

FOOD CANNERS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

Bacha and Bacha
Chartered Accountants
Les BACHA
Cathedral Square
Port Louis

FOOD CANNERS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
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FOOD CANNERS LIMITED AND ITS SUBSIDIARIES**YEAR ENDED 30TH JUNE, 2023****CHAIRMAN'S REPORT**

It is with great pleasure that I comment on the performance and financial results of the Group for the year ended 30th June, 2023.

ECONOMIC AND TRADING ENVIRONMENT

Following the end of the traumatic period when Covid19 pandemic prevailed, the year 2022/23 has proved to be a year of encouraging recovery for the Mauritius economy.

The main sector which has shown remarkable improvement is the tourism industry, gathering momentum just after the opening of our frontiers to reach a level which is not far below that experienced during the pre-Covid period.

Other sectors in particular the financial and manufacturing industries have experienced a boost in their activities contributing significantly to the estimated 6% growth in the local economy in 2022/23.

However, the road to recovery has not been without challenges as the effects of the disruption in the supply chain caused freight rates to spike. The shortage of forex at commercial banks in the absence of interventions by the Central Bank impacted on the exchange rate of the Rupee against major foreign currencies. The Rupee depreciation fuelled inflation and the sharp increases in the prices of consumer products seriously affected consumption.

Furthermore, in order to fight inflation, the Central Bank tightened its monetary policy by raising interest rates gradually to attain the current prevailing rate of 4.5%. This additional pressure on the purchasing power of the population dampened further consumption.

Fortunately, government intervened and granted financial support to the low earners section of the population in order to relieve the impact of the high inflation which rose above 10% during the course of the year.

The Mauritian labour market was characterised by a shortage of workers during the year. Although not unduly affected, our operations sustained delays in our aim of working with optimum efficiency. Fortunately, government was quick in acting on this hurdle and the grant of work permits to import labour was eased. However, reliance on imported labour will become increasingly felt and appropriate solutions are required failing which the sustained recovery of the country's economy may not be achieved.

GROUP PERFORMANCE

For the year under review, the company has experienced an inflation led increase in turnover as prices of our products stayed high during the year. By keeping our cost under control and with minimum loss of profit margin, we managed to improve our results from operations whilst benefitting from higher interest income on our financial resources.

We are happy to report that our consumers remained loyal to the company's brands and products despite the high prices. This shows that our consumers trust the quality of our products and find good value in our brands. We were able to maintain a high level of market share despite the strong competition coming from local and imported products.

We continued to spend heavily on social media to maintain our brand image. Our flagship Sunny brand remained in the Top 3 Mauritian brand.

Our significant investment in financial products produced mixed results but we generally benefitted from the high interest rate which prevailed. The depreciation of the Rupee against major foreign currencies boosted our fair value gain. However, the decline of share prices on the local stock exchange market produced significant fair value losses in our portfolio of investments, which were fortunately, offset by our gains in overseas investments. The net fair value gain on this activity at 30th June, 2023 amounted to Rs 16.9M.

However, we are conscious that such investments which are subject to major fluctuations are made on a long term basis.

FCL DAIRY CO. LTD

Independent research commissioned during the year highlighted the quality of our Dlight yoghurt products with 9 out of 10 consumers tested reported preferring Dlight to other competing brands. The top quality traits mentioned included a more pleasant taste, more creamy, and better texture in terms of mouth feel.

Sales of our range of products continued to grow during the year specially our Lassi mango and Lassi Pina Colada, in the drinking yoghurt category.

The Company posted a profit before tax of Rs 5.347 million compared to Rs2.2 million in the previous year. Fortunately, the market conditions allowed us to pass the cost increases to the consumer and prices of milk were stable during the year.

FINANCIAL RESULTS

The Group revenue increased by 18.2% during the year to reach Rs 737.9 million.

Group Profit Before Tax, amounted to Rs 195.1 million, a 25.6% increase over the previous year.

Earnings per share for the year were Rs 2,162 as compared to Rs 1,742 in 2022.

Dividends of Rs 530 per share were paid in September, 2023 (2022: Rs 480).

At 30th June, 2023, Shareholders' Fund amounted to Rs 1,906 million which represents an increase of 8.4% over the preceding year.

FUTURE PROSPECTS

As the local economy has shifted back into positive territory during the year with a growth of 3.6% compared to a contraction of 14.6% in 2020, we expect this positive trend to continue in 2023-24 although the country will continue to face some strong headwinds with the war in Ukraine, high energy prices and the slow down in the European economies. Fortunately, our tourism industry which relies on the premium segment is expected to continue to progress to reach pre-Covid level in the near future.

The bottlenecks in the shipping of containers are easing up fairly rapidly with rates on the downside due to slowing demand in other parts of the world.

Unfortunately, due to the rise in the adverse effects of climate change coupled with high energy prices in Europe and around the world, we expect the price of commodities and that of imported raw materials to stay at a high level for the coming year.

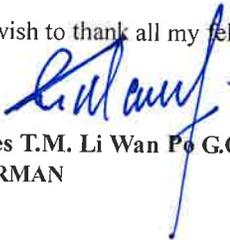
We will continue to build our brands and expect our consumer base to enlarge during the year as we consistently offer good quality and healthy products at reasonable prices.

We are optimistic that the country will remain resilient to the challenges during the coming year and we will benefit from the support of our loyal customer base.

ACKNOWLEDGEMENT

On behalf of the board, I would like to express our sincere thanks and congratulations to our personnel for supporting the notable recovery through their renewed effort. Their strong commitment and loyalty to the company have been pivotal in enabling the company produce such satisfactory results in what has been an exceptional year filled with hope of a brighter and still more rewarding future.

I also wish to thank all my fellow Directors for their enlightened advice and valuable support.


Jacques T.M. Li Wan Po G.O.S.K
CHAIRMAN

27 NOV 2023

FOOD CANNERS LIMITED AND ITS SUBSIDIARIES

YEAR ENDED 30TH JUNE, 2023

ANNUAL AND CORPORATE GOVERNANCE REPORT

FOOD CANNERS LIMITED is a public limited company and at the date of the Annual Report has 77,508 ordinary shares in issue and 56 shareholders on its register of shareholders.

The Group is committed to the highest standard of integrity, transparency and professionalism in the performance of its business activities.

The Board of Directors ensures that management in the discharge of its responsibilities manages the Company ethically and responsibly to enhance business value for all stakeholders.

The Board represents the shareholders' interest in maintaining and growing the business and has the ultimate responsibility of the Company's policy, strategy, risk management and internal control. The Board monitors regularly the effectiveness of management's actions in the implementation of its business plan.

At 30th June, 2023, the Company's Board consisted of 9 Directors of which 4 are executive Directors including the Chairman, 3 non-executive Directors and 2 non-executive independent Directors. The non-executive Directors come from diverse backgrounds and possess the required knowledge, skills, objectivity, integrity, experience and commitment to make sound judgement on key issues relevant to the Company's business.

The Directors are committed to ensuring the implementation of best practices in corporate governance both for its shareholders and stakeholders.

COMMITTEES OF THE BOARD OF DIRECTORS

In line with the code of corporate governance, the Board has set up a Corporate Governance Committee and an Audit and Risk Committee. These two Committees have each four Board Directors as members and operate within defined terms of reference.

The Chairman of the Corporate Governance Committee is :

Amal Mungur

Non-executive Director.

The committee met once during the year to decide on the allocation of CSR funds to NGO's and general corporate governance matter.

The Chairman of the Audit and Risk Committee is :

Pierre Dinan C.S.K G.O.S.K

Non-executive Director.

The Committee met once during the year to discuss matters relating to internal control and risks and reviewed the Financial Statements at 30th June, 2023.

DIRECTORS' PROFILE

Pierre Dinan C.S.K G.O.S.K

Non-executive Director

Holds a BSC (Econ) degree and is a Fellow of the Institute of Chartered Accountants in England and Wales

Director of the Company since 1978

Ng Yung Marie Thérèse DOGER DE SPEVILLE

Independent non-executive Director

Retired Notary Public

Appointed Director in 2021

Lai Chee On Harold LAI CHUCK CHOO

Independent non-executive Director

Holds a BSC (Hons) in Chemical Engineering

Appointed Director in 2021

René LECLÉZIO (up to January, 2023)

Non-executive Director

Holds a Chemical Engineering degree and a MBA (London Business School).

Jacques Tin Miow LI WAN PO G.O.S.K

Chairman and Managing Director – Executive

is a Fellow of the Chartered Association of Certified Accountants

Chairman and Managing Director of the Company since 1978

Dick LI WAN PO

Executive Director

Holds a BSC Hons degree in Business Administration and Computer Science, is a Fellow of the Chartered Association of Certified Accountants.

Director of the Company since 1997

Jean Mick LI WAN PO

Executive Director

Holds a degree BEng in Food Manufacturing Management & Marketing and a MSC in Quality Management.

Director of the Company since 2017

Nicolas LI WAN PO

Executive Director

Holds a degree BEng in Manufacturing Engineering and a MSC in International Management.

Director of the Company since 2005

Jocelyne MARTIN (as from January, 2023)

Non-executive Director

Holds a BSC (Hons) in Statistics, London School of Economics. Member of the Institute of Chartered Accountants of England and Wales.

Director of the Company since January, 2023

Amal Kumar Mohabeer MUNGUR

Non-executive Director

Holds a Bachelor of Commerce degree and is a member of the Chartered Insurance Institute UK

Director of the Company Since 2002

DIVIDEND POLICY

The Company has no fixed Dividend policy but the Board is committed after taking into account the financial results of the company to pay a stable and reasonable dividend which represents an attractive return on the value of the shares.

DIRECTORS REMUNERATION

Remuneration and benefits received and receivable from the Company and its subsidiaries were as follows:

	COMPANY Rs	SUBSIDIARIES Rs
Executive Directors	13,431,048	NIL
Non-Executive Directors		
Pierre Dinan	100,000	NIL
Amal Mungur	135,000	NIL
René Leclézio	90,000	NIL
Lai Chee On Lai Chuck Choo	90,000	NIL
Ng Yung M.T. Doger De Spéville	90,000	NIL
	-----	-----
	505,000	NIL
	-----	-----
TOTAL	13,936,048	NIL
	=====	=====

AUDITORS' REMUNERATION

	THE GROUP Rs	THE COMPANY Rs
Audit fees paid to :		
- Bacha & Bacha	360,000	235,000
- H&A Associates	34,000	NIL
	-----	-----
	394,000	235,000
	=====	=====

DONATIONS

	THE GROUP Rs	THE COMPANY Rs
	NIL	NIL

DIRECTORS' INTEREST IN SHARES

The interest of the Managing Director and the other Directors in the share capital of the Company and its subsidiaries were as follows at 30th June, 2023.

