Caring

for today and tomorrow,
in everything we do

2022 ANNUAL REPORT

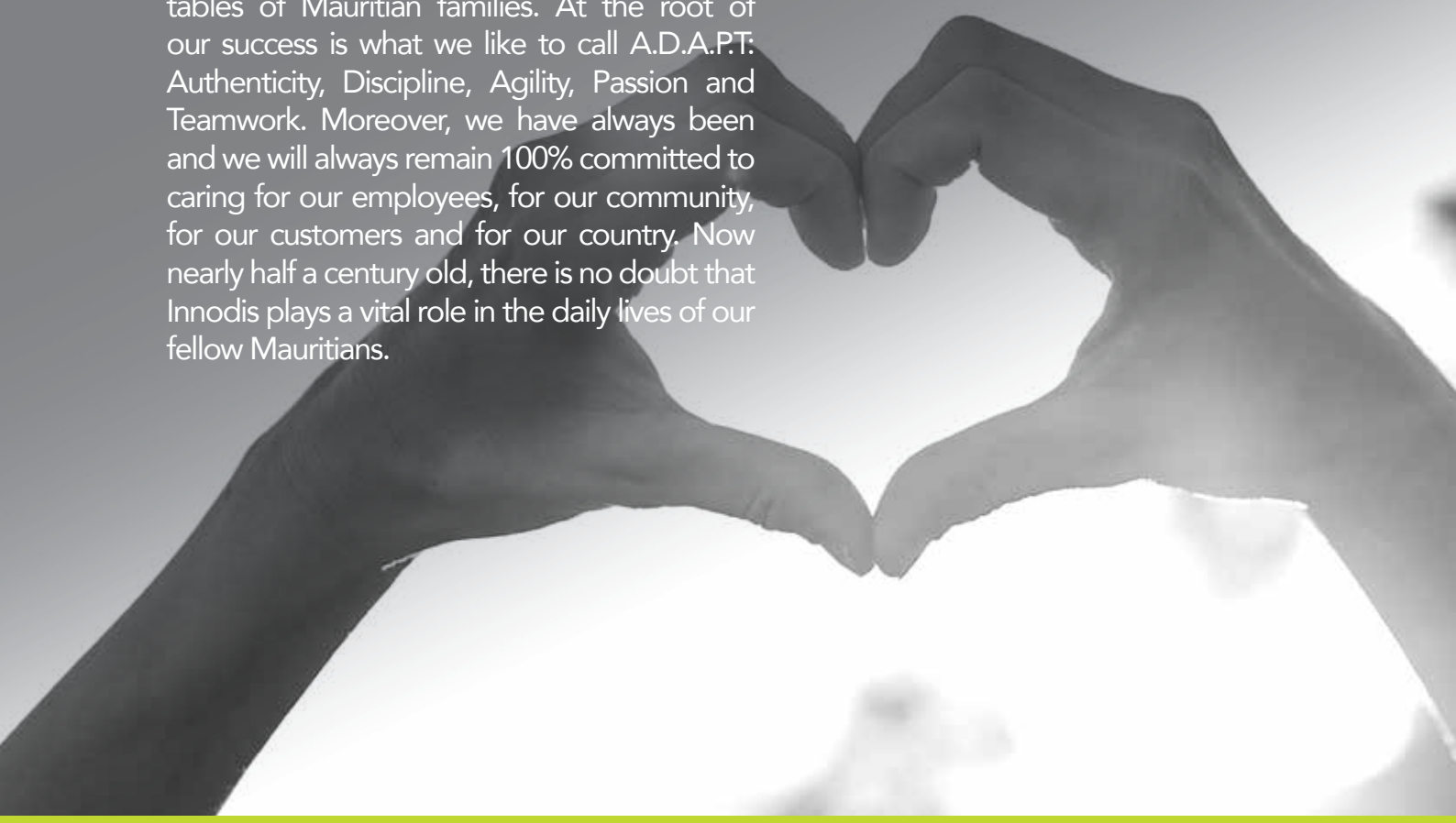
INNODIS

Good Today. Better Tomorrow.

Touching

the lives of Mauritians each and every day

2022 marks nearly 50 years of fulfilling our mission of bringing wholesome foods to the tables of Mauritian families. At the root of our success is what we like to call A.D.A.P.T: Authenticity, Discipline, Agility, Passion and Teamwork. Moreover, we have always been and we will always remain 100% committed to caring for our employees, for our community, for our customers and for our country. Now nearly half a century old, there is no doubt that Innodis plays a vital role in the daily lives of our fellow Mauritians.



Good Today. Better Tomorrow.

