- Miwa Sugar Limited - (Non-Executive Chairman)
- Phoenix Investment Company Limited - (Non-Executive Chairman)

2. 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 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 Competencies

- Strategic Business Development
- Hospitality
- Real Estate Development

External appointments on listed companies

- BlueLife Ltd - (Non-Executive Director)
- IBL Ltd - (Non-Executive Chairman)
- Lux Island Resorts Ltd - (Non-Executive Director)
- Phoenix Investment Company Limited - (Non-Executive Director)
- The United Basalt Products Ltd - (Non-Executive Director)

3. 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, Rock Haven Investment Ltd (formerly known as 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 Competencies

- Trading
- Strategic Development
- Management

External appointments on listed companies

- Phoenix Investment Company Limited - (Non-Executive Director)

4. 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 Eclosia Group of Companies in 1993. He was Head Group Exports of the Eclosia Group. He has participated in the creation and/or the development of many of Eclosia's companies. He has vast experience in international trade and logistics. He participated in many trade negotiating forums at SADC, and Comesa. Guillaume has directorships in the FMCG sector, the hotel industry.

He has served on the board and of a number of private sector organisations:
Mauritius Exporters Association (MEXA), MIoD (Mauritius Institute of Directors), Business Mauritius, 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 served as President of MCCI Business School.

He also served on the boards of some state-owned organisations: Mauritius Network Services Ltd (MNS) and Maurinet Investment Ltd. 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 Competencies

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

External appointments on listed companies

- Phoenix Investment Company Limited - (Non-Executive Director)

5. UMULINGA KARANGWA

Independent Non-Executive Director
Appointed in 2023
Non-Citizen and resident of Mauritius

Skills and Experience

Umulinga Karangwa, born in 1981, is a fund manager with two decades of investment experience including 15 years focussed on African markets. She is Rwandan and was born in Belgium where she started her career before moving to Africa to raise and manage funds investing in Africa with a focus on sustainability and impact. She resides in Mauritius. She is also an angel investor passionate about African entrepreneurship and innovation.

Qualifications and Professional Development

- Chartered Financial Analyst, Global
- Financial Services Advisor, Financial Planning Institute Southern Africa

Core Competencies

- Investment management
- African listed and private investments
- Investing for sustainability and impact

External appointments on listed companies

- None

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 Program from INSEAD, France
- Real Estate Program from Harvard Business School, United States
- General Management Program for Mauritius and South East Africa from ESSEC

Core Competencies

- Real Estate
- Property Development
- Management

External appointments on listed companies

- BlueLife Limited - (Executive Director)
- IBL Ltd - (Non-Executive Director)
- Phoenix Investment Company Limited - (Non-Executive Director)

Board of Directors continued

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 Competencies

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

External appointments on listed companies

- Alteo Limited - (Non-Executive Director)
- IBL Ltd - (Non-Executive Director)
- Lux Island Resorts Ltd - (Non-Executive Director)
- Phoenix Investment Company Limited - (Non-Executive Director)
- The United Basalt Products Ltd - (Non-Executive Director)

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 support 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 Competencies

- Corporate Law
- Governance
- Administration
- Management
- Compliance

External appointments on listed companies

- None

9. CHRISTINE MAROT

Non-Executive Director
Appointed in 2023
Citizen and resident of Mauritius

Skills and Experience

Christine Marot started her career in an audit firm before joining the GML Group in 1990. She held various positions within the GML Group and, when she left in 2015, she was the Finance Executive – Corporate & Accounting. She was the CEO of BlueLife Limited from May 2015 to April 2020. She is the Group Head of Technology and Sustainability of IBL Ltd since July 2020

Qualifications and Professional Development

- Partly qualified ACCA
- General Management Program for Mauritius and South East Africa from ESSEC

Core Competencies

- Finance
- Information Technology
- Sustainability
- Property Development and Operations
- Healthcare and Biotechnologies
- Hospitality
- Strategic Business Development

External appointments on listed companies

- Phoenix Investment Company Limited - (Non-Executive Director)
- The United Basalt Products Ltd - (Non-Executive Director)

10. 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 Competencies

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

External appointments on listed companies

- CIEL Limited - (Independent Non-Executive Director)
- Grit Real Estate Income Group Limited - (Independent Non-Executive Director)
- MUA Ltd - (Independent Non-Executive Director)
- Astoria Limited - (Independent Non-Executive Director)
- Les Gaz Industriels Limited - (Non-Executive Director)

11. 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 Competencies

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

External appointments on listed companies

- The Mauritius Chemical and Fertilizer Industry Limited - (Independent Non-Executive Director)

12. 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 programs in Executive and Business Education at l'Association Internationale Américaine de Management (MCE) in 1995 and at INSEAD Fontainebleau in France in 2008

Core Competencies

- Management
- Strategic Business Development
- Specialised in Operations and the FMCG industry

External appointments on listed companies

- None

Senior Management Profiles

1

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

2. ERIC EYNAUD
Senior Manager
Business Development

Eric Eynaud, born in 1966, holds a Master's degree in International Affairs from Toulouse Business School (TBS), and a two years degree in Business Administration and Management from University Paris I – Panthéon Sorbonne. He promoted and worked for the French Defense Industry in Argentina for 6 years before joining CIEL Textile (Aquarelle Clothing) as Sales and Marketing Director / General Manager ladieswear for 22 years, including 2 years posted in New York. He joined the Phoenix Beverages Group as Senior Manager - Business Development in January 2023.

3

3. 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 5 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.

4

4. GÉRARD MERLE
Senior Manager
Technical Operations and Sustainability in 2022

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 and Sustainability in 2022.

5

5. DANIEL NARAYANEN
Senior Manager
Supply Chain

Daniel Narayanen, born in 1974, is a Fellow member of the Chartered Association of Certified Accountants (UK) and a Chartered Member of The Chartered Institute of Logistics and Transport (UK). Before joining Phoenix Beverages Limited 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 in charge of Planning, Logistics, Warehousing and Procurement.

6

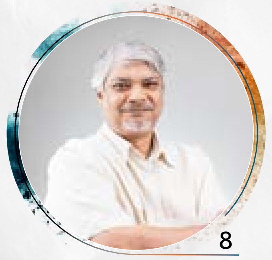
6. DHARAMRAJ NARAYYA
Senior Manager
Human Resources

Rama Narayya, born in 1967, holder of an Executive MBA with IAE Paris Sorbonne Business School, has acquired wide experience in the Human Resources functions whilst working for international companies and local conglomerates. He worked in diverse industries ranging from hotels, bottling, textile, hypermarkets to airlines.

7

7. PATRICE SHEIK BAJEET
Senior Manager
Marketing

Patrice Sheik Bajeet, 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.



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8. 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.

9

9. PATRICK RIVALLAND
Refer to Directors' profiles on page 81

10

10. BERNARD THEYS
Refer to Directors' profiles on page 81

Corporate Governance

INTRODUCTION

Phoenix Beverages Limited ("PhoenixBev" or the "Company"), incorporated on 9 September 1960, is listed on the Official Market of the Stock Exchange of Mauritius and qualifies as a Public Interest Entity as defined under the Financial Reporting Act 2004. 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 of companies (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 financial year ended 30 June 2023 by applying all eight principles set out in the Code and explaining 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 during the financial year 2022/2023, the adequacy of the aforementioned Board Charter which was adopted in 2018 and confirmed to the Board of Directors that the Committee was satisfied with the contents of the said Charter which 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

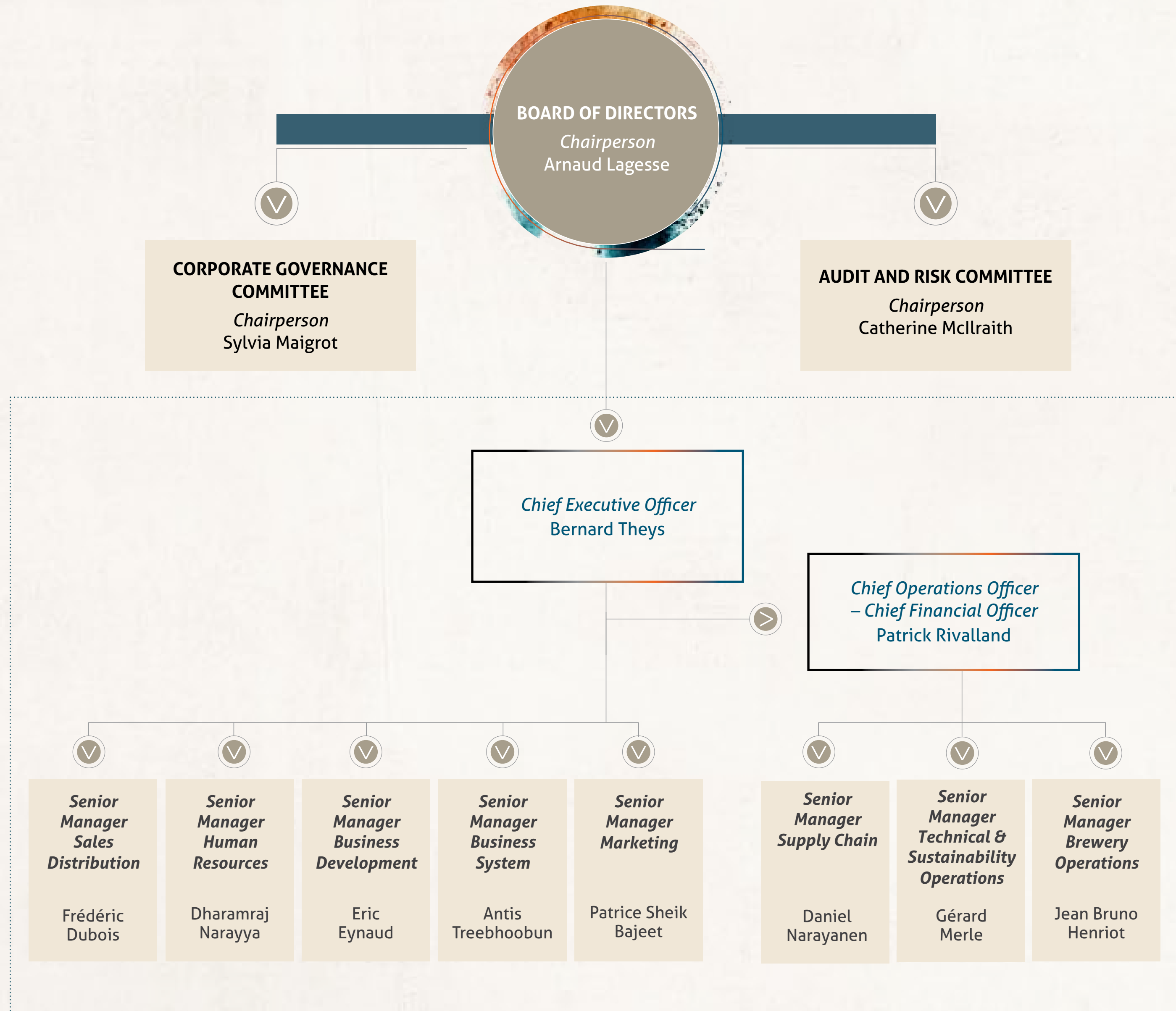
Phoenix Management Company Ltd ("PMC"), under the aegis of a management contract, provides the companies of the Group with a range of management and executive services. These include strategic review as well as administrative, financial, commercial, technical, marketing and communication services. PMC 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 211.5 million (2022: MUR 163.5 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:



During financial year 2022/2023, Mr. Eric Eynaud has been appointed as Senior Manager Business Development.

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

The profiles of the Senior Managers can be found on pages 82 and 83 of this report.

Corporate Governance continued

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 twelve 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 direction, monitoring its performance and overseeing risks, and is collectively responsible for the long-term success of the Company. 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
Jan Boullé	Non-Executive Director
François Dalais	Non-Executive Director
Guillaume Hugnin	Non-Executive Director
Umulinga Karangwa	Independent Non-Executive Director
Hugues Lagesse	Non-Executive Director
Thierry Lagesse	Non-Executive Director
Sylvia Maigrot	Independent Non-Executive Director
Christine Marot	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 period under review:

- Mr. Jean-Claude Béga resigned as Director of the Company by close of business on 30 June 2023.
- Mrs. Christine Marot has been appointed as Non-Executive Director in replacement of Mr. Jean-Claude Béga with effect from 1 July 2023.
- Mrs. Umulinga Karangwa has been appointed as Independent Non-Executive Director with effect from 1 July 2023.

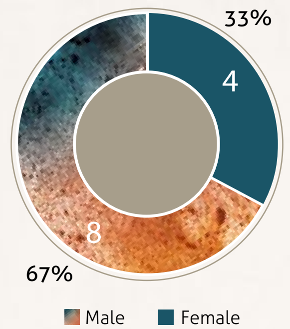
Profiles of Directors and details of other directorships

The profiles of the Directors including their external directorships in listed companies are disclosed on pages 78 to 81 of this report.

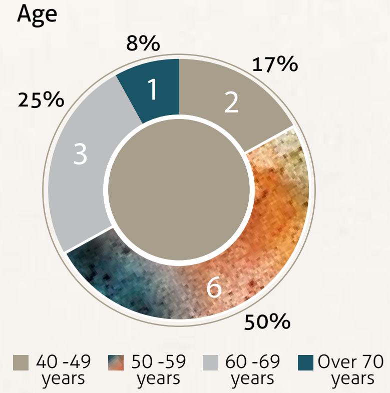
Details of other directorships are available upon request to the Company Secretary, IBL Management Ltd, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

Balance and gender diversity of Board Members at the date of this report

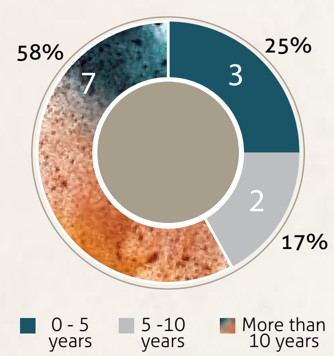
Gender diversity



Age



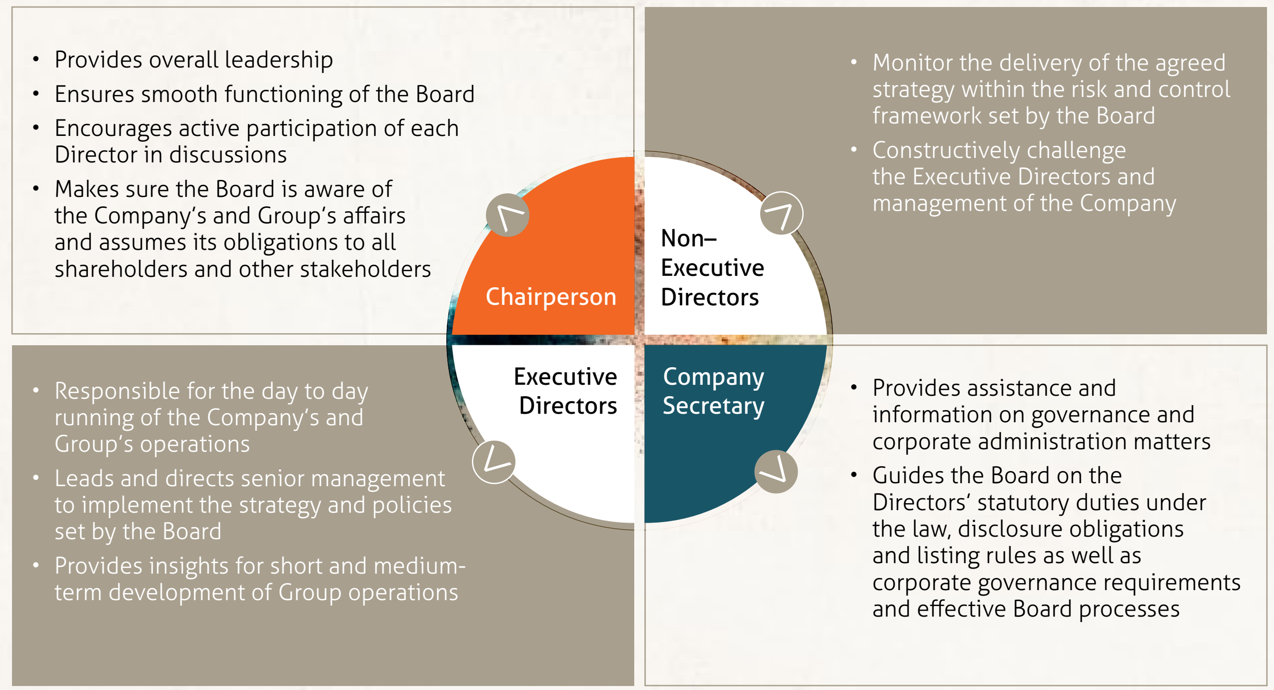
Length of tenure



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 supervising and validating the strategy of the Group remains with the Board of PhoenixBev.