	COMPANY				SUBSIDIARIES			
	DIRECT		INDIRECT		DIRECT		INDIRECT	
	<u>No. of Shares</u>	%	<u>No. of Shares</u>	%	<u>No. of Shares</u>	%	<u>No. of Shares</u>	%
Jacques T.M. Li Wan Po	2,151	2.8	5,427	7.0	1	0.2	NIL	-
Dick Li Wan Po	2,316	3.0	9,349	12.0	NIL	-	NIL	-
Nicolas Li Wan Po	705	0.9	9,349	12.0	NIL	-	NIL	-
Jean Mick Li Wan Po	2,316	3.0	9,349	12.0	NIL	-	NIL	-
Amal Mungur	2,021	2.6	NIL	-	NIL	-	NIL	-
Pierre Dinan	NIL	-	86	0.1	NIL	-	NIL	-
René Leclézio	NIL	-	NIL	-	NIL	-	NIL	-
Harold Lai Chuck Choo	NIL	-	NIL	-	NIL	-	NIL	-
Marie Thérèse Doger de Spéville	NIL	-	NIL	-	NIL	-	NIL	-
Jocelyne Martin	NIL	-	NIL	-	NIL	-	NIL	-

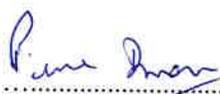
RELATED PARTY TRANSACTIONS

Details of Related Party Transactions are given in Note 29 of the Financial Statements.



.....
DIRECTOR

NAME: Jacques T.M. Li Wan Po



.....
DIRECTOR

NAME: Pierre Dinan

DATE: 27 NOV 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company and its subsidiaries. In preparing those financial statements, the Directors are required to:

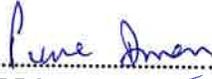
- keep adequate accounting records;
- select suitable accounting policies and estimates and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the notes to the Financial Statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company and any of its subsidiaries will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. They also confirm that reasons for non-compliance with the Code of Corporate Governance have been provided. The Directors are responsible for safeguarding the assets of the Company and the Group, and hence for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and errors, and maintenance of an effective risk management system.

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



 DIRECTOR



 DIRECTOR

DATE: 27 NOV 2023

NAME: Jacques T. Li Wan Po Pierre Dinan

FOOD CANNERS LIMITED**STATEMENT OF COMPLIANCE****(Section 75(3) of the Financial Reporting Act)****Name of Public Interest Entity:** FOOD CANNERS LIMITED**Reporting Period:** 1 July 2022 to 30 June 2023

We, the directors of FOOD CANNERS LTD, confirm that to the best of our knowledge, the entity has not complied with the National Code of Corporate Governance for the following reasons :

- (1) Food Canners Limited is a public non-listed Company and at the date of the Annual Report has 77,508 issued shares and 56 shareholders.

The holding company SUNKIST INVESTMENTS LTD owns 28,304 issued shares (36.5%) and this holding company is controlled by Societe Jacques Li Wan Po & Cie (49.2%) and EUDCOS (28.0%).

Societe Jacques Li Wan Po & Cie and EUDCOS together have an effective shareholding of 53.9% in Food Canners Limited.

These two shareholders and other minority shareholders are adequately represented on both Boards as executive (4), non-executive (3) and independent non-executive (2) Directors.

- (2) Food Canners Limited is committed to the highest standard of integrity and transparency in the performance of its business activities for the benefit of all shareholders and stakeholders. The Board monitors regularly the performance of management and the results achieved.
- (3) Given the present structure relating to its shareholding and management, the entity does not deem it necessary to comply with the Code of Corporate Governance. The area of non-compliance is in respect of the membership of the Audit and Risk Committee.



.....
CHAIRMAN



.....
DIRECTOR

DATE: 27 NOV 2023

NAME: Jacques T. Li Wan Po Pierre Dinon

FOOD CANNERS LIMITED

AND ITS SUBSIDIARIES

SECRETARY'S CERTIFICATE – 30TH JUNE, 2023

I certify that to the best of my knowledge and belief, the company has filed with the Corporate and Business Registration Department all such returns as are required of the Company under the Companies Act



.....
AMAL KUMAR MOHABEER MUNGUR
SECRETARY

Date: 27 NOV 2023

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Food Canners Limited** on pages 11 to 59 which comprise the statement of financial position as at **30 June 2023**, the statement of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements on pages 11 to 59 give a true and fair view of, the financial position of the Group and the Company as at **30 June 2023**, and of their financial performance and cash flows for the year then ended and in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis of 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 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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

(i) Valuation of Investments at fair value through other comprehensive income

Key Audit Matter

At 30 June 2023, the Group has investments amounted to Rs 1,029b; this amount is made up of investments in associates and financial assets at fair value through other comprehensive income. The amount is significant to the financial statements and the determination of fair value involves judgement and estimates. We therefore consider investments to be a significant key audit matter

Related Disclosures

Refer to notes 2(1) (accounting policy notes) and notes 10 and 11 (financial statement disclosures)

Audit Response

- We reviewed the valuation methods used and discussed with management regarding the reasonableness of the basis and assumptions used.
- We also verified the main inputs used in the fair value computation and verified the accuracy of the computation.

(ii) Recoverability of trade receivables

Key Audit Matter

The recoverability of trade receivables is considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. At 30 June 2023, trade receivables, net of expected credit loss allowance amounted to Rs 68.1m.

Related Disclosures

Refer to note 2(1) (accounting policy note) and note 15 (financial statement disclosures).

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Key Audit Matters (continued)

(ii) Recoverability of trade receivables (continued)

Audit Response

- We verified the computation of the simplified expected credit loss ("ECL") model for accuracy.
- We obtained and assessed historical information as well as collections post the financial reporting date of amounts receivable in order to determine the risk of defaults and whether a significant increase in credit risk has occurred.
- We considered the appropriateness of forward looking factors used to determine expected credit losses.
- We assessed independently assumptions and data used by management as extracted from Company's records for completeness and accuracy.
- We evaluated the adequacy of the disclosures in the financial statements.

Other Information

Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the Corporate Governance Report, financial statements and our auditors' report thereon.

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

Corporate Governance Report

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 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 Company has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of the Directors and Those charged with Governance for the financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Auditors' responsibilities for the Audit of the Financial Statements (continued)

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's and 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Group and the Company cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Group and the Company to express an opinion on the Group and the Company financial statements. We are responsible for the direction, supervision and performance of the 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 reasonable are expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Companies Act 2001

- (a) We have no relationship with or interests in the Company or any of its subsidiaries, other than in our capacities as auditors in the ordinary course of business.
- (b) We have obtained all information and explanations that we have required.
- (c) In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FOOD CANNERS LIMITED**

Page 10 (d) of 59

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Report on other Legal and Regulatory Requirements (continued)

Other Matter

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



BACHA AND BACHA
Chartered Accountants
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Port Louis



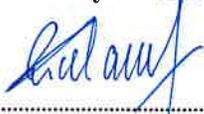
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Date: **2.7.NOV.2023**

STATEMENT OF FINANCIAL POSITION - 30 JUNE 2023

	NOTES	THE GROUP		THE COMPANY	
		2023 Rs	2022 Rs	2023 Rs	2022 Rs
ASSETS					
NON CURRENT ASSETS					
Property, Plant and Equipment	5	209,988,945	212,954,480	166,097,084	166,633,567
Investment Properties	6	32,372,295	32,131,873	32,372,295	32,131,873
Intangible Assets	7	112,020	371,350	26,187	182,517
Right of Use Assets	8	25,377,008	25,747,975	25,377,008	25,747,975
Investments in Subsidiaries	9	0	0	5,774,900	5,774,900
Investments in Associates	10	50,035,709	268,844	50,035,709	268,844
Financial Assets at Fair Value through Other Comprehensive Income	11	979,565,501	857,585,475	978,460,761	856,517,050
Financial Assets at Amortised Cost	12	146,389,672	188,171,046	146,389,672	188,171,046
Deposits on Investments	13	48,172,500	48,172,500	82,912,500	82,912,500
		<u>1,492,013,650</u>	<u>1,365,403,543</u>	<u>1,487,446,116</u>	<u>1,358,340,272</u>
CURRENT ASSETS					
Inventories	14	147,360,714	110,303,415	107,716,693	76,402,024
Trade Receivables	15	68,176,839	75,069,706	1,424,807	114,701
Financial Assets at Amortised Cost	12	96,038,172	33,462,838	120,034,132	53,297,697
Cash and Cash Equivalents	28	235,464,365	299,866,613	222,464,677	291,636,042
		<u>547,040,090</u>	<u>518,702,572</u>	<u>451,640,309</u>	<u>421,450,464</u>
TOTAL ASSETS		<u>2,039,053,740</u>	<u>1,884,106,115</u>	<u>1,939,086,425</u>	<u>1,779,790,736</u>
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated Capital	16	7,750,800	7,750,800	7,750,800	7,750,800
Retained Earnings		1,771,682,943	1,641,368,359	1,658,631,950	1,530,615,468
Other Reserves	17	126,194,781	109,270,850	173,930,268	153,369,563
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>1,905,628,524</u>	<u>1,758,390,009</u>	<u>1,840,313,018</u>	<u>1,691,735,831</u>
NON CONTROLLING INTERESTS	18	487,391	461,501	0	0
TOTAL EQUITY		<u>1,906,115,915</u>	<u>1,758,851,510</u>	<u>1,840,313,018</u>	<u>1,691,735,831</u>
NON CURRENT LIABILITIES					
Lease Liabilities	19	24,416,317	23,648,395	24,416,317	23,648,395
Retirement Benefit Obligations	20	25,735,292	25,337,356	18,602,245	18,204,309
Deferred Tax Liabilities	21	2,638,257	763,656	2,555,068	2,562,682
		<u>52,789,866</u>	<u>49,749,407</u>	<u>45,573,630</u>	<u>44,415,386</u>
CURRENT LIABILITIES					
Bank Overdrafts (Secured)	28	7,530,014	185,280	7,453,726	0
Trade and Other Payables	22	60,432,230	64,259,564	33,550,431	32,579,003
Lease Liabilities	19	2,920,728	2,723,827	2,920,728	2,723,827
Current Tax Liabilities	23	9,264,987	8,336,527	9,274,892	8,336,689
		<u>80,147,959</u>	<u>75,505,198</u>	<u>53,199,777</u>	<u>43,639,519</u>
TOTAL EQUITY AND LIABILITIES		<u>2,039,053,740</u>	<u>1,884,106,115</u>	<u>1,939,086,425</u>	<u>1,779,790,736</u>

The notes on pages 16 to 59 form part of these financial statements.
Approved by the Board of Directors and signed on its behalf.