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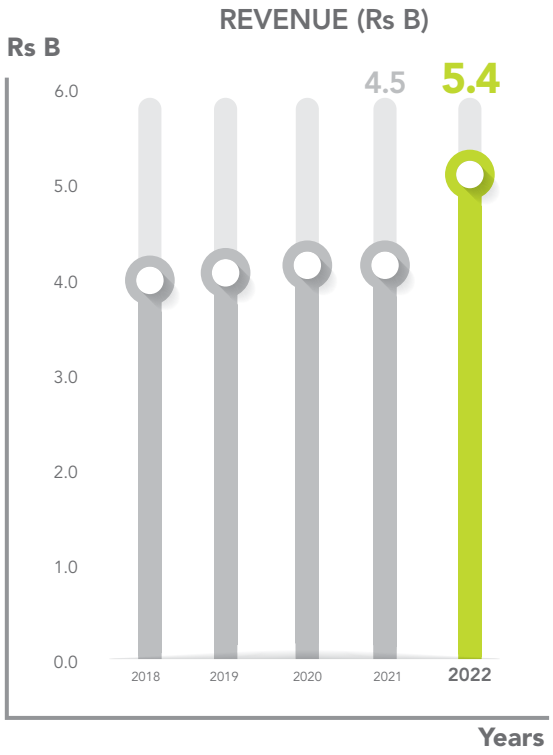
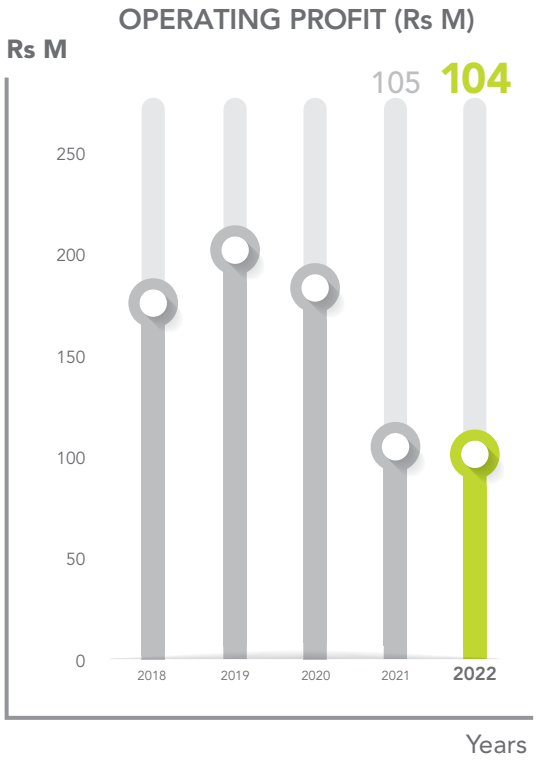
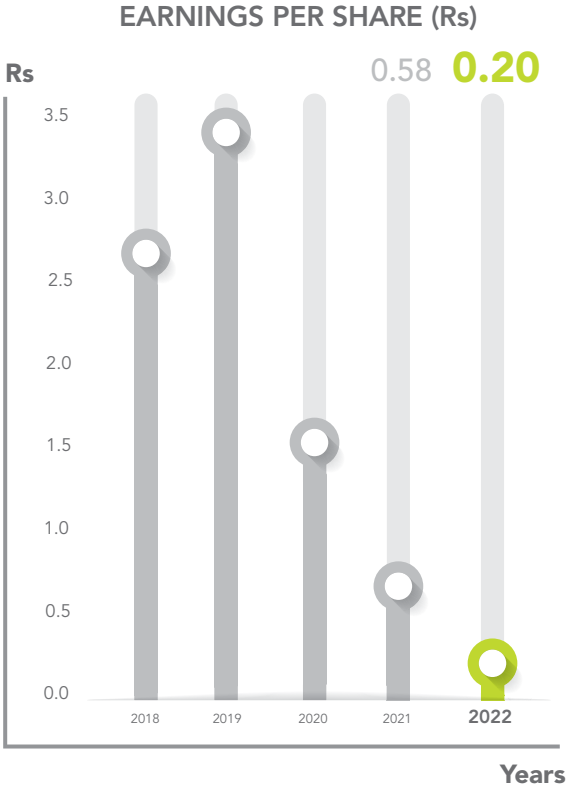
Empowering Local Production

Our long-established local brands Prodigal™ (chicken), DairyVale™ (yoghurt) and DairyMaid™ (ice-cream) have not only contributed to the creation of hundreds of jobs, but are also shining examples of the achievement of food security through locally manufactured products. What's more, our products meet stringent standards of quality, hygiene and traceability, and have little to envy from similar international products. Our chicken is processed in our ISO 22000, ISO 14001 and Halal Certified facility, while our innovative delicious Greek style yoghurt and BeWell™ Kefir were the first to be produced on the island.

