

medine

Shaping the future



INTEGRATED REPORT
2022

CORPORATE INFORMATION

Registered Office

4 Unicity Office Park
Rivière Noire Road
Bambous 90203
Mauritius
Tel: +230 401 6101
Fax: +230 452 9600
E-mail: corporate@medine.com

Registrar and Transfer Agent

MCB Registry and Securities Limited

Main Bankers

The Mauritius Commercial Bank Ltd
SBM Bank (Mauritius) Ltd
ABSA Bank (Mauritius) Limited
SBI (Mauritius) Ltd
MauBank Ltd

External Auditor

Ernst & Young

Noteholders' Representative

MUA Life Ltd

Dear Stakeholders,

The Board of Directors of Medine Limited is pleased to present its Integrated Report for the year ended 30 June 2022.

This report was approved by the Board of Directors on 23 September 2022.



René Leclézio
Chairman



Dhiren Ponnusamy
Chief Executive Officer

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258.

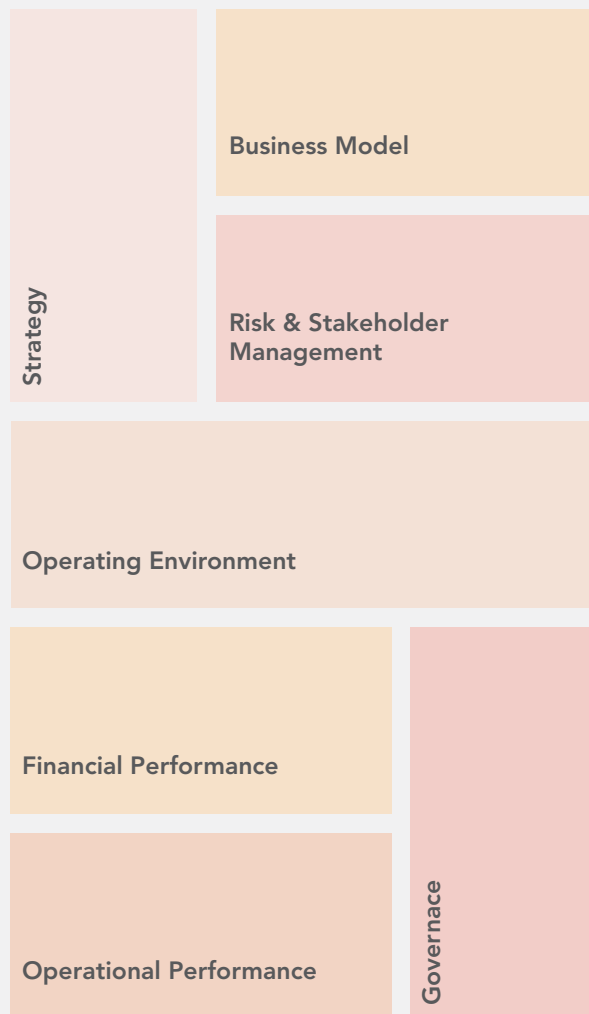
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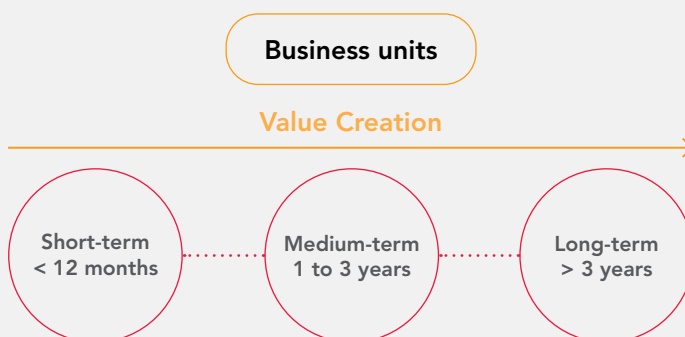
ABOUT THIS REPORT



Integrated Reporting Scope & Boundary



Financial Reporting Boundary



Reporting Period

In this integrated report, we aim to provide concise financial and non-financial information about Medine Limited ('Medine') and its subsidiaries for the financial year ended 30 June 2022. Any material events after this date, and up to the Board's approval of this report's contents on 23 September 2022, have also been included.

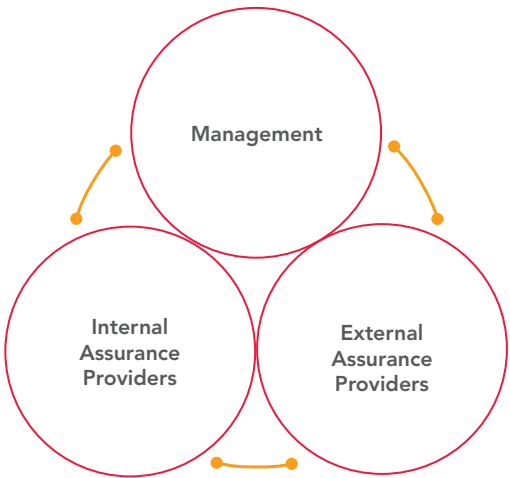


Materiality

Medine's management team and directors apply the principles of materiality in determining the relevance of the content and disclosures in this integrated report. Information is considered to be material if it can substantively affect Medine's strategy, revenue, profitability, and ability to create value over time. Medine aligns with the IFRS' definition of materiality as information whose omission or misstatement could reasonably influence the reader's decision-making. We have, however, excluded information that could lead to a loss of competitive advantage for our Group.

Combined Assurance

Medine applies a combined assurance model, which optimises assurance provided from management and internal and external assurance providers. Medine's FY22 audited financial statements were assured by our external auditor, Ernst & Young. The external auditor's report is available on pages 153 to 157. Medine's management and directors have reviewed the non-financial performance, strategy and risk information in this report and are confident that they provide a fair and balanced view of the group's material issues.



Forward-looking Statements

This report contains forward-looking statements regarding Medine's future performance and prospects. These statements, by their nature, involve uncertainty and risk. While these forecasts are based on information available to management at the time of preparing this report, readers are advised that actual results could differ materially from those expressed across the report.

Feedback and Comments

Your feedback helps us enhance the quality of our reporting. We would welcome your comments and questions and invite you to send them to investor.relations@medine.com.

Connect with us:  

ICONOGRAPHY GUIDE

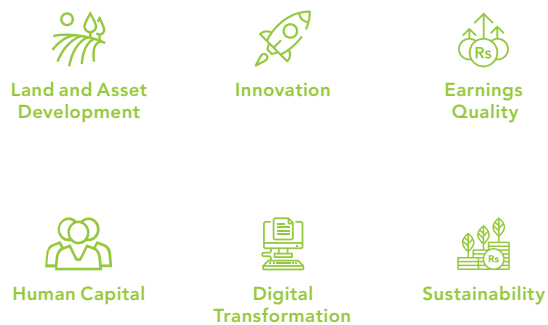
Business Units



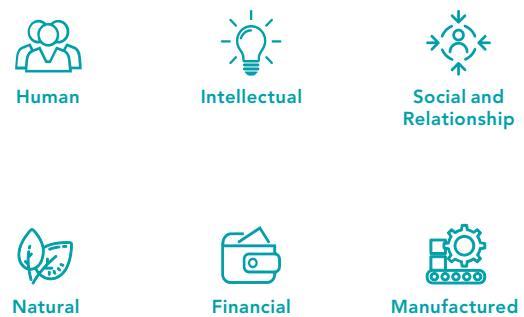
Stakeholders



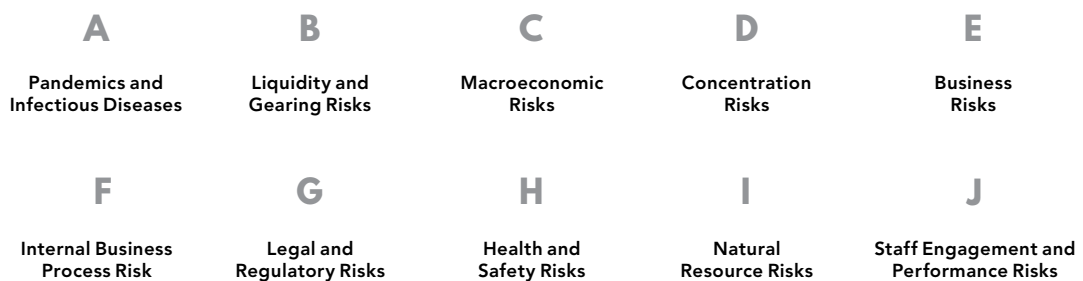
Strategic Focus Areas



Capitals



Main Risks





Medine is 111 years young.

In good times and more challenging ones, our Group has innovated, evolved and emerged all the stronger. Throughout, we've stayed true to our vision: to use our assets, our inventiveness, and the talents of our people to create extraordinary experiences for those who live, work, study in and enjoy the Mauritian West Coast.

As the world continues to change around us, we have remained agile and true to our roots. We recognise and build on our heritage and on the accomplishments of those who have come before us. We seek out new opportunities and fresh talent and embrace disruptive ideas. And every day, we shape a new and better future, for our Group, our employees and all those around us.



A large, dense tree with vibrant golden-yellow leaves dominates the foreground. In the background, a modern building with large glass windows and a blue frame is visible. The scene is brightly lit, suggesting a sunny day. The text "About our company" is overlaid in white serif font at the bottom center.

About our
company

OUR HISTORY

1922

- A Mauritian first: automatic sugar bagging



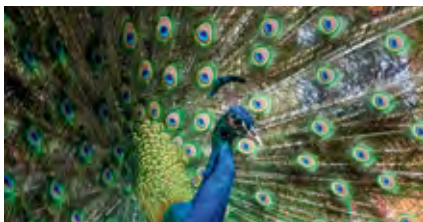
1974

- Start of mechanisation in sugarcane cultivation



1979

- Creation of Casela Bird Park, Mauritius' first nature reserve



1990

- Start of industrial derocking



2000

- Start of investment in 'Agriculture Raisonnée', with food production of around 3,700 tonnes



2005

- Launch of the Medine Master Plan, outlining the group's vision and plans for the West over the next 20 years
- Opening of Tamarina Golf Estate & Beach Club, the first Integrated Resort Scheme development on the island



2006

- › Fondation Medine Horizons, with its special 'Charitable Institution' status, administers all of Medine's CSR funds



2007

- › Walking with lions is introduced



2015

- › Creation of Mauritius' first on-campus student residences



2017

- › Uniciti Education Hub: one of the only private multi-brand, fully integrated campuses in the world



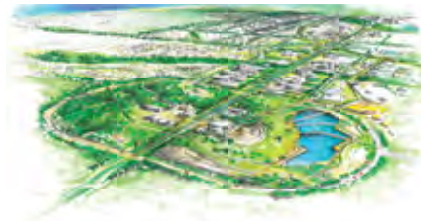
2020

- › Launch of Pangia Kids Park, the first outdoor theme park for children in Mauritius



2025

- › Completion of Magenta Park, the first public park on the island



AT A GLANCE

5 business units



HUMAN CAPITAL

880

EMPLOYEES

30%
WOMEN

70%
MEN



LEADERSHIP TEAM

40
MEMBERS

32%
WOMEN

68%
MEN



Rs 6.4m
INVESTED IN TRAINING IN 2022

73 GROUP
EMPLOYEES WITH
30+
YEARS OF SERVICE

OPERATIONAL HIGHLIGHTS

Rs 4.4bn

PROPERTY PORTFOLIO VALUE

2021: Rs 4.2bn

3,327

STUDENT POPULATION

2021: 3,540

18,081

TOTAL SUGAR TONNAGE
(GROWER'S SHARE)

2021: 19,226

187,500

ANNUAL VISITS
TO CASELA

2021: 113,799

2,020

FOOD CROP TONNAGE

2021: 1,649



10,000 ha

LAND BANK

Rs 1bn

COMMITTED
TOWARDS THE COST OF
THE FLIC EN FLAC
BYPASS

26,000

NUMBER OF GOLF
ROUNDS PLAYED

+30% from 2021

FINANCIAL HIGHLIGHTS

Rs 1.5bn

TOTAL INCOME

2021: Rs 1.2bn

Rs 289m

EBITDA

2021: Rs 157m

Rs 1bn

PROFIT/(LOSS) AFTER TAX

2021: Rs 150m

Rs 5.6bn

NET DEBT

2021: Rs 7.6bn



FIXED-RATE BOND
ISSUE WORTH

Rs 1bn

Fully subscribed for a
5-year period

Rs 200

NET ASSET VALUE
PER SHARE

2021: Rs 183



Rs 5.8bn

MARKET CAPITALISATION

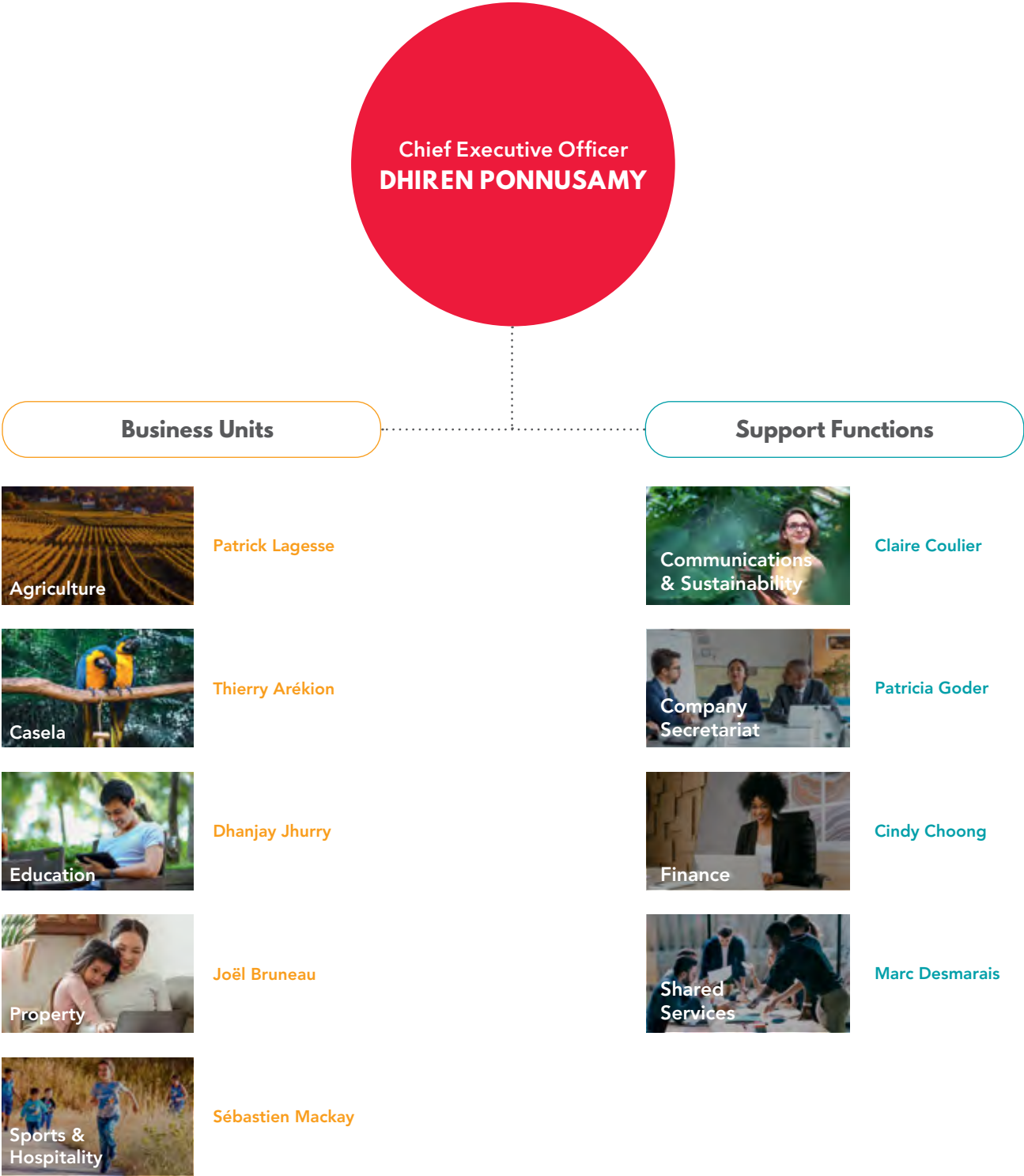
2021: Rs 7.6bn

3,341

SHAREHOLDERS

2021: 3,303

ORGANISATIONAL STRUCTURE



SHAREHOLDING STRUCTURE



Property-Related



Cascavelle Shopping Mall Limited (100%)
 Clarens Fields Ltd (100%)
 Forestia Estate Limited (100%)
 Pierrefonds Estate Company Limited (100%)
 Tamarina Golf Estate Company Limited (100%)
 Tamarina Leisure Properties Ltd (100%)

Uniciti Ltd (100%)
 • Uniciti Commercial Properties Ltd (100%)
 • Uniciti Education Properties Ltd (100%)
 • Uniciti Eduhousing Ltd (100%)
 • Uniciti Management Services Co Ltd (100%)
 • Uniciti Office Park Ltd (100%)
 • Uniciti Residential Properties Co Ltd (100%)
 • Uniciti Sports and Cultural Properties Ltd (100%)

Other Entities



Akuo Austral (Mauritius) Limited (49%)
 • Akuo Energy (Mauritius) Limited (100%)
 Akuo Energy Solution (Mauritius) Ltd (50%)
 Casela Limited (100%)
 • Safari Adventures Co Ltd (40%)

Fondation Medine Horizons (100%)
 Le Cabinet Limited (100%)
 Middlesex International (Mauritius) Ltd (49%)
 Tamarina Beach Club Hotel Limited (100%)
 Tamarina Golf Club Limited (100%)

Uniciti Education Hub Ltd (100%)
 • MCB Institute of Finance Ltd (20%)

Westcoast Secondary School Ltd (20%)

Concorde Tourist Guide Agency Limited (50.23%)*
 Société Reufac (72%)*
 The Medine Sugar Milling Company Limited (100%)*

*Non-operational entities





Leadership & governance



“The recently signed MOU with the Government for the new road from La Vigie to Flic-en-Flac is a **game changer for Medine and the West** in general.”

CHAIRMAN'S MESSAGE

Dear Shareholder,

We held an analysts' meeting recently to present the results for the year. I would say it went well, with good participation by the investment community in Mauritius. We showed them that all the figures were up on 2021, granted, for some, from a low base due to COVID-19 and its aftermath, but still up. We showed them that we had broken the back of the debt, taking it from Rs 7.8 billion at its peak, to Rs 5.6 billion at the end of the financial year, and that it would be down to Rs 4 billion in 2023. We explained how, at that point, with the progress we had made with the restructuring, the debt would be serviceable from cash generated by operations. We had resumed dividend payments on the day of the meeting, and we told them that, ceteris paribus, we would honour our pledge to pay Rs 1.2 billion in dividends over a five-year period, albeit with a two-year delay due to COVID-19.

And yet, I did not get the feeling that we had convinced them that this was a great buying opportunity. Net asset value (NAV), which is effectively the land bank, the liabilities being equal to the non-land assets, was up by 10 per cent for the year to Rs 200 per share, but, at the time of writing, one week after the meeting, the shares have inched up by only Rs 1, and are trading at a 70 per cent discount to NAV. The fact that we are making significant profits from the sale of bulk land is further evidence that the real NAV is higher than the one shown on the balance sheet (this is an accounting issue which I prefer not to get into here). I sympathise with shareholders who have had to sell shares at this big discount in order to pay living expenses. For those who have not sold, rest assured that we are determined to pay healthy dividends in the future. As I often say, profit on sale of land should accrue to shareholders.

I would encourage you to read Dhiren's report for a far clearer picture of operations than I could possibly hope to give in this message. Tourists are back in the country and Casela and the Tamarina cluster are showing signs of life. No matter how you skin the Casela cat, as Dhiren likes to remind us, Casela catches approximately 15 per cent of tourists present on the island. At steady state they account for about half the entries, but contribute over 80 per cent of the revenues. They are Casela's

lifeblood. Casela has a new boss – Thierry Arékion. Thierry has extensive experience in the leisure industry, and, more specifically, from a marketing point of view. His challenge will be to get the historical 15 per cent penetration up, every point increase going straight to the bottom line. We are confident that his fresh pair of eyes will bring a new dynamism to Casela.

The other element of Medine's Leisure cluster is the sports club, SPARC. SPARC got off to a rocky start – it was badly thought out, expensive and had features, like the Olympic swimming pool, which are useful only for major competitions, of which there are few in Mauritius. We now have a new head of Sports & Hospitality, Sébastien Mackay, who has arrived with new ideas, and we are reworking the product to give members what they want. Both SPARC and Tamarina need his experience now.

10%
increase in net asset
value per share

Rs 5.6bn
Net debt

2020 peak: Rs 7.8bn



CHAIRMAN'S MESSAGE

The Education business unit, too, has a new head, Dhanjay Jhurry, and he has also come with many ideas. He comes to us from the public sector, and I am sure that he has already experienced the differences in approach. While we have invested in hardware, namely, school and university buildings, this has had more to do with the logic of building stuff which will attract people to the Medine destination, ultimately simply being another cog in the property wheel. The French schools were somewhat elitist for the regional market, which, a priori, was more familiar with the English education system. Only Panthéon-Assas law school and l'École d'Architecture de Nantes have stayed on. Both are much appreciated, fill a need, and have made valuable contributions to the community. The number of students on the Unicity campus has reached 3,327, our target being 5,000. Our 49 per cent investment in Middlesex University is promising – the campus director, Mari Van Rensburg, is extremely dynamic, the number of students continues to grow, and the company is profitable to boot. *Que demande le peuple ?* The ball is now in Dhanjay's court to take Education to the next level, concentrating more on the software than the hardware.

Joël Bruneau has done some incredible things since his arrival as head of Property. Working with Dhiren, he has focussed on what was of capital importance for us – debt reduction. This involves a lot of permit chasing and a lot of unrewarding slog. Far more satisfying for a property person is the transformation of idle land into productive investment properties, but this is a luxury that we have had to put on hold while we crawled out from under the debt mountain. Dhiren and Joël have recently signed an MOU with government for the new road which will be going from La Vigie on the M1 to Flic-en-Flac. This is a game changer for Medine, and the west in general. It will mean that one will be able to go from the airport to Flic-en-Flac virtually uninterrupted. There are naturally some challenges ahead for the Property business unit – the lack of growth of the population and the resulting age demographics being one. Also, underinvestment by the Central Water Authority (CWA) over the years, and a tariff structure which results in the CWA not having the funds to invest, means that water could be a bottleneck for future development, not only for us, but everywhere on the island. Permits are already being turned down in the north for lack of water. Seventy thousand cubic metres of untreated water are coming out of the St Martin sewerage plant and going directly into the sea every day.

This is an awful waste of a fundamental resource. There are solutions, but there needs to be the political will. People are already paying a lot for their electricity, so they should also be paying their fair due for water.

Last, but not least, because it was your company's *raison d'être* for over a century, is Agriculture, which also has a new head in the person of Patrick Lagesse. Patrick has had a distinguished career in the sugar industry, both in Mauritius and abroad. He has already started to tackle the pressing issues being faced by our non-sugar products, of which we have a growing stable. The war in Ukraine has disrupted international flows of foodstuffs, which has resulted in major food producing countries putting a brake on exports. I have always believed that in Mauritius we needed to have an efficient port because we could not compete in most foodstuffs. Russia and COVID-19 changed that. I reckon now that Mauritius should be working on a plan for food autonomy, although we are far from that point. The lockdowns during the pandemic inspired a creative assortment of entrepreneurs in Mauritius – growing, packaging, marketing and delivering foodstuffs. Let us go further.

“Medine is run as a true meritocracy – there are new heads in every business unit, and we believe they are the right people for the jobs.”

Apart from demographics, Mauritius faces a number of other challenges. A brain drain of our best and brightest graduates, a relatively high tax regime which discourages investment and hinders the development of the financial services industry, and a government facing debt issues, thereby limiting investment in essential infrastructure, like water. Given COVID-19 and the other challenges which were thrown at them, they have done admirably well over the last few years. The private sector has also been working with government on a regional shipping line. Trade disruptions during the pandemic have resulted in the major shipping lines often bypassing Mauritius. The regional line should be operational in November, and will be a game changer for trade flows between Mauritius and our African and Indian Ocean neighbours. But now the time is for some bold decisions – notably on taxes and immigration.

I would like to thank the CEO, Dhiren Ponnusamy, and his dedicated team, for the tremendous energy that they have put, and continue to put, into stabilising the ship and setting the foundations for a new beginning. Medine is run as a true meritocracy - there are new heads in every business unit, and we believe that they are the right people for the jobs. I know that the market does not fully appreciate the work which has been accomplished, but investors are a tough bunch to please. I would like to thank my fellow directors, many of whom, to use an old trading expression, have skin in the game, for their continued support. The recent dividend declaration brought a smile to their sullen faces.

Yours sincerely,



RENÉ LECLÉZIO

Chairman

7 October 2022

BOARD OF DIRECTORS



RENÉ LECLÉZIO

(Born in 1956)

Non-Executive Director and Chairman

APPOINTED AS:

- Director on 25 June 2001
- Vice Chairman from 27 September 2002 to 30 June 2011
- Chairman on 1 July 2011
- Member of the Corporate Governance Committee on 11 April 2005

QUALIFICATIONS

- BSc (Chem Eng), Imperial College, London
- MBA (London Business School)

PROFESSIONAL JOURNEY

- Chemical engineer in the oil and gas industry, London
- Assistant Manager of Project Finance at Lloyds Merchant Bank, London
- General Manager of Promotion and Development (PAD) from 1988 and thereafter Managing Director from December 2004 to December 2021

SKILLS

- Investment management
- Property development
- Experience across several economic sectors
- Detailed knowledge of the Medine group
- Finance and Strategy

CURRENT EXTERNAL COMMITMENTS

- Director of several public and private companies

CURRENT EXTERNAL APPOINTMENTS IN QUOTED COMPANIES

- Caudan Development (up to December 2021)
- Excelsior United Development Companies
- Forges Tardieu (up to December 2021)
- Mauritius Freeport Development Company
- Promotion and Development (up to December 2021)
- Tropical Paradise (up to December 2021)



JACQUES TIN MIOW LI WAN PO, G.O.S.K.

(Born in 1944)

Non-Executive Director and Vice Chairman

APPOINTED AS:

- Director on 28 July 2004
- Vice Chairman on 1 July 2011
- Member and Chairman of the Audit & Risk Committee on 11 April 2005

QUALIFICATIONS

- Fellow of the Association of Chartered Certified Accountants (FCCA)

PROFESSIONAL JOURNEY

- Executive Chairman in the food processing sector of Food Canners Ltd, as well as in the alcoholic drinks sector of New Goodwill Co Ltd / International Distillers (Mauritius) Ltd
- Founder of Sungold Trading Ltd in 1989
- Operator of the Pizza Hut franchise
- Former member of the Bank of Mauritius' Monetary Policy Committee
- Board Member of the Bank of Mauritius from 2006 to 2014

SKILLS

- Extensive knowledge in the food and alcohol manufacturing industries, in marketing consumer products and in business project development
- Strong financial skills and strategic understanding
- Experience in setting up corporate structures
- Well versed in operational control
- Good knowledge of banking and other financial institutions

CURRENT EXTERNAL COMMITMENTS

- Executive Chairman of Food Canners Ltd and its associated companies, as well as of the New Goodwill Investment Group, which includes International Distillers (Mauritius) Ltd
- Board member of Bank of China (Mauritius) Ltd
- Director of several other companies and institutions

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- None

BOARD OF DIRECTORS



DHIREN PONNUSAMY

(Born in 1979)

Executive Director and Chief Executive Officer

APPOINTED AS:

- Director on 1 July 2021
- Chief Executive Officer on 1 July 2021

QUALIFICATIONS

- BSc (Hons) in Economics from the London School of Economics & Political Science
- Chartered Financial Analyst (CFA) Charterholder

PROFESSIONAL JOURNEY

- Started his career in 2002 with the Thomas Cook Group in the United Kingdom
- Joined Standard Chartered Group in 2006, Based in the UK
- Appointed Senior Vice President & Chief Financial Officer (CFO) with Standard Chartered Korea
- Based in Seoul, South Korea, between 2008 and 2012. Managed business integration following the complex acquisition of Korea First Bank. Extensive exposure to post-crisis banking reforms
- In 2012, appointed Regional CFO, Wholesale Banking, overseeing Standard Chartered's African operations. Based in Johannesburg, South Africa. Oversaw the set-up of new banking subsidiaries in Mozambique and Angola as well the acquisition of Barclays' African custody business
- Appointed Regional CFO, ASEAN/South Asia Cluster in 2014, overseeing Standard Chartered's operations in the Philippines, Vietnam, Nepal, Sri Lanka and Brunei whilst based in Manila, the Philippines. Oversaw the consolidation of ASEAN markets and the successful disposal of Standard Chartered's Consumer Banking franchise in the Philippines

- In late 2015, relocated to the UK and was appointed Managing Director and Global Head of Financial Planning & Analytics for Standard Chartered Group. Played a leading role in the Group's financial strategy and overhaul of global analytics capabilities
- Relocated to Mauritius to join the Medine group in January 2018 as Chief Operating Officer, overseeing all support functions and business strategy
- Under his leadership in 2020, Medine completed a strategy refresh, combined with a significant business and cost restructuring
- Appointed as Chief Executive Officer and Executive Director as of 1 July 2021

SKILLS

- Change management in culturally complex emerging markets
- People management and development
- Extensive experience in business and organisational restructuring
- Balance sheet optimisation
- M&A and managing post-acquisition integration
- Financial and strategic planning
- Investment management

CURRENT EXTERNAL COMMITMENTS

- Independent Director and Chair of Corporate Governance Committee of State Bank of India (Mauritius) Ltd
- Member of the Listing Committee of the Stock Exchange of Mauritius
- Member of the Court of the University of Mauritius
- Director of MCB Institute of Finance Ltd
- Member of the Executive Committee and Audit Committee of the Mauritius Sugar Syndicate

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- None



NG YUNG MARIE THÉRÈSE DOGER DE SPÉVILLE

(Born in 1954)

Non-Executive Director

APPOINTED AS:

- Director on 25 June 2019

QUALIFICATIONS

- Notary public

PROFESSIONAL JOURNEY

- Practised as notary public from 1995 to 2009

SKILLS

- Social leadership
- International law and human rights

CURRENT EXTERNAL COMMITMENTS

- Director of Food Canners Limited

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- None



THOMAS DOGER DE SPÉVILLE

(Born in 1989)

Non-Executive Director

APPOINTED AS:

- Director on 30 June 2015
- Member of the Corporate Governance Committee on 23 September 2019

QUALIFICATIONS

- MBA, Institut Supérieur de Commerce de Paris, France

PROFESSIONAL JOURNEY

- Founder and Managing Director of two companies specialised in online promotion on the French market
- General Manager of Monoprix Bagatelle (CMPL Ltd) from December 2014 to June 2016

SKILLS

- Marketing and commercial skills
- Strategy development and execution

CURRENT EXTERNAL COMMITMENTS

- Managing Director of Saffra Ltd, an investment holding company based in Mauritius
- Director of several companies

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- Excelsior United Development Companies Limited

BOARD OF DIRECTORS



GILBERT GNANY

(Born in 1962)

Non-Executive Director

APPOINTED AS:

- Director on 14 November 2018

QUALIFICATIONS

- Licence ès Sciences Économiques (Économie Mathématique) – University of Toulouse 1
- Maîtrise en Économétrie - University of Toulouse 1
- DESS en Méthodes Scientifiques de Gestion et Calcul Économique Approfondi – University of Paris X

PROFESSIONAL JOURNEY

- Former Senior Advisor on the World Bank Group's Executive Board, where he was responsible for issues relating mainly to the International Finance Corporation and the private and financial sectors
- Former Economic Advisor to the Minister of Finance in Mauritius
- Former Chief Economist and Group Head of Strategy, Research & Development at MCB Group
- Former Chairperson of the Stock Exchange of Mauritius and the Statistics Board of Mauritius
- Former member of the Board of Governors of the Mauritius Offshore Business Activities Authority and former Director of the Board of Investment
- Former member of the IMF Advisory Group for sub-Saharan Africa (AGSA)

SKILLS

- Wide-ranging experience across several sectors, including banking and financial services, real estate and agriculture
- Regional and international experience
- Proficiency in areas including economics/econometrics, statistics, finance and strategy formulation
- Well versed in corporate governance
- Broad experience as a Non-Executive Director
- Good knowledge of the Medine Group

CURRENT EXTERNAL COMMITMENTS

- Chief Strategy Officer and Executive Director of MCB Group Ltd
- Chairperson/Board member of several companies within the MCB Group
- Chairperson of the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue
- Member of the Financial Services Consultative Council

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- MCB Group Ltd
- Promotion and Development Ltd
- Caudan Development Ltd
- COVIFRA



LAJPATI GUJADHUR

(Born in 1943)

Non-Executive Director

APPOINTED AS:

- Director on 26 October 1988

QUALIFICATIONS

- Attorney-at-law with a particular interest in property and company law, as well as civil litigation

PROFESSIONAL JOURNEY

- Attorney-at-law since April 1969
- Attorney of the Supreme Court of Mauritius since 21 May 1969
- Director of Rogers & Co. Ltd from 1990 to 2000

SKILLS

- 50 years of experience in legal matters, particularly civil law

CURRENT EXTERNAL COMMITMENTS

- None

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- Excelsior United Development Companies Limited



RAMAPATEE GUJADHUR

(Born in 1945)

Non-Executive Director

APPOINTED AS:

- Director on 21 January 2004

QUALIFICATIONS

- Associate member of the Institute of Bankers in England and Wales (ACIB)

PROFESSIONAL JOURNEY

- Former Senior Manager at The Mauritius Commercial Bank Ltd
- Former Director of Air Mauritius Ltd from 2001 to 2014

SKILLS

- Well versed in corporate governance matters
- Valuable experience across several sectors
- Detailed knowledge of the Medine group
- Strong financial skills and strategic understanding

CURRENT EXTERNAL COMMITMENTS

- Director of Mahanagar Telephone (Mauritius) Ltd, a fully-owned subsidiary of MTNL India
- Director of Indian Oil (Mauritius) Ltd
- Director of several other companies

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- None

BOARD OF DIRECTORS



MARC LAGESSE

(Born in 1963)

Independent Non-Executive Director

APPOINTED AS:

- Director on 27 September 2017
- Member of the Corporate Governance Committee on 27 September 2017
- Chairman of the Corporate Governance Committee on 9 February 2018

QUALIFICATIONS

- BSc in Statistics, Computing, Operational Research and Economics, University College London
- MBA with a specialisation in Finance and Macroeconomics, London Business School

PROFESSIONAL JOURNEY

- Proprietary trader in derivatives in the UK
- Former General Manager and Director of Mauritius Fund Management Co Ltd
- Former CEO of MCB Investment Management Co Ltd
- Former Group Head of Capital Markets at MCB Ltd
- Former Chief Executive Officer of Hertshten Group Ltd

SKILLS

- Member of the initial National Corporate Governance Committee, involved in the writing of the Code for Mauritius
- Considerable experience in the identification and development of new business opportunities
- Valuable executive-level experience across several sectors and regions, including India, China and Africa

- Broad experience as a Non-Executive Director and interests across various sectors
- Strong capital markets knowledge and experience

CURRENT EXTERNAL COMMITMENTS

- Member of the Investment Committee of the S.I.P.F.
- Chair of the Board of Governors of Clavis International Primary School
- Independent Director of the Scott Group of companies including Scott Investment Ltd, Scott & Co Ltd, Scott Health Ltd and The Brand House Ltd
- Independent Director of Loinette Capital Ltd
- Independent Director of Medine Distillery Ltd (part of Eudcos group)
- Director of IORC Ltd (part of Eudcos group)

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- Independent Non-Executive Director and Chair of the Corporate Governance Committee at United Investments Ltd and
- Excelsior United Development Companies Limited



JOCELYNE MARTIN

(Born in 1960)

Non-Executive Director

APPOINTED AS:

- Director on 18 June 2014
- Member of the Audit & Risk Committee on 30 June 2015
- Member of the Corporate Governance Committee on 13 November 2015

QUALIFICATIONS

- BSc (Hons) in Statistics at the London School of Economics
- Member of the Institute of Chartered Accountants of England and Wales

PROFESSIONAL JOURNEY

- Trained at Deloitte Haskins & Sells, London (now part of PwC)
- Senior Manager at De Chazal Du Mée
- Group Financial Controller at Promotion and Development Ltd from 1995 and thereafter appointed to the Board of Directors of Promotion and Development Ltd and Caudan Development Ltd in December 2004

SKILLS

- Strong financial skills
- Extensive executive experience in financial reporting and corporate finance
- Portfolio development and commercial skills
- Strategic understanding of organisational and human resources issues
- Valuable experience across several sectors of the economy

CURRENT EXTERNAL COMMITMENTS

- Finance Director of Promotion and Development Ltd, its Group and Subsidiaries until appointment as Chief Executive Officer in January 2022

CURRENT EXTERNAL APPOINTMENTS IN QUOTED COMPANIES

- Caudan Development Ltd
- Excelsior United Development Companies Limited
- MFD Group Limited
- Oceanarium (Mauritius) Ltd
- Promotion and Development Ltd
- Tropical Paradise Co Ltd

BOARD OF DIRECTORS



SHAKIL MOOLLAN

(Born in 1972)

Independent Non-Executive Director

APPOINTED AS:

- Director on 30 September 2015
- Member of the Audit & Risk Committee on 27 September 2017

QUALIFICATIONS

- BA (Hons) Finance and Accounting, University of East London
- Member of the Chartered Institute of Management (UK)

PROFESSIONAL JOURNEY

- 25 years of experience as a Partner in accounting and audit firms
- Founder of Moollan & Moollan (Chartered Certified Accountants)
- Founder of several business units that make up Moollan & Moollan Group, providing turnkey financial administration solutions to businesses

SKILLS

- Hands-on expertise in corporate turnaround
- Well versed in corporate finance
- Strong marketing portfolio development
- Valuable experience across several sectors

CURRENT EXTERNAL COMMITMENTS

- Founder & Group Managing Partner of Moollan & Moollan (Chartered Certified Accountants)
- Co-owner and Director of PCL Management Services (Mauritius) Ltd
- Director of various global companies

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- None



MARC DE RAVEL DE L'ARGENTIÈRE

(Born in 1963)

Non-Executive Director

APPOINTED AS:

- Director on 1 July 2008
- Member of the Audit & Risk Committee on 30 June 2011

QUALIFICATIONS

- Certificate in Accounting, Marketing, Negotiation, Organisational Behaviour, Project Management, Edinburgh Business School

PROFESSIONAL JOURNEY

- Manager and promoter of several business entities
- Manager at Grays Ltd from 1988 to 2007, responsible for managing world-renowned brands and for importing, marketing and distribution in Mauritius and Madagascar
- Audit team member at De Chazal Du Mée Chartered Accountants from 1987 to 1988
- Worked at De Ravel & Co Chartered Accountants South Africa from 1985 to 1987

SKILLS

- Strong commercial skills
- Valuable experience across several sectors
- Strong financial skills and strategic understanding

CURRENT EXTERNAL COMMITMENTS

- Manager and promoter of several business entities involved in property development and agriculture

CURRENT EXTERNAL APPOINTMENTS IN LISTED COMPANIES

- Excelsior United Development Companies Limited



PATRICIA GODER, ACG

(Born in 1968)

Group Company Secretary

Chartered Secretary and Chartered Governance Professional from The Chartered Governance Institute, UK. Completed an Executive Management Programme with Essec Business School, Paris. Worked for accounting and company secretarial firms before joining Medine as Deputy Group Secretary in 2000. Has served as Group Company Secretary since November 2006.

SENIOR MANAGEMENT



07

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SENIOR MANAGEMENT

01_DHIREN PONNUSAMY

Chief Executive Officer

Born in 1979. Holder of a BSc (Hons) in Economics from the London School of Economics and Political Science and is a Chartered Financial Analyst Charterholder. Has over 20 years of international experience in global finance and banking over three continents. Former Managing Director at Standard Chartered Bank Plc in London and previously held several senior CFO and regional CFO positions in South Korea, Singapore, Africa, the Philippines and the UK. Relocated to Mauritius to join the Medine group in January 2018 and was Chief Operating Officer until his appointment as Chief Executive Officer and Executive Director as of 1 July 2021.

02_CLAIRE COULIER

Chief Communications & Sustainability Officer

Born in 1983. Holder of a Master of Science in Economic Development from the London School of Economics and Political Science. Has over 15 years of experience in communications and public relations. Previously worked in public relations at the London-based Royal Society of Arts; managed publications and events for leading UK think tank Demos and founded a social enterprise to improve charities' impact. Co-founded strategic communications agency In Other Words and advised a broad range of Mauritian blue-chip companies and conglomerates between 2014 and 2021. Joined Medine in January 2022.

03_CINDY CHOONG

Chief Financial Officer

Born in 1973. Fellow of the Chartered Association of Certified Accountants, Holder of Diploma in Management from the SHATEC International Hotel and Tourism School and completed a General Manager programme at ESSEC Business school. Has more than fifteen years of experience in finance at an executive level. Previously worked at KMPG Mauritius in the Audit and Assurance, as a Finance Manager at Berjaya Hotels & Resorts and as Deputy Head of Finance at Banque des Mascareignes. Joined Medine in 2011 to oversee the group's then-leisure cluster before becoming Financial Controller for the property cluster then Group Financial Controller in 2020. Was appointed Head of Finance in March 2022, before becoming Chief Financial Officer in September 2022.

04_JOËL BRUNEAU

Managing Director | Property

Born in 1964. Holder of an MBA with Distinction from Birmingham University, UK. Started his career in South Africa in 1987 and moved back to Mauritius in 1992 to join IBL Group. Subsequently joined Medine to start the Property Structure in 2008, then moved to Omnicane until 2020 to spearhead their developments in the centre and in the south of Mauritius. Joined Medine once again in December 2020 as Managing Director of the Property business unit.

05_MARC DESMARAIS

Managing Director | Shared Services

Born in 1965. Holder of a Master of Science in Human Resources from University College Dublin. Worked at HSBC, both in Mauritius and internationally, as well as at MCB. Has more than 15 years of experience at a senior management level. Joined Medine as Group Head of Human Resources in February 2010 and was concurrently the Head of the Education business unit from 2013 to May 2020. Managing Director of Shared Services, consisting of Communication, HR, Health and Safety, Legal, Sales & Marketing and Security, since June 2020.

06_PATRICK LAGESSE

Managing Director | Agriculture

Born in 1966. Holder of an Executive MBA from the University of Birmingham and a Bachelor of Science, Agriculture from the University of KwaZulu-Natal. Has over 30 years of experience in the agricultural sector, most recently in Ivory Coast, where he was the Technical Director of Sucrivoire (SIFCA Group). Previously held a number of senior roles at Alteo, notably spearheading the transition to new farming techniques and the roll-out of precision agriculture technologies. Was appointed Managing Director of Agriculture at Medine in June 2022.

07_DHANJAY JHURRY

Managing Director | Education

Born in 1964. Holder of a PhD in Polymer Chemistry from Bordeaux-1 University. Was Vice-Chancellor of the University of Mauritius from 2017 to 2022. Has over 27 years of experience in the field of higher education and has published over 80 research papers in scholarly journals. The recipient of various national and international awards, including the first Best Mauritian Scientist Award in 2011. Was made a 'Grand Officer of the Star and Key of the Indian Ocean' and a 'Commander of the Star and Key of the Indian Ocean' by the Republic of Mauritius in 2019 and 2012 for his contributions to education and research. Named 'Chevalier dans l'Ordre des Palmes Académiques' by the Republic of France in 2007. Was appointed Managing Director of Education at Medine in August 2022. Has been actively involved in various University Associations (ACU, AUF, ARUA, SARUA, AAUN).

08_THIERRY ARÉKION

General Manager | Casela

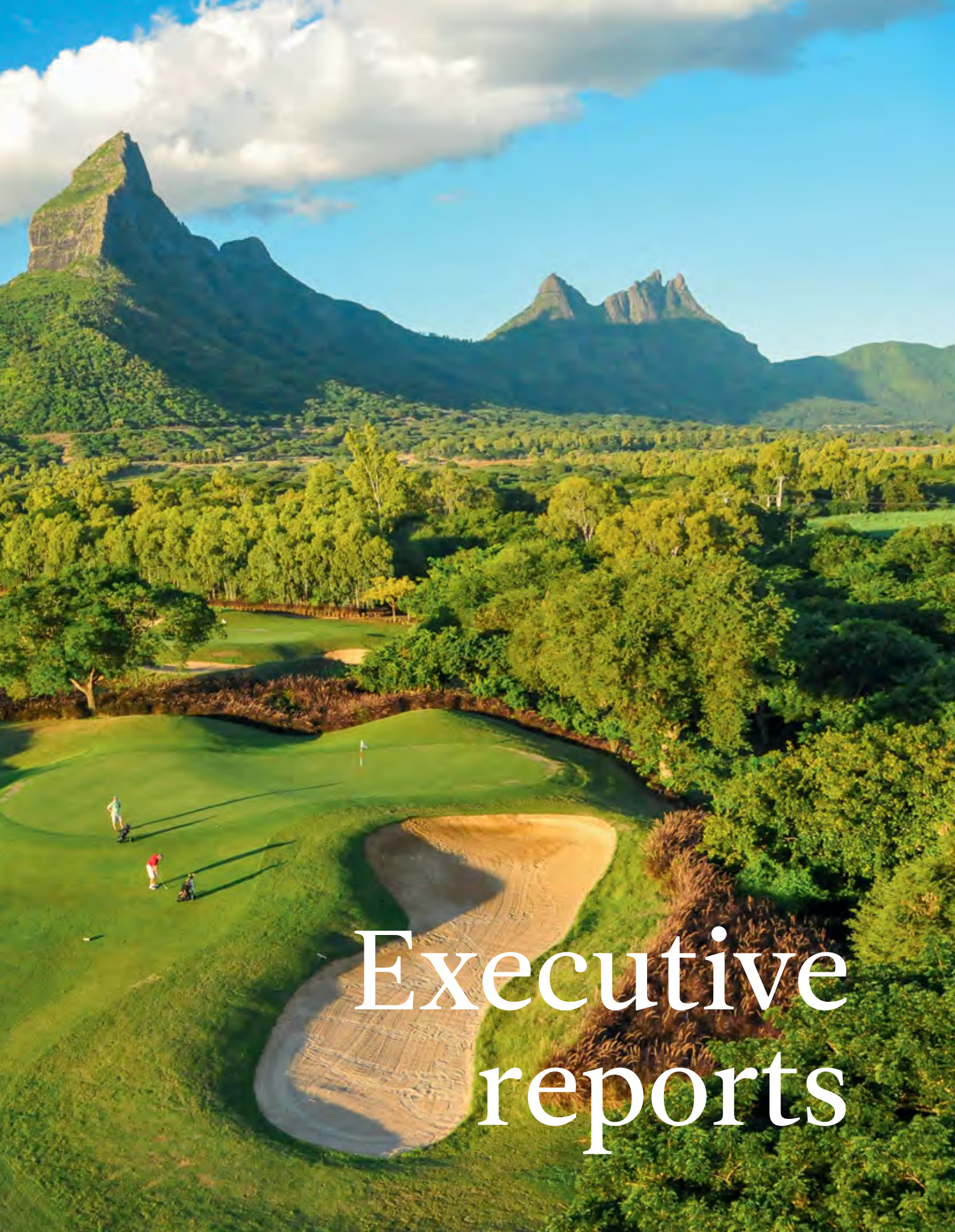
Born in 1972. Holder of an MBA in Business Administration and Management from IAE Paris - Sorbonne Business School and L'Université Paris-Dauphine. Has 30 years of experience in commercial, marketing and management roles. Previously worked for British Airways for 21 years, including 8 as Country Commercial Manager for the Indian Ocean. In that role, was responsible for sales performance and was the media spokesperson. In 2016, joined CFAO Motors as the Commercial Director for Mercedes-Benz, restructuring the business unit and increasing sales. Worked 2 years as Business Unit Manager of Croisieres Australes for Rogers Group and joined Medine as General Manager of Casela in August 2021.

09_SÉBASTIEN MACKAY

General Manager | Sports & Hospitality

Born in 1977. Has extensive experience in the luxury tourism, travel, and hospitality sectors. Previously held several commercial roles with Beachcomber Resorts & Hotels, both in Mauritius and in Finland, and spent 10 years overseeing the Group's activities in the Nordic markets. Also held a senior sales and marketing role at La Compagnie de Beau Vallon Limitée. An avid sportsman who won many national and international titles, namely a gold medal for Mauritius at the 1998 Jeux des îles, gold medal at the Finland's Division 1 league in 2017, a silver medal at the African Championship in 1995 and a bronze medal at Finland's national table tennis championship in 2017. Joined Medine in June 2022.





Executive reports



“We have now established a
strong and resilient platform on
which to confidently build”

INTERVIEW WITH THE CEO

There is no doubt that it has been a challenging year. How has Medine fared?

Looking back on Medine's progress over the past year, and considering what lies ahead, it's clear that we are shaping an exciting new future for our Group and our stakeholders.

In 2020, we set out to:

- Transform our operations into lean, productive and profitable businesses;
- Deliver Target 4:4, a set of tactical actions to reduce Medine's debt to Rs 4bn by 2023 and generate sustainable earnings per share of Rs 4 by 2023; and
- Resolve the problem of road access to the West.