.....
DIRECTOR

NAME: Jacques T.M. Li Wan Po


.....
DIRECTOR


DATE: 27 NOV 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTES	THE GROUP		THE COMPANY	
		2023 Rs	2022 Rs	2023 Rs	2022 Rs
REVENUE		714,702,985	610,309,263	443,845,817	360,104,833
Interest Income		20,613,071	12,194,171	21,160,366	12,479,018
Rental Income		2,585,002	1,589,700	2,585,002	1,589,700
		737,901,058	624,093,134	467,591,185	374,173,551
Changes in Inventories of Work in Progress and Finished Goods		(6,616,695)	(2,866,534)	21,282	(6,382,957)
Raw Materials and Consumables Used		382,918,425	329,118,326	195,390,749	157,481,426
Administrative Expenses		28,714,238	27,487,856	26,876,226	25,531,299
Operating Expenses		124,421,992	109,545,724	57,563,570	49,350,668
Selling and Distribution Costs		37,532,543	34,910,100	15,062,563	10,836,713
Depreciation	5, 6 & 8	21,421,154	19,886,322	13,333,457	12,043,061
Amortisation	7	259,330	258,657	156,330	155,657
		(588,650,987)	(518,340,451)	(308,404,177)	(249,015,867)
OPERATING PROFIT		149,250,071	105,752,683	159,187,008	125,157,684
Quoted Investment Income		12,285,583	12,388,190	12,285,583	12,388,190
Unquoted Investment Income		7,428,993	3,956,113	7,416,493	3,943,613
Other Income	24	19,024,871	26,505,999	8,805,428	5,241,625
Interest Expense	25	(1,948,501)	(1,716,699)	(2,185,879)	(1,786,122)
Difference on Exchange		7,587,894	7,279,441	7,583,744	7,282,473
		193,628,911	154,165,727	193,092,377	152,227,463
Share of Net Profit Before Tax of Associates	10	3,819,507	57,353	0	0
PROFIT BEFORE :		197,448,418	154,223,080	193,092,377	152,227,463
Reversal of Expected Credit Loss Allowance	15	0	1,142,896	0	1,142,896
Net Impairment Loss on Financial Assets	12	(2,255,316)	0	(2,255,316)	0
PROFIT BEFORE TAX AND CSR:	26	195,193,102	155,365,976	190,837,061	153,370,359
CSR FUND	23	(2,547,693)	(1,913,495)	(2,526,731)	(1,913,272)
INCOME TAX EXPENSE	21 & 23	(25,101,168)	(18,413,883)	(23,090,008)	(18,503,756)
PROFIT FOR THE YEAR		167,544,241	135,038,598	165,220,322	132,953,331
OTHER COMPREHENSIVE INCOME FOR THE YEAR:					
<u>Item that will not be reclassified to profit or loss</u>					
Change in Fair Value of Equity Instruments at fair value through Other Comprehensive Income	10 & 11	16,924,004	(46,425,222)	20,560,705	(46,407,653)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		184,468,245	88,613,376	185,781,027	86,545,678
PROFIT FOR THE YEAR ATTRIBUTABLE TO:					
Owners of the Parent		167,518,424	135,100,805	165,220,322	132,953,331
Non-Controlling Interests		25,817	(62,207)	0	0
		167,544,241	135,038,598	165,220,322	132,953,331
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Parent		184,442,355	88,675,507	185,781,027	86,545,678
Non-Controlling Interests		25,890	(62,131)	0	0
		184,468,245	88,613,376	185,781,027	86,545,678
EARNINGS PER SHARE	27	2.162	1,742	2.132	1,715

The notes on pages 16 to 59 form part of these financial statements.

FOOD CANNERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

The Group

	STATED CAPITAL Rs	EXCHANGE REVALUATION EQUALISATION		FAIR VALUE		RETAINED EARNINGS		NON CONTROLLING INTEREST		TOTAL Rs
		RESERVE Rs	RESERVE Rs	RESERVE Rs	RESERVE Rs	EARNINGS Rs	EARNINGS Rs	INTEREST Rs	INTEREST Rs	
BALANCE AT 01 JULY 2021	7,750,800	28,260,350	110,574	127,325,148	1,541,921,234	523,632	1,705,891,738			
Profit for the Year	0	0	0	0	135,100,805	(62,207)	135,038,598			
Other Comprehensive Income	0	0	0	(46,425,222)	0	76	(46,425,146)			
Dividend Paid	0	0	0	0	(35,653,680)	0	(35,653,680)			
BALANCE AT 30 JUNE 2022	7,750,800	28,260,350	110,574	80,899,926	1,641,368,359	461,501	1,758,851,510			
Profit for the Year	0	0	0	0	167,518,424	25,817	167,544,241			
Other Comprehensive Income	0	0	0	16,923,931	0	73	16,924,004			
Dividend Paid	0	0	0	0	(37,203,840)	0	(37,203,840)			
BALANCE AT 30 JUNE 2023	7,750,800	28,260,350	110,574	97,823,857	1,771,682,943	487,391	1,906,115,915			

The notes on pages 16 to 59 form part of these financial statements.

FOOD CANNERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

The Company

	STATED CAPITAL Rs	EXCHANGE EQUALISATION RESERVE Rs	REVALUATION RESERVE Rs	FAIR VALUE		RETAINED EARNINGS Rs	TOTAL Rs
				RESERVE Rs	RESERVE Rs		
BALANCE AT 1 JULY 2021	7,750,800	23,818,287	110,574	175,848,355	1,433,315,817	1,640,843,833	
Profit for the Year	0	0	0	0	132,953,331	132,953,331	
Other Comprehensive Income	0	0	0	(46,407,653)	0	(46,407,653)	
Dividend Paid	0	0	0	0	(35,653,680)	(35,653,680)	
BALANCE AT 30 JUNE 2022	7,750,800	23,818,287	110,574	129,440,702	1,530,615,468	1,691,735,831	
Profit for the Year	0	0	0	0	165,220,322	165,220,322	
Other Comprehensive Income	0	0	0	20,560,705	0	20,560,705	
Dividend Paid	0	0	0	0	(37,203,840)	(37,203,840)	
BALANCE AT 30 JUNE 2023	7,750,800	23,818,287	110,574	150,001,407	1,658,631,950	1,840,313,018	

The notes on pages 16 to 59 form part of these financial statements.

FOOD CANNERS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	THE GROUP		THE COMPANY	
		2023 Rs	2022 Rs	2023 Rs	2022 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		195,193,102	155,365,976	190,837,061	153,370,359
Adjustments for:					
Depreciation		21,421,154	19,886,322	13,333,457	12,043,061
Amortisation		259,330	258,657	156,330	155,657
Interest Expense		1,948,501	1,716,699	2,185,879	1,786,122
Surplus on Disposal of Plant and Equipment		(540,000)	(134,783)	(10,435)	0
Surplus on Disposal of Investments		(522,783)	(487,434)	(522,783)	(487,434)
Investment Income		(19,714,576)	(16,344,303)	(19,702,076)	(16,331,803)
Interest Income		(20,613,071)	(12,194,171)	(21,160,366)	(12,479,018)
Share of Net Profit Before Tax of Associates		(3,819,507)	(57,353)	0	0
Retirement Benefit Obligations		397,936	508,574	397,936	553,428
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		174,010,086	148,518,184	165,515,003	138,610,372
Increase in Inventories		(37,057,299)	(30,586,748)	(31,314,669)	(26,933,273)
Decrease/(Increase) in Trade Receivables		6,892,867	(20,856,458)	(1,310,106)	(104,921)
(Increase)/Decrease in Financial Assets at Amortised Cost		(62,575,334)	17,873,495	(66,736,435)	9,724,663
(Decrease)/Increase in Trade and Other Payables		(3,827,334)	12,330,866	971,428	1,604,200
		(96,567,100)	(21,238,845)	(98,389,782)	(15,709,331)
NET CASH FLOWS GENERATED FROM OPERATIONS		77,442,986	127,279,339	67,125,221	122,901,041
Interest Expense		(1,948,501)	(1,716,699)	(2,185,879)	(1,786,122)
Net Tax and CSR Paid		(24,699,310)	(17,209,838)	(24,686,150)	(17,132,576)
		(26,647,811)	(18,926,537)	(26,872,029)	(18,918,698)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		50,795,175	108,352,802	40,253,192	103,982,343
Increase in Financial Assets at Amortised Cost		(1,457,426)	(22,499,000)	(1,457,426)	(22,499,000)
Net Increase in Right of Use Assets		(3,789,044)	0	(3,789,044)	0
		(5,246,470)	(22,499,000)	(5,246,470)	(22,499,000)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of Financial Assets		(81,713,224)	(276,150,555)	(81,713,224)	(276,150,555)
Acquisition of Associate		(82,350,776)	0	(82,350,776)	0
Proceeds from Disposal of Financial Assets		93,105,712	38,670,237	93,105,712	38,670,237
Acquisition of Plant and Equipment	5	(14,228,679)	(10,306,703)	(8,570,035)	(5,305,270)
Net Proceeds from Disposal of Plant and Equipment		540,000	134,783	10,435	0
Acquisition of Investment Property		(307,350)	0	(307,350)	0
Investment Income		19,714,576	16,344,303	19,702,076	16,331,803
Interest Income		20,613,071	12,194,171	21,160,366	12,479,018
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(44,626,670)	(219,113,764)	(38,962,796)	(213,974,767)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net Increase/(Decrease) in Lease Liabilities		964,823	(2,599,786)	964,823	(2,599,786)
Equity Dividend Paid		(37,203,840)	(35,653,680)	(37,203,840)	(35,653,680)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(36,239,017)	(38,253,466)	(36,239,017)	(38,253,466)
DECREASE IN CASH AND CASH EQUIVALENTS		(35,316,982)	(171,513,428)	(40,195,091)	(170,744,890)
MOVEMENT IN CASH AND CASH EQUIVALENTS					
At July 01,		318,606,333	490,119,761	310,561,042	481,305,932
Decrease		(35,316,982)	(171,513,428)	(40,195,091)	(170,744,890)
At June 30,	28	283,289,351	318,606,333	270,365,951	310,561,042

The notes on pages 16 to 59 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

1. GENERAL INFORMATION

Food Canners Limited is a public Company limited by shares incorporated under the Companies Act 2001 and domiciled in the Republic of Mauritius. Its registered office is situated at Plaine Lauzun. The main activities of the Group and the Company are processing and canning of foodstuffs and distribution of foodstuffs and other products.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements of Food Canners Limited comply with the Companies Act 2001 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 subsidiary companies (The Group) and the separate financial statements of the Company (The Company). The consolidated financial statements are presented to the nearest Mauritian Rupee which is the functional currency of the Company.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 4.