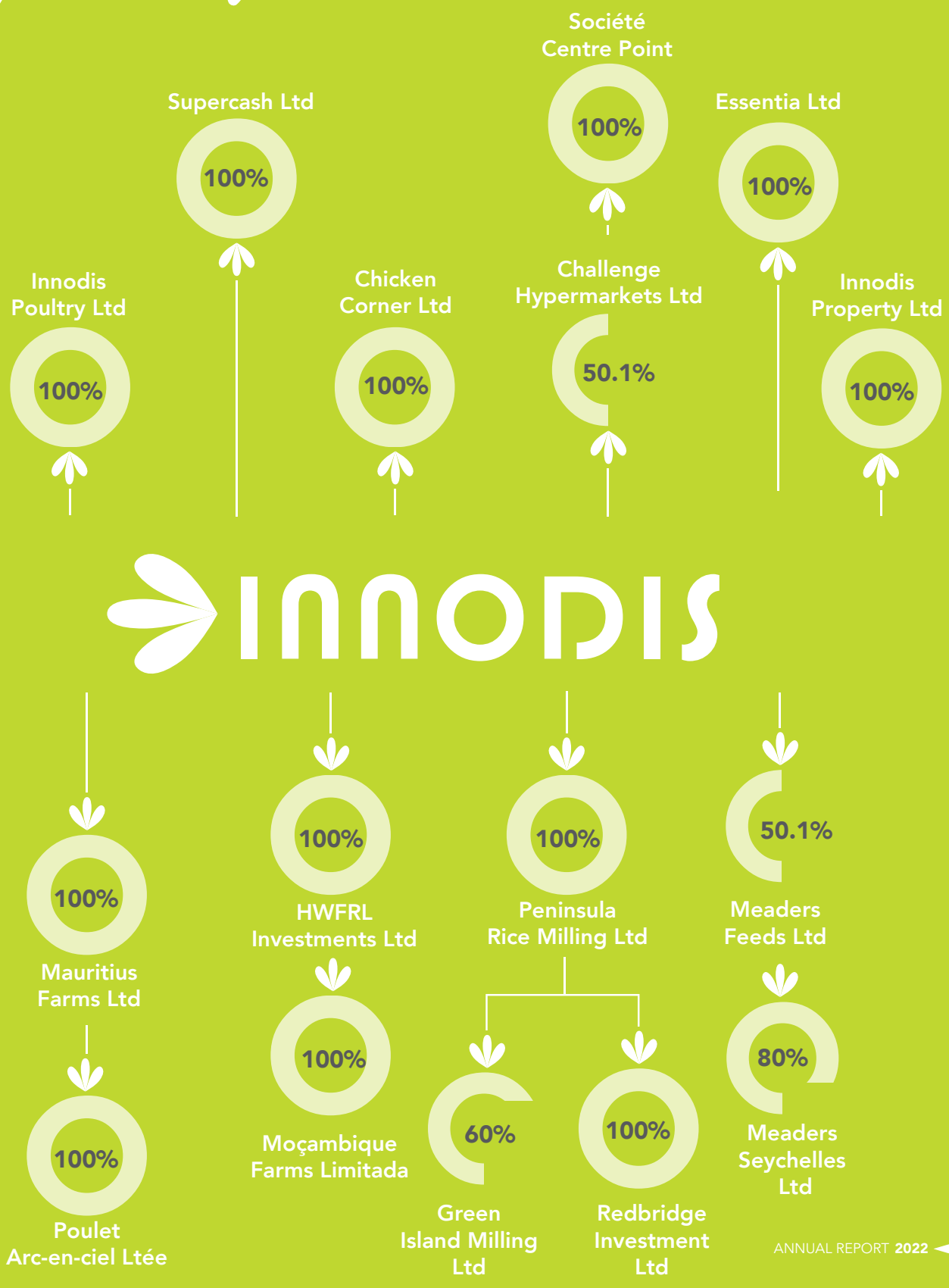
Financial Highlights







Group Structure



Overview of Activities

AGRO-INDUSTRY

- Innodis Poultry Ltd
- Poulet Arc-en-Ciel Ltée
- Moçambique Farms Limitada
- Meaders Feeds Ltd

IMPORTS & DISTRIBUTION

- Warehousing & Distribution
- Dry Goods
- Frozen Foods
- Chilled Foods
- Non-Food