To achieve the first two objectives, we embarked on an ambitious restructuring programme to radically deleverage and optimise costs, refocus resources away from businesses with low returns and towards higher-value and higher-return opportunities (including via digital transformation), and ensure we have the right capabilities and skillsets for the future.

We had no way of knowing that Mauritius' borders would remain closed until October 2021 and that we would still be wearing masks in June 2022. Yet despite the varying levels of restrictions that affected our operations during most of the financial year, we are now firmly on track to deliver Target 4:4 by 2023, as promised. During the year under review, each of our operations also contributed improved EBITDA.

This achievement is a testament to the hard work and commitment of all our employees, and to their willingness to go the extra mile and continuously test the boundaries of what is possible.

In the past year, we've also invested in our teams and infused talent in key roles: Patrick Lagesse was named Managing Director of Agriculture; Thierry Arékion was named General Manager of Casela Nature Parks; Claire Coulier joined us as Chief Communications and Sustainability Officer; Sébastien Mackay was appointed General Manager of Sports and Hospitality; and Dhanjay Jhurry came on board as Managing Director of Education. With Cindy Choong having been promoted to Chief Financial Officer during the year, and Joël Bruneau having joined as Managing Director of Property a year prior, we have effectively rebuilt Medine's entire leadership team. It is refreshing to witness their energy and dedication to achieving the objectives we have set for the Group.

In September 2022, we reaped the rewards of two years of hard work when we signed a Memorandum of Understanding with the Government and the Road Development Authority to develop Phase 3 of the East-West corridor – a 5.2km stretch of single carriageway, with provision for future dualling, running from Pierrefonds to Cascavelle. This new highway will run parallel to the existing Beau Songes road and will become a major new artery linking Cascavelle Shopping Mall to the centre of the island. It will effectively unlock road access to the West Coast. Work is scheduled to start in early 2023 and complete by end of 2024.

Medine's contribution to the project is in excess of Rs 1bn. This is, by far, the largest contribution by a private sector operator to public infrastructure of such significance. It underlines the role that Medine plays in Mauritius' integrated and inclusive development and in delivering positive change for our community.

In short, over the past year, we have now established a strong and resilient platform on which we can confidently build. I firmly believe that our Group will now be able to generate sustainable value for our stakeholders and withstand the challenges and external shocks that may arise in the future.



INTERVIEW WITH THE CEO

How did Medine perform financially?

For the full year ending 30 June 2022, Medine reported income of Rs 1.5bn – up 36% on the prior year – and profit after tax of Rs 1bn – up seven-fold on the prior year. This is the highest level of profits ever achieved in the Group's history. It translates into an earnings per share (EPS) of Rs 10. Our net asset value (NAV) has grown 10% to Rs 200 per share.

While the headline results undoubtedly command attention, Medine's focus remains on improving our operational performance and generating higher EBITDA across our business units. EBITDA (excluding land sales) reached Rs 289m, an 83% improvement on last year's Rs 157m. All of our businesses, without exception, contributed to this operational improvement. This is especially gratifying given the varying levels of restrictions that affected our operations during the first half of the financial year.

While there was broad-based improvement across our business units, the performance of Agriculture and Property stood out. Agriculture operations saw revenues grow 22% with EBITDA rising to Rs 95m, driven by higher sugar revenues and a record year for our deer farming operations. More widely, the positive outlook for sugar prices is providing us with much-needed breathing space to invest in agricultural technology and continue to lead the way in mechanisation. Our Property activities reported revenue growth of 19% on last year with EBITDA reaching Rs 269m on the back of a strong performance by Cascavelle Shopping Mall and improved occupancy in our office parks. At the time of writing, we had six concurrent real estate projects, of which five land parcelling projects at different stages of completion. This is unheard of in the Group's history and exemplifies Medine's new dynamism and spirit of performance.

Sales at The Grove, our smart city's first built residential project, have exceeded our expectations. We are now working on the second phase of this development and look forward to welcoming the smart city's first residents in 2024.

With the re-opening of Mauritius' borders in October 2021, tourist arrivals gradually increased, contributing to our performance at Casela and within Sports & Hospitality. However, visitor numbers to Casela remained subdued due to prevailing sanitary restrictions, with tourists initially preferred to stay within their resorts. The real impact of the border reopening will be felt in the next financial year. Our Chief Financial Officer, Cindy Choong, covers Medine's financial performance in more detail in her review.

Most importantly, at year end, Medine had reduced its debt to Rs 5.6bn – that is, Rs 2.2bn lower than the 2020 peak of Rs 7.8bn. By October 2022, that figure was down further to Rs 5.2bn. We now have a clear runway to delivering a reduction in debt to Rs 4bn by next year, in line with our commitment to the market – it is underwritten by two parcelling projects that have already been sold in their entirety and that will be delivered in 2023. It is no longer a question of how or if we will achieve our debt reduction objectives. It is now a matter of months.

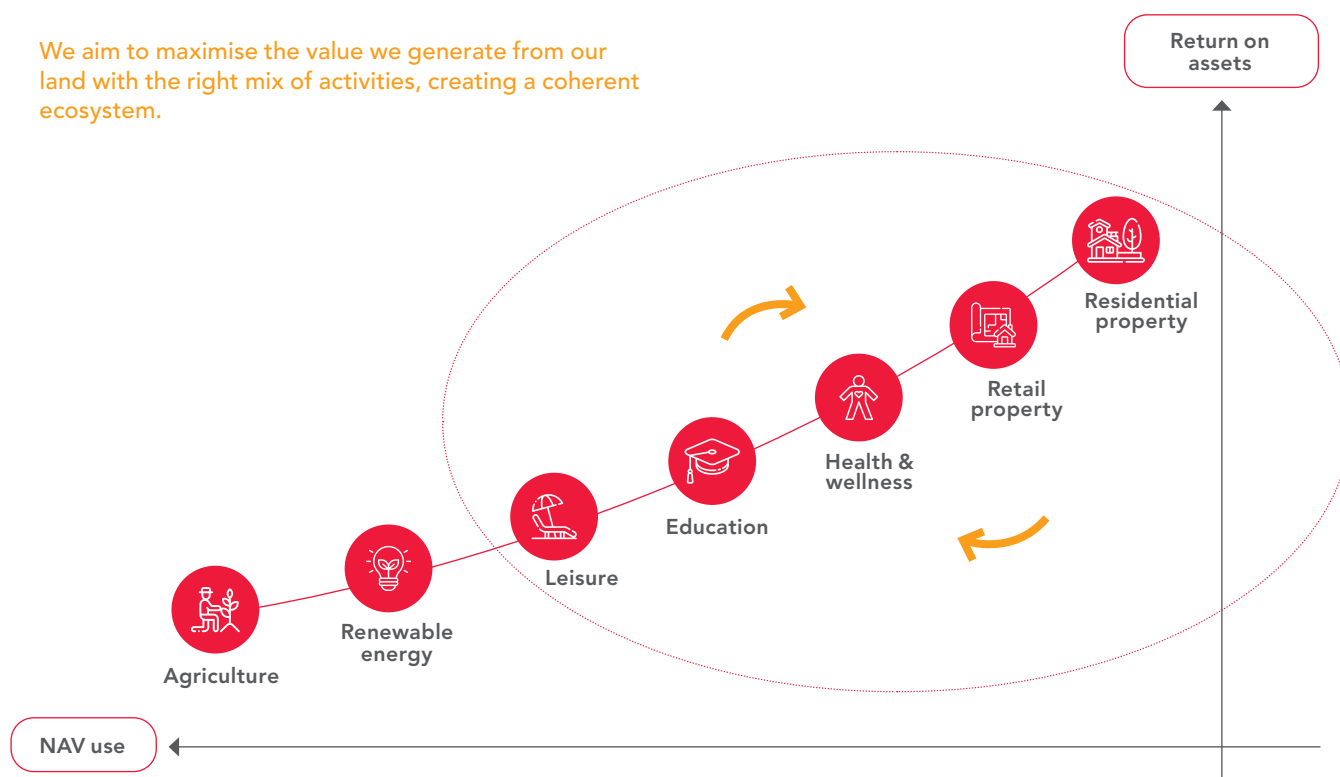
“Medine’s focus remains on improving our operational performance: **EBITDA reached Rs 289m, an 83% improvement on last year.**”

What is Medine's strategy going forward?

With Target 4:4 all but behind us, our focus has shifted towards earnings quality. Our strategy and objectives are clear – as the guardians of 6% of Mauritius' landmass and most of the West Coast, we need to invest and develop cash-generating assets that create sustainable and long-term value for all of our stakeholders. Given our NAV of Rs 200 per share and current share price of Rs 56, we are essentially trading at a 72% discount. To close this gap, we need to convert passive NAV into super active NAV by extracting recurring cash value from our assets, year in, year out.

All our activities have one thing in common: they all generate a return from leveraging our unique landbank. Crucially, each of our businesses is part of an integrated business model and a coherent ecosystem that helps us offer our customers a unique lifestyle and value proposition. To generate high returns on residential real estate, for instance, we need to provide a world-class lifestyle including leisure, education and wellness offerings.

We aim to maximise the value we generate from our land with the right mix of activities, creating a coherent ecosystem.



Our aim is to shift the return curve up overall, optimising activities that could be generating higher returns and growing areas that have potential. We intend to do this by investing in technology and talent, focusing on productivity and selectively expanding into growth sectors, finding new ways to extract revenue from our assets.

That said, we believe that a strong build and lease portfolio is critical to achieving Medine's strategy. It will ensure that we retain control of the developments in our core territory, capture returns to shareholders in prime and unique locations, and add further value to adjoining lands while appropriately phasing the ever-rising cost of infrastructure for future developments.

To avoid a repeat of the past, we have now established a clear framework whereby all new projects will be financed with a strict 50:50 split between debt and equity – where equity is made up of either retained earnings on operations or cash generated from land sales. This approach will result in a return on equity in excess of 12% for shareholders on these projects and ensure that our debt load remains sustainable relative to our cash generation capacity. Using this new framework, we have planned an extension of Cascavelle Shopping Mall for 2023 that will treble its existing retail space and offer its users new and exciting features.

Through our developments and infrastructure, the experiences that we offer and the innovation that we drive, we will continue to be a force for good in the West.

INTERVIEW WITH THE CEO

How you intend to deliver on this commitment to being a force for good?

Medine was committed to sustainability long before it became a buzzword. Sustainability, to us, means developing an operating model that makes a positive social and environmental impact – all while ensuring our profitability. As the first Mauritian company to invest in sustainable farming and get involved in conservation via Casela Nature Parks, sustainability is at the core of what we do.

However, we recognise that there is a need for a more structured approach to sustainability. We are therefore in the process of defining a Group-wide sustainability strategy. Alongside this, we are actively investing in circular economy business models and on the optimisation of key resources across the Group, while seeking to capitalise on opportunities in sustainability-related sectors such as renewable energy.

Against the backdrop of COVID-19 and with the most vulnerable in our community being hit disproportionately hard by the current inflationary context, we are more determined than ever to support those most in need and help create a more inclusive, sustainable future for our community. We have revisited Fondation Medine Horizon's strategy to help maximise our impact. The Sustainability section of this report sets this out in more detail.

You've spoken about investing in your people. What role do they play in Medine's strategy?

Medine is a Group that succeeds through its talent. The importance of our people was once again highlighted during the year, with the pandemic causing people across all industries to re-examine their priorities. With the Mauritian brain drain and a skills mismatch heightening the competition for talent, it has become more important than ever to understand and respond to the needs of our workforce.

This year, we have sought to focus on the work-life balance and development opportunities that we offer employees. We embarked a series of actions aimed at promoting employee wellbeing, including new events and celebrations and the extension of maternity leave from 14 to 20 weeks, with paternity leave increasing from five to 10 days. Through our education activities, we are investing considerably in training and development. We have also begun to work more widely on our Group culture and have continued to promote the creation of a diverse and inclusive workplace.



We pride ourselves on our meritocratic approach to recruitment and internal mobility. We believe that this will allow us to differentiate Medine from its peers and attract the talent we need for the future.

However, we recognise the need to step back and holistically reassess the employee experience that Medine offers. This is something that we will continue to work on in the coming months and years.

Given the challenging context, what is the outlook for Medine in FY23 and beyond?

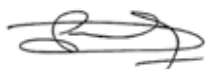
Our operations are set to benefit from several strong tailwinds in 2023, as tourism recovers to pre-pandemic levels, sugar prices continue to rise and with a number of property projects already in the pipeline. That said, we are conscious of the likelihood of a global recession next year and of the fallout of the war in Ukraine. Our priority remains to maintain rigorous financial discipline while focusing on generating as much value from our businesses as possible.

Despite the difficult context, I am very optimistic about Medine's prospects in the next financial year and in the long term. With Target 4:4 almost achieved, we are on much sounder financial footing. We have an exceptional landbank and some very exciting residential projects and build and lease projects in the pipeline, including several landmark leisure and healthcare projects. We have the talent and increasingly the technology that we need for the future. And we are actively working on a unifying purpose and culture.

Acknowledgements

I am extremely proud of what our teams have delivered in 2022. Facing a pandemic, a restructure and growing economic turbulence, our teams have risen to the challenges of the past few years with agility and innovation. To all of our people – thank you. I am excited about the future we are shaping for our Group together.

I would also like to thank my senior management team for the relentless drive and engagement. I'd like to express my deepest gratitude to the Chairman, René Leclézio, and the Board of Directors for placing their trust in me and for their unflinching support. I look forward to working with them in the years to come.



Dhiren Ponnusamy
Chief Executive Officer





“This year has been
one of recovery despite
a challenging context.”

CFO's REPORT

Dear Stakeholders,

This year has been one of recovery despite a challenging context. During the first half of the financial year, our activities were heavily impacted by COVID-19 restrictions. The second half of the financial year was marked by growing geopolitical tensions across Europe and the outbreak of war between Ukraine and Russia, creating turmoil in the international markets for food crops and energy, and disrupting the supply of goods. These developments were also reflected in the main currency markets, with the Mauritian rupee experiencing a continued devaluation against the US dollar against the backdrop of a historic devaluation of the Euro and British pound against the US dollar. Through its monetary policy, the Mauritian Government has sought to counter the increased imported inflation by raising the repo rate, thereby impacting the cost of borrowing.

Despite these developments, Medine's performance has significantly improved. This was achieved through cost discipline and actions taken to achieve the Group's objectives of reducing debt and increasing earnings. This year's performance has enabled the Group to reach a milestone figure of more than Rs 1bn in profit after tax, while reducing its debt to Rs 5.6bn as part of its Target 4:4 strategy.

An analysis of our performance

In the current year, the Group generated a turnover of Rs 1.5bn, against Rs 1.1bn last year, representing a 36% increase. This reflects the partial recovery of the tourism sector, rising sugar prices and Medine's successful execution of build and sell projects.

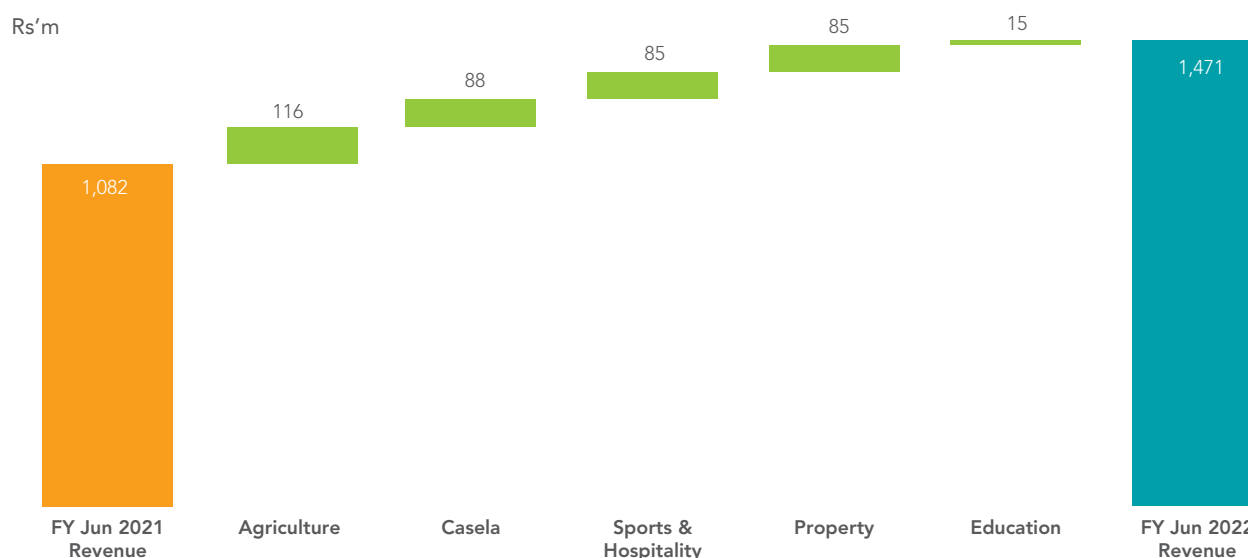
STATEMENTS OF COMPREHENSIVE INCOME

	FY22	FY21
	Rs.'000	Rs.'000
Revenue	1,470,677	1,081,973
Other income	60,526	112,624
Interest income	7,508	6,492
Total Income	1,538,711	1,201,089
Operating expenses	(1,250,167)	(1,043,788)
EBITDA	288,544	157,301
Profit on sale of land	1,083,452	228,340
Changes in fair value assets	204,180	307,720
Net foreign exchange gains on operations	660	1,953
Share of profit in associates	18,049	6,955
Depreciation and amortisation, impairment and expected credit losses	(274,253)	(164,612)
Finance costs	(295,250)	(326,272)
Profit before taxation	1,025,382	211,385
Income tax charge	(16,525)	(13,178)
Profit for the year from continuing operations	1,008,857	198,207
Profit/(loss) for the year from discontinued operations	34,246	(47,786)
Profit for the year	1,043,103	150,421
Profit/(loss) attributable to:		
- Owners of the parent	1,041,745	182,709
- Non-controlling interests	1,358	(32,288)
	1,043,103	150,421

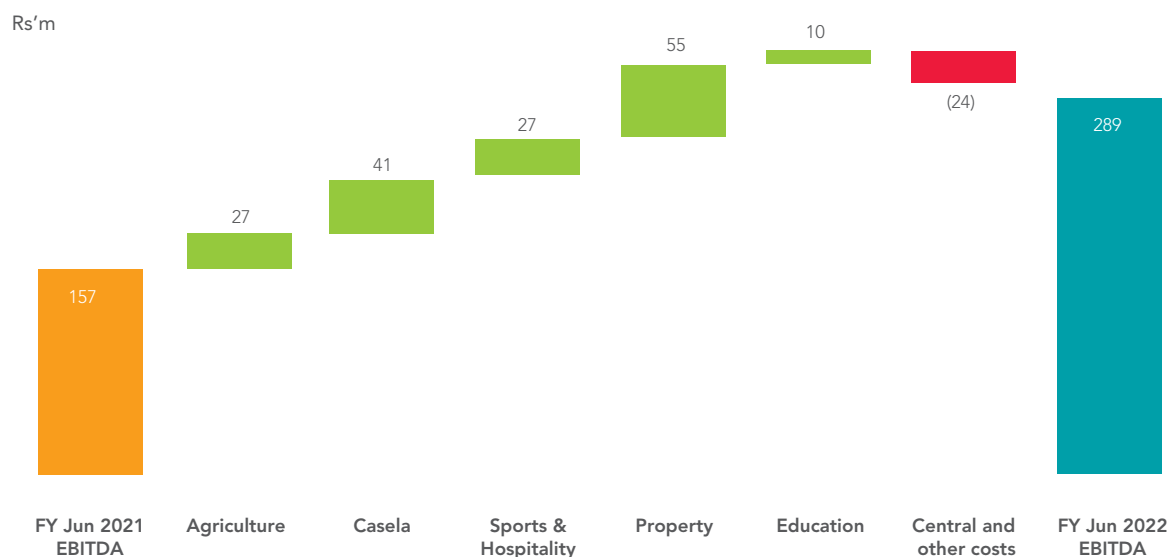
CFO's REPORT

The Group's commitment to its cost-containment strategy is reflected in the less than proportionate increase in operating expenses of 20% when compared to an increase of 28% in income, representing a Jaws ratio of 8%. The improved EBITDA figure of Rs 289m for this financial year, against Rs 157m from last year, was the result of the progress made in all business units, as depicted below.

Revenue – Contribution from all business units



EBITDA – Contribution from all business units



The fact that each business unit made a positive contribution to operating profit is a reflection of the general pick-up in economic activity in Mauritius. In line with our Target 4:4 strategy, Medine has also carried out bulk sales of land, allowing the Group to reduce its debt levels. This has also impacted our income statement which translated into a profit on sale of land of Rs 1.1bn. The impact of the Group's reduced debt was also reflected in a 10% reduction in our finance costs. As part of the debt repayment went through in the second half of the financial year, we will only benefit fully from the effects of the reduced debt in the coming financial year.

Our income statement was also positively affected by a change in fair value gains on consumable biological assets and investment properties.

Our performance by business unit

Agriculture



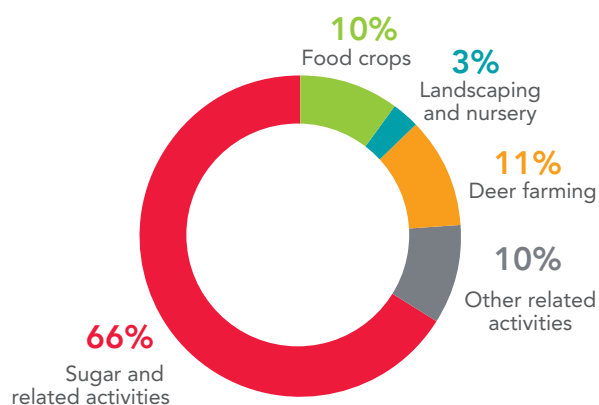
Our Agriculture business unit saw an increase in revenue from Rs 491m to Rs 606m and an increase in EBITDA from Rs 68m to Rs 95m. This reflects a rise in sugar revenues due to sugar prices rising throughout the year, which benefitted the entire sugar industry, as well as the impact of the National Biomass Framework that now prices bagasse at Rs 3,300 per tonne of sugar produced. Our Agricare (sugarcane and by-products) operations remain by far the main driver of our Agriculture business unit's performance, contributing 66% of its revenue, followed by Deer Farming (11%) and Agrinovation (10%).

Sugar prices increased to Rs 16,765 per tonne in 2022, against Rs 14,062 per tonne in 2021. The impact of this change was mitigated by lower yields due to unfavourable climatic conditions as well as inadequate irrigation due to restrictions imposed by authorities and the theft of equipment. With a decreased extraction rate of 10.55% (2021: 11.02%) and a lower harvest of 219,650 tonnes, the sugar tonnage was of 18,081 tonnes against 19,226 tonnes for the past year.

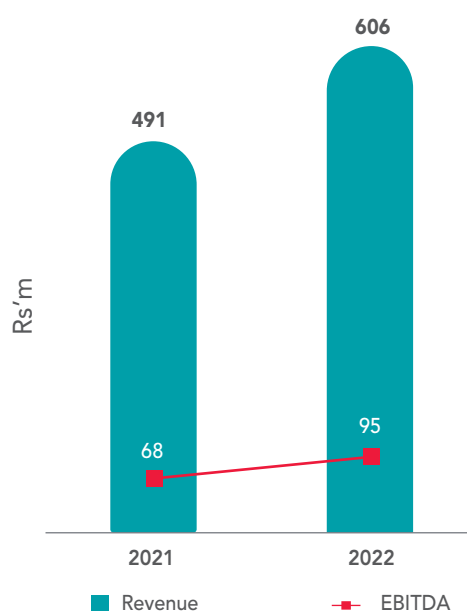
The unfavourable climatic conditions also impacted the yield and quality of food crops, though food crop tonnage increased overall to more than 2,000 tonnes. The performance of our Agrinovation activity was also affected by an over-supply of produce in markets and the imposition of price caps on some vegetables, which caused the average price of vegetables to fall by 2% for the year.

Our deer farming operation delivered a record performance with revenue of Rs 71m and EBITDA of Rs 21m, driven mainly by an additional hunting month being accounted for under FY22 as well as a rise in the number of hunting rights and increased rental income.

Revenue breakdown



EBITDA / Revenue FY21 vs FY22



Education

Our Education operations continued to show progress, registering a positive EBITDA of Rs 1m against an EBITDA loss of Rs 9m in the prior year, and a 66% rise in revenue to Rs 39m. One of the main components of the business unit's revenue is the fees received from Middlesex University, which has seen an increase in its student population and resulting profit. The increasing number of executive training courses provided through our Education operations also contributed to their improved performance.



Leisure (Sports & Hospitality and Casela)

Leisure operations saw revenue rise Rs 172m to reach Rs 278m (FY21: Rs 106m). Casela and Sports & Hospitality registered a reduced EBITDA loss of Rs 25m (FY21: EBITDA loss of Rs 89m). This partly reflects the fact that Mauritius' borders remained closed until October 2021, well into the financial year, and that many sanitary restrictions were still in place in June 2022. The closed borders impacted our Leisure operations during the first half of the financial year while the impact of sanitary restrictions was felt throughout the year under review. Since October 2021, there has been a gradual recovery in tourist arrivals to Mauritius, something which has also been reflected in occupancy levels at the hotel and the number of visitors at Casela.

Tamarina Hotel generated revenue of Rs 51.6m, less than 50% of its pre-pandemic performance. This is explained by a lower occupancy rate, the impact of which was mitigated by an average room rate that more or less returned to pre-COVID levels during the year. An upward trend was observed in the operating costs of the hotel, notably in relation to F&B. This is partly explained by general inflation as well as higher staff costs due to the scarcity of labour in the sector. It is to be noted that the loss incurred by the hotel was partly mitigated by financial assistance received via the Government Wage Assistance Scheme up to December 2021.

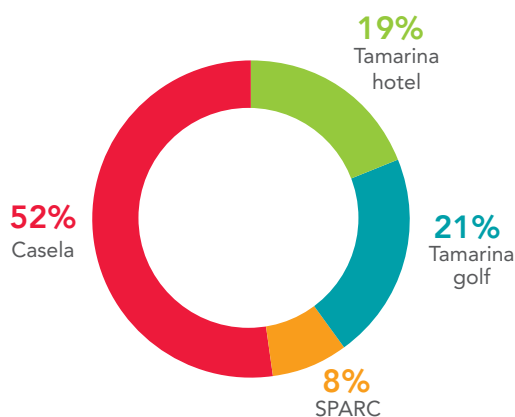
The golf course was able to reverse its EBITDA from negative in the year ended 30 June 2021 to a positive figure of Rs 9.4m for the year under review. Increased golf revenues (Rs 60.8m) were achieved due to higher number of rounds played and an increase in average green fees.

The gradual recovery in the tourist industry was also reflected in Casela's operations, where the number of tourists visiting the park reached 55,164 for the year ended 30 June 2022. However, this number remains lower than the pre-COVID figure of 200,783, with the tourist penetration rate ranging from 7% (October 2021) to 15% (January 2022). The total number of local visitors increased by 15% from last year to reach a figure of 132,381.

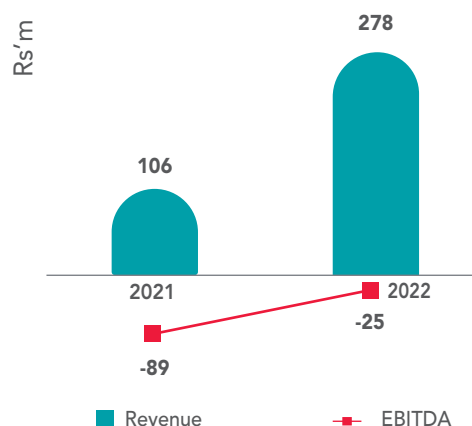


When looking at the mix of visitors, we note that in 2019 (pre-COVID), the mix of visitors was 51% locals and 49% tourists. During the year under review, this mix moved to 71% locals and 29% tourists. Casela's operations generated a revenue of Rs 143.8m, a more than 100% increase from last year, mainly explained by the rise in the number of visitors and the higher average spend per visitor.

Revenue breakdown



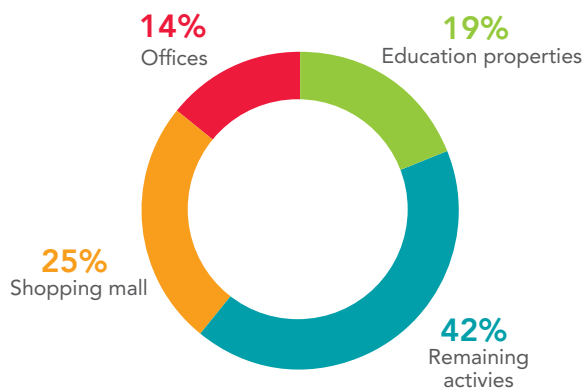
EBITDA / Revenue FY21 vs FY22



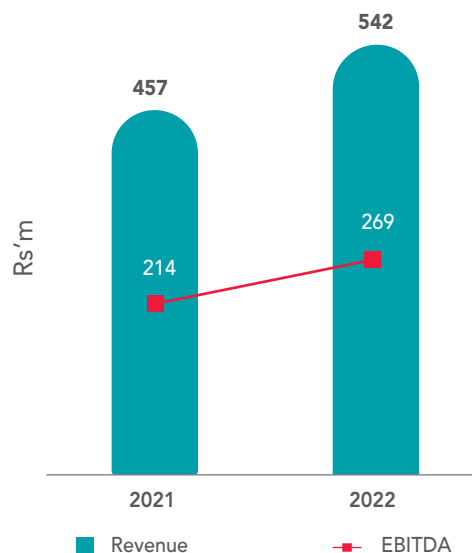
Property

Our Property operations saw an increase in revenue to Rs 542m and EBITDA of Rs 269m, representing a 19% and 25% improvement respectively from last year. Property operates a diversified build and lease portfolio, including a shopping mall, offices, education properties, and morcellement and build and sell projects. We were able to maintain a strong occupancy rate and stable rental yield across our retail and business park portfolio. The increase in revenue from our Property operations for the year is mainly explained by these two factors. However, the revenue increase was also the outcome of the successful completion of land sales and morcellement sales for the period under review, in line with the Group's plan.

Revenue breakdown



EBITDA / Revenue FY21 vs FY22



A look at our financial position

STATEMENTS OF FINANCIAL POSITION

ASSETS

Non-current assets
Current assets
Assets classified as held-for-sale
Total assets

EQUITY AND LIABILITIES

Equity holders' interests
Non-controlling interests
 Redeemable convertible bonds
 Other equity interests
Non-current liabilities
Current liabilities
Liabilities associated with assets classified as held-for-sale
Total equity and liabilities

THE GROUP

	2022	2021
	Rs'000	Rs'000
Non-current assets	25,066,276	25,886,795
Current assets	3,864,335	2,374,601
Assets classified as held-for-sale	610,174	332,007
Total assets	29,540,785	28,593,403
Equity holders' interests	20,882,918	19,146,645
Non-controlling interests		
Redeemable convertible bonds	105,976	-
Other equity interests	50,043	47,768
Non-current liabilities	5,933,698	6,968,135
Current liabilities	2,528,733	2,386,465
Liabilities associated with assets classified as held-for-sale	39,417	44,390
Total equity and liabilities	29,540,785	28,593,403

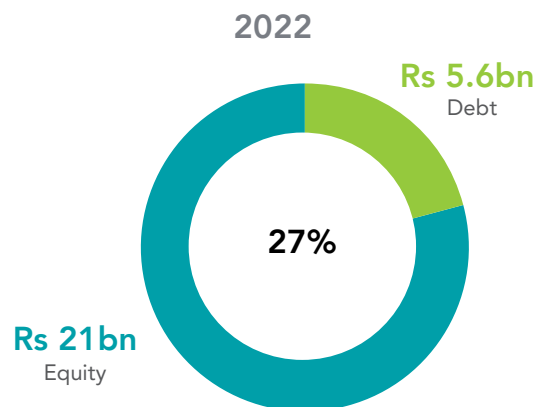
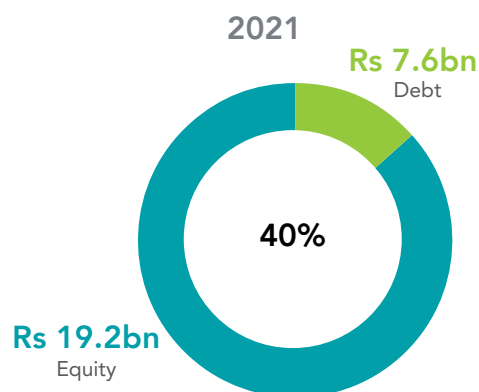




The net asset value of Medine stood at Rs 21bn at financial year end, a 10% increase from last year. The increase in the value of current assets was driven by capitalised land development costs, representing expenses associated with upcoming morcellement projects Serenis and Magenta Parkside, which will be realised within the next financial year. The upward movement in the fair valuation of biological assets was also recognised to reflect the potential for increased revenue from sugar following the upward trend in sugar prices; this further contributed to the total increase in the value of current assets. A higher cash and bank balance of Rs 467.9m was maintained at year end, partly due to deposits received on the sale of plots of land in the Serenis and Magenta Parkside morcellements, projects that are still under development.

It is important to highlight that during the year, Casela Limited issued redeemable convertible bonds for a value of Rs 140m with a maturity date of 9 years from the disbursement of subscription proceeds. An amount of Rs 106.0 was accordingly recognised under equity and the remaining value of the bonds were classified under debt.

One of Medine's strategic focus areas has been reducing our debt to a sustainable level of Rs 4bn. This year has seen the alignment of actions to achieve that strategy through the sale of land, creating an influx of cash for the repayment of debt. As of 30 June 2022, the net debt position was successfully reduced to Rs 5.6bn, down from Rs 7.6bn for last year, which simultaneously pushed our debt-to-equity ratio down from 40% to 27%.



Our stakeholders

In the past year, Medine's share price on the stock exchange increased from Rs 52.50 to Rs 55.50, demonstrating growing confidence in Medine's performance and in the recovery of our activities following COVID-19.

Medine share price



Though we are pleased with the general upward trend in the share price, we take note of the disparity between the net asset value per share of Rs 200 and the share price of Rs 56, which represents a discount to NAV of 72%. While it is an indicator to investors of the potential value to be derived from their investment, our target is to create more returns out of this unexplored potential value through increased earnings per share. As an indicator of the progress in realising this earnings potential, our price earnings ratio moved from 30.17 last year to 5.80 in the current year.

Distribution of wealth to stakeholders



Shareholders

Dividend income of Rs 120.8m



Lenders

Finance costs of Rs 295.3m



Employees

Salary and benefits of Rs 511.2m

[Note: The figure for salaries and benefits relates to continuing operations only]

Outlook

Mauritius lifted most of its sanitary restrictions on 01 July 2022. The full impact of this is therefore only expected to be felt in the next financial year. As indicated in International Monetary Fund forecasts, Mauritius is expected to see a change in real GDP of 5.6% and a decrease in its consumer price index to 5.8% in the coming year, with an expected full recovery in tourism by 2024. The Flic-en-Flac bypass road, which is expected to be completed by December 2024, will be a game changer for Medine, making the West much more easily accessible. This is definitely creating buoyancy in the market for property in the region, the impact of which should be felt in the coming years. As of now, Medine has several morcellement and build and sell residential projects in the pipeline and is pressing ahead with its plan to expand its build and lease portfolio. We are also developing an increasing number of partnerships with renowned institutions in the aim of becoming a hub for educational excellence, be it at a primary, secondary or tertiary levels. Overall, the Group is well on its way to creating a residential ecosystem in the West to attract more people to the area, and in so doing, unlock additional value from its land.

That said, the continuing geopolitical tensions between Ukraine and Russia remain of concern, with the duration of the conflict and its impact still uncertain while the sanctions imposed by countries and international organisations are constantly evolving. It is increasingly likely that there will be a global recession in 2023 and Medine is well aware of its possible implications. We are monitoring the situation closely and will make the most of any opportunities that arise. With our focus remaining on debt reduction, cost discipline and diversification, we are expecting to reap the benefits of our achievements to date, while exploring new avenues through which to convert the potential of our land into revenue.

I am honoured and humbled to have been named Chief Financial Officer for Medine, a Group with a 111-year-old heritage and an equally long history of innovation. I would like to convey my gratitude to the Chief Executive Officer and the Board of Directors for their trust and their guidance, to my team for their commitment, and to our stakeholders for their support.



Cindy Choong
Chief Financial Officer







Strategy

MEDINE'S BUSINESS MODEL

To sustainably develop the heritage of the West of Mauritius, to help people grow through avant-garde experiences

Human



- 880 talented and committed team members
- **A dynamic leadership team** with the right experience and skills
- **A human capital strategy** focused on wellbeing, recognising ability and merit, and learning and development

Innovation



- **A diverse and inclusive culture** rooted in innovation, agility and meritocracy
- **Positive relationships** with our people, strategic partners, suppliers and regulators
- **Continuous investment in the community** to address new needs in the wake of the pandemic, particularly through Fondation Medine Horizons

Integrity



- **A centralised finance function** that serves all business units
- **A group-wide financial strategy** to realise cost efficiencies, reduce debt to less than Rs 4bn by 2030 (Target 4.4), maintain liquidity and target sustainable earnings per share of Rs 4 by 2023
- **The most valuable landbank in Mauritius** in a prime location on the West Coast
- **A commitment to sustainability** through which we aim to create a long-term growth model that protects our natural and cultural heritage while exploring opportunities in sustainable agriculture, renewable energy and green design among others

Intrapreneurship

Performance



- **Industry-specific knowledge and skills** in key growth sectors
- **Digital transformation initiatives** to streamline operations and drive efficiency
- **Well-known and reputable brands** (Les Jardins de Medine, Casela, Tamarina, SPARC)
- **Robust governance and Enterprise Risk Management frameworks**



- **A diversified portfolio of 'build and lease' properties**
- **Well-maintained offices, vehicles, equipment and infrastructure** enabling us to operate

Our vision

Our values

Our resources and
key relationships

5 streamlined business units that work individually and collectively to deliver on our Group strategy...



Agriculture



Education



Sports & Hospitality



Casela Nature Parks



Property

...and **six strategic enablers** to deliver sustainable growth



Sustainability



Innovation



Human Capital



Earnings Quality



Land and Asset Development



Digital Transformation

...supported by centralised and shared services

Finance

IT

Human Resources and Health & Safety

Legal

Communications

Security

Company Secretariat

Risk Management

Corporate Governance

Sustainability

Risk Management p. 116
Corporate Governance report p. 126
Digital Transformation p. 78
Sustainability report p. 100



- Engaged workforce
- Improved technical, soft and digital skills, enhancing their employability and ability to embrace the future of work

This impacts: our people



- Long-term and mutually beneficial relationships with stakeholders, rooted in trust
- Contribution to the socioeconomic development of the West of Mauritius

This impacts: our clients, customers, partners, suppliers, regulators and community members



- Improved EBITDA, a lower cost base and a return to profitability
- Rs 1bn raised in fixed-term bonds in 2022, to manage interest-related risk

This impacts: our investors



- Differentiated products and services that meet customer needs
- An enhanced lifestyle offering on the West Coast

This impacts: our clients and customers



- Sustainable development of the West, preserving its natural and cultural heritage
- Eco-tourism at Casela

This impacts: our community



- Enhancement of agricultural productivity
- This impacts: our clients, customers and community*

Our core business activities and strategic areas of focus

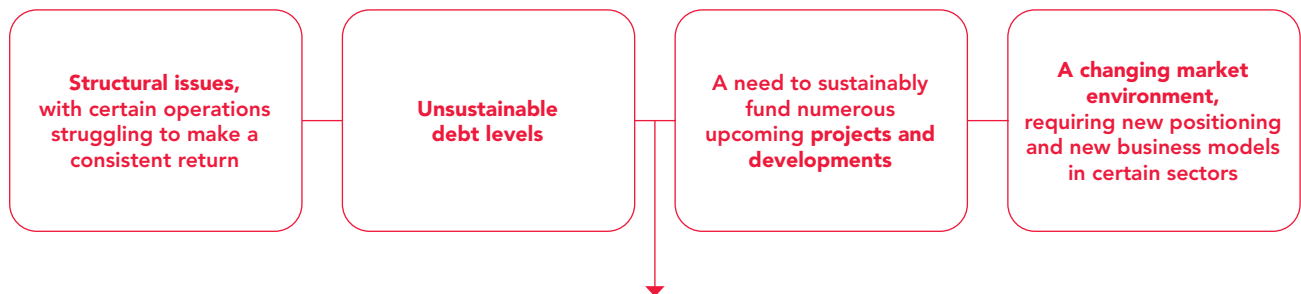
Our shared support services

Key outcomes for our stakeholders

STRATEGY

TARGET 4:4

In 2020, Medine embarked on an operational restructure to address the following issues:



At the time, we committed to reaching the following two objectives by 2023.

We called this project Target 4:4.

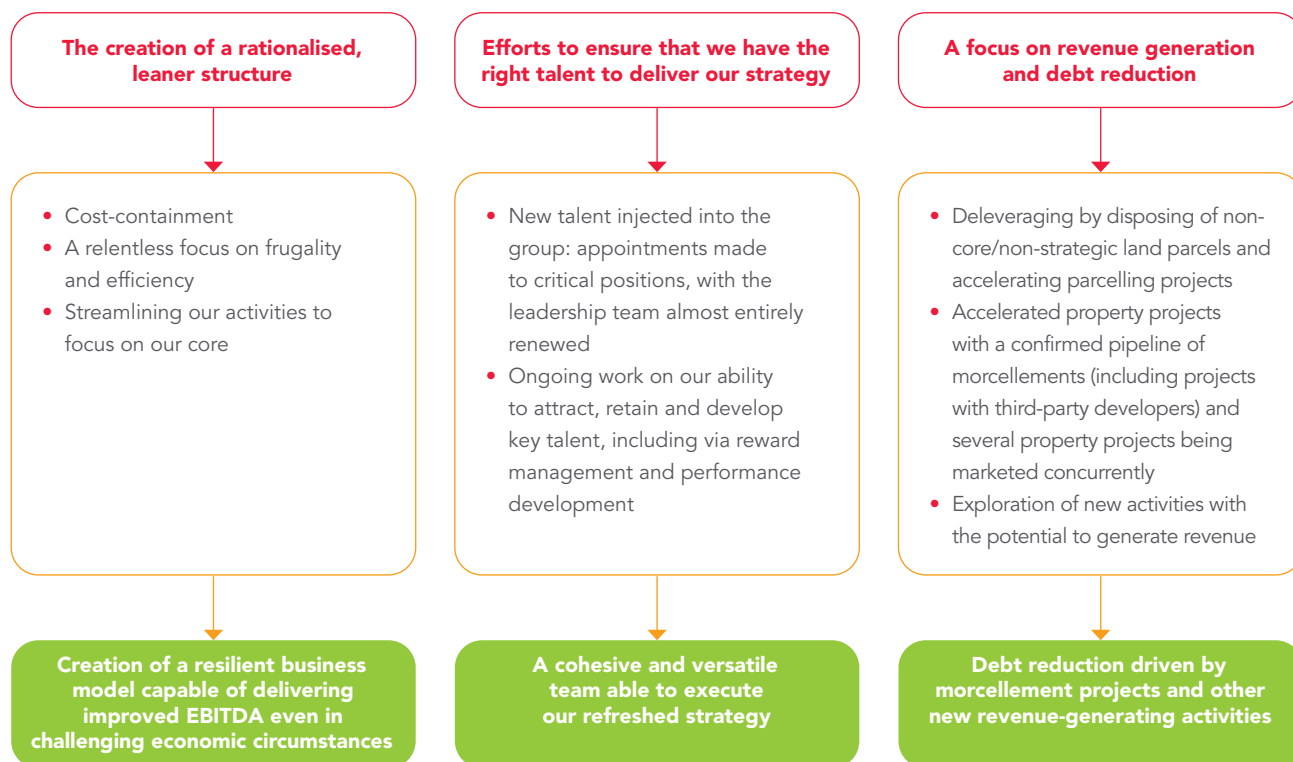
1

Reduce our debt to below Rs 4bn

2

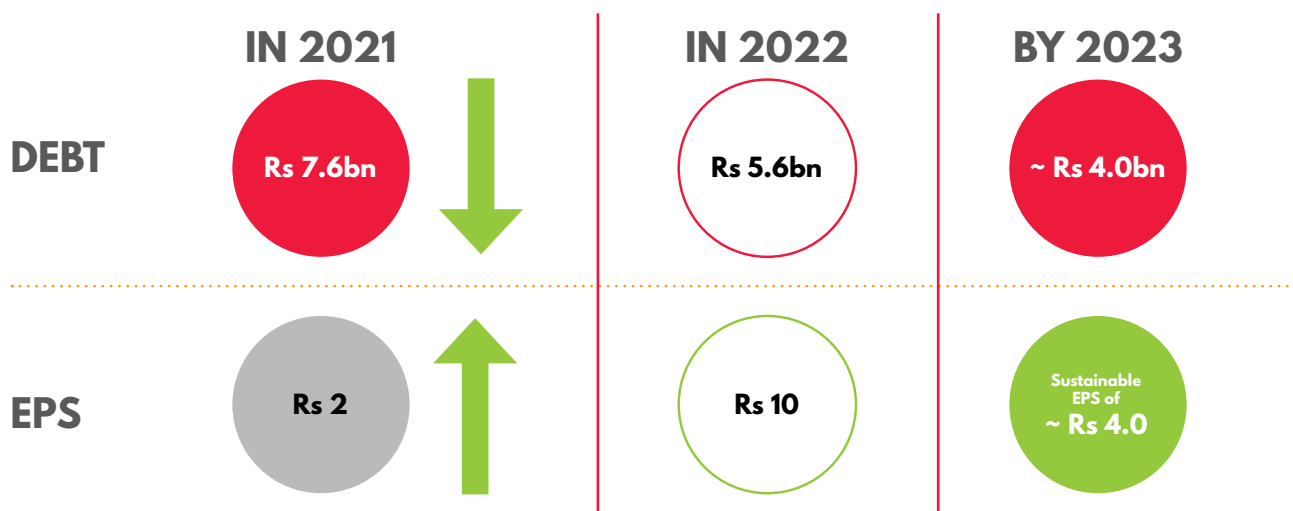
Generate sustainable earnings per share of Rs 4

WE DELIVERED THIS VIA:



! Our progress was slowed by the COVID-19 pandemic, which significantly affected our operations and profitability.

THE ACTIONS WE HAVE TAKEN MEAN THAT WE WILL ACHIEVE TARGET 4:4 BY 2023



STRATEGY

THE BUILDING BLOCKS OF MEDINE'S OPERATIONAL STRATEGY

Medine will continue to deliver on a long-term strategy to leverage our asset base and develop our land bank sensitively and intelligently, creating sustainable, long-term value for all of our stakeholders.





STRATEGY

MEDINE'S OPERATIONAL STRATEGY

Each of our operations has a role to play in delivering on Medine's land and asset development strategy.

PRIORITIES FOR FY23 AND THE MEDIUM TERM



Agriculture

- Focus on innovation and sustainability: investment in equipment and new technologies (e.g, use of drones to target herbicide application, minimise the use of pesticides, and optimise the use of resources such as water)
- Develop circular economy projects such as compost and mulch created from waste from other business units
- Continue to move up the value chain and launch new processed products
- Continue to contribute to food self-sufficiency in Mauritius in the context of the cost of living crisis



Casela Nature Parks

- Continue to increase footfall and attract a higher proportion of tourism arrivals via a strengthened commercial plan, the development of new activities and F&B offers
- Use technology to deliver an enhanced visitor experience
- Focus more strongly on sustainability and conservation, including as a means to attract tourists
- Maintain high standards for park maintenance and animal welfare

LINK TO RISKS

A, B, F, G, H, I, J

A, B, C, F, G, H, I, J

LINK TO CAPITALS

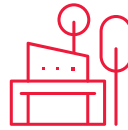




Education

- Consolidate existing partnerships and enhance the academic offer
- Enhance executive training and skills development
- Attract international students for internships and research
- Upgrade our student accommodation operations
- Promote social innovation and thought leadership (UEH lecture series)
- Foster cross-fertilisation of business units

A, B, D, F, H, I, J



Property

- Position Medine's property offer and lifestyle membership as a unique value proposition
- Capitalise on strong appetite for land in the West by developing high-quality morcellement and ready-built residential and commercial projects
- Focus on additions to the Build & Lease portfolio and ensuring that our properties generates strong recurring revenues
- Continue to deliver on our debt reduction plan via morcellement projects

A, B, E, F, H, I, J



Sports & Hospitality

- Planned refresh of the hotel to position it in the 4* plus category and capitalise on the Mauritian tourist sector's move upmarket
- Focus on service quality and improvement of operational standards
- Investment in platforms and marketing strategy to attract customers to the golf and hotel and acquire new members for the SPARC sports centre
- Attract major sports events, training camps and other mega-events to our facilities

A, B, C, F, G, H, I, J



Please refer to the iconography guide on page 6 for capitals.

STAKEHOLDER ENGAGEMENT

MEDINE'S KEY RELATIONSHIPS

At Medine, we are aware that our long-term success depends on the people who surround us. We define our stakeholders as the people, groups and organisations who impact or may be impacted by our activities. Engaging with these different groups helps us identify emerging risks and opportunities and create lasting value for our organisation. We solicit feedback from our stakeholders in both formal and informal ways, as described below. Through continuous and constructive dialogue, we aim to maintain quality relationships based on mutual trust, respect and transparency.