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) property on leasehold land is carried at revalued amount.
- (ii) investments in financial assets are stated at fair value.
- (iii) relevant financial assets and financial liabilities are carried at amortised cost.

Standards, Amendments to Published Standards and Interpretations effective in the reporting period**Reference to the Conceptual Framework – Amendments to IFRS 3**

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (continued)

Standards, Amendments to Published Standards and Interpretations effective in the reporting period (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Group as there were no contingent assets or contingent liabilities within the scope of these amendments that arose during the year.

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

Amendments were made to the standard to prohibit 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 separated the proceeds from selling such items, and the cost of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). 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 Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. These amendments had no impact on the financial statements as the Group did not identify any contracts as being onerous.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (continued)

*Standards, Amendments to Published Standards and Interpretations effective in the reporting period (continued)*IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment 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. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

Management has assessed the impact of these revised amendments and concluded that they have no major impact on these financial statements.

Standards, Amendments to published standards and Interpretations issued but not yet

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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. 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

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. This standard has no impact on the Group.

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

In January 2020, the IASB issued amendments to paragraph 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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (continued)

Standards, Amendments to published standards and Interpretations issued but not yet effective (continued)

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

- 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 beginning on or after January 1, 2023 and must be applied retrospectively.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, 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.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments are not expected to have a material impact on the Group.

Sale or Contribution of assets between an investor and its associate or joint venture-
Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures 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 a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (continued)

Standards, Amendments to published standards and Interpretations issued but not yet effective (continued)

Sale or Contribution of assets between an investor and its associate or joint venture- Amendments to IFRS 10 and IAS 28 (continued)

The amendments are not expected to have a material impact on the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to 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.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendments are not expected to have a material impact on the Group.

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. The combined impact of the 2020 amendments and the 2022 amendments will impact practice. Entities will, therefore, need to carefully consider the impact of the amendments on existing and planned loan

The amendments are effective from 01 January 2024 but may be applied earlier.

Lease liability in a Sale and Leaseback (Amendments to IAS I6)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of gain or loss that relate to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments are effective from 01 January 2024 but may be applied earlier.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue Recognition (continued)

(i) Revenue from Contracts with Customers(a) Performance obligations and timing of revenue recognition

The revenue is mostly derived from selling goods with revenue recognised at a point in time when control was transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

(b) Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

(c) Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given to bulk orders placed at a specific time. Therefore there is no judgement involved in allocating the contract price to the confirmation of such contracts. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral is usually within twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

(ii) Other Revenue earned by the Group are recognised as follows:

- Other Income: in accounting year in which it is receivable
- Rental Income: on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
- Investment Income: when the shareholder's right to receive payment has been 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).
- Services: when the services have been performed and are billable.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Inventories and Work in Progress

Inventories are valued at cost or at the lower of cost and net realisable value. Cost comprises direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Inventories are determined on a first-in-first-out method. Work in Progress reflects the value of work in progress at the reporting date and is valued at cost plus a proportion of overheads. The consolidated financial statements exclude unrealised profit on inter group inventories held at 30 June 2023.

(d) Property, Plant and Equipment

(i) Recognition and Measurement

Property, Plant and Equipment are stated at Cost less Accumulated Depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The carrying values of Property, Plant and Equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable. Gains and losses on disposal of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised net in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Subsequent Costs

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.

(iii) Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost of each asset over its expected useful life . The principal annual rates used for this purpose are:-

	%
Laboratory Equipment	15
Furniture, Fittings & Office Equipment	10 - 15
Motor Vehicles	20
Plant and Machinery	10
Renovation of Plant and Machinery	10
Buildings	2
Improvement to Rented Premises	5
Electrical Equipment	25
EDP Equipment	20

No depreciation is charged on Land and on assets not in use. Fully depreciated assets still in use are retained in the financial statements. Building on Leasehold Land is depreciated using the same rate as owned assets.

(e) Investment Properties

Investment properties comprise land and buildings. Investment properties held to earn rentals or for capital appreciation are initially stated at cost plus transaction costs.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investment Properties (continued)

Subsequently buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. The principal annual rate use is 2%. An entity shall transfer a property to, or from, investment property, when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet the definition of investment property and there is evidence of the change in use. Transfers between investment properties and owner-occupied property are made at the carrying amounts of the property transferred.

(f) Intangible AssetRecognition and Measurement

Intangible assets comprise of Trade Mark and Software that were acquired by the Group and have finite useful lives. It is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Cost

Subsequent cost is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less estimated residual values using the straight-line method over the estimated useful life and is generally recognised in profit or loss. The annual rate used for this purpose is 20%.

(g) Investments in SubsidiariesSeparate Financial Statements

In the separate financial statements of the investor, investment in subsidiary companies are carried at cost.

Consolidated Financial Statements

Subsidiaries are all 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 the ability to affect those returns through its power over the entity.

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 value of any assets or liabilities 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 value 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.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interest at initial recognition plus the non-controlling interests' share of subsequent change in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investments in Subsidiaries (continued)Consolidated Financial Statements (continued)

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) 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 the 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.

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.

Loss of control

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. In addition, any amount 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 are reclassified to profit or loss.

(h) Investments in AssociatesSeparate Financial Statements

In the separate financial statements of the Company, investments in associated companies are carried at fair value.

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 except when classified as held for sale. 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.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Any excess of the cost of acquisition and 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 associated, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments in Associates (continued)

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.

(i) Current and Deferred Income Tax

Income Tax expense represents the sum of the tax currently payable .

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 period 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 amounts will be available against which deductible temporary differences and losses can be utilised.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') was legislated by the Government in July 2009. In terms of the legislation, the Company is required to allocate 2% of its chargeable income of the preceding financial year. The required CSR charge for the current year is recognised as income tax expense in profit or loss. The net amount of CSR fund payable to the taxation authority is included as income tax payable in the statement of financial position.

(j) Pension Contribution and Retirement Benefit Obligations**(i) Retirement Benefits Obligations**

Provision for Retirement benefits are accrued yearly on the basis of time spent in the organisation in order to recognise for future liabilities already covered. Cost for future benefits are accounted for and as they are earned.

State Pension Plan

Contributions to the Contribution Sociale Généralisée and the Portable Retirement Gratuity Fund are expensed to the Statement of Profit or Loss

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Pension Contribution and Retirement Benefit Obligations (continued)

(ii) Employee Benefits ObligationsShort-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have a present legal or constructive obligations to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Benefits

Employee entitlement to annual leave and other benefits are recognised as and when they accrue to the employees.

(k) Provisions

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reasonably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(l) Financial Assets

Initial Recognition and Measurement

The Group's financial assets include cash in hand and at banks, trade receivables, other investments and other financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income (OCI).

Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met:

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

These assets are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. Any gain on derecognition is also recognised in profit or loss.

Impairment allowance for trade receivables is recognised based on the simplified approach within 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 allowance are recorded in a separate impairment loss allowance account 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 the associated impairment allowance.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Assets (continued)

Initial Recognition and Measurement (continued)Amortised Cost (continued)

Impairment allowance 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. 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 credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on net basis are recognised.

The Group determines that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

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

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

Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as 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 subsequently measured 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Assets (Continued)

Initial Recognition and Measurement (continued)Fair value through other comprehensive income (continued)

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount. The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

The Group's and Company's financial assets at fair value through other comprehensive income comprise of equity securities.

Derecognition

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it do not retain control of the financial asset.

(m) Financial Liabilities

Initial Recognition and MeasurementOther financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest 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 the initial transaction costs and any interest payable while the liability is outstanding. The Group's other financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(o) Related Parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if they have the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Group and the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(p) Current versus Non-Current Classification

The Group presents assets and liabilities in 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 normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and 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 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.

All other liabilities are classified as non-current.

(q) Foreign CurrenciesFunctional and Presentation Currency

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

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transactions.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Foreign Currencies (continued)Transactions and Balances

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, except when deferred in equity as qualifying cash flow hedge.

Foreign exchange gains and losses are presented in profit or loss.

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

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

(r) LeasesThe Group and the Company 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:

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

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.

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 amortised on a straight-line basis over the remaining term of the leases or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group and the Company as lessor

Lease income from leases where the Group and the Company are lessor is recognised in income on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(t) Earnings per Share

The Group and the Company present basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the number of ordinary shares in issue during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(u) Interest Expense

Interest expense comprise of interest on loans, overdrafts and lease liabilities.

(v) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the period in which the dividends are paid.

(w) Offsetting of Financial Instruments

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

3. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Group's activities are exposed to a variety of financial risks as follows:-

- . Market risk (including currency risk, price risk and interest risk);
- . Credit risk and
- . Liquidity risk

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

(a) Market Risk**(i) Currency Risk**

The Group and the Company undertake certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amounts of the Group's and the Company's currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:-

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Financial Risk Factors (continued)

(a) Market Risk (continued)

(i) Currency Risk (continued)

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
<u>FINANCIAL ASSETS</u>				
Mauritian Rupee	804,394,040	681,952,527	788,799,894	658,810,864
United States Dollar	751,644,009	756,150,911	751,033,640	755,542,401
Great Britain Pound	7,224,245	2,031,614	7,224,245	2,031,614
South African Rand	28,285,375	27,821,097	28,144,290	27,667,028
Euro	31,961,160	34,640,873	31,961,160	34,640,873
Australian Dollar	333,929	0	333,929	0
	1,623,842,758	1,502,597,022	1,607,497,158	1,478,692,780
<u>FINANCIAL LIABILITIES</u>				
Mauritian Rupee	93,623,767	89,177,081	66,665,680	57,311,240
United States Dollar	514,153	192,475	514,153	192,475
South African Rand	1,161,369	1,427,518	1,161,369	1,427,518
Euro	0	19,992	0	19,992
	95,299,289	90,817,066	68,341,202	58,951,225

Foreign Currency Sensitivity analysis

The Group and the Company are mainly exposed to USD, GBP, ZAR, Euro and AUD .

