

PHOENIX INVESTMENT COMPANY LIMITED



2023

Annual Report ▶



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Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Phoenix Investment Company Limited ("PICL" or "the Company") for the year ended 30 June 2023. This report was approved by the Board of Directors on 27 September 2023.

On behalf of the board of PICL, we invite you to join us at the Annual Meeting of the Company which will be held:

Date: 29 November 2023

Time: 11.00 hours

Place: IBL House Caudan Waterfront, Port Louis

We look forward to seeing you.

Sincerely,



Arnaud Lagesse
Chairperson

27 September 2023



Guillaume Hugnin
Director

CORPORATE INFORMATION

Name of Company

Phoenix Investment Company Limited
Business Registration Number C07001226

Registered Office

4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius
Phone: (230) 203 2000

Business Address

Pont Fer
Phoenix
Mauritius
Phone: (230) 601 2000

Company Secretary

IBL Management Ltd
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius
Phone: (230) 211 1713

Share Registry & Transfer Office

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

DTOS Registry Services Ltd
10th Floor, Standard Chartered Tower
19 CyberCity
Ebène
Mauritius
Phone: (230) 404 6000

Auditors

Deloitte
7th-8th Floor Standard Chartered Tower
19-21 Bank Street
CyberCity Ebène
Mauritius

Banker

The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Mauritius

CHAIRMAN'S MESSAGE

In a year of significant milestones, I am pleased to report a strong recovery in profitability and revenue growth of your Group. PhoenixBev is well positioned to further enlarge its portfolio, consolidate its presence and extend its 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. The Group's 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 our Group 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 our subsidiary'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

The Group'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 the Group's brand portfolio was the distribution licence for Pernod-Ricard products, secured for Réunion Island. The Group is 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 (+56%) to reach MUR 847.6 million (2022: MUR 544.5 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.

PBL paid MUR 2.9 billion as excise duties, an increase of 10.9% on 2022 which represents 32.4% of its turnover.

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.

The board declared a total dividend of MUR 13.93 per share (2022: MUR 11.44).

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).

The Group'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.

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, the Group remains 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.

The Group 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 years demonstrate the strength of its financial position to support future organic and inorganic growth.

Acknowledgements

I extend my deepest appreciation to my fellow directors for their diligence and contribution in guiding the Group. 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 our 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
Chairperson
27 September 2023

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Phoenix Investment Company Limited ("PICL" or "the Company") was incorporated on 22 June 1961, is a public interest entity as defined under the Financial Reporting Act 2004 and is listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius since 1990. This Corporate Governance Report sets out how PICL has applied the principles contained in the National Code of Corporate Governance for Mauritius (2016) (the "Code of Corporate Governance").

PICL is an investment vehicle and does not undertake managerial or operating activities. As such, it has fully adhered and complied with the recommendations of the Audit and Risk Committee of its operating subsidiary, Phoenix Beverages Limited ("PhoenixBev"). These include the following: Sub-committee, information, information technology and information security governance, Code of Ethics and whistleblowing, risk management and internal control as well as for internal and external audit. Accordingly, certain sections from the corporate governance report of PhoenixBev relevant to the above items have been replicated in this report.

To the best of the knowledge of the Board of Directors of PICL (the "Board"), the Company has complied with the Code throughout the year ended 30 June 2023. The Company has indeed applied all of the principles set out in the Code and explained how these principles have been applied, mostly through the governance structure of its operating subsidiary.

PRINCIPLE 1 : GOVERNANCE STRUCTURE

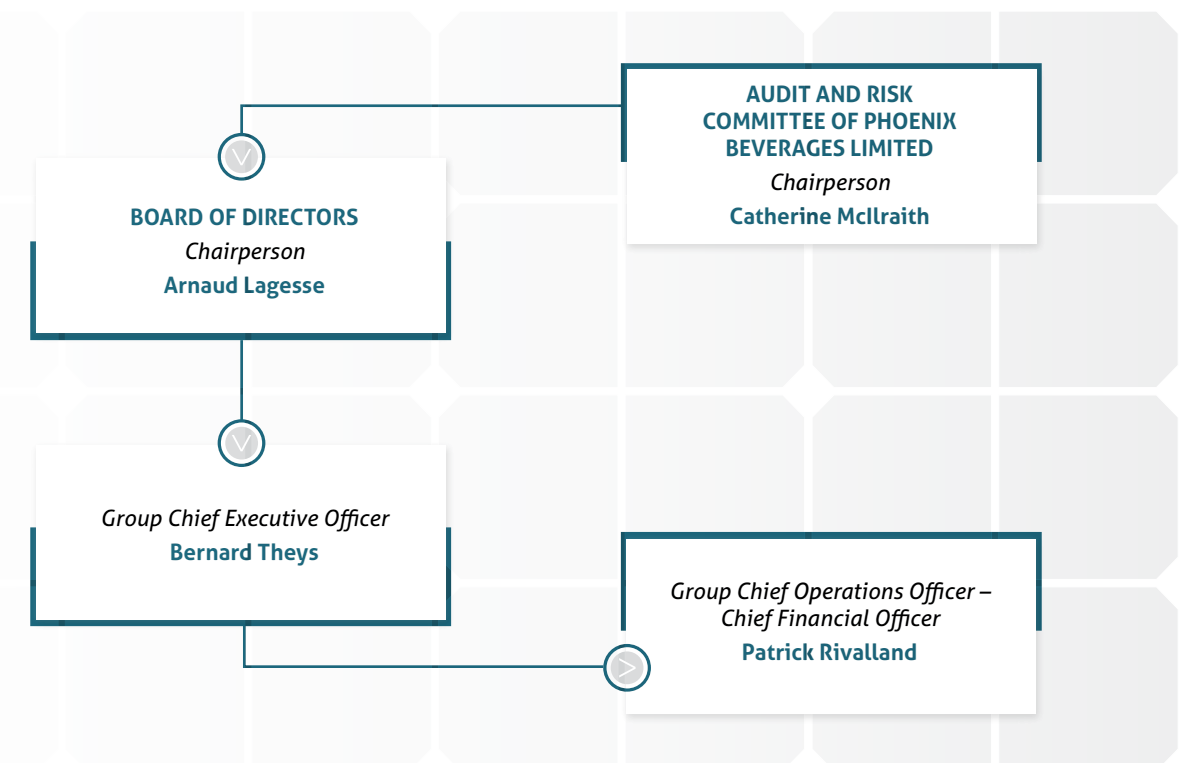
Governance

The Constitution of the Company defines the role, function and objectives of the Board of Directors and of its Chairperson.

The Board of Directors of PICL assumes responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

Organisation chart and statement of accountabilities

The governance structure and the organisation chart of PICL setting out the key senior positions as well as the reporting lines, as approved by its Board of Directors, is found below:



PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board of Directors

PICL is led by an effective and highly committed unitary Board comprising nine directors who possess the appropriate skills, knowledge, independence and experience in 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 the right balance of skills to exercise its duties and responsibilities.

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

Directors	Status
Arnaud Lagesse	Non-Executive Chairperson
Shahannah Abdoolakhan	Independent Non-Executive Director
Jan Boullé	Non-Executive Director
François Dalais	Non-Executive Director
Madhukar Gujadhur	Independent Non-Executive Director
Guillaume Hugnin	Non-Executive Director
Hugues Lagesse	Non-Executive Director
Thierry Lagesse	Non-Executive Director
Christine Marot	Non-Executive Director
Alternate Director	
Roger Espitalier Noël	Alternate Director to Guillaume Hugnin

No changes occurred in the Board composition of the Company during the year under review.

Although the Code of Corporate Governance recommends having at least two executive directors, the directors of the Company believe that the Board composition is adequate due to the presence of executive directors on the Board of its principal operating subsidiary, PhoenixBev.

Profiles of directors and details of other directorships

The profiles of the directors including their external directorships in other listed entities are disclosed at the end of this Corporate Governance report.

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

Common directorships

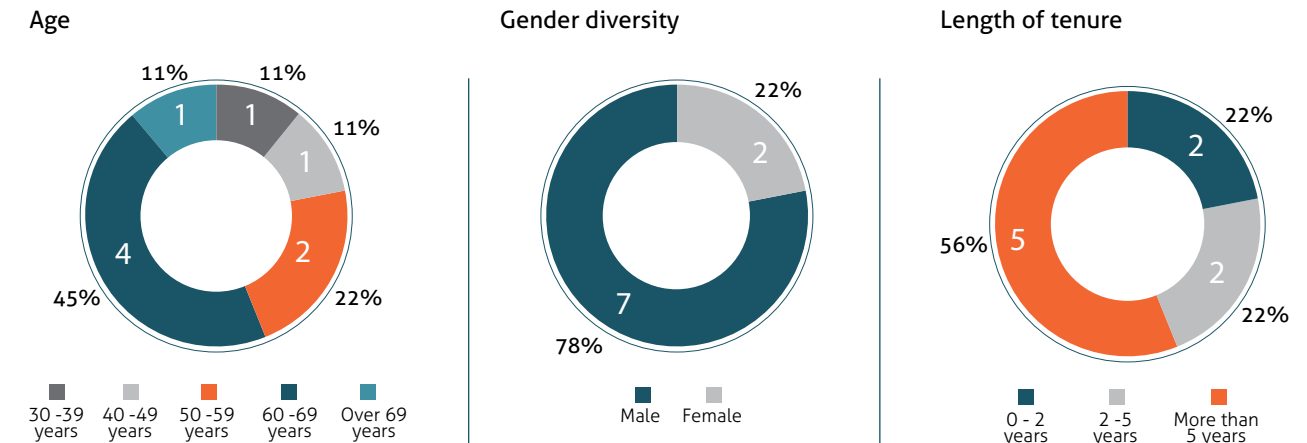
The Directors of the Company who also sit on the Boards of the companies shown in the cascade holding structure on page 20, namely IBL Ltd, Camp Investment Company Limited ("CICL") and PhoenixBev, are:

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

* Chairperson

** Alternate director

Balance and diversity of Board Members



Key roles and responsibilities within the Board

The Board of Directors of the Company is responsible for ensuring that there is an effective organisational and reporting structure in place so that there are clear reporting lines and well-defined roles and responsibilities. It ensures that the right decisions are being made with the involvement from the right people. The Board's ultimate responsibility is for the supervision of the Company and its subsidiaries (the "Group").

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

Chairperson

- Provides overall leadership
- Ensures smooth functioning of the Board
- Encourages active participation of each director in discussions
- Makes sure the Board is aware of the Company's and Group's affairs and assumes its obligations to all shareholders and other stakeholders

Non-Executive Directors

- Monitor the delivery of the agreed strategy within the risk and control framework set by the Board
- Constructively challenge the senior management and the management of the Company.

Senior Management

- Responsible for the day to day running of the Company's and Group's operations
- Leads and directs management to implement the strategy and policies set by the Board
- Provides insights for short and medium term development of Group operations

Company Secretary

- Provides assistance and information on governance and corporate administration matters
- Guides the Board on the directors' statutory duties under the law, disclosure obligations and listing rules as well as corporate governance requirements and effective Board processes

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 the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that Board decisions are implemented.

Board processes, meetings and activities in 2022-2023

Board meeting process

Beginning of 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 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 are supported by presentation from any other relevant attendee, are discussed and appropriate decisions are taken.

After Board meeting

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

Board meetings and activities

During the year under review, the Board met twice and Board decisions were also taken by way of written resolutions signed by all the Directors.

Below is a list of the main issues discussed at the aforementioned meeting or decisions taken by way of written resolutions, namely:

- the annual financial statements for the year ended 30 June 2022 and the corresponding abridged audited consolidated results for publication;
- the annual report 2022 including the corporate governance report;
- recommendation to the shareholders in respect of directors' remuneration
- the convening of the Annual Meeting 2022 of shareholders including the appointment of Deloitte as external auditors for year ended 30 June 2023;
- the condensed unaudited quarterly & three months results at 30 September 2022 for publication;
- the condensed unaudited quarterly & half-yearly results at 31 December 2022 for publication;
- the condensed unaudited quarterly & nine months results at 31 March 2023 for publication;
- the declaration of an interim and a final dividend for the financial year ended 30 June 2023.

Attendance at Board meeting in 2022-2023

Directors	27 September 2022	10 February 2023	Attendance
Arnaud Lagesse	–	✓	1 out of 2
Shahannah Abdoolakhan	✓	–	1 out of 2
Jan Boullé	✓	✓	2 out of 2
François Dalais	–	✓	1 out of 2
Madhukar Gujadhur	✓	✓	2 out of 2
Guillaume Hugnin	✓	✓	2 out of 2
Hugues Lagesse	✓	✓	2 out of 2
Thierry Lagesse	–	✓	1 out of 2
Christine Marot	✓	–	1 out of 2
In attendance			
Patrick Rivalland	✓	✓	2 out of 2
Bernard Theys	✓	✓	2 out of 2

Annual effectiveness review

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

Board Committees

PhoenixBev, the principal operating subsidiary of the Company, has set two Board Committees namely, a Corporate Governance Committee (*also acting as Nomination Committee*) and an Audit and Risk Committee which function within defined terms of reference and operating procedures. These committees report regularly to PhoenixBev's Board of Directors.

During the year under review, the Audit and Risk Committee has overseen the main audit and risk issues of the whole PICL group of companies.