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



The Company Secretary

IBL Management Ltd, which was appointed as Company Secretary since year 2002, comprises a team of experienced and qualified company secretaries providing support and services to the companies of the Group. As governance professionals, the company secretaries guide the Boards on corporate governance principles and on their statutory duties and responsibilities. In its advisory role, the Company Secretary provides support and advice to companies of the Group on corporate transactions/projects. The Company Secretary is responsible for ensuring compliance with statutory and regulatory requirements and for ensuring that Board decisions are implemented.

Corporate Governance continued

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 104 for cascade holding structure) are:

Directors	PhoenixBev	PICL	CICL	IBL Ltd
Arnaud Lagesse	√*	√*	√*	√
Jan Boullé	√	√	√	√*
François Dalais	√	√	√	–
Guillaume Hugnin	√	√	√	–
Hugues Lagesse	√	√	√	√
Thierry Lagesse	√	√	√	√
Christine Marot	√	√	√	–

** Chairperson*

Board processes, meetings and activities in 2022-2023

Board meeting process

Beginning the year
- Planning for Board meetings for the ensuing year is set by the Company Secretary and communicated to Directors

Setting of agenda
- Draft agendas for the Board are finalised by the Executive Directors and the Chairperson prior to each meeting
- Agendas are finalised one week before the scheduled date of the meeting except under special circumstances

Before the meeting
- Agenda and all relevant Board papers are sent to the Directors one week before the scheduled meeting except under special circumstances

Board meeting
- Agenda items supported by presentations from management or any other relevant attendee are discussed and appropriate decisions are taken

After Board meeting
- Minutes are produced and sent to management and the Chairperson for review and comments prior to circulating these to the Board members
- Follow-up on Board decisions are then ensured by management as well as the Company Secretary

Board meetings and activities

The Board met five 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.

Regular agenda
- Review of the activities of the Company and its subsidiaries both locally and regionally
- Review and approval of minutes
- Reports from the chairpersons of the two Board Committees

Governance
- Review of Board and Committee composition for the Company and its subsidiaries
- Approval of amendments to Corporate Governance Committee Charter
- Recruitment of a new Independent Director for the Company
- Review of Directors' and Committee Members remuneration for recommendation to the shareholders
- Approval of the Corporate Governance Report 2022

Financial
- Approval of abridged audited annual financial statements and Annual Report including full audited financial statements
- Approval of abridged financial statements for the first, second and third quarters
- Dividend declarations
- Approval of budget 2023/2024
- Approval of capital expenditures
- Monitoring of the Group's financial performance against the budget

Strategy and Performance
- The Groups activity reports from the CEO and COO/CFO
- Strategic review of the activities both in Mauritius and in Réunion Island
- Evaluation of new investment opportunity overseas
- Review of marketing strategy and diversification

Corporate Governance continued

Attendance at Board meetings for the financial year 2022-2023

Directors	27 September 2022	10 November 2022	10 February 2023	12 May 2023	27 June 2023	Total attendance
Arnaud Lagesse	√	√	√	√	√	5/5
Jean-Claude Béga *	√	√	√	√	√	5/5
Jan Boullé	√	√	√	√	√	5/5
François Dalais	–	–	√	√	√	3/5
Guillaume Hugnin	√	√	√	√	√	5/5
Hugues Lagesse	√	√	√	√	√	5/5
Thierry Lagesse	√	√	√	√	–	4/5
Sylvia Maigrot	√	√	√	√	√	5/5
Catherine McIlraith	√	√	√	–	√	4/5
Patrick Rivalland	√	√	√	√	√	5/5
Bernard Theys	√	√	√	√	√	5/5

* Mr. Jean-Claude Béga resigned as Director of the Company by close of business on 30 June 2023.

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

Committee purpose & responsibilities

- To assist the Board in fulfilling its oversight responsibilities.
- To review the integrity of the financial statements and the effectiveness of the internal and external auditors.
- To oversee that management has established effective systems of internal control and assists in creating an environment and structures for effective risk management.
- To review the financial statements and reporting of its holding companies PICL and CICL.

Committee composition

- In line with the requirements of the Code, for the year under review, the Committee has been chaired by Catherine McIlraith (Independent Non-Executive Director).
- The other members of the Committee are:
  - Jan Boullé (Non-Executive Director) ; and
  - Christine Marot (Non-Executive Director) who replaced Jean-Claude Béga as member of this committee as from 1 July 2023.

The meetings of the Audit and Risk Committee 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.

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

Attendance at Audit and Risk Committee meetings in 2022-2023

Members	19 September 2022	4 November 2022	3 February 2023	4 May 2023	Total Attendance
Catherine McIlraith	√	√	√	√	4/4
Jean-Claude Béga*	√	√	√	√	4/4
Jan Boullé	√	–	√	√	3/4
In attendance *(not members)*					
Patrick Rivalland	√	√	√	√	4/4
Bernard Theys	√	√	√	√	4/4

* Mr. Jean-Claude Béga resigned as Director of the Company as well as member of Audit and Risk Committee by close of business on 30 June 2023.

Mrs. Christine Marot was appointed Director as well as member of the Audit and Risk Committee in replacement of Mr. Jean-Claude Béga with effect 1 July 2023.

Matters considered in 2022-2023

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

Regular financial matters

- Abridged audited annual financial statements and the 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
- Planning of External Audit

Internal Audit

- Equipment maintenance performance
- Follow-up on Order Taking
- Follow-up of internal audits plan

Other matters

- Follow-up on ERP system implementation
- Review of the Risk Report and Risk Register
- Review of insurance policies for the Company
- Follow-up on Réunion Island activities

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 continued

Corporate Governance Committee

Committee purpose & responsibilities

- To advise the Board on matters pertaining to corporate governance
- To ensure that the principles of the Code of Corporate Governance are applied
- To act as the Nomination Committee and the Remuneration Committee with respect to Non-Executive Directors and the CEO and COO

Committee composition

- In line with the requirements of the Code, the Committee is chaired by Sylvia Maigrot (Independent Non-Executive Director)
- The other members of the Committee are:
  - Guillaume Hugnin (Non-Executive Director)
  - Bernard Theys (Executive Director)
  - Arnaud Lagesse (Non-Executive Director) who replaced Jan Boullé as a member of this committee as from 10 February 2023

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

Attendance at Corporate Governance Committee meetings in 2022-2023

Members	8 September 2022	6 February 2023	3 May 2023	Total Attendance
Sylvia Maigrot	√	√	√	3/3
Guillaume Hugnin	√	√	√	3/3
Jan Boullé*	√	√	–	2/2
Arnaud Lagesse*	–	–	√	1/1
Bernard Theys	√	√	√	3/3

* Upon decision of the Board, the composition of the Corporate Governance Committee has been reviewed and accordingly Mr. Arnaud Lagesse replaced Mr. Jan Boullé on this committee with effect 10 February 2023.

Matters considered in 2022-2023

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

Corporate Governance

- Review of the Corporate Governance Report and notice of Annual Meeting 2022
- Results of the Board and Directors' self-appraisal exercise
- Recommendation to the Board in respect of Directors' Continuous Development
- Review of Board and Committees Charters for recommendation to the Board
- Recommendation to the Board for externalisation of the next Board and Directors evaluation exercise
- Took note of the updated Code of Ethics

Nomination

- 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 as well as a Non-Executive Director
- Review of Board and Committees compositions

Remuneration

- 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.

Corporate Governance continued

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Define the method to be used and assess whether assistance of an external consultant is required

Profiling of candidates by the 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.

Board Induction Programme

- One-to-one briefings with the Chairperson of the Board and CEO
- One-to-one briefing with the Company Secretary
- Detailed briefings with Senior Executives as applicable
- Visits to operational sites

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. Accordingly, during the period under review, upon recommendation of the Corporate Governance Committee, the Company organised a tailor-made workshop lead by an external consultant for all its Directors.

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 or she has an interest in a transaction or that his or her holdings or his or her 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.

Corporate Governance continued

The Directors and Officers of PhoenixBev having direct and/or indirect interests in the ordinary shares of the Company at 30 June 2023 were as follows:

	Direct interest		Indirect interest
Directors	Number of shares	Percentage holding (%)	Percentage holding (%)
Guillaume Hugnin	4 600	0.03	–
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.

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 and PMC 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 programs 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

Furthermore, 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. To be noted that the Code has been updated in February 2023.

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, upon recommendation of the Corporate Governance Committee which proposed to maintain the same remuneration structure as in financial year 2022, at the Annual Meeting held on 13 December 2022, shareholders approved payment of Board and Committee fees as detailed hereunder for financial year ended 30 June 2023:

Board	2023 (MUR)	2022 (MUR)
Annual Chairperson's fee	**500 000**	500 000
Attendance Chairmanship fee per meeting	**40 000**	40 000
Annual Director's fee	**300 000**	300 000
Attendance Director's fee per meeting	**30 000**	30 000
Corporate Governance Committee		
Annual Chairperson's fee	**75 000**	75 000
Attendance Chairmanship fee per meeting	**15 000**	15 000
Annual Member's fee	**50 000**	50 000
Attendance Member's fee per meeting	**10 000**	10 000
Audit and Risk Committee		
Annual Chairperson's fee	**100 000**	100 000
Attendance Chairmanship fee per meeting	**15 000**	15 000
Annual Member's fee	**75 000**	75 000
Attendance Member's fee per meeting	**10 000**	10 000

Executive Directors do not receive Directors' fees. The Executive Directors and key management personnel of PhoenixBev are remunerated by PMC in terms of a management contract between the latter and PhoenixBev. Remuneration packages take into consideration the Group'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.

Corporate Governance continued

The remuneration and benefits of the Directors for the year ended 30 June 2023 are set out in the table below:

Directors	Remuneration and benefits received from the Company 2023 (MUR)	2022 (MUR)
Arnaud Lagesse*	**728 750**	860 000
Jean-Claude Béga*	**565 000**	685 000
Jan Boullé*	**606 250**	715 000
François Dalais	**390 000**	510 000
Guillaume Hugnin	**530 000**	660 000
Hugues Lagesse	**450 000**	540 000
Thierry Lagesse	**420 000**	420 000
Sylvia Maigrot	**570 000**	705 000
Catherine McIlraith	**580 000**	135 000
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. By close of business on 30 June 2023, Mr. Béga resigned as Director of PhoenixBev.*

** *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 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 section of the Integrated Report.

Incentive schemes

A performance management policy is in place to drive the performance and personal development of PhoenixBev managers and employees, 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 and paid by 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 Directors thereafter for consideration and action.

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.

Upon recommendation of the Corporate Governance Committee, the Board agreed that the next evaluation will be led by an independent service provider. Given the recent changes in the Board composition of PhoenixBev, upon approval of the Board, it was decided that the next evaluation would be launched by the end of financial year 2023/2024.

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 4 – 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, provides 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.

Corporate Governance continued

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 Reporting 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

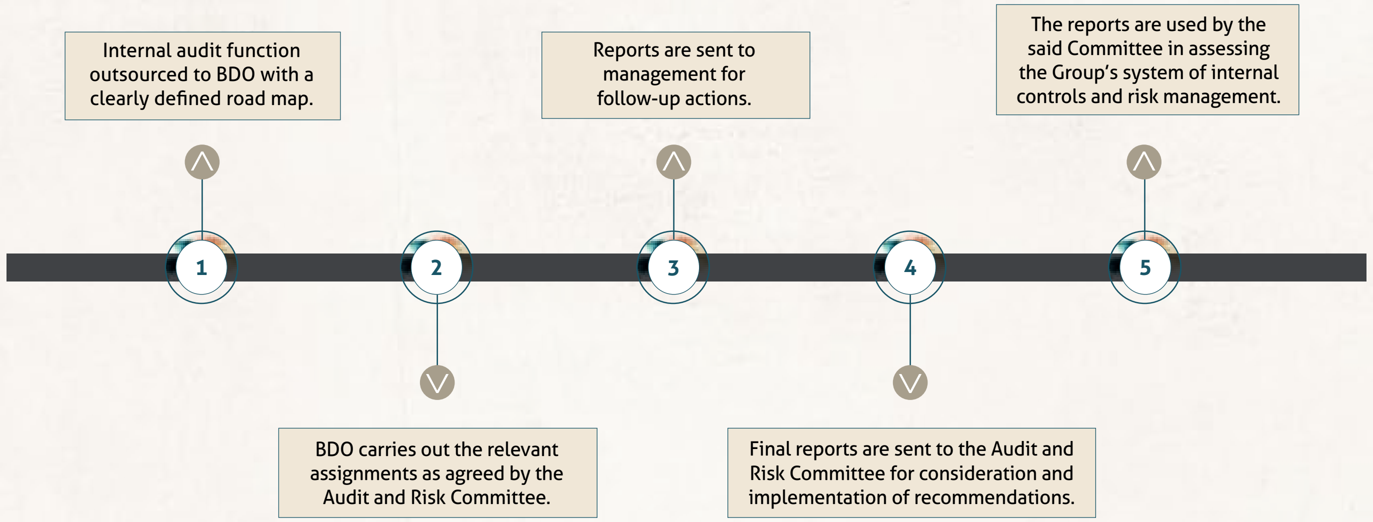
The Group's internal audit function is currently outsourced to BDO & CO, who provides independent and objective assurance and consultancy services. BDO & CO employs a systematic and disciplined approach with a view to evaluate and improve governance and risk management processes including reliability 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 2022-2023" of this report.

External audit

Pursuant to the amendment of the Finance Act 2016 and the subsequent regulation as regards auditors' rotation, the Board has decided to rotate its auditors and appoint Deloitte as from the financial year ended 30 June 2022. This appointment was approved by shareholders at the Annual Meeting 2021.

At the Annual Meeting held on 13 December 2022, upon recommendation of the Board, the shareholders approved the reappointment of Deloitte as external auditors for the year under review.

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

Corporate Governance continued

Auditors' independence

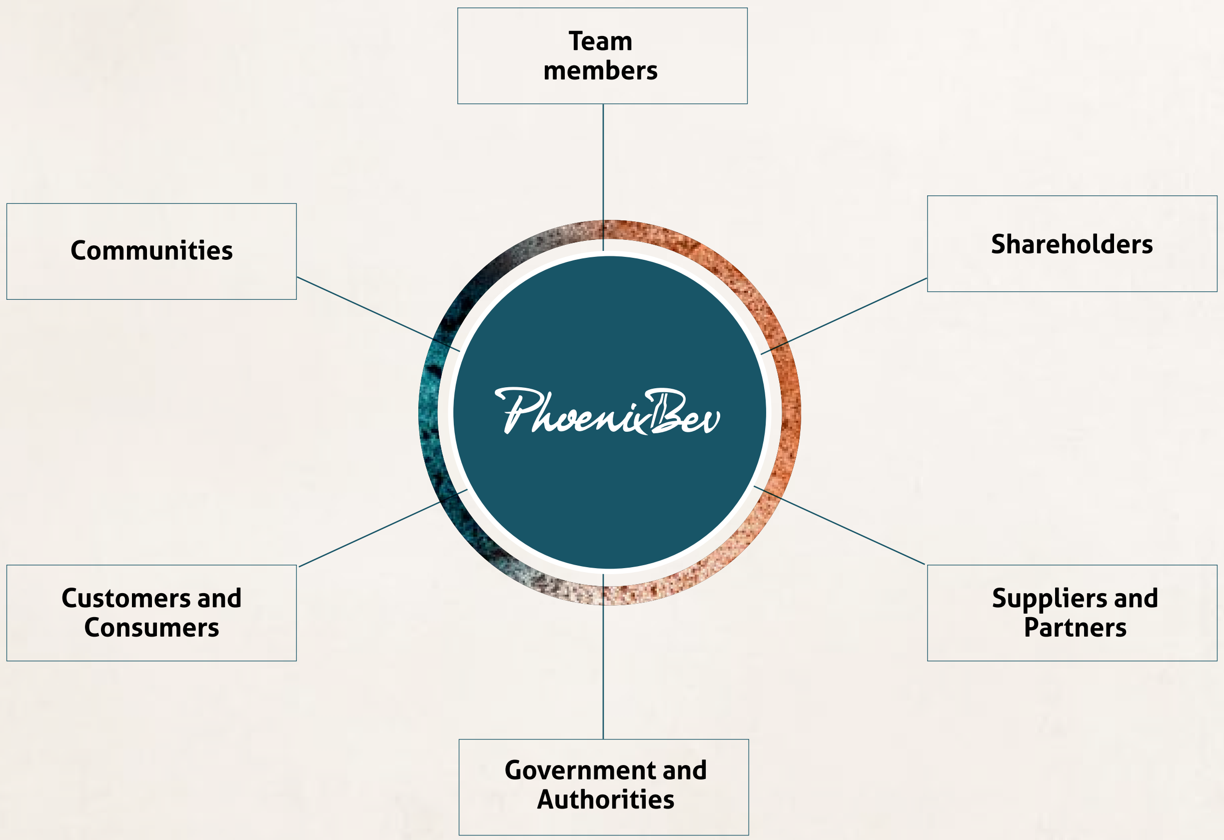
The Audit and Risk Committee is responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements and for maintaining control over the provision of non-audit services.