OUR CUSTOMERS



Why our customers are key stakeholders

Our customers are at the heart of Medine's activities. They purchase or consume the products and services through which we generate revenue. Their changing needs drive the development of relevant and innovative products, channels and delivery models. Their feedback and views strongly influence other customers' buying decisions.

MATERIAL CONCERNS AND EXPECTATIONS

- High-quality, safe and relevant products and services that reflect their needs
- Convenient access to products/services through multiple channels (physical and digital)
- Transparency regarding Medine's activities and decisions
- Customer service excellence and timely resolution of complaints
- Ethical business practices including the responsible use of technology (data protection and information privacy)
- A commitment to environmentally and socially responsible behaviours

MAIN CHANNELS

- Retail outlets
- E-commerce and remote customer service platforms
- Medine website, social media interaction, public relations, newsletters, market surveys and focus groups
- Loyalty and membership programmes (SPARC, Casela, Golf, Medine Lifestyle Membership)

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Customer satisfaction and retention
- Continuous improvement of the products and services we offer (competitive, value-for-money)
- Positive customer feedback and delivery of good customer experiences
- Growing and engaged online community
- A positive view of Medine's brand among our industry peers

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Work on new e-commerce platforms and payment solutions
- Implementation of a sustainability strategy at Casela
- Medine Lifestyle Membership marketed to those who purchase property in the smart city
- New education offers including ESG training offered via Unicity Education Hub
- Wide range of new commercial offers across Medine's leisure operations
- New food products such as chips, herbs and spices taken to market

CAPITALS IMPACTED



- CEO's interview p. 40
- CFO's report p. 46
- Sustainability p. 100
- Performance p. 82



Why our people are key stakeholders

Our people possess the skills, capabilities and ideas that enable us to deliver on our goals and grow our brands. Ensuring high engagement and motivation levels is key to retaining our existing talent and attracting top talent.

MATERIAL CONCERNS AND EXPECTATIONS

- A diverse, inclusive and meritocratic corporate culture
- A safe and flexible work environment
- Input into and timely information about Medine's activities, strategy and key events
- Job security, particularly in the current economic context
- Work-life balance and a focus on wellbeing
- Competitive remuneration (wages and benefits), fair employment conditions and performance-based rewards
- Opportunities for learning and development and career progression

CAPITALS IMPACTED



MAIN CHANNELS

- Ongoing communication via internal newsletters, group emails, group intranet, WhatsApp groups and other social media
- Forums including A Nou Koze meetings (regular, open discussions between teams, CEO and HR) and Medine Leadership Team in which strategy and projects of the group are discussed and disseminated to teams)
- Learning and collaboration tools including training, the Medine iHelp portal and online learning management system

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- An engaged, skilled and committed workforce, able to deliver on our business strategy
- An ethical and talented leadership team with the right capabilities to achieve our business goals
- Lowered employee attrition
- Attraction of qualified talent
- Effective change management with respect to new policies, systems and ways of working, with little to no interruption to operations

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Efforts to increase engagement via a new Group induction programme, ongoing 'A Nou Koze' events and intra-team meetings, internal communications
- A focus on wellbeing and work-life balance, including via the relaunch of staff wellbeing events, sports activities, extended maternity and paternity leave
- Relaunch of training and development activities, including coaching for the Medine leadership team
- Ongoing financing of education (secondary, tertiary and technical) for the children of Medine's employees
- A literacy project aimed at members of Medine's team

 Human Capital p. 74

STAKEHOLDER ENGAGEMENT

INVESTORS (SHAREHOLDERS AND NOTEHOLDERS)



Why our investors are key stakeholders

Our investor community provides the financial capital that drives our long-term growth, and ultimately, demand for Medine shares

MATERIAL CONCERNS AND EXPECTATIONS

- Accurate and transparent information about performance and strategy
- Strategic alignment between the Board and the executive team
- A strategy that ties profitability with environmental and social concerns
- Dividend and interest payments
- Increased share price
- Responsible use of capital
- Sound corporate governance practices
- Regular access to Medine's executive team

MAIN CHANNELS

- Annual shareholders' meeting
- Analyst meeting
- Financial reports and statutory communication (annual report, quarterly abridged reports, etc.)
- Website: Investors' corner
- Media coverage and social media presence

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Investor confidence: trust in Medine's leadership and strategy
- Share price appreciation

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Considerable progress made on Medine's 4-4 debt reduction plan as announced in 2020-21
- Debt restructure with the issuance of a 5-year fixed-rate bond (fully subscribed for that period) of a value of Rs 1bn
- Final dividend of Rs 1.15 per ordinary share declared for the year ended June 30, 2022, totalling Rs 120,750,000
- Increase in share price to Rs 55.50 at year end

CAPITALS IMPACTED



CEO's interview p. 40

CFO's report p. 46

Risk Management p. 116

Corporate Governance p. 124



Why our strategic partners are key stakeholders

Our strategic partners enable us to deliver the specialist products and services that grant us a competitive advantage. They also often represent Medine to customers, making them a natural extension of our business.

MATERIAL CONCERNS AND EXPECTATIONS

- Information and frequent updates on Medine's operations and financial performance
- Ongoing support and assistance as required
- Responsible business practices
- Fair treatment and terms and conditions
- Timely payments and clear standard operating procedures

CAPITALS IMPACTED



MAIN CHANNELS

- Monitoring of business objectives via meetings and reporting
- Medine participation or membership in partner Board of Directors
- Active membership in sector-specific forums and associations

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Long-term, trust-based, mutually beneficial working relationships
- Support for local employment and businesses
- Delivery of high-quality products and services to customers while controlling input costs

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Provided financial and non-financial support to our strategic partners during COVID-19
- Responded to four tenders on renewable energy projects with our external partners
- Worked in partnership with third party developers on new residential and build and lease projects



CEO's interview p. 40
CFO's report p. 46
Performance p. 82

STAKEHOLDER ENGAGEMENT

FINANCIAL INSTITUTIONS



Why financial institutions are key stakeholders

Financial institutions provide ongoing access to funding, allowing Medine to invest, improve its liquidity position and restructure as necessary.

MATERIAL CONCERNS AND EXPECTATIONS

- Timely, accurate information about Medine's business performance, strategy for growth and ability to generate income
- Proactive management and strategic alignment between the Board and the executive team
- Ongoing efforts to reduce debt / gearing
- Timely repayment of loans
- Sound corporate governance practices
- Regular access to Medine's executive team

CAPITALS IMPACTED



MAIN CHANNELS


- Regular meetings and presentations to update financial institutions about Medine's strategy and business performance
- Open discussion of risks and opportunities, and what Medine is doing to manage them
- Analyst meetings and annual shareholders' meeting
- Financial reports and statutory communication (cash flow forecasts, annual report, quarterly abridged reports, etc.)

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Long-term, trust-based relationships with financial partners
- Ongoing support from financial institutions, rooted in their confidence in Medine's leadership and strategy
- Ongoing access to lines of credit
- Competitive and flexible interest rates

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- First analyst meeting held since the start of COVID-19
- Restructure of debt by the issuance of a 5-year fixed-rate bond (fully subscribed for that period) of a value of Rs 1bn
- Considerable progress made on Medine's 4-4 debt reduction plan as announced in 2020-21

 CEO's interview p. 40
CFO's report p. 46

REGULATORS AND GOVERNMENT BODIES



Why regulators are key stakeholders

Regulators define the framework (legislations, policies and regulations) that enable Medine to operate. Both compliance and non-compliance can have positive or negative implications for our cost of doing business and profitability.

MATERIAL CONCERNS AND EXPECTATIONS

- Proactive participation and contribution to Mauritius' socioeconomic development, including via tax contributions and the generation of employment
- Contribution to national food security
- Participation in helping the government achieve its transition to renewable energy by 2030
- Local investment (in infrastructure, education, etc.)
- Legal compliance with issues relating to health and safety, labour and environmental issues, data privacy and AML/CFT
- Compliance with quality standards with regard to products and services
- A strategy that encourages investment and makes Mauritius an attractive destination
- Fair competitive practices

MAIN CHANNELS


- Meetings with government representatives and participation in public policy forums
- Working relationships and consultations with national regulators
- Financial reports (annual report, quarterly abridged reports)

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Collaborative working relationships with national regulators and lawmakers
- Input into national policies and budget elements

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Memorandum of Understanding signed for a new bypass linking Flic-en-Flac to La Vigie, facilitating access to the West of Mauritius
- Ongoing work to respond to government calls to tender regarding renewable energy provision
- Collaboration with government bodies, including the National Social Inclusion Foundation, National Empowerment Foundation and local district councils to address specific socioeconomic issues in our catchment area
- Active efforts to recruit from within Medine's catchment areas

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CFO's report p. 46
Risk Management p. 116
Corporate Governance p. 124

CAPITALS IMPACTED



STAKEHOLDER ENGAGEMENT

COMMUNITIES



Why our community is a key stakeholder

As a major landholder and employer, Medine recognises its responsibility to contribute to the sustainable economic, environmental and social development of the West of Mauritius.

MATERIAL CONCERNS AND EXPECTATIONS

- Responsible business practices and management of social and environmental impacts
- Ongoing commitment to sustainability
- Transparency and engagement, particularly regarding decisions and projects that affect the local community
- Investment in our communities through educational and employment opportunities, and social empowerment programmes
- Various forms of support including funding, volunteering, in-kind, partnerships

CAPITALS IMPACTED



MAIN CHANNELS

- CSR work spearheaded by Fondation Medine Horizons
- Communication via website, newsletters, social media presence
- Regular community meetings and consultations
- Employee and supplier participation in social projects
- Engagement with national regulators, associations and NGOs in the context of sustainability and social initiatives

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

- Creation of a lasting positive legacy via environmental and social initiatives
- Positive relationships with the community we serve, built on trust and mutual goodwill
- Thriving and empowered communities
- Socioeconomic stability in our areas of operation
- A reputation as a responsible corporate citizen

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- A refreshed CSR strategy focused on impact
- Ongoing CSR activities and support for local NGOs, including provision of land and spaces for social activities
- Ongoing financing of education (secondary, tertiary and technical) for the children of Medine's employees
- Ongoing work on sustainability and CSR
- Support for local artists, artisans and creators (e.g. Meet the Makers market at Cascavelle, art events at Casela, sponsorship of Edouard Maunick poetry prize, support for Lakaz Flambwayan art space)

 Sustainability p. 100



Why our suppliers are key stakeholders

Our suppliers influence the cost of our inputs and raw materials, as well as our cash flow, determining whether we are able to provide cost-effective products and services. As valuable business partners, their values and business practices must be aligned with ours.

MATERIAL CONCERNS AND EXPECTATIONS

- Procurement opportunities and responsible tendering processes
- Opportunities to supply products and services to other Medine business units
- Fair contracts / terms and conditions
- Responsible and fair business practices
- Timely payment and clear operating procedures
- Work with local suppliers as far as possible

MAIN CHANNELS


- Direct relationships with contractors
- Transparent and well-established tendering process
- Corporate communication via website, public relations, social media interaction

MEDINE'S DESIRED OUTCOMES AND MEASURES OF SUCCESS

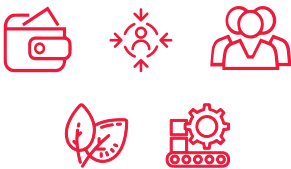
- Long-term, trust-based, mutually beneficial working relationships
- Support for local employment and businesses
- Delivery of high-quality products and services to customers while controlling input costs

HOW WE RESPONDED TO STAKEHOLDER EXPECTATIONS IN 2021-22

- Significant progress made on automated approved payments through online platforms
- Progress on circular economy initiatives and efforts to optimise use of internal resources, particularly in Agriculture

 CEO's interview p. 40
CFO's report p. 46

CAPITALS IMPACTED



HUMAN CAPITAL



Our people are fundamental to our Group's ongoing transformation. We recognise that we could not have achieved Medine's return to growth without their considerable efforts, and that our ability to meet our strategy and business objectives depends on having the right talent and skills. The goal of our human capital strategy is therefore to attract, develop and retain the people with the skills and capabilities to allow us to deliver on our Group's vision and purpose, and to ensure that we remain competitive in the future. Our strategy is led by a People Committee staffed by senior leaders who review critical people-related matters at a Group level.

Medine has embedded strong health and safety practices into our ways of working since the advent of the COVID-19 pandemic. Today, however, there is a growing demand for holistic wellbeing within the workplace. We are therefore working hard to develop a distinct Employee Value Proposition and cultivate a progressive work environment that promotes employee wellbeing and offers equal opportunities to all employees. After two years of cost containment, we have once again begun to invest in coaching and training for our employees and continue to support each employee's learning and development in a way that reflects both the Group's business goals and their own set of expectations.

Our Human Capital approach

Our Human Capital approach reflects Medine's evolving ambitions, changing workplace dynamics and employee expectations. It is built on two main strands, as set out on the following pages.



FUTURE-PROOFING OUR WORKFORCE THROUGH CONTINUOUS TRAINING AND DEVELOPMENT

1

Medine strongly believes in attracting, developing and retaining key talent based on their ability and merit. To ensure that employees at all levels continue to meet their performance objectives, we use a continuous training approach that builds on their existing skill sets and addresses areas of improvement. We work in collaboration with Uniciti Education Hub to develop training plans that will future-proof our workforce both on a personal and professional level.

KEY ACHIEVEMENTS IN FY22

Performance development

- Objective-setting occurs on a continuous basis through formal and informal feedback, replacing the former approach of a bi-annual formal exercise
- New coaching plans have been rolled out focusing on future development rather than past performance
- Career plans are tailored to each individual's specific skillset, role requirements and growth aspirations
- Coaching, training and mentoring programmes are then developed based on the results of a Performance and Development logbook, which appraises performance against objectives and focuses on employee growth by identifying their strengths and areas of improvement. We believe this approach will help employees achieve their highest potential at work
- A Learning and Development Specialist is being recruited to deliver on this new Performance development approach

Leadership and executive development

- The continuous development of our leadership and senior management team is critical in ensuring we have a strong succession pipeline. To achieve this, three types of coaching are being carried out:
 - › Executive coaching
 - › Thrive Group Coaching Programme
 - › Leadership Group Coaching
- Our medium-term objective is to cultivate a management style based on influencing and inspiring
- Medine's mission-critical roles are being identified and training programmes will be developed and rolled out accordingly



CULTIVATING A CARING CULTURE GROUNDED IN STRONG VALUES AND DEI, TO HELP ATTRACT AND RETAIN TALENT

2

Medine has always been committed to taking care of its people and nurturing a culture in which they feel engaged, valued, empowered and fulfilled. We are now actively investing in this agenda after two years of cost containment. Besides offering fair compensation and benefits, we are consciously supporting employee wellbeing, which we consider a strategic enabler of productivity and satisfaction, and which in turn ensures Medine's competitiveness. Ultimately, our ambition is for Medine to be an employer of choice and an exceptional place to work.

KEY ACHIEVEMENTS IN FY 2021-22

Recognition and wellbeing at work

- Enhanced psychological support through a dedicated programme, 'A Zot Ekut', which is delivered via seminars, webinars and a range of communications (see case study on the following page)
- A calendar of wellbeing events driven by a dedicated Wellbeing Committee made up of employees from across business units and reporting to a Wellbeing Steering Committee
- A Service Recognition programme, which celebrates employees with between five and 40 years of service at Medine

Work on our culture and values

- A values programme to reaffirm Medine's values and better define how they translate into everyday actions and behaviours within our Group today. We have consulted with members of staff to obtain their feedback about how our values are lived at Medine and are using these insights to develop training for our leaders and a culture programme that will be rolled out across the Group in the coming two years

Diversity, Equity and Inclusion (DEI)

- Maternity leave extended from 14 weeks to 20 weeks, and paternity leave from five days to 10 days, helping to rebalance gender and parental roles. This forms part of Medine's ongoing commitment to value women's contribution to the organisation and improve gender equality
- In the coming year, we intend to focus on gender in the context of a more structured, Group-level approach to sustainability at Medine

CASE STUDY

A Zot Ekut, Medine's Counseling Service

Objectives

1. To contribute to employee wellness and improve their quality of life
2. To foster a positive work environment
3. To enhance Medine's ability to attract and retain talent, and improve our reputation as an employer

Deliverables

1. **Personal and professional counselling with a psychologist via a 24/7 helpline.** Medine employees are offered a safe environment to share their feelings and cope with stress. Appointments are made weekly, in person or by phone call, and are strictly confidential
2. **A monthly 'Healthy Living' newsletter in both French and Creole** to raise awareness of the importance of mental health and offer tips and advice on how to safeguard employee wellbeing. Each newsletter focuses on a different theme (e.g coping with loss, stress management, conflict management, etc.)
3. **Monthly webinars** carried out in different BUs by Medine's psychologist on key aspects of wellbeing and mental health. The topic is communicated to employees ahead of time, and those who aren't able to attend have the opportunity to watch the recorded webinar (in French and Creole)

We communicate via multiple channels to ensure that a maximum number of Medine employees have access to and benefit from all the information, tips and advice.

**Dedicated
newsletter**

**Hello!
Intranet**

WhatsApp

**The Medine
Newsletter**

Context

Worldwide, we are witnessing higher levels of stress, anxiety and uncertainty post-pandemic. Competing work and home priorities have taken a toll on mental health as people juggle work duties with domestic responsibilities. This decline in mental health is translating directly into increased absenteeism and decreased motivation.

DIGITAL TRANSFORMATION AT MEDINE



Over the past few years, Medine has substantially accelerated the digital transformation of its business. Our shared services model has centralised our digital and IT support function, allowing us to align the group's digital processes and culture around common service standards and digital capabilities. We have driven the deployment of new digital platforms and embedded tools and capabilities such as cloud file sharing and collaborative platforms into our ways of working. The phased deployment of NetSuite, a world-leading Enterprise Resource Planning (ERP) software, has enabled us to consolidate mission-critical functions and tasks such as accounting, compliance, purchase orders, tax returns, stock management and procurement processes. This has greatly improved our speed, efficiency and data security. The consolidation of data from multiple sources onto a single platform is driving greater actionable insights and translating into better decision-making and different departments working together as a more unified team. Alongside this, we continue to deliver training to ensure the successful adoption of digital assets and technologies and develop the digital skills we need to keep Medine competitive and relevant.

Achieving Tech as a Service at Medine

As we pursue our digital transformation journey, our ambition is to develop Tech as a Service both for the benefit of our Group and as a commercial offer for external customers. At a Group level, the aim is also to do away with technological silos altogether and bring all of our customer-facing interactions (e.g. commercial and financial processes) and HR services (training, learning and development, human capital management) under a single umbrella of connected systems.

BENEFITS FOR MEDINE

- A single system and access point for all employees and for a wide variety of needs, depending on their roles
- Unified business processes across the group
- Gains in efficiency and cost-savings
- Real-time visibility into operational and financial performance across business functions and departments
- Creation of a common database, resulting in consistent customer records
- Improved employee engagement

The successful deployment of a digital strategy is incumbent upon having the right governance structure and controls in place. To achieve this, we have set up a Technology Structure that sets out clear roles, responsibilities and terms of reference, underpinned by a Project Management Framework that maps out the individual steps required to execute any digital project.

A NEW TRANSFORMATION ROADMAP

During the year, we carried out reality assessments within different business units to gain a deeper understanding of their day-to-day operations, specific business objectives and digital maturity. A reverse-engineering approach was adopted to prevent a potential mismatch between the business' ambitions and its digital projects. Rather than using technology as a starting point, we defined the business' goals and strategy then selected the right processes, tools and technologies to support these aims and develop a clear roadmap. Following these reality assessments, priority projects were identified and are being progressively implemented.

The key pillars of our digital transformation

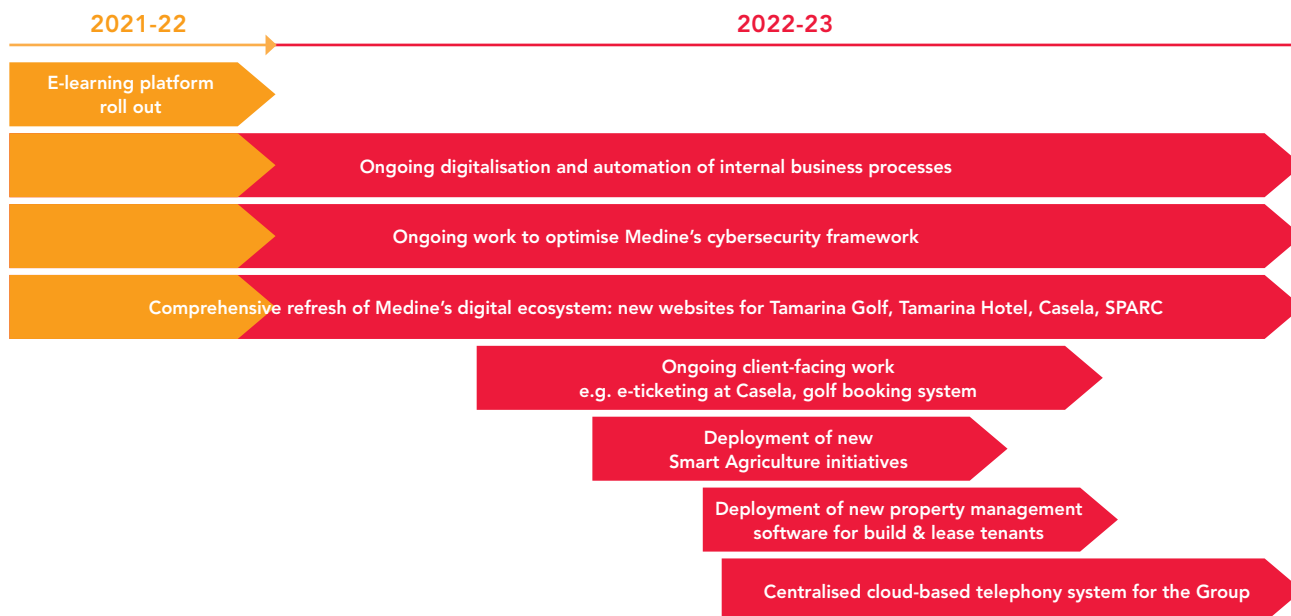


DIGITAL TRANSFORMATION AT MEDINE

THE BENEFITS OF OUR ERP STRUCTURE



OUR ROADMAP TO 2023







Performance

OPERATING CONTEXT

A woman with short, curly hair, wearing a dark blazer over a white shirt and a red skirt, stands by a large window. She is holding a tablet and looking out at a cityscape. The lighting is warm, suggesting sunset or sunrise. In the background, another person is visible walking on a staircase.

**Adapting to a
dynamic operating
environment.**




Persistent socioeconomic fallout from the COVID-19 pandemic, compounded by supply chain disruptions and inflation

Short to medium-term trend

- Mauritius' economy continued to feel the effects of the COVID-19 pandemic throughout 2021-22. The island's borders remained closed until October 2021, impacting our hospitality and leisure activities.
- The response to the COVID-19 pandemic has severely disrupted global supply chains and created an inflationary context worldwide. As an open economy and a net food importer, Mauritius is feeling the effects of this crisis. Freight costs have risen up to tenfold and transport times have more than doubled, contributing to a surge in the price of commodities and of building materials. This has notably impacted construction costs and the profitability of our property projects. The war in Ukraine and worsening geopolitical tensions have compounded the situation by driving up fuel and food prices, while the depreciation of the Mauritian Rupee against major currencies is worsening these inflationary pressures.
- The Mauritian population has been severely affected by the cost of living crisis. The economic context has deepened existing social inequalities and pushed already vulnerable populations further into poverty.
- However, with the full reopening of borders, we have seen a revival of the tourism sector. Tourist arrivals and bookings are encouraging, and improved air connectivity bodes well for the sector. Casela and our Sports and Hospitality businesses are already benefitting from the tourism sector's recovery.

Our response

- Medine is closely monitoring this emerging set of risks using established audit and risk processes and via regular business reviews.
- We continue to focus on building resilience into our business to ensure we can weather any future challenges. We are on track to deliver our Target 4:4 debt reduction and earnings objectives by 2023, thanks to greater operational efficiency, a streamlined structure, cost controls and a culture of frugality. We also continue to focus on improving our operational performance and generating higher EBITDA across our business units.
- Medine repaid Rs 1.4bn in debt obligations early and raised Rs 1bn in new bonds at a five-year fixed rate to restructure our debt and hedge our interest-related risk.
- We are actively contributing to Mauritius' food security thanks to our production of fruits and vegetables and by engaging with the authorities regarding this issue.
- We are also developing a new sustainability strategy, building in part on the work of Fondation Medine Horizons, and through which we seek to better support the local community and ensure their economic empowerment and inclusion.

 **CEO's interview p. 40**
CFO's report p. 46
Sustainability p. 100
Performance p. 82

Business units impacted:



Link to risks: [A](#), [B](#), [C](#), [J](#)

Link to strategy:





Policy changes and national budget measures


Short-term trend

Medine is leveraging several policy tailwinds, including:

- Continued investment in road infrastructure
- The relaxation of restrictions on foreigners buying real estate in Mauritius
- Incentives for Mauritians investing in real estate including the extension of the Home Ownership and Home Loan Payment Schemes
- A government objective to increase the proportion of energy produced from renewable sources to 60% by 2030, supported by a Green Transformation package
- The introduction of a new Young Professional Occupational Permit and of Premium Visas for students, both of which will enhance Mauritius' attractiveness to young professionals and students

Our response

- Medine has now signed an MOU with the authorities to develop a section of the Flic-en-Flac bypass and unlock road access to the West of Mauritius. Improved access to the West coast is a game changer for our Group. Medine's land parcelling and built real estate projects such as The Grove are increasingly appealing to local investors, while the relaxation of rules around foreign investors purchasing property will be advantageous for upcoming higher-end developments. Our focus is now on taking these projects to market as swiftly and efficiently as possible.
- The Group also continues to position itself as a partner in Mauritius' transition to renewable energy and to respond to calls to tender for renewable energy projects from the Central Electricity Board.

 **CEO's interview p. 40**
Sustainability p. 100
Performance p. 82

Business units impacted:   

Link to risks: [A](#), [D](#), [E](#), [G](#)

Link to strategy:   



A changing tourism market

Long-term trend

We are now witnessing:

- A shift toward the higher end of the market for the tourist industry in Mauritius, driven in part by a rise in the price of flights
- Intense competition from rival destinations and cruise ships
- Increasing awareness on the part of travellers and sensitivity to healthcare availability, the safety of a destination, flight availability and the strictness of travel rules
- An appetite for sustainable, wellness-related and nature-focused experiences. Travellers are now making fewer trips but staying longer, leading to increases both in the average length of stay and spending per tourist.

Our response

- We plan to refresh Tamarina Golf & Spa Boutique Hotel and are actively working on its service and F&B proposition to position it firmly in the 4* plus category. The aim is to anchor it as an eco-friendly boutique hotel and meet traveller demand for more authentic experiences.
- We are also developing a much stronger marketing approach to our hospitality and leisure activities, to position them as a coherent, upmarket offer in an exceptional natural setting.
- We are continuing to focus on raising awareness of the park's sustainability and conservation work while also marketing Casela to ensure a strong inflow of tourists.

 Performance p. 82

Business units impacted:  

Link to risks: **C, H**

Link to strategy:     




Changing employee expectations and a focus on engagement and wellbeing

Medium-term trend

- Post-pandemic, employees' behaviour and expectations have radically changed. There is a greater focus on work-life balance, flexibility, a safe and healthy environment, and support on mental health. Demands for more fulfilling work and career advancement opportunities are also on the rise.
- The cost-of-living crisis has created precarity for many employees, while remote working and successive lockdowns have caused some employees to disengage.
- There is a growing brain drain of Mauritian talent and increasing competition from foreign recruiters.
- The hospitality sector in particular is grappling with recruitment challenges, with the sector having lost its allure in the eyes of many talents.

Our response

- Medine recognises the need to review its human capital policies and to focus on wellness, and on diversity, equity and inclusion. We have already:
 - Extended maternity leave from 14 to 20 weeks and paternity leave goes from 5 to 10 days
 - Created a psychological support programme, with 24/7 access to a counsellor, to support our employees' mental health
 - Begun to roll out a programme of training and consultation focused on our values and culture
 - Renewed our investment in training, coaching and team-building
 - Put greater focus on employee wellbeing and building team spirit via a series of events and celebrations of a diverse set of national holidays
 - Reviewed travel allowances upwards in light of rising fuel costs
- We are also developing job fairs, graduate programmes and other recruitment tools to attract new talent to the Group.
- Alongside this, we are investing in digitalisation to improve the employee experience (via an e-learning platform and training modules for instance) and to streamline processes and data sharing, freeing up time and resources for higher-value tasks.

 **Human Capital p. 74**
Digitalisation p. 78

Business units impacted:



Link to risks: [H](#)

Link to strategy:






Sustainability-related challenges

Long-term trend

- Climate change continues to require urgent action and a fundamental shift in business models and strategies. Weather events have become more extreme in Mauritius, with heavy rainfalls and cyclones increasing in frequency and causing flash floods.
- If left unaddressed, this could disrupt all sectors of the economy and livelihoods. At Medine, we risk seeing a drastic reduction in harvested tonnage and sugar yields.
- Erosion and rising sea levels are affecting our beaches, which are vital to the island's tourism and hospitality sector.. Sustainability is key to the competitiveness and resilience of tourism in Mauritius.

Our response

- Medine continues to explore growth areas with the potential to mitigate the effects of climate change:
 - Sustainable and smart agriculture: use of technology to pinpoint herbicide applications, ongoing efforts to reduce our use of inputs, fertilisers, and pesticides, water optimisation, production of compost
 - Local food production and import substitution including processed food items via our agrinovation department
 - Renewable energy, including via the operation of Mauritius' largest photovoltaic farm at Henrietta and ongoing work to respond to call to tenders for renewable energy projects
 - Energy optimisation via a Group-wide energy audit, measures to rationalise our energy usages and the integration of green design considerations into real estate projects and education facilities
 - Conservation efforts to protect and conserve endemic and exotic fauna and flora at Reserve de Mondrain and Casela
- We are also developing a new sustainability strategy through which we seek to better support the local community and ensure their economic empowerment and inclusion, thus helping them build resilience to economic and climate-related shocks. We continue to carry out CSR activities through Fondation Medine Horizons, focusing in particular on issues such as education, environment and food security.

 **CEO's interview p. 40**
Sustainability p. 100
Performance p. 82

Business units impacted:



Link to risks: **A, B, F, G, J**

Link to strategy:



PERFORMANCE AGRICULTURE

EBITDA

Rs 95m

2020-21: Rs 68m

FOOD CROPS PRODUCED

2,020

TONNES

REVENUE

Rs 606m

2020-21: Rs 491m

A leader in the Mauritian sugar industry with over 100 years of history and expertise in sugar cane growing. A substantial producer of high-quality fruit, vegetables and deer meat for the local market.



"Medine has been at the forefront of agricultural innovation for over a century. Our ongoing investment in smart agriculture and new machinery is allowing us to reduce our costs, maximise our efficiency and make data-driven decisions, optimising our output and ensuring we remain profitable and sustainable in the future."

Patrick Lagesse
Managing Director, Agriculture

How Agriculture creates value for Medine

- Agriculture is an integral part of the Medine group's ecosystem. Sugarcane production is a key contributor to Medine's value creation strategy, with sugar consumption expected to continue to rise worldwide and on the African continent in particular.
- With a wide variety of food crops produced each year, Medine Agriculture helps achieve the Government's objectives regarding the country's food security – a key concern in the current context.
- Through our agrinnovation department and five-year strategy, we are also moving up the value chain into processed foodstuffs and developing new revenue streams for the Group.

Progress against strategic priorities

- During the year, revenue from our agriculture operations rose a substantial 24% and EBITDA increased by 40%, driven by higher sugar prices and an improvement in ancillary revenues.
- Our sugar activities benefitted from a rise in global sugar prices, while the devaluation of the Mauritian rupee has made Mauritian sugar more competitive internationally. We also benefitted from the National Biomass Framework which now prices bagasse at Rs 3,300 per tonne of sugar. This was partly offset by lower cane yields due to unfavourable climatic conditions and inadequate irrigation as a result of various restrictions that prevailed.
- Our deer farming operations had a record year in terms of revenue and EBITDA, with rises in the price of imported meat given the activity new impetus. We are making new investments to add value to the product.
- A new Managing Director, Patrick Lagesse, was appointed during the year.

2022-23 priorities and outlook

- We will continue to deliver on our strategy of diversifying into higher value-added products (including ready to eat chips, herbs and spices) and optimising revenues from by-products such as bagasse and cane trash for energy.
- The increase in the price of sugar to Rs 21,000 per tonnes in 2023 will allow us to continue to invest in smart agriculture and in mechanisation to optimise our product and processes.
- We will also continue our work on sustainability, whether by continuing to minimise / optimise the use of resources such as water and entrants thanks to the use of technology or developing circular economy initiatives such as our composting and mulch range.
- Alongside this, we will continue to try to attract new talent to the agriculture sector via initiatives such as our new Grow Graduate Programme.

Link to risks:



Main Activities

**Fruit and vegetable cultivation
(Jardins de Medine, Mo Ti Bazar)**

Sugarcane cultivation

Plant nursery (La Pépinière de Medine)

Deer farming (Yemen Experience)

Landscaping (Dirtsprout)

PERFORMANCE CASELA

VISITORS
187,500
of which 55,000 tourists

EBITDA
Rs (17)m
2020-21: Rs (58)m

REVENUE
Rs 144m
2020-21: Rs 56m



Casela is Mauritius' leading nature park and an eco-tourism pioneer. It is a member of the Pan-African Association of Zoos and Attractions and is home to over 2000 animals.



"Though Casela's activities remained heavily impacted by COVID-19 well into the financial year, we are now seeing an encouraging recovery in visitors to the park. We are working to improve our customer experience via digitalisation, investments in service standards and the launch of new activities. We are confident that we will see the impact of this in 2023."

Thierry Arékion,
General Manager, Casela

How Casela creates value for Medine

- Casela is a significant component of the Group's leisure portfolio, a key element of Mauritius' heritage and one of Mauritius' best-known tourist attractions. Its conservation work underpins Medine's wider commitment to sustainability.

Progress against strategic priorities

- The park's activities were heavily impacted by the COVID-19 pandemic well into the financial year.
- With the reopening of Mauritius' borders in October 2021 and the pick-up in tourism, we have seen a partial recovery in visitor numbers to Casela, resulting in a doubling of revenue to Rs144m and a Rs 41m improvement in EBITDA.
- A new General Manager, Thierry Arékion, was also appointed during the year.

2022-23 priorities and outlook

- Despite recruitment challenges across the hospitality industry, we are actively investing in the Casela marketing and front office team, as well as in technology (e.g. digital ticketing and cashless payments), to improve service standards and the visitor experience. We are also focusing on digital marketing to an international audience to ensure a strong inflow of tourists.
- In the coming year, we will be developing new attractions at Pangia and focusing more strongly on raising awareness of the park's sustainability and conservation work.

Link to risks: [A](#) [B](#) [F](#) [G](#) [H](#) [I](#) [J](#)



Main Activities

Casela Nature Parks

PERFORMANCE EDUCATION

STUDENTS
3,327
of which 67% in
higher education

REVENUE
Rs 39m
2020-21: Rs 23m

EBITDA
Rs 1m
2020-21: Rs (9)m

Uniciti Education Hub's offer consists of a fully-integrated education ecosystem ranging from pre-school to higher and executive education. Its international campuses are home to five well-regarded higher education institutions, including architecture, law, business, IT and hospitality schools, and to higher education students from more than 48 countries. The Hub also includes student residences, university restaurants, and sports and recreational facilities.



“Uniciti Education Hub aims to enhance its higher education offer and better respond to local, regional and African demand for well-trained graduates in areas such as computer science, software engineering, data science, artificial intelligence, robotics and key engineering specialties, as well as healthcare, management and business. We are committed to offering local and international students a stimulating campus environment and to helping them develop knowledge and technical skills while enjoying their student experience to the full.”

Dhanjay Jhurry,
Managing Director, Education

How Education creates value for Medine

- Education is a key differentiator for Medine and its smart city. We have the largest and most comprehensive education offer in Mauritius. Education as an economic sector is also seeing significant growth worldwide. Uniciti Education Hub has the potential to capitalise on growing demand from local, regional and African demand for high-quality educational offers and to add to Medine’s value-generation overall.
- Education is also a major determinant of a country’s economic inclusion, growth and development, particularly in a country like Mauritius, where demand for market-appropriate skills and capabilities is high. Our Education offer is therefore an integral part of Medine’s sustainability and innovation commitments.

Progress against strategic priorities

- Middlesex University remains the top performer in our tertiary education portfolio.
- Amity moved to the Pierrefonds Campus in July 2021 and this has diversified the range of academic offers at Uniciti Education Hub.
- The focus of UEH was to strengthen ties with existing partners and provide the maximum support.
- During the COVID-19 pandemic, physical classes could not be held. To minimise disturbance and the negative impact on students, our partners invested in infrastructure and logistics to deliver virtual classes.
- A new Managing Director, Dhanjay Jhurry, was also appointed during the year.

Main Activities

Student Life Residences

Pre-school (L’île aux Enfants)

Primary and secondary schools
(Westcoast)

2022-23 priorities and outlook

UEH aims to create value through differentiation and uniqueness. A number of key strategic thrusts have therefore been identified, as follows:

- Consolidate existing partnerships and enhance the academic offer, including in key areas such as digital, engineering, health and business management and finance.
- Enhance executive training and skills development to focus on areas including Environment, Social and Governance (ESG), situational leadership, etc.
- Revisit the student life residence by investing in a refurbishment and developing their infrastructure.
- Attract international students from top universities for internships and research.
- Promote social innovation and thought leadership, for instance through a Uniciti Education Hub lecture series.
- Foster cross-fertilisation of business units and support Medine’s wider growth by providing training and education to teams across the Group.

Link to risks: **A B D F H I J**

Tertiary and executive education
(Vatel Hotel & Tourism Business School, Middlesex University Mauritius, ENSA Nantes (Mauritius), Amity Mauritius, Université Paris Panthéon-Assas, MCB Institute of Finance)

PERFORMANCE PROPERTY

REAL ESTATE PORTFOLIO

Rs 4.4bn

REVENUE

Rs 542m

2020-21: Rs 457m

EBITDA

Rs 269m

2020-21: Rs 214m

Our property activity brings together Medine's expertise in masterplanning, property development, investment and asset management and property management. It includes a substantial portfolio of diversified, strategically located and high-value properties on Mauritius' West Coast, including retail, office, education and hospitality asset classes alongside a large land bank earmarked for development.



It's an exciting time for Medine's property team. The Flic-en-Flac bypass is a game changer for Medine and will allow us to position our prime West Coast land bank even more strategically. Going forward, we will be focusing on high-yield build and lease projects alongside quality residential projects for the local and international market.

Joël Bruneau,
Managing Director, Property

How Property creates value for Medine

- Our Property activities are central to Medine's ability to create long-term, sustainable value for our stakeholders. The Group's land bank is strategically located on the West Coast of Mauritius, and includes a corridor that links the west to the centre of the island.
- Our existing real estate portfolio (a shopping mall, office park, schools, university ecosystem and SPARC sports centre) as well as our proximity to exceptional natural landmarks allow us to differentiate our residential and commercial projects.
- Our renewable energy activities also dovetail with the Mauritian Government's ambitions to produce 60% of the country's electricity from renewable sources by 2030. They are also a key part of Medine's ongoing commitment to sustainability.

Progress against strategic priorities

- Property revenue rose to Rs 542m, driven by strong occupancy in our commercial and office spaces.
- Property operations saw increased occupancy in the Group's retail and business parks, as well as by the execution of planned 'morcellement' sales.
- During the year, Medine signed an MOU with the Government to develop a section of the Flic-en-Flac bypass by end 2024, effectively unlocking access to the West Coast.

2022-23 priorities and outlook

- We have identified a number of morcellements projects that will enable congested urban areas in the centre of Mauritius to grow westward, supporting the Government's strategy of creating designated growth zones, some served by Mauritius' new light rail system.
- Several plots in Uniciti have also been earmarked for bulk sales to third-party developers.
- Alongside this, we are developing our portfolio of high-yield build and lease projects, including a major extension of Cascavelle Shopping Mall, which is set to triple in size.
- We are also focusing on high-quality residential products aimed at local and foreign clients, with several major new projects due to launch and the Magenta Parkside and Serenis morcellements set to be delivered in 2023.
- We continue to leverage our unique location on the West Coast and the ecosystem of amenities and services that we offer to strengthen our market positioning, including via the Medine Lifestyle Membership.
- In addition, and to ensure quality EBITDA, we are actively engaging with the Government's renewable energy plans, particularly around solar and wind-generated energy.

Link to risks: [A](#) [B](#) [E](#) [F](#) [H](#) [I](#) [J](#)

Main Activities

Asset management

Real estate development

Masterplanning (Smart City)

Facilities management

Renewable energy

Property management
(Cascavelle Shopping Mall,
Uniciti Office Park)

PERFORMANCE SPORTS & HOSPITALITY

GOLF ROUNDS

26,000

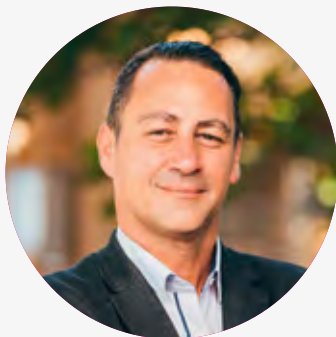
EBITDA

Rs (8)m
2020-21: Rs (30)m

REVENUE

Rs 135m
2020-21: Rs 50m

The Sports & Hospitality business unit consists of a 50-room beachfront hotel; a championship 18-hole, par 72 golf course and clubhouse; and a 17-acre sports and leisure centre in the West of Mauritius.



“Despite the challenging external context, Medine’s hospitality activities are proving resilient. They are an integral part of Medine’s lifestyle and leisure offer and have enormous potential. With a refresh of our products and investment in service levels and marketing already underway, our hospitality offer is set to contribute significantly to Medine’s overall value proposition.”

Sébastien Mackay,
General Manager, Sports & Hospitality



How Sports & Hospitality creates value for Medine

- Our Sports & Hospitality activities are a major driver of Medine’s strategy to derive value from our asset base. They are an intrinsic part of Medine’s ecosystem of activities a major differentiator and value-driver for our property projects.

Progress against strategic priorities

- While our Sports & Hospitality activities were heavily impacted by the COVID-19 pandemic well into the year, the reopening of Mauritius’ borders in October 2021 and the pick-up in tourism activities drove a recovery in occupancy levels at the hotel and a higher number of golf rounds played at Tamarina.
- A new General Manager, Sébastien Mackay, was also appointed during the year.

Main Activities

Tamarina Golf & Spa Boutique Hotel

Tamarina Golf Club

SPARC sports and leisure centre

2022-23 priorities and outlook

- In the coming year, we will enhance how we market our hospitality assets, including via the Medine Lifestyle Membership, to position them as a coherent, upmarket offer in an exceptional natural setting.
- We will bring the Tamarina Golf & Spa Boutique Hotel back in line with its original 4* plus positioning thanks to a refresh of the hotel’s interiors; continuous investment in service via recruitment and training; a more robust commercial plan including a reengagement with tour operators and destination management companies; and a new focus on sustainability and wellness to capitalise on changing client expectations.
- We are delivering a refresh of our golf clubhouse and are densifying the golf estate, creating an additional market for the restaurant.
- Those who purchase or reside in any future development within the Tamarina estate will need to contribute to the cost of maintaining the golf. We also intend to market the clubhouse to an external audience, to attract non-golfers and broaden our revenue base.
- We also intend to refresh the clubhouse at SPARC, our sports and leisure centre, and create new amenities to position the complex as a lifestyle, country-club destination. We are working on hosting major sporting events as well as international training camps and sports clubs and are aggressively marketing the complex as a venue for events.

Link to risks: **A B C F G H I J**





Sustainability & CSR

Our ambition

At Medine, our purpose is to sustainably and inclusively develop the West Coast of Mauritius. As a major employer and landowner, and at a time of global uncertainty, we recognise our role in contributing to our country and community's long-term growth and wellbeing.

We also need to ensure that we can create long-term value for our stakeholders. Investors, regulators, employees and customers increasingly expect us to take sustainability-related issues into account, and it is clear that companies that infuse sustainability into their strategies tend to perform better, with shareholders receiving higher annual returns. A strong sustainability proposition will therefore help support our business strategy and ensure our long-term success.

In the coming year, we aim to define a structured, group-level sustainability approach and to embed sustainability into how we do business. That means finding ways to deliver our products and services within an environmentally sustainable framework, while also supporting our financial growth and making a meaningful contribution to the wider economy.

Our intention is to create a tangible, practical plan that achieves real results. We need to manage Environment, Social and Governance (ESG)-related risks, tackle major challenges such as water and energy optimisation, and capture emerging opportunities in this field while engaging in regenerative practices.

A number of sustainability projects are already underway across Medine's business units. At a group level, our next steps will be to carry out an audit of these current commitments and identify the areas to which we can meaningfully contribute, based on an assessment of our potential impact, their alignment with our values and strategy, and how well they respond to our stakeholders' needs and priorities.



ENVIRONMENT

Our focus is on how Medine can meaningfully contribute to environmental preservation and mitigate the impact of climate change. In the medium-term, we will need to embed environmental criteria (e.g. resource use, carbon emissions) into our business decision-making across the group. Some of Medine's current environmental initiatives are set out below.



“At Medine, we recognise our role in contributing to our country and community’s long-term growth and success.”

A roadmap towards energy optimisation across the group

Following a preliminary assessment of our Group-wide energy usage over the past three years, an initial Energy Efficiency Roadmap has been drafted and quick wins have been identified.

These include using technology and automation (lighting and temperature controls for instance) to optimise our energy consumption, with proof-of-concept projects now underway in several locations across Medine. We are also moving from conventional to inverter-type air conditioners, replacing conventional lighting with LEDs over the next two years and topping up existing traditional waterproofing with reflective coating that minimises building heat absorption.

Medine also aims to minimise its use of energy across its developments by using passive design methods. For instance, West Coast International Secondary School Phase 3 is green by design and uses natural daylight and cross-air ventilation to reduce energy demand.



Renewable energy production

Medine will continue to expand its renewable energy market share and help the Government achieve its stated aim of generating 60% of Mauritius’ energy from renewable sources by 2030. Working in partnership with Akuo, Medine now operates Mauritius’ largest solar farm project (17 MW) at Henrietta. This is equivalent to the electricity demands of 12,115 Mauritian households and a reduction in CO₂ of 21,516 tonnes per year compared to traditional energy sources. A 3.5 MW connection agreement has been granted to Unicity Ltd by the Central Electricity Board and work is ongoing to respond to the CEB’s renewable energy tenders.

Sustainable agriculture

Our Agriculture business unit is one of Mauritius’ sustainable agriculture pioneers. Sustainable practices include the use of natural compost to enrich the soil, trees as natural windbreaks, and crop rotation to reduce the risks associated with monocultures and minimise pests and diseases. If the use of pesticides cannot be avoided, application is done under strict controls, with no residue left when the fruit and vegetables are harvested. To guarantee that our products are both safe and of the highest quality, we carry out regular testing in partnership with an independent laboratory.



Nature reserves

Set over 3,000 hectares on the West Coast of Mauritius, Ymen Nature Reserve represents 1.5% of the island's landmass and is the largest lowland coastal hardwood forest in the Mascarenes. Medine is committed to preserving Ymen as an area of wilderness and a major carbon sink.