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

Foreign Currency Sensitivity analysis

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
<u>USD IMPACT</u>				
Profit	37,556,493	37,797,922	37,525,974	37,767,496
<u>GBP IMPACT</u>				
Profit	361,212	101,581	361,212	101,581
<u>ZAR IMPACT</u>				
Profit	1,356,200	1,319,679	1,349,146	1,311,976

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Financial Risk Factors (continued)

(a) Market Risk (continued)

(i) Currency Risk (continued)

Foreign Currency Sensitivity analysis (continued)

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
<u>EURO IMPACT</u>				
Profit	1,598,058	1,731,044	1,598,058	1,731,044
<u>AUD IMPACT</u>				
Profit	16,696	0	16,696	0

The profit is mainly attributable to the exposure outstanding on USD, GBP, ZAR, EURO and AUD receivables and payables at year end in the Group. The Group aims to minimise its foreign exposure by dealing in local currency.

(ii) Price Risk

The Group is exposed to equity securities price risk 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 which are valued at current bid prices.

Sensitivity Analysis

The table below summarises the impact of increase/decreases in the fair value of the investments on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Categories of investments:				
Financial Assets at Fair Value through Other Comprehensive Income	48,978,275	42,879,274	48,923,038	42,825,853

To manage its price risk arising from investments in equity securities the Group diversifies its portfolio.

(iii) Interest Risk

The Group and the Company are not exposed to interest rate risk as a slight increase/decrease in interest rate will not have an effect on the financial performances. The interest rate profile of the financial assets and financial liabilities of the Company as 30 June 2023 was:-

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Financial Risk Factors (continued)**(a) Market Risk (continued)****(iii) Interest Risk (continued)**

	THE GROUP		THE COMPANY	
	INTEREST RATE 2023 % p.a	INTEREST RATE 2022 % p.a	INTEREST RATE 2023 % p.a	INTEREST RATE 2022 % p.a
<u>Financial Assets</u>				
(a) Balances with Banks:-				
Mauritian Rupee	4.10-5.90	3.35-5.95	4.10-5.90	3.35-5.95
United States Dollar	2.93-5.99	0.15-2.752	2.93-5.99	0.15-2.752
Great Britain Pound	4.65	-	4.65	-
South African Rand	7.00-8.35	4.458-6.30	7.00-8.35	4.458-6.30
Euro	2.75-3.30	2.75	2.75-3.30	2.75
(b) Financial Institution (MUR)	5.85	5.85	5.85	5.85
(c) Amounts receivable from related parties (MUR)	5.00-5.90	3.50	5.00-5.90	3.50
<u>Financial Liabilities</u>				
(a) Bank Overdrafts (MUR)	7.00-10.50	4.75-8.25	7.00	4.75
(b) Amounts payable to related parties (MUR)	5.00	3.00-3.50	5.00	3.00-3.50
(c) Lease liabilities (MUR)	4.67-4.99	4.67	4.67-4.99	4.67

Interest rate sensitivity

The Group's and the Company's exposure to liabilities attracting variable interest rates are insignificant and there would not be any significant effect on the Group's and the Company's profit for the year ended 30 June 2023.

(b) Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows of equity investments carried at fair value through other comprehensive income, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a company basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management. Sales to retail customers are required to be settled in cash mitigating credit risk.

There are no significant concentrations of credit risk whether through exposure to individual customers or specific industry sectors. Management does not foresee losses arising from non performance by these clients. The Group has policies in place to ensure that sales of products are made to customers within an appropriate credit history.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Financial Risk Factors (continued)**(c) 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 includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk. 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.

	Less than 3 months Rs	3 months to 1 year Rs	1-5 years Rs	Over 5 years Rs	Total Rs
<u>The Group</u>					
<u>Financial liabilities</u>					
<u>2023</u>					
Bank Overdraft	7,530,014	0	0	0	7,530,014
Trade and Other Payables	31,757,176	28,675,054	0	0	60,432,230
Lease Liabilities	717,363	2,203,365	9,760,421	14,655,896	27,337,045
	<u>40,004,553</u>	<u>30,878,419</u>	<u>9,760,421</u>	<u>14,655,896</u>	<u>95,299,289</u>
<u>2022</u>					
Bank Overdraft	185,280	0	0	0	185,280
Trade and Other Payables	41,953,044	22,306,520	0	0	64,259,564
Lease Liabilities	669,102	2,054,725	11,421,828	12,226,567	26,372,222
	<u>42,807,426</u>	<u>24,361,245</u>	<u>11,421,828</u>	<u>12,226,567</u>	<u>90,817,066</u>
<u>The Company</u>					
<u>Financial liabilities</u>					
<u>2023</u>					
Bank Overdraft	7,453,726	0	0	0	7,453,726
Trade and Other Payables	10,164,507	23,385,924	0	0	33,550,431
Lease Liabilities	717,363	2,203,365	9,760,421	14,655,896	27,337,045
	<u>18,335,596</u>	<u>25,589,289</u>	<u>9,760,421</u>	<u>14,655,896</u>	<u>68,341,202</u>
<u>2022</u>					
Bank Overdraft	0	0	0	0	0
Trade and Other Payables	10,101,930	22,477,073	0	0	32,579,003
Lease Liabilities	669,102	2,054,725	11,421,828	12,226,567	26,372,222
	<u>10,771,032</u>	<u>24,531,798</u>	<u>11,421,828</u>	<u>12,226,567</u>	<u>58,951,225</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Financial Risk Factors (continued)**Capital Risk Management**

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

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

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

The Group and the Company monitor capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown on the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity.

The debt-to-adjusted capital ratio was as follows:

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Debt	34,867,059	26,557,502	34,790,771	26,372,222
Less: Cash and Cash Equivalents	(283,289,351)	(318,606,333)	(270,365,951)	(310,561,042)
	<u>(248,422,292)</u>	<u>(292,048,831)</u>	<u>(235,575,180)</u>	<u>(284,188,820)</u>
Equity	<u>1,905,628,524</u>	<u>1,758,390,009</u>	<u>1,840,313,018</u>	<u>1,691,735,831</u>
Debt-to-adjusted capital ratio	-	-	-	-

There was no changes in the Group's and the Company's approach to capital risk management during the year

Other Risks

Other risks consist of Legal risk, Business Risk, Operational and Obsolescence Risk.

(i) Legal Risk

Legal risk is the risk that the business activities of the Group have unintended or unexpected legal consequences. It includes risk arising from:

- . Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- . Actual or potential violations of law or regulation (including activity unauthorized for a Group and which may attract a civil or criminal fine or penalty);
- . Failure to protect the Group's property (including its intellectual property);
- . The possibility of civil claims (including acts or other events which may lead to litigation or other disputes)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

3. FINANCIAL RISK MANAGEMENT (Continued)

Other Risks (continued)**(i) Legal Risk (continued)**

The Group identifies and manages legal risk through effective use of its internal and external advisers.

(ii) Obsolescence Risk

The Group is exposed to the risk of goods being expired prior to their sales. Management takes all steps to ensure that goods are being sold at the earliest possible date.

(iii) Business Risk

Business risk is the risk associated with operations and marketing activities of the Group. Such risks can be associated with demand variability, sales price variability, competitor threat, operational leverage, portfolio risk and product development risks, to the extent that they are independent of market risk. Business risk can also arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. Business risk is closely monitored.

(iv) Operational Risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and technology, and from external events. Management of operational risk is closely monitored.

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 mainly of quoted equity investments classified as 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 by 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 and is classified as financial assets at fair value through other comprehensive income. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- (i) Quoted market prices or dealer quotes for similar instruments.
- (ii) Other techniques, such as capitalised earnings method, dividend yield method, discounted cash flow and net asset basis are used to determine fair value for the remaining financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

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:-

(i) Useful lives and residual values of property, plant and equipment

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.

(ii) 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 disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life. The Directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(iv) Fair value of securities not quoted in an active market

The fair value of securities not quoted in the active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(v) Limitation 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 the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(vi) Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL

When using the simplified approach for measurement of expected credit loss for trade receivables, the application of a provision matrix requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk characteristics;
- Determining the period over which historical loss rates are obtained to develop estimates of expected future loss rates;
- Determining the historical rates;
- Considering macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

(vii) Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR therefore reflects what the Group and the Company "would have to pay", which requires estimation when no observable rates are available. The Group and the Company estimates the IBR using observable inputs (such as market interest rates) when available.