MANUFACTURING

- Yoghurt
- Ice Cream
- Milk Drinks

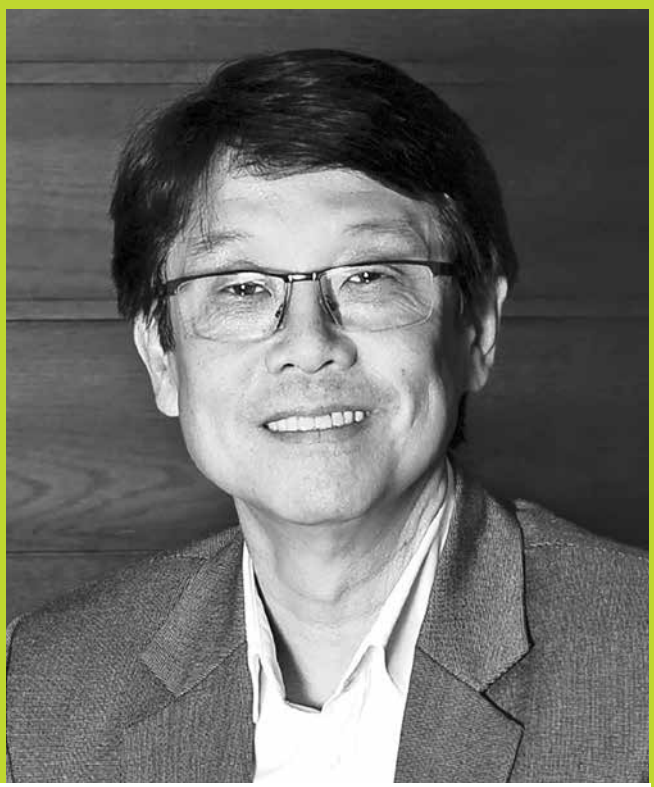
RETAIL CHANNELS

- Supercash
- Farmshop
- T-Chef
- Saveurs Plus
- Chicken Corner

Distributing Great Brands

We take pride in offering an all-star line-up of international brands to our consumers. These include trusted names such as Barilla, Flora, La Vache Qui Rit, Doux, Huggies, Emborg and many more. We have nurtured long-standing relationships with our suppliers, with whom we share many core values, including a strong commitment to creating a better tomorrow, namely through the products and services we provide, the actions that we take, and the example that we set for others.

Chairperson and CEO'S Report



VICTOR SEEYAVE
Chairperson

JEAN-PIERRE LIM KONG
Chief Executive Officer

"...the lessons learned from the past have continued to serve us well, and actions taken at the beginning of the FY 21/22 to contain our costs, diversify our procurement sources and offerings and re-invent the way we conduct our business, have cemented our resilience and allowed us to grow stronger in the face of adversity."

Last year, while reporting on yet another difficult financial year tainted with Covid aftershocks, we expressed the view that new adverse circumstances appeared to have become the norm in a world that was constantly evolving, such that we could not afford to rely solely on the economy to start firing up again – we had to do more to stay relevant. The Russia-Ukraine conflict, which escalated in February 2022, indeed confirmed our apprehensions.

The conflict not only stifled hopes of a swift economic recovery but also spawned a number of significant challenges for many countries, including Mauritius. The energy and grain markets, including soybean, maize and wheat, were thrust into crisis, further driving up prices of the majority of food products and daily consumables. In Mauritius, the inflation rate has skyrocketed, reaching double digit figures (11%) in July 2022, raising concerns, notwithstanding the improved GDP growth forecast of 6.1% for 2022.

While the relaxing of most Covid measures in Mauritius as from the 1st July 2022 heralded a return to normality for many local businesses, the combination of the rising prices of energy and other commodities, high freight costs, and a weakened Rupee, has further depleted the purchasing power of Mauritian families during the past financial year. The government financial aid and price control measures appeared to have only partly mitigated this impact, especially for lower income groups.

However, the lessons learned from the past have continued to serve us well, and actions taken at the beginning of the FY 21/22 to contain our costs, diversify our procurement sources and offerings and re-invent the way we conduct our business, have cemented our resilience and allowed us to grow stronger in the face of adversity.

In spite of the headwinds, both the Group and the Company posted an improved performance in FY 21/22. Group revenue rose by Rs 855 million (+19%) to Rs 5.4 billion and profit from continuing operations improved by 25% to Rs 56.2 million (2021: Rs 45.1 million). We need to emphasise that the latter amount includes a write-down of assets of Rs 15.7 million following a fire outbreak at our Supercash branch in Phoenix. However, full compensation for the damage has been obtained from our insurers in the first quarter of FY22/23, and same will be reinstated in our Group results as other income in that financial year.

Moreover, the reported profit for the year fell to Rs 30.3 million (2021: Rs 44.6 million) due to the impairment of assets of Rs 25.9 million relating to our rice milling operations, which were reclassified as a discontinued operation in this financial year. The impairment relates to the rice milling equipment held by Green Island Milling Ltd (a subsidiary of Peninsula Rice Milling Ltd).

On another note, land and buildings of the Group and the Company have been revalued at open market value in June 2022. Pursuant to this exercise, a revaluation gain of Rs 268.5 million was recognised in Other Comprehensive Income in this financial year.