The external auditors are prohibited from providing non-audit services where their independence might be compromised by latter 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.

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 13 December 2022 was as follows:

Directors	Attendance
Arnaud Lagesse	✓
Jean-Claude Béga	✓
Jan Boullé	✓
François Dalais	✓
Guillaume Hugnin	✓
Hugues Lagesse	✓
Thierry Lagesse	✗
Sylvia Maigrot	✓
Catherine McIlraith	✓
Patrick Rivalland	✓
Bernard Theys	✓

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

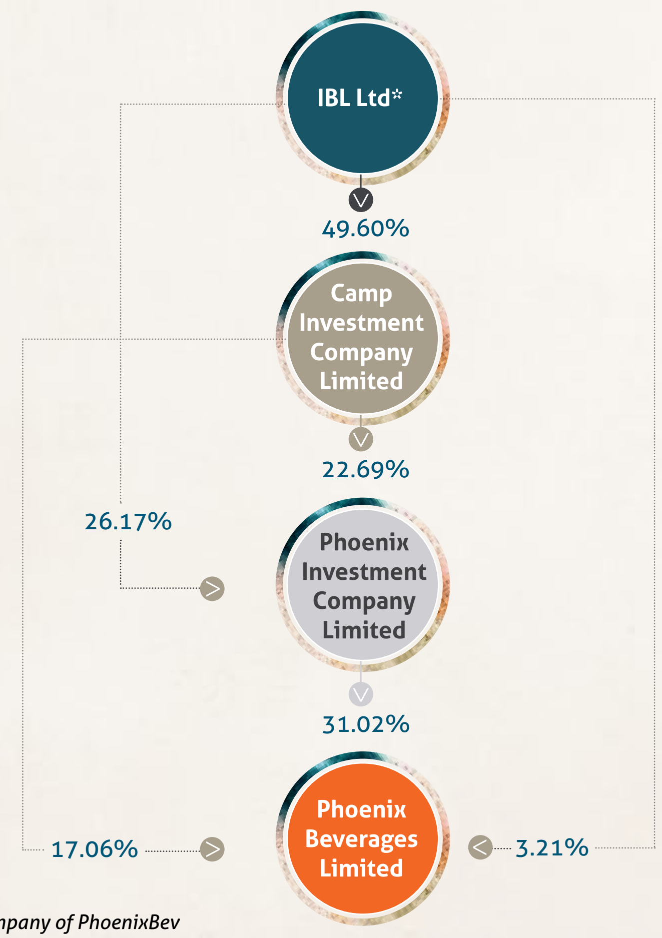
As at 30 June 2023, there were 2,039 shareholders recorded in the share register of the Company.

Corporate Governance continued

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 2023, is 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	747 473	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)	232 106	1.41
State Insurance Company of Mauritius (Pension Fund)	141 835	0.86
Mr Christian Marie Francois Ledoux	132 096	0.80
National Insurance Co. Ltd	123 421	0.75

Cascade holding structure



* *IBL Ltd is the ultimate holding company of PhoenixBev*

Breakdown of share ownership as at 30 June 2023

Size of shareholding	Number of shareholders	Number of shares	Percentage holding (%)
1 – 500 shares	1 229	174 810	1.06
501 – 1 000 shares	194	150 449	0.92
1 001 – 5 000 shares	374	861 514	5.24
5 001 – 10 000 shares	93	647 929	3.94
10 001 – 50 000 shares	120	2 389 686	14.53
50 001 – 100 000 shares	12	916 861	5.57
100 001 – 250 000 shares	11	1 439 472	8.75
250 001 – 500 000 shares	2	684 582	4.16
Above 500 000 shares	4	9 181 697	55.83
	2 039	**16 447 000**	**100.00**

Category	Number of shareholders	Number of shares	Percentage holding (%)
Individuals	1 813	3 354 570	20.40
Insurance and assurance companies	10	245 672	1.49
Pensions and provident funds	77	2 446 339	14.87
Investment and trust companies	25	8 079 663	49.13
Other corporate bodies	114	2 320 756	14.11
	2 039	**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 at DTOS Registry Services Ltd, 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène.

Share price information

The share price of PhoenixBev at 30 June 2023 was MUR530.

Date	Price (MUR)	Yearly change (%)
30 June 2018	600	31.9
30 June 2019	580	(3.3)
30 June 2020	614	5.9
30 June 2021	600	(2.3)
30 June 2022	600	–
30 June 2023	**530**	**(11.7)**

Corporate Governance continued

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 plan and growth opportunities. Based on management forecasts and the Group's profitability, the Board of Directors decided to declare an interim dividend in November 2022 and a final dividend in May 2023. Each dividend paid was subject to the satisfaction of the corresponding solvency test.

An interim dividend of MUR 4.80 per ordinary share was paid in December 2022 and a final dividend of MUR 11.20 per ordinary share was paid in June 2023, bringing the total dividend declared for the financial year under review to MUR 16.00 per ordinary share.

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

	2023	2022	2021	2020	2019
Dividend per share (MUR)	**16.00**	13.30	12.80	12.80	13.30
Dividend cover (Number of times)	**2.76**	1.87	2.54	2.12	2.89
Dividend yield (%)	**3.02**	2.22	2.13	2.08	2.29

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:

	2023	2022	2021	2020	2019
Share price at 30 June, current year (MUR)	**530.00**	600.00	600.00	614.00	580.00
Share price at 30 June, previous year (MUR)	**600.00**	600.00	614.00	580.00	600.00
(Decrease) increase in share price (MUR)	**(70.00)**	–	(14.00)	34.00	(20.00)
Dividend, current year (MUR)	**16.00**	13.30	12.80	12.80	13.30
Total return per share (MUR)	**(54.00)**	13.30	(1.20)	46.80	(6.70)
Total return based on previous year share price (%)	**(9.00)**	2.22	(0.20)	8.07	(1.12)

Calendar of forthcoming shareholders' events

NOVEMBER 2023
Publication of first quarter results
Declaration of interim dividend subject to Board approval
Annual Meeting 2023

DECEMBER 2023
Payment of interim dividend

FEBRUARY 2024
Publication of second quarter results

MAY 2024
Publication of third quarter results
Declaration of final dividend subject to Board approval

JUNE 2024
Payment of final dividend

Arnaud Lagesse
Chairperson

Sylvia Maigrot
Chairperson of the Corporate Governance Committee

27 September 2023

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 2022 to 30 June 2023**

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

Sylvia Maigrot
Chairperson of the Corporate Governance Committee

27 September 2023

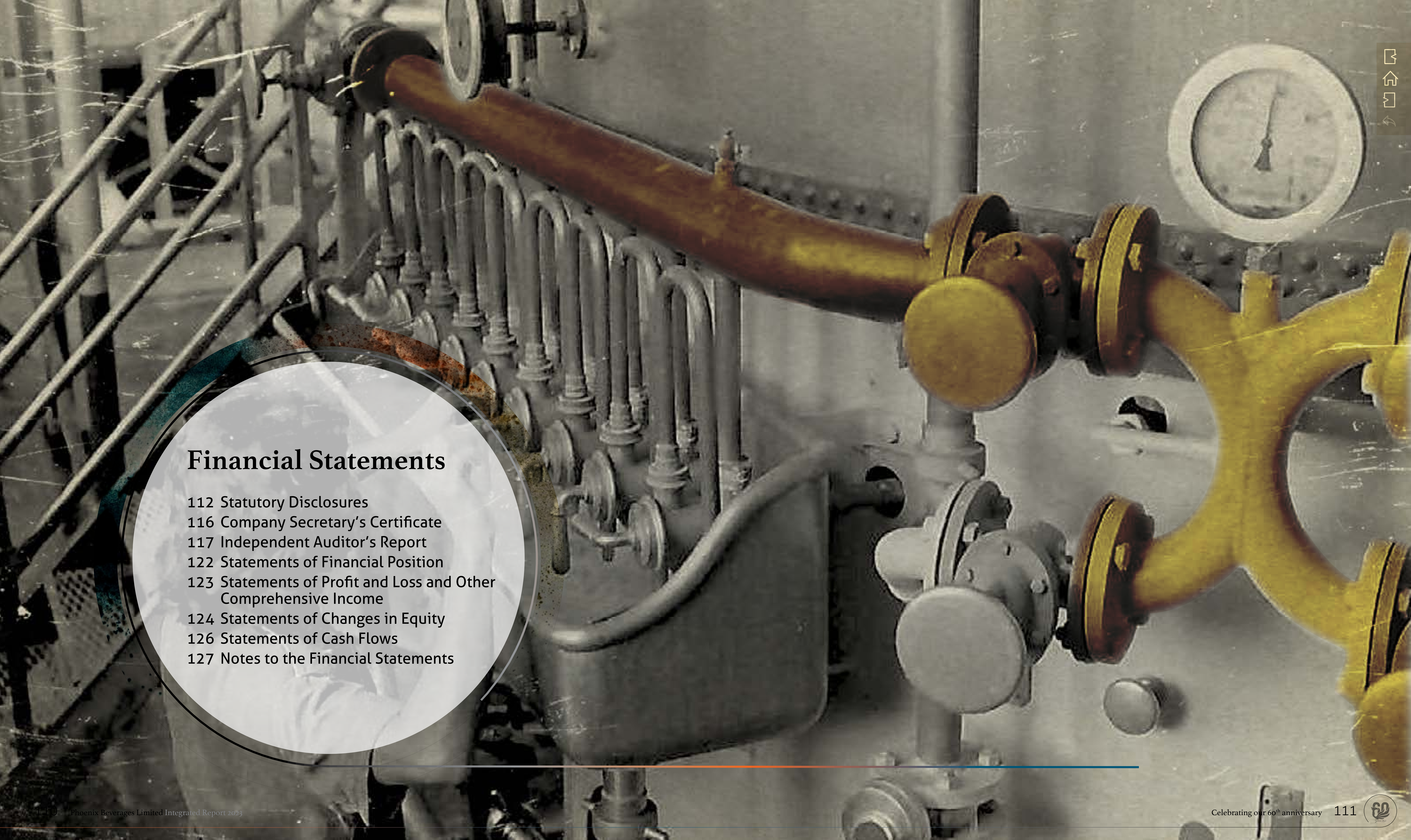
Case Studies

Improving waste management

In support of our "Reduce, Reuse & Recycle" policy, we have been on a journey to improve tracking of solid waste generated and now have accurate data reported and monitored on a waste dashboard. This has allowed us to develop focused action plans to decrease waste generated and identify opportunities to reduce waste directed to landfill.

Solid waste streams are separated into colour-coded bins, and recycling or upcycling opportunities are identified for each waste stream wherever possible. Current initiatives include:

- Electronic waste and all PET/LDPE/HDPE plastic waste are processed for recycling through exports channels.
- Cans, cartons and cardboards are recycled locally.
- Coal ash from the Limonaderie is reused by an energy plant, diverting 68 tonnes of ash in 2023 (2022: 230 tonnes).
- Spent grain and yeast from the brewery (approximately 6 000 tonnes) goes to farms for deer feed and is included as an additive in animal feed.
- Rejected glass bottles are sent to the Mauritius Glass Gallery and waste glass is reused in building materials through our partnership with Beemanique Stone Crusher. In 2023, 655 tonnes of glass waste was diverted from landfill (2022: 836 tonnes).
- Rejected glass bottles are sent to the Mauritius Glass Gallery and waste glass is reused in building materials through our partnership with Beemanique Stone Crusher. In 2023, 655 tonnes of glass waste was diverted from landfill (2022: 836 tonnes).
- 127 Kg of hazardous waste was diverted from landfill and sent to Polyeco which operates the Interim Storage Facility for Hazardous Wastes (ISFHW) at La Chaumière, Bambous



Financial Statements

Statutory Disclosure - 30 June 2023

(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 name of the Directors of Phoenix Beverages Limited and its subsidiaries holding office as at 30 June 2023 were as follows:

	Phoenix Beverages Limited	Edena S.A.	Espace Solution Réunion S.A.S	Helping Hands Foundation	Mauritius Breweries Investments Ltd[2]	Phoenix Beverages Overseas Ltd	Phoenix Camp Minerals Ltd[3]	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[1]	*												
Jan Boullé	*												
François Dalais	*				*	*		*					
Guillaume Hugnin	*											*	
Hugues Lagesse	*												
Thierry Lagesse	*				*	*	*		*				
Sylvia Maigrot	*												
Catherine McIlraith	*												
Patrick Rivalland	*	*		*					*			*	*
Paul Rose				*									
Bernard Theys	*	*	*	*	*	*	*	*	*	*	*	*	*

During the year under review the following changes occurred:

[1] Mr. Jean-Claude Béga resigned as Director of the Company by close of business on 30 June 2023

[2] On 12 October 2022, MBL Offshore Ltd changed its name to Mauritius Breweries Investments Ltd

[3] On 10 August 2022, Phoenix Camp Minerals Offshore Limited changed its name to Phoenix Camp Minerals Limited

Directors' service contracts

On 30 June 2023, 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 of Phoenix Beverages Limited, namely Mr. Patrick Rivalland 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 interest of the Directors and Senior Officers in the securities of the Company as at 30 June 2023 were:

	Direct Interest		Indirect Interest
	Number of Shares	%	%
Directors	–	–	–
Arnaud Lagesse	–	–	–
Jean-Claude Béga	–	–	–
Jan Boullé	–	–	–
François Dalais	–	–	–
Guillaume Hugnin	4 600	0.03	–
Hugues Lagesse	–	–	–
Thierry Lagesse	–	–	–
Sylvia Maigrot	–	–	–
Catherine McIlraith	–	–	–
Patrick Rivalland	4 057	0.02	–
Bernard Theys	–	–	–
Senior Managers	–	–	–
Frédéric Dubois	–	–	–
Eric Eynaud	–	–	–
Jean-Bruno Henriot	–	–	–
Gerard Merle	–	–	–
Rama Narayya	–	–	–
Daniel Narayanen	–	–	–
Patrice Sheik Bajeet	–	–	–
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 disclosed on previous page.

Statutory Disclosure - 30 June 2023

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

Directors' remuneration and benefits

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

	2023		2022	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	MUR '000	MUR '000	MUR '000	MUR '000
The Company				
Phoenix Beverages Limited	–	**4 840**	–	6 135
The Subsidiaries				
Edena S.A.	–	–	–	–
Espace Solution Réunion S.A.S.	–	–	–	–
Helping Hands Foundation	–	–	–	–
Mauritius Breweries Investments Ltd	–	–	–	–
Phoenix Beverages Overseas Ltd	–	–	–	–
Phoenix Camp Minerals Limited	–	–	–	–
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 Limited. Management fees paid to Phoenix Management Company Ltd by Phoenix Beverages Limited 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:

	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

	2023 MUR '000	2022 MUR '000
The Company		
Phoenix Beverages Limited - Corporate Social Responsibility	**12 482**	8 922
- Political	**–**	–
- Others	**328**	921

The subsidiaries have not made any donation during the years 2022 and 2023.

AUDITORS' REMUNERATION

At the Annual meeting held on 13 December 2022, the shareholders approved the reappointment of Deloitte as auditors for financial year 30 June 2023.

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

	2023		2022	
	Audit MUR '000	Other services MUR '000	Audit MUR '000	Other services MUR '000
The Company				
Phoenix Beverages Limited	**2 340**	**413**	1 800	144
The Subsidiaries				
Helping Hands Foundation	**–**	**–**	–	–
Mauritius Breweries Investments Ltd	**–**	**14**	25	13
Phoenix Beverages Overseas Ltd	**130**	**14**	100	13
Phoenix Camp Minerals Limited	**–**	**14**	25	13
Phoenix Distributors Ltd	**–**	**4**	25	4
Phoenix Foundation	**–**	**–**	–	–
The (Mauritius) Glass Gallery Ltd	**241**	**25**	185	23
The Traditional Green Mill Ltd	**–**	**4**	–	–
	2 711	**488**	2,160	210
EXCO RÉUNION AUDIT	**EUR '000**	**EUR '000**	EUR '000	EUR '000
Edena S.A.	**26**	**16**	26	–
Phoenix Réunion SARL	**38**	**16**	31	–
	64	**32**	57	–
EXA	**EUR '000**	**EUR '000**	EUR '000	EUR '000
Espace Solutions Réunion S.A.S.	**7**	**–**	7	–

Other services relate to tax, consultancy and review services.

Company Secretary's Certificate - 30 June 2023

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 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Deborah Nicolin, ACG (CS)

Per IBL Management Ltd

Company Secretary

27 September 2023

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 122 to 203, which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2023, 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) ("IESBA code"), and we have fulfilled our other ethical responsibilities in accordance with 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.