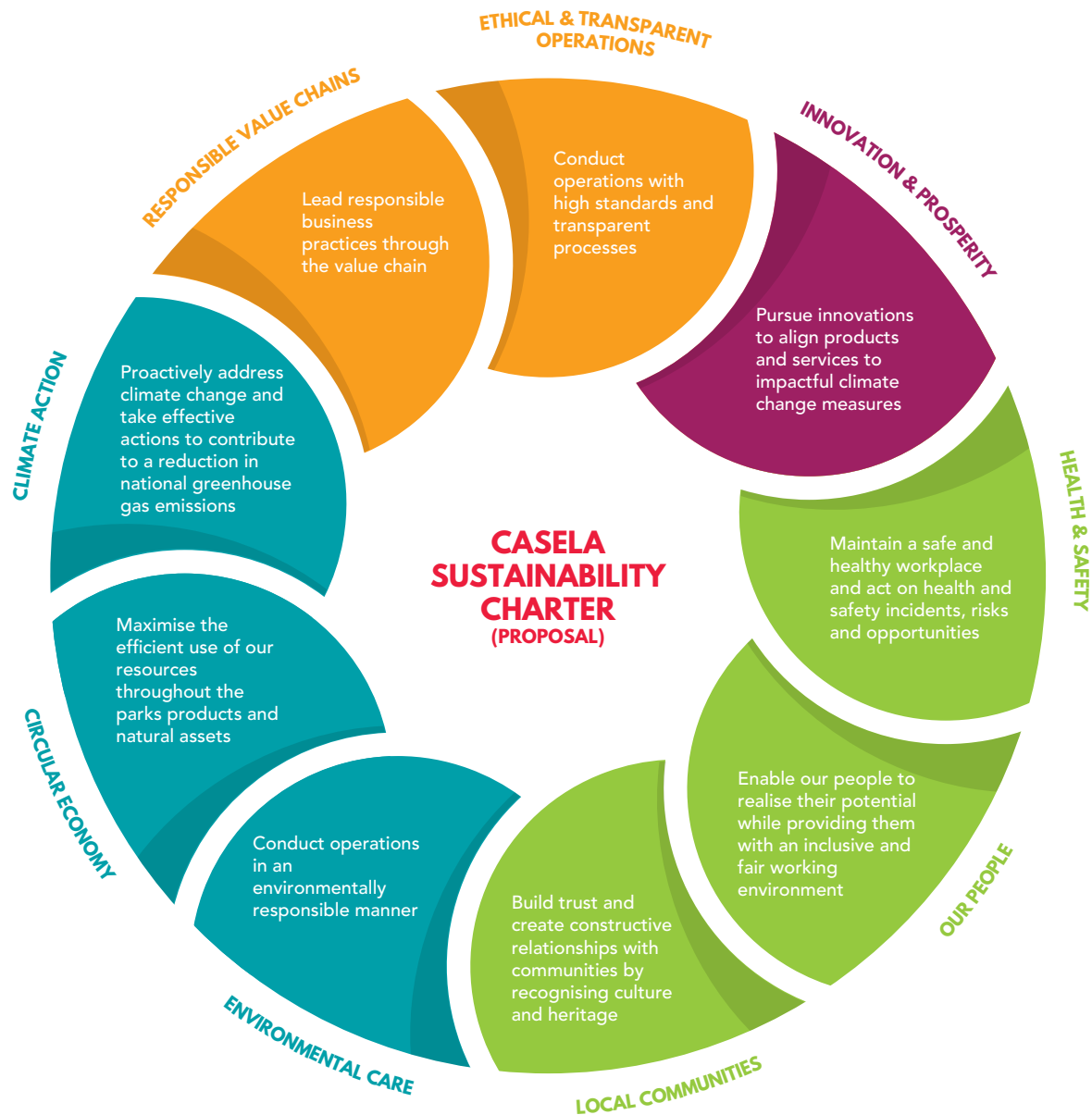
In partnership with the Mauritian Wildlife Foundation, we also manage the Reserve de Mondrain, a forest reserve located within Medine's land bank overlooking the Magenta valley in the Black River District. The Mauritian Wildlife Foundation was given a 20-year lease for an initial five-hectare reserve, valid until 2033. Their mandate was to restore and conserve the reserve by managing its forest, replanting native species and preserving its flora. This area is now being doubled and the duration of the lease increased so as to better secure the reserve and its biodiversity.

Mondrain is home to unique endemic flora. This includes low ridge *Eugenia/Sideroxylon* vegetation, one of the last stands of this vegetation type of floral community in the Mascarenes, with nearly 200 species of native and endemic plants. The reserve also includes several Critically Endangered plant species such as the Mauritian coral tree (*Chassalia boryana*) and the world's last remaining populations of *Hibiscus genevii* and bois de pomme (*Syzygium pyneei*).

Case Study

SUSTAINABILITY AT CASELA

Casela is an eco-tourism pioneer. Originally a bird park in the late 1970's, it was among the first privately-owned Mauritian tourist attractions to have conservation ambitions. It is now a member of the Pan-African Association of Zoos and Attractions (PAAZA) and collaborates with the National Parks and Conservation Services (NPCS).



SUSTAINABILITY & CSR

Casela's action plan focuses on 3 pillars:



Economic

- Develop eco-products to be offered for sale to Casela guests
- Reinforce internal processes for better operational efficiency and monitoring
- Future-proof Casela's infrastructure
- Engage in responsible, local procurement practices



Environment

- Reduce operational impacts on the environment via:
 - Efficient use and monitoring of energy and water
 - Reducing waste at source and improving its management
 - Strengthening our protection of natural assets
 - Soil and forest regeneration
 - A continued focus on animal welfare
- Strengthen existing partnerships and collaborate on new projects
- Reinforce our communication regarding Casela's conservation work



Social/Community

- Reinforce Casela's culture and promote positive behaviours
- Nurture talent and ensure the wellbeing of those working in the park
- Support the wellbeing of the local community
- Continue to educate visitors and stakeholders
- Inform, inspire and engage guests with regard to climate action
- Communicate climate change science and advocate for responsible behavioural change

Its activities have an impact on the following SDGs:

SDG #3: Good health and well-being



Contributing to the quality of air through the 350 acres protection of forest and surrounding mountains.

SDG #4: Quality Education



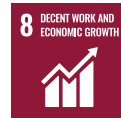
Offering conservation workshops and guided tours both to guests and staff.

SDG #5: Gender Equality



Through balanced gender employment.

SDG #8: Decent Work and Economic Growth



Providing jobs to more than 200 Mauritians. 52% of Casela employees live in the immediate vicinity of the park.

SDG #12: Responsible Consumption and Production



Recycling, monitoring our consumption (energy and water) and supporting local businesses.

SDG # 13 Climate Action & SDG # 15 Life on Land



Biodiversity protection and gene conservation work with 2127 animals (522 mammals, 1311 birds, 139 reptiles and 130 fish).



“Medine is committed to strengthening the resilience of and empowering our communities.”

SOCIAL

At the heart of our social commitments are our stakeholders: our employees, customers, partners and suppliers. Our Stakeholder report on p. 66 sets out how we engage with each of these groups.

Our human capital approach, available on p. 74, addresses sustainability issues including health and safety, diversity and inclusion, skills development and employee engagement. These issues are increasingly important to our ability to attract and retain the right talent in the context of changing employee expectations and an ongoing skills shortage in Mauritius.



Case Study

FONDATION MEDINE HORIZONS

With the cost of living crisis and the COVID-19 pandemic having disproportionately affected the most vulnerable in our community, Medine remains committed to strengthening their resilience and contributing to their empowerment. Established in 2006, Fondation Medine Horizons (FMH) is the main channel through which Medine delivers on its Corporate Social Responsibility (CSR) commitments and works with the community.



Over the past year, FMH carried out its activities using two main sets of resources:

1) Voluntary (non-CSR) contributions		
ACT	GIVE	FUND
Volunteering from Medine staff, partners and other stakeholders, benefitting local NGOs, associations and the most vulnerable in our community	In-kind donations and donations of goods and other items from Medine, Medine employees, its partners and the wider community	Financial support from sources other than the CSR levy, provided both by Medine, Medine employees and other partners
2) CSR Contributions:		

CSR funds from Medine Group and external companies allocated to partner NGOs to carry out their missions for the benefit of vulnerable groups from our catchment area.

NGOS SUPPORTED BY FMH IN 2022

École Familiale de l'Ouest (EFO)

Provides alternative education to 75 youngsters aged between 14 and 18 years old who are outside the local mainstream system, providing them with a work placement in private companies to help move them into employment.

Centre d'Amitié

Works with vulnerable groups living in Camp La Paille, Bambous by providing nursery and pre-primary school services. 50 children benefitted from pre-primary education and 9 from nursery. All the children were also offered a healthy daily lunch. After the pre-primary education received at Centre d'Amitié, the children are able to integrate primary school smoothly.

Quartier de Lumière (Centre La Ruche)

Works towards the integral development of 90 children living in La Valette, Bambous. The project was launched in 2010 and La Ruche centre was built in 2012. Through various pedagogical activities, the beneficiaries acquire knowledge, new competences, self-confidence and creativity.

Pitila Petzi Pre-Primary School

Caters for vulnerable children and their families. The 15 most underprivileged pupils of the school receive particular attention. The pre-primary school ensures a smooth integration in primary level and also supports the families in their various needs.

Action for Integral Human Development

Has established:

a) **Counselling units** in some secondary schools in order to help the students cope with emotional and/or psychological issues and provide the school population access to counselling and career coaching services.

b) **"Les Amis de Zippy"**, a project which caters for the emotional well-being of Grade 2 pupils and has recently been implemented in a Special Education Needs (SEN) school for children with disabilities.

Caritas Ile Maurice

Operates:

a) **Centre of Learning, Barkly**, an Education and Social Centre set up in 2003. It welcomes both children and adults to empower them through various services such as academic classes, training in computer technology, music and human values, talks on various subjects, activities and outings for children and youngsters. Its music classes are linked to the Conservatoire de Musique François Mitterrand.

b) **Caritas Saint-Sauveur**, which has recently launched the 'Accompagnement Scolaire' project for 2022 PSAC students.

The Mauritian Wildlife Foundation

Works towards the conservation of endangered endemic plants and animals of Mauritius including the pink pigeon.

Association d'Alphabétisation de Fatima

Provides alternative education to 166 adolescents who are outside the formal mainstream system, helping them become literate and employable, and develop creative talents through various educational and pedagogical outings. It also ensures the social integration and rehabilitation of street children.

SAFIRE

Ensures the social integration and rehabilitation of street children.

Lovebridge

Plays an active role in poverty alleviation in Mauritius, helping families (1800 individuals) across 9 districts, to reinforce their autonomy and build bridges among citizens from different walks of life.

Haemophilia Association Mauritius (HAM)

Offers medical assistance to patients suffering from haemophilia and other inherited bleeding disorders.

SUSTAINABILITY & CSR



KPIs for FY22

Non-CSR funding:

Rs 4.7m

+ excellency scholarship

CSR funding:

Rs 1.4m

from Group and
non-Group companies

400

volunteers

Around

1,500

beneficiaries across
FMH projects

Other key projects:

The Medine Scholarship Scheme: Medine renewed its support for children of Medine employees for the ninth consecutive year. 22 students were given scholarships during the year under review.

Food security: Plantlets were donated from the Agriculture business unit and basic agriculture training was provided to adults and children in Medine's catchment area. 65 families, 79 students and two schools benefitted from the project.

Next steps:

Over the past year, FMH has adopted a new strategic plan to optimise its resources while continuing to serve its target beneficiaries in light of the challenging context for CSR and for the local population.

Going forward, FMH aims to function as a capacity-building entity that works closely with NGOs and other organisations in our catchment area. It will develop initiatives that act as levers of transformation for the inhabitants and local communities of the West of Mauritius, helping to ensure both the area's integrated development as well as the protection and enhancement of its natural and cultural heritage.

It has redefined three new focus areas in order to maximise its positive impact:

- The empowerment and inclusion of vulnerable people, including effective information, education and training programmes.
- Strengthening the ties within local communities including via assistance programmes to help people access government services and to promote food security.
- The wellbeing and development of the area's youth, including via providing access to recreational activities (sports and arts).

GOVERNANCE

Medine believes that good governance promotes transparency, ethical corporate behaviour, accountability and compliance at every level within our group. Our governance arrangements allow us to build trust-based relationships with our stakeholders. Please see our Corporate Governance Report on p. 126 for more information.







Risk governance

CHAIRMAN'S REPORT

Given that the Board of Directors has several matters to oversee, it delegates certain responsibilities to the ARC. Indeed, the ARC plays a vital role in assisting the Board in its risk, audit and compliance responsibilities, thus providing assurance that risk recognition and mitigation are being addressed in a responsible manner.

This year, the prolonged war in Ukraine has added new risks to our radar, such as "Disruptions in the supply chain", along with a significant "Increase in material costs". These risks are being actively looked into.



The ARC's key responsibilities include, but are not limited to:

- Providing an overview of the annual and interim financial statements;
- Reviewing the nature, scope and results of the internal and external audit;
- Reviewing the adequacy and effectiveness of Medine's system of internal control;
- Reviewing Medine's principal risks and overseeing the implementation of appropriate measures to manage those risks; and
- Assessing and recommending the appointment of internal and external auditors based on their independence, qualifications, performance and cost effectiveness.

(The ARC's complete terms of reference are available on Medine's website at www.medine.com.)

Focus areas during the year:



ARC membership and attendance in 2022:



In attendance:

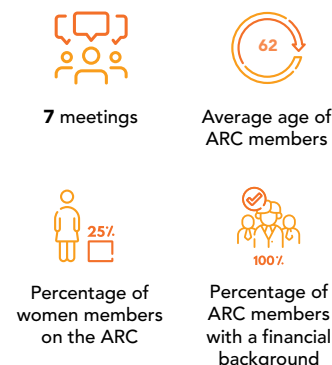
Regular Attendees

- Chief Executive Officer
- Chief Financial Officer
- Head of Internal Audit & Risk Management

Attends as Required

- External Auditor - Ernst & Young
- Business Unit Senior Management

Key metrics:



Dear Stakeholder,

The ARC report for this financial year 2022 can be found below.

Given that the Board of Directors (the 'Board') has several matters to oversee, it delegates certain duties to the ARC. Indeed, the ARC plays a vital role in assisting the Board in its risk, audit and compliance responsibilities, thus providing assurance that risk recognition and mitigation are being addressed in a responsible manner.

Over the past two years, management has been managing the 'Pandemics and infectious diseases' risk on an ongoing basis. With COVID-19 expecting to become endemic, the impact on business units is anticipated to improve. We have also observed that management is addressing the liquidity and gearing risks effectively, while navigating the challenging inflationary environment. This year, the prolonged war in Ukraine is adding new risks on our radar, such as 'Disruption in supply chain' along with an 'Increase in material costs'. These are being actively looked into.

As part of the annual process, risk assessments were conducted across all Medine's business units. Questionnaires were sent to new risk owners to ensure that the group's principal risks were identified, captured and prioritised in our risk registers, and eventually managed appropriately. It is also crucial that we continue to evolve our group's risk mindset if we are to move towards a more mature phase in our risk management.

As Chairman of the ARC, I regularly report to the Board on the Committee's work. I confirm that no material events prevented the Committee from discharging its responsibilities this year. In addition to ongoing matters, we produced notable accomplishments during FY22 and set out key priorities for FY23, all highlighted in the table on the right.

I would like to thank the members of Medine's Audit and Risk Committee, as well as Medine's senior management team, external auditors, and internal audit team, for their contributions and support throughout the year.



JACQUES TIN MIOU LI WAN PO

F.C.C.A., G.O.S.K.

Chairman of the Audit and Risk Committee (ARC)

Risk Theme	Trend from last year
Disruption in supply chains	NEW
Increase in material costs	NEW
Pandemic and infectious diseases	▼
Liquidity and gearing	▼

 Decrease  New

FY22 accomplishments

E-learning platform:

- Staff were trained on Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT).
- New employees were trained on the Medine Whistleblowing Policy and Procedures, as part of their induction programme.

Key priorities for FY23

Fraud policy:

- Review the Fraud policy and recommend it for approval to the Board.

Risk management:

- Develop an in-house risk management software for the group.
- Review the risk management guidelines.

RISK GOVERNANCE

BOARD

The system of internal control is designed to provide the Board of Directors with reasonable assurance that assets are properly safeguarded, transactions are authorised and recorded, and material instances of fraud and other irregularities are either prevented or detected within a reasonable time.

Responsibility for the group's internal control system and risk management lies with the Board, which has delegated authority for these issues to Medine's management. The management team has a duty to put in place adequate internal controls to manage the risks associated with implementing the strategies and policies adopted by the Board.

Executive Committee

- Reviews the operational and financial performance of Medine's different business units.

Corporate Governance Committee

- Acts as a Nomination Committee and Remuneration Committee, and makes recommendations to the Board.
- Drives the implementation of the National Code of Corporate Governance for Mauritius and ensures compliance with the Code's disclosure and reporting requirements.

Audit & Risk Committee (ARC)

- Reflects the size and diversity of the group. Its main objectives are to review the existence and efficiency of internal controls.
- The Board receives assurance from the ARC that risk recognition and mitigation are addressed in a responsible manner.

Business Units

- Responsible for identifying and mitigating risks.
- Responsible for implementing procedures and policies.

Shared Services

- Responsible for providing oversight and central services such as finance, legal, IT, human resources, communications, health & safety and security.
- Works closely with the business units to manage risks.

External Audit

Internal Audit

The three levels of assurance in our control environment

1st



Operational management

- Owns and manages risks
- Front-line personnel are responsible for day-to-day operations and for ensuring that the risk and control environment is established.

2nd



Management review and assurance

- Provides risk oversight
- Responsible for defining and maintaining the risk management and compliance framework, and undertaking their own oversight of the first line of defence in their daily management of risks.

3rd



Independent assurance

- Independent assurance provided by the internal audit function.

The definitions of our 1st and 2nd lines of defence are available on Medine's website at www.medine.com

Internal audit as the third line of defence

Internal audit (IA) is an independent in-house function designed to add value to, and improve, Medine group's operations. It helps business units accomplish their objectives by taking a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The internal audit function and its purpose, responsibilities and authority are governed by the internal audit charter, which is approved by the Audit & Risk Committee. The authority to appoint or remove the Head of Internal Audit & Risk Management is also entrusted to the ARC.

The Head of Internal Audit & Risk Management reports functionally to the ARC, administratively to the Chief Executive Officer, and maintains an open line of communication with Medine's management team.

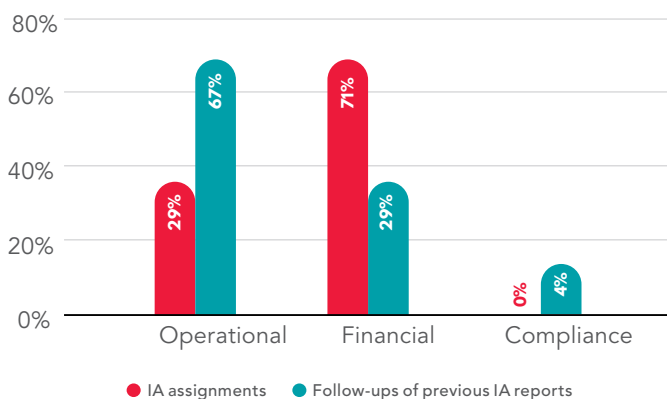
Critical findings arising from the internal audit activity are formally reported to the ARC. Medine's senior management team is invited to attend the Committee's meetings.

During FY22, seven internal audit assignments and six follow-ups of previous internal audit reports were carried out.

The areas covered by our internal audit activity are illustrated in the chart to the right.

The Board is comforted that the internal audit function covers all key areas of the organisation and that no restrictions were placed on their right of access to records, management, or employees.

Audit areas covered from IA assignments and follow-ups



“The Audit & Risk Committee plays a vital role in assisting the Board in its risk, audit and compliance responsibilities.”

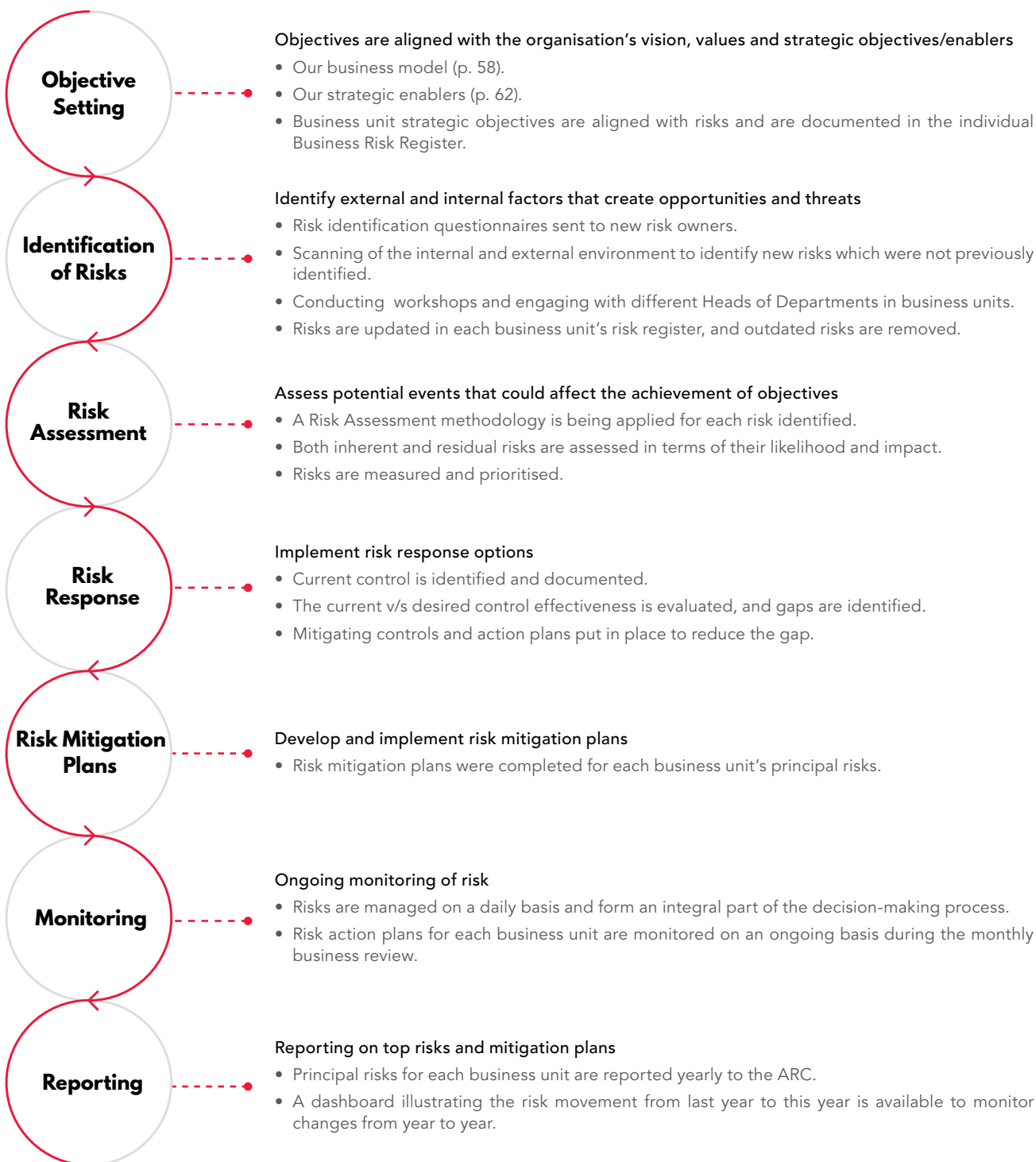


Overview of the risk management framework

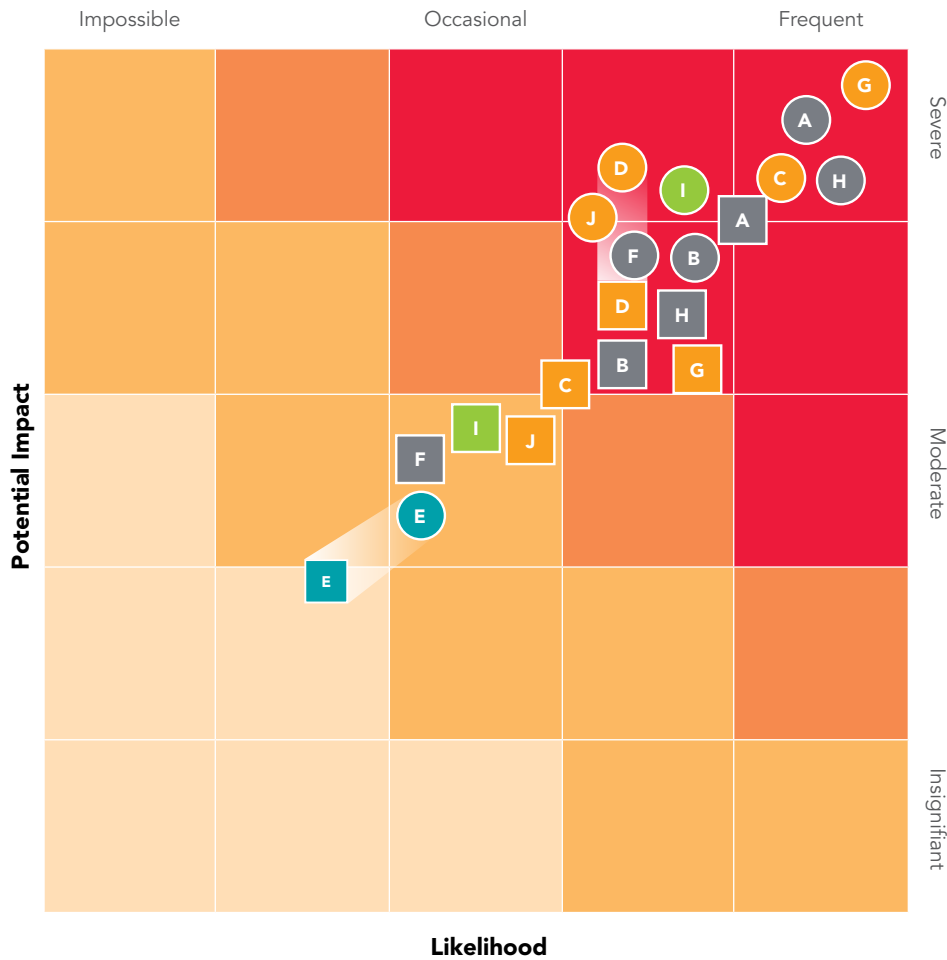
Medine's Risk Management Framework can be found on the group's website at www.medine.com. It reflects Medine's vision, values and strategies, including annual risk assessments, across all business units. The table below demonstrates how the risk management process is applied.

Steps in our Risk Management process

Achievements in FY22



Heat map – our principal risks



Definition:

- Inherent risk: risk that exists in the absence of controls.
- Residual risk: risk that remains after controls are accounted for.

Risk position:

- Inherent risk
- Residual risk

Risk movement from inherent to residual:



Strategic

- C Macroeconomic risks (Tourist arrival & attraction)
- D Concentration risks
- G Natural resource risks
- J Pandemics and infectious diseases

Financial

- I Liquidity and gearing risks

Operational

- A Increase in material costs
- B Disruption in supply chains
- F Health & safety risks
- H Staff engagement and performance risks

Compliance

- E Legal and regulatory risks

Emerging risks on our watchlist:

- Pollution and environmental concerns
- Social discontent and local conflicts
- Climate change
- Geopolitical tension

Risk management in action

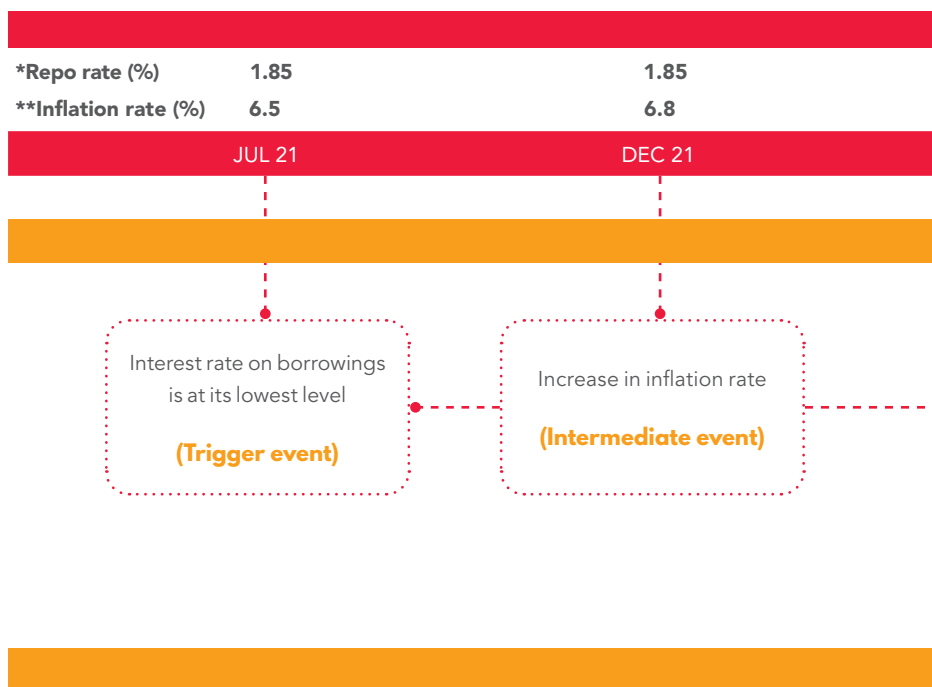
The group's interest rate risk exposure offers a practical example of the effectiveness of our risk management process.

Over the past two years, COVID-19 has had a significant impact on the Mauritian economy. The repo rate, which is established by the Bank of Mauritius, reached its lowest level at 1.85% and increased to 40 basis points at the end of June 2022, as did the interest rate of commercial banks. Along with the prolonged war in Ukraine, the inflation rate is also on an upward trend. It is worth noting that the interest rate and inflation rate tends to move in the same direction as the central bank will normally increase the repo rate in a period of high inflation.

The increase in interest rate and in inflation rate have impacts on the group's debt management strategies, as well as implications for the financing of future projects. Medine is exposed to interest rate risks when it does not know how much interest it may have to pay on borrowings either already made or planned in an inflationary environment. The issue of the bond instrument forms part of Medine's hedging/mitigating strategy to protect itself ahead of future increase in the interest rate.

Though, Medine has taken advantage in the low interest rate environment, the strategy adopted is to limit the uncertainty of changing interest rates so that it can plan with greater confidence and visibility.

The table to the right illustrates how Medine managed interest rate risks and seized opportunities in a period of uncertainty.



Source:

* Bank of Mauritius.

** Statistics Mauritius. year-on-year figures

KEY PERFORMANCE INDICATORS

2
10.7

2.25
9.6

MAR 22

JUN 22

2023 ONWARDS

KEY RISK INDICATORS

- Increase in repo rate by 15 basis points
- Increase in inflation rate

(Intermediate event)

- Increase in repo rate by 25 basis points
- Slight fall in inflation rate

(Intermediate event)

Vision: To sustainably develop the heritage of the West of Mauritius

Long term strategies:

- (i) Position Medine as a Land developer
- (ii) Invest in strategic development projects to increase the value of our landbank

STRATEGIES, PLANS AND INITIATIVES

Strategy – Target 4:4

Issue of Rs 1bn bond instrument with a fixed coupon rate over a 5- year horizon

Plan and initiative 1

Partial repayment of existing debts and bonds at variable interest rates

Plan and initiative 2

Remaining funds will be used for Property projects (e.g. schools and universities, offices and the extension of the Commercial Centre)

Strategic objectives

- Reduce debt to Rs 4bn
- EPS Rs 4 by end of 2023

Strategic objectives

Grow the asset portfolio by developing high-yield 'build and lease' assets for consistent and sustainable stream of cash generation

Medine's principal risks are highlighted in the table below. These risks could materially affect the group's businesses, revenue, and profit. They are categorised as either strategic, financial, operational or compliance-related.

RISK THEME	DESCRIPTION OF RISK	TREND	ANALYSIS FROM LAST YEAR
A Increase in material costs	<ul style="list-style-type: none"> Increase in the cost of construction and infrastructure, likely to affect the delivery schedule and profitability of the project, especially in the event of construction starting several months after the sale has been finalised. The depreciation of the Mauritian Rupee against the Euro and the Dollar will have an impact on imported raw materials and other related products. Increase in inflation. 	NEW	New risk identified this year, resulting from the prolonged war in Ukraine and geopolitical tensions.
B Disruption in supply chains	<ul style="list-style-type: none"> Delays/disruptions in the supply chain for the importation and delivery/ receipt of materials and other purchases from suppliers, leading to a time-consuming procurement process, impacting the completion of projects, competitiveness and performance. 	NEW	New risk identified this year, resulting from the prolonged war in Ukraine and geopolitical tensions.
C Macroeconomic risks (tourist arrivals and attraction)	<ul style="list-style-type: none"> External factors influencing the size of the current and potential market (e.g. decreasing numbers of tourists, increasing competition from partners – airlines, hotels and cruise lines – in terms of price, economics and political context). Adequate air access policy and strategy enabling Mauritius to maintain a sustainable flow of tourists and support the promotion of the destination. 	▼	While international travel restrictions were in place and the Mauritian borders were closed in previous years, this year saw the lifting of restrictions. Despite this, tourist arrivals are not yet at par with pre-pandemic figures.
D Concentration risks	<ul style="list-style-type: none"> Over-reliance/high dependency on a few educational institutions. 	—	Unchanged from last year
E Legal and regulatory risks	<ul style="list-style-type: none"> Compliance with Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) laws and regulations. Changes in laws and regulations. Compliance with data protection laws. 	—	Unchanged from last year.
F Health & safety risks	<ul style="list-style-type: none"> Compliance with the Occupational Safety and Health Act and regulations. Exposure to acts of terrorism, vandalism, violence and illegal dealings on the West Coast. 	—	Unchanged from last year.
G Natural resource risks	<ul style="list-style-type: none"> Increasing pressure on water resources/decrease in water supplies because of drought and other related events Loss of water rights. 	—	Unchanged from last year.
H Staff engagement and performance risks	<ul style="list-style-type: none"> Human Resource strategy not clearly defined (e.g. reward system, training, career progression, etc.) such that talented and experienced staff is not recruited and retained, key personnel depart, and business units are inadequately resourced. 	▲	The loss of performing, productive and talented employees has an impact on the organisation.
I Liquidity and gearing risks	<ul style="list-style-type: none"> Not the optimum level of gearing established and possible high operational costs at Group level. 	▼	The Group managed to reduce its gearing level compared to last year.
J Pandemics and infectious diseases	<ul style="list-style-type: none"> A global pandemic (e.g. COVID-19) may increase the risk of financial losses, as well as of physical harm, to key members of the staff. Impact on the overall mood of the global, regional and national economy, as reflected in the status of the stock market, consumers' perception of the economy, the availability of jobs and credit, purchasing power, and restrictions on mobility. 	▼	The Government has removed most restrictions related to COVID-19, leading to a more conducive operating environment in the next financial year. Staff are still being infected, but to a milder degree.

● Strategic
 ● Financial
 ● Operational
 ● Compliance

TREND



Increased



Decreased



Unchanged

NEW









































New

Strategic Enablers



Innovation

Land and asset development

BUSINESS UNIT CONCERNED	MITIGATING ACTIONS, PLANS & CONTROLS	CAPITALS IMPACTED	STRATEGIC ENABLERS AFFECTED
 All business units	<ul style="list-style-type: none"> Centralised procurement across all business units. Rethink the procurement strategy to incorporate flexibility whilst maintaining strict controls. 		
 All business units	<ul style="list-style-type: none"> Centralised procurement across all business units Direct ordering with suppliers. Ordering in advance where possible. 		
 Casela Hotel Golf	<ul style="list-style-type: none"> Continuous monitoring of the external environment and reviewing strategies accordingly. Sales, marketing strategies and plans are to be revised to capture the maximum tourists on the island. Constant networking with trade partners (e.g. DMCs and TOs). Physical presence at trade fairs and expos. 		
 Education	<ul style="list-style-type: none"> Reflection and definition of the new vision and strategy for the education hub is in progress. Business model to be reviewed. Strengthening of management relationships with existing partners, institutions, students and other stakeholders. Enlarge the breadth of institutions and ongoing search for reputable courses. 		
 Property	<ul style="list-style-type: none"> Appointment of a Compliance Officer/Money Laundering Reporting Officer. Approval of AML/CFT policy and procedures by the Board. Training of staff on AML/CFT. An AML/CFT audit is being carried out. Review and follow-up carried out by the regulator. Data protection inspections will be carried out among the business units. Medine's active participation in private sector forums such as Business Mauritius. Ongoing collaboration with other promoters to identify issues in legal framework and suggest solutions to the authorities. 		
 All business units	<ul style="list-style-type: none"> Health & safety audit and risk assessment being carried out. Review of the Group health & safety team's operating model. Private security patrol on Medine's properties. Strengthening of Medine's security team. Review and introduction of safety-based policies and Standard Operating Procedures. Continuous health & safety training and fire and evacuation drills. 		
 Agriculture Golf Casela	<ul style="list-style-type: none"> Efficient irrigation system in place. Legal structure in place to ensure that Medine's water rights are protected. Regular maintenance and supervision of existing canals to secure our water supply. 		
 All business units	<ul style="list-style-type: none"> Performance appraisal system including performance-related incentives now in place. Quarterly staff meetings held to communicate quarterly financial results and strategy to each business unit. Procedure for recruiting or replacing employees put in place. Job fair being performed for the recruitment of employees in the leisure and hospitality sector. Retention policy to be put in place. 		
 All business units	<ul style="list-style-type: none"> Review of strategies and priorities in order to improve cash management. Improvement and monitoring of cash flow and treasury management. Ongoing negotiation of credit facilities with banks. 		
 All business units	<ul style="list-style-type: none"> Protection of operational staff through social distancing and wearing of mask. Reinforce safety champions, sanitary measures and message on safety protocols. 		
 Earnings quality  Human capital	 Digital transformation  Sustainability	Capitals  Human  Intellectual	 Social and relationship  Natural  Financial  Manufactured





Corporate governance

CORPORATE GOVERNANCE

Medine Limited ('the Company') is listed on the Official Market of the Stock Exchange of Mauritius and is a public interest entity as defined by the provisions of the Financial Reporting Act 2004. The Board of Directors adheres to the highest principles of good governance and ensures that these are followed and applied throughout Medine Limited and its subsidiaries (collectively referred to as 'Medine').

The Board of Directors recognises the importance of sound governance principles and views their application as an opportunity to critically review the Company's structure, processes and practices. It believes that adopting the highest standards of governance is imperative for the enhancement of stakeholder value.

This report sets out how the Company has applied the principles of the National Code of Corporate Governance for Mauritius (2016).

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Company is led by a unitary Board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

THE ROLE OF THE BOARD

The Board is collectively responsible for maintaining high standards of governance so as to protect and enhance shareholder value. It sets the overall strategy for Medine, oversees its executive management and ensures that good corporate governance policies and practices are developed and applied within Medine. The Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. It is responsible for leading and controlling the Company, and meeting all of its legal and regulatory requirements.

THE ROLE OF BOARD COMMITTEES

Where necessary, the Board delegates certain duties and powers to Board Committees in order to safeguard operational efficiency and ensure that specific issues are being handled with relevant expertise. The Company's Constitution provides for an Executive Committee and two other Board committees have been established, namely:

- the Audit & Risk Committee; and
- the Corporate Governance Committee.

Each Committee has its own charter, which clearly sets out specific duties and authorities. Approved Committee charters are available on the Company's website: www.medine.com.

THE ROLE OF MANAGEMENT

Medine's management is responsible for the Company's day-to-day business operations and accountable for the performance of its business units.

STATEMENT OF ACCOUNTABILITIES

The Directors have approved the following statement of accountabilities:

The Board assumes responsibility for leading and controlling the Company and meeting all of its legal and regulatory requirements. Directors are aware of their legal duties.

The Board is accountable for the performance and affairs of the Company and for achieving sustainable growth.

The Board is responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of shareholders.

The Board is responsible for reviewing and approving the results announced by the Company.

The statement of accountabilities is subject to review as and when required.

KEY ROLES AND RESPONSIBILITIES

The position statements of the Chairman, the Chief Executive Officer and the Company Secretary have been approved by the Corporate Governance Committee. Their key roles and responsibilities have been clearly defined and are summarised below. The position statements are subject to review as and when required. The functions and roles of the Chairman and Chief Executive Officer are separate to ensure a balance of power and authority on the Board.

Chairman

- Responsible for the leadership of the Board
- Ensures the Board's effectiveness
- Ensures that Directors receive accurate, timely and clear information
- Encourages active participation of all Board members in discussions and decisions
- Ensures a constructive relationship between Management, Directors and other stakeholders
- Ensures effective communication with stakeholders

Directors

- Contribute to developing Medine's strategy
- Ensure that the financial information released to shareholders and the market is accurate
- Ensure that the Company has adequate and proper financial controls and risk management systems
- Actively participate in Board decision-making
- Provide specialist knowledge and experience to the Board
- Remain permanently bound by fiduciary duties of care and skill

Chief Executive Officer

Responsible for the day-to-day running of Medine's operations

Develops strategies in line with Medine's long-term vision and recommends them to the Board

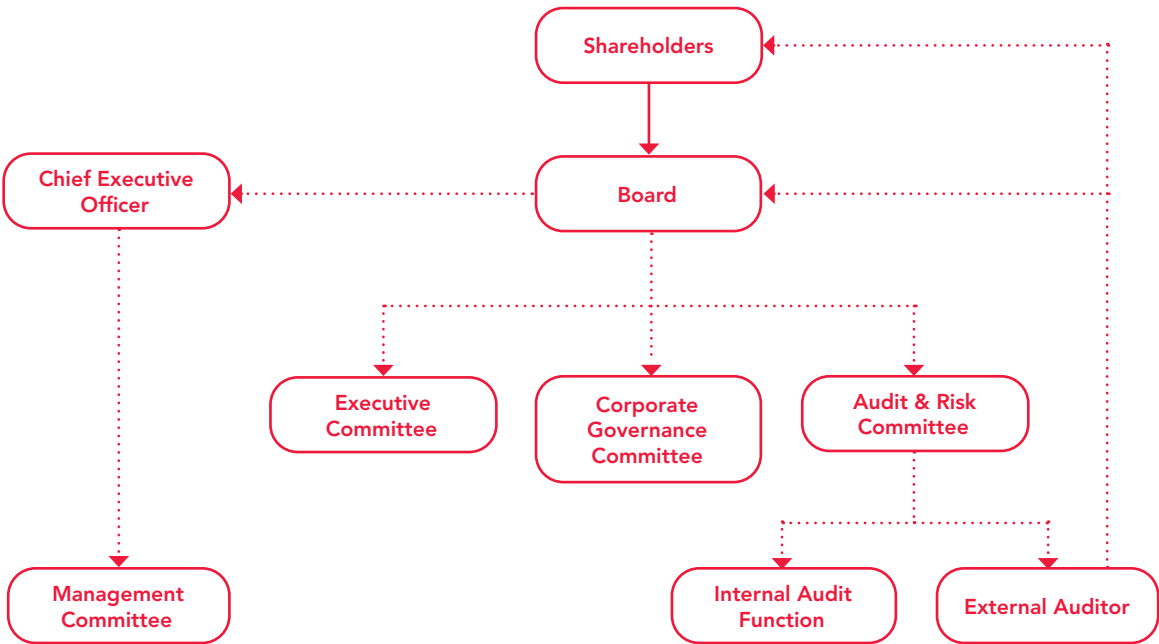
Responsible for the implementation of the strategy and policies set by the Board

Company Secretary

- Ensures compliance with all relevant statutory and regulatory requirements
- Prepares and circulates the agenda for Board and Board Committee meetings, alongside any supporting documentation
- Participates in the induction of newly appointed Directors
- Provides comprehensive practical support and guidance to Directors as to their responsibilities
- Monitors governance processes

CORPORATE GOVERNANCE FRAMEWORK

Medine’s current corporate governance framework is set out below:



BOARD CHARTER

The Board has approved its Charter, a copy of which is available on www.medine.com.

The provisions contained in the Board Charter are complementary to:

- The requirements regarding the Company’s Board and Board members set out in Mauritian legislation and regulations
- The Company’s Constitution
- The provisions governing the relationship between the Company’s Board and its Board committees, as set out in the Board Committees’ charters, which have been adopted by the Board.

The Board Charter is subject to review as and when required.

CONSTITUTION

The Company was incorporated as a public company on 27 June 1913 under the name The Medine Sugar Estates Company Limited. It changed its name to Medine Limited on 9 September 2009.

The Company's Constitution is in conformity with the provisions of the Companies Act 2001 and comprises the following main clauses:

- The Company has wide-ranging objects and powers.
- There are no pre-emptive rights on share transfers.
- Fully paid shares are freely transferable.
- The Company is authorised to purchase or otherwise acquire its own shares.
- The quorum for a meeting of shareholders is three shareholders present or represented, and holding at least 51% of the ordinary shares of the Company.
- The minimum number of Directors on the Board is six and the maximum number is 14.
- The quorum for a meeting of the Board is five Directors.
- An additional Director may be appointed by the shareholders by ordinary resolution. However, the total number of Directors shall not, at any time, exceed the maximum number fixed in accordance with the Constitution.
- The Board has the right to appoint any person to be a Director to fill a casual vacancy. A Director so appointed shall hold office only until the next Annual Meeting and shall then retire, but still be eligible for reappointment.
- A Director who is interested shall not be allowed to vote on any matter relating to the transaction or proposed transaction in which he is interested, and shall not be counted in the quorum present at the meeting.
- In case of a tie in votes at either a Board meeting or a meeting of shareholders, the chairman of the meeting has a casting vote.

A copy of the Company's Constitution is available on www.medine.com or upon written request to the Company Secretary at the Company's registered office: 4 Unicity Office Park, Rivière Noire Road, Bambous 90203, Mauritius.

CODE OF ETHICS

A new Code of Ethics was approved by the Board in 2020. Medine reaffirms its commitment to fair dealing, honesty and integrity in the conduct of its business.

The Code of Ethics lists and details the standards of behaviour that have made Medine's reputation, and that go beyond the requirements of the law. All Directors and employees are expected to uphold these standards in conducting the Company's business. The Code has been actively endorsed by the Board of Directors and shared with all Medine employees.

It is mandatory for employees to comply with the Code's moral, ethical and legal standards. Should employees become aware of or suspect a contravention of the Code, they are encouraged to promptly and confidentially report it as prescribed by the Code. The Code of Ethics is subject to review as and when required. It is available for consultation on www.medine.com.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND OF ITS COMMITTEES

THE BOARD

Board composition

The Company's Constitution provides that the Board should consist of a minimum of six and a maximum of 14 Directors.

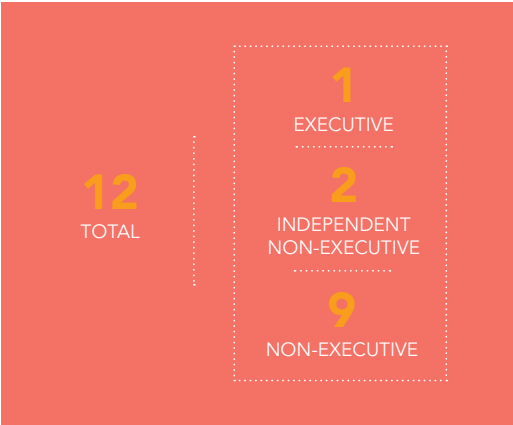
As at 30 June 2022, the Board consisted of 12 Directors with complementary skills, expertise and experience, namely in agriculture, property and business project development, corporate governance, marketing, banking, law, finance and strategy.

All Directors ordinarily reside in Mauritius.

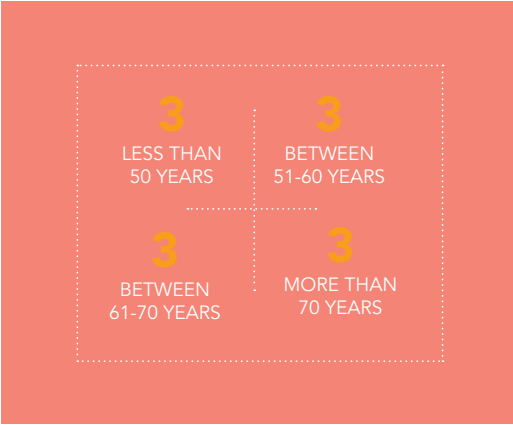
As at 30 June 2022, the Company had only one Executive Director who was appointed on 1 July 2021 but the appointment of a second one is under consideration.

The names and profiles of the Board members are set out on pages 24 to 33 of this report and are available on www.medine.com.

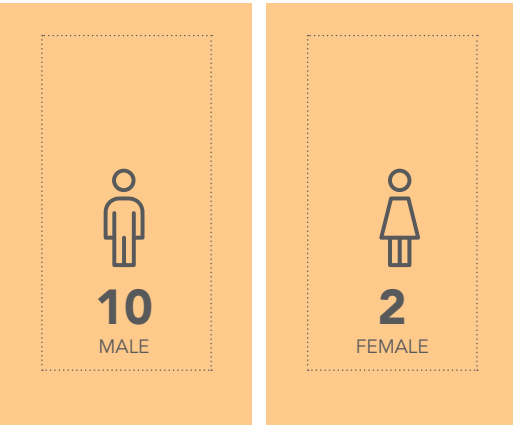
COMPOSITION



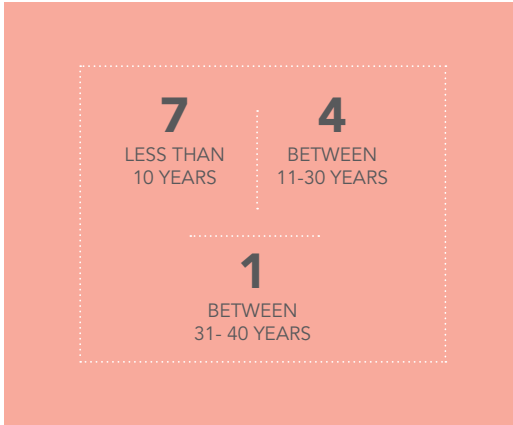
AGE PROFILE (YEARS)



GENDER DIVERSITY



LENGTH OF TENURE (YEARS)



Appointment of Director

On the recommendation of the Executive Committee and the Corporate Governance Committee, Mr Dhiren Ponnusamy was appointed by the Board as Chief Executive Officer and Executive Director of the Company effective 1 July 2021. His appointment as Executive Director was approved at the last annual meeting of the shareholders.

Board meetings

The Board meets regularly, at least at quarterly intervals, and holds additional meetings as and when it deems appropriate. Meetings are scheduled annually, in advance, according to an annual Board calendar so that Directors are able to attend and participate in person.