Since July 2021, all the nomination matters of PICL are no longer overseen by the Corporate Governance Committee of PhoenixBev. Instead, the Board of PICL deals with all nomination and governance aspect of the Company. In line with requirements of the Mauritius Companies Act 2001 and in view of enhancing its governance structure, the Board of PICL appointed 2 Independent Non-Executive Directors in February 2022.

The Company Secretary acts as secretary to the Board Committees of PhoenixBev. The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are then signed by the Chairman of the Board Committee and the Company Secretary.

The Audit and Risk Committee of PhoenixBev assists the Board of PICL in fulfilling its oversight responsibilities. It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the external auditors. It assists in creating an environment and structures for risk management to operate effectively.

The details of the Audit and Risk Committee of Phoenix Beverages Limited including the composition, purpose and responsibilities, the attendance record as well as the terms of reference are reproduced thereafter:

Audit and Risk Committee of Phoenix Beverages Limited

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

Regular financial matters

- Abridged audited annual financial statements and Annual Report including full audited financial statements
- Report from the external auditors
- Abridged unaudited financial statements for the first, second and third quarters
- Management accounts for each quarter
- 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 Risk Report and Risk Register
- Review of insurance policies for the Company
- Follow-up of Réunion Island activities

Annual effectiveness review

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

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES



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. All newly appointed directors receive an induction pack containing documents pertaining to their role, duties and responsibilities. In addition, the Company Secretary and the Chairperson remain available for one-to-one briefings and new directors are invited to meet members of the senior management of Phoenix Beverages Limited, the Company's principal operating subsidiary, in order to rapidly acquire a comprehensive view of the Group's operations, risks and strategy.

The Company Secretary also submits a copy of the declaration of the director's interests 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.

Accordingly, in September 2023 a tailor-made workshop lead by an external consultant has been organised for all the Directors of the company.

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.

Succession plan

The Board of PICL, is responsible for preparing the succession plan for directors. The Board believes that good succession planning is a key contributor in the delivery of the Company's strategy.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' duties

Directors are aware of their legal duties. Once appointed on the Board, of the Company, the directors receive a set of documents pertaining to their duties and responsibilities.

Interests register, conflicts of interest and related party transactions policy

The Constitution of the Company contains 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 PICL 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 PICL. According to the Constitution of the Company, a director is not required to hold shares in the Company. As soon as a director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest must be reported to the Company in writing. The register of interests is updated on a continuous basis with any subsequent transactions entered into by the directors and persons closely associated with them.

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

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

The directors and officers of PICL having direct and/or indirect interests in the ordinary shares of the Company at 30 June 2023 were as follows:

Directors	Direct interest		Indirect interest
	Number of shares	Percentage holding	Percentage holding
Arnaud Lagesse	–	–	0.80
François Dalais	92	0.00	–
Guillaume Hugnin	2 800	0.05	–
Alternate director			
Roger Espitalier Noël	–	–	0.24
Officer			
Patrick Rivalland	1 004	0.02	–

Please refer to the statutory disclosures section of the Annual Report for the direct and indirect interest of the directors and officers of PICL in the securities of the subsidiaries of the Company as at 30 June 2023.

Directors' and officers' dealings in shares of Phoenix Investment Company Limited

The directors of PICL use their best endeavours to follow the rules of the Development & Enterprise Market of the Stock Exchange of Mauritius.

The directors and officers of the Company are prohibited from dealing in the shares of PICL at any time when 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 to the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/ announcements.

Moreover, 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.

Moreover, directors and officers of PICL are required to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

Information, information technology and information security governance

The operating subsidiary PhoenixBev, 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 the level of the operating subsidiary and all its employees are continuously encouraged to consult same on a regular basis. The main programs and guidelines covered by the said policies are listed below:

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

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

The operating subsidiary, PhoenixBev, ensures ongoing compliance with the data protection regulations.

Code of Ethics and whistleblowing

It is believed that it is essential that all employees of the Group act in a professional manner and extend the highest courtesy to co-workers, visitors, vendors, clients and all other stakeholders.

As such, PhoenixBev adopted a code of ethics applicable to the Group. The code is based on the important principle of respect. This fundamental principle applies to the consumers, customers, employees, shareholders and the communities in which the Group operates.

Moreover, the code provides guidance to employees of PhoenixBev on how to behave both in the immediate internal environment as well as for external interactions. It also 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 the code of ethics and it is ensured that same is complied with. Indeed, compliance with the code is continuously monitored by the Senior Manager Human Resources. The code is available on the website of PhoenixBev on www.phoenixbeveragesgroup.mu

Remuneration policy

All directors of PICL receive a Board remuneration consisting of a fixed fee. Changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

The directors' fees for the year under review were MUR 50 000 per director.

The executive directors and key management personnel of PhoenixBev are remunerated by Phoenix Management Company Ltd ("PMC", a subsidiary of Camp Investment Company Limited, itself the holding company of PICL) further to a management contract between PMC and PhoenixBev. The remuneration package takes into consideration the financial performance of Phoenix Beverages Limited, individual performance, market norms and best practice.

Please refer to page 31 of this report for the profiles of the senior management of the Company.

The remuneration and benefits received, or due and receivable, by the directors from the Company and its subsidiaries, and the remuneration received from companies on which the directors serve as representatives of PICL for the year ended 30 June 2023 are disclosed below:

Directors	Remuneration and benefits received from the Company (MUR)	Remuneration from subsidiary companies (MUR)	Total (MUR)
Arnaud Lagesse*	50 000	728 500	778 500
Shahannah Abdoolakhan	50 000	–	50 000
Jan Boullé*	50 000	606 250	656 250
François Dalais	50 000	390 000	440 000
Madhukar Gujadhur	50 000	–	50 000
Guillaume Hugnin	50 000	530 000	580 000
Hugues Lagesse	50 000	450 000	500 000
Thierry Lagesse	50 000	420 000	470 000
Christine Marot*	50 000	–	50 000

*The emoluments of Arnaud Lagesse, Jan Boullé and Christine Marot are paid directly to IBL Ltd.

The directors did not receive any remuneration and benefits from companies on which they serve as representatives of PICL. Please refer to the Statutory Disclosures section of the Annual Report.

Incentive schemes

The Company has no employees. However, a performance management policy has been established to accompany all managers and employees of PhoenixBev, the operating subsidiary, in their performance and personal development, through the setting up of annual objectives, competencies and development plans. In this respect, discretionary bonuses are paid in accordance with such targets. The outcome of performance management process is also used for succession planning.

Short-term incentive schemes of executive directors of PhoenixBev are being overseen and paid by PMC.

Board evaluation

An evaluation of the Board of Directors of the operating subsidiary, PhoenixBev, was launched during the year 2021-2022 and the next evaluation should be launched by the end of financial year 2023-2024. Given that PICL is an investment holding company, the Board has not conducted a board evaluation exercise at PICL's level for year ended 30 June 2023. However, such an exercise may be considered in the future, should the Board of PICL consider it appropriate.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management at Phoenix Beverages Limited

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

The responsibilities of the Board of PhoenixBev in this respect include, amongst 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 for implementing, maintaining and monitoring 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 Chief Executive Officer and his dedicated team, under the supervision of the Audit and Risk Committee, to establish and maintain a risk management system.

The Chief Executive Officer of PhoenixBev, in collaboration with his risk management team, identifies potential risks to the Group'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 yearly Risk Report of PhoenixBev, which is available from its website, details the main risk areas identified, mitigating effects and control procedures put in place accordingly.

Financial risk management

For the financial risk management, please refer to note 4 - Notes to the Financial Statements.

Internal control of Phoenix Beverages Limited

PhoenixBev has processes in place for identifying, classifying and managing significant risks at Group level. The effectiveness of the internal control systems is reviewed by the Audit and Risk Committee of PhoenixBev and provides the Board of PhoenixBev 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 of PhoenixBev is responsible for the Group's system of internal controls and for reviewing its effectiveness.

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 of PhoenixBev confirms that if significant weaknesses had been identified during this review, it would have taken the necessary steps to remedy them.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Board of PICL 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 of PICL 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 of PICL confirms that it is satisfied that the Company 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 of Phoenix Beverages Limited

The Audit and Risk Committee of PhoenixBev 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 in the improvement of the processes by which risks are identified and managed; and
- Assist in the strengthening of the organisation's internal control framework.

The Group's internal audit function is currently outsourced to BDO & CO for the provision of independent and objective assurance and consultancy services. BDO & CO employs a systematic and disciplined approach with 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 of PhoenixBev. 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 as and when necessary.

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 of Phoenix Beverages Limited



The various internal audit exercises carried out at 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

Since financial year ended 30 June 2022, the Board of PICL decided to rotate its auditors from Ernst & Young to Deloitte.

At Annual Meeting held on 13 December 2022 the shareholders approved the reappointed of Deloitte as 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 of PhoenixBev is responsible for reviewing the terms, nature and audit scope and approach, and ensure no unjustified restrictions or limitations have been placed on the scope.

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

Auditors' independence

The Audit and Risk Committee of PhoenixBev 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.

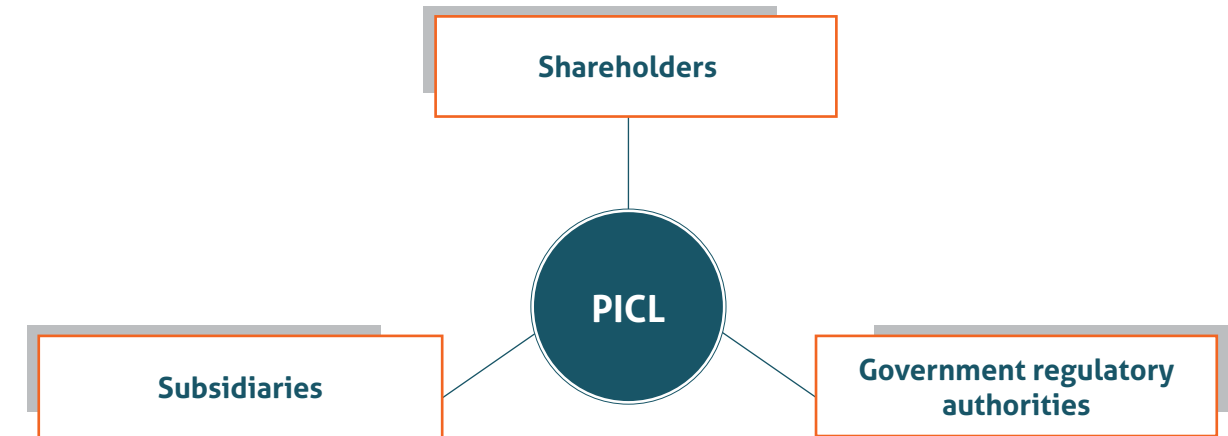
The external auditors are prohibited from providing non-audit services where their independence might be compromised by latter auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee of PhoenixBev. 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 OTHER STAKEHOLDERS

Key stakeholders

The diagram illustrates the key stakeholders of PICL.



Shareholders' communication

The Board of Directors of the Company 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, 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 the performance of its subsidiaries. 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	Attended (Yes/No)
Arnaud Lagesse	Yes
Jan Boullé	Yes
François Dalais	Yes
Guillaume Hugnin	Yes
Hugues Lagesse	No
Thierry Lagesse	No
Christine Marot	Yes
Alternate Director	
Roger Espitalier Noël	Yes
Officers	
Patrick Rivalland	Yes
Bernard Theys	Yes

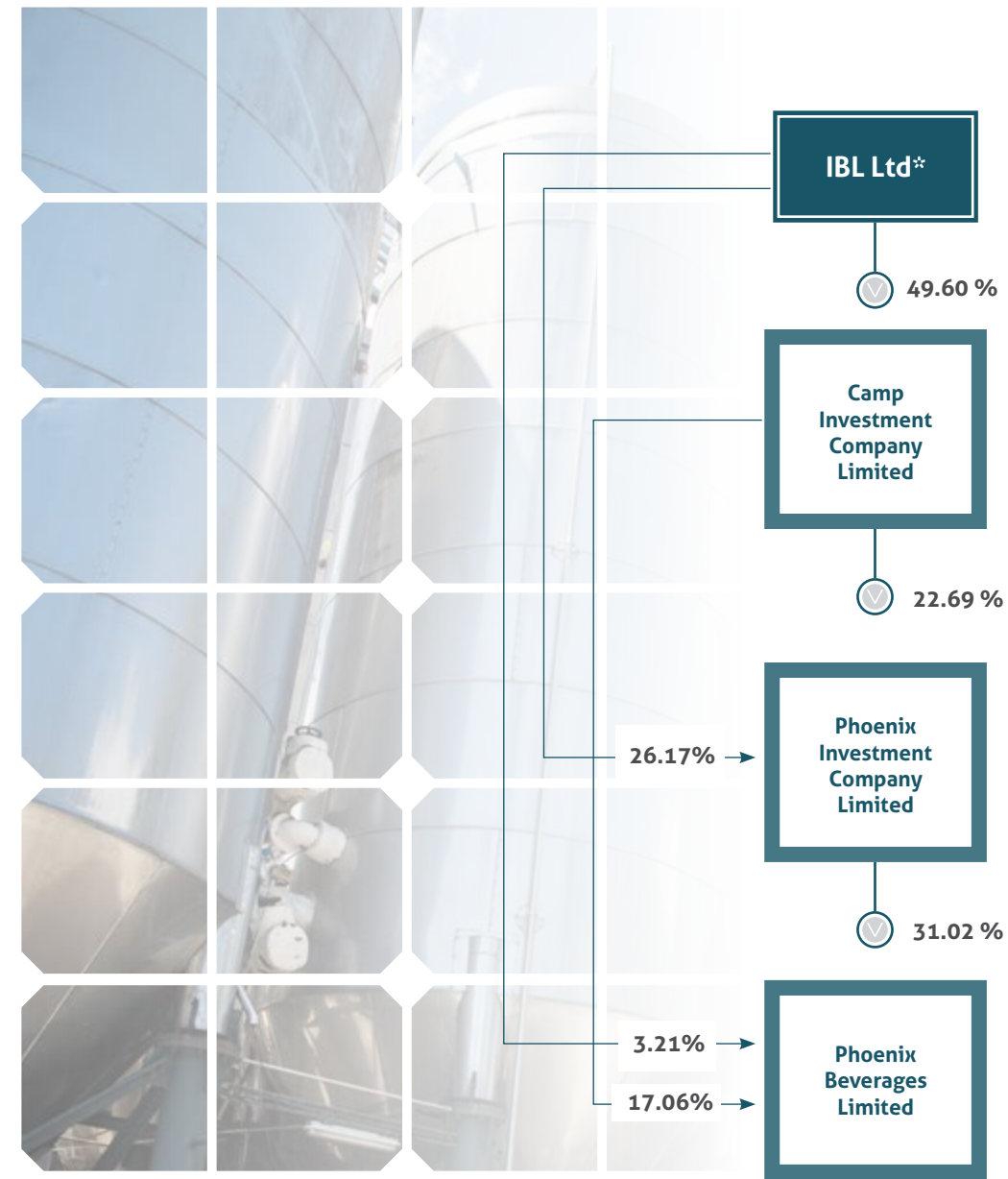
In line with good corporate governance practices, the Chief Executive Officer and the Chief Operations Officer – Chief Financial Officer of PhoenixBev regularly meet institutional investors and fund managers to discuss the state of affairs at the Company, its subsidiaries and associate.