FOOD CANNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

5. PROPERTY, PLANT AND EQUIPMENT

The Group

COST / VALUATION	LAND BUILDINGS ON FREEHOLD LAND		BUILDING ON LEASEHOLD LAND		IMPROVEMENT TO PREMISES		PLANT AND LABORATORY MACHINERY		FURNITURE & EQUIPMENT		E D P EQUIPMENT		MOTOR VEHICLES		TOTAL	
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 1 July 2021	85,718,894	67,173,579	16,752,461	4,202,159	145,481,614	92,114	12,069,649	3,461,718	74,685,599	409,637,787						
Additions	0	0	0	0	1,671,634	0	0	99,000	8,536,069	10,306,703						
Disposal	0	0	0	0	0	0	0	0	(977,423)	(977,423)						
At 30 June 2022	85,718,894	67,173,579	16,752,461	4,202,159	147,153,248	92,114	12,069,649	3,560,718	82,244,245	418,967,067						
Additions	0	0	0	0	3,356,934	0	1,091,083	0	9,780,662	14,228,679						
Disposal	0	0	0	0	0	0	0	0	(2,415,170)	(2,415,170)						
At 30 June 2023	85,718,894	67,173,579	16,752,461	4,202,159	150,510,182	92,114	13,160,732	3,560,718	89,609,737	430,780,576						

FOOD CANNERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023****5. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	<u>The Group</u>										TOTAL
	Rs	LAND FREEHOLD	LAND LEASEHOLD	IMPROVEMENT TO RENTED PREMISES	MACHINERY	EQUIPMENT	LABORATORY EQUIPMENT	FURNITURE & FITTINGS	E D P EQUIPMENT	MOTOR VEHICLES	
At 1 July 2021	0	12,123,074	2,010,979	450,790	96,089,620	92,113	10,728,317	3,083,567	65,278,155	189,856,615	
Charge for the Year	0	1,638,918	61,979	78,426	8,949,928	0	471,010	221,895	5,711,239	17,133,395	
Disposal Adjustment	0	0	0	0	0	0	0	0	(977,423)	(977,423)	
At 30 June 2022	0	13,761,992	2,072,958	529,216	105,039,548	92,113	11,199,327	3,305,462	70,011,971	206,012,587	
Charge for the Year	0	1,638,940	61,979	78,426	7,997,413	0	484,848	154,881	6,837,727	17,194,214	
Disposal Adjustment	0	0	0	0	0	0	0	0	(2,415,170)	(2,415,170)	
At 30 June 2023	0	15,400,932	2,134,937	607,642	112,976,961	92,113	11,684,175	3,460,343	74,434,528	220,791,631	
NET BOOK VALUES											
At 30 June 2023	85,718,894	51,772,647	14,617,524	3,594,517	37,533,221	1	1,476,557	100,375	15,175,209	209,988,945	
At 30 June 2022	85,718,894	53,411,587	14,679,503	3,672,943	42,113,700	1	870,322	255,256	12,232,274	212,954,480	

Building on Leasehold Land having a Net Book Value of Rs 358,776 was valued at Rs 1,908,750 in the financial year ended 30 June 1984. No revaluation exercise has been carried out subsequently. The directors are of opinion that the carrying values of land and buildings is not less than their fair values. Had the cost model been used the carrying amount of the Building on Leasehold Land would have been nil.

FOOD CANNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	LAND BUILDINGS ON BUILDING ON FREEHOLD LEASEHOLD		PLANT AND LABORATORY MACHINERY EQUIPMENT		FURNITURE FITTINGS & EQUIPMENT		E D P EQUIPMENT		MOTOR VEHICLES		TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	
At 01 July 2021	0	11,315,813	1,965,467	92,113	10,425,111	3,012,680	24,555,308	129,766,767			
Charge for the Year	0	1,328,545	61,979	0	403,505	221,895	1,530,650	9,290,134			
At 30 June 2022	0	12,644,358	2,027,446	92,113	10,828,616	3,234,575	26,085,958	139,056,901			
Charge for the Year	0	1,328,567	61,979	0	417,344	154,881	2,470,350	9,106,518			
Disposal Adjustment	0	0	0	0	0	0	(44,265)	(44,265)			
At 30 June 2023	0	13,972,925	2,089,425	92,113	11,245,960	3,389,456	28,512,043	148,119,154			

NET BOOK VALUES

At 30 June 2023	85,718,894	52,454,594	1,009,536	1	1,240,290	121,944	7,070,248	166,097,084
At 30 June 2022	85,718,894	53,783,161	1,071,515	1	566,551	276,825	4,842,098	166,633,567

Building on Leasehold Land having a Net Book Value of Rs 358,776 was valued at Rs 1,908,750 in the financial year ended 30 June 1984. No revaluation exercise has been carried out subsequently. The directors are of opinion that the carrying values of land and buildings is not less than their fair values. Had the cost model been used the carrying amount of the Building on Leasehold Land would have been nil.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
COST				
At July 01,	33,607,169	33,607,169	33,607,169	33,607,169
Addition	307,350	0	307,350	0
At June 30,	33,914,519	33,607,169	33,914,519	33,607,169
DEPRECIATION				
At July 01,	1,475,296	1,413,640	1,475,296	1,413,640
Charge for the Year	66,928	61,656	66,928	61,656
At June 30,	1,542,224	1,475,296	1,542,224	1,475,296
NET BOOK VALUES				
At June 30,	32,372,295	32,131,873	32,372,295	32,131,873
(a) Rental Income from Investment Properties	1,245,022	412,140	1,245,022	412,140
(b) Operating Expenses on Investment Properties	84,631	84,631	84,631	84,631

There are no restrictions on the realisability of Investment Properties or on remittance of income and proceeds of disposal. There are no contractual obligations for the repairs, maintenance or enhancements of the Investment Properties. The directors are of opinion that the carrying values of investment properties are not less than their fair values.

7. INTANGIBLE ASSETS

Intangible assets represents Trade Mark and Computer software.

	THE GROUP TRADE MARK AND COMPUTER SOFTWARE		THE COMPANY COMPUTER SOFTWARE	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
COST				
At July 01/June 30,	3,056,260	3,056,260	2,541,260	2,541,260
AMORTISATION				
At July 01,	2,684,910	2,426,253	2,358,743	2,203,086
Charge for the Year	259,330	258,657	156,330	155,657
At June 30,	2,944,240	2,684,910	2,515,073	2,358,743
NET BOOK VALUES				
At June 30,	112,020	371,350	26,187	182,517

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

8. RIGHT-OF-USE ASSETS

Rights of Use Assets represent use of building

	THE GROUP & THE COMPANY	
	2023 Rs	2022 Rs
COST		
At July 01	33,821,788	33,821,788
Addition	4,323,220	0
Reversal	(1,335,440)	0
	<u>36,809,568</u>	<u>33,821,788</u>
AMORTISATION		
At July 01	8,073,813	5,382,542
Charge for the Year	4,160,011	2,691,271
Reversal adjustment	(801,264)	0
At June 30,	<u>11,432,560</u>	<u>8,073,813</u>
NET BOOK VALUES		
At June 30,	<u>25,377,008</u>	<u>25,747,975</u>

9. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2023 Rs	2022 Rs
COST		
At July 01/June 30,	<u>5,774,900</u>	<u>5,774,900</u>

Details of subsidiaries recognised in the financial statements are as follows:

NAME OF COMPANIES	ACTIVITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HOLDING
Food Canners Marketing Ltd	Sale of foodstuffs, etc	Republic of Mauritius	Ordinary	99.80%
J. L. Food Industry Limited	Food Processing	"	Ordinary	100.00%
FCL Dairy Co Ltd	Dairy Processing	"	Ordinary	100.00%
FCL Plastics Co Ltd	Plastic Bottles Manufacturing	"	Ordinary	75.00%

Summarised financial information of the subsidiary, FCL Plastics Co Ltd, that has material non-controlling interests, based on its financial statements and before inter-company eliminations are provided below:-

Proportion of non-controlling interests	<u>25.00%</u>	<u>25.00%</u>
Financial Position	2023 Rs	2022 Rs
Non-current assets	4,227,540	4,995,618
Current assets	7,567,475	9,217,643
Balance, carried forward	<u>11,795,015</u>	<u>14,213,261</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

9. INVESTMENTS IN SUBSIDIARIES (Continued)

Summarised financial information (continued)

	2023 Rs	2022 Rs
Financial Position (continued)		
Balance, brought forward	11,795,015	14,213,261
Non-current liabilities	(9,450,000)	(12,450,000)
Current Liabilities	(1,052,232)	(569,003)
Net assets	1,292,783	1,194,258
Carrying amounts of non-controlling interests	323,196	298,565
Profit or Loss		
Revenue	10,921,308	6,831,189
Expenses	(10,822,783)	(7,074,582)
Profit/(Loss) for the year	98,525	(243,393)
Profit/(Loss) attributable to non-controlling interests	24,631	(60,848)
Other Comprehensive Income		
Other Comprehensive income attributable to non-controlling interests	0	0
Total Comprehensive Income attributable to non-controlling interests	24,631	(60,848)
Cash Flow		
Operating Activities	2,888,817	(4,897,091)
Financing Activities	(3,000,000)	5,400,000
(Decrease)/Increase in Cash and Cash Equivalents	(111,183)	502,909

10. INVESTMENTS IN ASSOCIATES

Unquoted Equity Investments at Fair Value Through Other Comprehensive Income (Level 3)

	2023 Rs	2022 Rs
<u>The Group</u>		
GROUP'S SHARE OF THE NET ASSETS		
At July 01,	268,844	309,038
Addition during the year	82,350,776	0
Transfer from Financial Assets at Fair Value Through Other Comprehensive Income	4,723,979	0
Disposal during the year	0	(95,652)
Change in fair value recognised in other comprehensive income	(40,980,906)	0
Share of Net Profit Before Tax	3,819,507	57,353
Share of Tax for the Year	(125,529)	(1,673)
Share of CSR Fund	(20,962)	(222)
At June 30,	50,035,709	268,844

The Unquoted Equity Investments have been valued on the equity method.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

10. INVESTMENTS IN ASSOCIATES (Continued)

The Group**GROUP'S SHARE OF THE NET ASSETS (continued)**

Summarised financial information in respect of the group's associates on an aggregated basis namely:-

	2023 Rs	2022 Rs
Total Assets	446,591,780	90,518,479
Total Liabilities	(344,358,969)	(89,978,791)
Net Assets	<u>102,232,811</u>	<u>539,688</u>
Group's share of associates' net assets	<u>50,035,709</u>	<u>268,844</u>
Total Revenue	<u>29,735,378</u>	<u>115,500</u>
Profit before Tax	<u>7,790,999</u>	<u>114,705</u>
Group's share of associates' Profit before Tax	<u>3,819,507</u>	<u>57,353</u>

The Company

	2023 Rs	2022 Rs
At July 01,	268,844	309,038
Addition during the year	82,350,776	0
Transfer from Financial Assets at Fair Value Through Other Comprehensive Income	4,723,979	0
Disposal during the year	0	(24,000)
Decrease in Fair Value	(37,307,890)	(16,194)
At June 30,	<u>50,035,709</u>	<u>268,844</u>

Details of associates within the Group as at 30 June 2023 were as follows:

NAME OF ASSOCIATES	YEAR END	ACTIVITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HOLDING
FCL Mont Roches Development Ltd	June 30,	Property Development	Republic of Mauritius	Ordinary	50.00%
Societe SGT Retail Investment	June 30,	Investment	"	Parts D'interets	49.00%
Golden Foundation Ltd	June 30,	Management	"	Ordinary	49.00%

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Fair value through other comprehensive income financial assets include the following;

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At July 01,	857,585,475	700,650,068	856,517,050	699,619,607
Addition	81,713,224	216,481,755	81,713,224	216,481,755
Disposal	(12,914,129)	(13,192,853)	(12,914,129)	(13,192,853)
Transfer to Investments in Associates	(4,723,979)	0	(4,723,979)	0
Change in fair value recognised in other comprehensive income	57,904,910	(46,353,495)	57,868,595	(46,391,459)
At June 30,	979,565,501	857,585,475	978,460,761	856,517,050
<u>Quoted</u>				
Equity Securities - Mauritius - (Level 1)	291,823,583	293,779,094	291,639,593	293,621,169
<u>Unquoted</u>				
Equity Securities - Mauritius - (Level 2)	920,750	910,500	0	0
Equity Securities - Mauritius - (Level 3)	109,540,371	110,998,678	109,540,371	110,998,678
Securities - Overseas - (Level 3)	577,280,797	451,897,203	577,280,797	451,897,203
At June 30,	979,565,501	857,585,475	978,460,761	856,517,050

(b) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading and debt securities held to collect and sell. 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.