Six Board meetings were held during the year under review. The Directors reviewed and adopted the Company's and the group's audited financial statements, approved the Company's and the group's budget and unaudited quarterly results, and reviewed management reports pertaining to Medine's different business units, inter alia. In addition, the Board held an offsite session to debate the group's strategy with senior officers from a specific business unit.

The agenda of each Board meeting is prepared by the Company Secretary and circulated to the Chairman and the Chief Executive Officer for their comments and approval. Once finalised, the agenda and accompanying Board papers are sent to all Directors at least one week prior to the meeting, to allow them to participate fully.

Minutes of Board meetings are prepared by the Company Secretary with details of decisions reached, any concerns raised, and dissenting views expressed. Draft minutes are shared with the Chairman and the Chief Executive Officer for review before being circulated to the Directors at least one week prior to the following meeting. Once approved by the Board, minutes are signed by the Chairman of the meeting.

Attendance at Board meetings

The list of Directors who held office and their attendance at Board meetings during the financial year ended 30 June 2022 is set out below:

Directors	Type of directorship	Attendance at meetings
René Leclézio (Chairman)	Non-Executive	6/6
Jacques Tin Miow Li Wan Po, G.O.S.K. (Vice Chairman)	Non-Executive	6/6
Marie Thérèse Doger de Spéville	Non-Executive	6/6
Thomas Doger de Spéville	Non-Executive	4/6
Gilbert Gnany	Non-Executive	5/6
Lajpati Gujadhur	Non-Executive	6/6
Ramapatee Gujadhur	Non-Executive	3/6
Marc Lagesse	Independent Non-Executive	5/6
Jocelyne Martin	Non-Executive	6/6
Shakil Moollan	Independent Non-Executive	6/6
Dhiren Ponnusamy	Executive	6/6
Marc de Ravel de L'Argentiére	Non-Executive	6/6

Where Board meetings could not be held, the Directors approved matters by way of written resolutions circulated to them alongside supporting documentation.

BOARD COMMITTEES

To assist the Board in discharging its duties effectively, the following Board committees were established. All Board committees operate with transparency and disclose their discussions in full to the wider Board of Directors.

Each Committee's charter clearly defines its terms of reference, composition and functionality. They are reviewed as and when necessary. All of the Committee's charters have been approved by the Board and are available for review on www.medine.com.

Executive Committee

The Company's Constitution provides for an Executive Committee, whose main role is to review the operational and financial performance of Medine's different businesses. Hence, it is not a decision-making committee. Its terms of reference have recently been reviewed and are available on www.medine.com.

The Committee is currently composed of the Chairman, Mr René Leclézio; the Vice-Chairman, Mr Jacques Tin Miow Li Wan Po, G.O.S.K.; and the Chief Executive Officer, Mr Dhiren Ponnusamy. In addition, a Non-Executive Director, Mrs Jocelyne Martin is a regular invitee. The Committee is chaired by Mr Leclézio as stipulated in the Company's Constitution and generally meets monthly or as necessary.

The Company Secretary acts as secretary of this Committee. Minutes are taken for each meeting.

The Committee met ten times during the year under review. The attendance record of the members at meetings is given below:

Members	Attendance at meetings
René Leclézio (Chairman)	10/10
Jacques Tin Miow Li Wan Po, G.O.S.K.	10/10
Dhiren Ponnusamy	10/10

Audit & Risk Committee

The Audit & Risk Committee is composed of four members whose attendance at meetings is given below:

Members	Type of directorship	Attendance at meetings
Jacques Tin Miow Li Wan Po, G.O.S.K. (Chairman)	Non-Executive Director	7/7
Jocelyne Martin	Non-Executive Director	7/7
Shakil Moollan	Independent Non-Executive Director	7/7
Marc de Ravel de L'Argentièr	Non-Executive Director	6/7

The Committee met seven times during the year under review, satisfactorily fulfilling its role as defined by its terms of reference, namely:

- Reviewing the financial reporting process, in particular the accuracy, reliability, integrity and compliance with legal and regulatory requirements of the Company's interim and annual financial statements
- Reviewing the adequacy and effectiveness of its risk management and internal control systems
- Assessing and recommending the appointment of internal and external auditors
- Meeting with the external auditor at least once a year without management being present
- Reviewing the annual financial statements before their submission to the Board and discussing the results of the external audit process with the external auditor.

Given the definition of independent directors under Principle 1 of the National Code of Corporate Governance for Mauritius, the Chairman of the Audit & Risk Committee is no longer deemed independent since he has served on the Board for more than nine consecutive years from the date of his initial election. However, the Board believes that he has the requisite skills and experience to chair the Audit & Risk Committee and that he continues to amply demonstrate independence of thought and action in this role.

Corporate Governance Committee

The Corporate Governance Committee is composed of four members whose attendance at meetings is given below:

Members	Type of directorship	Attendance at meetings
Marc Lagesse (Chairman)	Independent Non-Executive Director	2/2
Thomas Doger de Spéville	Non-Executive Director	2/2
René Leclézio	Non-Executive Director	2/2
Jocelyne Martin	Non-Executive Director	2/2

The Committee met twice during the year under review and, in accordance with its formal terms of reference, acted in its capacity as:

- The Nomination Committee, responsible for making recommendations to the Board regarding the appointment of Directors and the composition, size and structure of the Board, and for ensuring that there is a clearly defined and transparent procedure through which shareholders can recommend potential candidates
- The Remuneration Committee, responsible for making recommendations to the Board on remuneration issues for Executive Directors and the Company's general policy on Executive and senior management remuneration and packages
- The committee responsible for driving the implementation of the National Code of Corporate Governance for Mauritius at Medine and ensuring compliance with the Code's disclosure and reporting requirements.

The Company Secretary acts as secretary of the Corporate Governance Committee and the Audit & Risk Committee. Minutes are taken for each meeting and shared with Board members.

Management Committee

In addition to the aforementioned Board Committees, a Management Committee was set up with clearly defined terms of reference.

The Management Committee currently consists of the Chief Executive Officer, who chairs the Committee, and the heads of each Medine business unit. The Committee generally meets on a weekly basis. It may have regular invitees at the Chairman's request, but these invitees have no voting rights, nor do they contribute towards the Committee's quorum.

The Committee is responsible for:

- Dealing with Medine's day-to-day activities
- Developing and implementing business plans, policies, procedures and budgets that have been recommended and approved by the Board
- Monitoring Medine's operational and financial performance

CORPORATE GOVERNANCE

- Prioritising and allocating investment and resources
- Managing and developing talent
- Managing Medine's risk profile.

The Committee implements the policies and strategy adopted by the Board, and deals with all operational matters affecting Medine. Of its own volition or at the Board's request, it promptly gives or makes available to the Board such information, reports and other documents that enable the Board to carry out its duties.

The names and profiles of the Management Committee's members are set out on pages 36 to 37.

Organisational structure

Medine's organisational structure, including the Company's key senior positions and their respective reporting lines, can be found on page 16 of this report.

The Organisational Structure has recently been revised and approved by the Board. It is subject to review as and when required.

Directors' profiles

Please see pages 24 to 33 for the profiles of Medine's Directors.

Senior management profiles

Please see page 34 for the profiles of Medine's senior management.

PRINCIPLE 3: PROCEDURES FOR APPOINTING DIRECTORS

BOARD EFFECTIVENESS

Succession planning

The Board of Directors assumes responsibility for succession planning and for the appointment of new Directors to the Board. The nomination process for new Directors has been delegated to the Corporate Governance Committee in its capacity as Nomination Committee.

A succession plan for senior management positions is currently in place.

Nomination process

The nomination of any Director is reviewed and discussed by the Corporate Governance Committee, taking into consideration the candidate's skills, qualifications and experience. The Committee then recommends to the Board that the nomination be put before the annual or special meeting of the shareholders for approval.

Board induction and training

An induction pack is immediately sent to newly appointed Directors upon their appointment. The pack contains their letter of appointment, a copy of Medine's latest integrated report, minutes of recent Board meetings, a schedule of dates for future Board meetings, Medine's organisational structure, and other documents pertaining to their role, legal duties and responsibilities, namely the Constitution, Board Charter, Code of Ethics, Code of Corporate Governance and salient features of the Listing Rules, Companies Act and Securities Act. The Director then meets the Chief Executive and senior management to be briefed on the operations and businesses of Medine.

Newly appointed Directors are required to notify the Company Secretary of their interests, and those of their associates, in the Company's securities. These are entered into the Register of Interests and the relevant authorities are notified.

Newly appointed Directors are encouraged to register as members of the Mauritius Institute of Directors and to follow training courses to develop and refresh their knowledge and skills. The fees for these courses are borne by the Company.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

DIRECTORS' DUTIES

Legal duties

The Directors are made aware of their legal duties upon their appointment through the induction pack provided to them, the contents of which are outlined above.

Directors' and Officers' liability insurance

The Directors and Officers of Medine benefit from an indemnity insurance cover contracted by the Company.

Conflicts of interest

Directors do their best to avoid conflicts of interest. Should any conflict or potential conflict occur, it is the duty of the Director to make a full and timely disclosure to the Board. Any declaration of interest is entered into the Register of Interests.

However, the Constitution of the Company stipulates that a Director who is interested should not be allowed to vote on any matter relating to the transaction or proposed transaction in which he or she is interested and would not be counted in the quorum present at the Board meeting.

Contracts of significance

During the year under review, there were no contracts of significance to which the Company was a party and in which a Director of the Company was interested, either directly or indirectly.

Related party transactions

A Conflicts of Interest & Related Party Transactions Policy is in place. The aim of that policy is to outline procedures for addressing issues arising in these areas. The policy is available on www.medine.com.

Details on related-party transactions are provided in note 44 of the financial statements.

Information, Information Technology and information security governance

Information Technology Security Policy

An Information Technology Security Policy is in place at Medine. It includes appropriate organisational and technical precautions for access control, access rights, virus protection and data protection. The effectiveness of these measures is continuously monitored and reviewed by the internal auditor. The Information Technology Security Policy is available on www.medine.com.

Privacy Policy

The Data Protection Act 2017 (DPA), which came into effect in January 2018, brought about a major change in Mauritius' legal landscape. Its provisions largely follow those of the General Data Protection Regulation (GDPR) enforced by the European Union as of May 2018. The Board is committed to complying with all relevant laws in respect of personal data, including the GDPR and the DPA, to protect the rights and freedoms of individuals whose information is collected and processed by the Company in the course of its activities. The Board has approved a Privacy Charter and an External Privacy Policy that are both available on www.medine.com. A Data Protection Officer has also been appointed. His responsibilities include monitoring the implementation of the compliance framework to protect personal data. The Privacy Policy is subject to review as and when required.

Anti-Money Laundering and Combatting the Financing of Terrorism Policy (AML/CFT Policy)

On the recommendation of the Audit & Risk Committee, an AML/CFT policy was approved by the Board during the preceding financial year. The MLRO's annual report for 2021/22 was approved by the Board.

Directors' service contracts

Mr Dhiren Ponnusamy has an employment contract with the Company beginning January 2018, with no expiry date. None of the other Directors has been an employee of Medine in the past three years.

Directors' dealings in securities

With regard to Directors' dealings in the securities of the Company, the Directors confirm that they have followed the principles of the Model Code for Securities Transactions by Directors, as detailed in Appendix 6 of the Listing Rules issued by the Stock Exchange of Mauritius Ltd.

The Company Secretary maintains a Register of Interests that is updated with any dealings in securities or any transactions entered into by Directors and their associates. These are required to take place outside the close periods, about which Directors are informed by the Company Secretary. The Register of Interests is available for consultation by shareholders upon written request to the Company Secretary.

CORPORATE GOVERNANCE

Directors' share interests

The Directors' direct and indirect interests in the shares of the Company as at 30 June 2022 were as follows:

	ORDINARY		
	Direct		Indirect
Directors	Number	%	%
René Leclézio	2,985	-	1.02
Jacques Tin Miow Li Wan Po, G.O.S.K.	669	-	0.40
Marie Thérèse Doger de Spéville	20,957	0.02	12.83
Thomas Doger de Spéville	21,265	0.02	-
Gilbert Gnany	42,122	0.04	-
Lajpati Gujadhur	373,407	0.36	-
Ramapatee Gujadhur	-	-	1.51
Marc Lagesse	190,000	0.18	-
Jocelyne Martin	6,100	0.01	-
Shakil Moollan	31,260	0.03	-
Dhiren Ponnusamy	142,182	0.14	-
Marc de Ravel de L'Argentièrre	462,032	0.44	-

During the year under review, share dealings by Directors were as follows:

Directors	NUMBER OF SHARES	
	Acquired directly	Disposed of directly
Dhiren Ponnusamy	76,382	-

Senior officers' share interests

Senior officers' direct and indirect interests in the shares of the Company as at 30 June 2022 were as follows:

	ORDINARY		
	Direct		Indirect
Senior officers	Number	%	%
Dhiren Ponnusamy	142,182	0.14	-
Joël Bruneau	13,800	0.01	-
Marc Desmarais	20,000	0.02	-
Patricia Goder	1,000	-	-

During the year under review, share dealings by senior officers were as follows:

Senior officers	Number of shares acquired directly
Dhiren Ponnusamy	76,382
Joël Bruneau	1,500
Marc Desmarais	13,000

DIRECTORS' REMUNERATION AND BENEFITS

Statement of remuneration philosophy

The members of the Corporate Governance Committee, in its capacity as the Remuneration Committee, have been entrusted with determining and recommending to the Board, for its approval, the level of Non-Executive Directors' fees. They have also been entrusted with establishing and recommending a general policy on Executive and senior management remuneration.

Medine's underlying philosophy is to set remuneration at an appropriate level to attract, retain and motivate high-calibre personnel. Medine also seeks to reward them based on their individual and collective contributions towards achieving the Company's objectives and driving performance, while also considering current market conditions and the Company's financial position.

The remuneration policy for Executive Directors approaching retirement is determined by the Corporate Governance Committee on a case-by-case basis.

Non-Executive Directors are entitled to an annual fixed fee, payable on a monthly basis. Directors who also serve on Board Committees are likewise entitled to an annual fixed fee payable on a monthly basis. In addition, Board members

may be entitled to non-material preferential tariffs in some of Medine's business activities. Executive Directors are not entitled to any Director or Committee member fees over and above their emoluments as employees of the Company.

Revisions to fees are submitted to the shareholders for approval at the annual meeting of shareholders.

Non-Executive Directors have not received remuneration in the form of share options or bonuses directly associated with the Company's performance.

Fees to which Directors and Board Committee members are currently entitled are as follows:

	Annual fixed fees (Rs)
Board	
Chairman	1,000,000
Vice-Chairman	600,000
Director	350,000
Corporate Governance Committee	
Chairman	100,000
Member	60,000
Audit & Risk Committee	
Chairman	180,000
Member	120,000

CORPORATE GOVERNANCE

The remuneration of the Directors for the year under review is set out below:

	2021/22 Rs	2020/21 Rs
Executive Director		
Dhiren Ponnusamy	17,911,796	-
Non – Executive Directors		
René Leclézio (Chairman)	1,060,000	1,060,000
Jacques Tin Miow Li Wan Po, G.O.S.K (Vice-Chairman)	780,000	780,000
Marie Thérèse Doger de Spéville	350,000	350,000
Thomas Doger de Spéville	410,000	410,000
Gilbert Gnany	350,000	350,000
Lajpati Gujadhur	350,000	350,000
Ramapatee Gujadhur	350,000	350,000
Marc Lagesse	450,000	450,000
Jocelyne Martin	530,000	530,000
Shakil Moollan	470,000	470,000
Marc de Ravel de L'Argentièrre	470,000	470,000
	5,570,000	5,570,000

Remuneration and benefits paid by subsidiary companies to:	2021/22 Rs	2020/21 Rs
Executive Directors of the Company	-	-
Non-Executive Directors of the Company	-	100,000
	-	100,000

PERFORMANCE

Board and Directors' evaluation

During the preceding year, a Board and Directors' review was conducted by Maingard & Associates to identify strengths and areas for improvement in Medine's Board practices and procedures, and make recommendations going forward. The implementation of the action plan approved by the Board is underway.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROLS

The Risk Governance chapter is available on pages 112 to 1234.

Whistleblowing policy

The Board has approved a whistleblowing policy applicable to all of Medine's subsidiaries, employees and Directors, and which is available on www.medine.com. This policy aims to provide a means for issues to be raised in good faith, concerning potential breaches of laws, rules, regulations or compliance. The whistleblowing mechanism is intended to encourage responsible behaviour that upholds Medine's reputation.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Directors are responsible for preparing Medine's annual report and ensuring that this report and the financial statements contained herein are fair, balanced, understandable and provide relevant information allowing shareholders and other stakeholders to assess Medine's position, performance and outlook.

The Statement of Directors' Responsibilities is available on page 147.

Charitable and political donations

Medine generally channels its CSR initiatives through 'Fondation Medine Horizons'. In compliance with the CSR Fund provision introduced by the Finance Act 2016, Medine remits part of its CSR levy to the Mauritius Revenue Authority, with the remainder remitted to Fondation Medine Horizons. During the year under review, Medine made several charitable and other contributions via Fondation Medine Horizons to support various social initiatives, as described in the Sustainability chapter of this report on page 100.

	GROUP		COMPANY	
	2021/22 Rs M	2020/21 Rs M	2021/22 Rs M	2020/21 Rs M
Donations made during the year:				
Political	-	-	-	-
CSR - voluntary	4.6	2.4	4.6	2.4
Other donations	-	-	-	-

CORPORATE GOVERNANCE

Environmental policy and initiatives

Environmental awareness is of key importance to Medine.

Medine's businesses contribute to the national economy and are inextricably linked to the environment. The group owns 10,000 hectares of land in Mauritius and recognises its responsibility to develop that land and its activities inclusively and sustainably. Preserving the environment and promoting good environmental practices are therefore essential to Medine's long-term success.

Investing in green design. Globally, cities account for up to 80% of energy consumption and 75% of waste and carbon emissions. Due to their concentration of people, infrastructure, housing and economic activities, cities are also particularly vulnerable to climate change and natural disasters. The increased and often unplanned urbanisation we are witnessing worldwide has led to increased pressure on the environment and to social exclusion. With this context in mind, Medine developed a Master Plan in 2005 to promote sound urban planning.

Protecting biodiverse ecosystems. The report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) paints an alarming and sobering picture of the state of the world's biodiversity and ecosystems. According to IPBES Chair, Sir Robert Watson, "the health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever. We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide."

In addition, illegal trading of animals and poaching continue nearly unabated, leaving many wildlife species in increasing danger. In order to help protect this fragile biodiversity, Medine is engaged in a number of initiatives as explained in the Sustainability chapter of this report on page 100.

Health and Safety policy

Medine's management monitors the enforcement of Health and Safety guidelines by:

- Promoting a Health and Safety culture within Medine
- Providing employees with adequate training to ensure safe work practices

- Catering for necessary resources and tools to avoid employees taking any undue risks
- Undertaking necessary corrective and preventative actions when unsafe or unhealthy working conditions are reported.

The participation and involvement of employees in Health and Safety activities is greatly encouraged, and adherence to established safety practices and procedures is mandatory. Medine undertakes to comply with all the Health and Safety principles set out in the Occupational Safety and Health Act 2005, so far as they are reasonably practical to comply with.

PRINCIPLE 7: AUDIT

External auditor

The Audit & Risk Committee is responsible for making recommendations as to the appointment, reappointment or removal of the external auditor.

The Committee plays a key role in evaluating the effectiveness and independence of the external auditor. Any instruction to the external auditor to provide non-audit services is closely reviewed and approved by the Board, on the recommendation of the Audit & Risk Committee, thus ensuring the auditor's independence.

Ernst & Young was appointed as the external auditor of the Company and its subsidiaries as of the financial year ended 30 June 2020. The effectiveness of the external auditing process was again assessed during the year.

Auditor's remuneration

	GROUP		COMPANY	
	2021/22 Rs	2020/21 Rs	2021/22 Rs	2020/21 Rs
Audit fees paid to:				
Ernst & Young	6,200,000	5,268,000	1,900,000	1,730,000

Internal audit

The internal audit section is available on page 117.

PRINCIPLE 8: RELATIONS WITH SECURITY HOLDERS AND OTHER KEY STAKEHOLDERS

The Board recognises the importance of communication with security holders and other key stakeholders.

Communication with shareholders

Shareholders are kept informed, through communiqués, of all material events affecting the Company, especially if an event could have an effect on the share price.

During the year under review, the group's quarterly results, half-yearly results and audited financial statements were submitted to the Stock Exchange of Mauritius Ltd and the Financial Services Commission immediately after being approved by the Directors. They were published accordingly on the Company's website.

Shareholders are encouraged to attend all shareholders' meetings, both annual or special, in order to remain informed of Medine's strategy and objectives.

Medine's Integrated Report, including the notice of the annual meeting of shareholders and a proxy form, are sent to each shareholder of the Company, and a notice about the meeting is published on the Company's website at least 21 days before the meeting takes place. The present Integrated Report is available on www.medine.com.

At a shareholders' meeting, the shareholders are given the opportunity to ask questions. The Chairman and the Chief Executive Officer are normally available to answer them. All Directors, including the Chairmen of Board Committees, are expected to attend the annual meeting. The Chief Financial Officer and the external auditor are also present to assist the Directors in addressing queries from shareholders.

Shareholders' queries received by telephone, letter or email are adequately attended to by the Company Secretary and by the Registrar and Transfer Agent of the Company.

Any matters relating to off-market transfers of shares, a change of name or address or the loss of share certificates or dividend cheques should be addressed to the Registrar and Transfer Agent as follows:

MCB Registry & Securities Ltd
2nd Floor, MCB Centre,
Sir William Newton Street,
Port Louis
Tel. 202 5640
Email address: mcbrcs.backoffice@mcbcm.mu

CORPORATE GOVERNANCE

In addition, requests for copies of Medine's quarterly accounts or integrated reports, and for the statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, should be addressed to the Company Secretary as follows:

4 Uniciti Office Park,
Rivière Noire Road,
Bambous 90203
Tel. 401 6101
Email address: corporate@medine.com

Communication with noteholders

Early redemption of a tranche of notes and issue of new notes

On 27 June 2022, Medine successfully proceeded with the issue of 1,000,000 new unlisted notes for an aggregate nominal amount of Rs 1,000,000,000 by way of a preferential offer in order to partly finance the early redemption of the notes issued under Tranche 01-FRNMUR5Y and listed pursuant to the listing particulars dated 23 April 2019 on the same day.

The issuance of the new notes was subject to the requisite regulatory approval and the approval of the noteholders under the Listing Particulars. The existing noteholders' approval was sought and obtained for the granting of a new floating charge over the assets of the Company to secure the new notes, and in connection to the early redemption, to reduce the secured obligations amount under the existing floating charge agreement and related documents. The noteholders were regularly kept informed of the progress of the early redemption and issue of new notes through correspondence and communiqués.

Security holders have early access to all residential development projects of the Property Business Unit to give them a prime advantage of making bookings prior to the official public launch of such projects.

Relations with other key stakeholders are further described in the Stakeholder Engagement chapter of this report.

Analysts' meetings

Medine held no analysts' meeting during the financial year due to pandemic-related restrictions. At the forthcoming analysts' meeting in September 2022, a summary of Medine's performance for the full financial year 2021/22 will be presented to analysts and institutional investors. Regular events will be organised to keep analysts and institutional investors informed of Medine's financial performance and strategy.

Shareholding profile

As at 30 June 2022, the stated capital of the Company amounted to Rs 1,050,000,000, consisting of 105,000,000 Ordinary Shares of Rs 10 each.

The Ordinary Shares of the Company have been listed on the Official Market of the Stock Exchange of Mauritius since 1 August 2019. The shares were previously listed on the Development & Enterprise Market (DEM) from 2006 to 2019.

There is no ultimate holding company in the capital structure. PAD (Promotion and Development Ltd and its 100% subsidiary, Commercial Holding Ltd) is the largest shareholder of the Company, holding 35.1% of its share capital.

Common Directors

Mr Gilbert Gnany and Mrs Jocelyne Martin are Directors of Promotion and Development Ltd. Mr Leclézio was a director of Promotion and Development Ltd and Commercial Holding Ltd until December 2021.

Share ownership analysis

The Company's share ownership spread, shareholder category profile and substantial shareholders as at 30 June 2022 were as follows:

Size of shareholding	Number of shareholders	Number of shares held	% holding
1 - 500 shares	1,293	195,565	0.19
501 - 1,000 shares	323	251,133	0.24
1,001 - 5,000 shares	797	2,070,197	1.97
5,001 - 10,000 shares	311	2,233,889	2.13
10,001 - 50,000 shares	434	9,375,645	8.93
50,001 - 100,000 shares	64	4,266,845	4.06
100,001 - 250,000 shares	60	8,967,646	8.54
250,001 - 500,000 shares	14	4,926,015	4.69
Above 500,000 shares	26	72,713,065	69.25
Total	3,322	105,000,000	100.00

Category	Number of shareholders	Number of shares held	% holding
Individuals	2,887	42,593,086	40.56
Insurance and assurance companies	11	2,410,503	2.30
Investment and trust companies	53	37,761,682	35.97
Pensions and provident funds	54	8,359,036	7.96
Other corporate bodies	317	13,875,693	13.21
Total	3,322	105,000,000	100.00

Shareholders with over 5% holding	Number of shares held	% holding
PAD*	36,857,598	35.10
Mr Pierre Doger de Spéville**	13,473,566	12.85

*Promotion and Development Ltd's shareholding is inclusive of that of its 100% subsidiary, Commercial Holding Ltd (2,013,237 shares/1.92%).

**Mr Pierre Doger de Spéville's shareholding is inclusive of that of his wholly owned société, Sperry & Cie (4,360,100 shares/4.15%).

The number of shareholders given above is indicative due to the consolidation of multiple portfolios for reporting purposes. The total number of active shareholders as at 30 June 2022 was 3,341.

CORPORATE GOVERNANCE

Shareholders' agreement

There is no shareholders' agreement with regard to the Company.

Third party management agreement

There is no third-party management agreement with regard to the Company or its subsidiaries.

Dividend policy

The Board's policy is to pay a reasonable dividend, taking into consideration the net asset value, cash flow and debt level of the Company.

The following table sets out the dividends per ordinary share paid over the past five years:

Financial year end	Interim (Rs)	Final (Rs)	Total (Rs)
30.06.2022	-	1.15	1.15
30.06.2021	-	-	-
30.06.2020	1.05	-	1.05
30.06.2019	1.45	1.50	2.95
30.06.2018	1.20	1.45	2.65

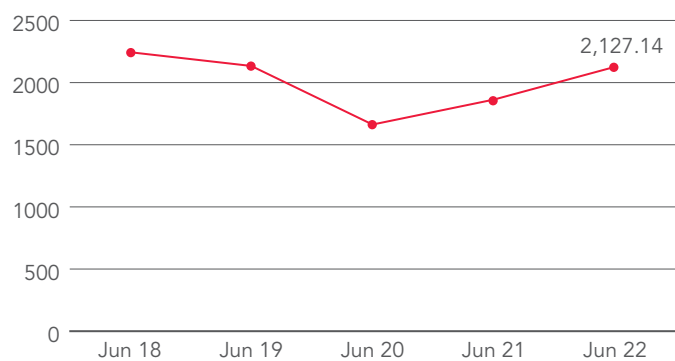
A final dividend of Rs 1.15 per ordinary share and totalling Rs 120,750,000 was declared on 23 September 2022 for the year ended 30 June 2022 and will be paid on 31 October 2022 (2020/21: Nil).

Calendar of events

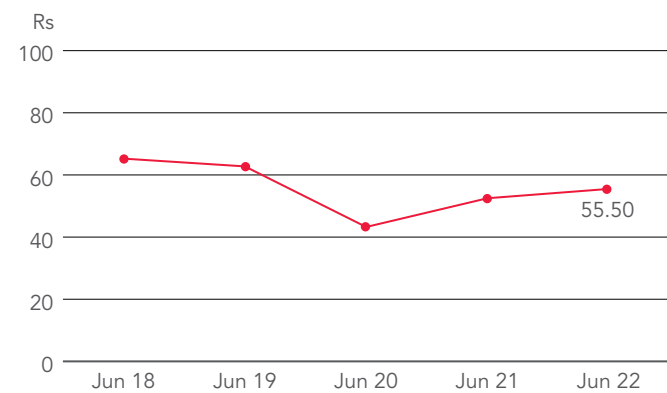
Events	Date
Balance sheet date	30 June 2022
Last annual meeting of shareholders	December 2021
Publication of first quarter results	November 2021
Publication of half-year results	February 2022
Publication of third quarter results	May 2022
Publication of end-of-year results	September 2022
Publication of integrated report 2021/22	November 2022
Forthcoming annual meeting of shareholders	December 2022

Share price and Semdex respective performance over the past five years

Semdex progression



Ordinary share price



The Company is included as constituent of the SEMDEX, SEM-ASI, SEMTRI and SEMTRI-ASI indices.

Employee share option scheme

There is no employee share option plan in place within Medine.

René Leclézio
Chairman

Marc Lagesse
Director

23 September 2022

CORPORATE GOVERNANCE

Directors of Medine's subsidiaries as at 30 June 2022

Directors	Cascavelle Shopping Mall Limited	Casela Limited	Clarens Fields Ltd	Concorde Tourist Guide Agency Limited	Forestia Estate Ltd	Le Cabinet Limited	Pierrefonds Estate Company Limited	Société Reufac	Tamarina Beach Club Hotel Limited	Tamarina Golf Club Limited	Tamarina Golf Estate Company Limited	Tamarina Leisure Properties Ltd	The Medine Sugar Milling Company Limited	Uniciti Commercial Properties Ltd	Uniciti Education Hub Ltd	Uniciti Education Properties Ltd	Uniciti Edulhousing Ltd	Uniciti Ltd	Uniciti Management Services Co Ltd	Uniciti Office Park Ltd	Uniciti Residential Properties Co Ltd	Uniciti Sports and Cultural Properties Ltd
René Leclézio																						
Joël Bruneau																						
Didier Charoux																						
Cindy Choong																						
Marc Desmarais																						
Thomas Doger de Spéville																						
Jean Marie Dupuis																						
Eric Espitalier Noël																						
Hector Espitalier Noël																						
Catherine Frécaut																						
Ramapatee Gujadhur																						
Jacques Tin Miow Li Wan Po, G.O.S.K																						
Jack Loupy																						
Dhiren Ponnusamy																						

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements for each financial year as per International Financial Reporting Standards and the Companies Act 2001. These financial statements give a true and fair view of the financial position, financial performance and cash flow of the Company and of the group. In preparing these financial statements, the Directors are required to:

- Ensure that adequate accounting records and an effective system of internal control and risk management have been maintained
- Select suitable accounting policies, and apply them consistently
- Make prudent and reasonable judgements and estimates
- State whether the International Financial Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy and at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors report that:

- Adequate accounting records and an effective system of internal control and risk management have been maintained
- The Code of Corporate Governance has been adhered to and, where there has not been compliance, relevant explanations have been provided in the Corporate Governance Report
- The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Signed on behalf of the Board of Directors:



René Leclézio
Chairman



Marc Lagesse
Director

23 September 2022

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ('P.I.E'): Medine Limited

Reporting period: Year ended 30 June 2022

We, the Directors of Medine Limited, hereby confirm that, to the best of our knowledge, the Company has not fully complied with all its obligations and requirements under the National Code of Corporate Governance (2016).

The areas of non-compliance, whose reasons are included in the Corporate Governance Report, are as follows:

Principle	Areas of non-compliance
2	<ul style="list-style-type: none">• Board Composition• Audit & Risk Committee Composition

Signed by



René Leclézio
Chairman



Marc Lagesse
Director

23 September 2022






Financial statements

SECRETARY'S CERTIFICATE

In my capacity as Company Secretary of Medine Limited (the "Company"), I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies for the financial year ended June 30, 2022 all such returns as are required of the Company under the Companies Act 2001.



Patricia Goder
Company Secretary

23 September 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Medine Limited (the "Company") and its subsidiaries (the "Group") set out on pages 158 to 259 which comprise the consolidated and separate statements of financial position as at June 30, 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Valuation of investment properties</p> <p>The Group and the Company hold investment properties in the statements of financial position consisting of land and buildings which have been stated at fair value.</p> <p>At June 30, 2022, the carrying amount of the investment properties were Rs. 5,479 million for the Group and Rs.1,480 million for the Company whilst the fair value gain recognised on these investment properties were Rs 110 million for the Group and Rs 81 million for the Company.</p> <p>The fair value gains arising on investment properties were recognised in profit or loss as described in more details in note 2.6 of the financial statements. The disclosures around the fair valuation of the investment properties are set out in note 7 of the financial statements.</p> <p>The fair values of the investment properties are determined by an external independent valuation specialist and management using valuation techniques which involves significant judgements and assumptions.</p> <p>Inappropriate estimates made in the fair valuation of investment properties may result in a significant impact on the reported carrying amounts of these assets as well as on the result and equity.</p> <p>The valuation of the investment properties has been identified to be a key audit matter due the significant judgements and estimates involved and its significance to the financial statements with the gain or loss impacting profit or loss and equity.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have obtained, read and understood the reports from the independent external valuation specialist appointed by management. We have tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the independent external valuation specialist. • We involved our valuation specialist in validating the appropriateness of the methodologies and the assumptions used in the fair valuation of the investment properties. • We assessed the competence, capability, experience and independence of the independent external valuation specialist. • We held discussions with management and the independent external valuation specialist, challenging key assumptions adopted in the valuations, including available market selling prices and market rentals, by comparing them with historical rates and other available market data. • We have verified the data used by the valuation specialist such as the land location and area to the records of the Group and the Company. • We reviewed the forecasted data used in the valuations and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing with actual operating costs. • We reviewed the disclosures about critical accounting estimates and judgments made by management in the financial statements in respect of valuation of investment properties, refer to note 4 (d). • We have also verified the adequacy of the disclosures in accordance with IAS 40 Investment Property, and IFRS 13 Fair Value Measurement made in the financial statements. Refer to note 7.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of property, plant and equipment, and of investments in subsidiaries</p> <p>Management regularly assesses whether there are indicators of impairment over its investments in subsidiaries and its property, plant and equipment. Property, plant and equipment reported in the statements of financial position at June 30, 2022 amounted to Rs 16,333 million for the Group and Rs 11,501 million for the Company. Investment in subsidiaries at June 30, 2022 amounted to Rs 6,414 million in the Company's statement of financial position.</p> <p>Where impairment indicators exist, Management estimates the recoverable amounts of the investments based on the higher of the fair value less cost of disposal and the value in use, determined by discounting future cash flows ("DCF"). The accounting policies regarding impairment of non-financial assets are disclosed in note 2.21.</p> <p>Management made an impairment assessment in accordance with IAS 36 Impairment of Assets ("IAS 36") over its cash generating units (CGU) and consequently on its property, plant and equipment, and the investments held in its subsidiaries. Included in the Net impairment (loss)/reversal reported in the statement of profit or loss and other comprehensive income of Rs 107 million for the Group and Rs 86 million for the Company are Rs 96 million of impairment on property, plant and equipment for the Group and Rs 53 million for the Company; and Rs 72 million of impairment of investment in subsidiary for the Company, as disclosed in note 34. Additional disclosures on the impairment of property, plant and equipment and investment in subsidiaries are set out in notes 5 and 9 of the financial statements respectively.</p> <p>Impairment assessment involves the determination of the recoverable amounts of the asset or the CGU either through fair value less cost of disposal or value in use. This process comprises the utilisation of judgement and estimates including the estimation of future cash flow, long term growth rate, discount rates.</p> <p>Due to the significance of the judgements and estimates involved; and the fact that variations in the methodology, estimates and assumptions may result in significant impact on the reported results and relevant assets, the impairment of property, plant and equipment, and on investments in subsidiaries has been determined to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We reviewed management determination of CGUs for impairment assessment purpose. • We obtained management's impairment assessment and tested the arithmetical accuracy of the computations. • We held discussion with management challenging the key assumptions and other inputs used in the computation of the impairment model. • We assessed the reasonableness of the forecasts used by comparing with historical data, market developments and the strategies developed or implemented by management. • With the involvement of our valuation specialists, we further appraised management's approaches used in calculating the value in use, including the forecasts and the assumptions adopted. • We compared fair value less cost of disposal with comparable assets. • We performed a sensitivity analysis on the significant inputs to assess the range of acceptable valuations in each CGU. • We verified that impairment charges recorded by management had been properly allocated to the underlying assets as required by IAS 36. • We assessed the adequacy of the disclosures made in the financial statements in accordance with IAS 36.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (cont'd)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Medine Limited and Its Subsidiaries Consolidated and Separate Financial Statements – Year Ended June 30, 2022", which included the Corporate Information, the Shareholding Structure, the Corporate Governance Report and the Secretary's Certificate as required by the Companies Act 2001, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above 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 on the other information obtained prior to the date of this auditor's report, 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.

When we read the Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate to the directors.

Responsibilities of the 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 the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of 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 and 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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

A member firm of Ernst & Young Global Limited.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

- 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 and the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, 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 these matters in our auditor's report unless law 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.

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") 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 Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

ERNST & YOUNG

Ebène, Mauritius

23 September 2022

ROGER DE CHAZAL, A.C.A.

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CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022


	Note	THE GROUP		THE HOLDING COMPANY	
		2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	16,332,871	17,785,089	11,500,531	12,797,364
Right-of-use assets	6	18,386	20,152	25,501	32,605
Investment properties	7	5,478,764	5,274,354	1,480,203	1,373,664
Intangible assets	8	2,035	8,158	2,005	7,463
Investments in subsidiaries	9	-	-	6,413,524	6,420,400
Investments in associates	10	170,193	152,144	105,910	105,910
Financial assets at fair value through other comprehensive income	11	290,009	323,512	290,009	323,512
Other financial assets at amortised cost	12	-	-	187,500	187,500
Land development inventories	13	2,774,018	2,323,386	2,398,546	1,426,424
		25,066,276	25,886,795	22,403,729	22,674,842
Current assets					
Land development inventories	13	2,229,986	1,230,988	1,582,168	1,230,988
Biological assets	14	362,579	268,474	362,579	268,474
Inventories	15	44,829	26,515	27,219	10,444
Trade receivables	16	385,852	347,884	294,663	299,094
Contract assets	28(e)	22,989	29,238	18,792	18,125
Other financial assets at amortised cost	12	117,736	113,045	2,130,576	1,206,036
Other current assets	17	232,447	148,971	88,441	77,754
Cash in hand and at bank	38	467,917	209,486	424,110	192,866
		3,864,335	2,374,601	4,928,548	3,303,781
Assets classified as held-for-sale	18	610,174	332,007	490,036	237,349
		29,540,785	28,593,403	27,822,313	26,215,972
Total assets					
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	1,050,000	1,050,000	1,050,000	1,050,000
Revaluation surplus and other reserves	20	17,672,839	17,954,049	13,100,910	13,400,162
Retained earnings		2,160,079	142,596	6,888,678	4,791,337
Owners' interest		20,882,918	19,146,645	21,039,588	19,241,499
Non-controlling interests					
Redeemable convertible bonds	21	105,976	-	-	-
Other equity interest		50,043	47,768	-	-
		21,038,937	19,194,413	21,039,588	19,241,499
Total equity					
LIABILITIES					
Non-current liabilities					
Redeemable convertible bonds	21	28,700	-	-	-
Borrowings	22	5,557,277	6,451,344	4,391,945	4,537,369
Lease liabilities	6	12,032	11,502	13,753	18,659
Retirement benefit obligations	23	274,863	285,730	259,065	270,311
Contract liabilities	28(e)	-	175,250	-	175,250
Deferred tax liabilities	24	60,826	44,309	-	-
		5,933,698	6,968,135	4,664,763	5,001,589
Current liabilities					
Redeemable convertible bonds	21	3,066	-	-	-
Borrowings	22	461,142	1,411,775	310,338	1,091,951
Lease liabilities	6	7,031	9,589	13,402	15,793
Trade and other payables	25	564,706	558,757	314,207	350,684
Contract liabilities	28(e)	1,487,555	400,367	1,362,155	372,916
Amount due to group companies	26	5,026	4,906	117,860	141,540
Current tax liabilities	27	207	1,071	-	-
		2,528,733	2,386,465	2,117,962	1,972,884
Liabilities associated with assets classified as held-for-sale	18	39,417	44,390	-	-
		8,501,848	9,398,990	6,782,725	6,974,473
Total liabilities					
Total equity and liabilities		29,540,785	28,593,403	27,822,313	26,215,972

The financial statements were approved for issue by the Board of Directors on 23 September 2022.

René Leclézio
Director



Dhiren Ponnusamy
Director



The notes on pages 163 to 259 form an integral part of these financial statements.

Auditor's report on pages 153 to 157.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED JUNE 30, 2022

	Note	THE GROUP		THE HOLDING COMPANY	
		2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Continuing operations					
Revenue	28	1,470,677	1,081,973	993,284	816,509
Other income	29	60,526	112,624	22,616	44,700
Interest income	29(a)	7,508	6,492	99,782	109,635
		1,538,711	1,201,089	1,115,682	970,844
Operating expenses	30	(1,250,167)	(1,043,788)	(889,313)	(768,622)
EBITDA		288,544	157,301	226,369	202,222
Profit on sale of land	31	1,083,452	228,340	1,083,452	228,340
Changes in fair value of consumable biological assets	14	94,105	135,907	94,105	135,907
Changes in fair value of investment properties	7	110,075	171,813	80,943	49,093
Net foreign exchange gains on operations	32	660	1,953	87	172
Share of profit in associates	10	18,049	6,955	-	-
Depreciation and amortisation	33	(179,758)	(178,819)	(74,644)	(66,577)
Net impairment (loss)/reversal	34	(107,222)	26,044	(85,731)	(52,498)
Expected credit losses	35	12,727	(11,837)	1,097	(6,305)
Day-1 loss on other financial assets at amortised cost	12	-	-	-	(20,769)
Profit before finance costs		1,320,632	537,657	1,325,678	469,585
Finance costs	36	(295,250)	(326,272)	(221,945)	(235,433)
Profit before taxation		1,025,382	211,385	1,103,733	234,152
Income tax charge	27	(16,525)	(13,178)	-	-
Profit for the year from continuing operations		1,008,857	198,207	1,103,733	234,152
Profit/(loss) for the year from discontinued operations	18	34,246	(47,786)	-	-
Profit for the year		1,043,103	150,421	1,103,733	234,152
Profit/(loss) attributable to:					
- Owners of the parent		1,041,745	182,709	1,103,733	234,152
- Non-controlling interests		1,358	(32,288)	-	-
		1,043,103	150,421	1,103,733	234,152
Other comprehensive income for the year					
Items that will not be reclassified subsequently to profit or loss					
Changes in fair value of financial assets at fair value through other comprehensive income	11 & 39	(25,619)	199,936	(25,619)	199,936
Remeasurement of retirement benefit obligations from continuing operations	23 & 39	17,425	298,468	16,868	288,482
Remeasurement of retirement benefit obligations from discontinued operations	18(b)	532	43,337	-	-
Gain on revaluation of property, plant and equipment	20	703,107	3,450,562	703,107	3,244,171
Other comprehensive income for the year, net of tax		695,445	3,992,303	694,356	3,732,589
Total comprehensive income for the year		1,738,548	4,142,724	1,798,089	3,966,741
Total comprehensive income attributable to:					
- Owners of the parent		1,736,273	4,165,046	1,798,089	3,966,741
- Non-controlling interests		2,275	(22,322)	-	-
		1,738,548	4,142,724	1,798,089	3,966,741
Total comprehensive income for the year analysed as:					
- Continuing operations		1,703,770	4,147,173	1,798,089	3,966,741
- Discontinued operations		34,778	(4,449)	-	-
		1,738,548	4,142,724	1,798,089	3,966,741
Earnings per share (Rs.) - Basic and diluted					
- From continuing and discontinued operations	37	9.92	1.74	10.51	2.23
- From continuing operations	37	9.62	1.89	10.51	2.23

The notes on pages 163 to 259 form an integral part of these financial statements.
Auditor's report on pages 153 to 157.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2022

THE GROUP

	Note	Attributable to owners of the parent				Non-controlling interests (NCI)		Total equity
		Share capital	Revaluation surplus and other reserves	Retained earnings	Total	Redeemable convertible bonds	Other equity interest	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at July 1, 2021		1,050,000	17,954,049	142,596	19,146,645	-	47,768	19,194,413
Profit for the year		-	-	1,041,745	1,041,745	-	1,358	1,043,103
Other comprehensive income for the year	39(a)	-	694,528	-	694,528	-	917	695,445
Total comprehensive income for the year		-	694,528	1,041,745	1,736,273	-	2,275	1,738,548
Issue of redeemable convertible bonds	21	-	-	-	-	105,976	-	105,976
Transfer - fair value gain realised on disposal of financial assets		-	(7,527)	7,527	-	-	-	-
Transfer - actuarial loss on settlement of pension		-	17,870	(17,870)	-	-	-	-
Transfer - revaluation surplus realised on disposal of land	20(a)	-	(986,081)	986,081	-	-	-	-
Balance at June 30, 2022		1,050,000	17,672,839	2,160,079	20,882,918	105,976	50,043	21,038,937
Balance at July 1, 2020		1,050,000	14,103,150	(72,699)	15,080,451	-	(28,762)	15,051,689
Profit/(loss) for the year		-	-	182,709	182,709	-	(32,288)	150,421
Other comprehensive income for the year	39(a)	-	3,982,337	-	3,982,337	-	9,966	3,992,303
Total comprehensive income for the year		-	3,982,337	182,709	4,165,046	-	(22,322)	4,142,724
Acquisition of non-controlling interests	42	-	3,540	(102,392)	(98,852)	-	98,852	-
Transfer		-	(565)	565	-	-	-	-
Transfer - revaluation surplus realised on disposal of land	20(a)	-	(134,413)	134,413	-	-	-	-
Balance at June 30, 2021		1,050,000	17,954,049	142,596	19,146,645	-	47,768	19,194,413

The notes on pages 163 to 259 form an integral part of these financial statements.

Auditor's report on pages 153 to 157.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2022

THE HOLDING COMPANY

	Note	Share Capital Rs.'000	Revaluation Surplus and Other Reserves Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance at July 1, 2021		1,050,000	13,400,162	4,791,337	19,241,499
Profit for the year		-	-	1,103,733	1,103,733
Other comprehensive income for the year	39(b)	-	694,356	-	694,356
Total comprehensive income for the year		-	694,356	1,103,733	1,798,089
Transfer - fair value gain realised on disposal of financial assets		-	(7,527)	7,527	-
Transfer - revaluation surplus realised on disposal of land	20(b)	-	(986,081)	986,081	-
Balance at June 30, 2022		1,050,000	13,100,910	6,888,678	21,039,588
Balance at July 1, 2020		1,050,000	9,801,986	4,422,772	15,274,758
Profit for the year		-	-	234,152	234,152
Other comprehensive income for the year	39(b)	-	3,732,589	-	3,732,589
Total comprehensive income for the year		-	3,732,589	234,152	3,966,741
Transfer - revaluation surplus realised on disposal of land	20(b)	-	(134,413)	134,413	-
Balance at June 30, 2021		1,050,000	13,400,162	4,791,337	19,241,499

The notes on pages 163 to 259 form an integral part of these financial statements.

Auditor's report on pages 153 to 157.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

		THE GROUP		THE HOLDING COMPANY	
	Note	2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating activities					
Cash received from customers		2,293,928	1,394,390	1,811,755	1,034,610
Cash paid to suppliers and employees		(1,200,255)	(1,398,395)	(847,180)	(898,543)
Cash generated from/(absorbed by) operations		1,093,673	(4,005)	964,575	136,067
Tax paid	27(a)	(872)	(42)	-	-
Interest paid		(297,077)	(328,571)	(222,715)	(242,700)
Interest received		7,508	6,492	93,829	109,635
Net cash from/(used in) operating activities		803,232	(326,126)	835,689	3,002
Investing activities					
Proceeds from sale of land		2,120,215	328,255	2,009,083	328,255
Expenditure in respect of land development	13	(831,430)	(218,328)	(675,451)	(154,137)
Purchase of property, plant and equipment		(62,240)	(66,299)	(42,515)	(13,336)
Proceeds on disposal of property, plant and equipment		316	13,530	21	1,073
Purchase of investment properties	7	(62,067)	(163,559)	-	(24,885)
Purchase of intangible assets	8	(371)	(1,268)	(371)	(1,268)
Proceeds from sale of financial assets at fair value through other comprehensive income		7,845	-	7,845	-
Cash paid to related companies		-	-	-	(15,394)
Cash granted to related companies		(5,074)	(15,526)	-	-
Cash paid by related companies		-	35	626	35
Cash paid by group companies		-	-	-	9,450
Cash granted to group companies		-	-	(934,279)	(533,294)
Dividends received		5,724	8,173	-	8,173
Net cash from/(used in) investing activities		1,172,918	(114,987)	364,959	(395,328)
Financing activities					
Cash from group companies		120	-	25,322	-
Cash paid to group companies		-	-	(49,002)	-
Proceeds from bank overdraft	38(b)	35,761	-	35,761	-
Loans received	38(c)	1,100,000	850,691	1,100,000	600,000
Loans repaid	38(c)	(2,136,562)	(336,027)	(1,228,546)	(98,444)
Proceeds from issue of bonds	38(c)	1,000,000	-	1,000,000	-
Repayment of bonds	38(c)	(1,394,270)	-	(1,394,270)	-
Proceeds from issue of redeemable convertible bonds:					
-equity	21	32,841	-	-	-
-liabilities	38(c)	105,976	-	-	-
Lease capital repayments	38(c)	(11,020)	(12,406)	(18,176)	(16,896)
Net cash (used in)/from financing activities		(1,267,154)	502,258	(528,911)	484,660
Net (decrease)/increase in cash and cash equivalents from discontinued activities					
	18	(5,558)	66,020	-	-
Increase in cash and cash equivalents		703,438	127,165	671,737	92,334
Movement in cash and cash equivalents					
At July 1,		(312,597)	(440,970)	(322,979)	(416,288)
Increase		703,438	127,165	671,737	92,334
Effect of foreign exchange rate changes		350	1,208	775	975
At June 30,	38(b)	391,191	(312,597)	349,533	(322,979)

The notes on pages 163 to 259 form an integral part of these financial statements.