Shareholding profile

The stated capital of the Company is made up of 5 685 387 ordinary shares of MUR 10.00 each.

As at 30 June 2023, there were 1 018 shareholders recorded in the share register of the Company.

Cascade holding structure



* IBL Ltd is the ultimate holding company

Main shareholders

The list of shareholders holding more than five percent of the ordinary shares of the Company as at 30 June 2023 are set out below.

Name of shareholder	Number of shares held	Percentage holding (%)
IBL Ltd	1 488 130	26.17
Camp Investment Company Limited	1 289 842	22.69

Shares in public hands

In accordance with the DEM Rules of the Stock Exchange of Mauritius, Phoenix Investment Company Limited respects the minimum 25% threshold of shareholding to be held by the hands of the public.

Breakdown of share ownership as at 30 June 2023

Size of shareholding	Number of shareholders	Number of shares	Percentage holding (%)
1 – 500 shares	592	85 584	1.50
501 – 1 000 shares	99	71 582	1.26
1 001 – 5 000 shares	203	463 398	8.15
5 001 – 10 000 shares	48	359 312	6.32
10 001 – 50 000 shares	67	1 300 177	22.87
50 001 – 100 000 shares	5	333 278	5.86
Above 100 000 shares	4	3 072 056	54.04
	1 018	5 685 387	100.00

Category	Number of shareholders	Number of shares	Percentage holding (%)
Individuals	895	1 680 361	29.55
Insurance & assurance companies	7	58 942	1.04
Pensions & provident funds	28	323 576	5.69
Investment & trust companies	12	1 413 168	24.86
Other corporate bodies	76	2 209 340	38.86
	1 018	5 685 387	100.00

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

Share Registry and Transfer Office

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

Share price information

The share price of Phoenix Investment Company Limited at 30 June 2023 was MUR 295.

Date	Price (MUR)	Yearly change (%)
30 June 2018	415.00	47
30 June 2019	385.00	(7.23)
30 June 2020	420.00	(9)
30 June 2021	383.25	(8.75)
30 June 2022	400.00	4.37
30 June 2023	295.00	(26.25)

Dividend policy

No formal dividend policy has been determined by the Board of PICL. Dividend payments are determined by the profitability of the Company, its cash flow, its future investment and growth opportunities. The Board of Directors of PICL decided that, based on management forecasts and the Group's profitability, an interim dividend would be paid in December 2022 and a final dividend in June 2023. Each dividend paid was subject to the satisfaction of the corresponding solvency test.

An interim dividend of MUR 4.10 per ordinary share was declared in November 2022 and a final dividend of MUR 8.93 per ordinary share was declared in May 2023, bringing the total dividend declared for the financial year under review to MUR 13.03 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)	13.93	11.44	11.04	11.02	11.44
Dividend cover (Number of times)	1.00	0.99	1.00	1.00	1.00
Dividend yield (%)	4.72	2.86	2.88	2.62	2.97

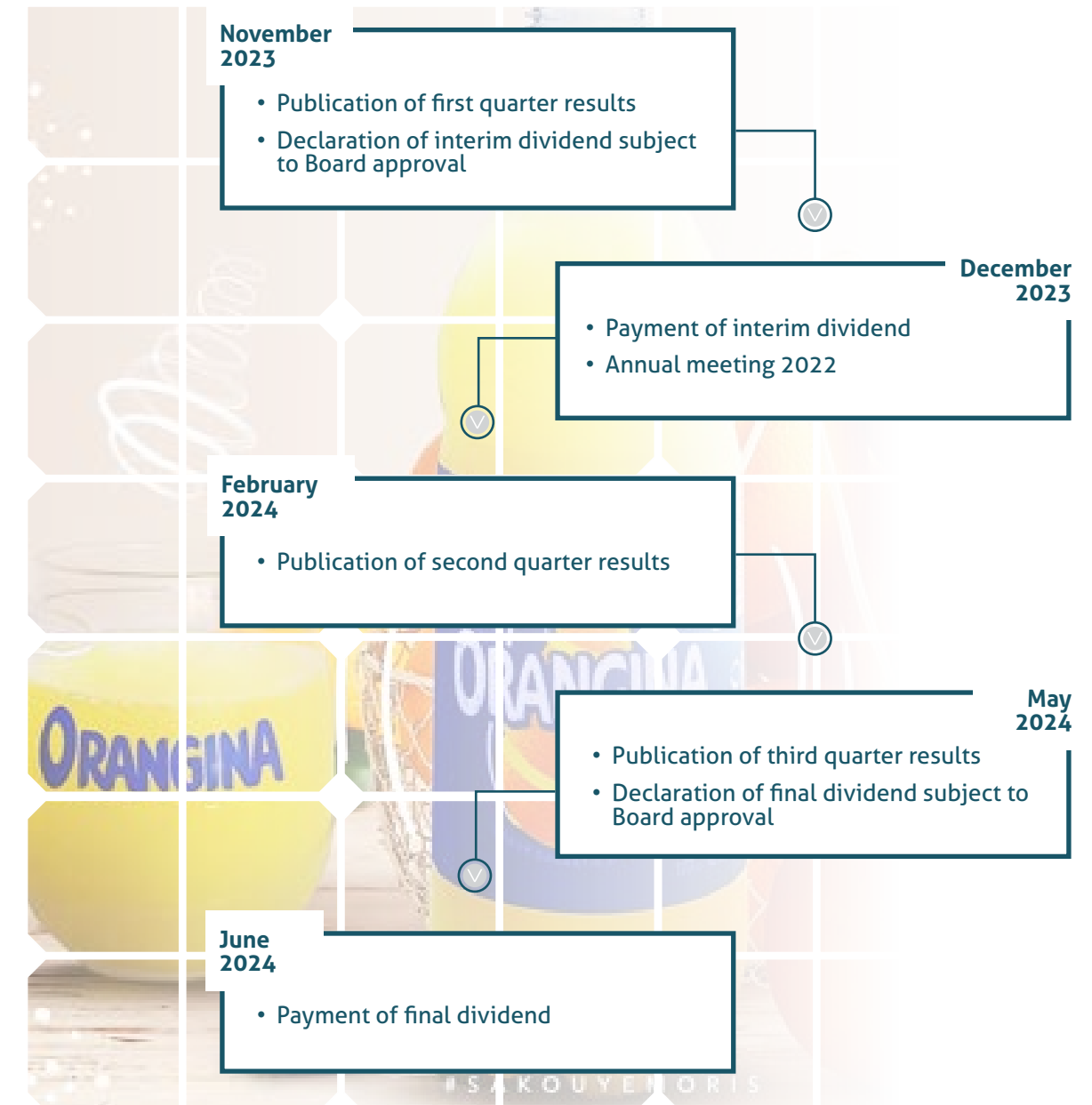
To date, a small number of dividend cheques remain outstanding. Shareholders who have not yet received their dividend cheques are requested to contact DTOS Registry Services Ltd, the Company's share registry and transfer office.

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)	295.00	400.00	383.25	420.00	385.00
Share price at 30 June, previous year (MUR)	400.00	383.25	420.00	385.00	415.00
(Decrease) / increase in share price (MUR)	(105.00)	16.75	(36.75)	35.00	(30.00)
Dividend, current year (MUR)	13.93	11.44	11.04	11.02	11.44
Total return per share (MUR)	(91.07)	28.19	(25.71)	46.02	(22.88)
Total return based on previous year share price (%)	(22.77)	7.36	(6.12)	11.95	(5.51)

Calendar of forthcoming shareholders' events



Arnaud Lagesse
Chairperson

27 September 2023

Guillaume Hugnin
Director

**NOUVEAU
TONIC PEI***

VOLCA Tonic

**VIBREZ
L'INSTANT**

DIRECTORS' PROFILES

Directors' Profiles

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Senior Management's Profiles

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DIRECTORS' PROFILES



**Arnaud
Lagesse**

Non-Executive Chairman
Appointed on the Board in
1998 and as Chairman
since 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 & 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 Beverages Limited - (*Non-Executive Chairman*)



**Shahannah
Abdoolakhan**

Independent Non-
Executive Director
Appointed in 2022
Citizen and resident of
Mauritius

Skills and experience

Shahannah Abdoolakhan's earlier career started at the Financial Services Commission (FSC) from 2004 to 2007 as an Examiner, followed by working at Deutsche Bank (Mauritius) Ltd from 2008 to 2009.

She continued her career at Northern Trust (Guernsey) Ltd up to Second Vice President in January 2009.

She left Northern Trust (Guernsey) Ltd in March 2014 to join Warwyck Private Bank Ltd, where she was a Compliance Manager / Money Laundering Reporting Officer between April 2014 to January 2016 and move on to set up a Management company for Swiss Investors in 2016.

She then set up her own company, Abler Consulting in 2017 in Mauritius and Abler Consulting in Dubai in 2022. Shahannah is also an angel investor in some FinTech companies.

Qualifications and Professional Development

- GCC: GCC Board Directors Institute (Dubai), Member (2020)
- FICA: International Compliance Association, Fellow (2020)
- MBA: General MBA, Oxford Brookes University (2016)
- IFQ Islamic Finance Qualification: Chartered Institute for Securities & Investment (2011)
- FCCA: Association of the Chartered Certified Accountant, Fellow (2005)

Core competencies

- Senior Compliance Leadership
- Corporate Governance
- AML / CFT Compliance Advisory
- Enhanced Due Diligence
- Fraud Investigations
- Human Capacity Development
- Audit & Risk Committee Chair
- Digital Transformation
- Non-Executive Director / Board Advisory
- Business Risk Assessment
- Independent Board Evaluation Review
- FinTech Risk Compliance
- Special Licence Applications
- Executive Coaching & Mentoring
- Digital Transformation

External appointments on listed companies

- None



**Jan
Boullé**

Non-Executive Director
Appointed in 2002
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.

Qualifications and Professional Development

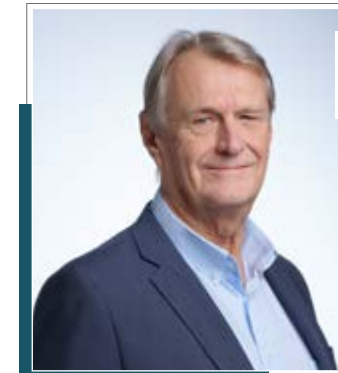
- Qualified as an Ingénieur Statisticien Economiste, France
- Pursued post graduate studies in Economics at Université de Laval, Canada

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 Beverages Limited - (*Non-Executive Director*)
- The United Basalt Products Ltd - (*Non-Executive Director*)



**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 Beverages Limited - (*Non-Executive Director*)



Madhukar Gujadhur

Independent Non-Executive Director
Appointed in 2022
Citizen and resident of Mauritius

Skills and experience

1982 – 1984: Audit Supervisor with DCDM Mauritius (De Chazal Du Mée firm of Chartered Accountants)
1984 – 1986: Audit Manager with Kemp Chatteris Mauritius (firm of Chartered Accountants)
1986 – 1988: Finance Manager with Mauritius Chemical & Fertilizer Industry Limited
1988 – 2006: Financial Controller with Sun Resorts Ltd (Sun International Group Mauritius)
2006 – 2014: Director of Finance with the One & Only Royal Mirage, Dubai (Kerzner International)
2014 – 2020 (retirement): Financial Controller with Currimjee Hospitality

Qualifications and Professional Development

- FCCA (member since 1982)

Core competencies

- Finance & Audit
- Wide experience in hotel opening & management
- Team building
- Strategic Business Development

External appointments on listed companies

- The Bee Equity Partners Ltd - (*Independent Non-Executive Director*)



Guillaume Hugnin

Non-Executive Director
Appointed in 2018
Citizen and resident of Mauritius

Skills and experience

Guillaume Hugnin worked in South Africa and Australia for several years before joining the Eclasia Group of Companies in 1993. He was Head Group Exports of the Eclasia Group. He has participated in the creation and/or the development of many of Eclasia's companies. He has vast experience in international trade and logistics. He participated in many trade negotiating forums at SADC, and Comesa. 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), MloD (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.