Independent Auditor's Report continued

to the Shareholders of Phoenix Beverages Limited

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment on goodwill and trademarks	
Goodwill arising from the acquisition of a business in prior years is recognised in the Group's financial statements at its cost. The Group and the Company also had an amount of MUR 193,000,000 as trademarks arising from the purchase of Eski brand at its cost. Management is required to conduct annual impairment tests to assess the recoverability of 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.	Our procedures included the following: • 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.
Valuation of investments through FVTOCI	
The fair value of unquoted investments is derived by using projections prepared by management which includes estimates and judgements and amounted to MUR 1,478,160,000 at year end. The significant assumptions used have been disclosed in Note 9. We have identified the significant judgements, namely the economic recovery and cash flows forecast to be a key audit matter due to the materiality of the balances and their subjective nature.	Our procedures included the following: • 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.

Other information

The directors are responsible for the other information. The other information comprises the 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 continued

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 capacity 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

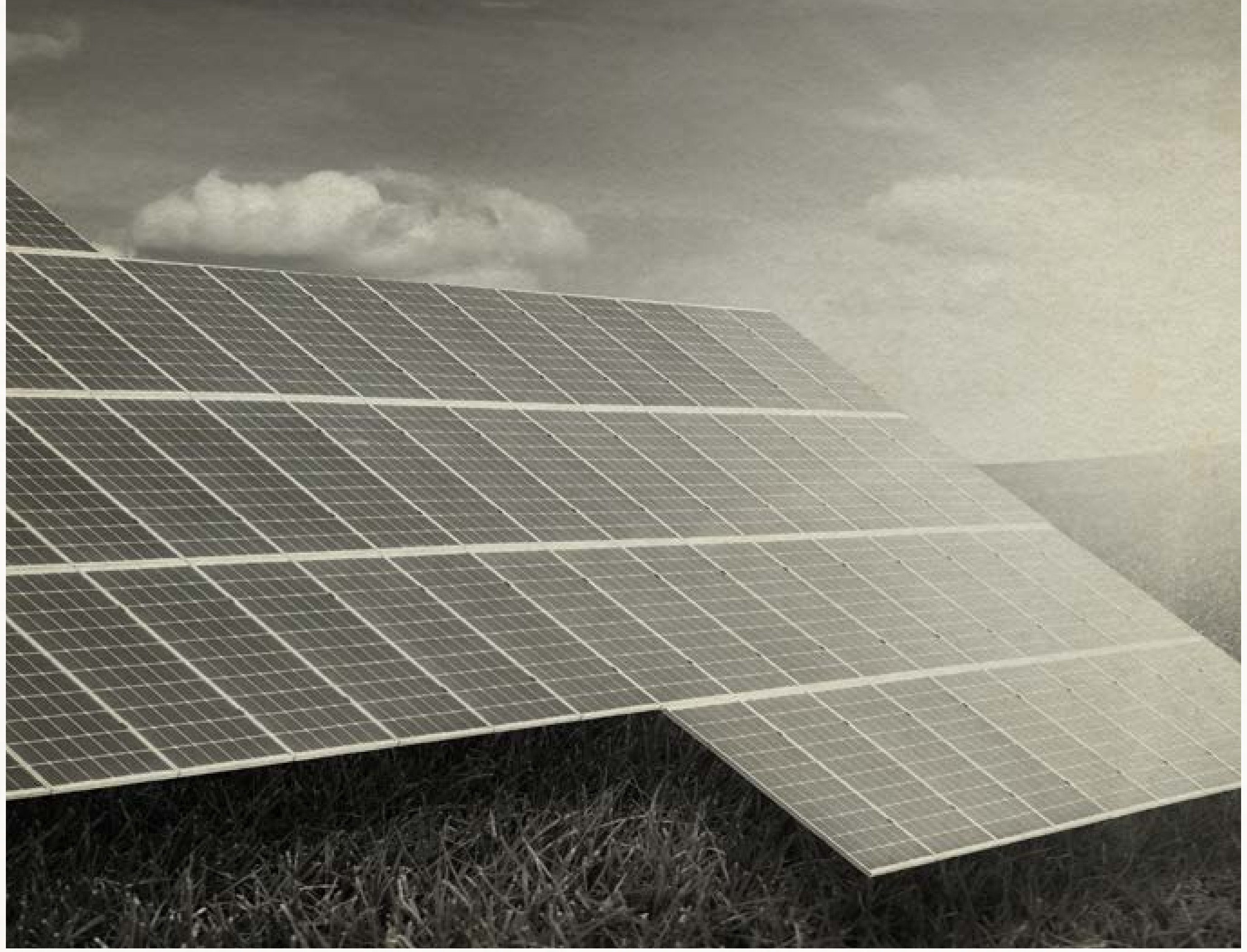
R. Srinivasan

R. Srinivasa Sankar, FCA
Licensed by FRC

Case Studies

Reducing energy use and carbon emissions

Various energy efficiency and power reduction solutions have already been implemented at our facilities and last year we installed a SolarCool ThermX solar cooling system at the Limonaderie. The system supplies renewable energy to the chiller compressor, decreasing electricity costs and reducing our carbon footprint. We are also piloting electric vehicles in our delivery fleet.



Statements of Financial Position

for the year ended 30 June 2023

	Notes	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**4 537 933**	4 524 351	**3 968 643**	4 049 691
Intangible assets	6	**961 024**	902 750	**225 712**	221 809
Right-of-use assets	19(a)	**359 757**	217 757	**276 212**	144 392
Investments in subsidiaries	7	**–**	–	**1 478 160**	1 378 939
Investment in associate	8	**985**	1 437	**738**	1 077
Financial assets at fair value through other comprehensive income	9	**3 405**	3 330	**2 091**	2 091
		5 863 104	5 649 625	**5 951 556**	5 797 999
Current assets					
Inventories	11	**1 782 836**	1 521 291	**1 417 670**	1 219 421
Trade and other receivables	12	**1 024 170**	706 485	**640 481**	408 865
Bank and cash balances	30(b)	**377 706**	402 225	**166 383**	247 795
		3 184 712	2 630 001	**2 224 534**	1 876 081
Total assets		**9 047 816**	8 279 626	**8 176 090**	7 674 080
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	13	**366 962**	366 962	**366 962**	366 962
Other reserves	14	**1 590 452**	1 504 348	**2 047 061**	1 948 179
Retained earnings		**4 112 691**	3 680 939	**3 617 263**	3 360 799
Total equity		**6 070 105**	5 552 249	**6 031 286**	5 675 940
Non-current liabilities					
Borrowings	15	**337 361**	301 704	**155 340**	224 673
Lease liabilities	19(b)	**257 368**	126 400	**206 319**	79 904
Deferred tax liabilities	16	**266 522**	288 011	**261 831**	282 901
Employee benefit obligation	17	**268 017**	222 346	**266 953**	221 204
Deferred revenue	21	**41 773**	51 480	**–**	–
		1 171 041	989 941	**890 443**	808 682
Current liabilities					
Trade and other payables	18	**1 407 220**	1 426 808	**940 091**	950 203
Borrowings	15	**216 731**	108 618	**173 403**	74 891
Lease liabilities	19(b)	**125 457**	113 749	**91 044**	83 488
Current tax liabilities	20(b)	**45 258**	76 098	**49 823**	80 876
Deferred revenue	21	**12 004**	12 163	**–**	–
		1 806 670	1 737 436	**1 254 361**	1 189 458
Total equity and liabilities		**9 047 816**	8 279 626	**8 176 090**	7 674 080

These financial statements have been approved by the Board of Directors and authorised for issue on: 27 September 2023

Arnaud Lagesse
Chairperson

Catherine McIlraith
Chairperson of the Audit and Risk Committee

The notes on pages 127 to 203 form an integral part of these financial statements | Auditor's report is on pages 117 to 120.

Statements of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2023

	Notes	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
Revenue from contracts with customers	23	**10 608 594**	9 014 922	**9 050 452**	7 501 814
Manufacturing costs	24	**(4 827 642)**	(3 912 657)	**(4 024 114)**	(3 169 464)
Excise and other specific duties	24	**(2 936 171)**	(2 647 776)	**(2 936 171)**	(2 647 776)
Cost of sales		**(7 763 813)**	(6 560 433)	**(6 960 285)**	(5 817 240)
Gross profit		**2 844 781**	2 454 489	**2 090 167**	1 684 574
Other income	26	**62 388**	18 968	**64 559**	50 909
Marketing, warehousing, selling and distribution expenses	24	**(1 309 297)**	(1 183 390)	**(969 413)**	(810 898)
Administrative expenses	24	**(724 026)**	(700 227)	**(467 817)**	(361 624)
Credit loss reversal/(expense) on trade receivables	12	**16 079**	(10 265)	**(22 567)**	(8 770)
Profit before finance costs	27	**889 925**	579 575	**694 929**	554 191
Finance costs	28	**(39 674)**	(31 497)	**(33 890)**	(27 449)
Share of results of associate	8(a)	**(341)**	(78)	**–**	–
Profit before tax		**849 910**	548 000	**661 039**	526 742
Tax expense	20(c)	**(118 022)**	(131 221)	**(104 758)**	(117 249)
Profit for the year		**731 888**	416 779	**556 281**	409 493
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	7, 8	**–**	–	**98 882**	(100 070)
Revaluation on land and buildings		**–**	402 354	**–**	398 149
Remeasurements of employment benefit obligations	17	**(44 015)**	727	**(44 174)**	327
Deferred tax on revaluation on buildings		**–**	(45 264)	**–**	(43 623)
Deferred tax on employment benefit obligations	16	**7 509**	(56)	**7 509**	(56)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**85 737**	(80 684)	**–**	–
Other movements in associate	8(a)	**(111)**	35	**–**	–
Total other comprehensive income		**49 120**	277 112	**62 217**	254 727
Total comprehensive income for the year		**781 008**	693 891	**618 498**	664 220
Profit attributable to:					
Owners of the Company		**731 888**	417 340	**556 281**	409 493
Non-controlling interests		**–**	(561)	**–**	–
		731 888	416 779	**556 281**	409 493
Total comprehensive income attributable to:					
Owners of the Company		**781 008**	694 355	**618 498**	664 220
Non-controlling interests		**–**	(464)	**–**	–
		781 008	693 891	**618 498**	664 220
Basic and diluted earnings per share (MUR.cs)	29	**44.50**	25.37		

The notes on pages 127 to 203 form an integral part of these financial statements | Auditor's report is on pages 117 to 120.

Statements of Changes in Equity

for the year ended 30 June 2023

(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 2022		**164 470**	**202 492**	**1 504 715**	**(367)**	**3 680 939**	**5 552 249**	**–**	**5 552 249**
Profit for the year		**–**	**–**	**–**	–	**731 888**	**731 888**	**–**	**731 888**
Other comprehensive income/(loss) for the year		**–**	**–**	**85 737**	**(111)**	**(36 506)**	**49 120**	**–**	**49 120**
Total comprehensive income for the year		**–**	**–**	**85 737**	**(111)**	**695 382**	**781 008**	**–**	**781 008**
Transfer		**–**	**–**	**–**	**478**	**(478)**	**–**	**–**	**–**
Dividends	22	**–**	**–**	**–**	**–**	**(263 152)**	**(263 152)**	**–**	**(263 152)**
At 30 JUNE 2023		**164 470**	**202 492**	**1 590 452**	**–**	**4 112 691**	**6 070 105**	**–**	**6 070 105**
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
Transfer		–	–	–	–	(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

The notes on pages 127 to 203 form an integral part of these financial statements | Auditor's report is on pages 117 to 120.

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 2022		**164 470**	**202 492**	**1 406 483**	**541 696**	**3 360 799**	**5 675 940**
Profit for the year		**–**	**–**	**–**	**–**	**556 281**	**556 281**
Other comprehensive income/(loss) for the year		**–**	**–**	**–**	**98 882**	**(36 665)**	**62 217**
Total comprehensive income for the year		**–**	**–**	**–**	**98 882**	**519 616**	**618 498**
Dividends	22	**–**	**–**	**–**	**–**	**(263 152)**	**(263 152)**
At 30 JUNE 2023		**164 470**	**202 492**	**1 406 483**	**640 578**	**3 617 263**	**6 031 286**
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

The notes on pages 127 to 203 form an integral part of these financial statements | Auditor's report is on pages 117 to 120.

Statements of Cash Flows

for the year ended 30 June 2023

		THE GROUP		THE COMPANY	
	Notes	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Cash flows from operating activities					
Cash generated from operations	30(a)	**1 011 023**	846 971	**845 470**	738 864
Interest received		**392**	779	**392**	258
Interest paid		**(39 674)**	(31 497)	**(33 890)**	(27 449)
Contributions paid on pension	17	**(20 791)**	(16 235)	**(20 791)**	(16 235)
Net tax paid	20(b)	**(160 904)**	(52 155)	**(147 142)**	(21 780)
CSR contribution	20(b)	**(2 230)**	(5 575)	**(2 230)**	(5 575)
Net cash generated from operating activities		**787 816**	742 288	**641 809**	668 083
Cash flows from investing activities					
Purchase of property, plant and equipment		**(396 234)**	(351 365)	**(268 814)**	(313 838)
Proceeds from disposal of plant and equipment		**356**	4 917	**356**	628
Purchase of intangible assets	6	**(11 098)**	(3 049)	**(5 234)**	(2 659)
Acquisition of investments in subsidiaries	7	**–**	–	**–**	(442)
Capital grants received	21	**–**	49 434	**–**	–
Dividends received		**69**	724	**24 968**	24 943
Net cash used in investing activities		**(406 907)**	(299 339)	**(248 724)**	(291 368)
Cash flows from financing activities					
Proceeds from borrowings		**538 615**	102 000	**405 000**	102 000
Repayment of borrowings		**(498 244)**	(196 112)	**(480 129)**	(179 606)
Payment of principal portion of leases	19(b)	**(132 018)**	(98 159)	**(93 128)**	(61 071)
Dividends paid to Company's owners	18, 22	**(417 820)**	(213 811)	**(417 820)**	(213 811)
Net cash used in financing activities		**(509 467)**	(406 082)	**(586 077)**	(352 488)
(Decrease)/increase in cash and cash equivalents		**(128 558)**	36 867	**(192 992)**	24 227
Movement in cash and cash equivalents					
At July 1		**386 413**	369 393	**247 795**	234 471
Effect of foreign exchange rate changes		**24 118**	(19 847)	**15 847**	(10 903)
(Decrease)/increase		**(128 558)**	36 867	**(192 992)**	24 227
At 30 June	30(b)	**281 973**	386 413	**70 650**	247 795

The notes on pages 127 to 203 form an integral part of these financial statements | Auditor's report is on pages 117 to 120.

Notes to the Financial Statements

for the year ended 30 June 2023

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 Camp Investment Company Limited as the immediate and intermediate holding companies and IBL Ltd as ultimate holding company of Phoenix Beverages Limited. All four 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).

(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 to the Financial Statements

for the year ended 30 June 2023

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;
- 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 losses 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 are 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(e) Intangible assets continued

(iii) Goodwill continued

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 (MUR) 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.

Freehold land is not depreciated and 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.

(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.

Notes to the Financial Statements

for the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(i) Leases continued

(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	3 to 50
Motor vehicles	2 to 5

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.

(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 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(k) Financial instruments continued

(i) Financial assets *continued*

Subsequent measurement *continued*

Financial assets designated at fair value through OCI (equity instruments)

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 deteriorate 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 (the debtors' financial position and projected results at reporting date) 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 to the Financial Statements

for the year ended 30 June 2023

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 statements 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. As from 1 January 2020, following the implementation of the Portable Retirement Gratuity Fund (PRGF), the Company is contributing for employees who are not part of any pension plans.

Notes to the Financial Statements

for the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(n) Retirement benefit obligations continued

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. 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 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 following exception:

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).

Notes to the Financial Statements

for the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(p) Revenue recognition continued

Deposit on containers

Deposit on containers is released to profit or loss based on average percentage growth of the deposit on 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 and at bank and bank overdrafts. 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.

(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 building, at fair value at each reporting date. Also, fair values of financial instruments are disclosed in note 4.2 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 by 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 building. 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.

Notes to the Financial Statements

for the year ended 30 June 2023

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 2022.

(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 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective 1 January 2024)
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)
IFRS S1	General Requirements for Disclosures of Sustainability-related Financial Information (effective 1 January 2024)

(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 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018 - 2020 (fees in the '10 per cent' test for derecognition of financial liabilities

The directors anticipate that these Standards and Interpretation will be applied in the Group's and the Company's financial statements at the above effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

3. 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.

3.1 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.

(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 112.9m (2022: MUR 126.8m) for the Group and MUR 110.4m (2022: MUR 88.1m) for the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY continued

3.1 Critical accounting estimates and assumptions continued

(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 4.1 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 2023, the amount recognised as end of year discount for the expected sales and turnover rebates was MUR 210.8m (2022: MUR 207.6m) for the Group and MUR 116.3m (2022: MUR 81.6m) for the Company. Refer to Note 18 for more details.