Auditor's report on pages 153 to 157.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

1. GENERAL INFORMATION

Medine Limited (the "Company") is a limited liability company incorporated and domiciled in Mauritius. The main activities of the Company consist principally of the planting of sugar cane for the production of sugar and by-products including molasses and bagasses, the production of other agricultural products and the holding of investments. The activities of the subsidiaries include rental of commercial and office buildings, operating Casela nature and leisure park, real estate activity, land promoter, property developer, operating hotel resort, construction of luxury villas for sale, training and educational services, rental of educational and residential properties, providing management consultancy services and operating restaurant, sport club and recreation activities. The registered office of Medine Limited is situated at 4, Unicity Office Park, Black River Road, Bambous and its place of business is at Bambous.

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

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.

2.1 Basis of preparation

The financial statements comply with the Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). 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 financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

Where necessary comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) land in certain property, plant and equipment is carried at revalued amounts/deemed costs;
- (ii) investment properties are stated at fair value;
- (iii) consumable biological assets are stated at fair value;
- (iv) financial assets at fair value through other comprehensive income.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("Group") as at June 30, 2022. The consolidation process is detailed in note 2.8.

2.3 Amendments to published Standards effective in the reporting period

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On August 27, 2020, the IASB published Interest Rate Benchmark Reform - Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments had no impact on the Group's financial statements.

Covid-19-related rent concessions beyond June 30, 2021

In March 2021, the Board amended IFRS 16 to extend the availability of the practical expedient by one year (2021 amendment). The practical expedient in the 2021 amendment applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided the other conditions for applying the practical expedient are met. The amendments had no impact on the Group's financial statements.

2.4 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Definition of accounting estimates (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Annual Improvements to IFRS 2018-2020 Cycle

- IFRS 1 - permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.
- IFRS 9 - clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

Annual Improvements to IFRS 2018-2020 Cycle (cont'd)

- Illustrative Examples accompanying IFRS 16 Leases - removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.
- IAS 41 - removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Earlier application is permitted.

The Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.5 Property, plant and equipment

Land held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations, by external independent valuers.

All other property, plant and equipment are initially recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items and may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus, directly in equity; all other decreases are charged to profit or loss.

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

Bearer plants have been estimated based on the cost of land preparation and planting of bearer canes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment (cont'd)

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

	Annual rates (%)
Leasehold land	5%
Factory buildings and equipment	1% - 33%
Weighing and cultivation equipment	2.5% - 20%
Transport equipment	10% and 20%
Animals	2.5% - 6.67%
Hotel and leisure building and structures	2% - 5%
Golf course and infrastructure	1% - 20%
Other buildings and equipment	1% - 33%
Bearer plants	12.5%
Freehold land is not depreciated.	

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

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 reference to their carrying amount and are included in profit or loss. On disposal of revalued assets, amounts in revaluation surplus relating to that asset are transferred to retained earnings.

2.6 Investment property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group is carried at fair value, representing open-market value determined annually. Changes in fair values are included in profit or loss.

Gains and losses on disposal of investment property are determined by reference to their carrying amount and are recognised in profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.7 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised over their estimated useful lives (3 - 10 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

(b) Land conversion rights

Land conversion rights are the right to convert land with no conversion taxes from agricultural to other purposes such as residential and are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by the Group under the provision of the Sugar Industry Efficiency Act. Land conversion right are recognised as intangible assets with indefinite useful life when the Group obtains the right for the conversion and are recorded at the cost qualified for claiming the land conversion right or at the cost of acquisition when these rights are purchased from third parties.

The land conversion rights are transferred to freehold land, investment properties or land development inventories when the land conversion rights are applied to the specific land portions, depending on their classification in the statement of financial position and the approval of the authorities has been obtained.

At the end of each financial year, the carrying amount of the land conversion rights is subject to testing for impairment and reduced to the recoverable amount, if this is less.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements of the investor

Investments in subsidiaries are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In additions, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income that can be reclassified to profit or loss are reclassified to profit or loss.

2.9 Investments in associates

Separate financial statements of the investor

Investments in associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate less any impairment in the value of individual investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Investments in associates (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

2.10 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(a) Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Expected credit loss for trade receivables are recognised based on the simplified approach with IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in Profit or Loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against associated provision.

Expected credit loss for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which the credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiates the terms of trade receivables due from customers with which it has previously has a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise of trade and other receivables, other financial assets at amortised cost and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash in hand, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial assets (cont'd)

(b) Fair value through other comprehensive income

The Group has investments in unquoted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(c) 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 statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.11 Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

- (a) Bank borrowings and bonds which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial liabilities (cont'd)

- (b) Trade payables and other short-term liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- (c) The Group obtains deposits from tenants, which may be used towards payment of rental and service charges. Such deposits are treated as financial liabilities in accordance with IFRS 9. They are initially recognised at fair value and subsequently measured at amortised cost.
- (d) *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 statement of profit or loss.

2.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement 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.

2.13 Redeemable convertible bonds

Redeemable convertible bonds that are redeemable at the option of the Company and can be converted into stated capital where the fixed-for-fixed criteria of IAS 32 Financial Instruments: Presentation (IAS 32) but have a mandatory coupon payment are accounted for as compound financial instruments.

The gross proceeds of the bonds issued (including any directly attributable transaction costs) are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

The fair value of the liability component, presented separately in borrowings under liabilities, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity as convertible bonds.

The transaction costs incurred are allocated to the equity and liability components based on the allocation of the proceeds. Transaction costs relating to liability component are included in the gross carrying amount of the financial liability measured at amortised cost. Transaction costs relating to the equity component are accounted for as a deduction from the equity component to the extent that they are incremental costs directly attributable to the equity transaction.

Subsequent to initial recognition, the liability component of bonds is measured at amortised cost using the effective interest method. The equity component of bonds is not remeasured.

When the conversion option is exercised, the carrying amount of the liability (if any) and equity components will be transferred to stated capital, with any differences being recognised in equity.

If the Group redeems the bonds before maturity through an early redemption in which the original conversion rights are unmodified, the Group allocates the redemption consideration paid (including any transaction costs) to the bonds' liability and equity components at the date of redemption.

Any resulting gain or loss is treated in accordance with accounting principles applicable to the related component, as follows:

- the difference between the consideration allocated to the liability component and its carrying amount is recognised in profit or loss; and
- the difference (if any) between the consideration allocated to the equity component and its initially recognised value is recognised in equity.

2.14 Share capital

Ordinary shares are classified as equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Biological assets

Consumable biological assets

Standing sugar cane crop

Standing canes are measured at their fair value less costs to sell. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

Other crops and plants

Other crops and plants are measured at their fair value less costs to sell. The fair value of the other crops and plants is the present value of expected net cash flows from the sale of the other crops and plants, discounted at the relevant market determined pre-tax rate.

Changes in fair value of consumable biological assets are recognised in profit or loss.

2.16 Land development inventories

Land development inventories consist of cost of land and related expenditure incurred on conversion of land to saleable condition. Land development inventories are measured at the lower of cost or net realisable value.

2.17 Current and deferred income taxes

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of certain properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises 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 selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Retirement benefit obligations

(a) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the pension plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered services that entitle them to the contributions.

(b) *Defined benefit plans*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(c) *Gratuity on retirement*

Artisans and labourers of sugar companies are entitled to a gratuity on death or retirement, based on years of service. This item is not funded. The benefits accruing under this item are calculated by an actuary and have been accounted for in the financial statements.

For employees who are not covered by the above pension plans, the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by an actuary and provided for. The obligations arising under this item are not funded.

2.20 Foreign currencies

(a) *Functional and presentation currency*

Items included in the financial statements (of each of the Group's entities) are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency. All values are rounded to the nearest thousand (Rs'000) except where otherwise indicated.

(b) *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 profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'net foreign exchange gains on operations'.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Impairment of non-financial assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.22 Leases - Group as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases - Group as lessee (cont'd)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When there is a change in the amounts expected to be payable under a residual value guarantee, the Group shall remeasure the lease liabilities by discounting the revised lease payments at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining lease term.

The Group as a lessee, revises the discount rate when there is a reassessment of the lease liability or a lease modification.

The revised discount rate is the interest rate implicit in the lease for the remainder of the lease term, unless it cannot be readily determined, in which case the lessee's incremental borrowing rate at the date of reassessment or effective date of lease modification is used.

The Group as a lessee, remeasures the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- there is a change in the lease term as a result of
 - a change in the non-cancellable period of the lease, e.g. the lessee exercises an option to extend that was not previously included in the lease term (or the lessee does not exercise such an option that was previously included in the lease term), or
 - a lessee reassessing whether it is reasonably certain to exercise an extension option or not to exercise a termination option, or
- there is a change in the assessment of a lessee's option to purchase the underlying asset.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases - Group as lessee (cont'd)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.23 Operating leases – Group as lessor

From the Group's perspective as a lessor, properties leased out under operating leases are included in investment properties in the statement of financial position. The carrying amounts of investment properties represent their fair value. Rental income is recognised in profit or loss on a straight-line basis over the lease term.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

2.26 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

(i) *Sales of goods*

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group 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.

The recognition of sugar and molasses proceeds is based on total production of the crop year. Bagasse proceeds are accounted for in the year in which it is received. Sugar prices are based on the recommendations made to all sugar companies by the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate. Any differences between the recommended prices and the final prices are reflected in profit or loss of the period in which they are established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Revenue recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

Performance obligations and timing of revenue recognition (cont'd)

(ii) Rendering of Services

The Group carries out services for clients, with revenue recognised typically on an over time basis. This is because for such services rendered, the customer simultaneously receives and consumes the economic benefit provided by the Group's performance and the contracts would require payment to be received for the time and effort spent by the Group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the Group's failure to perform its obligations under the contract. The Group recognises revenue based on services delivered and represents a direct measurement of the value of services transferred to date in comparison with the remaining services to be provided under the contract (an output based method). This is considered a faithful depiction of the transfer of services as it depicts the Group's performance towards complete satisfaction of the performance obligation.

Determining the transaction price

Transaction price is defined as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. For the purpose of determining the transaction price, the Group assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified. The transaction price is based on the amount to which the Group expects to be earned. This amount is meant to reflect the amount to which the Group has rights under the present contract. 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.

Allocating transaction price to performance obligations

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

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the assets is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

Practical Exemptions

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Revenue recognition (cont'd)

(b) Other revenues earned by the Group are recognised on the following bases:

- Dividend income is recognised when the shareholder's right to receive payment is established.
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Other income - on an accrual basis.

2.27 Sale of land development inventories

The profit arising on sale of land is recognised in profit or loss on the date the deed of sale is signed and the corresponding debtor accounted in the statement of financial position. All other prepayments collected in respect of sale of land are credited to "Deposit on sale of land" included in line item Contract liabilities in the statement of financial position.

2.28 Provisions

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

2.29 Segment reporting

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

2.30 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of subsidiaries, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria describe above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

2.31 Government wage assistance

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.32 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

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

- Foreign exchange risk;
- Credit risk;
- Interest rate risk;
- Liquidity risk;
- Equity market price risk; and
- Market risk.

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

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US dollars, Euros and GBP. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities.

The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected in US dollars, Euros and GBP to some extent.

The Group

The currency profile of the Group's financial assets/(liabilities) denominated in foreign currencies is summarised below:

	USD	EURO	GBP	MUR	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Bank balances	39,980	11,761	515	415,661	467,917
2021					
Bank balances	3,142	6,873	83	199,388	209,486
Borrowings	-	(85,557)	-	(7,777,562)	(7,863,119)
	<u>3,142</u>	<u>(78,684)</u>	<u>83</u>	<u>(7,578,174)</u>	<u>(7,653,633)</u>

Other financial assets and all financial liabilities are denominated in rupees.

Sensitivity analysis

At June 30, 2022, if the rupee had weakened/strengthened against the US Dollar/Euro/GBP with all variables held constant, post tax profit and total equity of the Group for the year would have been as shown below, mainly as a result of foreign exchange gains/losses on translation of US Dollar/Euro/GBP denominated assets.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

Foreign exchange risk (cont'd)

Sensitivity analysis (cont'd)

The Group

2022

% change

Impact (Rs.'000)

USD	EURO	GBP	MUR	Total
4%	9%	9%	-	
1,599	1,058	46	-	2,704

2021

% change

Impact (Rs.'000)

6%	13%	20%	-	
189	(10,229)	17	-	(10,024)

The Holding Company

The currency profile of the Company's financial assets denominated in foreign currencies is summarised below:

2022

Bank balances

USD Rs.'000	EURO Rs.'000	GBP Rs.'000	MUR Rs.'000	Total Rs.'000
37,321	6,597	63	380,129	424,110

2021

Bank balances

2,942	6,041	38	183,845	192,866
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Sensitivity analysis

At June 30, 2022, if the rupee had weakened/strengthened against the US Dollar/Euro/GBP with all variables held constant, post tax profit and total equity of the Company for the year would have been as shown below, mainly as a result of foreign exchange gains/losses on translation of US Dollar/Euro/GBP denominated assets.

2022

% change

Impact (Rs.'000)

USD	EURO	GBP	MUR	Total
4%	9%	9%	-	
1,493	594	6	-	2,092

2021

% change

Impact (Rs.'000)

6%	13%	20%	-	
177	785	8	-	969

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is managed on a company basis. For banks and financial institutions, only independently rated parties are accepted.

The Group's credit risk is primarily attributable to its trade receivables, cash balances and loans to related parties. The amount presented in the statements of financial position are net of allowances for expected credit losses, estimated by management based on prior experience and represents the Company's maximum exposure to credit risk. The cash balances are held on current accounts and the expected credit loss is insignificant.

For trade receivables, an 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. In addition, the Group considers individual debtors for specific impairment when it becomes aware of the debtors' ability to meet the financial obligation or when the trade receivable is referred to attorneys. Receivables are written off when there is no reasonable expectation of recovery.

The Company manages the receivables from related parties through considering the purpose of advances and their financial position and forecasted cash flows.

The Group and the Company recognise an allowance for expected credit losses (ECLs) receivables classified as other financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Factors considered by the Group when assessing that the receivable is in default include:

- (i) the balance remains due for more than 90 days,
- (ii) the debtor is unlikely to pay its obligation in full without recourse to actions such as disposing its assets,
- (iii) the financial position indicates that the debtor is in financial difficulty.

The analysis of changes in the gross amount and the corresponding ECL is disclosed in note 16.

The Group segmented its trade receivables balances into categories pertaining to the different industries. Where the Group and the Company considered there was an increase in credit risks, it made adjustments to the receivable balances of these respective trade debtors to reflect the situation.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

Credit risk (cont'd)

Sales to retail customers are required to be settled by bank transfers, in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

The table below shows the credit concentration of the Group and the Company at the end of the reporting period:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
Counterparties	%	%	%	%
10 major counterparties	85	73	93	91
Others (diversified risk)	15	27	7	9
	100	100	100	100

Management does not expect any ECLs from non-performance of these customers.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group has interest-bearing assets on which the interest rate are assessed regularly based on the market interest rate.

The Group

At June 30, 2022, if the interest rates on rupee-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax profit and total equity for the year would have been Rs.69,003,004 (2021: Rs.74,833,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

At June 30, 2022, if the interest rates on euro-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax profit and total equity for the year would have been Rs.427,838 (2021: Rs.856,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

The above risk is mitigated by the interest-bearing assets as follows:

At June 30, 2022, if the interest rates on rupee-denominated bank balances and interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax profit and total equity for the year would have been Rs.4,157,000 (2021: Rs.1,994,000) higher/lower, mainly as a result of lower/higher interest income on bank balances.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

Interest rate risk (cont'd)

The Holding Company

At June 30, 2022, if the interest rates on rupee-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax profit and total equity for the year would have been Rs.51,782,050 (2021: Rs.53,310,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

The above risk is mitigated by the interest-bearing assets as follows:

At June 30, 2022, if the interest rates on rupee-denominated bank balances and interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax profit and total equity for the year would have been Rs.3,801,000 (2021: Rs.1,838,000) higher/lower, mainly as a result of lower/higher interest income on bank balances.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

The Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Bank overdrafts	113,250	-	-	-	113,250
Leases	8,209	5,024	6,698	1,029	20,960
Bonds	154,699	1,107,622	2,878,990	-	4,141,311
Bank loans	606,537	752,876	511,853	723,229	2,594,495
Trade and other payables	564,706	-	-	-	564,706
2021					
Bank overdrafts	528,404	-	-	-	528,404
Leases	11,174	5,301	6,577	-	23,052
Bonds	180,888	180,888	4,331,942	-	4,693,718
Bank loans	1,024,948	394,253	1,216,440	1,386,567	4,022,208
Trade and other payables	558,757	-	-	-	558,757

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

Liquidity risk (cont'd)

The Holding Company

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Bank overdrafts	110,338	-	-	-	110,338
Leases	7,384	4,670	6,572	1,029	19,655
Bonds	154,699	1,107,622	2,878,990	-	4,141,311
Bank loans	214,135	578,031	12,844	244,557	1,049,567
Trade and other payables	314,207	-	-	-	314,207
2021					
Bank overdrafts	515,845	-	-	-	515,845
Leases	18,005	13,135	6,096	-	37,236
Bonds	180,888	180,888	4,331,942	-	4,693,718
Bank loans	229,620	578,967	15,551	247,455	1,071,593
Trade and other payables	350,684	-	-	-	350,684

Equity market price risk

The Group is susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments held by the Group and classified on the statement of financial position as financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on equity. The analysis is based on the assumption that the fair value has increased/decreased by 5%.

	Impact on equity			
	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets at fair value through other comprehensive income	14,500	16,176	14,500	16,176

Other market risk

The Group is exposed to market risk arising from changes in sugar prices and the incidence of the exchange rate. This risk will directly impact on future crop proceeds. The risk is not hedged.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial liabilities.

The fair value of estimation has been further described in notes 5, 7, 11 and 14.

3.3 Biological assets

The Group is exposed to fluctuations in the price of sugar and the incidence of exchange rate, which affect both the crop proceeds and the fair value of biological assets. The risk is not hedged.

3.4 Capital management

The Group'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 sets the amount of capital in proportion to risk. The Group manages 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 may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown in the Statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, and revaluation surplus and other reserves) and subordinated debt instruments, if any.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.4 Capital management (cont'd)

During 2022, the Group's strategy, which was unchanged from 2021, was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at June 30, 2022 and at June 30, 2021 were as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease liabilities (note 6(b))	19,063	21,091	27,155	34,452
Redeemable convertible bonds (note 21)	31,766	-	-	-
Borrowings (note 22)	6,018,419	7,863,119	4,702,283	5,629,320
Total borrowings	6,069,248	7,884,210	4,729,438	5,663,772
Less: cash and cash equivalents (note 38)	(467,917)	(209,486)	(424,110)	(192,866)
Net debt	5,601,331	7,674,724	4,305,328	5,470,906
Total equity/adjusted capital	21,038,937	19,194,413	21,039,588	19,241,499
Debt-to-adjusted capital ratio	0.27 : 1	0.40 : 1	0.20 : 1	0.28 : 1

The decrease in the debt-to-adjusted capital ratio during 2022 resulted primarily from the increase in profit for the year and revaluation of land as well as reduction in external debts.

There were no changes in the Group's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) **Biological assets**

Consumable biological assets - Standing Sugar Canes

The fair value of standing sugar canes crop has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budget of the Company.

Other key assumptions for biological assets are disclosed in note 14.

(c) **Land**

The land were valued at June 30, 2021 at fair value based on the valuation report made by an independent property valuer on an open market value basis. Additional information is disclosed in note 5.

(d) **Investment properties**

Investment properties, held to earn rentals/or for capital appreciation or both and not occupied by the Group/Company is carried at fair value with changes in fair value being recognised in profit or loss. Investment properties consist of freehold land and buildings. Investment properties have been valued at their open market value on June 30, 2022 based on the valuation report made by an Independent Property Valuer.

Judgements are applied in determining the appropriate model to estimate the fair value of the relevant investment properties. The Group uses comparative method by adjusting sales transaction of comparative properties with the various factors undipping the value such as size, location or other characteristics. Where comparable data is not available, the Group uses the income approach by discounting the future cash flows to be derived from the properties. Additional information and key assumptions are disclosed in note 7.

(e) **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligation.

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 obligation.

Other key assumptions for pension obligation are based in part on current market conditions. Additional information is disclosed in note 23.

(f) **Limitations of sensitivity analysis**

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(g) **Impairment of assets**

Property, plant and equipment, investment in subsidiaries, investment in associates and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows which are utilised in these assessments are extracted from the yearly budget.

(h) **Fair value of securities not quoted in an active market**

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, multiple earnings, net asset value, cost, dividend or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quality and quantity of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) **Asset lives and residual values**

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(j) **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 (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(k) **Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the 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 asset at the end of their expected useful lives.

(l) **Deferred tax on investment properties**

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the directors reviewed the Group's investment property portfolio and concluded that certain of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted for certain of the Group's investment properties. As a result, the Group has recognised deferred taxes on changes in fair value of such investment properties.

(m) **Going concern**

The Group made an assessment of its ability to continue as going concern and it satisfy that it has the resources to continue its business for the foreseeable future. The financial statement have thus been prepared on a going concern basis. Refer to note 45 for further details.

(n) **Assets classified as held-for-sale and discontinued operations**

The directors exercise judgement in assessing whether an asset or disposal group meet the criteria for classification as held for sale. In addition to the decision being taken prior to the reporting date, the assets or disposal group were available for immediate sale in the current condition and the Group were actively looking for a buyer. The sales are expected to realise within one year of the classification except where the delays encountered are caused by event or circumstances beyond the control of the Group provided that the Group remain committed to the disposal.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

(i) 2022

COST OR VALUATION

	Freehold land	Leasehold land	Factory buildings and equipment	Weighing and cultivation equipment	Transport equipment	Animals	Hotel and leisure building and structures	Golf course and infrastructure	Other buildings and equipment	Work in progress	Bearer plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2021	16,227,695	111	55,321	572,310	131,858	38,384	449,264	46,011	2,111,811	19,004	151,624	19,803,393
Additions	-	-	-	3,929	8,785	-	3,730	-	29,897	-	15,899	62,240
Disposals	(925,631)	-	-	(1,724)	(872)	-	-	-	(879)	-	-	(929,106)
Transfer	-	-	-	-	-	-	-	255,053	(236,049)	(19,004)	-	-
Assets scrapped	-	-	-	-	-	(36)	(91)	-	(2,030)	-	-	(2,157)
Revaluation adjustment	703,107	-	-	-	-	-	-	-	-	-	-	703,107
Transfer from investment properties (note 7)	3,088	-	-	-	-	-	-	-	-	-	-	3,088
Transfer to investment properties (note 7)	(27,277)	-	-	-	-	-	-	-	-	-	-	(27,277)
Transfer from intangible assets (note 8)	-	-	-	-	-	-	-	-	46	-	-	46
Transfer from land development	-	-	-	-	-	-	-	-	208	-	-	208
inventories (note 13)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to land development	(758,811)	-	-	-	-	-	-	-	-	-	-	(758,811)
inventories (note 13)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from assets classified as held-for-sale (note 18)	71,117	-	-	-	-	-	-	-	-	-	-	71,117
Transfer to assets classified as held-for-sale (note 18)	(321,478)	-	-	-	-	-	-	-	-	-	-	(321,478)
At June 30, 2022	14,971,810	111	55,321	574,515	139,771	38,348	452,903	301,064	1,903,004	-	167,523	18,604,370

DEPRECIATION

At July 1, 2021	-	100	55,321	547,338	127,851	8,285	217,895	29,051	899,157	11,924	121,382	2,018,304
Charge for the year	-	-	-	11,248	5,048	1,146	60,847	7,517	65,484	-	11,415	162,705
Disposal adjustments	-	-	-	(1,724)	(872)	-	-	-	(554)	-	-	(3,150)
Transfer	-	-	-	-	-	-	-	(15,052)	26,976	(11,924)	-	-
Assets scrapped	-	-	-	-	-	(21)	(16)	-	(2,228)	-	-	(2,265)
Impairment (note 5(a)(vii) and note 34)	-	-	-	-	-	-	33,131	53,000	9,773	-	-	95,904
Transfer from intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(note 8)	-	-	-	-	-	-	-	-	1	-	-	1
At June 30, 2022	-	100	55,321	556,862	132,027	9,410	311,857	74,516	998,609	-	132,797	2,271,499
NET BOOK VALUE	14,971,810	100	55,321	547,338	127,851	8,285	217,895	29,051	899,157	11,924	121,382	2,018,304
At June 30, 2022	11	-	-	17,653	7,744	28,938	141,046	226,548	904,395	-	34,726	16,332,871

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP

(ii) 2021

COST OR VALUATION

	Freehold land	Leasehold land	Factory buildings and equipment	Weighing and cultivation equipment	Transport equipment	Animals	Hotel and leisure building and structures	Golf course and infrastructure	Other buildings and equipment	Work in progress	Bearer plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2020	14,174,185	111	55,321	571,140	169,043	38,384	431,220	46,011	2,100,038	21,265	151,624	17,758,342
Additions	-	-	-	4,461	2,235	-	15,866	-	43,737	-	-	66,299
Disposals	(86,387)	-	-	(3,291)	(38,207)	-	-	-	(14,187)	-	-	(142,072)
Assets scrapped	-	-	-	-	-	-	(83)	-	(7,726)	-	-	(7,809)
Revaluation surplus	3,450,562	-	-	-	-	-	-	-	-	-	-	3,450,562
Transfer	-	-	-	-	-	-	2,261	-	-	(2,261)	-	-
Transfer to investment properties (note 7)	(12,211)	-	-	-	-	-	-	-	(587)	-	-	(12,798)
Transfer to land development inventories (note 13)	(1,183,317)	-	-	-	-	-	-	-	-	-	-	(1,183,317)
Transfer to assets classified as held-for-sale (note 18)	(115,137)	-	-	-	(1,213)	-	-	-	(9,464)	-	-	(125,814)
At June 30, 2021	16,227,695	111	55,321	572,310	131,858	38,384	449,264	46,011	2,111,811	19,004	151,624	19,803,393

DEPRECIATION

At July 1, 2020	-	100	55,321	537,584	151,203	6,876	161,757	21,443	842,616	11,924	151,624	1,940,448
Charge for the year	-	-	-	13,045	6,908	1,409	56,221	7,608	81,175	-	-	166,366
Reversal of impairment losses (note 5(a)(vi) and note 18)	-	-	-	-	-	-	-	-	-	-	(30,242)	(30,242)
Disposal adjustments	-	-	-	(3,291)	(29,264)	-	-	-	(11,313)	-	-	(43,868)
Asset scrapped	-	-	-	-	-	-	(83)	-	(7,726)	-	-	(7,809)
Impairment (note 34)	-	-	-	-	-	-	-	-	3,083	-	-	3,083
Transfer to assets classified as held-for-sale (note 18)	-	-	-	-	(996)	-	-	-	(8,678)	-	-	(9,674)
At June 30, 2021	-	100	55,321	547,338	127,851	8,285	217,895	29,051	899,157	11,924	121,382	2,018,304

NET BOOK VALUE

At June 30, 2021	16,227,695	11	-	24,972	4,007	30,099	231,369	16,960	1,212,654	7,080	30,242	17,785,089
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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

(iii) Freehold land

Freehold land of the Group has been valued at its open market value as at June 30, 2021 by Elevante Property Services Ltd, Independent Property Surveyor. The Directors, with the involvement of the external valuer, made an assessment and concluded that the carrying amount is not materially different from the fair value at June 30, 2022.

The fair value of the land was based on its market value, which is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

The market value of the land was derived using the Comparative Method of Valuation which involves the assessment of the land based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size.

Due to the size of the land bank, the Group has applied a bulk discount of 35% which has been determined based on a period of sales of 50 years with a rate of growth of 5% per annum in prices discounted at a rate of 7% per annum.

Details of the Group's property, plant and equipment measured at fair value and information about the fair value hierarchy as at June 30, 2022 are as follows:

	2022	2021
	Level 3	Level 3
	Rs.'000	Rs.'000
Freehold land	14,971,810	16,227,695

The revaluation surplus was credited to revaluation surplus in shareholders' equity.

The fair value of land is classified in level 3 of the fair value hierarchy as it has been valued using significant unobservable valuation input.

The most significant unobservable inputs for the valuation of land are as follows:

Use of land	Significant unobservable input	Range of unobservable input Rs.'000/Arpent
Agricultural	Price per Arpent	264 - 3,970
Shrubs, bare land and hunting grounds	Price per Arpent	162 - 5,592
Office and operations	Price per Arpent	615 - 6,374
River reserves and reservoir	Price per Arpent	159 - 670
Smart city	Price per Arpent	2,600 - 7,510

Significant increase/(decrease) in the above observable inputs in isolation would result in a significant higher/(lower) fair value.

	Impact on fair value	
	2022	2021
	Rs.'000	Rs.'000
Increase of 5% in price per Arpent	748,591	811,385
Decrease of 5% in price per Arpent	(748,591)	(811,385)

The movement in the opening balance and closing balance of the property, plant and equipment categorised within level 3 of the fair value hierarchy is as follows:

	2022	2021
	Rs.'000	Rs.'000
At July 1,	16,227,695	14,174,185
Disposals	(925,631)	(86,387)
Revaluation adjustment	703,107	3,450,562
Transfer from investment properties (note 7)	3,088	-
Transfer to investment properties (note 7)	(27,277)	(12,211)
Transfer to land development inventories (note 13)	(758,811)	(1,183,317)
Transfer from assets classified as held-for-sale (note 18)	71,117	-
Transfer to assets classified as held-for-sale (note 18)	(321,478)	(115,137)
At June 30,	14,971,810	16,227,695

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

(iii) Freehold land (cont'd)

(iv) If the freehold land were stated on the historical cost basis, the amounts would be as follows:

	2022	2021
	Rs.'000	Rs.'000
Freehold land	296,365	297,228

(v) Property, plant and equipment of the Group with carrying amount Rs.13,552,041,225 (2021: Rs.15,249,641,000) have been pledged as security for borrowings.

(vi) *Reversal of impairment - bearer plants*

During the year ended June 30, 2021, the Group reassessed the impairment losses previously recognised on bearer plants which form part of the Agro segment. As a result of the expected increase in price of sugar and its by-products, the recoverable amount is determined based on its value in use using a discount rate of 7%, which was higher than the carrying amount that would have been determined, had no impairment loss been recognised for the bearer plant. Hence, impairment losses of Rs. 30,242,000 previously recognised was reversed in profit and loss (note 34). The conditions remain favourable at June 30, 2022 and the recoverable amount exceeded the carrying value at that date.

(vii) *Impairment*

	2022	2021
	Rs.'000	Rs.'000
Golf course and infrastructure	53,000	-
Sport complex	30,928	-
Building	9,773	-
Others	2,203	3,083
	95,904	3,083

The recoverable amount of the Golf course and infrastructure within the sports and hospitality segment as at June 30, 2022 has been determined based on a value in use calculation using cash flow projections from cash flow forecasts approved by senior management covering a five-year period and additional specific project related non-recurring cash flows beyond the five-year period. The discount rate applied to cash flow projections was 10.32% and cash flows beyond the five-year period are extrapolated using a 3.5% growth rate. As a result of the assessment, an impairment of Rs. 53,000,000 for Golf course and infrastructure has been charged in the current year against property, plant and equipment.

The recoverable amount of the sports complex within the sports and hospitality segment as at June 30, 2022 has been determined based on a value in use calculation using cash flow projections from cash flow forecasts approved by senior management covering a five-year period. The discount rate applied to cash flow projections was 12.75% and cash flows beyond the five-year period are extrapolated using a 3% growth rate. As a result of the assessment, an impairment of Rs. 30,928,000 for the sports complex has been charged in the current year against property, plant and equipment.

The recoverable amount of the building for office use has been determined using the fair value of similar properties in the region, which resulted in an impairment of Rs. 9,773,000.

Others include impairment of Rs. 2,203,000 (2021: Rs. 3,083,000) for the year ended June 30, 2022, on assets no longer in use by the Group.

(viii) The work in progress are items of other buildings and equipment and were transferred to the relevant class during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY

	Freehold land	Leasehold land	Factory equipment	Weighing and cultivation equipment	Transport equipment	Golf course and infrastructure	Other buildings and equipment	Bearer plants	Total
(i) 2022	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
COST OR VALUATION									
At July 1, 2021	12,353,669	111	1,999	568,976	115,730	301,064	450,092	151,624	13,943,265
Additions	-	-	-	3,929	8,785	-	13,902	15,899	42,515
Disposals	(925,631)	-	-	(1,724)	(872)	-	(357)	-	(928,584)
Revaluation adjustment	703,107	-	-	-	-	-	-	-	703,107
Transfer from investment properties (note 7)	3,088	-	-	-	-	-	-	-	3,088
Transfer to investment properties (note 7)	(27,277)	-	-	-	-	-	-	-	(27,277)
Transfer from intangible assets (note 8)	-	-	-	-	-	-	46	-	46
Transfer from land development inventories (note 13)	-	-	-	-	-	-	208	-	208
Transfer to land development inventories (note 13)	(738,649)	-	-	-	-	-	-	-	(738,649)
Transfer from assets classified as held-for-sale (note 18)	71,117	-	-	-	-	-	-	-	71,117
Transfer to assets classified as held-for-sale (note 18)	(321,478)	-	-	-	-	-	-	-	(321,478)
At June 30, 2022	11,117,946	111	1,999	571,181	123,643	301,064	463,891	167,523	12,747,358
DEPRECIATION AND IMPAIRMENT									
At July 1, 2021	-	100	1,999	544,006	106,977	13,999	357,438	121,382	1,145,901
Charge for the year	-	-	-	11,248	3,654	7,517	17,014	11,415	50,848
Disposal adjustments	-	-	-	(1,724)	(872)	-	(327)	-	(2,923)
Impairment (note 5(b)(vii) and note 34)	-	-	-	-	-	53,000	-	-	53,000
Transfer from intangible assets (note 8)	-	-	-	-	-	-	1	-	1
At June 30, 2022	-	100	1,999	553,530	109,759	74,516	374,126	132,797	1,246,827
NET BOOK VALUE									
At June 30, 2022	11,117,946	11	-	17,651	13,884	226,548	89,765	34,726	11,500,531

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) <u>THE HOLDING COMPANY</u>	Freehold Land	Leasehold Land	Factory Equipment	Weighing & Cultivation Equipment	Transport Equipment	Golf Course and Infrastructure	Other buildings and Equipment	Bearer Plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
COST OR VALUATION									
At July 1, 2020	9,874,558	111	1,999	567,806	124,861	301,064	451,204	151,624	11,473,227
Additions	-	-	-	4,461	1,886	-	6,989	-	13,336
Disposals	(86,387)	-	-	(3,291)	(11,017)	-	(375)	-	(101,070)
Assets scrapped	-	-	-	-	-	-	(7,726)	-	(7,726)
Revaluation surplus	3,244,171	-	-	-	-	-	-	-	3,244,171
Transfer to investment properties (note 7)	(12,211)	-	-	-	-	-	-	-	(12,211)
Transfer to land development inventories (note 13)	(551,325)	-	-	-	-	-	-	-	(551,325)
Transfer to assets classified as held-for-sale (note 18)	(115,137)	-	-	-	-	-	-	-	(115,137)
At June 30, 2021	12,353,669	111	1,999	568,976	115,730	301,064	450,092	151,624	13,943,265
DEPRECIATION AND IMPAIRMENT									
At July 1, 2020	-	100	1,999	534,252	114,663	6,391	339,215	151,624	1,148,244
Charge for the year	-	-	-	13,045	2,665	7,608	22,899	-	46,217
Reversal of impairment losses (note 5(a)(vi) and note 34)	-	-	-	-	-	-	-	(30,242)	(30,242)
Disposal adjustments	-	-	-	(3,291)	(10,351)	-	(33)	-	(13,675)
Impairment (note 34)	-	-	-	-	-	-	3,083	-	3,083
Assets scrapped	-	-	-	-	-	-	(7,726)	-	(7,726)
At June 30, 2021	-	100	1,999	544,006	106,977	13,999	357,438	121,382	1,145,901
NET BOOK VALUE									
At June 30, 2021	12,353,669	11	-	24,970	8,753	287,065	92,654	30,242	12,797,364

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY (CONT'D)

(iii) Freehold land

Freehold land of the Company have been valued at their open market value as at June 30, 2021 by Elevante Property Services Ltd, Independent Property Surveyor. The Directors, with the involvement of the external valuer, made an assessment and concluded that the carrying amount is not materially different from the fair value at June 30, 2022.

The fair value of the land was based on its market value, which is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

The market value of the land was derived using the Comparative Method of Valuation which involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size.

The Group has applied a bulk discount of 35% which has been determined based on a period of sales of 50 years with a rate of growth of 5% per annum in prices discounted at a rate of 7% per annum.

Details of the Company's property, plant and equipment measured at fair value and information about the fair value hierarchy as at June 30, 2022 are as follows:

	2022	2021
	Level 3	Level 3
	Rs.'000	Rs.'000
Freehold land	11,117,946	12,353,669

The revaluation surplus was credited to revaluation surplus in shareholders' equity.

The fair value of land is classified in level 3 of the fair value hierarchy as it has been valued using significant unobservable valuation input.

The most significant unobservable inputs for the valuation of land are as follows:

Use of land	Significant unobservable input	Range of unobservable input Rs.'000/Arpent
Agricultural	Price per Arpent	264 - 3,970
Shrubs, bare land and hunting grounds	Price per Arpent	162 - 5,592
Office and operations	Price per Arpent	615 - 3,725
River reserves and reservoir	Price per Arpent	159 - 670

Significant increases/(decreases) in the unobservable inputs in isolation would result in a significant higher/(lower) fair value.

	Impact on fair value	
	2022	2021
	Rs.'000	Rs.'000
Increase of 5% in price per Arpent	555,897	617,683
Decrease of 5% in price per Arpent	(555,897)	(617,683)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY (CONT'D)

(iii) Freehold land (cont'd)

The movement in the opening balance and closing balance of the property, plant and equipment categorised within level 3 of the fair value hierarchy are as follows:

	2022	2021
	Rs.'000	Rs.'000
Level 3		
At July 1,	12,353,669	9,874,558
Disposals	(925,631)	(86,387)
Revaluation adjustment	703,107	3,244,171
Transfer from investment properties (note 7)	3,088	-
Transfer to investment properties (note 7)	(27,277)	(12,211)
Transfer to land development inventories (note 13)	(738,649)	(551,325)
Transfer from assets classified as held-for-sale (note 18)	71,117	-
Transfer to assets classified as held-for-sale (note 18)	(321,478)	(115,137)
At June 30,	11,117,946	12,353,669

(iv) If the property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	2022	2021
	Rs.'000	Rs.'000
Freehold land	256,806	257,669

(v) The property, plant and equipment of the Company have been pledged as security for borrowings.

(vi) Reversal of impairment - bearer plants

During the year ended June 30, 2021, the Company reassessed the impairment losses previously recognised on bearer plants which form part of the Agro segment. As a result of the expected increase in price of sugar and its by-products, the recoverable amount is determined based on its value in use using a discount rate of 7%, which was higher than the carrying amount that would have been determined, had no impairment loss been recognised for the bearer plant. Hence, impairment losses of Rs.30,242,000 previously recognised was reversed in profit and loss (note 34). The conditions remain favourable at June 30, 2022 and the recoverable amount exceeded the carrying value at that date.

(vii) The recoverable amount of the Golf course and infrastructure within the sports and hospitality segment, as at June 30, 2022 has been determined based on a value in use calculation using cash flow projections from cash flow forecasts approved by senior management covering a five-year period and additional specific project related non-recurring cash flows beyond the five-year period. The discount rate applied to cash flow projections was 10.32% and cash flows beyond the five-year period are extrapolated using a 3.5% growth rate. As a result of the assessment, an impairment of Rs.53,000,000 for Golf course and infrastructure has been charged in the current year against property, plant and equipment.

The impairment of Rs.3,083,000 for the year ended June 30, 2021, has been recorded on assets no longer in use by the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

(a) Right-of-use assets

(i) 2022

COST

At July 1, 2021	
Additions	
Effect of modification to lease terms	
Lease terminated	
At June 30, 2022	

DEPRECIATION

At July 1, 2021	
Charge for the year	
Lease terminated	
At June 30, 2022	

NET BOOK VALUES

At June 30, 2022

THE GROUP

Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	41,581	4,920	46,501
1,069	5,714	-	6,783
-	2,936	-	2,936
-	(1,735)	-	(1,735)
1,069	48,496	4,920	54,485
-	21,429	4,920	26,349
127	10,660	-	10,787
-	(1,037)	-	(1,037)
127	31,052	4,920	36,099
942	17,444	-	18,386

(ii) 2021

COST

At July 1, 2020	
Additions	
Effect of modification to lease terms	
Lease terminated	
At June 30, 2021	

DEPRECIATION

At July 1, 2020	
Charge for the year	
Lease terminated	
At June 30, 2021	

NET BOOK VALUES

At June 30, 2021

THE GROUP

Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
3,256	31,540	4,920	39,716
-	10,686	-	10,686
-	(645)	-	(645)
(3,256)	-	-	(3,256)
-	41,581	4,920	46,501
2,605	10,034	4,920	17,559
-	11,395	-	11,395
(2,605)	-	-	(2,605)
-	21,429	4,920	26,349
-	20,152	-	20,152

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets (cont'd)

(iii) 2022

COST

At July 1, 2021
Additions
Effect of modification to lease terms
Lease terminated
At June 30, 2022

DEPRECIATION

At July 1, 2021
Charge for the year
Lease terminated
At June 30, 2022

NET BOOK VALUES

At June 30, 2022

THE HOLDING COMPANY

Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
20,838	37,574	4,920	63,332
4,716	5,714	-	10,430
(1,760)	2,936	-	1,176
-	(1,735)	-	(1,735)
23,794	44,489	4,920	73,203
6,414	19,393	4,920	30,727
8,203	9,809	-	18,012
-	(1,037)	-	(1,037)
14,617	28,165	4,920	47,702
9,177	16,324	-	25,501

(iv) 2021

COST

At July 1, 2020
Additions
Effect of modification to lease terms
At June 30, 2021

DEPRECIATION

At July 1, 2020
Charge for the year
At June 30, 2021

NET BOOK VALUES

At June 30, 2021

THE HOLDING COMPANY

Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	27,533	4,920	32,453
20,838	10,686	-	31,524
-	(645)	-	(645)
20,838	37,574	4,920	63,332
-	8,935	4,920	13,855
6,414	10,458	-	16,872
6,414	19,393	4,920	30,727
14,424	18,181	-	32,605

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) Lease liabilities

(i) 2022

At July 1, 2021
 Additions
 Effect of modification to lease terms
 Interest expense
 Lease payments
 Lease terminated
At June 30, 2022
 Analysed as follows:
 Non-current
 Current

THE GROUP			
Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	20,475	616	21,091
1,069	5,714	-	6,783
-	2,936	-	2,936
61	946	-	1,007
(167)	(11,266)	(594)	(12,027)
-	(727)	-	(727)
963	18,078	22	19,063
879	11,153	-	12,032
84	6,925	22	7,031
963	18,078	22	19,063

(ii) 2021

At July 1, 2020
 Additions
 Effect of modification to lease terms
 Interest expense
 Lease payments
 Lease terminated
At June 30, 2021
 Analysed as follows:
 Non-current
 Current

THE GROUP			
Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
672	22,134	1,231	24,037
-	10,686	-	10,686
-	(554)	-	(554)
-	1,389	-	1,389
-	(13,180)	(615)	(13,795)
(672)	-	-	(672)
-	20,475	616	21,091
-	10,886	616	11,502
-	9,589	-	9,589
-	20,475	616	21,091

(iii) 2022

At July 1, 2021
 Additions
 Effect of modification to lease terms
 Interest expense
 Lease payments
 Lease terminated
At June 30, 2022
 Analysed as follows:
 Non-current
 Current

THE HOLDING COMPANY			
Land and buildings	Motor vehicles	Transport equipment	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
15,452	18,384	616	34,452
4,716	5,714	-	10,430
(1,760)	2,936	-	1,176
876	830	-	1,706
(9,001)	(10,287)	(594)	(19,882)
-	(727)	-	(727)
10,283	16,850	22	27,155
3,042	10,711	-	13,753
7,241	6,139	22	13,402
10,283	16,850	22	27,155

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) Lease liabilities (cont'd)

(iv) 2021

At July 1, 2020
 Additions
 Effect of modification to lease terms
 Interest expense
 Lease payments
At June 30, 2021

Analysed as follows:

Non-current
 Current

THE HOLDING COMPANY

	Land and buildings	Motor vehicles	Transport equipment	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2020	-	19,147	1,231	20,378
Additions	20,838	10,685	-	31,523
Effect of modification to lease terms	-	(554)	-	(554)
Interest expense	668	1,215	-	1,883
Lease payments	(6,054)	(12,109)	(615)	(18,778)
At June 30, 2021	15,452	18,384	616	34,452
Analysed as follows:				
Non-current	8,384	9,659	616	18,659
Current	7,068	8,725	-	15,793
	15,452	18,384	616	34,452

(c) Nature of leasing activities (in the capacity as lessee)

The Group leases motor vehicles and transport equipment. In the contract for services with distributors, the contract contain a lease of motor vehicles and transport equipment. Lease of motor vehicles and transport equipment comprise only fixed payments over the lease terms. The Group did not provide residual value guarantees in relation to leases. The Company leases office spaces from its subsidiaries. These spaces are thus recognised as right-of-use assets and lease liabilities by the Company.

(d) Extension and termination options

Extension and termination options are included in certain leases of motor vehicles across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(e) Lease term

For leases of motor vehicles, the factor the most relevant is the historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(f) Other information

Lease payments
 Interest expense (included in finance cost) (note 36)
 Expense relating to short-term leases
 (included in operating expenses) (note 30)
 Total cash outflows for leases

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease payments	11,020	12,406	18,176	16,895
Interest expense (included in finance cost) (note 36)	1,007	1,389	1,706	1,883
	12,027	13,795	19,882	18,778
Expense relating to short-term leases (included in operating expenses) (note 30)	7,492	4,258	7,492	4,258
Total cash outflows for leases	19,519	18,053	27,374	23,036

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

7. INVESTMENT PROPERTIES

VALUATION

At July 1,
Additions
Disposal
Increase in fair value
Transfer to property, plant and equipment (note 5 (a) & (b))
Transfer from property, plant and equipment (note 5 (a) & (b))
Transfer from land development inventories (note 13)
Transfer to assets classified as held-for-sale (note 18)
At June 30,

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
5,274,354	4,833,770	1,373,664	1,306,375
62,067	163,559	-	24,885
-	(18,900)	-	(18,900)
110,075	171,813	80,943	49,093
(3,088)	-	(3,088)	-
27,277	12,798	27,277	12,211
27,472	111,314	20,800	-
(19,393)	-	(19,393)	-
5,478,764	5,274,354	1,480,203	1,373,664

- (a) Details of the Group's investment properties measured at fair value and information about the fair value hierarchy as at June 30, 2022 are as follows:

-Land
-Shopping mall, business park, educational buildings and other buildings
-Total

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,292,115	1,143,828	1,137,275	1,031,028
4,186,649	4,130,526	342,928	342,636
5,478,764	5,274,354	1,480,203	1,373,664

As at June 30, 2022, the fair values of the investment properties are based on their market value, which is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

The land has been valued by Elevante Property Services Ltd, Independent Property Valuer, at their open market value at June 30, 2022.

The market value of the land was derived using the following approach:

- The Comparative Method of Valuation involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size;
- The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios which is capitalised at an appropriate rate of return to produce a capital value.

The buildings have been valued by Elevante Property Services Ltd, Independent Property Valuer at June 30, 2022, with the exception for certain buildings which were valued internally by management.

7. INVESTMENT PROPERTIES (CONT'D)

The methods of valuation used to value the buildings are firstly, the comparative method of valuation which involves the assessment of the retail floor space based on comparison of sales of office, retail and commercial spaces within the building or in close proximity to the property adjusted to reflect its characteristics, condition, floor and size and secondly, the income capitalisation method of valuation which involves the capitalisation of the rental income adjusted to take account of outgoings/taxes where applicable, at the estimated current rate of return expected from such properties. The most significant inputs into the valuation approach is price per square metre and rental income per square metre respectively.

The fair value of land is classified in level 3 of the fair value hierarchy as it has been valued using unobservable market data and the fair value of buildings is classified in level 3 of the fair value hierarchy as it has been valued by management using both costs and other valuation techniques.