As a result of the accounting treatment of the exceptional events mentioned above, our reported earnings per share (EPS) for the year decreased to Rs 0.20 (2021: Rs 0.58). However, EPS for continuing operations was higher than last year at Rs 0.63 (2021: Rs 0.58). A dividend per share of Rs 1.15 similar to last year was declared. Net Asset Value per share closed at Rs 56.02.

During the year, we also successfully raised Rs 800 million under a Note Programme via private placement. This has allowed us to refinance existing short-term banking facilities and restructure a portion of the debt over longer term maturities. The offer was largely oversubscribed, reflecting the confidence of the financial markets in the Group. The Note Programme has contributed to a reduction of our finance costs at Company level by over Rs 4 million in the financial year under review. The Notes issue has also enabled the Company to increase its exposure to fixed interest rate instruments, thereby mitigating the impact of expected future increases in interest rates in the medium term.

PERFORMANCE BY CLUSTER

Agro-industry

The FY 21/22 was the year of a perfect storm for both Innodis Poultry Ltd and Poulet Arc-en-Ciel Ltée. While the local industry was still struggling in the Covid aftermath, with the main producers competing aggressively against each other to reduce their high stocks of frozen chicken, the Ukraine-Russia conflict and outbreaks of Highly Pathogenic Avian Influenza in Europe brought forth new challenges, in the form of further increases in the prices of cereals for poultry feed, as well as disruptions in the supply of raw materials in general.

Increases in feed costs have always been a major challenge for chicken producers, as feed represents around 70% of the production costs. From June 20 to December 21, maize prices rose by a staggering 100%, while a 75% increase was recorded in soybean prices. Feed costs further rose by 32% in the first semester of FY 21/22, triggering an increase of Rs 72 million of our production costs. As reported during the year, it has been very difficult to pass on all of our higher input costs to end-consumers in a very competitive market – not to mention the erosion of the purchasing power of Mauritian families. This has resulted in a severe compression of our poultry margins.

Moreover, the outbreak of Highly Pathogenic Avian Influenza caused major production issues in Europe, resulting in the introduction by the Mauritian authorities of bans on imports from most European countries. We had to turn to African countries to source our breeding stocks, which added layers of complexity in logistics as well as increased costs.

PERFORMANCE BY CLUSTER (CONTINUED)

Agro-industry (Continued)

Thankfully, an improvement in sales performance was recorded in the last quarter, as both our production and sales teams coordinated their actions to ensure continuity of supply and adapt to the market reality. We also managed to apply some inevitable price increases towards the end of the year and recorded some cost savings to the tune of Rs 8 million. Furthermore, significant progress was made on key strategic projects, including the creation of enhanced synergies between Innodis Poultry Ltd and Poulet Arc-en-Ciel Ltée, thus strengthening our foundation for future growth.

We are also pleased to report that the construction of our new cold room at Beau Climat is progressing well, and we expect that it will be functional by January 2023. This new facility should provide us with much more flexibility and reduce the need for external storage in the future.

In the coming year, it is expected that the poultry market will maintain its trend towards stabilisation. The renewed level of activity in the hotel and catering sector has been a welcome breather for our activity, and we are hopeful that prices of raw materials and the cost of freight will also eventually recede to more reasonable levels.

Finally, being ISO 14001 certified, our poultry team takes each aspect of our environmental impact very seriously. Best practice principles are systematically applied throughout the Group's operations and a number of environmental sustainability projects introduced during the year have resulted in water, energy and waste reductions. In time, together with our sales and distribution team, we will be looking into fostering a more integrated Group approach towards Sustainability.

Moçambique Farms, Limitada

The performance of our Mozambique poultry operations has improved steadily over the past years, and the FY 21/22 results confirmed this encouraging trend. In addition to the strides made in terms of improved production and market penetration, the trading environment is now more favourable than in the past, with local producers having obtained the commitment of the Mozambican government to exert better control over imports of chicken into the country. This provides a sounder basis for our business to continue to grow in capacity and prosper.

Although the FY 22/23 will be a challenging year for the country and the economy in general, we are confident that the business should be able to continue to deliver good results. The revival of significant gas projects in Mozambique as an off-shoot of the Russia-Ukraine conflict is also boding well for the future economic development of the country.

Meaders Feeds Ltd

Our animal feeds operations were not spared by Covid 19 and the Russia-Ukraine conflict. As mentioned earlier in this report, these events have precipitated prices of soybean and maize as well as freight costs to unprecedented heights. To manage this new reality, we have reviewed our purchasing strategy without compromising on feed performance and quality, and we had no choice but to pass on cost escalations to the market.

Moreover, we made good progress in our export segment. Our operations in Seychelles were successfully relaunched, and we were able to supply higher volumes of feeds to export markets. Locally, we have improved our market share during the year, grossing a revenue of over Rs 1.9 billion.