(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 liabilities ranges from 1.8% to 8% for the Group and 4.1% to 8% for the Company. Refer to Note 19 for more details.

Notes to the Financial Statements

for the year ended 30 June 2023

4. 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, 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.

4.1 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.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Financial assets				
Financial assets at fair value through other comprehensive income	**3 405**	3 330	**1 480 989**	1 382 107
Financial assets at amortised cost				
Trade and other receivables	**976 906**	683 018	**594 207**	385 398
Bank and cash balances	**377 706**	402 225	**166 383**	247 795
	1 358 017	1 088 573	**2 241 579**	2 015 300
Financial liabilities at amortised cost				
Borrowings	**554 092**	410 322	**328 743**	299 564
Lease liabilities	**382 825**	240 149	**297 363**	163 392
Trade and other payables	**1 265 869**	1 302 307	**732 956**	830 072
	2 202 786	1 952 778	**1 359 062**	1 293 028

(a) Market risk

(i) Currency risk management

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

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Financial assets				
MUR	**506 340**	578 723	**856 102**	680 637
EURO	**759 416**	478 004	**1 312 262**	1 318 032
USD	**62 784**	22 555	**43 736**	7 340
OTHERS	**29 477**	9 291	**29 479**	9 291
Total	**1 358 017**	1 088 573	**2 241 579**	2 015 300
Financial liabilities				
MUR	**1 262 838**	1 260 325	**1 047 354**	1 024 776
EURO	**855 917**	637 308	**227 677**	213 107
USD	**73 833**	48 255	**73 833**	48 255
OTHERS	**10 198**	6 890	**10 198**	6 890
Total	**2 202 786**	1 952 778	**1 359 062**	1 293 028

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.

Increase in profit and other equity	2023 MUR '000	2022 MUR '000
United States Dollar (USD)	**552**	1 285
Euro (EUR)	**4 825**	11 377

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.

Notes to the Financial Statements

for the year ended 30 June 2023

4. FINANCIAL RISK MANAGEMENT continued

4.1 Financial risk factors and risk management policies continued

(a) Market risk continued

Increase in profit and other equity	2023 MUR '000	2022 MUR '000
United States Dollar (USD)	**1 505**	2 046
Euro (EUR)	**8 784**	3 407

(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 statements 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 4.2.

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 2023, 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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Effect on profit				
+50 basis points – Decrease in profit	**(525)**	(788)	**(525)**	(788)
-50 basis points – Increase in profit	**525**	788	**525**	788

Other currencies – denominated borrowings

The Group have borrowings amounting to MUR 353.4m (2022: MUR 270.3m) and the Company has borrowings amounting to MUR 128.0m (2022: MUR 159.6m) denominated in EURO.

Interest rates are disclosed in note 15(c).

(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% (2022: 11%) 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 ongoing 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.

Notes to the Financial Statements

for the year ended 30 June 2023

4. FINANCIAL RISK MANAGEMENT continued

4.1 Financial risk factors and risk management policies continued

(c) Liquidity risk management continued

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
2023							
Variable interest rate	6.75%	11 630	23 260	104 668	74 725	–	214 283
Fixed interest rate	2.85%	7 751	15 501	69 755	223 812	64 702	381 521
Lease liabilities	5.16%	12 885	35 342	97 121	242 821	79 288	467 457
Non-interest bearing:							
Trade and other payables		556 318	73 833	635 718	–	–	1 265 869
		588 584	147 936	907 262	541 358	143 990	2 329 130
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		978 768	207 907	115 632	–	–	1 302 307
		995 450	262 162	267 584	443 121	76 881	2 045 198

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
2023							
Variable interest rate	6.75%	11 630	23 260	104 668	74 725	–	214 283
Fixed interest rate	3.65%	3 684	7 368	33 155	88 412	–	132 619
Lease liabilities	6.35%	9 816	29 204	69 506	192 312	79 288	380 126
Non-interest bearing:							
Trade and other payables		549 257	73 833	109 866	–	–	732 956
		574 387	133 665	317 195	355 449	79 288	1 459 984
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		344 979	137 994	347 099	–	–	830 072
		357 772	181 749	464 141	302 914	76 881	1 383 457

4.2 Fair value estimation of financial instruments

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

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

The fair value of those financial assets and liabilities not presented on the Group's 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
2023				
Investments in subsidiaries	–	–	1 478 160	1 478 160
Investment in associate	–	–	738	738
Financial assets at fair value through other comprehensive income	–	–	2 091	2 091
Total	–	–	1 480 989	1 480 989

Notes to the Financial Statements

for the year ended 30 June 2023

4. FINANCIAL RISK MANAGEMENT continued

4.2 Fair value estimation of financial instruments continued

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 GROUP

	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
2023				
Financial assets at fair value through other comprehensive income	**–**	**–**	**3 405**	**3 405**

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

Reconciliation of level 3 fair value measurements of financial assets

	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
At 1 July	**3 330**	3 440	**1 382 107**	1 482 177
Exchange differences	**75**	(110)	**–**	–
Gain/(loss) recognised in other comprehensive income	**–**	–	**98 882**	(100 070)
At 30 June	**3 405**	3 330	**1 480 989**	1 382 107

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 2023 MUR '000	Fair value as at 30 June 2022 MUR '000	Valuation techniques	Unobser-vable input	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unquoted investments in subsidiaries	**1 260 265**	1 175 383	Discounted cash flows	Discount rate	2023: 8.91% and 2022: 7.63%	A 5% increase will lead to a decrease of MUR 92.6m (2022: MUR 90.6m). A 5% decrease will lead to an increase of MUR 105.4m (2022: MUR 79.2m).
				Growth rate	2023 and 2022: 2%	A 5% increase will lead to an increase of MUR 17.0m (2022: MUR 17.0m). A 5% decrease will lead to a decrease of MUR 17.0m (2022:MUR 17.6m).
Investment in associate	**738**	1 077	Net assets	Illiquidity discount	Illiquidity discount	A 5% increase in rate will lead to decrease of MUR 4k (2022: MUR 18k). A 5% decrease in rate will lead to an increase of MUR 4k (2022: 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	**3 405**	3 330	Net assets	Cost	Not applicable	Not applicable

Notes to the Financial Statements

for the year ended 30 June 2023

4. FINANCIAL RISK MANAGEMENT continued

4.3 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 the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to 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 2023 and 30 June 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Total debt (note 15 & 19(b))	936 917	650 471	626 106	462 956
Less: bank and cash balances (note 30(b))	(377 706)	(402 225)	(166 383)	(247 795)
Net debt	559 211	248 246	459 723	215 161
Total equity	6 070 105	5 552 249	6 031 286	5 675 940
Debt-to-equity ratio	0.09:1	0.04:1	0.08:1	0.04:1

5. PROPERTY, PLANT AND EQUIPMENT

(a) Cost or valuation

THE GROUP

2023	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
At 1 July 2022	1 365 713	1 377 205	3 085 273	298 902	946 725	469 953	7 543 771
Additions*	41 079	78 138	91 925	11 400	81 101	112 625	416 268
Transfer to inventories	–	–	–	–	–	(9 347)	(9 347)
Disposals	–	–	(64 189)	(5 757)	–	–	(69 946)
Transfer between categories	–	–	20 778	–	(20 778)	–	–
Write offs	(106)	(68 621)	(63 199)	(32 709)	(305 644)	(38 909)	(509 188)
Exchange differences	9 890	35 411	34 050	8	3 862	–	83 221
At 30 JUNE 2023	1 416 576	1 422 133	3 104 638	271 844	705 266	534 322	7 454 779
DEPRECIATION							
At 1 July 2022	157	333 587	1 735 261	168 138	696 707	200 456	3 134 306
Charge for the year	10 399	61 857	146 021	19 363	69 165	104 430	411 235
Transfer to inventories	–	–	–	–	–	(3 989)	(3 989)
Disposals	–	–	(64 134)	(5 757)	–	–	(69 891)
Write offs	(106)	(68 621)	(63 199)	(32 709)	(305 644)	(38 909)	(509 188)
Exchange differences	–	20 929	25 074	8	3 214	–	49 225
At 30 JUNE 2023	10 450	347 752	1 779 023	149 043	463 442	261 988	3 011 698
NET BOOK VALUE							
At 30 JUNE 2023	1 406 126	1 074 381	1 325 615	122 801	241 824	272 334	4 443 081
Capital expenditure in progress*	–	16 329	34 714	–	38 870	4 939	94 852
TOTAL PROPERTY PLANT AND EQUIPMENT	1 406 126	1 090 710	1 360 329	122 801	280 694	277 273	4 537 933

* *Total cash outflow consist of additions and capital expenditure in progress.*

Notes to the Financial Statements

for the year ended 30 June 2023

5. PROPERTY, PLANT AND EQUIPMENT continued

(a) Cost or valuation continued

THE GROUP

2022	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
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 adjustments	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 adjustments	(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	1 053 568	1 414 358	130 764	276 129	282 658	4 524 351

(b) Cost or valuation

THE COMPANY

2023	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
At 1 July 2022	1 230 407	888 618	2 544 172	297 860	863 352	469 953	6 294 362
Additions*	3 882	9 966	81 153	11 400	77 171	112 625	296 197
Transfer to inventories	–	–	–	–	–	(9 347)	(9 347)
Disposals	–	–	(64 189)	(5 757)	–	–	(69 946)
Write offs	(106)	(967)	(3 026)	(32 020)	(297 770)	(38 909)	(372 798)
At 30 June 2023	1 234 183	897 617	2 558 110	271 483	642 753	534 322	6 138 468
DEPRECIATION							
At 1 July 2022	156	1 050	1 344 562	167 096	645 362	200 458	2 358 684
Charge for the year	10 399	31 727	114 348	19 363	64 182	104 430	344 449
Transfer to inventories	–	–	–	–	–	(3 989)	(3 989)
Disposals	–	–	(64 134)	(5 757)	–	(3 989)	(69 891)
Write offs	(106)	(967)	(3 026)	(32 020)	(297 770)	(38 909)	(372 798)
At 30 June 2023	10 449	31 810	1 391 750	148 682	411 774	261 990	2 256 455
NET BOOK VALUE							
At 30 June 2023	1 223 734	865 807	1 166 360	122 801	230 979	272 332	3 882 013
Capital expenditure in progress*	–	15 320	27 746	–	38 626	4 938	86 630
TOTAL PROPERTY, PLANT AND EQUIPMENT	1 223 734	881 127	1 194 106	122 801	269 605	277 270	3 968 643

* *Total cash outflow consist of additions and capital expenditure in progress.*

Notes to the Financial Statements

for the year ended 30 June 2023

5. PROPERTY, PLANT AND EQUIPMENT continued

(b) Cost or valuation continued

THE COMPANY

2022	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
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

(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.

(d) Fair value hierarchy measurement of freehold land and yard are classified as level 2 amounting to MUR 1,406.1m (2022: MUR 1,354.4m) for the Group and MUR 1,223.7m (2022: MUR 1,230.0m) for the Company and buildings as level 3 amounting to MUR 1,074.4m (2022: MUR 1,054.8m) for the Group and MUR 865.8m (2022: MUR 887.6m) for the Company.

(e) There were no transfers under level 2 and 3 during the year.

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

(g) 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
	2023 MUR '000	2022 MUR '000				
Buildings	**1 074 381**	1 043 618	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

Notes to the Financial Statements

for the year ended 30 June 2023

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, 2023 MUR '000	2022 MUR '000	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Buildings	**865 807**	887 568	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, 2023 MUR '000	2022 MUR '000	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Freehold land and yard	**1 406 126**	1 365 556	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

	2023 MUR '000	2022 MUR '000				
Freehold land and yard	**1 223 734**	1 230 251	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 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
Cost of sales	**310 840**	261 167	**260 319**	209 089
Selling and distribution expenses	**76 023**	80 611	**71 090**	75 769
Administrative expenses	**24 372**	22 828	**13 040**	12 511
	411 235	364 606	**344 449**	297 369

(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 yard MUR '000	Freehold buildings MUR '000	Total MUR '000
At 30 JUNE 2023			
Cost	**413 844**	**1 167 638**	**1 581 482**
Accumulated depreciation	**(50 168)**	**(551 541)**	**(601 709)**
Net book value	**363 676**	**616 097**	**979 773**
At 30 JUNE 2022			
Cost	366 862	1 123 820	1 490 682
Accumulated depreciation	(43 176)	(550 676)	(593 852)
Net book value	323 686	573 144	896 830

THE COMPANY

	Freehold land and yard MUR '000	Freehold buildings MUR '000	Total MUR '000
At 30 JUNE 2023			
Cost	**317 009**	**651 974**	**968 983**
Accumulated depreciation	**(50 168)**	**(237 097)**	**(287 265)**
Net book value	**266 841**	**414 877**	**681 718**
At 30 JUNE 2022			
Cost	313 127	642 008	955 135
Accumulated depreciation	(43 176)	(218 142)	(261 318)
Net book value	269 951	423 866	693 817

Notes to the Financial Statements

for the year ended 30 June 2023

6. INTANGIBLE ASSETS

(a) Cost

	THE GROUP				THE COMPANY		
	Trademarks MUR '000	Computer software MUR '000	Goodwill MUR '000	Total MUR '000	Trademarks MUR '000	Computer software MUR '000	Total MUR '000
At 1 July 2022	193 000	36 899	680 360	910 259	193 000	23 670	216 670
Additions*	–	1 762	–	1 762	–	356	356
Write off	–	(677)	–	(677)	–	–	–
Exchange differences	–	955	48 775	49 730	–	–	–
At 30 JUNE 2023	**193 000**	**38 939**	**729 135**	**961 074**	**193 000**	**24 026**	**217 026**
AMORTISATION							
At 1 July 2022	–	33 605	–	33 605	–	20 957	20 957
Charge for the year	–	1 706	–	1 706	–	1 331	1 331
Write off	–	(677)	–	(677)	–	–	–
Exchange differences	–	848	–	848	–	–	–
At 30 JUNE 2023	**–**	**35 482**	**–**	**35 482**	**–**	**22 288**	**22 288**
NET BOOK VALUE							
At 30 JUNE 2023	193 000	3 457	729 135	925 592	193 000	1 738	194 738
Capital expenditure in progress*	–	35 432	–	35 432	–	30 974	30 974
TOTAL	**193 000**	**38 889**	**729 135**	**961 024**	**193 000**	**32 712**	**225 712**

(b) Cost

At 1 July 2021	193 000	37 783	742 872	973 655	193 000	21 697	214 697
Additions*	–	2 363	–	2 363	–	1 973	1 973
Write off	–	(1 219)	–	(1 219)	–	–	–
Exchange differences	–	(2 028)	(62 512)	(64 540)	–	–	–
At 30 JUNE 2022	193 000	36 899	680 360	910 259	193 000	23 670	216 670
AMORTISATION							
At 1 July 2021	–	34 424	–	34 424	–	19 744	19 744
Charge for the year	–	2 102	–	2 102	–	1 213	1 213
Write off	–	(1 219)	–	(1 219)	–	–	–
Exchange differences	–	(1 702)	–	(1 702)	–	–	–
At 30 JUNE 2022	–	33 605	–	33 605	–	20 957	20 957
NET BOOK VALUE							
At 30 JUNE 2022	193 000	3 294	680 360	876 654	193 000	2 713	195 713
Capital expenditure in progress*	–	26 096	–	26 096	–	26 096	26 096
Total	193 000	29 390	680 360	902 750	193 000	28 809	221 809

The Directors have considered the relevant factors in respect of determining the 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.

** Total cash outflow consist of additions and capital expenditure in progress.*

(c) Amortisation

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Cost of sales	53	433	–	–
Administrative expenses	1 653	1 669	1 331	1 213
	1 706	2 102	1 331	1 213

(d) Impairment test on Trademarks and Goodwill

	THE GROUP AND THE COMPANY	
	2023 MUR '000	2022 MUR '000
Trademarks		
Trademarks (note (i))	193 000	193 000

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Goodwill		
Edena S.A. and its subsidiaries (note (i))	729 135	680 360

The Group assesses trademarks and goodwill annually for impairment, or more frequently if there are indicators that goodwill and trademarks might be impaired. The Directors are satisfied that there is no indication of impairment of goodwill of Edena S.A. and its subsidiaries and trademarks for the year ended 30 June 2023 (2022: Nil).

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

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

- cash flows were projected based on actual operating results extrapolated using an annual growth rate of 4% (2022: 4%) for a period of five years;
- cash flows after the five years period were extrapolated using a perpetual growth rate of 2% (2022: 2%) in order to calculate the terminal recoverable amount.