There were no transfers between levels 1, 2 or 3 during the year.

Valuation techniques and key inputs

Valuation technique	Fair value		Inputs	Range	
	2022	2021		2022	2021
	Rs.'000	Rs.'000		Rs.'000	Rs.'000
Comparative method	1,193,601	1,143,826	Price per Arpent	313-143,150	647-8,000
Income capitalisation	4,285,163	4,130,528	Discount rate Yield	10.0%-12.6% 7.0%-8.6%	10.0%-12.0% 6.0%-9.0%

The table below shows the sensitivity of the properties to a reasonably possible change in the inputs. The sensitivity assumes that the changes in one input are in isolation to other inputs.

			EFFECT ON FAIR VALUE	
			2022	2021
			Rs.'000	Rs.'000
Price per Arpent	Change in inputs	+5%	56,700	54,910
		-5%	56,700	54,910
Discount rate		+0.50 bps	(88,059)	(96,883)
		-0.50 bps	125,784	159,700
Yield		+0.50 bps	(137,250)	(109,064)
		-0.50 bps	150,094	173,062

The movements in the opening balance and closing balance of the investment properties categorised in level 3 of the fair value hierarchy during the year are as follows:

THE GROUP

	2022	2021
	Level 3	Level 3
	Rs.'000	Rs.'000
At July 1,	5,274,354	4,833,770
Additions	62,067	163,559
Increase in fair value	110,075	171,813
Transfer to property, plant and equipment (note 5)	(3,088)	-
Transfer from property, plant and equipment (note 5)	27,277	12,798
Transfer from land development inventories (note 13)	27,472	111,314
Transfer to assets classified as held-for-sale (note 18)	(19,393)	-
Disposal	-	(18,900)
At June 30,	5,478,764	5,274,354

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

7. INVESTMENT PROPERTIES (CONT'D)

THE HOLDING COMPANY

	2022	2021
	Level 3	Level 3
	Rs.'000	Rs.'000
At July 1,	1,373,664	1,306,375
Additions	-	24,885
Increase in fair value	80,943	49,093
Transfer to property, plant and equipment (note 5)	(3,088)	-
Transfer from property, plant and equipment (note 5)	27,277	12,211
Transfer from land development inventories (note 13)	20,800	-
Transfer to assets classified as held-for-sale (note 18)	(19,393)	-
Disposal	-	(18,900)
At June 30,	1,480,203	1,373,664

- (b) Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.
- (c) Rental income from the investment properties amounted to Rs.335,072,000 (2021: Rs.284,780,000) for the Group and Rs.58,853,000 (2021: Rs.55,673,000) for the Company (note 28(a)). Direct operating expenses in respect of investment properties amounted to Rs.136,761,000 (2021: Rs.181,139,788) for the Group and Rs.24,552,924 (2021: Rs.35,167,071) for the Company. All the operating expenses arise on investment properties generating rental income.
- (d) The carrying amount of investment properties pledged as security for borrowings were Rs.4,681,574,000 (2021: Rs.5,030,667,000) for the Group and Rs.1,480,203,000 (2021: Rs. 1,373,664,000) for the Company.

8. INTANGIBLE ASSETS

(a) THE GROUP

COST

	Computer software
	Rs.'000
At July 1, 2021	25,442
Additions	371
Assets scrapped	(490)
Transfer to property, plant and equipment (note 5)	(46)
At June 30, 2022	25,277

AMORTISATION

At July 1, 2021	17,284
Charge for the year	6,266
Assets scrapped	(307)
Transfer to property, plant and equipment (note 5)	(1)
At June 30, 2022	23,242

NET BOOK VALUE

At June 30, 2022	2,035
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8. INTANGIBLE ASSETS (CONT'D)

(a) THE GROUP

COST

At July 1, 2020
Additions
Assets scrapped
Transfer
Transfer to land development inventory (note 13)
At June 30, 2021

AMORTISATION

At July 1, 2020
Charge for the year
Assets scrapped
At June 30, 2021

NET BOOK VALUE

At June 30, 2021

(b) THE HOLDING COMPANY

COST

At July 1, 2021

Additions
Transfer to property, plant and equipment (note 5)
At June 30, 2022

AMORTISATION

At July 1, 2021
Charge for the year
Transfer to property, plant and equipment (note 5)
At June 30, 2022

NET BOOK VALUE

At June 30, 2022

2021			
Land conversion rights	Computer software	Work-in-progress	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
156,136	23,116	7,298	186,550
147,197	1,268	-	148,465
-	(6,240)	-	(6,240)
-	7,298	(7,298)	-
(303,333)	-	-	(303,333)
-	25,442	-	25,442
-	17,230	-	17,230
-	6,067	-	6,067
-	(6,013)	-	(6,013)
-	17,284	-	17,284
-	8,158	-	8,158

2022

Computer software

Rs.'000

11,612

371

(46)

11,937

4,149

5,784

(1)

9,932

2,005

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS (CONT'D)

(b) THE HOLDING COMPANY

COST

At July 1, 2020
Additions
Disposals
Assets scrapped
Transfer
Transfer to land development
inventory (note 13)

At June 30, 2021

AMORTISATION

At July 1, 2020
Charge for the year

At June 30, 2021

NET BOOK VALUE

At June 30, 2021

2021			
Land conversion rights	Computer software	Work-in- progress	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
156,136	3,274	7,298	166,708
147,197	1,268	-	148,465
(147,730)	-	-	(147,730)
-	(228)	-	(228)
-	7,298	(7,298)	-
(155,603)	-	-	(155,603)
-	11,612	-	11,612
-	661	-	661
-	3,488	-	3,488
-	4,149	-	4,149
-	7,463	-	7,463

- (c) The computer software are acquired and not internally generated. Amortisation charge has been charged in operating expenses.
(d) All the intangible assets have been pledged as security for borrowings.

9. INVESTMENTS IN SUBSIDIARIES

Unquoted

At July 1,
Additions (note (a))
Impairment losses (note 34)

At June 30,

THE HOLDING COMPANY

2022	2021
Rs.'000	Rs.'000
6,420,400	5,951,757
65,246	547,185
(72,122)	(78,542)
6,413,524	6,420,400

- (a) Additional investments made in existing subsidiaries were as follows:

Uniciti Ltd
Uniciti Education Hub Ltd

THE HOLDING COMPANY

2022	2021
Rs.'000	Rs.'000
-	547,185
65,246	-
65,246	547,185

During the year 2022, the Company invested an amount of Rs.65,246,000 in Uniciti Education Hub Limited. In 2021, the Company invested an amount of Rs.547,185,000 in Uniciti Ltd. These investments were non cash as intercompany receivables were converted into investments.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) The impairment assessment of each cash generating unit is based mainly on the projected discounted future cash flows and also takes into account the difficult economic environment.

COVID-19 has caused disruption in the Group's operations and consequently the Company performed an impairment assessment on all of its investments in its subsidiaries. The impairment losses recorded on investment in subsidiaries comprise:

	2022	2021
	Rs.'000	Rs.'000
Concorde Tourist Guide Agency Limited	-	23,645
Forestia Estate Ltd	1,661	10,884
Le Cabinet Ltd	13,956	-
Pierrefonds Estate Company Limited	-	44,013
Tamarina Golf Club Limited	15,529	-
Uniciti Education Hub Ltd	40,976	-
	72,122	78,542

2022

Management has used the net asset value as recoverable amount for Forestia Estate Ltd as its main underlying assets are investment properties which are carried at fair value classified under the level 3 of the fair value hierarchy. The fair value of the underlying investment properties has been determined using market comparables for similar properties.

The impairment for Le Cabinet Ltd and Uniciti Education Hub Ltd has been based on the net assets of the relevant subsidiaries. Le Cabinet Ltd is a dormant company. The assets of Uniciti Education Hub Ltd is representative of the recoverable amount.

The recoverable amount of the Golf course and infrastructure within the sports and hospitality segment, as at June 30, 2022 has been determined based on a value in use calculation using cash flow projections from cash flow forecasts approved by senior management covering a five-year period and additional specific project related non-recurring cash flows beyond the five-year period. The discount rate applied to cash flow projections was 10.32% and cash flows beyond the five-year period are extrapolated using a 3.5% growth rate. As a result of the assessment, an impairment of Rs.15,529,000 has been charged in the current year.

2021

The Company impaired its investment in Concorde Tourist Guide Agency Limited as the latter ceased its operations during the year. Management has used the net asset value as recoverable amount for Forestia Estate Ltd and Pierrefonds Estate Company Limited, both under the property segment as the main underlying assets are investment properties which are carried at fair value classified under the level 3 of the fair value hierarchy. The fair value the Forestia Estate Ltd has been determined using comparables. The fair value of Pierrefonds Estate Company Limited has been determined using comparables for the land it holds and the income approach with a yield of 8.0% for its building. The principal assumptions, including the discounts rates used in the fair value of the investment properties, are disclosed in note 7.

The carrying amount of investment held in Concorde Tourist Guide Agency Limited has been impaired to its recoverable amount determined as the net asset value of the subsidiary.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of the subsidiaries and the % shareholding are as follows:

Name of Company	Main business	Place of business	Stated Capital Rs.'000	Cost of investment Rs.'000	Proportion of ownership interest						Proportion of ownership interests held by non-controlling interests	
					2022		2021		2022		2021	
Cascavelle Shopping Mall Limited	Rental of commercial buildings	Cascavelle	485,800	465,916	100%	Direct	100%	Direct	-	-	-	-
Casela Limited	Casela nature and leisure park	Cascavelle	1,061,025	1,061,025	100%	Direct	100%	Direct	-	-	-	-
Clarens Fields Ltd	Rental of office buildings	Cascavelle	127,500	127,500	100%	Direct	100%	Direct	-	-	-	-
Concorde Tourist Guide Agency Limited	Travel and tourism services	Cascavelle	7,766	137,078	50.2%	Direct	50.2%	Direct	49.8%	49.8%	-	-
Forestia Estate Ltd	Real estate activity	Tamarin	64,525	64,525	100%	Direct	100%	Direct	-	-	-	-
Le Cabinet Ltd	Hunting services	Bambous	2,076	18,000	100%	Direct	100%	Direct	-	-	-	-
Pierrefonds Estates Company Limited	Land promoter and property developer	Bambous	213,025	213,025	100%	Direct	100%	Direct	-	-	-	-
Societe Reufac	Loading zone	Bambous	3,000	2,160	72%	Direct	72%	Direct	28%	28%	-	-
Tamarina Beach Club Hotel Limited	Hotel resort	Tamarin	7,491	7,491	100%	Direct	100%	Direct	-	-	-	-
Tamarina Golf Club Limited	Golf course services	Tamarin	15,529	15,529	100%	Direct	100%	Direct	-	-	-	-
Tamarina Golf Estate Company Limited	Construction of luxury villas for sale	Tamarin	35,700	35,700	100%	Direct	100%	Direct	-	-	-	-
Tamarina Leisure Properties Ltd	Real estate activity	Bambous	211,591	166,951	100%	Direct	100%	Direct	-	-	-	-
The Medine Sugar Milling Company Limited	Sugar millers	Bambous	200,000	160,000	100%	Direct	100%	Direct	-	-	-	-
Uniciti Commercial Properties Ltd	Real estate activity	Cascavelle	36,025	36,025	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Education Hub Ltd	Training and educational services	Pierrefonds	69,246	69,246	100%	Direct	100%	Direct	-	-	-	-
Uniciti Education Properties Ltd	Rental of educational properties	Cascavelle	451,025	451,025	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Eduhousing Ltd	Rental of residential properties	Cascavelle	374,025	374,025	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Ltd	Land promoter and property developer	Cascavelle	4,462,206	4,462,206	100%	Direct	100%	Direct	-	-	-	-
Uniciti Management Services Co Ltd	Management Consultancy Services	Dormant	25	25	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Office Park Ltd	Real estate activity	Cascavelle	359,525	359,525	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Residential Properties Ltd	Rental of residential properties	Cascavelle	25	25	100%	Indirect	100%	Indirect	-	-	-	-
Uniciti Sports and Cultural Properties Ltd	Restaurant, sports club and recreation	Cascavelle	180,025	180,025	100%	Indirect	100%	Indirect	-	-	-	-

Ordinary shares are held in the above subsidiaries. The Group holds 72% of the capital account of Societe Reufac.

All the above subsidiaries are incorporated in Mauritius and their year end is June 30.

Distributions by the subsidiaries are subject to the solvency and other requirements of the Companies Act 2001.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Subsidiaries with material non-controlling interests

Detail of subsidiaries that have non-controlling interests that are material to the Company:

Name of Company	Profit/(loss) allocated to non-controlling interests during the period	Accumulated non- controlling interests
	Rs.'000	Rs.'000
2022		
Concorde Tourist Guide Agency Limited	2,627	51,454
2021		
Concorde Tourist Guide Agency Limited	(25,267)	41,762

(e) Summarised financial information on subsidiaries with material non-controlling interests.

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

Name of Company	Current assets	Non- current assets	Current liabilities	Non- current liabilities	Revenue	Profit/ (loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non- controlling interests
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022									
Concorde Tourist Guide Agency Limited	106,168	-	(2,847)	-	507	5,275	-	5,275	-
2021									
Concorde Tourist Guide Agency Limited	134,561	-	(35,813)	-	6,143	(50,736)	4,377	(46,359)	-

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9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)
(ii) Summarised cash flow information

Name of Company	Operating activities	Investing activities	Financing activities	Net decrease in cash and cash equivalents
2022	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Concorde Tourist Guide Agency Limited	(28,302)	132	23,519	(4,651)
2021				
Concorde Tourist Guide Agency Limited	(80,746)	70,330	-	(10,416)

The summarised financial information above is the amount before intra-group eliminations.

10. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(a) At July 1,	152,144	145,189	105,910	105,910
Share of profit net of tax	18,049	6,955	-	-
At June 30,	170,193	152,144	105,910	105,910

- (b) The associates are as follows:

Name of Company	Nature of business	Place of business	Class of shares held	Ownership interest and voting power	
				2022	2021
Akuo Austral (Mauritius) Limited	Solar power	Henrietta	Ordinary shares	49% Direct	49% Direct
Akuo Energy Solution (Mauritius) Ltd	Solar power	Henrietta	Ordinary shares	50% Direct	50% Direct
Broll Property and Facility Management Limited	Property Management Services	Cascavelle	Ordinary shares	50% Direct	50% Direct
MCB Institute of Finance Ltd	Training	Pierrefonds	Ordinary shares	20% Indirect	20% Indirect
Middlesex International (Mauritius) Ltd	Education	Ebene	Ordinary shares	49% Direct	49% Direct
Safari Adventures Limited	Leisure activities	Cascavelle	Ordinary shares	40% Indirect	40% Indirect

All of the above associates are accounted using the equity method and there are no quoted market price for their shares.

The accounts of the associates used in the equity accounting have been drawn for the year ended June 30, 2022.

Distributions by the associates are subject to the solvency and other requirements of the Companies Act 2001.

10. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) Summarised financial information in respect of each of the material associates is set out below.

Name	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Profit/(loss) for the year	Other Comprehensive income	Total Comprehensive income	Dividends received during the year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022									
Akuo Austral (Mauritius) Limited	228,028	10	(8,741)	(221,736)	-	1,441	-	1,441	-
Akuo Energy Solution (Mauritius) Ltd	2,903	-	(464)	-	-	(272)	-	(272)	-
Broll Property and Facility Management Limited	58	59	(779)	-	862	(69)	-	(69)	-
MCB Institute of Finance Ltd	5,526	1,541	(6,816)	-	4,733	(4,198)	-	(4,198)	-
Middlesex International (Mauritius) Ltd	190,047	6,082	(108,057)	-	292,657	38,245	-	38,245	-
Safari Adventures Limited	26,671	27,604	(8,503)	(27,128)	37,997	497	-	497	-
2021									
Akuo Austral (Mauritius) Limited	223,368	10	(25,404)	(201,854)	13,353	7,092	-	7,092	-
Akuo Energy Solution (Mauritius) Ltd	3,517	-	(806)	-	-	5,721	-	5,721	-
Broll Property and Facility Management Limited	6,530	103	(7,226)	-	19,659	(9,534)	-	(9,534)	-
MCB Institute of Finance Ltd	8,183	1,803	(5,537)	-	4,624	(5,939)	-	(5,939)	-
Middlesex International (Mauritius) Ltd	170,547	2,856	(123,576)	-	252,549	28,725	-	28,725	-
Safari Adventures Limited	16,086	14,287	(2,670)	(9,556)	7,056	(14,831)	-	(14,831)	-

The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRS.

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10. INVESTMENTS IN ASSOCIATES (CONT'D)

(d) Reconciliation of the summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets at July 1, Rs.'000	Total comprehensive income Rs.'000	Dividend for the year Rs.'000	Closing net assets at June 30, Rs.'000	Ownership interest %	Interest in associates Rs.'000	Goodwill and other adjustments Rs.'000	Carrying value Rs.'000
2022								
Akuo Austral (Mauritius) Limited	(3,880)	1,441	-	(2,439)	49%	(1,195)	1,195	-
Akuo Energy Solution (Mauritius) Ltd	2,711	(272)	-	2,439	50%	1,220	(1,220)	-
Broll Property and Facility Management Limited	(593)	(69)	-	(662)	50%	(331)	331	-
MCB Institute of Finance Ltd	4,449	(4,198)	-	251	20%	50	(50)	-
Middlesex International (JSS) Mauritius Ltd	49,827	38,245	-	88,072	49%	43,155	102,109	145,264
Safari Adventures Limited	18,147	497	-	18,644	40%	7,458	17,471	24,929
Total	70,661	35,644	-	106,305		50,357	119,836	170,193
2021								
Akuo Austral (Mauritius) Limited	(10,972)	7,092	-	(3,880)	49%	(1,901)	1,901	-
Akuo Energy Solution (Mauritius) Ltd	(3,010)	5,721	-	2,711	50%	1,356	(1,356)	-
Broll Property and Facility Management Limited	8,941	(9,534)	-	(593)	50%	(297)	297	-
MCB Institute of Finance Ltd	10,388	(5,939)	-	4,449	20%	890	-	890
Middlesex International (JSS) Mauritius Ltd	21,102	28,725	-	49,827	49%	24,415	102,109	126,524
Safari Adventures Limited	32,978	(14,831)	-	18,147	40%	7,259	17,471	24,730
Total	59,427	11,234	-	70,661		31,722	120,422	152,144

The other adjustments relate to impairment recognised on the associates and the unrecognised share of losses. The share of unrecognised losses for the year ended June 30, 2022, was Rs.341,000 (2021: Rs.4,767,000) and the cumulative share of unrecognised losses at June 30, 2022, was Rs.1,526,000 (2021: Rs.2,198,000)

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	323,512	137,076	323,512	123,576
(Decrease)/increase in fair value (note 39)	(25,619)	199,936	(25,619)	199,936
Disposal	(7,884)	-	(7,884)	-
Transfer to assets classified as held-for-sale (note 18(b))	-	(13,500)	-	-
At June 30,	290,009	323,512	290,009	323,512

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

	Country of Incorporation	THE GROUP		THE HOLDING COMPANY	
		2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Quoted:					
Equity securities	Mauritius	283,556	317,059	283,556	317,059
Unquoted:					
Equity securities	Mauritius	6,453	6,453	6,453	6,453
		290,009	323,512	290,009	323,512

(c) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group 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.

(d) The fair value of quoted securities is based on published market prices.

The quoted securities include the following:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Constance Hotel Services Ltd	952	952	952	952
C-Care (Mauritius) Ltd	216,540	255,060	216,540	255,060
Mauritius Freeport Development Co Ltd	46,000	40,158	46,000	40,158
The United Basalt Products Ltd	20,016	20,844	20,016	20,844
State Bank of Mauritius	48	45	48	45
	283,556	317,059	283,556	317,059

(e) The unquoted securities include the following:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
West Coast Secondary School	1,914	1,914	1,914	1,914
Other unquoted equity investments	4,539	4,539	4,539	4,539
	6,453	6,453	6,453	6,453

The directors are of opinion that the cost of the unquoted securities represent their fair value since these represent the price that the Group will obtain on disposal of these securities.

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11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(f) All fair value through other comprehensive income financial assets are denominated in Rupee.

(g) Investment in Fondation Medine Horizons

Details of the investment are as follows:

	Country of Incorporation	Class of shares held	Stated Capital Rs'000	Nominal value of investment Rs'000	% Holding 2022 & 2021
Fondation Medine Horizons	Mauritius	Ordinary	25	25	100%

Though Medine Limited holds 100% of the share capital of Fondation Medine Horizons, Fondation Medine Horizons is not considered as a subsidiary of Medine Limited, as no portion of the income, property and funds of Fondation Medine Horizons shall be paid or transferred to Medine Limited. Thus it is concluded that the Group does not control Fondation Medine Horizons as it is not exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(h) Fair value hierarchy

THE GROUP

2022

Quoted securities
Unquoted securities

Quoted prices in active markets (Level 1)	Significant unobservable inputs (Level 3)	Total
Rs'000	Rs'000	Rs'000
283,556	-	283,556
-	6,453	6,453
283,556	6,453	290,009
317,059	-	317,059
-	6,453	6,453
317,059	6,453	323,512

THE HOLDING COMPANY

2022

Quoted securities
Unquoted securities

283,556	-	283,556
-	6,453	6,453
283,556	6,453	290,009
317,059	-	317,059
-	6,453	6,453
317,059	6,453	323,512

2021

Quoted securities
Unquoted securities

The movement in the opening balance and closing balance of the financial assets measured at fair value through other comprehensive income categorised within level 3 of the fair value hierarchy are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Level 3				
At July 1,	6,453	19,953	6,453	6,453
Transfer to assets classified as held-for-sale (note 18(b))	-	(13,500)	-	-
At June 30,	6,453	6,453	6,453	6,453

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

- (i) Dividend received from investments classified as financial assets at fair value through other comprehensive income for the year ended June 30, 2022 amounted to Rs.5,723,663 (2021: Rs.8,173,000) for both the Group and the Company. These dividend were received from investments which were held at year end.

12. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non-current				
Receivable from subsidiaries	-	-	187,500	187,500
Current				
Staff and workers loan receivables	221	604	221	603
Receivable from subsidiaries	-	-	2,255,394	1,381,368
Receivable from associates	117,515	112,441	112,495	112,308
	117,736	113,045	2,368,110	1,494,279
Less: Loss allowance for amount receivable from fellow subsidiaries (see note (b))	-	-	(237,534)	(288,243)
	117,736	113,045	2,130,576	1,206,036
Total other financial assets at amortised cost	117,736	113,045	2,318,076	1,393,536

- (a) Staff and workers loan receivables are interest free and are deductible against their respective monthly salaries.
- (b) The analysis of the gross amount and the expected credit loss is as follows:

	Stage 2		Stage 3	
	Gross Amount	Expected Credit Loss	Gross Amount	Credit Loss
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2020	1,834,162	-	288,243	(288,243)
Addition during the year	-	-	33,226	-
Repaid during the year	(99,827)	-	-	-
Transfer to investment in subsidiaries	(374,025)	-	-	-
At June 30, 2021	1,360,310	-	321,469	(288,243)
Addition during the year	934,787	-	4,290	-
Transfer to investment in subsidiaries (note 9)	(65,246)	-	-	-
Reversal of loss allowance (note 34)	-	-	-	50,709
At June 30, 2022	2,229,851	-	325,759	(237,534)

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YEAR ENDED JUNE 30, 2022

12. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

- (c) Financial assets at amortised cost relates mostly to loans and receivables from subsidiaries and associates. The Company does not have an internal system to grade the loans but instead bases its credit risk on an analysis of performance cashflows and financial position as well as the ageing of the amount due from debtor. On that basis, the Company classifies those receivables between those that have not suffered any significant increase in credit risk since origination (stage 1), those for which there has been significant increase in credit risk since origination (stage 2) and those that are credit impaired (stage 3).
- (d) During the year 2021, the Company gave additional loans to its subsidiaries of Rs. 53,995,000 for which the fair value was determined to be Rs. 33,226,000 resulting in the recognition of a day-1 loss of Rs 20,769,000.
- (e) Due to the short term nature of the above receivable, their carrying amount are considered to be the same as their fair value.
- (f) The carrying amounts of the other financial assets at amortised cost are denominated in Mauritian Rupees. As a results, there is no exposure to foreign exchange risk.

13. LAND DEVELOPMENT INVENTORIES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	3,554,374	2,015,280	2,657,412	1,850,917
Expenditure for the year	831,430	218,328	675,451	154,137
Release during the year	(111,132)	(53,455)	(67,991)	(53,455)
Expenditure written off (note 13(a) & 34)	(11,149)	(1,115)	(11,149)	(1,115)
Transfer from property, plant and equipment (note 5)	758,811	1,183,317	738,649	551,325
Transfer to property, plant and equipment (note 5)	(208)	-	(208)	-
Transfer to investment properties (note 7)	(27,472)	(111,314)	(20,800)	-
Transfer from intangible assets (note 8)	-	303,333	-	155,603
Transfer from assets classified as held-for-sale (note 18)	9,350	-	9,350	-
At June 30,	5,004,004	3,554,374	3,980,714	2,657,412
Analysed as follows:				
Non-current portion	2,774,018	2,323,386	2,398,546	1,426,424
Current portion	2,229,986	1,230,988	1,582,168	1,230,988
	5,004,004	3,554,374	3,980,714	2,657,412

- (a) Costs previously capitalised in inventories have been written off for projects which the Group has decided to discontinue.
- (b) Borrowing costs of Rs.689,589 (2021: Rs.2,044,000) arising on the financing of the development costs have been capitalised and have been included in 'Expenditure for the year'. This represents a capitalisation rate of 5.65% (2021: 3.10% - 4.87%) for the borrowing cost of the loan used to finance land development projects.

14. BIOLOGICAL ASSETS

Consumable biological assets

Standing sugar cane crop

Other crops and plants

THE GROUP AND THE HOLDING COMPANY

2022	2021
Rs.'000	Rs.'000
328,606	245,234
33,973	23,240
362,579	268,474

Standing sugar cane crop arise on the growing of sugar cane for sugar production. Other crops and plants consist of vegetable and plant grown for sale.

- (a) The movements in biological assets are as follows:

2022

- (i) At July 1, 2021

Change in carrying amount due to:

-harvest and sales

-biological transformation

Increase in fair value less costs to sell

THE GROUP AND THE HOLDING COMPANY

Standing sugar cane crop	Other crops and plants	Total
Rs.'000	Rs.'000	Rs.'000
245,234	23,240	268,474

(245,234) (16,764) (261,998)

328,606 27,497 356,103

83,372 10,733 94,105

At June 30, 2022

328,606 33,973 362,579

- (ii) At July 1, 2020

Change in carrying amount due to:

-harvest and sales

-biological transformation

Increase in fair value less costs to sell

(113,642) (2,320) (115,962)

245,234 6,635 251,869

131,592 4,315 135,907

At June 30, 2021

245,234 23,240 268,474

- (b)

Number of hectares of sugar cane plantations at year end

Tonnage of sugar cane harvested

THE GROUP AND THE HOLDING COMPANY

2022	2021
3,284	3,418
255,113	223,726

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14. BIOLOGICAL ASSETS (CONT'D)

(c) Principal assumptions used are:

Expected price of sugar (ton)
Discount rate
Expected extraction rate (% sugar produced to sugar cane crushed)
Expected sugar cane yield (ton of sugar cane harvested per hectare)

THE GROUP AND THE HOLDING COMPANY	
2022	2021
Rs.20,000	Rs.14,750
7.00%	5.90%
10.75%	10.75%
77.68	74.60

Biological assets with carrying amount of Rs.362,579,000 (2021: Rs.268,474,000) have been pledged as security for borrowings.

(d) Details of the Group's biological assets measured at fair value and information about the fair value hierarchy are as follows:

	2022	2021
	Level 3	Level 3
	Rs.'000	Rs.'000
Standing sugar cane crop	328,606	245,234
Other crops and plants	33,973	23,240
Total	362,579	268,474

The fair value measurements have been categorised as Level 3 fair values based on unobservable inputs used in the valuation techniques.

At June 30, 2022, the most significant unobservable inputs used for the valuation are as follows:

Standing sugar cane crop

Valuation technique - Discounted Cash flow

Key unobservable input	Unobservable inputs			Effect on fair value	
	2022	2021	Sensitivity	2022	2021
				Rs.'000	Rs.'000
Sugar cane yield - tons of sugar					
cane harvested per hectare	77.68 tons	74.60 tons	+5%	25,874	20,636
Extraction rate - % sugar produced to sugar cane crushed	10.75%	10.75%	+0.25%	11,233	942
Price of sugar per ton	Rs.20,000	Rs.14,750	+5%	20,731	15,394
Discount rate	7.0%	5.9%	+1%	(1,603)	(119)

(e) The Group is exposed to the following risks relating to its sugar cane plantations:

- (i) Adverse climatic conditions such as droughts, floods and disease outbreaks as the sugar cane plantations are mainly located in the western region of the island.
- (ii) Fluctuation in the price of sugar, the movement in exchange rate and fluctuation in the volume of sugar produced and sold. The Group has short-term contract in place for supply of sugar to its major customer.

14. BIOLOGICAL ASSETS (CONT'D)

- (e) The Group is exposed to the following risks relating to its sugar cane plantations: (cont'd)
- (iii) The seasonal nature of the sugar cane growing business requires a high level of cash flow during the inter crop season. The Group actively manages the working capital requirements and has secured sufficient credit facilities sufficient to meet the cash flow requirements.

15. INVENTORIES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Spare parts (realisable value)	460	64	460	64
Fertilizers and herbicides (cost)	11,302	4,724	11,302	4,724
General goods and consumables (cost)	31,382	20,157	14,627	4,826
Others (realisable value)	1,685	1,570	830	830
	44,829	26,515	27,219	10,444

- (a) Carrying amount of inventories pledged as security for borrowings were Rs.32,739,000 (2021: Rs.16,128,000) for the Group and Rs.27,218,996 (2021: Rs.10,444,000) for the Company.
- (b) The cost of inventories recognised as expense and included in operating expenses amounted to Rs.62,273,737 (2021: Rs.33,590,750) for the Group and Rs.25,671,679 (2021: Rs.17,923,863) for the Company.
- (c) Inventories are stated at the lower of cost and net realisable value as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At cost	51,211	35,100	33,513	19,029
Provision for inventory write-down	(6,382)	(8,585)	(6,294)	(8,585)
At net realisable value	44,829	26,515	27,219	10,444

Reversal of inventory write-down amounted to Rs.2,203,000 (2021: nil) for the Group and Rs.2,291,000 (2021: nil) for the Company.

16. TRADE RECEIVABLES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade receivables				
- Sugar, bagasse and molasses	65,973	73,248	65,973	73,248
- Others*	341,168	308,652	238,512	236,765
	407,141	381,900	304,485	310,013
Allowance for expected credit losses	(21,289)	(34,016)	(9,822)	(10,919)
Trade receivables - net	385,852	347,884	294,663	299,094

* Others relate to trade receivables of the Group other than sugar, bagasse and molasses.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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16. TRADE RECEIVABLES (CONT'D)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2022 (2021: 36 months) respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group determined that forward looking information such as GDP or inflation rate does not cause a significant fluctuation of its expected loss rate. In 2021, the Group had considered GDP of the country as forward looking information included in its loss rate. Sugar and molasses are receivable from the Mauritius Sugar Syndicate and ECL is deemed to be insignificant. Where the trade and other receivables are secured through deposits or bank guarantees received, the ECL is deemed to be insignificant. The increases in the loss rate are reflective of the history of defaults in certain sectors.

(a) Expected credit losses of trade receivables

On that basis, the loss allowance as at June 30, 2022 and June 30, 2021 was determined as follows for trade receivables.

THE GROUP

2022

Gross carrying amount

- Trade receivables (others)

- Less: individually assessed

- Less: credit impaired

Expected loss rate

Loss allowance

	Current	Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross carrying amount	287,050	15,299	12,021	26,798	341,168
- Trade receivables (others)	(192,000)	-	-	-	(192,000)
- Less: individually assessed	(1,832)	(627)	(510)	(10,325)	(13,294)
- Less: credit impaired	93,218	14,672	11,511	16,473	135,874
Expected loss rate	0.33%	1.01%	0.50%	45.45%	
Loss allowance	303	148	57	7,487	7,995

2021

Gross carrying amount

- Trade receivables (others)

- Less: individually assessed

- Less: credit impaired

Expected loss rate

Loss allowance

	Current	Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross carrying amount	183,016	17,782	30,126	77,728	308,652
- Trade receivables (others)	(140,000)	-	-	-	(140,000)
- Less: individually assessed	(1,230)	(365)	(784)	(26,283)	(28,662)
- Less: credit impaired	41,786	17,417	29,342	51,445	139,990
Expected loss rate	0.12%	0.35%	0.69%	9.80%	
Loss allowance	49	61	203	5,041	5,354

16. TRADE RECEIVABLES (CONT'D)

(a) *Expected credit losses of trade receivables (cont'd)*

THE HOLDING COMPANY

2022

Gross carrying amount

- Trade receivables (others)

- Less individually assessed

- Less: credit impaired

Expected loss rate

Loss allowance

	Current	Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	213,007	8,440	6,716	10,349	238,512
	(192,000)	-	-	-	(192,000)
	-	-	-	(3,396)	(3,396)
	21,007	8,440	6,716	6,953	43,116
	1.00%	1.64%	0.40%	87.03%	
	210	138	27	6,051	6,426

2021

Gross carrying amount

- Trade receivables (others)

- Less individually assessed

- Less: credit impaired

Expected loss rate

Loss allowance

	206,562	10,146	5,387	14,670	236,765
	(140,000)	-	-	-	(140,000)
	(291)	(203)	(253)	(9,442)	(10,189)
	66,271	9,943	5,134	5,228	86,576
	0.01%	0.20%	2.63%	12.60%	
	9	20	135	566	730

(b) The closing loss allowances for trade receivables as at June 30, 2022 reconcile to the opening loss allowances as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	34,016	26,587	10,919	4,721
Loss allowance recognised in profit or loss during the year (note 35)	(12,137)	8,589	(1,097)	6,305
Receivables written off during the year as uncollectible	(590)	(1,160)	-	(107)
At June 30,	21,289	34,016	9,822	10,919
Analysed as follows:				
Loss allowance for specific trade receivables	13,294	28,662	3,396	10,189
Allowance for expected credit losses	7,995	5,354	6,426	730
	21,289	34,016	9,822	10,919

(c) The carrying amounts of the Group's trade receivables are denominated in Rupee.

(d) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above except for the deposits and bank guarantees received from tenants covering rental charges for one to three months. The Group has no other collateral as security.

(e) The value of the trade receivables approximate their carrying amount.

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17. OTHER CURRENT ASSETS

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Prepayments	58,879	43,396	43,011	26,807
VAT receivables	17,500	16,457	-	-
Tax deducted at source	19,006	18,214	2,280	2,906
Other receivables*	137,062	70,904	43,150	48,041
	232,447	148,971	88,441	77,754

*Other receivables include undeposited funds, receivables for expenses paid on behalf and commission receivable.

18. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

During the year ended June 30, 2021, Concorde Tourist Guide Agency Limited, operating in the sports and hospitality segment, closed down its operations as it was impacted heavily by the COVID-19 pandemic, meeting the criteria for classification as discontinued operations. The Group is committed to complete the distribution within the next financial year.

The Medine Sugar Milling Company Limited continued to be classified as held for sale since the Group remains committed to its plan to sell and delays caused by circumstances beyond were the Group's control. During the year ended June 30, 2022, the Group entered into an agreement with a third party for the sale of the plant and equipment for USD 2.4 million payable in four equal instalments. 25% of the proceeds were received prior and another 25% of the proceeds were received subsequent to the reporting date. Control and ownership of the plant and equipment shall pass on the buyer upon the settlement of the final settlement. A reversal of impairment of Rs.30,000,000 was recognised during the year ended June 30, 2022.

Land with carrying value of Rs.321,478,000 meeting the definition of held-for-sale were transferred from property, plant and equipment. On the other hand, land previously classified as held-for-sale amounting to Rs.71,117,000 no longer met the definition of held-for-sale and was transferred back to property, plant and equipment. Refer to note (d) for the movement in the land classified as held-for-sale.

(a) The assets and liabilities classified as held for sale are as follows:

		2022			
(i) THE GROUP	Assets	Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Medine Limited	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Property, plant and equipment	-	100,000	490,035	590,035
	Financial assets at fair value through other comprehensive income	13,500	-	-	13,500
	Inventories	-	-	-	-
	Trade receivables	96	9	-	105
	Other financial assets at amortised cost	7	444	-	451
	Other current assets	4,137	1,032	-	5,169
	Cash and cash equivalents	796	118	-	914
		18,536	101,603	490,035	610,174

18. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONT'D)

(a) The assets and liabilities classified as held for sale are as follows: (cont'd)

		2022			
(i)	THE GROUP	Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Medine Limited	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Liabilities				
	Bank overdraft	-	151	-	151
	Retirement benefit obligations	-	7,672	-	7,672
	Trade and other payables	2,847	28,747	-	31,594
		2,847	36,570	-	39,417
	Net assets	15,689	65,033	490,035	570,757
		2021			
(ii)	THE GROUP	Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Medine Limited	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Assets				
	Property, plant and equipment	1,003	70,000	237,349	308,352
	Financial assets at fair value through other comprehensive income	13,500	-	-	13,500
	Inventories	-	697	-	697
	Trade receivables	233	19	-	252
	Other current assets	2,006	879	-	2,885
	Cash and cash equivalents	5,447	874	-	6,321
		22,189	72,469	237,349	332,007
	Liabilities				
	Retirement benefit obligations	24,568	8,907	-	33,475
	Trade and other payables	9,907	1,008	-	10,915
		34,475	9,915	-	44,390
	Net (liabilities)/assets	(12,286)	62,554	237,349	287,617

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18. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONT'D)

(b) The results for the assets under discontinued operations and in the process of being disposed are disclosed below. The comparative figures have been re-presented in accordance with IFRS 5 paragraph 36.

THE GROUP

Revenue
Other income
Operating expenses
EBITDA
Reversal of impairment of property, plant and equipment
Impairment of inventories
Expected credit losses
Finance cost
Profit for the year from discontinued operations
Other comprehensive income:
Remeasurement of retirement benefit obligations
Total comprehensive income

2022		
Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Total
Rs.'000	Rs.'000	Rs.'000
507	-	507
6,013	652	6,665
6,520	652	7,172
(963)	(1,067)	(2,030)
5,557	(415)	5,142
-	30,000	30,000
-	(613)	(613)
(590)	-	(590)
308	(1)	307
5,275	28,971	34,246
1,843	(1,311)	532
7,118	27,660	34,778

THE GROUP

Revenue
Other income
Operating expenses
EBITDA
Depreciation and amortisation
Reversal of expected credit loss
Finance (cost)/income
Loss for the year from discontinued operations
Other comprehensive income:
Remeasurement of retirement benefit obligations
Total comprehensive income

2021		
Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Total
Rs.'000	Rs.'000	Rs.'000
6,011	-	6,011
12,689	1,663	14,352
18,700	1,663	20,363
(58,923)	(7,363)	(66,286)
(40,223)	(5,700)	(45,923)
(5,009)	-	(5,009)
3,248	-	3,248
(106)	4	(102)
(42,090)	(5,696)	(47,786)
4,377	38,960	43,337
(37,713)	33,264	(4,449)

18. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONT'D)

(c) Summarised cash flow information

THE GROUP

Operating cash flows
Investing cash flows
Financing cash flows
Net decrease in cash and cash equivalents

2022		
Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Total
Rs.'000	Rs.'000	Rs.'000
(28,302)	(2,394)	(30,696)
132	26,460	26,592
23,519	(24,973)	(1,454)
(4,651)	(907)	(5,558)

Operating cash flows
Investing cash flows
Financing cash flows
Net (decrease)/increase in cash and cash equivalents

2021		
Concorde Tourist Guide Agency Limited	The Medine Sugar Milling Company Limited	Total
Rs.'000	Rs.'000	Rs.'000
(80,746)	(9,827)	(90,573)
70,330	-	70,330
-	75,847	75,847
(10,416)	66,020	55,604

(d) The asset classified as held for sale are as follows:

THE HOLDING COMPANY

At July 1,
Additions
Transfer from property, plant and equipment (note 5)
Transfer to property, plant and equipment (note 5)
Transfer to investment properties (note 7)
Transfer to land development inventories (note 13)
Impairment (note 34)
Disposal
At June 30,

Land	
2022	2021
Rs.'000	Rs.'000
237,349	122,212
147	-
321,478	115,137
(71,117)	-
19,393	-
(9,350)	-
(169)	-
(7,695)	-
490,036	237,349

19. SHARE CAPITAL

105,000,000 issued and fully paid ordinary share of Rs.10 each

Ordinary shares carry one vote per share and carry a right to dividends.

2022	2021
Rs.'000	Rs.'000
1,050,000	1,050,000

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

20. REVALUATION SURPLUS AND OTHER RESERVES

(a) THE GROUP

THE GROUP	Revaluation surplus on property	Sugar Millers development fund	Fixed assets replacement reserve	Modernisation and agricultural diversification reserve	Actuarial loss reserve	Reserves of associates	Fair value reserve	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at July 1, 2021	17,814,765	8,659	33,415	18,774	(199,549)	(742)	278,727	17,954,049
Decrease in fair value of financial assets at fair value through other comprehensive income (notes 11 & 39(b))	-	-	-	-	-	-	(25,619)	(25,619)
Remeasurement of retirement benefit obligations (note 23)	-	-	-	-	17,040	-	-	17,040
Revaluation adjustment on property, plant and equipment (note 5)	703,107	-	-	-	-	-	-	703,107
Transfer - fair value gain realised on disposal of financial assets	-	-	-	-	-	-	(7,527)	(7,527)
Transfer - actuarial loss on settlement of pension	-	-	-	-	17,870	-	-	17,870
Transfer - revaluation surplus realised on disposal of land	(986,081)	-	-	-	-	-	-	(986,081)
At June 30, 2022	17,531,791	8,659	33,415	18,774	(164,639)	(742)	245,581	17,672,839
Balance at July 1, 2020	14,498,616	8,659	33,415	18,774	(534,363)	(742)	78,791	14,103,150
Increase in fair value of financial assets at fair value through other comprehensive income (notes 11 & 39(b))	-	-	-	-	-	-	199,936	199,936
Remeasurement of retirement benefit obligations (note 23)	-	-	-	-	331,839	-	-	331,839
Gain on revaluation of property, plant and equipment	3,450,562	-	-	-	-	-	-	3,450,562
Acquisition of NCI	-	-	-	-	3,540	-	-	3,540
Transfer	-	-	-	-	(565)	-	-	(565)
Transfer - revaluation surplus realised on disposal of land	(134,413)	-	-	-	-	-	-	(134,413)
At June 30, 2021	17,814,765	8,659	33,415	18,774	(199,549)	(742)	278,727	17,954,049

20. REVALUATION SURPLUS AND OTHER RESERVES (CONT'D)

(b) THE HOLDING COMPANY

	Revaluation surplus on property	Profit on disposal of milling assets	Sugar Millers development fund	Fixed assets replacement reserve	Modernisation and agricultural diversification reserve	Actuarial loss reserve	Fair value reserve	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at July 1, 2021	13,197,314	45,753	8,659	33,415	15,473	(180,863)	280,411	13,400,162
Decrease in fair value of financial assets at fair value through other comprehensive income (notes 11 & 39(b))	-	-	-	-	-	-	(25,619)	(25,619)
Remeasurement of retirement benefit obligations (note 23)	-	-	-	-	-	16,868	-	16,868
Revaluation adjustment on property, plant and equipment (note 5)	703,107	-	-	-	-	-	-	703,107
Transfer - fair value gain realised on disposal of financial assets	-	-	-	-	-	-	(7,527)	(7,527)
Transfer - revaluation surplus realised on disposal of land	(986,081)	-	-	-	-	-	-	(986,081)
At June 30, 2022	12,914,340	45,753	8,659	33,415	15,473	(163,995)	247,265	13,100,910
Balance at July 1, 2020	10,087,556	45,753	8,659	33,415	15,473	(469,345)	80,475	9,801,986
Increase in fair value of financial assets at fair value through other comprehensive income (notes 11 & 39(b))	-	-	-	-	-	-	199,936	199,936
Remeasurement of retirement benefit obligations (note 23)	-	-	-	-	-	288,482	-	288,482
Gain on revaluation of property, plant and equipment	3,244,171	-	-	-	-	-	-	3,244,171
Transfer - revaluation surplus realised on disposal of land	(134,413)	-	-	-	-	-	-	(134,413)
At June 30, 2021	13,197,314	45,753	8,659	33,415	15,473	(180,863)	280,411	13,400,162

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20. REVALUATION SURPLUS AND OTHER RESERVES (CONT'D)

(c) **Revaluation surplus**

The revaluation surplus relates to the revaluation of property, plant and equipment.

(d) **Profit on disposal of milling assets**

Profit on disposal of milling assets relates to profit arising on the transfer of fixed assets to a subsidiary "The Medine Sugar Milling Company Limited" which is still a subsidiary and hence this profit is not considered as realised.

(e) **Sugar millers development fund**

Sugar millers development fund is a reserve created for specific development project.

(f) **Fixed assets replacement reserve**

The fixed assets replacement reserve relates to a reserve for replacement of fixed assets.

(g) **Modernisation and agricultural diversification reserve**

The Modernisation and Agricultural Diversification reserve is a statutory reserve earmarked to finance both modernisation and agricultural diversification.

(h) **Fair value reserve**

The fair value reserve for investment comprises the cumulative net change in fair value of financial assets at fair value through other comprehensive income that has been recognised until the investments are derecognised or impaired.

(i) **Actuarial gain/(loss) reserve**

The actuarial gain/(loss) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

(j) **Reserves of associates**

Reserves in associates relate to the Group's share of the reserves of associates arising on equity accounting.

21. REDEEMABLE CONVERTIBLE BONDS

During the financial year ended June 30, 2022, Casela Limited, a subsidiary, issued 14 bonds of Rs.10,000,000 each for a total amount of Rs.140,000,000 to the Mauritius Investment Corporation Limited (MIC), a wholly-owned subsidiary of the Bank of Mauritius.

One of the main objectives of the MIC is to provide financial support to companies impacted by the COVID-19 pandemic and in particular to the tourism sector which was the most impacted due to the closure of the Mauritian border. The MIC's support is in the form of bonds to companies which required urgent working capital to sustain their viability.

The redeemable convertible bonds ("bonds") have an equity and a liability component (i.e. a compound financial instrument). Refer to the accounting policy in note 2.13. The components of the bonds, net of transaction costs, are analysed as follows:

21. REDEEMABLE CONVERTIBLE BONDS (CONT'D)

At July 1, 2021
Amount subscribed during the year
Less cost attributed to the redeemable convertible secured bonds
Interest accrued
Repayment during the year
At June 30, 2022

THE GROUP		
Equity	Liability	Total
Rs.'000	Rs.'000	Rs.'000
-	-	-
106,879	33,121	140,000
(903)	(280)	(1,183)
105,976	32,841	138,817
-	1,362	1,362
-	(2,437)	(2,437)
105,976	31,766	137,742

Payable after one year and before two years	-	3,250	3,250
Payable after two years and before three years	-	3,445	3,445
Payable after three years and before five years	-	7,522	7,522
Payable after five years	105,976	14,483	120,459
	105,976	28,700	134,676

Payable within one year	-	3,066	3,066
	105,976	31,766	137,742

Analysed as follows:

Non-current

Payable after one year and before two years
 Payable after two years and before three years
 Payable after three years and before five years
 Payable after five years

Current

Payable within one year

Key terms and conditions of the funding arrangements are as follows:

- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds being on October 19, 2029 and are secured by fixed charge on certain portion of land held by Casela Limited.
- The conversion rate has been predetermined prior to the subscription at the fair value of the ordinary share of Casela Limited as at March 8, 2021.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.
- The number of ordinary shares to be delivered to the MIC will be determined in accordance with the following formula: $[(A+B)/C]$, where 'A' is the Nominal Amount of all bonds held by the MIC, 'B' is equal to the amount of outstanding and unpaid interest in relation to bonds held by the MIC, and 'C' is conversion price. Any fraction of ordinary shares to be issued on the maturity date will be settled in cash.
- The interest rate is 3.5% per annum over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). On maturity, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- The conversion price is subject to certain adjustments such as capitalisation of profit or reserves, capital distribution, rights issues or share split.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all of the bonds, any time prior to the maturity date. The option price shall be determined as follows:
 - (a) if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount; or
 - (b) if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.

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22. BORROWINGS

Bank overdrafts (notes (a) and 38(b))
Bank loans (notes (a) and (b))
Bonds (note (c))

Analysed as follows:

Current

Bank overdrafts
Bank loans

Non-current

Bonds
Bank loans

Total borrowings

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
113,250	528,404	110,338	515,845
2,314,234	3,350,796	1,001,010	1,129,556
3,590,935	3,983,919	3,590,935	3,983,919
6,018,419	7,863,119	4,702,283	5,629,320
113,250	528,404	110,338	515,845
347,892	883,371	200,000	576,106
461,142	1,411,775	310,338	1,091,951
3,590,935	3,983,919	3,590,935	3,983,919
1,966,342	2,467,425	801,010	553,450
5,557,277	6,451,344	4,391,945	4,537,369
6,018,419	7,863,119	4,702,283	5,629,320

- (a) The borrowings are secured by floating charges on the assets of the Group including property, plant and equipment, investment properties, financial assets at fair value through other comprehensive income and inventories (note 5, note 7, note 11 and note 15).