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 Beverages Limited - (*Non-Executive Director*)



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 Beverages Limited - (*Non-Executive Director*)



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 Beverages Limited - (*Non-Executive Director*)
- The United Basalt Products Ltd - (*Non-Executive Director*)



Christine Marot

Non-Executive Director
Appointed in 2020
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

- The United Basalt Products Ltd - (*Non-Executive Director*)
- Phoenix Beverages Limited - (*Non-Executive Director*)

Alternate Director's Profile



Roger Espitalier-Noël

Alternate Director to Guillaume Hugnin
Appointed in 2018
Citizen and resident of Mauritius

Skills and experience

Roger Espitalier-Noël is the former Corporate Sustainability Advisor of CIEL and former General Manager of Floreal Knitwear Limited. He holds more than 35 years' experience in the textile industry and has been involved in then development and restructuring of this industry regionally, namely in Madagascar.

Qualifications and Professional Development

- Certificate in Textile and Knitwear Technology

Core competencies

- Manufacturing
- Corporate Sustainability

External appointments on listed companies

- Ciel Limited - (*Non-Executive Director*)
- ENL Limited - (*Non-Executive Director*)

SENIOR MANAGEMENT'S PROFILES



Patrick Rivalland

Chief Operations Officer –
Chief Financial Officer of PhoenixBev
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



Bernard Theys

Chief Executive Officer of PhoenixBev
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



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STATEMENT OF COMPLIANCE

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

Name of PIE: **Phoenix Investment Company Limited (the "Company")**

Reporting Period: **1 July 2022 to 30 June 2023**

We, the Directors of Phoenix Investment Company 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).

On behalf of the Board:



Arnaud Lagesse
Chairperson

27 September 2023



Guillaume Hugnin
Director

STATUTORY DISCLOSURES 30 JUNE 2023

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

Principal activities

The Company is an investment company and is quoted on the Development & Enterprise Market ("DEM") of the stock exchange of Mauritius.

The principal activities of the Group companies consist of:

- brewing of beer, bottling and sale of beer, table water and alternative beverages; and
- manufacture and sale of glass-made products.

Directors

The names of the Directors of Phoenix Investment Company Limited and its subsidiaries holding office as at 30 June 2023 were as follows:

Directors	Phoenix Investment Company Limited	Edena SA	Espace Solution Réunion SAS	Helping Hands Foundation	Mauritius Breweries Investments Ltd ²	Phoenix Beverages Limited	Phoenix Beverages Overseas Ltd	Phoenix Camp Minerals Limited ³	Phoenix Distributors Ltd	Phoenix Foundation	Phoenix Réunion SARL	SCI Edena	The (Mauritius) Glass Gallery Ltd	The Traditional Green Mill Ltd
Arnaud Lagesse	*	*			*	*								
Shahannah Abdoolakhan	*													
Jean-Claude Béga ¹						*								
Jan Boullé	*					*								
François Dalais	*				*	*	*		*					
Madhukar Gujadhur	*													
Guillaume Hugnin	*					*							*	
Hugues Lagesse	*					*								
Thierry Lagesse	*				*	*	*	*		*				
Sylvia Maigrot						*								
Catherine McIlraith						*								
Christine Marot	*													
Patrick Rivalland		*		*		*				*			*	*
Paul Rose				*										
Bernard Theys		*	*	*	*	*	*	*	*	*	*	*	*	*
Alternate Directors														
Roger Espitalier Noël	*													

(Alternate Director to Guillaume Hugnin)

During the year under review the following changes occurred:

¹ Mr. Jean-Claude Béga resigned as Director of Phoenix Beverages Limited 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

STATUTORY DISCLOSURES 30 JUNE 2023

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

Directors' service contracts

On 30 June 2023, there were no service contracts between any Director and Phoenix 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 and its subsidiaries as at 30 June 2023 were:

Directors	Phoenix Investment Company Limited			Phoenix Beverages Limited		
	Direct Interest		Indirect Interest	Direct Interest		Indirect Interest
	No. of Shares	%	%	No. of Shares	%	%
Arnaud Lagesse	-	-	0.27	-	-	-
Shahannah Abdoolakhan	-	-	-	-	-	-
Jan Boullé	-	-	-	-	-	-
François Dalais	92	0.00	-	-	-	-
Madhukar Gujadhur	-	-	-	-	-	-
Guillaume Hugnin	2 800	0.05	-	4 600	0.03	-
Hugues Lagesse	-	-	-	-	-	-
Thierry Lagesse	-	-	-	-	-	-
Christine Marot	-	-	-	-	-	-
Alternate Director						
Roger Espitalier Noël	-	-	0.24	-	-	0.12
Senior Management						
Patrick Rivalland	1 004	0.02	-	4 057	0.02	-
Bernard Theys	-	-	-	-	-	-
Company Secretary						
IBL Management Ltd	-	-	-	-	-	-

The Directors, the Senior Managers and the Company Secretary did not hold any shares in the other 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.

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 MUR '000	Non-Executive Directors MUR '000	Executive Directors MUR '000	Non-Executive Directors MUR '000
The Company				
Phoenix Investment Company Limited	-	450	-	392
The Subsidiaries				
Phoenix Beverages Limited	-	4,840	-	6,135
Helping Hands Foundation	-	-	-	-
Mauritius Breweries Investments Ltd	-	-	-	-
Phoenix Beverages Overseas Ltd	-	-	-	-
Phoenix Camp Minerals Limited	-	-	-	-
Phoenix Distributors Ltd	-	-	-	-
Phoenix Foundation	-	-	-	-
The (Mauritius) Glass Gallery Ltd	-	-	-	-
The Traditional Green Mill Ltd	-	-	-	-
Phoenix Réunion SARL	-	-	-	-
Edena S.A.	-	-	-	-
Espace Solution Réunion S.A.S.	-	-	-	-
SCI Edena	-	-	-	-

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	22.69%	1,289,842
IBL Ltd	26.17%	1,488,130

Donations

		2023	2022
		MUR'000	MUR'000
The Company			
Phoenix Investment Company Limited	- Others	300	600
The Subsidiaries			
Phoenix Beverages Limited	- Corporate Social Responsibility	12 482	8 922
	- Political	-	-
	- Others	328	921

STATUTORY DISCLOSURES 30 JUNE 2023 - Continued

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

Auditors' remuneration

The fees payable to the external 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 Investment Company Limited	260	24	200	22
The Subsidiaries				
Phoenix Beverages Limited	2 340	413	1 800	144
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	–	–
	2 971	512	2 360	232

	2023		2022	
	EUR'000	EUR'000	EUR'000	EUR'000
EXCO REUNION AUDIT				
Edena SA	26	16	26	–
Phoenix Réunion SARL	38	16	31	–
	64	32	57	–
EXA				
Espace Solutions Reunion SAS	7	–	7	–
	7	–	7	–

Other services relate to tax and consultancy services.

Corporate governance

A full description of the Governance framework is given in the Annual Report of the Company.

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.

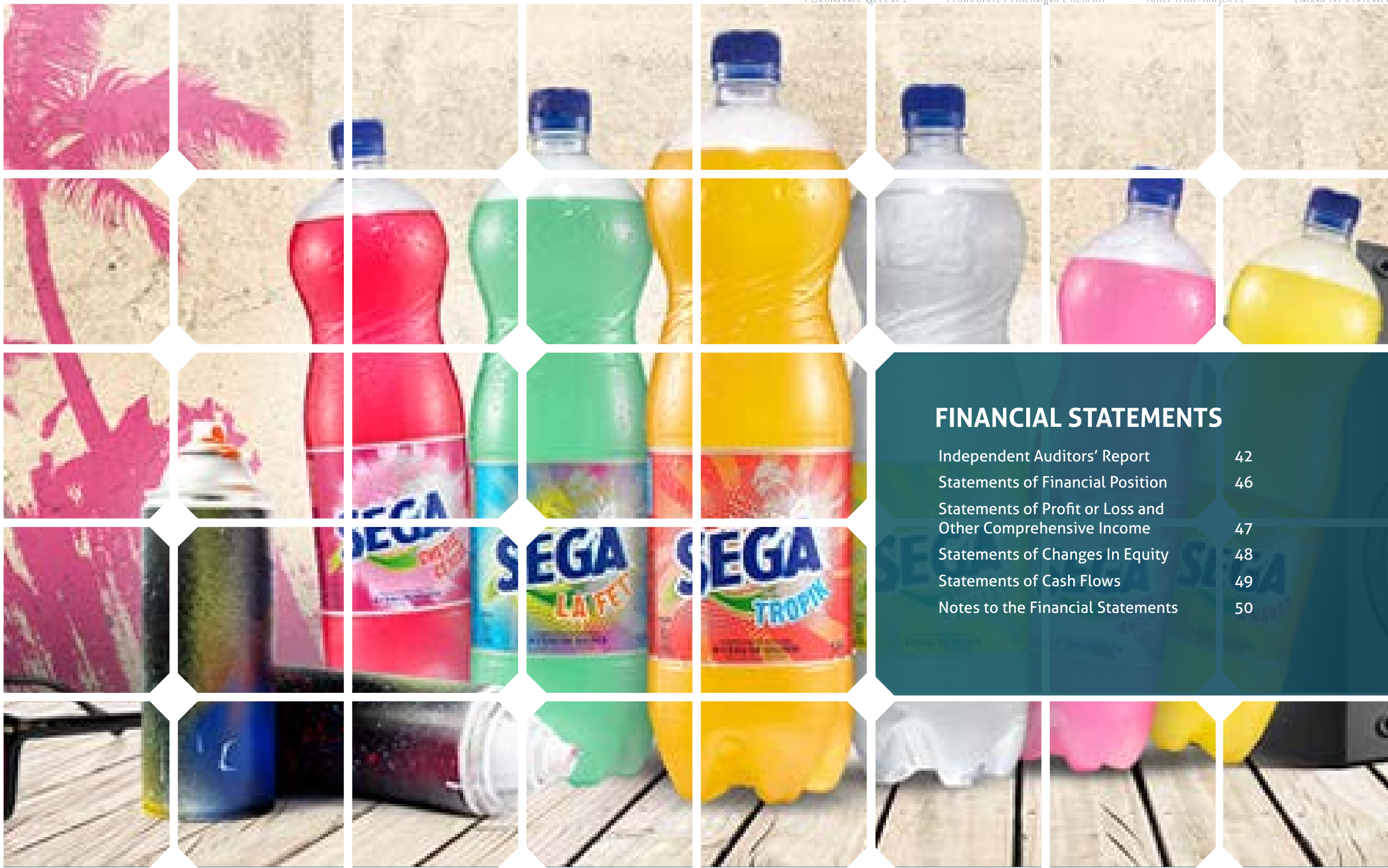


Deborah Nicolin, ACG (CS)

Per IBL Management Ltd

Company Secretary

27 September 2023



FINANCIAL STATEMENTS

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Independent Auditor's Report

to the Shareholders of Phoenix Investment Company Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Phoenix Investment Company Limited (the "Company" and the "Public Interest Entity") and its subsidiaries (collectively referred as the "Group") set out on pages 46 to 107, 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.

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

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 Investment Company 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 auditors' 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 auditors 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte
Chartered Accountants
27 September 2023

R. Srinivasa Sankar

R. Srinivasa Sankar, FCA
Licensed by FRC



Statements of Financial Position

for the year ended 30 June 2023

	Notes	THE GROUP		THE COMPANY	
		2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4 537 933	4 524 351	–	–
Intangible assets	6	961 024	902 750	–	–
Right-of-use assets	18(a)	359 757	217 757	–	–
Investment in subsidiary	7	–	–	2 703 603	3 060 682
Investment in associate	8	985	1 437	–	–
Financial assets at fair value through other comprehensive income	9	3 405	3 330	–	–
		5 863 104	5 649 625	2 703 603	3 060 682
Current assets					
Inventories	10	1 782 836	1 521 291	–	–
Trade and other receivables	11	1 024 170	706 485	–	46 420
Bank and cash balances	29(b)	383 994	407 111	6 288	4 886
		3 191 000	2 634 887	6 288	51 306
Total assets		9 054 104	8 284 512	2 709 891	3 111 988
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	12	93 399	93 399	93 399	93 399
Other reserves	13	490,341	463 248	2 607 619	2 964 698
Retained earnings		1,247,428	1 113 742	2 867	2 738
Equity attributable to owners of the Company		1 831 168	1 670 389	2 703 885	3 060 835
Non-controlling interests		4 239 216	3 882 015	–	–
Total equity		6 070 384	5 552 404	2 703 885	3 060 835
Non-current liabilities					
Borrowings	14	337 361	301 704	–	–
Lease liabilities	18(b)	257 368	126 400	–	–
Deferred tax liabilities	15	266 522	288 011	–	–
Employee benefit obligations	16	268 017	222 346	–	–
Deferred revenue	20	41 773	51 480	–	–
		1 171 041	989 941	–	–
Current liabilities					
Trade and other payables	17	1 413 229	1 431 539	6 006	51 153
Borrowings	14	216 731	108 618	–	–
Lease liabilities	18(b)	125 457	113 749	–	–
Current tax liabilities	19(b)	45 258	76 098	–	–
Deferred revenue	20	12 004	12 163	–	–
		1 812 679	1 742 167	6 006	51 153
Total equity and liabilities		9 054 104	8 284 512	2 709 891	3 111 988

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



Arnaud Lagesse
Chairperson



Guillaume Hugnin
Director

The notes on pages 50 to 107 form an integral part of these financial statements | Auditors' report is on page 42 to 44.