For the coming year, our focus will be on developing a further range of products and consolidating our export and international businesses. We have also embarked on several eco-friendly initiatives, which should both reduce our carbon footprint and our energy bills.

MANUFACTURING

The FY 21/22 was yet another challenging year for our Dairy operations for the same reasons mentioned above. While our overall revenue rose by 8%, our Gross Profit margin declined by 6%, mainly due to the soaring prices of raw materials and the delayed corresponding increase in our selling prices of finished products for reasons already highlighted in this report.

It was nevertheless encouraging to record a 20% volume growth in revenue of our yoghurt products, mainly in our premium probiotic DairyVale™ Greek Style yoghurt and BeWell™ Kefir categories. New variants in both these lines have been launched in the first quarter of FY 22/23. Moreover, our plain sweetened and unsweetened yoghurt ranges remained resilient, with a volume increase of 30% compared to the past year.

In our locally manufactured Dairymaid™ ice cream ranges, including Ice Dream™ and Treat™, revenue was at par with last year, with growth being affected by the unusually cold climate as well as lower consumer demand for non-essential products. However, segmental growth was recorded in the Ice Dream™ tier and in the impulse combi-pack lines introduced during the year, while the revenue of our imported premium ice creams achieved a growth of 60% in volume.

- **A new era of sustainability**

During the year, the Dairy division has taken some big steps towards our sustainable development goals by shifting several product lines to biodegradable, compostable and recyclable packaging. Our 100ml and 1L ice cream plastic cups and lids were all converted to carton packs. Similarly, we switched to polylactic acid (PLA) - derived from renewable materials - for our PET bottles used for our 1L Lait Caillé and BeWell™ Kefir. In the future, further actions are planned regarding the conversion of our plastic packaging as we make further strides towards sustainable manufacturing in FY 22/23.

Moreover, leveraging on the foundation work effected last year, we have implemented a much more rigorous Research and Development framework to not only improve all aspects of our existing product lines, but also diversify our portfolio to gain further market share. In spite of the general decline in purchasing power, we are confident that the upsurge in economic activity observed during the first quarter of the FY 22/23 holds the promise of brighter days ahead.

IMPORTS AND DISTRIBUTION

Our commercial division performed satisfactorily during the FY 21/22 with an improved revenue reaching Rs 2.78 billion (+16%). The improvement was recorded across all categories of products, namely chicken, frozen goods, consumer goods and dairy products.

Our gross profit margin also increased to reach Rs 522 million for the same period – which is noteworthy given that the authorities introduced price control for basic commodities, directly affecting approximately 20% of our sales. Thankfully, we were able to leverage on our excellent relationship with our international suppliers, which accepted to delay certain price increases as a burden-sharing gesture. This has helped to mitigate to some extent our margin erosion due to price control.

IMPORTS AND DISTRIBUTION (CONTINUED)

- A new era of sustainability (Continued)

During last financial year, we also faced supply issues at source, coupled with an unprecedented disturbance in sea freight, especially regarding arrivals from countries such as South Africa and India. Port issues in these countries as well as the re-organisation of the different shipping routes towards Mauritius were the main factors behind the persisting disturbance.

As already mentioned, the Russia–Ukraine conflict influenced the supply and prices of some commodities like sunflower oil and cereals. The increase in the price of energy in European countries has also driven up the cost of production of European products, compounding the problem of imported inflation in Mauritius, which sources a significant portion of its food requirements from Europe. This has hurt the wallet of the majority of Mauritian families.

Nevertheless, with a reorganisation of our sales force and innovative product offerings, we have gradually succeeded to restore our pre-covid sales levels in the hotel and catering sector, while also recording satisfactory sales to our main retail clients. Other actions taken, such as the renegotiation of our warehousing agreement at the Mauritius Freeport, the optimisation of our human resources, and the reduction of external cold storage, have also contributed to cost savings. In particular, excess storage charges of Rs 32 million on frozen chicken experienced in FY 20/21 were reversed in FY 21/22.

- Purejoy™ 100% fruit juice: our latest addition to our beverage portfolio

During the year, we unfortunately lost the distributorship of the Pioneer Foods brands, namely Ceres juice and Bokomo breakfast cereals. Prior to that, we had been distributing Ceres fruit juice for over 30 years, and the brand was an important contributor to our revenue and profitability. This loss of distributorship is the result of the acquisition of Pioneer Foods by PepsiCo, which decided, in line with its policy, to allocate the distribution of the majority of its brands to its local bottler.

However, we managed to secure the distribution of an alternative fruit juice of the same quality: Purejoy™. The Purejoy™ range of juices, produced by Parmalat, part of the Lactalis Group, was introduced in May 2022. The launch of Purejoy™ has been very satisfactory.