(c) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on observable market data.

(d) Impairment and risk exposure

In the year ended 30 June 2023, all the entity's investments at fair value through other comprehensive income are considered to have low credit risk.

Investments which exceed 10% of the Stated Capital of companies are as follows:

NAME OF COMPANIES	ACTIVITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HOLDING
FCL Industrial Estate Ltd	Rental of Property	Republic of Mauritius	Ordinary	15.00%
Sunny Forward Estate Limited	Rental of Property	"	Ordinary	14.00%
Sopral Ltd	Fast Food	"	Ordinary	20.00%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

12. FINANCIAL ASSETS AT AMORTISED COST

	Non-Current 2023 Rs	Current 2023 Rs	Non-Current 2022 Rs	Current 2022 Rs
<u>The Group</u>				
Other Financial Securities	66,469,698	0	146,138,498	0
Long Term Deposits	55,355,000	0	18,925,000	0
Receivable from Related Parties	0	68,591,891	0	2,074,240
Other Receivables and Prepayments	2,425,974	29,634,256	968,548	30,167,958
Deposit on Property, Plant and Equipment	22,139,000	67,341	22,139,000	1,220,640
	<u>146,389,672</u>	<u>98,293,488</u>	<u>188,171,046</u>	<u>33,462,838</u>
Net Impairment Loss on Financial Assets	0	(2,255,316)	0	0
	<u>146,389,672</u>	<u>96,038,172</u>	<u>188,171,046</u>	<u>33,462,838</u>
<u>The Company</u>				
Other Financial Securities	66,469,698	0	146,138,498	0
Long Term Deposits	55,355,000	0	18,925,000	0
Receivable from Subsidiaries	0	40,013,882	0	34,774,169
Receivable from Related Parties	0	67,222,958	0	582,816
Other Receivables and Prepayments	2,425,974	14,985,267	968,548	16,720,072
Deposit on Property, Plant and Equipment	22,139,000	67,341	22,139,000	1,220,640
	<u>146,389,672</u>	<u>122,289,448</u>	<u>188,171,046</u>	<u>53,297,697</u>
Net Impairment Loss on Financial Assets	0	(2,255,316)	0	0
	<u>146,389,672</u>	<u>120,034,132</u>	<u>188,171,046</u>	<u>53,297,697</u>

(a) Other Receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained. The non-current other receivables are due and payable more than one year from the end of the reporting year.

(b) Fair values of financial assets at amortised costs

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(c) Impairment and risk exposure

- (i) The loss allowance on other receivables for an aggregate amount of Rs 2,255,316/- has been recognised in profit or loss during the year.
 - (ii) All of the financial assets at amortised cost are denominated in Mauritian rupees, as a result, there is no exposure to foreign currency risk
- (d) Amounts receivable from Related Parties, bear interest at the rates between 5.00% and 5.90% p.a, are unsecured and repayable on demand.
 - (e) Long term deposits bearing interest at the rates between 4.50% and 5.99% p.a represent deposits at banks maturing after more than one year.
 - (f) The carrying amounts of receivable from related parties approximates their fair values

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

13. DEPOSITS ON INVESTMENTS

Deposits on investments made by the Company represent amounts due for application monies for shares:-

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
In a subsidiary Company	0	0	34,740,000	34,740,000
In Associates	48,172,500	48,172,500	48,172,500	48,172,500
	48,172,500	48,172,500	82,912,500	82,912,500

14. INVENTORIES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Inventories consist of:				
Raw Materials	111,820,584	81,379,980	97,868,280	66,532,329
Work in Progress	78,819	101,076	78,819	101,076
Finished Goods	35,461,311	28,822,359	9,769,594	9,768,619
	147,360,714	110,303,415	107,716,693	76,402,024

Raw Materials , Goods in transit, and Finished Goods are stated at cost. Work in Progress includes cost of materials, labour and related production overheads.

15. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Trade:- Related Companies	707,685	1,576,999	0	0
Others	67,469,154	73,492,707	1,424,807	114,701
	68,176,839	75,069,706	1,424,807	114,701

Trade receivables are non interest bearing and are generally on 30-45 days' credit terms. Before accepting any new customer, the creditworthiness is being assessed in order to define the terms and credit limits accordingly.

Impairment of Trade Receivables

The Group applied the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. 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 and the corresponding historical credit losses experienced. 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. On that basis, the loss allowance as at 30 June 2023 in compliance with IFRS 9 was determined as follows for trade receivables:

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

15. TRADE RECEIVABLES (Continued)

	60-90 Days	Beyond 90 Days	Total
	Rs	Rs	Rs
At 30 June 2023			
Expected credit loss rate	0.01%	0.05%	
Estimated total gross carrying amount at default	1,357,784	130,100	1,487,884
Expected credit loss	136	65	201
At 30 June 2022			
Expected credit loss rate	0.01%	0.05%	
Estimated total gross carrying amount at default	-	603,377	603,377
Expected credit loss	-	302	302

The above expected credit loss amounting to Rs 201/- related to trade receivables in one of the subsidiary has not been recognised in the Group's financial statements since it is deemed as immaterial.

16. STATED CAPITAL

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
ISSUED AND FULLY PAID UP				
77,508 Ordinary Shares of Rs 100 each	7,750,800	7,750,800	7,750,800	7,750,800

Fully paid Ordinary Shares which have a par value of Rs 100 each, carry one vote per share and carry a right to dividends.

17. OTHER RESERVES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Exchange Equalisation Reserve	28,260,350	28,260,350	23,818,287	23,818,287
Revaluation Reserve	110,574	110,574	110,574	110,574
Fair Value Reserve	97,823,857	80,899,926	150,001,407	129,440,702
	126,194,781	109,270,850	173,930,268	153,369,563

- (i) Exchange Equalisation Reserve represents previously accumulated exchange difference on foreign transactions.
- (ii) Revaluation Reserve arose on the revaluation of property on leasehold land. There is no restriction for the issue of bonus shares to shareholders.
- (iii) Fair Value Reserve comprises the cumulative net change in the fair value of financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

18. NON CONTROLLING INTERESTS

	THE GROUP	
	2023 Rs	2022 Rs
At July 01,	461,501	523,632
Share of Profit/(Loss) for the Year	25,817	(62,207)
Share of Other Comprehensive Income	73	76
At June 30,	487,391	461,501

19. LEASE LIABILITIES

	THE GROUP & THE COMPANY	
	2023 Rs	2022 Rs
At July 01	26,372,222	28,972,008
Addition	4,323,220	0
Reversal	(534,176)	0
Repayment	(4,147,600)	(3,897,600)
Interest Expense	1,323,379	1,297,814
At June 30,	27,337,045	26,372,222
Non- Current	24,416,317	23,648,395
Current	2,920,728	2,723,827
At June 30,	27,337,045	26,372,222

20. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At July 01,	25,337,356	24,828,782	18,204,309	17,650,881
Provision for the Year	397,936	1,601,935	397,936	1,170,293
Payment during the Year	0	(1,093,361)	0	(616,865)
At June 30,	25,735,292	25,337,356	18,602,245	18,204,309

The Group does not operate a defined contribution or benefit plan or an insured plan. Provision for retirement benefit obligations represents the amount of benefits accrued for the time already spent by the beneficiaries in the Group. No provision is made for past employees.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

21. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At July 01,	763,656	1,154,442	2,562,682	2,849,634
Charge/(Reversal) to Statement of Profit or Loss and Other Comprehensive Income	1,874,601	(390,786)	(7,614)	(286,952)
At June 30,	2,638,257	763,656	2,555,068	2,562,682
The net deferred tax liabilities are attributable to the following items:				
Accelerated Capital Allowances	6,701,331	4,884,195	5,345,405	5,293,328
Tax Losses	(202,780)	(319,936)	0	0
Retirement Benefit Obligations	(3,860,294)	(3,800,603)	(2,790,337)	(2,730,646)
	2,638,257	763,656	2,555,068	2,562,682

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Trade:- Related Companies	11,748,861	12,835,910	0	305,632
Others	3,494,499	6,933,489	3,714,079	1,699,586
Payable to Subsidiary	0	0	5,295,509	5,323,886
Payable to Related Parties	15,933,968	17,760,403	12,554,295	12,972,500
Other Payables and Accruals	29,254,902	26,729,762	11,986,548	12,277,399
	60,432,230	64,259,564	33,550,431	32,579,003

The average credit period of trade payables is one month. The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit time frame. No interest is payable on trade balances. Amounts payable to related parties bear interest at the rate of 5.00% p.a, are unsecured and repayable on demand.

23. CURRENT TAX LIABILITIES

Tax is payable at the rate of 15% on the chargeable profit for tax purposes.

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
A. INCOME TAX LIABILITY				
Current Tax Expense	23,101,038	18,790,708	23,097,622	18,790,708
Less: Tax Deduction at Source	(156,033)	(80,201)	(142,712)	(80,039)
Less: Payment under Advance Payment System	(14,153,780)	(10,732,717)	(14,153,780)	(10,732,717)
Balance, carried forward	8,791,225	7,977,790	8,801,130	7,977,952

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

23. CURRENT TAX LIABILITIES (Continued)

Tax is payable at the rate of 15% on the chargeable profit for tax purposes.