Statements of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2023

	Notes	THE GROUP		THE COMPANY	
		2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Revenue from contracts with customers	22	10 608 594	9 014 922	–	–
Manufacturing costs	23	(4 827 642)	(3 912 657)	–	–
Excise and other specific duties	23	(2 936 171)	(2 647 776)	–	–
Cost of sales		(7 763 813)	(6 560 433)	–	–
Gross profit		2 844 781	2 454 489	–	–
Other income	25	61 927	17 986	–	–
Marketing, warehousing, selling and distribution expenses	23	(1 309 297)	(1 183 390)	–	–
Administrative expenses	23	(726 323)	(703 769)	(2 292)	(3 483)
Credit loss reversal/(expense) on trade receivables	11	16 079	(10 265)	–	–
Profit/(loss) before finance costs	26	887 167	575,051	(2 292)	(3 483)
Finance income	27A	461	982	81 618	67 845
Finance costs	27	(39 674)	(31 497)	–	–
Share of results of associate	8(a)	(341)	(78)	–	–
Profit before tax		847 613	544 458	79 326	64 362
Tax expense	19(c)	(118 022)	(131 221)	–	–
Profit for the year		729 591	413 237	79 326	64 362
Other comprehensive income / (loss):					
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		–	–	(357 079)	–
Revaluation on land and buildings	7	–	402 354	–	–
Remeasurements of employment benefit obligations	16	(44 015)	727	–	–
Deferred tax on revaluation of buildings		–	(45 264)	–	–
Deferred tax on employment benefit obligations	15	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 / (loss)		49 120	277 112	(357 079)	–
Total comprehensive income / (loss) for the year		778 711	690 349	(277 753)	64 362
Profit attributable to:					
Owners of the Company		224 739	125 944	79 326	64 362
Non-controlling interests		504 852	287 293	–	–
		729 591	413 237	79 326	64 362
Total comprehensive income / (loss) attributable to:					
Owners of the Company		239 976	211 874	(277 753)	64 362
Non-controlling interests		538 735	478 475	–	–
		778 711	690 349	(277 753)	64 362
Basic and diluted earnings per share (MUR cs)	28	39.53	22.15		

The notes on pages 50 to 107 form an integral part of these financial statements | Auditors' report is on page 42 to 44.

Statements of Changes in Equity

for the year ended 30 June 2023

THE GROUP	(Attributable to owners of the Company)								
	Notes	Stated 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		56 854	36 545	463 746	(498)	1 113 742	1 670 389	3 882 015	5 552 404
Profit for the year		-	-	-	-	224 739	224 739	504 852	729 591
Other comprehensive income/(loss) for the year		-	-	26 595	(34)	(11 324)	15 237	33 883	49 120
Total comprehensive income for the year		-	-	26 595	(34)	213 415	239 976	538 735	778 711
Transfer		-	-	-	532	(532)	-	-	-
Dividends	21	-	-	-	-	(79 197)	(79 197)	(181 534)	(260 731)
At 30 June 2023		56 854	36 545	490 341	-	1 247 428	1 831 168	4 239 216	6 070 384
At 1 July 2021		56 854	36 545	378 005	(509)	1 055 608	1 526 503	3 551 935	5 078 438
Profit for the year		-	-	-	-	125 944	125 944	287 293	413 237
Other comprehensive income for the year		-	-	85 741	11	178	85 930	191 182	277 112
Total comprehensive income for the year		-	-	85 741	11	126 122	211 874	478 475	690 349
Change in shareholding without affecting control		-	-	-	-	(2 947)	(2 947)	2 505	(442)
Dividends	21	-	-	-	-	(65 041)	(65 041)	(150 900)	(215 941)
At 30 June 2022		56 854	36 545	463 746	(498)	1 113 742	1 670 389	3 882 015	5 552 404

THE COMPANY	Revaluation						
	Notes	Stated capital MUR '000	Share premium MUR '000	and other reserves MUR '000	Fair value reserve MUR '000	Retained earnings MUR '000	Total MUR '000
At 1 July 2022		56 854	36 545	27	2 964 671	2 738	3 060 835
Profit for the year		-	-	-	-	79 326	79 326
Other comprehensive income for the year		-	-	-	(357 079)	-	(357 079)
Total comprehensive income for the year		-	-	-	(357 079)	79 326	(277 753)
Dividends	21	-	-	-	-	(79 197)	(79 197)
At 30 June 2023		56 854	36 545	27	2,607,592	2 867	2 703 885
At 1 July 2021		56 854	36 545	27	2 964 671	3 417	3 061 514
Profit for the year		-	-	-	-	64 362	64 362
Other comprehensive loss for the year		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	-	64 362	64 362
Dividends	21	-	-	-	-	(65 041)	(65 041)
At 30 June 2022		56 854	36 545	27	2 964 671	2 738	3 060 835

The notes on pages 50 to 107 form an integral part of these financial statements | Auditors' report is on page 42 to 44.

Statements of Cash Flows

for the year ended 30 June 2023

	Notes	THE GROUP		THE COMPANY	
		2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Cash flows from operating activities					
Cash generated from/(used in) operations	29(a)	1 008 613	845 119	(2 411)	(1 892)
Interest received		392	779	-	-
Interest paid		(39 674)	(31 497)	-	-
Contributions paid on pension	16	(20 791)	(16 235)	-	-
Net tax paid	19(b)	(160 904)	(52 155)	-	-
CSR contribution	19(b)	(2 230)	(5 575)	-	-
Net cash generated from/(used in) operating activities		785 406	740 436	(2 411)	(1 892)
Cash flows from investing activities					
Purchase of property, plant and equipment		(396 234)	(351 365)	-	-
Proceeds from disposal of plant and equipment		356	4 917	-	-
Purchase of intangible assets	6	(11 098)	(3 049)	-	-
Capital grants receipt	20	-	49 434	-	-
Dividends received		69	724	128 039	66 315
Net cash (used in)/generated from investing activities		(406 907)	(299 339)	128 039	66 315
Cash flows from financing activities					
Proceeds from borrowings		538 615	102 000	-	-
Repayment of borrowings		(498 244)	(196 112)	-	-
Payment of principal portion of the lease	18	(132 018)	(98 159)	-	-
Dividends paid to minority shareholders	7	(289 781)	(147 596)	-	-
Dividends paid to Company's shareholders		(124 226)	(63 676)	(124 226)	(63 676)
Net cash used in financing activities		(505 654)	(403 543)	(124 226)	(63 676)
(Decrease)/Increase in cash and cash equivalents		(127 155)	37 554	1 402	747
Movement in cash and cash equivalents					
At 1 July		391 299	373 592	4 886	4 139
Effect of foreign exchange rate changes		24 117	(19 847)	-	-
(Decrease)/increase		(127 155)	37 554	1 402	747
At 30 June	29(b)	288 261	391 299	6 288	4 886

The notes on pages 50 to 107 form an integral part of these financial statements | Auditors' report is on page 42 to 44.

Notes to the Financial Statements

for the year ended **30 June 2023**

1. GENERAL INFORMATION

Phoenix Investment Company Limited ("the Company") is a public limited liability company incorporated and domiciled in Mauritius. The Directors regard Camp Investment Company Limited as the immediate holding Company and IBL Ltd as the ultimate holding Company of Phoenix Investment Company Limited. Both 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's business activity relates to investment holding and is quoted on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius. The Company's ultimate holding company is quoted on the official market of the Stock Exchange of Mauritius.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements comply with the 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 rupees (MUR'000).

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

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Phoenix Investment Company Limited, its subsidiaries and its associate using the acquisition method and the equity method respectively. The results of subsidiaries and associate 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:

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

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

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

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

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Finance Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Investment in subsidiary

Subsidiary is a company over which the Company exercises control. This is categorised as fair value through other comprehensive income (OCI) and are accounted for at fair value in the Company's separate financial statements. Profit or loss on fair value of investments is recognised in the statement of other comprehensive income.

(d) Investment in associate

Associate is a company which is not a subsidiary 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 Group uses the equity method of accounting to account for its associate.

Results of the associate 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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

(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 each intangible asset 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 five years.

ii. Trademark

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.

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 Rupees (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 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 the profit or loss.

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

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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

(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.

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 years
Motor vehicles	2 to 5 years

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 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's and 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 measure 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 include trade and other receivables and intercompany receivables.

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

Upon initial recognition, the Group 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 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 elected to classify irrevocably its non-listed equity investments under this category.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

(k). Financial instruments (continued)

i. Financial assets (continued)

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 statements of financial position and the Company's separate financial statements) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company 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 and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have 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 and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Impairment of financial assets

The Group and the Company recognise 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 and the Company apply 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 and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group and the Company consider a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. 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 and the Company's trade receivables are disclosed in note 11. The Group uses the debtors days ratio to determine whether there has been a significant increase in credit risk.

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, borrowings and 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 and the Company'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 statement 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 the 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.

(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 and the Company operate and generate 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 the taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associate 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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

(l). Taxation (continued)

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 and the Company have 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 (NWOOG).

Defined contribution plan

For employees who are not entitled to the NWOOG, 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 NWOOG 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 NWOOG 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.

Other Post-Retirement Benefit Obligations

The provisions also cover pensions payable directly by the employer from its cash-flow. The pensions will stop on the 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 statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Group 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 statements 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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

(p). Revenue from contract with customers

The main revenue stream of the Group is 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 is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. It 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 when control passes: once physical delivery of the products to the agreed location has occurred, the Group 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).

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 changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement 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 measure financial instruments, such as financial assets at fair value through other comprehensive income and land and buildings, at fair value at each reporting date. Also, fair values of financial instruments are disclosed in Note 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 and the Company.

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

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

2. Significant Accounting Policies (continued)

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

In the current year, the Company has 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) **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 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). |

(ii) **New and revised Standards and Interpretations in issue but not yet effective:**

At the date of authorisation of these financial statements, the following relevant 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) |

The directors anticipate that these amendments 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 trademark**

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 on trade receivables**

The Group 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 historical observed default rates. The Group 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 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.

(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 determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Refer to Note 16 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 engage an independent valuer specialists to determine the fair value on a regular basis. The 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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

3. Critical accounting estimates and judgements and key sources of estimation uncertainty (continued)

3.1 Critical Accounting Estimates And Assumptions (continued)

(e). Provision for slow-moving stocks

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 10 for more details.

(f). Depreciation and amortisation rates

The Group 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 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.

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. Refer to Note 5 for more details.

(g). 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, trademarks have been assessed as having an indefinite useful life. Refer to Note 6 for more details.

(h). Estimating variable consideration for returns and volume rebates

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

The Group 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 in historical data and current trend.

The Group 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.

The Group 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 past experience regarding sales and rebates 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. Refer to Note 17 for more details.

(i). Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group 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. Refer to Note 18 for more details.

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	4 390	4 767	2 703 603	3 060 682
Financial assets at amortised cost				
Trade and other receivables	976 906	689 105	–	46 420
Bank and cash balances	383 994	407 111	6 288	4 886
	1 365 290	1 100 983	2 709 891	3 111 988
Financial liabilities at amortised cost				
Borrowings	554 092	410 322	–	–
Lease liabilities	382 825	240 149	–	–
Trade and other payables	1 271 190	1 306 023	5 321	50 138
	2 208 107	1 956 494	5 321	50 138

(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.

Notes to the Financial Statements - Continued

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)

(i) Currency risk management (continued)

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
<i>Financial assets</i>	513 613	591 133	2 709 891	3 111 988
MUR	759 416	478 004	-	-
EURO	62 784	22 555	-	-
USD	29 477	9 291	-	-
OTHERS	1 365 290	1 100 983	2 709 891	3 111 988
<i>Financial liabilities</i>				
MUR	1 268 159	1 264 041	5 321	50 138
EURO	855 917	637 308	-	-
USD	73 833	48 255	-	-
OTHERS	10 198	6 890	-	-
Total	2 208 107	1 956 494	5 321	50 138

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.

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

The Company

No sensitivity analysis has been provided for the Company as it has no financial asset or financial liability denominated in foreign currency.

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company classified on the statements of financial position as financial assets at fair value through other comprehensive income. A sensitivity analysis is performed to assess the impact on the financial assets at fair value through other comprehensive income.

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

For investment in subsidiaries classified as fair value through other comprehensive income, the sensitivity analysis is as follows:

Impact on equity	THE COMPANY	
	2023 MUR '000	2022 MUR '000
+5% in share price	135 180	153 034
-5% in share price	(135 180)	(153 034)

(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.

Interest rate sensitivity analysis

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 higher/lower 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)	-	-
- 50 basis points - Increase in profit	525	788	-	-

Other currencies - denominated borrowings

The Group has borrowings amounting to MUR 353.4m (2022: MUR 270.3m) denominated in EURO.