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

Notes to the Financial Statements

for the year ended 30 June 2023

6. INTANGIBLE ASSETS continued

(d) Impairment test on Trademarks and Goodwill continued

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 10.1% (2022: 6.65%). 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 2023 MUR '000	THE COMPANY 2022 MUR '000
At 1 July	**1 378 939**	1 478 976
Addition	**–**	442
Impairment*	**–**	(442)
Increase/(decrease) in fair value	**99 221**	(100 037)
At 30 June	**1 478 160**	1 378 939

* *An additional investment made in a subsidiary company namely, The (Mauritius) Glass Gallery Ltd, has been impaired in the previous 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 2023, the economy in Réunion Island has stabilised and positive future cash flows were being expected. This resulted in an increase in fair value of Euro 61.6k equivalent to MUR 3.1m. However, with the appreciation of the MUR vs Euro, a gain of MUR 82.0m was accounted upon retranslation of the Euro denominated investment. However, in the previous financial year, albeit a positive increase in fair value of Euro 326.7k equivalent to MUR 15.1m, a loss of MUR 107.8m was recorded due to the depreciation of the MUR vs Euro.

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 2023	The Company 2022	Other Group companies 2023	Other Group companies 2022
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%
Mauritius Breweries Investments Ltd (previously MBL Offshore Ltd) (i)	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 Limited (previously Phoenix Camp Minerals Offshore Limited)	Mauritius	30 June	Investment holding	Ordinary	86	**100.00%**	100.00%	**–**	–
Phoenix Distributors Ltd (i)	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%

Notes to the Financial Statements

for the year ended 30 June 2023

7. INVESTMENTS IN SUBSIDIARIES continued

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

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 2023	The Company 2022	Other Group companies 2023	Other Group companies 2022
The (Mauritius) Glass Gallery Ltd	Mauritius	30 June	Manufacture and sale of glass related products	Ordinary	5 110 000	**100.00%**	100.00%	–	–
The Traditional Green Mill Ltd	Mauritius	30 June	Restaurants	Ordinary	50 000	**100.00%**	100.00%	–	–

Note:
(i) Dormant companies

(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 4.2.

8. INVESTMENT IN ASSOCIATE

(a) The Group

	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000
At 1 July	**1 437**	1 480
Share of results*	**(341)**	(78)
Other movement in reserves	**(111)**	35
At 30 JUNE	**985**	1 437

* *Amount includes an adjustment of MUR 20.6k which relates to the previous financial year.*

The Group's interest in the associate is accounted using equity method in the consolidated financial statements.

(b) The Company

	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
At 1 July	**1 077**	1 110
Movement in fair value	**(339)**	(33)
At 30 JUNE	**738**	1 077

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 4.2.

(c) The associate, which is unlisted, is as follows:

2023 and 2022

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	Net assets MUR '000	Revenue MUR '000	loss for the year MUR '000	Other comprehensive (loss) income for the year MUR '000	Total comprehensive loss for the year MUR '000	Dividends received during the year MUR '000
2023									
Crown Corks Industries Ltd	**3 065**	**178**	**–**	**3 243**	**125**	**(445)**	**(364)**	**(809)**	**–**
2022									
Crown Corks Industries Ltd	4 542	254	64	4 732	32	(256)	115	(141)	–

(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 for the year* MUR '000	Other comprehensive (loss)/income for the year MUR '000	Dividends for the year MUR '000	Closing net assets MUR '000	Ownership interest %	Interest in associates MUR '000	Carrying value MUR '000
2023								
Crown Corks Industries Ltd	**4 732**	**(1 125)**	**(364)**	**–**	**3 243**	**30.36%**	**985**	**985**
2022								
Crown Corks Industries Ltd	4 873	(256)	115	–	4 732	30.36%	1 437	1 437

* *Amount includes an adjustment of MUR 680k which relates to the previous financial year.*

Notes to the Financial Statements

for the year ended 30 June 2023

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	**3 330**	3 440	**2 091**	2 091
Exchange differences	**75**	(110)	**–**	–
At 30 JUNE	**3 405**	3 330	**2 091**	2 091

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Unquoted:				
Equity securities - Mauritius	**2 091**	2 091	**2 091**	2 091
Equity securities - Réunion	**1 314**	1 239	**–**	–
	3 405	3 330	**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 more 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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Unquoted:				
Ecocentre Limitee	**2 091**	2 091	**2 091**	2 091
Société Civile de Placement Immobilier	**1 314**	1 239	**–**	–
	3 405	3 330	**2 091**	2 091

(v) Equity investments at fair value through other comprehensive income are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	**2 091**	2 091	**2 091**	2 091
Euro	**1 314**	1 239	**–**	–
	3 405	3 330	**2 091**	2 091

10. LONG-TERM RECEIVABLES AT AMORTISED COST

	THE COMPANY	
	2023 MUR '000	2022 MUR '000
Receivables from subsidiaries	**76 861**	73 346
Less allowance for ECL	**(76 861)**	(73 346)
	–	–

The long-term receivables from subsidiaries are stated at amortised cost and are fully provided at the reporting date. 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 three 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 is not expected to be recalled within the next twelve months.

(b) 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	
	2023 MUR '000	2022 MUR '000
Gross carrying amount as at 1 July	**73 346**	152 975
Additions	**–**	1 500
Repayments	**(1 500)**	(76 323)
Exchange differences	**5 015**	(4 806)
At 30 JUNE	**76 861**	73 346

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for the year ended 30 June 2023

10. LONG-TERM RECEIVABLES AT AMORTISED COST continued

	Credit impaired	
	2023 MUR '000	2022 MUR '000
Stage 3		
ECL allowance as at 1 July	**73 346**	152 975
Decrease in exposure	**(1 500)**	(74 823)
Increase/(decrease) in exposure	**5 015**	(4 806)
At 30 June	**76 861**	73 346

ECL on long term receivables has been classified in administrative expenses.

11. INVENTORIES

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Raw and packaging materials	**745 959**	590 380	**663 919**	521 225
Spare parts and consumables	**241 576**	180 527	**205 360**	147 426
Finished goods	**617 706**	612 211	**399 546**	444 951
Work in progress	**49 140**	46 509	**49 140**	46 509
Goods in transit	**128 455**	91 664	**99 705**	59 310
	1 782 836	1 521 291	**1 417 670**	1 219 421

The cost of inventory recognised as an expense includes an impairment of MUR 17.0m (2022: an impairment of MUR 31.9m) for the Group and an impairment of MUR 20.2m (2022: an impairment of MUR 27.7m) for the Company in respect of write-downs of inventory to net realisable value. The write down and reversal of inventories to NRV are due to change in valuation and in economic circumstances respectively.

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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Trade receivables (net of provisions)	**727 621**	516 964	**355 650**	300 721
Other receivables*	**154 703**	92 896	**13 273**	7 067
Prepayments	**47 264**	23 467	**46 274**	23 467
Receivables from group companies (net of provisions):				
- Enterprises in which ultimate holding company has significant interest	**94 582**	73 158	**94 582**	73 158
- Subsidiary companies	**–**	–	**130 702**	4 452
	1 024 170	706 485	**640 481**	408 865

* *Other receivables comprise of advances made to suppliers, staff loans and other sundry debtors.*

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 91.2m (2022: MUR 65.6m) is due from the Group's largest customer. There are no other customers who represent more than 11% (2022: 11%) 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.

(a) The carrying amounts of trade receivables and receivables from group companies are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	**450 808**	377 552	**580 934**	378 331
US Dollar	**12 444**	13 702	**–**	–
Euro	**358 951**	198 868	**–**	–
	822 203	590 122	**580 934**	378 331

(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 trade receivables and amount due from related parties.

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 2023	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Expected loss rate*	**4.33%**	**1.67%**	**4.01%**	**25.10%**	**100.00%**	
Gross carrying amount:						
Trade receivables						
- Uninsured debtors	**173 677**	**247 603**	**23 819**	**25 772**	**93 852**	**564 723**
- Insured debtors	**87 015**	**256 218**	**7 876**	**7 846**	**11 464**	**370 419**
Total	**260 692**	**503 821**	**31 695**	**33 618**	**105 316**	**935 142**
Loss allowance	**7 519**	**4 144**	**955**	**6 469**	**93 852**	**112 939**

* *Management has included a forward looking rate of 5% to reflect the market uncertainty and potential impact of inflation.*

Notes to the Financial Statements

for the year ended 30 June 2023

12. TRADE AND OTHER RECEIVABLES continued

(b) Expected credit loss for trade receivables and amount due from related parties continued

THE GROUP

At 30 June 2022	Current MUR '000	More than 30 days past due MUR '000	More than 60 days past due MUR '000	More than 90 days past due MUR '000	More than 120 days past due MUR '000	Total 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

THE COMPANY

At 30 June 2023	Current MUR '000	More than 30 days past due MUR '000	More than 60 days past due MUR '000	More than 90 days past due MUR '000	More than 120 days past due MUR '000	Total MUR '000
Expected loss rate*	3.96%	2.16%	3.65%	5.17%	82.95%	
Gross carrying amount:						
Trade receivables**						
- Uninsured debtors	153 868	146 822	8 795	–	–	309 485
- Insured debtors	87 015	80 983	2 321	4 092	10 931	185 342
- Amount due from related parties	24 951	22 418	11 285	19 839	117 973	196 466
Total	265 834	250 223	22 401	23 931	128 904	691 293
Loss allowance	7 088	3 658	733	1 026	97 854	110 359

* *Management has included a forward looking rate of 5% to reflect the market uncertainty and potential impact of inflation.*

** *Including receivables from Group companies.*

THE COMPANY

At 30 June 2022	Current MUR '000	More than 30 days past due MUR '000	More than 60 days past due MUR '000	More than 90 days past due MUR '000	More than 120 days past due MUR '000	Total 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	25 816	243 942
- Insured debtors	92 879	79 770	1 455	1 221	–	175 325
- Amount due from related parties	–	–	–	–	47 199	47 199
Total	205 132	165 888	16 966	5 465	73 015	466 466
Loss allowance	3 750	3 605	3 521	4 244	73 015	88 135

* *Including receivables from Group companies.*

THE GROUP AND THE COMPANY

Insured debtors - Allowance of ECL on insured debtors is MUR 7.4m (2022: 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 2023 and 2022 reconcile to the opening loss allowances as follows:

2023	THE GROUP Collectively assessed MUR '000	THE GROUP Individually assessed MUR '000	THE GROUP Total MUR '000	THE COMPANY Collectively assessed MUR '000	THE COMPANY Individually assessed MUR '000	THE COMPANY Total MUR '000
At 1 July	15 222	111 572	126 794	10 925	77 210	88 135
Charge/(reversal) for the year	519	(16 598)	(16 079)	(245)	22 812	22 567
Write off	(67)	(2 219)	(2 286)	(67)	(276)	(343)
Exchange differences	321	4 189	4 510	–	–	–
At 30 June	**15 995**	**96 944**	**112 939**	**10 613**	**99 746**	**110 359**

2022	THE GROUP Collectively assessed MUR '000	THE GROUP Individually assessed MUR '000	THE GROUP Total MUR '000	THE COMPANY Collectively assessed MUR '000	THE COMPANY Individually assessed MUR '000	THE COMPANY Total MUR '000
At 1 July	11 706	116 812	128 518	7 010	72 806	79 816
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	15 222	111 572	126 794	10 925	77 210	88 135

(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 trade receivables of the Group and Company.

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for the year ended 30 June 2023

13. STATED CAPITAL

THE GROUP AND THE COMPANY

2023 and 2022	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 (2022: 16 447 000) with a par value of MUR 10 per share (2022: 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
2023					
At 1 July 2022	**1 407 375**	**5 350**	**91 990**	**(367)**	**1 504 348**
Other comprehensive income:					
Other movements in associate	**–**	**–**	**–**	**(111)**	**(111)**
Transfer	**–**	**–**	**–**	**478**	**478**
Exchange differences	**–**	**–**	**85 737**	**–**	**85 737**
At 30 June 2023	**1 407 375**	**5 350**	**177 727**	**–**	**1 590 452**

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
Other movements in associate	-	-	-	35	35
Reversal of 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

(b) The Company

REVALUATION AND OTHER RESERVES

	Revaluation reserve MUR '000	Capital reserve MUR '000	Fair value reserve MUR '000	Total MUR '000
2023				
At 1 July 2022	**1 404 651**	**1 832**	**541 696**	**1 948 179**
Increase in fair value	**–**	**–**	**98 882**	**98 882**
At 30 June 2023	**1 404 651**	**1 832**	**640 578**	**2 047 061**
2022				
At 1 July 2021	1 050 125	1 832	641 766	1 693 723
Reversal of 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

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 the share of the associate's reserve.

Other reserves

Other reserves comprise legal reserve and capital reserve.

Notes to the Financial Statements

for the year ended 30 June 2023

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Current				
Bank overdrafts (note 30(b))	**95 733**	15 812	**95 733**	–
Bank loans	**120 998**	92 806	**77 670**	74 891
	216 731	108 618	**173 403**	74 891
Non-current				
Bank loans (b)	**337 361**	301 704	**155 340**	224 673
	337 361	301 704	**155 340**	224 673
Total borrowings	**554 092**	410 322	**328 743**	299 564

(a) The borrowings include secured liabilities (bank overdrafts and bank loans) amounting to MUR 554.1m (2022: MUR 410.3m) for the Group and MUR 328.7m (2022: MUR 299.6m) for the Company. The borrowings are secured by fixed and floating charges over the Group and Company's assets and bearing interest at 1.15% - 6.75% per annum (2022: 1.45% - 4.10% per annum) for the Group and 3.60% - 6.75% per annum (2022: 3.65% - 4.10% per annum) for the Company.

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
After one year and before two years	**122 138**	93 922	**77 670**	74 891
After two years and before three years	**120 387**	94 166	**77 670**	74 891
After three years and before five years	**36 189**	106 628	**–**	74 891
After five years	**58 647**	6 988	**–**	–
	337 361	301 704	**155 340**	224 673

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

	THE GROUP		THE COMPANY	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts	**5.72 - 6.75**	4.29	**6.75**	–
Bank loans	**1.15 - 6.75**	1.45 - 4.10	**3.60 - 6.75**	3.65 - 4.10

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	**200 734**	140 000	**200 733**	140 000
Euro	**353 358**	270 322	**128 010**	159 564
	554 092	410 322	**328 743**	299 564

16. DEFERRED TAX LIABILITIES

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Deferred tax liabilities	**266 522**	288 011	**261 831**	282 901

Deferred tax liabilities are calculated on all temporary differences under the liability method at tax rate of 17% (2022: 17%). The movements on the deferred tax account are as follows:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	**288 011**	247 956	**282 901**	244 189
Credit to profit or loss (note 20(c))	**(13 980)**	(5 265)	**(13 561)**	(4 967)
(Credit)/charge to other comprehensive income	**(7 509)**	45 320	**(7 509)**	43 679
At 30 June	**266 522**	288 011	**261 831**	282 901

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

2023	At July 1 2022 MUR '000	Credit to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2023 MUR '000
Deferred tax liabilities				
Asset revaluation	**89 584**	**(1 442)**	**–**	**88 142**
Accelerated tax depreciation	**274 631**	**(8 155)**	**–**	**266 476**
Deferred tax assets				
Retirement benefit obligations	**(37 625)**	**(268)**	**(7 509)**	**(45 402)**
Leases	**(4 400)**	**(366)**	**–**	**(4 766)**
Provision on stock and receivables	**(34 179)**	**(3 749)**	**–**	**(37 928)**
Net deferred tax liabilities	**288 011**	**(13 980)**	**(7 509)**	**266 522**

Notes to the Financial Statements

for the year ended 30 June 2023

16. DEFERRED TAX LIABILITIES continued

(a) The Group

2022	At July 1 2021 MUR '000	(Credit) / charge to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2022 MUR '000
Deferred tax liabilities				
Asset revaluation	45 662	(1 342)	45 264	89 584
Accelerated tax depreciation	271 314	3 317	–	274 631
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

(b) The Company

2023	At July 1 2022 MUR '000	Credit to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2023 MUR '000
Deferred tax liabilities				
Leases	**(3 230)**	**(366)**	**–**	**(3 596)**
Asset revaluation	**83 301**	**(1 024)**	**–**	**82 277**
Accelerated depreciation	**274 615**	**(8 154)**	**–**	**266 461**
Deferred tax assets				
Retirement benefit obligations	**(37 606)**	**(268)**	**(7 509)**	**(45 383)**
Provision on stock and receivables	**(34 179)**	**(3 749)**	**–**	**(37 928)**
Net deferred tax liabilities	**282 901**	**(13 561)**	**(7 509)**	**261 831**

2022	At July 1 2021 MUR '000	(Credit) / charge to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2022 MUR '000
Deferred tax liabilities				
Leases	(3 143)	(87)	–	(3 230)
Asset revaluation	40 704	(1 026)	43 623	83 301
Accelerated 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

17. EMPLOYEE BENEFIT OBLIGATIONS

	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
Amounts recognised in the statements of financial position				
- Pension scheme (note (i))	**268 017**	222 346	**266 953**	221 204
Charge to profit or loss				
- Pension benefits (note A(v) & B(iii))	**22 447**	22 533	**22 366**	22 327
Credit to other comprehensive income				
- Pension benefits (note A(vi) & B(iv))	**44 015**	(727)	**44 174**	(327)

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 1 September 2023.