- Food waste reduction

During the year, we have reviewed our policy concerning the return of products from supermarkets, to allow us to repack and redistribute a greater amount of food products to charitable organisations, in collaboration with Foodwise. These products are often no longer marketable due to damaged packaging, but are still perfectly fit for consumption, and should not be allowed to go to waste. During the last financial year, we offered the equivalent of 11,453 meals to Foodwise through this initiative. Our objective is to double the number of such meals next year.

- Taking sustainability to the next level

During the last quarter of the year, we introduced four 'combi' trucks (chilled and frozen) in our fleet of vehicles for the distribution of yoghurt and ice-cream. As a result, we are expecting efficiency gains in our distribution service with fewer vehicles. This also allows us to reduce our carbon footprint whilst paving the way towards a more sustainable distribution policy for our sales force.

Last year, we placed a lot of focus on replacing a portion of our plastic packaging by more eco-friendly materials to be in line with the new single use plastic regulations. This was done mainly in our dairy and chicken production segments. This year, we are taking a step further towards Sustainability. The "3R" (Reduce, Reuse and Recycle) project has been introduced in our commercial division during the last quarter of the FY21/22, and will sit at the core of a novel eco-friendly approach to all our commercial activities. Our main objective is to recycle 100% of the waste products of our commercial division by January 2023, including paper, carton, plastic, glass and used electronic equipment. Ultimately, this initiative will be extended as far as possible across all our Group activities.

Supercash Ltd

The economic downturn resulting from the Covid 19 restrictions continued to affect our Supercash operations during the past financial year, especially our Rodrigues outlets, which particularly suffered from the closure of borders and the reduced inflow of visitors to the island. While our outlets in Mauritius remained resilient and in fact ended the year with an encouraging growth in turnover, sales in our outlets in Rodrigues regressed. However, the core profitability of Supercash improved to a satisfactory level.

As mentioned in our introduction, a fire broke out at Supercash Phoenix in June 2022 and the outlet is currently not operational. This is likely to affect our revenue for the coming financial year. This unfortunate event also impacted our financial results for the FY 21/22 to the extent of Rs 15.7 million of assets, which were impaired. However, as we pointed out earlier, full compensation for the loss incurred has been received in the first quarter of FY 22/23.

With the re-opening of borders, we are confident that our operations in Rodrigues will gradually get back on track while our Supercash outlet in Rose Belle should maintain its growth.

STAFF ENGAGEMENT AND WELFARE

The main focus of our Human Resources department for the past year was on ensuring that our employees continue to work in a safe environment. As such, safety equipment was made available to staff and vaccination exercises were conducted across the Group. Moreover, a special Covid leave was introduced for all those who tested positive and had exhausted their sick leave entitlement. Finally, as reported last year, there is now increased flexibility for work-from-home arrangements for staff working in support departments whenever it is called for.

To improve communication and operational processes within business units, a forum has been set up, during which employees are invited to discuss operational matters with Management every 2 months. This initiative has contributed to a more open and improved relationship with the trade union. During these meetings, the Human Resources department has also had the opportunity to conduct talks on company pension benefits and health insurance.

Bearing in mind that staff welfare is also about coming together as a family, several events were organised during the year, namely Iftaar at our dairy division, an Eid get-together for our expatriate employees of Muslim faith, and Independence Day celebrations at our Corporate office. A breakfast for employees was also organised at our commercial division as well as a team building exercise for the sales team of our dairy products.

The economic context and the impact of Covid 19 have forced us to be more frugal in the conduct of our businesses. However, there is no doubt that our Group is only as good as its People, and in this regard, we are confident that we will be committing increased resources to staff welfare in the coming years.

Outlook

The full re-opening of our borders and easing of restrictions have brought a much-needed respite for local businesses in general, with international travel picking up relatively fast in recent months, notwithstanding the Russia-Ukraine conflict and its various consequences on the world economy. There are also some more recent indications of a stabilisation of fuel, freight and commodity prices. While it is difficult to speculate whether these prices will ever go back to the levels of pre-Covid years, it is nevertheless expected that they should become more reasonable in the year ahead.

- **Re-inventing ourselves**

Resilience is a word we have used a lot in recent years, and for good reason. It is now part of our culture, in the ethos of our people. However, being resilient also has to do with re-inventing ourselves, and that often means having to take a hard look at the way we have been working for the past years, and acknowledging that we may need to question past decisions and traditional methodologies, embrace new technologies, align with new trends, and bring Research & Development more than ever to the forefront.