Interest rates are disclosed in note 14 (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 has 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 is net of allowances for expected credit losses, estimated by management based on prior experience and represents the Company's maximum exposure to credit risk on going credit evaluation is performed on the financial conditions of accounts receivable, and insurance cover, 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 is the carrying value of each class of financial assets disclosed in note 11. 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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

4. Financial Risk Management (continued)

4.1 Financial Risk Factors And Risk Management Policies (continued)

(b). Credit risk management (continued)

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.

(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 14(b). All trade and other payables are due within one year.

Liquidity and interest risk tables

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

THE GROUP							
	Weighted average effective interest rate	Less than 1 month 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	641 039	-	-	1 271 190
		588 584	147 936	912 583	541 358	143 990	2 334 451
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	-	932 346	207 907	165 770	-	-	1 306 023
		949 028	262 162	317 722	443 121	76 881	2 048 914

THE COMPANY

	Weighted average effective interest rate	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							
Trade and other payables	-	-	-	5 321	-	-	5 321
2022							
Trade and other payables	-	-	-	50 138	-	-	50 138

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

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 period. The fair value of financial instruments that are not traded in an active market are stated at cost. The cost is the best estimate of the fair value of these equity instruments as the cost approximates the fair 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 and the Company's statements of financial position as the fair values are not materially different from their carrying amounts.

Fair value measurements are 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 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
2022				
Financial assets at fair value through other comprehensive income	-	-	3 330	3 330

THE COMPANY				
	Level 1 MUR '000	Level 2 MUR '000	Level 3 MUR '000	Total MUR '000
2023				
Investment in subsidiary	2 703 603	-	-	2 703 603
2022				
Investment in subsidiary	3 060 682	-	-	3 060 682

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

4. Financial Risk Management (continued)

4.2 Fair value estimation of financial instruments (continued)

(b). Credit risk management (continued)

Reconciliation of level 3 fair value measurements of financial assets

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	3 330	3 440
Exchange differences	75	(110)
At 30 June	3 405	3 330

The fair value of the financial assets at fair value through OCI has been derived from the cost of the investments. The directors believe cost approximates fair value. For the fair value disclosure of investment in subsidiary, refer to Note 7. The sensitivity analysis for the investment in subsidiary has been reflected in price risk sensitivity analysis.

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 at 30 June 2022 were as follows:

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Total debt (note 14 & 18(b))	936 917	650 471
Less: bank and cash balances (note 29(b))	(383 994)	(407 111)
Net debt	552 923	243 360
Total equity	6 070 384	5 552 404
Debt-to-equity ratio	0.09:1	0.04:1

5. PROPERTY, PLANT AND EQUIPMENT

(a). COST OR VALUATION

	2023 - THE GROUP						
	Freehold land and yard MUR '000	Freehold buildings MUR '000	Plant and machinery MUR '000	Motor vehicles MUR '000	Furniture, computer, office and other equipment MUR '000	Containers MUR '000	Total MUR '000
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)	(127 388)	(32,709)	(305 644)	(38 909)	(573 377)
Exchange differences	9 890	35 411	34 050	8	3 862	-	83 221
At 30 June 2023	1 416 576	1 422 133	3 040 449	271 844	705 266	534 322	7 390 590
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	1 261 426	122 801	241 824	272 334	4 378 892
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	1 296 140	122 801	280 694	277 273	4 473 744

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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

5. Property, Plant And Equipment (continued)

(b). COST OR VALUATION

2022 - THE GROUP

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

(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 building as level 3 amounting to MUR 1 074.4m (2022: MUR 1 054.8m) for the Group.

(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
			Income based approach	Price per square metre	MUR 68 - MUR 835 per square metre	The higher the price per square metre, the higher the fair value

(h). Information about fair value measurements using significant unobservable inputs (Level 2)

THE GROUP						
Description	Fair value at 30 June		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
	2023 MUR '000	2022 MUR '000				
Freehold land and yard	1 406 126	1 365 556	Cost approach/ Direct comparison approach	Price per square metre	MUR 1 688 - 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	2022 MUR '000
Cost of sales	310 840	261 167
Selling and distribution expenses	76 023	80 611
Administrative expenses	24 372	22 828
	411 235	364 606

Notes to the Financial Statements - Continued

for the year ended 30 June 2023

5. Property, Plant And Equipment (continued)

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

Description	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

6. INTANGIBLE ASSETS

(a). COST

Description	THE GROUP			
	Trademarks MUR '000	Computer software MUR '000	Goodwill MUR '000	Total MUR '000
At 1 July 2022	193 000	36 899	680 360	910 259
Additions*	–	1 762	–	1 762
Write off	–	(677)	–	(677)
Exchange differences	–	955	48 775	49 730
At 30 June 2023	193 000	38 939	729 135	961 074
AMORTISATION				
At 1 July 2022	–	33 605	–	33 605
Charge for the year	–	1 706	–	1 706
Write off	–	(677)	–	(677)
Exchange differences	–	848	–	848
At 30 June 2023	–	35 482	–	35 482
NET BOOK VALUE				
At 30 June 2023	193 000	3 457	729 135	925 592
Capital expenditure in progress*	–	35 432	–	35 432
TOTAL	193 000	38 889	729 135	961 024

(b). COST

Description	THE GROUP			
	Trademarks MUR '000	Computer software MUR '000	Goodwill MUR '000	Total MUR '000
At 1 July 2021	193 000	37 783	742 872	973 655
Additions	–	2 363	–	2 363
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
AMORTISATION				
At 1 July 2021	–	34 424	–	34 424
Charge for the year	–	2 102	–	2 102
Write off	–	(1 219)	–	(1 219)
Exchange differences	–	(1 702)	–	(1 702)
At 30 June 2022	–	33 605	–	33 605
NET BOOK VALUE				
At 30 June 2022	193 000	3 294	680 360	876 654
Capital expenditure in progress*	–	26 096	–	26 096
TOTAL	193 000	29 390	680 360	902 750

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, trademarks have been assessed as having an indefinite useful life.

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

(c). AMORTISATION

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

(d). IMPAIRMENT TEST ON TRADEMARKS AND GOODWILL

Description	THE GROUP	
	2023 MUR '000	2022 MUR '000
Trademarks		
Trademarks (note (i))	193 000	193 000
Goodwill		
Edena S.A. and its subsidiaries (note (i))	729 135	680 360

The Group assess 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).

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

6. Intangible Assets (continued)

(d). Impairment test on trademarks and goodwill (continued)

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 to 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.

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. INVESTMENT IN SUBSIDIARY

(a).

	THE COMPANY	
	2023 MUR '000	2022 MUR '000
At 1 July	3 060 682	3 060 682
Decrease in fair value	(357 079)	-
At 30 June	2 703 603	3 060 682

Financial assets measured at fair value through other comprehensive income include investment in subsidiaries. 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 this is considered to be more appropriate for these strategic investments.

Investment in subsidiary, comprises a listed company, whose fair value has been based on the Stock Exchange quoted price at the close of business at the end of the reporting period.

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

Name of company	Country of operation and incorporation	Year ended	Main business	Class of shares held	Share capital (MUR)	Percentage holding and voting power				
						THE COMPANY		OTHER GROUP COMPANIES		
						2023 %	2022 %	2023 %	2022 %	
Phoenix Beverages Limited	Mauritius	30 June	Brewing, bottling and sale of beer, soft drinks, table water and alternative beverages	Ordinary	164 470 000	31.02	31.02	-	-	
Investments held by its subsidiary:										
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	-	-	100.00	100.00	
Mauritius Breweries Investments Ltd (previously MBL Offshore Ltd) (i)	Mauritius	30 June	Investment	Ordinary	27 215 400	-	-	100.00	100.00	
Phoenix Beverages Overseas Ltd	Mauritius	30 June	Export of beverages	Ordinary	25 000	-	-	99.96	99.96	
Phoenix Camp Minerals Offshore Ltd (previously Phoenix Camp Minerals Offshore Limited)	Mauritius	30 June	Investment	Ordinary	86	-	-	100.00	100.00	
Phoenix Distributors Ltd (ii)	Mauritius	30 June	Distributor of beverages	Ordinary	206 000	-	-	97.33	97.33	
Phoenix Foundation	Mauritius	30 June	Charitable Institution	Ordinary	1 000	-	-	100.00	100.00	
Phoenix Réunion SARL	Réunion	30 June	Distributor of beverages and other commodities	Ordinary	342 640	-	-	100.00	100.00	
SCI Edena	Réunion	30 June	Property holding	Ordinary	40 250	-	-	100.00	100.00	
The (Mauritius) Glass Gallery Ltd	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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

7. Investment In Subsidiary (continued)

- (c) **The Directors are of the opinion that non-controlling interests are not material to the Group. The investment in subsidiary is classified as level 1 in the fair value hierarchy. Refer to note 4.2.**

Subsidiary with material non-controlling interests

Details for subsidiary that has non-controlling interests that are material to the Company:

Name	Country of operation and incorporation	Proportion of ownership interests and voting rights held by non-controlling interest 2023 & 2022	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
			2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Phoenix Beverages Limited	Mauritius	68.98 %	383 723	282 468	4 160 381	3 915 263

Although the Company has less than 50% of the equity shares and the voting rights in Phoenix Beverages Limited, it has control over this entity based on IFRS 10 definition of control. The Company has the power to appoint and remove the majority of the Board of Directors of Phoenix Beverages Limited; as such via its board composition, the Company has the power to direct the relevant activities of this subsidiary. Therefore, the directors concluded that the Company has control over Phoenix Beverages Limited and the latter is consolidated in these financial statements.

- (d) **Summarised financial information on subsidiary with material non-controlling interests**

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	30 June 2023 MUR '000	30 June 2022 MUR '000
Phoenix Beverages Limited		
Current assets	2 224 534	1 876 081
Non-current assets	5 951 556	5 797 999
Current liabilities	(1 254 361)	(1 189 458)
Non current liabilities	(890 443)	(808 682)
Net assets	6 031 286	5 675 940
Carrying amounts of non-controlling interests:		
Equity attributable to owners of the Company	1 870 905	1 760 677
Non-controlling interests	4 160 381	3 915 263

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	30 June 2023 MUR '000	30 June 2022 MUR '000
Revenue	9 050 452	7 501 814
Profit for the year	556 281	409 493
Profit attributable to owners of the Company	556 281	409 493
Profit attributable to the non-controlling interests	–	–
Profit for the year	556 281	409 493
Other comprehensive income attributable to owners of the Company	62 217	254 727
Other comprehensive income attributable to non-controlling interests	–	–
Other comprehensive income for the year	62 217	254 727
Total comprehensive income attributable to owners of the Company	618 498	664 220
Total comprehensive income attributable to the non-controlling interests	–	–
Total comprehensive income for the year	618 498	664 220
Dividends paid to non-controlling interests	(289 781)	(147 596)
Net cash inflow from operating activities	641 809	668 083
Net cash outflow used in investing activities	(248 724)	(291 368)
Net cash outflow used in financing activities	(586 077)	(352 488)
Net cash inflow	(192 992)	24 227

- (e) On 16 June 2022, the Company's subsidiary 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 2,947,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	30 June 2022 MUR '000
Cash consideration paid to non-controlling interests	442
Add: Carrying amount of accumulated share of loss of non-controlling interests acquired	2 505
Adjustment recognised in retained earnings	2 947

Notes to the Financial Statements - Continued

for the year ended 30 June 2023

8. INVESTMENT IN ASSOCIATE

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	1 437	1 480
Share of results*	(341)	(78)
Share of OCI	(111)	35
At 30 June	985	1 437

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

(b). 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 by the Company's subsidiary
Crown Corks Industries Ltd	Mauritius	30 June	Trading of closures	Ordinary	30.36%

(c). Summarised financial information

Summarised financial information in respect of the associate is set out below:

Name	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 Indus- tries 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)	-

(d). Reconciliation of summarised financial information

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

Name	Opening net assets MUR'000	Loss for the year * MUR'000	Other comprehensive (loss)/income for the year MUR'000	Dividends for the year	Closing net assets MUR'000	Ownership interest %	Interest in associate MUR'000	Carrying value MUR'000
2023 Crown Corks Industries Ltd	4 732	(1 125)	(364)	-	3 243	30.36%	985	985

Name	Opening net assets MUR'000	Loss for the year * MUR'000	Other comprehensive (loss)/income for the year MUR'000	Dividends for the year	Closing net assets MUR'000	Ownership interest %	Interest in associate MUR'000	Carrying value MUR'000
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.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a). Equity investments at fair value through other comprehensive income

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 01 July	3 330	3 440
Exchange differences	75	(110)
At 30 June	3 405	3 330

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Unquoted:		
Equity securities - Mauritius	2 091	2 091
Equity securities - Reunion	1 314	1 239
	3 405	3 330

(c). 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.

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Unquoted:		
Ecocentre Limitee	2 091	2 091
Société Civile de Placement Immobilier	1 314	1 239
	3 405	3 330

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

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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

10. INVENTORIES

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Raw and packaging materials	745 959	590 380
Spare parts and consumables	241 576	180 527
Finished goods	617 706	612 211
Work in progress	49 140	46 509
Goods in transit	128 455	91 664
	1 782 836	1 521 291

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 reversal and write down 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.

11. 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	–	–
*Other receivables	154 703	92 896	–	–
Prepayments	47 264	23 467	–	–
Receivables from group companies: (net of provisions)				
- Enterprises in which ultimate holding company has significant interest	94 582	73 158	–	–
- Subsidiary companies	–	–	–	46 420
	1 024 170	706 485	–	46 420

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.