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.

Prior to implementation of the Portable Retirement Gratuity Fund (PRGF), the benefits payable to employees who are not part of any pension plans, were unfunded as at 31 December 2019. With the implementation of PRGF, those employees who resign as from 2020, are eligible to a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity). The Company has started to contribute to PRGF for those employees since January 2022.

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

	THE GROUP 2023 MUR '000	THE GROUP 2022 MUR '000	THE COMPANY 2023 MUR '000	THE COMPANY 2022 MUR '000
Present value of funded obligations (note A(ii))	**739 392**	770 210	**739 392**	770 210
Fair value of plan assets (note A(iii))	**(588 713)**	(615 724)	**(588 713)**	(615 724)
	150 679	154 486	**150 679**	154 486
Present value of unfunded obligations (note B(i))	**117 338**	67 860	**116 274**	66 718
Liability in the statements of financial position	**268 017**	222 346	**266 953**	221 204

Notes to the Financial Statements

for the year ended 30 June 2023

17. EMPLOYEE BENEFIT OBLIGATIONS continued

Pension scheme continued

(a) Funded obligations

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	**154 486**	160 109	**154 486**	160 109
Amount recognised in other comprehensive income				
Amount recognised in profit or loss	**4**	(957)	**4**	(957)
Contributions paid*	**12 942**	11 569	**12 942**	11 569
At 30 June	**(16 753)**	(16 235)	**(16 753)**	(16 235)
	150 679	154 486	**150 679**	154 486

* *The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the IBLPension Fund and exclude cash payments which are treated as defined contributions and amounted to MUR 46.0m (2022: MUR 35.4m) for the Group and MUR 45.5m (2022: MUR 35.0m) for the Company.*

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July,	**770 210**	722 542	**770 210**	722 542
Current service cost	**6 006**	5 884	**6 006**	5 884
Interest cost	**33 709**	30 111	**33 709**	30 111
Liability (gains)/loss due to change in financial assumptions	**(67 702)**	18 883	**(67 702)**	18 883
Transfer from member account*	**45 904**	45 904	**45 904**	45 904
Benefits paid	**(48 735)**	(53 114)	**(48 735)**	(53 114)
At 30 June	**739 392**	770 210	**739 392**	770 210

* *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.*

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	**615 724**	562 433	**615 724**	562 433
Interest income	**26 773**	24 426	**26 773**	24 426
Employer contributions	**16 046**	14 384	**16 046**	14 384
Disability PHI	**707**	1 851	**707**	1 851
Transfer from DC Reserve Account	**45 904**	45 904	**45 904**	45 904
Benefits paid	**(48 735)**	(53 114)	**(48 735)**	(53 114)
Actuarial (loss)/gain	**(67 706)**	19 840	**(67 706)**	19 840
At 30 June	**588 713**	615 724	**588 713**	615 724

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Service cost	**6 006**	5 884	**6 006**	5 884
Net interest cost	**6 936**	5 685	**6 936**	5 685
	12 942	11 569	**12 942**	11 569

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Liability experience (gain)/loss due to change in financial assumptions	**(67 702)**	18 883	**(67 702)**	18 883
Actuarial gain/(loss)	**67 706**	(19 840)	**67 706**	(19 840)
Actuarial losses recognised in other comprehensive income	**4**	(957)	**4**	(957)

Notes to the Financial Statements

for the year ended 30 June 2023

17. EMPLOYEE BENEFIT OBLIGATIONS continued

Pension scheme continued

(a) Funded obligations continued

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Cash and cash equivalents	**78 299**	76 350	**78 299**	76 350
Equity investments * categorised by industry type:				
- Local	**198 985**	206 883	**198 985**	206 883
- Foreign	**187 799**	215 503	**187 799**	215 503
Fixed interest instruments	**123 630**	116 988	**123 630**	116 988
Total market value of assets	**588 713**	615 724	**588 713**	615 724
Actual return on plan assets	**40 934**	44 267	**40 934**	44 267

* *Out of the fair value of the planned assets, 33.8% (2022: 33.6%) represent the local equity instruments and 31.9% (2022: 35.6%) 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	
	2023 %	2022 %
Discount rate	**5.4**	4.5
Future long-term salary increase	**3.0**	3.0
Future expected pension increase	**1.0**	1.0
Expected return on plan assets	**5.4**	4.5
Future long-term NPS increase	**4.0**	4.0
Post retirement mortality tables	**PN00**	PN00

Retirement is assumed to occur at age 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise.

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Increase in defined benefit obligations due to 1% decrease in discount rate	**137 970**	163 368	**137 970**	163 071
Decrease in defined benefit obligations due to 1% increase in discount rate	**112 850**	141 522	**112 850**	141 268
Increase in defined benefit obligations due to 1% increase in salary	**34 228**	34 767	**34 228**	34 468
Decrease in defined benefit obligations due to 1% decrease in salary	**31 548**	41 075	**31 548**	40 814

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 weighted average duration of the defined benefit obligation is 9 years for the Group and the Company at the end of the reporting date (2022: 10-12 years for the Group and for the Company).

(b) Unfunded obligations

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July,	**67 860**	56 666	**66 718**	55 330
Amount recognised in other comprehensive income	**44 011**	230	**44 170**	630
Amount recognised in profit or loss	**9 505**	10 964	**9 424**	10 758
Transfer from member account*	**(1 490)**	–	**(1 490)**	–
Contributions paid	**(2 548)**	–	**(2 548)**	–
At 30 June	**117 338**	67 860	**116 274**	66 718

* *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 2023

17. EMPLOYEE BENEFIT OBLIGATIONS continued

Pension scheme continued

Unfunded obligations continued

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At July 1	**67 860**	56 666	**66 718**	55 330
Current service cost	**6 071**	8 360	**6 045**	8 204
Interest cost	**3 434**	2 604	**3 379**	2 554
Liability loss due to change in financial assumptions	**44 011**	230	**44 170**	630
Benefit paid	**(1 490)**	–	**(1 490)**	–
At 30 June	**119 886**	67 860	**118 822**	66 718

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Employer contributions	**2 548**	–	**2 548**	–

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Service cost	**6 071**	8 360	**6 045**	8 204
Net interest cost	**3 434**	2 604	**3 379**	2 554
	9 505	10 964	**9 424**	10 758

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Actuarial gain recognised in other comprehensive income	**44 011**	230	**44 170**	630

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

	THE GROUP AND THE COMPANY	
	2023 %	2022 %
Discount rate	**5.5/5.7**	4.8/4.9
Future long-term salary increase	**3.0**	3.0
Post retirement mortality tables	**PN00**	PN00

Retirement is assumed to occur at age 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise.

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Increase in defined benefit obligations due to 1% decrease in discount rate	**18 083**	15 543	**17 826**	15 543
Decrease in defined benefit obligations due to 1% increase in discount rate	**15 193**	12 814	**14 970**	12 814
Increase in defined benefit obligations due to 1% increase in salary	**16 309**	14 310	**16 043**	14 310
Decrease in defined benefit obligations due to 1% decrease in salary	**13 564**	11 911	**13 331**	11 911

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.

(viii) The weighted average duration of the defined benefit obligation for unfunded obligations is 11-12 years for the Group and the Company at the end of the reporting date (2022: 13-16 years for the Group and for the Company).

(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 PN00. 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.

17. EMPLOYEE BENEFIT OBLIGATIONS continued

Pension scheme continued

Unfunded obligations continued

(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 2024.

(xii) The monthly contribution for Portable Retirement Gratuity Fund (PRGF) for Group and the Company amounts to MUR 1.9m (2022: MUR 1.5m).

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Trade payables	**686 906**	591 797	**311 690**	348 787
Deposits from customers (see note (b))	**120 243**	91 972	**120 243**	91 972
Amounts due to Group companies:				
- Fellow subsidiary	**20 528**	2 434	**20 528**	2 434
- Subsidiaries	**–**	–	**7 923**	–
- Enterprises in which ultimate holding Company has significant interest	**9 902**	5 189	**9 902**	5 189
End of year discount (note (c))	**210 807**	207 613	**116 306**	81 626
Dividend payable	**–**	154 668	**–**	154 668
Accrued expenses and other payables	**358 834**	373 135	**353 499**	265 527
	1 407 220	1 426 808	**940 091**	950 203

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	
	2023 MUR '000	2022 MUR '000
At 1 July	**91 972**	71 257
Net increase in deposits*	**28 271**	20 715
At 30 June	**120 243**	91 972

* *This relates to deposit taken from customers for crates, bottles and jars.*

(c) It relates to discount given to customers based on targeted volume and/or 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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	**207 613**	161 424	**81 626**	53 974
Movement during the year	**3 194**	46 189	**34 680**	27 652
At 30 June	**210 807**	207 613	**116 306**	81 626

(d) The carrying amounts of trade payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	**138 493**	242 152	**135 000**	240 098
US Dollar	**74 673**	48 255	**73 833**	48 255
Euro	**463 541**	294 500	**92 696**	53 544
Others	**10 199**	6 890	**10 199**	6 890
	686 906	591 797	**311 728**	348 787

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 3 and 60 years, while motor vehicles generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are disclosed below.

Notes to the Financial Statements

for the year ended 30 June 2023

19. LEASES continued

(a) Right of use assets continued

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

THE GROUP	Land and building MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2022	91 361	126 396	217 757
Additions for the year	158 488	94 411	252 899
Depreciation charge for the year	(60 616)	(71 975)	(132 591)
Reclassification	(17 466)	17 466	–
Remeasurement of leases	16 945	–	16 945
Termination of lease	–	(620)	(620)
Exchange differences	2 528	2 839	5 367
At 30 June 2023	**191 240**	**168 517**	**359 757**

THE GROUP	Land and building 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 COMPANY	Land and building MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 2022	36 826	107 566	144 392
Additions for the year	158 488	68 611	227 099
Depreciation charge for the year	(43 060)	(52 219)	(95 279)
At 30 June 2023	**152 254**	**123 958**	**276 212**

THE COMPANY	Land and building 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

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
At 1 July	240 149	317 677	163 392	195 032
New leases	252 899	29 431	227 099	29 431
Interest expense	20 286	15 213	18 623	13 411
Lease payment	(152 304)	(113 372)	(111 751)	(74 482)
Remeasurement of leases	16 945	–	–	–
Termination of lease	(646)	–	–	–
Exchange differences	5 496	(8 800)	–	–
At 30 June	**382 825**	240 149	**297 363**	163 392

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Current	125 457	113 749	91 044	83 488
Non-current	257 368	126 400	206 319	79 904
	382 825	240 149	**297 363**	163 392

(c) The following are the amounts recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Depreciation expense of right-of-use assets	132 591	98 203	95 279	61 584
Interest expense on lease liabilities	20 286	15 213	18 623	13 411
Total amount recognised in profit or loss	**152 877**	113 416	**113 902**	74 995

Notes to the Financial Statements

for the year ended 30 June 2023

19. LEASES continued

(c) The following are the amounts recognised in profit or loss: continued

During the year under review, the Group and the Company have taken exemption for short-term lease amounting to MUR 39.3m (2022: MUR 37.8m). These leases were taken for a period of 6-12 months (2022: 6-12 months).

In 2023, total cash outflows for leases (including short term lease) amounted to MUR 192m (2022: MUR 151m) for the Group and MUR 151m (2022: MUR 112m) for the Company. Non-cash additions to right-of-use assets and lease liabilities amounted to MUR 252.9m (2022: MUR 29.4m) for the Group and MUR 227.1m (2022: MUR 29.4m) for the Company.

Motor vehicle leases payments are fixed amount for a period of two to five years bearing interest rates 1.8% to 8% for the Group and 8% for the Company (2022: 1.8% to 8% for the Group and 8% for the Company). Land and buildings bear interest rates of 1.8% to 7% for the Group and 4.1% to 7% for the Company (2022: 1.8% to 7% for the Group and 4.1% to 7% 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	
	2023 Fixed payments MUR '000	2022 Fixed payments MUR '000	2023 Fixed payments MUR '000	2022 Fixed payments MUR '000
Fixed rent	**152 304**	113 372	**111 751**	74 482
	152 304	113 372	**111 751**	74 482

(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

Termination options not expected to be exercised	Within five years MUR '000	More than five years MUR '000	Total MUR '000
At 30 June 2023	**378 389**	**4 436**	**382 825**
At 30 June 2022	215 120	25 029	240 149

THE COMPANY

Termination options not expected to be exercised	Within five years MUR '000	More than five years MUR '000	Total MUR '000
At 30 June 2023	**253 931**	**43 432**	**297 363**
At 30 June 2022	138 363	25 029	163 392

Maturity Analysis	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Year 1	**145 348**	127 190	**108 526**	95 808
Year 2	**128 875**	57 268	**97 714**	32 041
Year 3	**66 597**	41 499	**54 495**	21 289
Year 4	**25 030**	13 979	**17 784**	12 063
Year 5	**22 319**	4 176	**22 319**	4 176
Onwards	**79 288**	76 881	**79 288**	76 881
	467 457	320 993	**380 126**	242 258
Less: unearned interest	**(84 632)**	(80 844)	**(82 763)**	(78 866)
	382 825	240 149	**297 363**	163 392

20. TAXATION

(a) Income tax

Income tax is calculated at 15% (2022: 15%) on the profit for the year as adjusted for income tax purposes. Tax rate in Reunion Island is at 25% (2022: 26.5%).

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 2023

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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Current tax liabilities	**45 258**	76 098	**49 823**	80 876

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Tax liability/(asset)				
At 1 July	**76 098**	(4 072)	**80 876**	(13 985)
Income tax expense	**131 769**	98 399	**115 471**	84 109
Corporate social responsibility	**12 482**	8 922	**12 482**	8 922
(Over)/under provision in previous year	**(5 091)**	29 165	**(9 146)**	29 185
Tax deducted at source	**–**	(20)	**–**	(20)
Tax and CSR paid	**(163 134)**	(56 525)	**(149 372)**	(26 150)
Investment tax credit	**(6 670)**	–	**–**	–
Foreign tax credit	**(488)**	(1 185)	**(488)**	(1 185)
Exchange difference	**292**	1 414	**–**	–
At 30 June	**45 258**	76 098	**49 823**	80 876

(c) Tax expense

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Income tax provision at applicable rate	**131 769**	98 399	**115 471**	84 109
CSR contribution	**12 482**	8 922	**12 482**	8 922
Investment tax credit	**(6 670)**	–	**–**	–
Foreign tax credit	**(488)**	–	**(488)**	–
(Over)/under provision in previous year	**(5 091)**	29 165	**(9 146)**	29 185
	132 002	136 486	**118 319**	122 216
Deferred tax charge to profit or loss (note 16)	**(13 980)**	(5 265)	**(13 561)**	(4 967)
Tax expense	**118 022**	131 221	**104 758**	117 249

(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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Profit before tax	**849 910**	548 000	**661 039**	526 742
Tax calculated at the rate of 17% (2022: 17%)	**144 485**	93 160	**112 377**	89 546
Tax effect of:				
Income not subject to tax	**(32 816)**	(28 307)	**(10 187)**	(6 376)
Expenses not deductible for tax purposes	**32 493**	25 967	**16 894**	7 544
CSR adjustment	**(2 757)**	(2 334)	**(2 757)**	(2 334)
Differential in tax rate	**(11 645)**	14 860	**(2 423)**	(316)
(Over)/under provision in previous year	**(5 091)**	29 165	**(9 146)**	29 185
Investment tax credit	**(6 670)**	–	**–**	–
Effect of tax on associate	**23**	13	**–**	–
Deferred tax asset on tax losses not recognised	**–**	(1 303)	**–**	–
Tax charge	**118 022**	131 221	**104 758**	117 249

21. DEFERRED REVENUE

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	**63 643**	39 144
Addition	**–**	49 434
Income recognised	**(11 831)**	(20 257)
Exchange difference	**1 965**	(4 678)
At 30 June	**53 777**	63 643
Maturity analysis:		
Current	**12 004**	12 163
Non-current	**41 773**	51 480
	53 777	63 643

The deferred revenue arises as a result of capital grants received from the government by one of the subsidiary of the Group following their capital expenditure incurred on building improvements and some 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 2023

22. DIVIDENDS

On 10 November 2022, the Board of Directors declared an interim dividend of MUR 4.80 per share (2022: MUR 4.20 per share) which was paid on 19 December 2022. On 12 May 2023, a final dividend of MUR 11.20 per share (2022: MUR 9.10 per share) was declared and paid on 16 June 2023.