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
A. INCOME TAX LIABILITY (continued)				
Balance, brought forward forward	8,791,225	7,977,790	8,801,130	7,977,952
CSR Fund	2,526,731	1,913,272	2,526,731	1,913,272
Less: Amount Spent during the year	(631,683)	(478,318)	(631,683)	(478,318)
Less: Amount paid under Advance Payment System	(1,421,286)	(1,076,217)	(1,421,286)	(1,076,217)
	473,762	358,737	473,762	358,737
At June 30,	9,264,987	8,336,527	9,274,892	8,336,689
B. INCOME TAX EXPENSE				
Current Tax Expense	23,101,038	18,790,708	23,097,622	18,790,708
Increase/(Decrease) in Provision for Deferred Tax (note 21)	1,874,601	(390,786)	(7,614)	(286,952)
COVID Levy	0	12,288	0	0
Share of Associates' Tax for the Year	125,529	1,673	0	0
At June 30,	25,101,168	18,413,883	23,090,008	18,503,756
B1. CSR FUND				
CSR Fund	2,526,731	1,913,272	2,526,731	1,913,272
Share of Associates' CSR for the Year	20,962	223	0	0
At June 30,	2,547,693	1,913,495	2,526,731	1,913,272
C. TAX RECONCILIATION				
Accounting Profit	195,193,102	155,365,976	190,837,061	153,370,359
Tax at the applicable rate of 15%	29,278,965	23,304,896	28,625,559	23,005,554
Impact of :-				
Exempt Income	(5,669,113)	(4,651,183)	(5,667,238)	(4,649,308)
Pension Costs	59,690	76,286	59,690	83,014
Share of Profit of Associates	(572,926)	(8,603)	0	0
Expenses not deductible for Tax Purposes	537,279	651,811	537,279	202,172
Allowable deduction	(622,140)	(756,074)	(622,140)	(756,074)
Charges relating to the origination and reversal of temporary differences	503,707	333,345	578,896	1,065,121
Changes in tax rate for export of goods	(414,424)	(159,771)	(414,424)	(159,771)
Current Tax Expense	23,101,038	18,790,708	23,097,622	18,790,708

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

24. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Management Fees	0	0	720,000	720,000
Other Operating Income	99,894	42,010	13,358	10,608
Surplus on Disposal of Plant and Equipment	540,000	134,783	10,435	0
Insurance Compensation	36,447	14,900	18,947	1,500
Surplus on Disposal of Investments	522,783	487,434	522,783	487,434
Syndic Fees	44,952	11,238	44,952	11,238
HRDC & YEP Refund	448,276	530,505	448,276	502,505
Refund towards wall damaged	126,000	0	126,000	0
Contribution towards Truck Expenses	2,165,280	1,950,696	0	0
Management Services	13,462,550	14,757,257	0	0
Financial Assistance to SME	24,600	149,775	0	0
Loan Recoupment	0	521,159	0	521,159
Government Subsidy on Essential Goods	0	6,064,702	0	0
Contribution by Related Companies towards:-				
Printing, Postage and Stationery	0	0	11,513	7,397
Telephone Charges	91,080	100,402	162,080	100,402
Electricity	264,720	264,873	344,862	342,168
Furnace Oil	0	0	7,300	0
Repairs and Maintenance of Plant and Machinery	0	0	677,882	347,007
Spare Parts	0	0	90,591	0
General Repairs and Maintenance	0	9,000	346,347	659,261
Operating Staff Costs	389,000	431,000	909,555	937,106
Motor Vehicles Running Expenses	724,830	951,265	253,852	593,840
Advertising and Marketing	55,000	85,000	13,500	0
Laboratory Expenses	0	0	29,150	0
Operating Expenses	29,459	0	42,870	0
Cleaning Expenses	0	0	296,891	0
Raw Materials	0	0	3,714,284	0
	19,024,871	26,505,999	8,805,428	5,241,625

25. INTEREST EXPENSE

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Interest on Overdrafts	2,622	2,577	0	0
Interest on Lease Liabilities	1,323,379	1,297,814	1,323,379	1,297,814
Other Interests	622,500	416,308	862,500	488,308
	1,948,501	1,716,699	2,185,879	1,786,122

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

26. PROFIT BEFORE TAX AND CSR FUND

The following items have been charged in arriving at the profit before tax.

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Directors' Emoluments :-				
- Executive Directors	13,431,048	13,679,294	13,431,048	13,679,294
- Non Executive Directors	470,000	470,000	470,000	470,000
Auditors' Remuneration	394,000	348,820	235,000	204,050
Staff Costs	93,811,259	79,107,803	45,676,228	39,350,429
Retirement Benefit Obligations	397,936	1,601,935	397,936	1,170,293

27. EARNINGS PER SHARE

The calculation of earnings per share of Rs 100 each is based on :

The Group:-

Profit of Rs 167,518,424 (2022- Rs 135,100,805) and on 77,508 ordinary shares in issue and ranking for dividend throughout the two years ended 30 June 2023.

The Company:-

Profit of Rs 165,220,322 (2022-Rs 132,953,331) and on 77,508 ordinary shares in issue and ranking for dividend throughout the two years ended 30 June 2023.

28. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents are analysed as follows:-

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Cash in Hand, at Bank and deposits with financial institutions:-				
Maturing within one year	235,464,365	299,866,613	222,464,677	291,636,042
Maturing after more than one year (Note 12)	55,355,000	18,925,000	55,355,000	18,925,000
	<u>290,819,365</u>	<u>318,791,613</u>	<u>277,819,677</u>	<u>310,561,042</u>
Bank Overdrafts	(7,530,014)	(185,280)	(7,453,726)	0
	<u>283,289,351</u>	<u>318,606,333</u>	<u>270,365,951</u>	<u>310,561,042</u>

29. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties.

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
(i) SALES OF GOODS AND SERVICES				
Sales of goods:-				
Subsidiary	0	0	433,231,638	355,944,924
Parties Having Significant Influence	49,266,234	40,839,542	0	0

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

29. RELATED PARTY TRANSACTIONS (Continued)

	THE GROUP		THE COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
(i) SALES OF GOODS AND SERVICES (continued)				
Supply of Services:-				
Subsidiaries	0	0	8,466,942	2,339,241
Parties Having Significant Influence	15,016,639	16,598,797	4,449,238	1,367,940
(ii) PURCHASE OF GOODS AND SERVICES				
Purchase of goods:-				
Subsidiaries	0	0	10,980,634	6,927,802
Parties Having Significant Influence	149,904,870	127,241,561	670,921	870,654
Purchase of services:-				
Subsidiaries	0	0	12,405,362	7,879,612
Associates	192,500	115,500	192,500	115,500
Parties Having Significant Influence	2,675,351	955,989	1,293,397	955,989
(iii) COMPENSATION OF KEY MANAGEMENT PERSONNEL				
Key Management Personnel who are also directors:				
Short-term Benefits	13,901,048	14,149,294	13,901,048	14,149,294
(iv) OUTSTANDING BALANCES				
Receivable from Related Parties:-				
Subsidiaries	0	0	40,013,882	34,774,169
Parties Having Significant Influence	69,299,576	3,651,239	67,222,958	582,816
Payable to Related Parties:-				
Subsidiaries	0	0	5,295,509	5,323,886
Associates	3,850,000	3,965,500	3,850,000	3,965,500
Parties Having Significant Influence	23,832,829	26,630,813	8,704,295	9,312,632

Transactions with related parties were conducted on market terms and at arm's length basis.

Amounts receivable from Related Parties bear interest at the rates between 5.00% and 5.99 % p.a, are unsecured and repayable on demand. Amounts payable to related parties bear interest at the rate of 5.00% p.a, are unsecured and repayable on demand.

No interest is receivable/payable on trade balances.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

30. FINANCIAL SUMMARY

	2023 Rs	2022 Rs	2021 Rs
<u>The Group</u>			
Revenue	714,702,985	610,309,263	506,976,406
Profit Before Tax and CSR	195,193,102	155,365,976	150,460,334
Profit After Tax and CSR	167,544,241	135,038,598	134,746,120
Dividend Paid	37,203,840	35,653,680	0
Non-Current Assets	1,492,013,650	1,365,403,543	1,160,732,256
Current Assets	547,040,090	518,702,572	659,737,583
Current Liabilities	80,147,959	75,505,198	62,222,655
Non-Current Liabilities	52,789,866	49,749,407	52,355,446
Issued Capital	7,750,800	7,750,800	7,750,800
Retained earnings	1,771,682,943	1,641,368,359	1,541,921,234
Reserves	126,194,781	109,270,850	155,696,072
<u>The Company</u>			
Revenue	443,845,817	360,104,833	320,833,800
Profit Before Tax and CSR	190,837,061	153,370,359	155,684,254
Profit After Tax and CSR	165,220,322	132,953,331	139,623,042
Dividend Paid	37,203,840	35,653,680	0
Non-Current Assets	1,487,446,116	1,358,340,272	1,150,762,121
Current Assets	451,640,309	421,450,464	578,158,397
Current Liabilities	53,199,777	43,639,519	41,203,948
Non-Current Liabilities	45,573,630	44,415,386	46,872,737
Issued Capital	7,750,800	7,750,800	7,750,800
Retained earnings	1,658,631,950	1,530,615,468	1,433,315,817
Reserves	173,930,268	153,369,563	199,777,216

31. DIVIDEND

Dividend of Rs 480 per ordinary shares was paid during the year.

32. CONTINGENT LIABILITIES

Except for provision made for retirement benefits, no other provision has been made in these financial statements for any liability that may arise under the Labour Act (Re - Severance Allowance).

33. EVENTS AFTER THE REPORTING DATE

There has been no other material event after the reporting date that requires disclosure and amendment to the financial statements.

34. PLEDGES AND SECURITIES

The Group has given Bank Guarantee of Rs 134,400/- during the year.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023**35. CAPITAL COMMITMENTS**

The Group and the Company have commitment for the acquisition of property, plant and equipment for an aggregate amount of Rs 22.2m

36. SEGMENTAL REPORTING

The Group's and Company's revenue and contribution to results are derived substantially from operations in Mauritius. There has been no significant change in the principal activities of the Group and the Company since the previous financial year.

37. STAFF

The Group had 430 and the Company 165 employees at the end of the reporting year (2022- 431 and 162 employees for the Group and the Company respectively).