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

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

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Mauritian Rupee	450 808	377 552	–	46 420
US Dollar	12 444	13 702	–	–
Euro	358 951	198 868	–	–
	822 203	590 122	–	46 420

(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 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.

At 30 June 2023	THE GROUP					Total MUR'000
	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	
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	541 734
- 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

At 30 June 2023	THE GROUP					Total MUR'000
	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	
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

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

Insured debtors - Allowance of ECL on insured debtors is MUR 7.4m (2022: MUR 5.5m).

Trade receivables and other debtors - ECL is calculated based on the expected loss rate which varies for the Company and its foreign subsidiaries depending on their risk characteristics.

Notes to the Financial Statements - Continued

for the year ended 30 June 2023

11. Trade and other receivables (continued)

(c). The closing loss allowances for trade and other receivables as at 30 June 2023 reconcile to the opening loss allowances as follows:

	THE GROUP					
	Collectively assessed	Individually assessed	Total	Collectively assessed	Individually assessed	Total
	2023 MUR '000	2023 MUR '000	2023 MUR '000	2022 MUR '000	2022 MUR '000	2022 MUR '000
At 1 July	15 222	111 572	126 794	11 706	116 812	128 518
Charge/(reversal) for the year	519	(16 598)	(16 079)	3 781	6 484	10 265
Write off	(67)	(2 219)	(2 286)	–	(4 441)	(4 441)
Exchange differences	321	4 189	4 510	(265)	(7 283)	(7 548)
At 30 June	15 995	96 944	112 939	15 222	111 572	126 794

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

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

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

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

12. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	Number of shares	Ordinary shares MUR'000	Share premium MUR'000	Total MUR'000
2023 and 2022				
Issued and fully paid				
At 01 July and at 30 June	5 685 387	56 854	36 545	93 399

The total number of issued ordinary shares is 5,685,387 (2022: 5,685,387) with a par value of MUR 10 per share (2022: MUR 10 per share). All issued shares are fully paid. The holders of the fully paid ordinary shares are entitled to one voting right per share and carry a right to dividends but no right to fixed income.

13. OTHER RESERVES

(a). The Group

	REVALUATION AND OTHER RESERVES					
	Revaluation reserve MUR'000	Other reserves MUR'000	Arising on consolidation MUR'000	Translation reserve MUR'000	Fair value reserve MUR'000	Total MUR'000
2023						
At 1 July 2022	426 464	2 060	6 257	28 965	(498)	463 248
Other movements in associate	–	–	–	–	(34)	(34)
Transfer	–	6 257	(6 257)	–	532	532
Exchange differences	–	–	–	26 595	–	26 595
At 30 June 2023	426 464	8 317	–	55 560	–	490 341

REVALUATION AND OTHER RESERVES

	Revaluation reserve MUR'000	Other reserves MUR'000	Arising on consolidation MUR'000	Translation reserve MUR'000	Fair value reserve MUR'000	Total MUR'000
2022						
At 1 July 2021	315 695	2 060	6 257	53 993	(509)	377 496
Revaluation on land and buildings	124 810	–	–	–	–	124 810
Deferred tax on revaluation of buildings	(14 041)	–	–	–	–	(14 041)
Other movements in associate	–	–	–	–	11	11
Exchange differences	–	–	–	(25 028)	–	(25 028)
At 30 June 2022	426 464	2 060	6 257	28 965	(498)	463 248

(b). THE COMPANY

	Revaluation and other reserve MUR'000	Fair value reserve MUR'000	Total MUR'000
At 1 July 2022	27	2 964 671	2 964 698
Decrease in fair value	–	(357 079)	(357 079)
At 30 June 2023	27	2 607 592	2 607 619
At 1 July 2021 and 30 June 2022	27	2 964 671	2 964 698

Revaluation reserve

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

Translation reserve

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

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of subsidiary and associate that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Other reserves

Other reserves comprise legal reserve and capital reserve.

14. BORROWINGS

	THE GROUP	
	2023 MUR'000	2022 MUR'000
Current		
Bank overdrafts (note 29(b))	95 733	15 812
Bank loans	120 998	92 806
	216 731	108 618
Non-current	337 361	301 704
Bank loans (b)	337 361	301 704
Total borrowings	554 092	410 322

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

14 Borrowings (continued)

(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 nil (2022: MUR nil) for the Company. The borrowings are secured by fixed and floating charges over the Group assets and bearing interest at 1.15% - 6.75% per annum (2022: 1.45% - 4.10% per annum) for the Group.

(b). The maturity of bank loans is as follows:

	THE GROUP	
	2023 MUR '000	2022 MUR '000
After one year and before two years	122 138	93 922
After two years and before three years	120 387	94 166
After three years and before five years	36 189	106 628
After five years	58 647	6 988
	337 361	301 704

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

	THE GROUP	
	2023 %	2022 %
Bank overdrafts	5.72 - 6.75	4.29
Bank loans	1.15 - 6.75	1.45 - 4.10

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Mauritian Rupee	200 734	140 000
Euro	353 358	270 322
	554 092	410 322

15. DEFERRED TAX LIABILITIES

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Deferred tax liabilities	266 522	288 011

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	
	2023 MUR '000	2022 MUR '000
At 1 July	288 011	247 956
Credit to profit or loss (note 19(c))	(13 980)	(5 265)
(Credit)/charge to other comprehensive income	(7 509)	45 320
At 30 June	266 522	288 011

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:

THE GROUP	At 1 July 2022 MUR'000	Credit to profit or loss MUR'000	Credit to other comprehensive income MUR'000	At 30 June
				2023 MUR'000
2023				
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
	At 1 July 2021 MUR'000	(Credit)/ charge to profit or loss MUR'000	Charge to other comprehensive income MUR'000	At 30 June 2022 MUR'000
2022				
Deferred tax liabilities				
Asset revaluation	45 662	(1 342)	45 264	89 584
Accelerated tax depreciation	271 314	3 317	–	274 631
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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

16. EMPLOYEE BENEFIT OBLIGATIONS

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

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 lumpsum 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.

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Present value of funded obligations (note A(iii))	739 392	770 210
Fair value of plan assets (note A(iv))	(588 713)	(615 724)
	150 679	154 486
Present value of unfunded obligations (note B(i))	117 338	67 860
Liabilities in the statements of financial position	268 017	222 346

(a). Funded obligations

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	154 486	160 109
Amount recognised in profit or loss (note 24)	12 942	11 569
Amount recognised in other comprehensive income	4	(957)
Contributions paid*	(16 753)	(16 235)
At 30 June	150 679	154 486

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

ii. The movement in the defined benefit obligations over the year is as follows:

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	770 210	722 542
Current service cost	6 006	5 884
Interest cost	33 709	30 111
Liability (gains)/losses due to change in financial assumption	(67 702)	18 883
Transfer from member account*	45 904	45 904
Benefits paid	(48 735)	(53 114)
At 30 June	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	
	2023 MUR '000	2022 MUR '000
At 1 July	615 724	562 433
Interest income	26 773	24 426
Employer contributions	16 046	14 384
Disability PHI	707	1 851
Transfer From DC Reserve Account	45 904	45 904
Benefits paid	(48 735)	(53 114)
Actuarial (losses)/gains	(67 706)	19 840
At 30 June	588 713	615 724

iv. The amounts recognised in the statements of profit or loss are as follows:

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

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

16 Employee benefit obligations (continued)

(a) Funded obligations (continued)

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

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

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

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

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

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 obligations is 9 years at the end of the reporting date (2022: 10-12 years).

(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	
	2023 MUR '000	2022 MUR '000
At 1 July	67 860	56 666
Amount recognised in profit or loss (note 24)	9 505	10 964
Amount recognised in other comprehensive income	44 011	230
Transfer from member account*	(1 490)	-
Contributions paid	(2 548)	-
At 30 June	117 338	67 860

*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.

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	67 860	56 666
Current service cost	6 071	8 360
Interest cost	3 434	2 604
Liability loss due to change in financial assumptions	44 011	230
Benefits paid	(1 490)	-
At 30 June	119 886	67 860

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

16 Employee benefit obligations (continued)

(b) Unfunded obligations (continued)

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

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

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Service cost	6 071	8 360
Net interest cost	3 434	2 604
	9 505	10 964

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

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

vi. The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	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	
	2023 MUR '000	2022 MUR '000
Increase in defined benefit obligations due to 1% decrease in discount rate	18 083	15 543
Decrease in defined benefit obligations due to 1% increase in discount rate	15 193	12 814
Increase in defined benefit obligations due to 1% increase in salary	16 309	14 310
Decrease in defined benefit obligations due to 1% decrease in salary	13 564	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.

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

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

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

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

xi. The Group does not expect to make any contributions to its post-employment benefit plans for the year ending 30 June 2024.

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

17. 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	–	–
Deposits from customers (see note (b))	120 243	91 972	–	–
Amounts due to Group companies:				
- Fellow subsidiary	20 528	2 434	–	–
- Enterprises in which ultimate holding Company has significant interest	9 902	5 189	–	–
End of year discount (note (c))	210 807	207 613	–	–
Dividend payable	–	153 276	–	45 028
Accrued expenses and other payables	364 843	379 258	6 006	6 125
	1 413 229	1 431 539	6 006	51 153

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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

17 Trade and other payables (continued)

(b). Deposits from customers on containers

	THE GROUP	
	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	
	2023 MUR '000	2022 MUR '000
At 1 July	207 613	161 424
Movement during the year	3 194	46 189
At 30 June	210 807	207 613

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Mauritian Rupee	138 493	242 152
US Dollar	74 673	48 255
Euro	463 541	294 500
Other currencies	10 199	6 890
	686 906	591 797

18. 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.

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

	THE GROUP		
	Land and buildings MUR '000	Motor vehicles MUR '000	Total MUR '000
At 1 July 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
At 01 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

(b). Lease liabilities

	THE GROUP	
	2023 MUR '000	2022 MUR '000
At 1 July	240 149	317 677
New leases	252 899	29 431
Interest expense	20 286	15 213
Lease payment	(152 304)	(113 372)
Remeasurement of leases	16 945	–
Termination of lease	(646)	–
Exchange differences	5 496	(8 800)
At 30 June	382 825	240 149
Current	125 457	113 749
Non current	257 368	126 400
	382 825	240 149

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

18. Leases (continued)

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

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Depreciation expense of right-of-use assets	132 591	98 203
Interest expense on lease liabilities	20 286	15 213
Total amount recognised in profit or loss	152 877	113 416

During the year under review, the Group has 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. Non-cash additions to right-of-use assets and lease liabilities amounted to MUR 252.9m (2022: MUR 29.4m) for the Group.

Motor vehicle leases payments are fixed amount for a period of two to five years bearing interest rate between 1.8% to 8% (2021: 1.8% to 8%) and land and buildings bear interest rates between 1.8% to 7% (2021: 1.8% to 7%).

The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	THE GROUP	
	2023 Fixed Payments	2022 Fixed Payments
Fixed rent	152 304	113 372

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

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

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

THE GROUP

	2023	2022
	MUR '000	MUR '000
Maturity analysis		
Year 1	145 348	127 190
Year 2	128 875	57 268
Year 3	66 597	41 499
Year 4	25 030	13 979
Year 5	22 319	4 176
Onwards	79 288	76 881
	467 457	320 993
Less: unearned interest	(84 632)	(80 844)
	382 825	240 149

19. 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 Group is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR program 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.

(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	–	–
	45 258	76 098	–	–

	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)	–	–
Income tax expense	131 769	98 399	–	–
Investment tax credit	(6 670)	–	–	–
Corporate social responsibility	12 482	8 922	–	–
(Over)/Under provision in previous year	(5 091)	29 165	–	–
Tax deducted at source	–	(20)	–	–
Tax and CSR paid	(163 134)	(56 525)	–	–
Foreign tax credit	(488)	(1 185)	–	–
Exchange difference	292	1 414	–	–
At 30 June	45 258	76 098	–	–

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

19. Taxation (continued)

(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	–	–
CSR contribution	12 482	8 922	–	–
Foreign tax credit	(488)	–	–	–
Investment tax credit	(6 670)	–	–	–
(Over)/under provision in previous year	(5 091)	29 165	–	–
	132 002	136 486	–	–
Deferred tax charge to profit or loss (note 15)	(13 980)	(5 265)	–	–
Tax expense	118 022	131 221	–	–

(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	847 613	544 458	79 326	64 362
Tax calculated at the rate of (The Group: 17% (2022: 17%) (The Company: 15% (2022: 15%))	144 094	92 558	11 899	9 654
Income not subject to tax	(32 816)	(28 307)	(12 243)	(10 177)
Expenses not deductible for tax purposes	32 837	26 490	344	523
CSR adjustment	(2 757)	(2 334)	–	–
Differential in tax rate	(11 598)	14 939	–	–
Investment tax credit	(6 670)	–	–	–
(Over)/Under provision in previous year	(5 091)	29 165	–	–
Effect of tax on associated companies	23	13	–	–
Deferred tax asset on tax losses not recognised	–	(1 303)	–	–
Tax charge	118 022	131 221	–	–

20. 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 differences	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.

21. DIVIDENDS

On 10 November 2022, the Board of Directors declared an interim dividend of MUR 4.10 per share (2022: MUR 3.52 per share) which was paid on 21 December 2022. On 12 May 2023, a final dividend of MUR 9.83 per share (2022: MUR 7.92 per share) was declared and paid on 21 June 2023. During the year, one of the subsidiaries declared a dividend amount of MUR 181.5m (2022: MUR 150.9m) to their non-controlling interests.