	THE COMPANY	
	2023 MUR '000	2022 MUR '000
Dividends declared		
2023: MUR 16.00 per share (2022: MUR 13.30 per share)	**263 152**	218 745

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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Type of goods				
Non-alcoholic beverage	**5 210 534**	4 453 624	**3 964 350**	3 281 917
Alcoholic beverage	**5 683 815**	4 924 963	**5 285 689**	4 394 434
Discount and trade deals	**(295 442)**	(370 508)	**(199 587)**	(174 537)
	10 598 907	9 008 079	**9 050 452**	7 501 814
Recycled glass and related products	**9 687**	6 843	**–**	–
Total revenue	**10 608 594**	9 014 922	**9 050 452**	7 501 814
Geographical markets				
Local	**8 876 774**	7 394 710	**9 050 452**	7 501 814
Overseas	**1 731 820**	1 620 212	**–**	–
Total revenue	**10 608 594**	9 014 922	**9 050 452**	7 501 814
Timing of revenue recognition				
Goods transferred at a point in time	**10 608 594**	9 014 922	**9 050 452**	7 501 814

24. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Depreciation on property, plant and equipment (note 5)	**411 235**	364 606	**344 449**	297 369
Depreciation on right-of-use assets (note 19(a))	**132 591**	98 203	**95 279**	61 584
Amortisation of intangible assets (note 6)	**1 706**	2 102	**1 331**	1 213
Employee benefit expense (note 25)	**1 172 976**	1 035 805	**822 463**	710 367
Changes in inventories of finished goods and work in progress	**1 835**	(112 980)	**42 775**	(63 508)
Purchases of finished goods, Raw materials and consumables used	**3 482 395**	2 899 021	**2 757 382**	2 206 769
Excise and other specific duties	**2 936 171**	2 647 776	**2 936 171**	2 647 776
Other marketing and selling expenses	**338 770**	324 631	**300 457**	272 884
Management fees	**211 528**	163 477	**211 528**	163 477
Impairment of investment in subsidiary (note 7)	**–**	–	**–**	442
Foreign exchange losses	**–**	26 345	**–**	–
Other expenses	**1 107 929**	995 064	**885 680**	678 558
Total cost of sales, warehousing, selling and marketing and administrative expenses	**9 797 136**	8 444 050	**8 397 515**	6 976 931

25. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Wages , salaries and other employee benefits	**1 005 686**	876 751	**739 819**	633 859
Social security costs	**111 752**	106 878	**27 187**	25 100
Pension costs - defined benefit plans (note 17 A(iv) & B(iv))	**22 447**	22 533	**22 366**	22 327
Pension costs - defined contribution plans	**33 091**	29 643	**33 091**	29 081
	1 172 976	1 035 805	**822 463**	710 367

26. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Interest income	**392**	258	**392**	258
Dividend income	**69**	724	**24 968**	24 943
Profit on disposal of plant and equipment	**301**	1 494	**301**	267
Management fees received	**–**	–	**3 401**	3 503
Sundry income	**31 871**	16 375	**28 649**	21 821
Foreign exchange gains	**29 755**	117	**6 848**	117
	62 388	18 968	**64 559**	50 909

Notes to the Financial Statements

for the year ended 30 June 2023

27. PROFIT BEFORE FINANCE COSTS AND SHARE OF ASSOCIATE

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Profit before finance costs is arrived at after				
crediting:				
Profit on disposal of plant and equipment	**301**	1 494	**301**	267
Deferred revenue (note 21)	**9 866**	24 935	**–**	–
Reversal of impairment loss recognised on long term receivables (note 10)	**–**	–	**1 500**	74 823
and charging:				
Cost of inventories expensed	**7 841 496**	6 586 315	**7 088 489**	5 895 200
Depreciation on property, plant and equipment (note 5)	**411 235**	364 606	**344 449**	297 369
Depreciation on right-of-use assets (note 19(a))	**132 591**	98 203	**95 279**	61 584
Amortisation of intangible assets (note 6)	**1 706**	2 102	**1 331**	1 213
Employee benefit expense (note 25)	**1 172 976**	1 035 805	**822 463**	710 367
Impairment of investment in subsidiary (note 7)	**–**	–	**–**	442

28. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Bank overdrafts	**2 421**	937	**1 485**	297
Bank loans	**16 967**	15 347	**13 782**	13 741
Leases	**20 286**	15 213	**18 623**	13 411
	39 674	31 497	**33 890**	27 449

29. EARNINGS PER SHARE

	THE GROUP	
	2023	2022
Profit attributable to owners of the Company (MUR'000)	**731 888**	417 340
Number of ordinary shares in issue	**16 447 000**	16 447 000
Basic and diluted earnings per share (MUR cs)	**44.50**	25.37

30. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Profit before tax	**849 910**	548 000	**661 039**	526 742
Adjustments for:				
Depreciation on property, plant and equipment (note 5)	**411 235**	364 606	**344 449**	297 369
Depreciation on right-of-use assets (note 19(a))	**132 591**	98 203	**95 279**	61 584
Amortisation of intangible assets (note 6)	**1 706**	2 102	**1 331**	1 213
Profit on disposal of plant and equipment (note 26)	**(301)**	(1 494)	**(301)**	(267)
Exchange differences	**(14 468)**	30 999	**(20 300)**	(9 715)
(Reversal of)/loss allowance recognised on trade receivables (note 12(c))	**(16 079)**	10 265	**22 567**	8 770
Reversal of impairment loss on long term receivables (note 10)	**–**	–	**(1 500)**	(74 823)
Dividend income (note 26)	**(69)**	(724)	**(24 968)**	(24 943)
Interest income (note 26)	**(392)**	(779)	**(392)**	(258)
Deferred revenue (note 21)	**(11 831)**	(20 305)	**–**	–
Increase in pension provision (note 17)	**22 447**	22 533	**22 366**	22 327
Interest expense (note 28)	**39 674**	31 497	**33 890**	27 449
Share of results of associate (note 8(a))	**341**	78	**–**	–
	1 414 764	1 084 981	**1 133 460**	835 448
Changes in working capital:				
- Trade and other receivables	**(240 893)**	(103 657)	**(252 683)**	24 363
- Inventories	**(237 706)**	(337 175)	**(198 249)**	(241 662)
- Trade and other payables	**74 858**	202 822	**162 942**	120 715
Cash generated from operations	**1 011 023**	846 971	**845 470**	738 864

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Bank and cash balances	**377 706**	402 225	**166 383**	247 795
Bank overdrafts (note 15)	**(95 733)**	(15 812)	**(95 733)**	–
Cash and cash equivalents	**281 973**	386 413	**70 650**	247 795

Notes to the Financial Statements

for the year ended 30 June 2023

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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	**(52 809)**	90 372	**(54 562)**	88 515
US Dollar	**50 340**	8 853	**43 736**	7 340
Euro	**254 965**	277 897	**51 997**	142 649
Other currencies	**29 477**	9 291	**29 479**	9 291
	281 973	386 413	**70 650**	247 795

(d) Reconciliation of liabilities arising from financing activities

THE GROUP

			Non-cash changes			
2023	Opening MUR '000	Cash flows MUR '000	Additions MUR '000	Interest accrued MUR '000	Others* MUR '000	Closing MUR '000
Bank loans (note 15)	**394 510**	**40 371**	**–**	**–**	**23 478**	**458 359**
Lease liabilities (note 19(b))	**240 149**	**(152 304)**	**252 899**	**20 286**	**21 795**	**382 825**

			Non-cash changes			
2022	Opening MUR '000	Cash flows MUR '000	Additions MUR '000	Interest accrued MUR '000	Others* MUR '000	Closing MUR '000
Bank loans (note 15)	514 006	(94 112)	–	–	(25 384)	394 510
Lease liabilities (note 19(b))	317 677	(113 372)	29 431	15 213	(8 800)	240 149

THE COMPANY

			Non-cash changes			
2023	Opening MUR '000	Cash flows MUR '000	Additions MUR '000	Interest accrued MUR '000	Others* MUR '000	Closing MUR '000
Bank loans (note 15)	**299 564**	**(75 129)**	**–**	**–**	**8 575**	**233 010**
Lease liabilities (note 19(b))	**163 392**	**(111 751)**	**227 099**	**18 623**	**–**	**297 363**

			Non-cash changes			
2022	Opening MUR '000	Cash flows MUR '000	Additions MUR '000	Interest accrued MUR '000	Others* MUR '000	Closing MUR '000
Bank loans (note 15)	392 982	(77 606)	–	–	(15 812)	299 564
Lease liabilities (note 19(b))	195 032	(74 482)	29 431	13 411	–	163 392

** Others include non-cash transactions such as exchange differences on borrowings and other movements in leases (note 19(b))*

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 product.

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

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

Segment revenues and segment results

	Segment Revenue		Segment Result	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Local	**9 060 139**	7 508 657	**687 512**	444 994
Overseas	**2 457 479**	2 315 868	**186 334**	144 846
Total	**11 517 618**	9 824 525	**873 846**	589 840
Intersegment revenue	**(909 024)**	(809 603)	**–**	–
	10 608 594	9 014 922	**873 846**	589 840
Share of results of associate			**(341)**	(78)
Credit loss reversal/(expense) on trade receivables			**16 079**	(10 265)
Finance costs			**(39 674)**	(31 497)
Profit before tax			**849 910**	548 000
Tax expense			**(118 022)**	(131 221)
Profit for the year			**731 888**	416 779

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 10.6 billion (2022: MUR 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.

Notes to the Financial Statements

for the year ended 30 June 2023

31. SEGMENTAL INFORMATION continued

Segment assets and liabilities

	Assets		Liabilities	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Local	**7 254 555**	6 942 493	**2 131 097**	1 993 391
Overseas	**1 793 261**	1 337 133	**846 614**	733 986
Consolidated assets/liabilities	**9 047 816**	8 279 626	**2 977 711**	2 727 377

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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Local	**441 250**	360 530	**534 076**	299 632
Overseas	**104 282**	104 381	**136 853**	39 109
	545 532	464 911	**670 929**	338 741

Revenue from major products and services

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

	2023 MUR '000	2022 MUR '000
Beverages	**10 598 907**	9 008 079
Recycled glass and related products	**9 687**	6 843
	10 608 594	9 014 922

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	
		2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
(i)	Dividend income				
	Subsidiaries	**–**	–	**24 899**	24 888
	Fellow subsidiaries	**69**	33	**69**	33
(ii)	Sales of goods or services				
	Subsidiaries	**–**	–	**181 059**	110 662
	Enterprise in which ultimate holding Company has significant interest	**541 215**	444 089	**541 215**	444 089
(iii)	Purchase of goods or services				
	Subsidiaries	**–**	–	**1 670**	369
	Enterprise in which ultimate holding Company has significant interest	**66 420**	91 068	**66 420**	91 068
(iv)	Management fees/interest paid/donations paid				
	Subsidiaries	**–**	–	**–**	2 231
	Fellow subsidiaries	**211 528**	163 477	**211 528**	163 477
(v)	Management fees/interest received				
	Subsidiaries	**–**	–	**3 401**	3 503
(vi)	Rechargeable costs				
	Subsidiaries	**–**	–	**27 710**	8 019

Notes to the Financial Statements

for the year ended 30 June 2023

32. RELATED PARTY TRANSACTIONS continued

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
(vii) Outstanding balances				
Receivables from related parties				
Subsidiaries	**–**	–	**197 285**	40 937
Enterprises in which ultimate holding Company has significant interest	**94 582**	73 158	**94 582**	73 158
Fellow subsidiary	**–**	–	**77**	–
Payables to related parties				
Subsidiaries	**–**	–	**7 923**	–
Enterprises in which ultimate holding Company has significant interest	**9 902**	5 189	**9 902**	5 189
Fellow subsidiary	**20 528**	2 434	**20 528**	2 434

The balances have been netted off in the statement of financial position and not in the related parties disclosures. The outstanding receivables in the related parties 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 110.1m (2022: MUR 86.2m) previously recognised as impairment loss in respect of amounts due from a subsidiary, 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	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Capital commitments contracted for and not provided in the financial statements:				
Property, plant and equipment	**64 134**	67 545	**63 870**	62 584

34. CONTINGENT LIABILITIES

At 30 June 2023, the Group and the Company had contingent liabilities in respect of bank guarantees of MUR 76.8m (2022: MUR 76.8m) arising in the ordinary course of business. The Group and the Company has not made any provision for this liability as directors consider the probability of the liability to be uncertain.

35. 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.

36. WORLD EVENTS

Local, regional, or global events such as war (e.g., Russia/Ukraine), acts of terrorism, public health issues like pandemics or epidemics (e.g., COVID-19), recessions, or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in global economies and may have an impact on the Group's and its operations. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility. Management has developed contingency plans to mitigate the impact of those foreseeable risks and any disruptions to the operations of the Company

Shareholder's Corner

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of **Phoenix Beverages Limited** will be held at **IBL House, Caudan Waterfront, Port Louis** on **Wednesday 29 November 2023 at 10.00 hours** to transact the following business in the manner required for the passing of **ORDINARY RESOLUTIONS**:

AGENDA:

1. To consider the Integrated Report 2023 of the Company.
2. To receive the report of Deloitte, the auditors of the Company for the year ended 30 June 2023.
3. To consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2023.
4. To elect, as Director of the Company, Mrs. Umulinga Karangwa* who has been nominated by the Board and who offers herself for election.
5. To elect, as Director of the Company, Mrs. Christine Marot* who has been nominated by the Board and who offers herself for election.
6. To re-elect by rotation, on the recommendation of the Board of Directors, Mr. Jan Boullé* who offers himself for re-election as Director of the Company.
7. To re-elect by rotation, on the recommendation of the Board of Directors, Mr. François Dalais* who offers himself for re-election as Director of the Company.
8. To re-elect by rotation, on the recommendation of the Board of Directors, Mrs. Sylvia Maigrot* who offers herself for re-election as Director of the Company.
9. To re-elect as Director of the Company until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr. Thierry Lagesse*, who offers himself for re-election.
10. To fix the remuneration of the Directors for the year to 30 June 2024 and to ratify the emoluments paid to the Directors for the year ended 30 June 2023.
11. To reappoint Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
12. To ratify the emoluments paid to Deloitte, the external auditors, for the financial year ended 30 June 2023.

BY ORDER OF THE BOARD

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

27 September 2023

**Footnote: The profiles and categories of the Directors proposed for election / re-election are set out in the Integrated Report 2023.*

NOTES:

a. 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.

*b. 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 **Tuesday 28 November 2023 at 10.00 hours** and in default, the instrument of proxy shall not be treated as valid.*

c. A proxy form is included in the Integrated Report and is also available at the Share Registry and Transfer Office of the Company.

d 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 31 October 2023.

*e. The minutes of the Annual Meeting to be held on **29 November 2023** 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 29 January 2024 to 6 February 2024.*

BRN: C07001183

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 Beverages Overseas Ltd
Pont Fer, Phoenix, Mauritius
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: contact@phoenixbev.mu
Website: www.phoenixbeveragesgroup.mu

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

Shareholders' Information

Meeting procedures

Q: Who can attend the Annual Meeting?

A: In compliance with Section 120(3) of the Mauritius Companies Act 2001, the Board has resolved that anyone who is registered in the share register of Phoenix Beverages Limited as at 31 October 2023 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 31 October 2023 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 Tuesday 28 November 2023.

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 Tuesday 28 November 2023.

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

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 IBL House, Caudan Waterfront, Port Louis on **Wednesday 29 November 2023 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 2023 of the Company			
2.	To receive the report of Deloitte, the auditors of the Company for the year ended 30 June 2023.			
3.	To consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2023.			
4.	To elect, as Director of the Company, Mrs. Umulinga Karangwa who has been nominated by the Board and who offers herself for election.			
5.	To elect, as Director of the Company, Mrs. Christine Marot who has been nominated by the Board and who offers herself for election.			
6.	To re-elect by rotation, on the recommendation of the Board of Directors, Mr. Jan Boullé who offers himself for re-election as Director of the Company.			
7.	To re-elect by rotation, on the recommendation of the Board of Directors, Mr. François Dalais who offers himself for re-election as Director of the Company.			
8.	To re-elect by rotation, on the recommendation of the Board of Directors, Mrs. Sylvia Maigrot who offers herself for re-election as Director of the Company.			
9.	To re-elect as Director of the Company until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr. Thierry Lagesse, who offers himself for re-election.			
10.	To fix the remuneration of the Directors for the year to 30 June 2024 and to ratify the emoluments paid to the Directors for the year ended 30 June 2023.			
11.	To reappoint Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration			
12.	To ratify the emoluments paid to Deloitte, the external auditors, for the financial year ended 30 June 2023			

Signed this .... day of .... 2023.

....

Signature(s)

Notes:

1. *A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.*
3. *The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 10th Floor, Standard Chartered Tower, 19 CyberCity, Ebène, by **Tuesday 28 November 2023** at **10.00 hours** and in default, the instrument of proxy shall not be treated as valid.*

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THIRST FOR THE BEST. FIRST FOR YOU.

Phoenixbeveragesgroup.mu