The rate of interest is as follows:

Loan - Rupee

Loan - Euro

Bank overdraft

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1.500% -	1.500% -	1.50% -	1.50% -
6.750%	6.250%	4.875%	4.875%
3.60%	3.60%	-	-
4.65% -	4.35% -		
8.25%	6.10%	4.75%	4.35%

- (b) Bank loans are repayable as follows:

-before one year
-after one year and before two years
-after two years and before three years
-after three years and before five years
-after five years

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
347,892	883,371	200,000	576,106
726,762	298,858	570,000	82,440
163,037	462,741	-	240,000
322,084	514,558	-	-
754,459	1,191,268	231,010	231,010
2,314,234	3,350,796	1,001,010	1,129,556

- (c) The Bonds are repayable as follows:

After one year and before two years
After two years and before three years
After three years and before five years

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	-	-	-
955,205	2,356,229	955,205	2,356,229
2,635,730	1,627,690	2,635,730	1,627,690
3,590,935	3,983,919	3,590,935	3,983,919

22. BORROWINGS (CONT'D)

(d) The details of the Bonds are analysed as follows:

- 970,000 floating rate of Repo rate + 1.25% p.a secured notes of Rs.1,000 each redeemable on December 26, 2023
- 805,535 floating rate of Repo rate + 1.25% p.a secured notes of Rs.1,000 each redeemable on December 26, 2025
- 830,195 5.75% fixed rate secured notes of Rs.1,000 each redeemable on December 26, 2025
- 1,000,000 4.20% fixed rate secured notes of Rs.1,000 each redeemable on June 27, 2027, issued during the year.

(e) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	THE GROUP				
	6 months or less	6 -12 monthss	1 - 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Total borrowings	4,202,950	-	-	-	4,202,950
2021					
Total borrowings	5,647,597	-	-	-	5,647,597

	THE HOLDING COMPANY				
	6 months or less	6 -12 months	1 - 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Total borrowings	2,886,814	-	-	-	2,886,814
2021					
Total borrowings	3,413,798	-	-	-	3,413,798

(f) The carrying amounts of borrowings of the Group and the Company are not materially different from their fair value, except for the bonds bearing interest of fixed rates, for which the fair value is estimated at Rs.1,830,178,396 (2021: Rs.2,226,055,105) against the carrying amount Rs.1,710,067,167 (2021: Rs.2,215,522,307). The fair value has been determined using cashflow discounted at market interest rate and classified under level 3 of the fair value hierarchy.

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

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rupee	6,018,419	7,777,562	4,702,283	5,629,320
Euro	-	85,557	-	-
	6,018,419	7,863,119	4,702,283	5,629,320

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23. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Pension and other post retirement benefits				
Amounts recognised in the Statements of financial position	274,863	285,730	259,065	270,311
Amounts charged to profit or loss (note 30)	34,600	51,055	31,627	37,133
Amounts credited to other comprehensive income				
-Continuing operations	(17,425)	(298,468)	(16,868)	(288,482)
-Discontinued operations (note 18)	-	(43,337)	-	-
	(17,425)	(341,805)	(16,868)	(288,482)

(a) Pension schemes

The Group has a defined benefit scheme with the Sugar Industry Pension Fund for certain employees. The Sugar Industry Pension Fund is established under the Sugar Industry Pension Fund Act (the "Act") to provide certain financial benefits for employees who are members of the fund or for the heirs of those employees. The Act defines how the fund is operated including membership, the benefit entitlement for the different schemes set up under the fund, the management of the fund and the roles and responsibilities of the board. The Group also operates for one of its subsidiaries another defined benefit scheme, the assets of which are held and administered independently. The plans are final salary plans, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

For those employees who are not under the above schemes, the Group provides for retirement gratuity payable under the Workers' Right Act 2019.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at June 30, 2022 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(b) The amounts recognised in the Statements of financial position are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Present value of defined benefit obligations	850,449	846,312	815,994	813,939
Fair value of plan assets	(575,586)	(560,582)	(556,929)	(543,628)
Liability in the Statements of financial position	274,863	285,730	259,065	270,311

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	560,582	566,842	543,628	505,028
Interest income	27,598	14,004	26,736	13,356
Employer contributions	28,042	43,398	26,005	20,354
Employee contributions	1,493	1,604	1,418	1,515
Benefits paid	(46,520)	(113,517)	(45,396)	(42,727)
Return on plan assets excluding interest income	4,391	48,251	4,538	46,102
At June 30,	575,586	560,582	556,929	543,628

(d) The movement in the present value of defined benefit obligations over the year is as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	846,312	1,172,328	813,939	1,047,042
Current service cost	20,210	21,905	17,940	20,145
Past service cost	765	(4,758)	791	2,647
Employee contributions	1,493	1,604	1,418	1,515
Interest cost	41,223	29,986	39,632	27,697
Benefits paid	(46,520)	(113,517)	(45,396)	(42,727)
Settlement gain	-	17,926	-	-
Liability experience gain	(7,783)	(37,194)	(7,570)	(31,691)
Liability gain due to change in financial assumptions	(5,251)	(217,400)	(4,760)	(210,689)
Transfer to liabilities associated with assets classified as held for sale (note 18(a)(ii))	-	(24,568)	-	-
At June 30,	850,449	846,312	815,994	813,939

(e) The amounts recognised in profit or loss and other comprehensive income are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Service cost:				
Current service cost	20,210	21,905	17,940	20,145
Past service cost	765	(4,758)	791	2,647
Settlement gain	-	17,926	-	-
Net interest expense	13,625	15,982	12,896	14,341
Components of defined benefit costs recognised in profit or loss	34,600	51,055	31,627	37,133

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23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(e) The amounts recognised in profit or loss and other comprehensive income are as follows (cont'd):

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Return on plan assets excluding interest income	(4,391)	(48,251)	(4,538)	(46,102)
Liability experience gain	(7,783)	(37,194)	(7,570)	(31,691)
Liability gain due to due to change in financial assumptions	(5,251)	(217,400)	(4,760)	(210,689)
Components of defined benefit costs recognised in other comprehensive income	(17,425)	(302,845)	(16,868)	(288,482)
Total of defined benefit cost	17,175	(251,790)	14,759	(251,349)

The past service cost, the current service cost and the net interest expenses for the year is included in operating expenses in profit or loss. The actuarial gain/(loss) on retirement benefit obligations is included in other comprehensive income.

(f) The reconciliation of the net defined benefit liability in the statement of financial position is as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	285,730	605,486	270,311	542,014
Amounts recognised in profit or loss	34,600	51,055	31,627	37,133
Amounts recognised in other comprehensive income	(17,425)	(302,845)	(16,868)	(288,482)
Employer contribution	(28,042)	(43,398)	(26,005)	(20,354)
Transfer to liabilities associated with assets classified as held for sale (note 13)	-	(24,568)	-	-
Classified as held for sale	-	(24,568)	-	-
At June 30,	274,863	285,730	259,065	270,311

(g) The allocation of plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP AND THE HOLDING COMPANY	
	2022	2021
	%	%
Local quoted equity securities	28	24
Overseas quoted equity securities	30	30
Local quoted debt securities	9	9
Local unquoted debt securities	8	10
Overseas quoted debt securities	8	8
Local properties	13	14
Others	4	5
	100	100

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(h) The principal actuarial assumptions used for accounting purposes are as follows:

	THE GROUP AND THE HOLDING COMPANY	
	2022	2021
	%	%
Discount rate	5.00%	5.00%
Future salary increases:		
- Staff	3.60%	3.90%
- Artisan labourers	2.60%	2.90%
Future pension increases:		
- Staff	0.00%	0.00%
- Artisan labourers	0.00%	0.00%
Rate of medical cost increase	5.00%	5.00%
Average retirement age (ARA)	60-65	60-65
Average life expectancy for:		
- Male at ARA	23.2 years	23.2 years
- Female at ARA	26.2 years	26.2 years

The weighted average duration of the defined benefit obligations is 13 years.

(i) The assets of the plan are invested in bonds, equities and properties. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Actual return on plan assets	31,989	61,478	31,274	59,458

(j) Sensitivity analysis on defined benefit obligations at the end of the reporting period

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Increase in benefit obligation at end of period resulting from a 1% decrease in discount rate	114,149	115,666	107,160	108,867
Decrease in benefit obligation at end of period resulting from a 1% increase in discount rate	92,089	92,929	86,737	87,866

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

- (j) Sensitivity analysis on defined benefit obligation at the end of the reporting period (cont'd)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligations.

The sensitivity 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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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

Investment risk

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

- (l) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.
- (m) The funding policy is to pay contributions to an external legal entity at the rate recommended by the Group's actuaries. The expected contributions to post-employment benefit plans for the next financial year are Rs.31,856,000 (2021: Rs.32,309,000) for the Group and Rs.27,560,000 (2021: Rs.30,272,000) for the Company.

24. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the income taxes relate to the same fiscal authority on the same entity.

The following amounts are shown in the statements of financial position:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax liabilities	60,826	44,309	-	-

- (b) The movement on the deferred income tax account is as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	44,309	32,908	-	-
Charged to profit or loss (note 27)	16,517	11,401	-	-
At June 30,	60,826	44,309	-	-

- (c) Deferred tax assets and liabilities and deferred tax charge to profit or loss, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, are attributable to the following items:

	At July 1, 2021	Charged to profit or loss	At June 30, 2022
	Rs.'000	Rs.'000	Rs.'000
THE GROUP			
Deferred income tax liabilities			
Accelerated tax depreciation	48,470	16,728	65,198
Deferred income tax assets			
Tax losses	(3,239)	(646)	(3,885)
Provision for loss allowance	(922)	435	(487)
	(4,161)	(211)	(4,372)
Net deferred income tax liabilities	44,309	16,517	60,826
	At July 1, 2020	Charged to profit or loss	At June 30, 2021
	Rs.'000	Rs.'000	Rs.'000
THE GROUP			
Deferred income tax liabilities			
Accelerated tax depreciation	38,833	9,637	48,470
Deferred income tax assets			
Tax losses	(4,994)	1,755	(3,239)
Provision for loss allowance	(931)	9	(922)
	(5,925)	1,764	(4,161)
Net deferred income tax liabilities	32,908	11,401	44,309

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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24. DEFERRED INCOME TAXES (CONT'D)

- (d) Deferred income tax assets are recognised only to the extent that the related tax benefit is probable. The Group and the Company have respectively net deferred tax assets of Rs.460,661,000 (2021: Rs.408,787,000) and Rs.237,676,000 (2021: Rs.223,706,000) to carry forward against future taxable income which have not been recognised in these financial statements due to uncertainty of their recoverability.

The net deferred tax assets arises as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tax losses not recognised	1,894,240	1,700,576	973,893	944,736
Timing differences not provided for				
- Retirement benefit obligations	274,863	285,730	259,065	270,311
- Accelerated tax depreciation	540,669	418,321	165,139	100,868
	815,532	704,051	424,204	371,179
Total tax losses and timing differences	2,709,772	2,404,627	1,398,097	1,315,915
Net deferred tax assets at 17% (2021: 17%)	460,661	408,787	237,676	223,706

- (e) The timing that the tax losses will lapse are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Year 2022	-	100,296	-	62,548
Year 2023	278,610	281,007	232,622	232,622
Year 2024	170,104	170,023	147,552	147,552
Year 2025	532,057	532,117	391,936	391,936
Year 2026	312,758	298,454	-	-
Year 2027	171,035	318,679	-	-
Tax losses which do not expire	429,676	-	201,783	110,078
	1,894,240	1,700,576	973,893	944,736

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade payables	105,579	101,376	28,275	46,338
Accruals	286,882	309,783	165,102	199,583
Other payables	172,245	147,598	120,830	104,763
	564,706	558,757	314,207	350,684

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

26. AMOUNT DUE TO GROUP COMPANIES

Current account with subsidiaries
Payable to associates

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	-	112,954	136,634
5,026	4,906	4,906	4,906
5,026	4,906	117,860	141,540

The carrying amounts of amount owed to group companies approximate their fair values. The amount owed by related parties are unsecured, carried interest rate of 5.65% (2021: 5.50%) p.a and settlement occurs in cash.

27. INCOME TAX

(a) Amounts shown on the statements of financial position is as follows:

At July 1,
Current tax on adjusted profit for the year
Under provision in previous years
Less: Payment during the year
At June 30,

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,071	(664)	-	-
-	905	-	-
8	872	-	-
(872)	(42)	-	-
207	1,071	-	-

(b) Amount recognised in profit or loss

Current tax charge
Deferred tax charge (note 24)

Analysed as follows:

Continuing activities
Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
8	1,777	-	-
16,517	11,401	-	-
16,525	13,178	-	-
16,525	13,178	-	-
-	-	-	-
16,525	13,178	-	-

(c) The tax on the Group's and the 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:

Profit before tax from continuing operations
Profit/(loss) before tax from discontinued operations

Tax calculated at the rate of 17% (2021: 17%)
Income not subject to tax
Excess of depreciation over capital allowances
Expenses not deductible for tax purposes
Utilisation of previously unrecognised tax losses
Tax losses not recognised
Current tax on the adjusted profit
Under provision in previous years
Total charge to profit or loss

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,025,382	211,385	1,103,733	234,152
34,246	(47,786)	-	-
1,059,628	163,599	1,103,733	234,152
158,944	24,540	165,560	35,123
(257,298)	(107,987)	(220,761)	(61,498)
17,921	9,023	5,994	4,028
56,536	47,111	35,453	21,381
(10,056)	(13,250)	-	-
50,470	52,869	13,754	966
16,517	12,306	-	-
8	872	-	-
16,525	13,178	-	-

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28. REVENUE

(a) The following is an analysis of the Group's revenue for the year:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue from sale of goods	745,179	518,584	588,248	440,173
Revenue from rendering of services	145,782	57,404	103,503	99,031
Revenue from sale of land inventories	217,200	151,436	217,200	151,436
Revenue from service charges from investment property	27,951	33,250	25,480	27,666
Revenue from contracts with customers	1,136,112	760,674	934,431	718,306
Rental income	335,072	284,780	58,853	55,673
Sugar insurance compensation	-	42,530	-	42,530
Total revenue	1,471,184	1,087,984	993,284	816,509
Analysed as follows:				
- Continuing activities	1,470,677	1,081,973	993,284	816,509
- Discontinued activities	507	6,011	-	-
	1,471,184	1,087,984	993,284	816,509

(b) Disaggregation of revenue

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue from contract with customers:				
Sugar	394,998	308,441	394,998	308,441
Sale of land	217,200	151,436	217,200	151,436
Foodcrops and nursery	68,524	55,872	68,524	55,872
Casela	164,066	72,335	-	-
Forestry and sale of deer	60,608	38,731	60,608	38,731
Landscaping	14,598	4,627	38,596	38,661
Hotel	51,620	11,806	-	-
Golf	60,764	22,063	-	-
Travel and tours	507	6,143	-	-
Education and training	2,960	3,137	-	-
Sale of stones	52,880	33,471	52,880	33,471
Commission, property and assets management fees	6,741	5,117	90,382	88,036
Other revenues	40,646	47,495	11,243	3,658
Revenue from contracts with customers	1,136,112	760,674	934,431	718,306
Rental income	335,072	284,780	58,853	55,673
Sugar insurance compensation	-	42,530	-	42,530
	1,471,184	1,087,984	993,284	816,509

There were no transactions with a single external customer that accounts for 10% or more of the Group's total revenue, except for the sale of sugar and the sale of part of land development inventories to a single customers.

The primary geographic market is located in Mauritius.

28. REVENUE (CONT'D)

(c) The contract counterparties for revenue from contracts with customers are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Companies	778,266	466,468	856,351	533,398
Individuals	357,846	294,206	78,080	184,908
	1,136,112	760,674	934,431	718,306

(d) Timing of revenue recognition

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At a point in time	996,956	692,941	901,194	630,270
Over time	139,156	67,733	33,237	88,036
	1,136,112	760,674	934,431	718,306

(e) Contract assets and liabilities related to contracts with customers:

(i) Contract assets

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	29,238	8,465	18,125	5,705
Transfers in the period from contract assets to trade receivables	(39,001)	(2,529)	(15,914)	(1,382)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	32,752	23,302	16,581	13,802
At June 30,	22,989	29,238	18,792	18,125

(ii) Contract liabilities

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1,	575,617	237,717	548,166	160,570
Amounts included in contract liabilities that was recognised as revenue during the year	(17,737)	(63,338)	(9,610)	(5,937)
Cash received in advance of performance and not recognised as revenue during the year	929,675	401,238	823,599	393,533
At June 30,	1,487,555	575,617	1,362,155	548,166

Analysed as follows:

	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non-current	-	175,250	-	175,250
Current	1,487,555	400,367	1,362,155	372,916
	1,487,555	575,617	1,362,155	548,166

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28. REVENUE (CONT'D)

(f) Contract assets - Accrued income

Although payment terms and conditions vary, for the majority of the customer contracts, all of the services provided to the customer are invoiced within a monthly period. For certain customer contracts, the timing of the Group's performance may precede its right to invoice the customer for the total transaction price. Accrued income arises in relation to services provided that have not been invoiced at the year end. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Further details on the trade receivables are presented in note 16.

(g) Contract liabilities

For other customer contracts, the right to payment or receive payment may be obtained prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes the Group's performance, a contract liability is recognised.

(h) Impairment of contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets.

To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The ageing of the contract assets as at June 30, 2022 and June 30, 2021 was as follows:

THE GROUP	Not past due	Less than 30 days past due	Between 31 and 60 days past due	More than 61 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Gross carrying amount - contract assets	22,989	-	-	-	22,989
2021					
Gross carrying amount - contract assets	29,238	-	-	-	29,238
THE COMPANY	Not past due	Less than 30 days past due	Between 31 and 60 days past due	More than 61 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2022					
Gross carrying amount - contract assets	18,792	-	-	-	18,792
2021					
Gross carrying amount - contract assets	18,125	-	-	-	18,125

As at June 30, 2021 and 2022, there were no expected credit loss allowances as there are no records of amounts written off during the past years and the identified impairment loss was immaterial.

(i) There was no incremental costs to obtain contracts which has been recognised as an expense in the year (2021: nil). There were no incremental costs recognised as an asset.

(j) Remaining performance obligations

The vast majority of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

29. OTHER INCOME

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend income	5,724	8,173	5,724	8,173
Profit on disposal of property, plant and equipment	754	1,727	479	958
Loss on sale of investments	(39)	-	(39)	-
Corporate management fees	64	255	64	11,427
Government wage assistance (see note (i) below)	25,481	93,834	1,685	13,703
Insurance compensation	5,450	3,321	4,297	3,321
Sundry income	29,757	19,666	10,406	7,118
	67,191	126,976	22,616	44,700
Analysed as follows:				
- Continuing activities	60,526	112,624	22,616	44,700
- Discontinued activities	6,665	14,352	-	-
	67,191	126,976	22,616	44,700

- (i) Government Wage Assistance pertains to funding received for the payment of employee salaries. There were no unfulfilled conditions attached to the grants or contingencies.

(a) **Interest income**

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest from:				
-related parties	7,416	6,037	99,700	108,757
-others	92	455	82	878
	7,508	6,492	99,782	109,635

- (i) All interest income are calculated using the effective interest method.

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30. EXPENSES BY NATURE

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Employee benefit expense (note 30(a))	513,672	517,504	364,071	353,169
Cost of land development inventories sold	78,828	60,081	78,828	60,081
Costs of inventories recognised as expense	62,274	33,591	25,672	17,924
Hiring of labour	61,531	57,148	58,442	55,957
Hiring of agricultural equipment on short term leases	7,492	4,258	7,492	4,258
Sugar insurance premium	32,602	6,195	32,602	6,195
Irrigation costs	28,902	25,362	28,902	25,362
Other expenses - sugar activities	148,415	130,734	148,415	130,734
Fertilizers	46,498	19,463	46,498	19,463
Other expenses - non sugar activities	139,248	129,836	15,964	26,614
Utilities	37,350	39,117	15,844	13,850
Administrative expenses	64,336	67,684	57,737	49,436
Marketing and advertising expenses	31,049	19,101	8,846	5,579
Operating expenses	1,252,197	1,110,074	889,313	768,622
Analysed as follows:				
- Continuing activities	1,250,167	1,043,788	889,313	768,622
- Discontinued activities	2,030	66,286	-	-
	1,252,197	1,110,074	889,313	768,622

(a) Employee benefit expense	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(i) Analysis of staff costs				
Wages and salaries	421,439	403,619	288,353	270,467
Social security costs and other benefits	57,633	62,830	44,091	45,569
Post employment benefits (note 23)	34,600	51,055	31,627	37,133
	513,672	517,504	364,071	353,169
Analysed as follows:				
- Continuing activities	511,161	423,904	364,071	353,169
- Discontinued activities	2,511	93,600	-	-
	513,672	517,504	364,071	353,169

30. EXPENSES BY NATURE (CONT'D)

(a) **Employee benefit expense (cont'd)**

- (ii) The number of employees at the end of the year was:
the year was:
- Production
 - Administration

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
502	496	292	256
281	283	168	198
783	779	460	454

31. PROFIT ON SALE OF LAND

Proceeds from sale of land
Cost of land sold
Profit from sale of land

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
2,020,106	353,172	2,020,106	353,172
(936,654)	(124,832)	(936,654)	(124,832)
1,083,452	228,340	1,083,452	228,340

32. NET FOREIGN EXCHANGE GAINS

The exchange differences credited to
profit or loss are as follows:
Net foreign exchange gains on operations
Finance costs - net (note 36)

Analysed as follows:

- Continuing activities
- Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
660	1,953	87	172
1,327	546	2,056	7,267
1,987	2,499	2,143	7,439
1,659	2,892	2,143	7,439
328	(393)	-	-
1,987	2,499	2,143	7,439

33. DEPRECIATION AND AMORTISATION

Depreciation (note 5)
Depreciation of right-of-use assets (note 6)
Amortisation of intangible assets (note 8)

Analysed as follows:

- Continuing activities
- Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
162,705	166,366	50,848	46,217
10,787	11,395	18,012	16,872
6,266	6,067	5,784	3,488
179,758	183,828	74,644	66,577
179,758	178,819	74,644	66,577
-	5,009	-	-
179,758	183,828	74,644	66,577

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34. NET IMPAIRMENT LOSS/(REVERSAL)

On milling activities:

Reversal of impairment of property,

plant and equipment (note 18(b))

Impairment of inventories (note 18(b))

Impairment losses on property, plant and equipment (note 5)

Reversal of impairment losses

on bearer plants (note 5)

Impairment losses on investment in subsidiaries (note 9)

Reversal of impairment losses

on receivable from subsidiaries (note 12(b))

Impairment losses on land development inventories (note 13)

Others

Total impairment losses recognised in profit and loss

Analysed as follows:

- Continuing activities

- Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
(30,000)	-	-	-
613	-	-	-
(29,387)	-	-	-
95,904	3,083	53,000	3,083
-	(30,242)	-	(30,242)
-	-	72,122	78,542
-	-	(50,709)	-
11,149	1,115	11,149	1,115
169	-	169	-
77,835	(26,044)	85,731	52,498
107,222	(26,044)	85,731	52,498
(29,387)	-	-	-
77,835	(26,044)	85,731	52,498

35. EXPECTED CREDIT LOSSES

Impairment (reversal)/losses on trade and other receivables (note 16(b)):

- Continuing activities

- Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
(12,727)	11,837	(1,097)	6,305
590	(3,248)	-	-
(12,137)	8,589	(1,097)	6,305

36. FINANCE COSTS

Gain on exchange on financing activities (note 32)
Interest expense using effective interest method:
- Bank overdrafts
- Bank loans repayable by instalments
- Bonds
- On current account with related companies

Interest expense on leases
Other interest
Total interest expense
Less : amounts included in the cost of qualifying assets (note 13)
Interest expenses - net

Finance costs - net
Analysed as follows:
- Continuing activities
- Discontinued activities

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,327	546	2,056	7,267
8,346	21,776	8,329	16,392
100,142	118,659	23,672	32,524
187,793	186,726	188,867	186,726
-	-	1,427	5,154
296,281	327,161	222,295	240,796
1,007	1,389	1,706	1,883
-	21	-	21
297,288	328,571	224,001	242,700
(690)	(2,044)	-	-
296,598	326,527	224,001	242,700
(295,271)	(325,981)	(221,945)	(235,433)
(295,250)	(326,272)	(221,945)	(235,433)
(21)	291	-	-
(295,271)	(325,981)	(221,945)	(235,433)

37. BASIC AND DILUTED EARNINGS PER SHARE

Profit attributable to owners of the parent
- From continuing and discontinued operations
- From continuing operations
Basic and diluted earnings per share (Rs.)
- From continuing and discontinued operations
- From continuing operations

Number of shares in issue ('000)

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,041,745	182,709	1,103,733	234,152
1,010,126	198,207	1,103,733	234,152
9.92	1.74	10.51	2.23
9.62	1.89	10.51	2.23
105,000	105,000	105,000	105,000

The redeemable convertible bonds are anti-dilutive and have been excluded in the profit attributable to owners of parent for the purpose of calculating the diluted earnings per share.

38. CASH AND CASH EQUIVALENTS

(a) Cash and bank balances

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
467,917	209,486	424,110	192,866

Restricted funds

Included in cash and bank balances is an amount of Rs.369,184,000 which were received as deposit on sale of land development inventories. The land is currently under development and the funds will be released on achieving certain milestones and/or upon title of the land passing to the buyers.

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38. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Cash and cash equivalents and bank overdrafts include the following for the purpose of the statement of cash flows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank overdrafts (note 22)	(113,250)	(528,404)	(110,338)	(515,845)
Less related to financing activities	35,761	-	35,761	-
	(77,489)	(528,404)	(74,577)	(515,845)
Cash and bank balances	467,917	209,486	424,110	192,866
Asset classified as held for sale - Cash and cash equivalents	763	6,321	-	-
	391,191	(312,597)	349,533	(322,979)

Included in bank overdrafts is an amount of Rs.35,760,000 which relate to financing activities and thus excluded from the balance of cash and cash equivalents (2021: nil).

(c) Reconciliation of liabilities arising from financing activities

(i) THE GROUP

	Bank loans	Redeemable convertible bonds	Bonds	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening balance	3,350,796	-	3,983,919	21,091	7,355,806
Cash flows - Proceeds	1,100,000	32,841	1,000,000	-	2,132,841
Cash flows - Capital payments	(2,136,562)	-	(1,394,270)	(11,020)	(3,541,852)
Cash flows - Interest payments	-	(2,437)	-	(1,007)	(3,444)
Non-cash changes:					
- acquisition	-	-	-	6,783	6,783
- interest accrued	-	1,362	1,286	1,007	3,655
Lease modification	-	-	-	2,936	2,936
Lease terminated	-	-	-	(727)	(727)
Closing balance	2,314,234	31,766	3,590,935	19,063	5,953,789

2021

	Bank loans	Bonds	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening balance	2,662,044	3,979,073	24,037	6,665,154
Cash flows	679,097	-	(12,406)	666,691
Non-cash changes:				
- acquisition	-	-	10,686	10,686
- interest accrued	-	4,846	-	4,846
- foreign exchange movement	9,655	-	-	9,655
Lease modification	-	-	(554)	(554)
Lease terminated	-	-	(672)	(672)
Closing balance	3,350,796	3,983,919	21,091	7,357,032

38. CASH AND CASH EQUIVALENTS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities (cont'd)

(ii) THE HOLDING COMPANY

2022

Opening balance
Cash flows - Proceeds
Cash flows - Capital payments
Cash flows - Interest payments
Non-cash changes:
- acquisition
- interest accrued
Lease modification
Lease terminated
Closing balance

Bank loans	Bonds	Lease liabilities	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,129,556	3,983,919	34,452	5,147,927
1,100,000	-	-	1,100,000
(1,228,546)	(394,270)	(18,176)	(1,640,992)
-	-	(1,706)	(1,706)
-	-	10,430	10,430
-	1,286	1,706	2,992
-	-	1,176	1,176
-	-	(727)	(727)
1,001,010	3,590,935	27,155	4,619,100

(iii) THE HOLDING COMPANY

2021

Opening balance
Cash flows
Non-cash changes:
- acquisition
- interest accrued
Lease modification
Closing balance

Bank loans	Bonds	Lease liabilities	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
628,000	3,979,073	20,378	4,627,451
501,556	-	(16,895)	484,661
-	-	31,523	31,523
-	4,846	-	4,846
-	-	(554)	(554)
1,129,556	3,983,919	34,452	5,148,481

39. OTHER COMPREHENSIVE INCOME

(a) THE GROUP

(i) **2022**

Gain on revaluation of
property, plant and equipment
Decrease in fair value of financial assets
at fair value through other comprehensive
income (note 11)
Remeasurement of retirement benefit
obligations
**Other comprehensive income for the
year 2022, net of tax**

Revaluation surplus on fixed assets	Fair value reserves	Retirement benefit obligations	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000
703,107	-	-	703,107
-	(25,619)	-	(25,619)
-	-	17,957	17,957
703,107	(25,619)	17,957	695,445

Other comprehensive income attributable to:

- Owners of the parent
- Non-controlling interests

703,107	(25,619)	17,040	694,528
-	-	917	917
703,107	(25,619)	17,957	695,445

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39. OTHER COMPREHENSIVE INCOME (CONT'D)

(a) THE GROUP		Revaluation surplus on fixed assets	Fair value reserves	Retirement benefit obligations	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
(ii) 2021					
	Gain on revaluation of property, plant and equipment	3,450,562	-	-	3,450,562
	Increase in fair value of financial assets at fair value through other comprehensive income (note 11)	-	199,936	-	199,936
	Remeasurement of retirement benefit obligations	-	-	341,805	341,805
	Other comprehensive income for the year 2021, net of tax	3,450,562	199,936	341,805	3,992,303
	Other comprehensive income attributable to:				
	- Owners of the parent	3,450,562	199,936	331,839	3,982,337
	- Non-controlling interests	-	-	9,966	9,966
		3,450,562	199,936	341,805	3,992,303
(b) THE HOLDING COMPANY		Revaluation surplus on fixed assets	Fair value reserves	Retirement benefit obligations	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
(i) 2022					
	Gain on revaluation of property, plant and equipment	703,107	-	-	703,107
	Decrease in fair value of financial assets at fair value through other comprehensive income (note 11)	-	(25,619)	-	(25,619)
	Remeasurement of retirement benefit obligations (note 23(a)(v))	-	-	16,868	16,868
	Other comprehensive income for the year 2022, net of tax	703,107	(25,619)	16,868	694,356
(ii) 2021					
	Gain on revaluation of property, plant and equipment	3,244,171	-	-	3,244,171
	Increase in fair value of financial assets at fair value through other comprehensive income (note 11)	-	199,936	-	199,936
	Remeasurement of retirement benefit obligations (note 23(a)(v))	-	-	288,482	288,482
	Other comprehensive income for the year 2021, net of tax	3,244,171	199,936	288,482	3,732,589

40. COMMITMENTS

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(a) Capital commitments				
Property, plant and equipment	70,100	5,052	62,100	425
Investment property	-	13,271	-	-
Land development inventories	534,682	244,018	160,134	221,680
	604,782	262,341	222,234	222,105
(b) No provision has been made for the additional costs of land and infrastructure payable in respect of the closure of The Medine Sugar Milling Company Ltd as these costs will be capitalised as land conversion rights on the basis that under the provision of the Sugar Industry Efficiency Act, the Company acquires the right to sell land on which no conversion taxes are payable.				

41. CONTINGENT LIABILITIES

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(a) Corporate guarantee given for:				
Subsidiaries	-	-	255,000	257,000
Other companies	7,707	7,290	7,707	7,290
	7,707	7,290	262,707	264,290
(b) There are pending cases before the Supreme Court between the Company and various persons claiming to be owners of portions of land totalling 258 hectares situated in the region of Albion, near Camp Creoles, Cascavelle and Beau Songes. The Directors strongly believe that these claims are not justified and will have no impact on the financial statements of the Company, as the land being claimed are registered in the name of the Company in full ownership.				
(c) The Company has contingent liabilities amounting to Rs.14,182,000 in respect of claims made by some ex-employees. The Company is being sued by these ex-employees for pension related claims or compensation at the punitive rate for unfair dismissal. The outcome of these legal cases are still uncertain. The directors strongly believe that these claims made by these ex-employees are not justified and consequently, no provision has been made in the financial statements.				

42. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended June 30, 2022, the subsidiary, Casela Limited, issued bonds with convertible features. The equity portion has been recognised under non-controlling interest. Refer to note 21 for further details.

During the year ended June 30, 2021, Medine Limited, acquired the remaining 20% interest in The Medine Sugar Milling Company Limited for nil consideration, increasing its ownership from 80% to 100%. The Group recognised an increase in non-controlling interest of Rs.98,852,000 representing the additional interest acquired.

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42. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (CONT'D)

The following summarises the effect of changes in the Group's ownership interest:

	THE GROUP
	2021
	Rs'000
Consideration paid	-
Carrying amount of additional interest acquired	(98,852)
	(98,852)
Amount recognised in actuarial loss reserve	(3,540)
Amount recognised in retained earnings	(102,392)

43. SEGMENT REPORTING

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different resources and marketing strategies.

There are five main reportable segments:

- Agro - planter and miller of sugar cane for the production of sugar and by-products of sugar cane namely molasses and bagasses, production of vegetables and fruits, landscaping, nursery, forestry and deer farming.
- Casela - operates Casela nature and leisure park and nature escapade.
- Sports and hospitality - operates a golf course and a hotel resort and revenue from Sparc activities.
- Property - land transactions, rental of office and commercial buildings and property development.
- Education - provides integrated infrastructure for tertiary education provided by specialist institution.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss and account for intersegment sales and transfers as if the sales or transfer were to third parties, that is, at current market prices.

43. SEGMENT REPORTING (CONT'D)

	Agro	Casela	Sports and hospitality	Property	Education	Others (a)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2022							
Gross revenue	630,377	143,756	157,967	617,714	38,839	57,243	1,645,896
Inter-segment revenue	(23,997)	-	(23,270)	(75,332)	-	(52,620)	(175,219)
Revenue from external customers	606,380	143,756	134,697	542,382	38,839	4,623	1,470,677
Segment result	95,450	(17,131)	(7,822)	268,708	1,057	(51,718)	288,544
Profit on sale of land	-	-	-	1,083,452	-	-	1,083,452
Change in fair value of consumable biological assets	94,105	-	-	-	-	-	94,105
Fair value gain/(loss) of investment properties	-	-	-	193,015	(82,940)	-	110,075
Net foreign exchange gains/(losses) on operations	-	213	429	87	(69)	-	660
Share of profit in associates	-	342	-	-	17,707	-	18,049
Depreciation and amortisation	(43,296)	(58,459)	(46,363)	(21,036)	(1,357)	(9,247)	(179,758)
Net impairment	-	(2,204)	(83,928)	(20,922)	-	(168)	(107,222)
Expected credit losses	454	3,746	3,295	1,215	4,017	-	12,727
Profit/(loss) before finance costs	-	(73,493)	(134,389)	1,504,519	(61,585)	(61,133)	1,320,632
Finance costs	(602)	(16,299)	(3,505)	(55,925)	(69)	(218,850)	(295,250)
Profit/(loss) before taxation	(602)	(89,792)	(137,894)	1,448,594	(61,654)	(279,983)	1,025,382
Income tax charge	-	-	-	(16,525)	-	-	(16,525)
Profit/(loss) for the year from continuing operations	(602)	(89,792)	(137,894)	1,432,069	(61,654)	(279,983)	1,008,857
Profit for the year from discontinued operations							34,246
Profit for the year							1,043,103
Profit attributable to:							
- Owners of the parent							1,041,745
- Non-controlling interests							1,358
							1,043,103

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43. SEGMENT REPORTING (CONT'D)

	Agro	Casela	Sports and hospitality	Property	Education	Others (a)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2022							
Segment assets	10,160,329	1,914,021	731,035	11,218,100	308,358	-	24,331,843
Associates	-	24,928	-	-	145,265	-	170,193
Unallocated assets	-	-	-	-	-	5,038,749	5,038,749
Total assets	10,160,329	1,938,949	731,035	11,218,100	453,623	5,038,749	29,540,785
Segment liabilities	343,043	369,185	98,662	2,889,463	18,727	-	3,719,080
Unallocated liabilities	-	-	-	-	-	4,782,768	4,782,768
Total liabilities	343,043	369,185	98,662	2,889,463	18,727	4,782,768	8,501,848
Other segment items							
Capital expenditure	40,472	7,714	11,048	64,003	6	1,435	124,678
Depreciation of property, plant and equipment	37,008	63,912	26,789	30,161	1,357	3,478	162,705
Depreciation of right-of-use assets	6,288	851	-	2,375	-	1,273	10,787
Amortisation of intangible asset	-	479	-	1,295	-	4,492	6,266

43. SEGMENT REPORTING (CONT'D)

	Agro	Casela	Sports and hospitality	Property	Education	Others (a)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2021							
Gross revenue	524,572	55,935	58,725	492,565	65,598	59,690	1,257,085
Inter-segment revenue	(34,034)	-	(8,677)	(77,411)	-	(54,990)	(175,112)
Revenue from external customers	490,538	55,935	50,048	415,154	65,598	4,700	1,081,973
Segment result	68,296	(58,301)	(30,251)	142,163	62,699	(27,305)	157,301
Profit on sale of land	-	-	-	228,340	-	-	228,340
Change in fair value of consumable biological assets	135,907	-	-	-	-	-	135,907
Fair value gain of investment properties	-	-	-	171,813	-	-	171,813
Net foreign exchange gains on operations	-	-	-	-	-	1,953	1,953
Share of profit/(loss) in associates	-	(6,075)	-	-	13,030	-	6,955
Depreciation and amortisation	(33,816)	(56,233)	(44,318)	(30,204)	(1,850)	(12,398)	(178,819)
Net impairment	27,159	-	-	(1,115)	-	-	26,044
Expected credit losses	(6,197)	(1,768)	(209)	140	(3,803)	-	(11,837)
Profit/(loss) before finance costs	191,349	(122,377)	(74,778)	511,137	70,076	(37,750)	537,657
Finance costs	(619)	(48,859)	(23,096)	(130,259)	(2,182)	(121,257)	(326,272)
Profit/(loss) before taxation	190,730	(171,236)	(97,874)	380,878	67,894	(159,007)	211,385
Income tax charge	-	-	-	(13,178)	-	-	(13,178)
Profit/(loss) for the year from continuing operations	190,730	(171,236)	(97,874)	367,700	67,894	(159,007)	198,207
Loss for the year from discontinued operations							(47,786)
Profit for the year							150,421
Profit/(loss) attributable to:							
- Owners of the parent							182,709
- Non-controlling interests							(32,288)
							150,421

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

43. SEGMENT REPORTING (CONT'D)

	Agro	Casela	Sports and hospitality	Property	Education	Others (a)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2021							
Segment assets	10,033,460	1,975,469	816,103	9,832,547	383,779	-	23,041,358
Associates	-	6,705	-	-	145,439	-	152,144
Unallocated assets	-	-	-	-	-	5,399,901	5,399,901
Total assets	10,033,460	1,982,174	816,103	9,832,547	529,218	5,399,901	28,593,403
Segment liabilities	331,728	517,689	238,591	2,538,504	20,659	-	3,647,171
Unallocated liabilities	-	-	-	-	-	5,751,819	5,751,819
Total liabilities	331,728	517,689	238,591	2,538,504	20,659	5,751,819	9,398,990
Other segment items							
Capital expenditure	7,952	15,713	33,391	314,672	528	6,067	378,323
Depreciation of property, plant and equipment	26,288	60,102	28,924	41,044	1,850	8,158	166,366
Depreciation of right-of-use assets	7,528	936	-	1,661	-	1,270	11,395
Amortisation of intangible asset	-	1,730	849	1,264	-	2,224	6,067

- (a) Others relate to operations of the Group comprising mainly of holding of investment and other corporate assets, liabilities, income and costs which are not reported separately.
- (b) The sales or other transactions among the business segments has been eliminated from the segment results. Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, investments in associates, deferred expenditure, biological assets, inventories, receivables and operating cash, and exclude investments in financial assets at fair value through other comprehensive income. Segment liabilities comprise mainly of payables, borrowings, leases, retirement benefit obligations and exclude items such as corporate borrowings and proposed dividend. Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets.

The Group operates only in Mauritius and all sales are made on the local market.

44. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Associates		Directors and other Key Management Personnel		Companies with Common Shareholders	
	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sales of goods or services	1,413	3,542	-	-	4,349	3,705
Purchase of goods or services	3,669	5,953	-	-	-	-
Rental income	70,322	44,623	-	-	-	-
Management fee receivable	1,025	800	-	-	305	654
Remuneration and benefits	-	-	91,352	95,999	-	-
Dividend receivable	-	-	-	-	-	-
Interest income	7,416	6,037	-	-	-	-
Amount owed to related parties	5,026	4,906	-	-	-	-
Amount owed by related parties	117,515	112,441	-	-	-	-

(b) THE HOLDING COMPANY

	Subsidiaries		Associates		Directors and other Key Management Personnel		Companies with Common Shareholders	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sales of goods or services	30,642	25,927	-	-	-	-	4,349	3,705
Purchase of goods or services	7,337	3,128	3,669	1,896	-	-	-	-
Management fee receivable	54,616	63,381	1,025	800	-	-	305	654
Remuneration and benefits	-	-	-	-	88,780	78,607	-	-
Dividend receivable	-	-	-	-	-	-	-	-
Interest income	92,284	102,720	7,416	6,037	-	-	-	-
Interest expense	1,409	3,204	-	-	-	-	-	-
Amount owed to related parties	25,322	216,786	4,906	4,906	-	-	-	-
Amount owed by related parties	2,575,800	1,568,868	112,495	112,308	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

44. RELATED PARTY TRANSACTIONS (CONT'D)

- (c) The amount owed to/by related parties are unsecured, carried interest rate of 5.65% (2021: 5.50%) p.a and settlement occurs in cash. There has been no guarantees provided or received for any related party payables or receivables.

For the year ended June 30, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021: nil). For the year ended June 30, 2022, the Company has recorded an impairment reversal of receivables of Rs.50,709,000 (2021: impairment of Rs.20,769,000) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- (d) **Key management personnel compensation**

Salaries and short-term employee benefits
Post-employment benefits

THE GROUP		THE HOLDING COMPANY	
2022	2021	2022	2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000
82,255	87,616	79,794	70,380
9,097	8,383	8,986	8,227
91,352	95,999	88,780	78,607

45. GOING CONCERN

The Group and the Holding Company reported a net profit for the year ended June 30, 2022 of Rs.1,043,103,000 and Rs.1,103,733,000 respectively and at that date, the Group's and the Holding Company's current assets exceeded its current liabilities by Rs.1,335,602,000 and Rs.2,810,586,000 respectively. The sports and hospitality business that were severely affected by COVID-19 started to recover from the pandemic with the opening of borders and the outlook for the future remains positive a growth in arrivals of tourists is foreseen.

The property operations executed some sales of undeveloped land portions during the year. The proceeds from these sales aided the Group and the Holding Company to repay part of their borrowings. The Group's debt position improved by Rs.2,073,393,000 resulting in a change in the debt to equity ratio from 40% to 27%.

The Group prepared cash flow forecasts to assess its liquidity needs for at least the next twelve months. Two property development projects with a view to sale, namely, 'Oceanside' and 'The Grove', were launched by the Group during the year where response was positive and deposits were secured from customers. The Serenis and part of the Magenta projects which were launched in previous years are nearing completion with delivery and final payments expected within the next financial year. The Group is also pursuing a number of other land and property development projects as well as the sales of undeveloped land portions to generate cash flows in line with the Group's strategy of lowering its indebtedness.

At the end of the financial year under review, Medine Limited issued 1,000,000 secured fixed rate notes for an aggregate nominal amount of Rs.1,000,000,000, bearing interest rate at 4.2% per annum and repayable on the 27th of June 2027 along with a bridging bank facility amounting to Rs.450,000,000 which were used to settle the part of the existing Bonds amounting to Rs.1,394,270,000 which bore interest at the rate of 5.4% per annum and was due for repayment in December 2023. The Group also hold unused bank facilities such as overdraft which may be utilised if short term liquidity needs arise.

45. GOING CONCERN (CONT'D)

Ukraine and Russian conflict

The year 2022 saw a rise in international geopolitical tensions with the outbreak of the war between Russia and Ukraine, which have affected markets mainly for agriculture and energy. Several countries have taken positions by imposing sanctions/ bans on Russia products or through diplomatic channels. This has caused rising uncertainties and instabilities not only to markets for exports/ imports involving Russia and Ukraine but also on the currency market. Given that our economy is largely influenced by pressures on the global market, sustained duration of the war may impact the economy, thereby affecting the cost of living and customer spending. The rise in the price of fuel and other inputs such as fertilizers together with the disruption in the supply chains may lead to a rise in costs that could impact on the operations across all the business units of the Group.

The impact of the conflict is at this stage difficult to assess due to looming uncertainties about the duration, the position taken by different countries and changing dynamics of the market. The Group is closely monitoring the situation and adopting appropriate strategies as a response to the associated risks.

Based on the assessment made, the directors concluded that the going concern assumptions is appropriate in the preparation of the consolidated and separate financial statements of the Group and the Holding Company for the year ended June 30, 2022.

46. OPERATING LEASE COMMITMENTS

The Group has entered into operating leases on its investment property portfolio consisting of certain office and commercial outlets and land. These leases have terms ranging from between 1 and 20 years with varying escalation clauses and renewal rights.

Future minimum rental receivables under non-cancellable operating leases as at June 30, 2022 are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Not later than one year	280,173	206,696	41,295	46,512
Later than one year and not later than two years	168,040	143,378	37,336	42,543
Later than two years and not later than three years	119,973	91,909	38,072	38,703
Later than three years and not later than four years	95,751	75,522	37,823	39,364
Later than four years and not later than five years	76,342	74,881	38,195	39,537
Later than five years	495,468	458,604	315,528	362,249
	1,235,746	1,050,990	508,250	568,908

47. EVENT AFTER REPORTING DATE

The following events occurred after the reporting date:

(i) Flic en Flac Bypass

On the 8th of September 2022, an agreement on the implementation of the Pierrefonds to Cascavelle Road segment project was signed by the Road Development Authority (RDA) and Medine Limited. Under the said agreement, Medine has agreed to put at the disposal of the RDA an estimated extent of land of 162.49 arpents as contribution towards its 50% share of the total cost of the project. The carrying amount of the land in the Group's financial statements was Rs 336m at the reporting date.

(ii) Land Sale

Land to the extent of 31 arpents was disposed of after the reporting date and the transaction generated a sale proceed of Rs 275m.

(iii) Dividend

On September 23, 2022, the board declared a final dividend of Rs 1.15 per ordinary share totalling Rs.120,750,000 which will be subsequently paid.

MEDINE LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 111th Annual Meeting of the Shareholders of the Company will be held at 5 Uniciti Office Park, Rivière Noire Road, Bambous on Friday 16 December 2022 at 10.00 a.m. to transact the following business:

Agenda

1. To receive, consider and approve the Group's and Company's audited financial statements for the financial year ended 30 June 2022, including the annual report and the auditor's report.
2. To reappoint Mr. Jacques Tin Miow Li Wan Po, G.O.S.K. as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.
3. To reappoint Messrs. Ernst & Young as auditor of the Company for the financial year ending 30 June 2023 and authorise the Board of Directors to fix its remuneration.
4. To ratify the remuneration paid to the auditor for the financial year ended 30 June 2022.

By Order of the Board



Patricia Goder
Company Secretary

25 November 2022

NOTES:

1. A shareholder of the Company may appoint a proxy to attend and vote at the meeting on his behalf. The instrument appointing the proxy must be deposited at the registered office of the Company, 4 Uniciti Office Park, Rivière Noire Road, Bambous 90203, not less than twenty-four hours before the meeting.
2. Profiles of the Directors are set out on pages 24 to 33 of the Annual Report.

MEDINE LIMITED

PROXY FORM

I/We (Block Capitals, please) _____ being a shareholder/shareholders of the above-named Company, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Shareholders of the Company to be held on **Friday 16 December 2022 at 10.00 a.m.** and at any adjournment thereof.

Signed this _____ day of _____ 2022.

Please indicate with an **X** in the spaces below how you wish your votes to be cast.

		FOR	AGAINST	
RESOLUTION 1	To receive, consider and approve the Group's and Company's audited financial statements for the financial year ended 30 June 2022, including the annual report and the auditor's report.			1
RESOLUTION 2	To reappoint Mr. Jacques Tin Miow Li Wan Po, G.O.S.K. as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.			2
RESOLUTION 3	To reappoint Messrs. Ernst & Young as auditor of the Company for the financial year ending 30 June 2023 and authorise the Board of Directors to fix its remuneration.			3
RESOLUTION 4	To ratify the remuneration paid to the auditor for the financial year ended 30 June 2022.			4

NOTES

1. A member may appoint a proxy of his own choice.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
5. To be valid, this form must be completed and deposited at the registered office of the Company, 4 Unicity Office Park, Rivière Noire Road, Bambous 90203, not less than twenty-four hours before the time fixed for holding the meeting or adjourned meeting.

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