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Dividends declared		
2023: MUR 13.93 (2022: MUR 11.44) per share	79 197	65 041

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

22. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Type of goods or service		
Non-alcoholic beverage	5 210 534	4 453 624
Alcoholic beverage	5 683 815	4 924 963
Discount and trade deals	(295 442)	(370 508)
	10 598 907	9 008 079
Recycled glass and related products	9 687	6 843
Total revenue	10 608 594	9 014 922
Geographical markets		
Local	8 876 774	7 394 710
Overseas	1 731 820	1 620 212
Total revenue	10 608 594	9 014 922
Timing of revenue recognition		
Goods transferred at a point in time	10 608 594	9 014 922

23. 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	–	–
Depreciation on right of use assets (note 18(a))	132 591	98 203	–	–
Amortisation of intangible assets (note 6)	1 706	2 102	–	–
Employee benefit expense (note 24)	1 172 976	1 035 805	–	–
Changes in inventories of finished goods and work in progress	1 835	(112 980)	–	–
Purchases of finished goods, raw materials and consumables used	3 482 395	2 899 021	–	–
Excise and other specific duties	2 936 171	2 647 776	–	–
Other marketing and selling expenses	338 770	324 631	–	–
Management fees	211 528	163 477	–	–
Other expenses	1 110 226	1 024 951	2 292	3 483
Total cost of sales, warehousing, selling and marketing and administrative expenses	9 799 433	8 447 592	2 292	3 483

24. EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Wages and salaries and other employee benefits	1 005 686	876 751
Social security costs	111 752	106 878
Pension costs - defined benefit plans (note 16(v))	22 447	22 533
Pension costs - defined contribution plans	33 091	29 643
	1 172 976	1 035 805

25. OTHER INCOME

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Profit on disposal of plant and equipment	301	1 494
Sundry income	31 871	16,375
Foreign exchange gains	29 755	117
	61 927	17,986

26. PROFIT BEFORE FINANCE COSTS AND SHARE OF ASSOCIATE

	THE GROUP	
	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
Deferred revenue (note 20)	9 866	24 935
and charging:		
Cost of inventories expensed	7 841 496	6 586 315
Depreciation on property, plant and equipment	411 235	364 606
Depreciation on right of use assets (note 18)	132 591	98 203
Amortisation of intangible assets (note 6)	1 706	2 102
Employee benefit expense (note 24)	1 172 976	1 035 805

Notes to the Financial Statements - Continued

for the year ended 30 June 2023

27. FINANCE COSTS

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Bank overdrafts	2 421	937
Bank loans	16 967	15 347
Leases	20 286	15 213
	39 674	31 497

27A. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Dividend income	69	724	81 618	67 845
Interest income	392	258	–	–
	461	982	81 618	67 845

28. EARNINGS PER SHARE

	THE GROUP	
	2023 MUR '000	2022 MUR '000
Profit attributable to owners of the Company (MUR'000)	224 739	125 944
Number of ordinary shares in issue	5 685 387	5 685 387
Basic and diluted earnings per share (MUR cs)	39.53	22.15

29. 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	847 613	544 458	79 326	64 362
Adjustments for:				
Depreciation on property, plant and equipment (note 5)	411 235	364 606	–	–
Depreciation on right of use assets (note 18)	132 591	98 203	–	–
Amortisation of intangible assets (note 6)	1 706	2 102	–	–
Profit on disposal of plant and equipment (note 25)	(301)	(1 494)	–	–
Loss allowance recognised on trade receivables (note 11(c))	–	10 265	–	–
Reversal of loss allowance on trade receivables (note 11(c))	(16 079)	–	–	–
Exchange differences	(14 468)	30 999	–	–
Dividend income (note 27A)	(69)	(724)	(81 618)	(67 845)
Interest income (note 27A)	(392)	(779)	–	–
Deferred revenue (note 21)	(11 831)	(20 305)	–	–
Increase in pension provision (note 16)	22 447	22 533	–	–
Interest expense (note 27)	39 674	31 497	–	–
Share of results of associate (note 8)	341	78	–	–
	1 412 467	1 081 439	(2 292)	(3 483)
Changes in working capital:				
-Trade and other receivables	(240 893)	(103 558)	–	–
-Inventories	(237 706)	(337 175)	–	–
-Trade and other payables	74 745	204 413	(119)	1 591
Cash generated from/(used in) operations	1 008 613	845 119	(2 411)	(1 892)

(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	383 994	407 111	6 288	4 886
Bank overdrafts (note 14)	(95 733)	(15 812)	–	–
Cash and cash equivalents	288 261	391 299	6 288	4 886

(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	(46 521)	95 258	6 288	4 886
US Dollar	50 340	8 853	–	–
Euro	254 965	277 897	–	–
Other currencies	29 477	9 291	–	–
	288 261	391 299	6 288	4 886

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

29. Notes to the statements of cash flows (continued)

(d). Reconciliation of liabilities arising from financing activities

THE GROUP

2023	Opening MUR'000	Cash flows MUR'000	Additions MUR'000	Non-cash changes		Closing MUR'000
				Interest accrued MUR'000	Others* MUR'000	
Bank loans (note 14)	394 510	40 371	–	–	23 478	458 359
Lease liabilities (note 18(b))	240 149	(152 304)	252 899	20 286	21 795	382 825
2022						
Bank loans (note 14)	514 006	(94 112)	–	–	(25 384)	394 510
Lease liabilities (note 18(b))	317 677	(113 372)	29 431	15 213	(8 800)	240 149

* Others include non-cash transactions such as exchange differences on borrowings and other movements in leases.

30. 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	685 215	441 452
Overseas	2 457 479	2 315 868	186 334	144 846
Total	11 517 618	9 824 525	871 549	586 298
Intersegment revenue	(909 024)	(809 603)	–	–
	10 608 594	9 014 922	871 549	586 298
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			847 613	544 458
Tax expense			(118 022)	(131 221)
Profit for the year			729 591	413 237

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 associates, 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.

	Assets		Liabilities	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Segment assets and liabilities				
Local	7 260 843	6 947 379	2 137 099	1 998 122
Overseas	1 793 261	1 337 133	846 621	733 986
Consolidated assets/liabilities	9 054 104	8 284 512	2 983 720	2 732 108

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.

	Depreciation and amortisation		Additions to non-current assets	
	2023 MUR '000	2022 MUR '000	2023 MUR '000	2022 MUR '000
Other segment information				
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:

	THE GROUP	
	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.

Notes to the Financial Statements - Continued

for the year ended **30 June 2023**

31. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party respectively of the Group are Camp 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
(a). Dividend income				
Fellow subsidiary	69	33	81 618	67 845
(b). Sales of goods or services				
Enterprise with which ultimate holding Company has significant interest	541 215	444 089	–	–
(c). Purchases of goods or services				
Enterprise with which ultimate holding Company has significant interest	66 420	91 068	–	–
(d). Management fees/interest paid				
Fellow subsidiary	211 528	163 477	–	–
(e). Outstanding balances				
<i>Receivables from related parties</i>				
Enterprises in which ultimate holding Company has significant interest	94 582	73 158	–	–
Fellow subsidiary	77	–	–	46 420
<i>Payables to related parties</i>				
Enterprises in which ultimate holding Company has significant interest	9 902	5 189	–	–
Fellow subsidiary	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 price.

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 and associates, no other expense has been recognised for bad or doubtful debts in respect of the amounts owed by related parties.

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

32. CAPITAL COMMITMENTS

	THE GROUP	
	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

33. CONTINGENT LIABILITIES

At 30 June 2023, the Group 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 has not made any provision for this liability as Directors consider the probability of the liability to be uncertain.

34. 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.

35. 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.

NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of shareholders of **Phoenix Investment Company Limited** will be held at **IBL House, Caudan Waterfront, Port Louis** on **Wednesday 29 November 2023** at **11.00 hours** to transact the following business in the manner required for the passing of **ORDINARY RESOLUTIONS**:

AGENDA

1. To consider the Annual 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.
- 4-11. To re-elect as Directors of the Company, to hold office until the next Annual Meeting, the following persons* who offer themselves for re-election (as separate resolutions):
 4. Mr. Arnaud Lagesse
 5. Mrs. Shahannah Abdoolakhan
 6. Mr. Jan Boullé
 7. Mr. François Dalais
 8. Mr. Madhukar Gujadhur
 9. Mr. Guillaume Hugnin
 10. Mr. Hugues Lagesse
 11. Mrs. Christine Marot
12. 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.
13. 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.
14. To reappoint Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
15. 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

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 **11.00 hours** and in default, the instrument of proxy shall not be treated as valid.
- c. A proxy form is included in the Annual 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.

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

BRN: C07001226

PROXY

I/We,

of

being a member/members of Phoenix Investment Company 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 **11.00 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 Annual Report 2023 of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To receive the report of Deloitte, the auditors of the Company for the year ended 30 June 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4-11. To re-elect as Directors of the Company, to hold office until the next Annual Meeting, the following persons* who offer themselves for re-election (as separate resolutions):			
4. Mr. Arnaud Lagesse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Mrs. Shahannah Abdoolakhan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mr. Jan Boullé	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Mr. François Dalais	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Mr. Madhukar Gujadhur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Mr. Guillaume Hugnin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Mr. Hugues Lagesse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Mrs. Christine Marot	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. To reappoint Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. To ratify the emoluments paid to Deloitte, the external auditors, for the financial year ended 30 June 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2023.

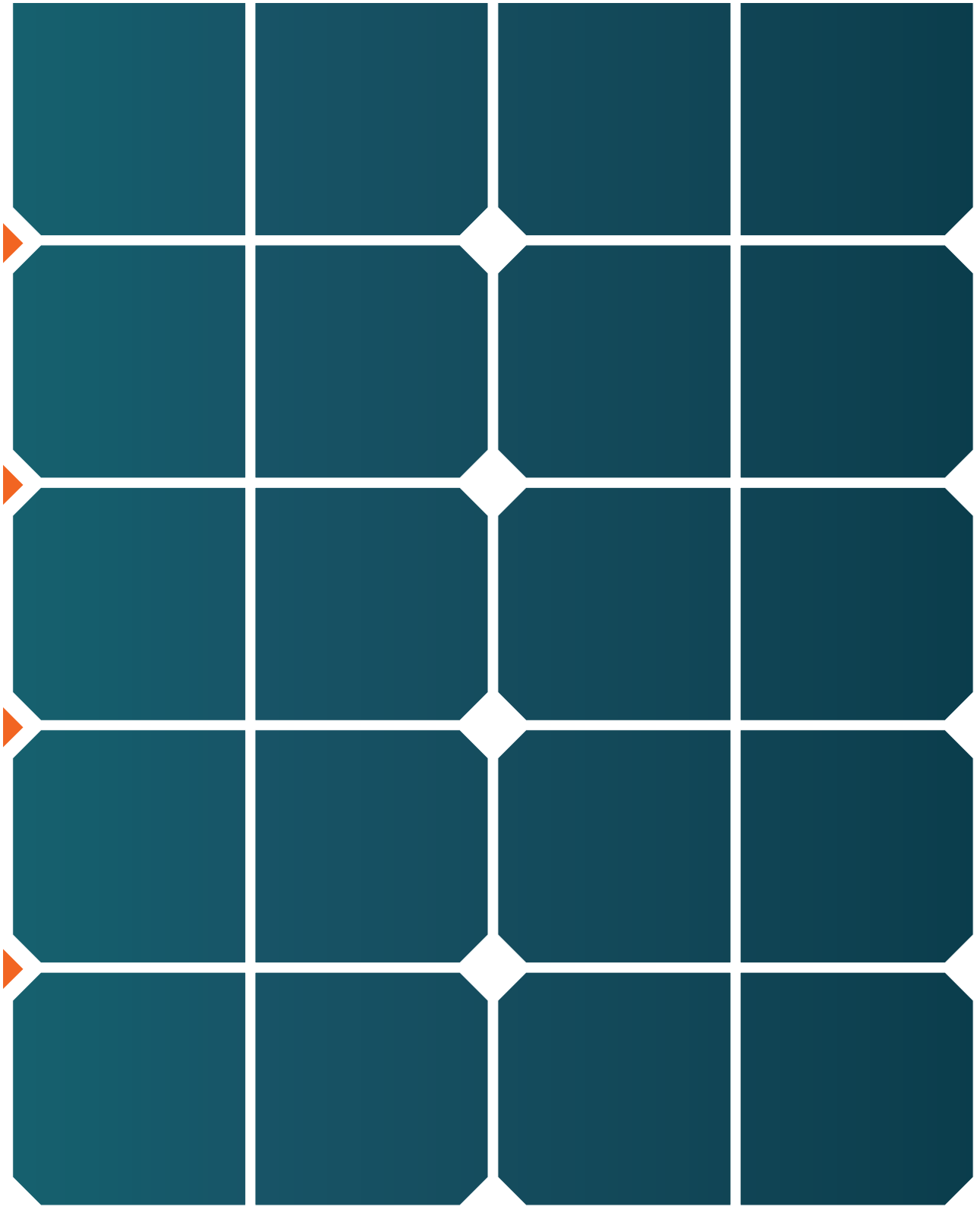
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Signature(s)

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 **11.00 hours** and in default, the instrument of proxy shall not be treated as valid.



PHOENIX INVESTMENT
COMPANY LIMITED