It also entails putting the People and the Planet at the heart of all our processes and product offerings, so that we can truly transition to an eco-conscious Group. In this regard, we are confident that our new environmental initiatives will set the stage for a new overarching culture within the Group, where the Board, Management and every member of staff will remain committed towards minimising our environmental impact through the launch of eco-friendly initiatives and the adoption of new simple daily habits. We are happy to note that several of our international partners have already made good strides in the same direction and we have no doubt that our heightened commitment to Sustainability will be welcomed by our clients and all other stakeholders, as together, we become collective caretakers of our Planet.

We cannot end this report without extending thanks to all our shareholders for your trust. We are confident that you will appreciate the steps that we are taking as we build a new future where it is becoming more and more apparent that financial success and value creation cannot be achieved without also making our people, our community and our environment part of the success story.

We would also like to thank all the members of the Board for their valuable insights and ideas that they have shared with us during the year. These have no doubt helped us in the formulation of our key strategic initiatives. Finally, we are indebted to Management and all members of staff, who have been commendable in their commitment and readiness to embrace change and to move forward together.

Thank you all.

Directors' Report

The Directors are pleased to present the annual report together with the audited financial statements of Innodis Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2022. The annual report is published in full on the organisation's website at www.innodisgroup.com. The financial statements of the Group and the Company are set out on pages 45 to 132. The auditors' report on these consolidated and separate financial statements is on pages 42 and 44.

REVIEW OF BUSINESS

The principal activities of the Group comprise production of poultry and dairy products, animal feeds manufacturing, rice milling, distribution and marketing of food and grocery products.

Innodis Ltd is a leader in several of the markets in which it operates (e.g. cheese, juice, chicken franks), or at least a challenger to the market leader (e.g. poultry, yoghurt). Factors that influence the external environment include Covid-19 and the various economic consequences of the restrictions to trade and movement, such as the significant increase in freight cost, the level of competition in each market, the emergence of new players, the growing power of retail outlets, the evolving requirements of consumers, fluctuations in the world prices of petrol and commodities, among others. The Group tackles these challenges by having a diversified offering, by being more and more innovative and efficient, and by pro-actively addressing the needs and aspirations of consumers, in terms of quality, cost, health and environmental-friendliness.

An overview of the growth opportunities being contemplated by the Group - as well as any risks involved - are covered in the Chairperson and CEO's report. Moreover, the Group has already embarked on a strategic integrated approach to create value, which takes into account energy savings and its environmental impact.

Segment information is disclosed in Note 6 to the consolidated and separate financial statements.

RESULTS

For the year under review, the Group and the Company recorded a revenue of Rs 5.38 billion (2021: Rs 4.53 billion) and Rs 2.79 billion (2021: Rs 2.61 billion) respectively, whilst profit after tax attributable to shareholders for the Group and the Company amounted to Rs 7.5 million (2021: Rs 21.2 million) and Rs 18.3 million (2021: Rs 2.5 million) respectively.

DIVIDENDS

Total dividends declared by the Group and the Company for the year ended 30 June 2022 were Rs 57.9m (2021: Rs 52.0m) and Rs 42.2m (2021: Rs 42.2m) respectively.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

(i) leading and controlling the organisation and meeting all legal and regulatory requirements;

(ii) adequate accounting records and the maintenance of effective internal control systems;

(iii) the preparation of consolidated and separate financial statements which present a fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook in its annual report and on its website as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS), the Financial Reporting Act and the Companies Act 2001;

(iv) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates;

(v) the Company's adherence to the Code of Corporate Governance;

(vi) the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management; and

(vii) ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders.

The Directors further report that:

(i) the Company is a public interest entity as defined by law;

(ii) the Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are clearly identified;

(iii) appropriate Board committees, namely the Audit & Risk Committee and the Corporate Governance Committee (which is also tasked with duties regarding remuneration of Senior Management), have been set up to assist the Board in the effective performance of its duties;

(iv) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(v) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(vi) International Financial Reporting Standards, the Financial Reporting Act 2004 and the Companies Act 2001 have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;

(vii) the Company has an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management, and the Board has established formal and transparent arrangements, namely through its Audit Policy, to appoint and maintain an appropriate relationship with the Company's internal and external auditors;

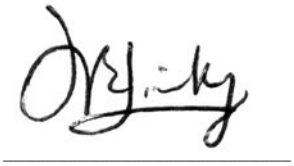
(viii) there is a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates is conducted, and appointments are made, on the basis of merit, measured against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender);

(ix) they have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due; and

(x) they have approved the Audit and Risk Committee, Corporate Governance Committee and Board charters, the Company's Code of ethics, appropriate job descriptions of the key senior governance positions, an organisational chart, and a statement of accountabilities.

Approved by the Board of Directors on 28 September 2022 and signed on its behalf by:

Mr Victor Seeyave
Chairperson of the Board



Mr Jean-Pierre Lim Kong
Director

Caring For the Community

Through our partnership with FoodWise, over the past year, we have been able to donate 2,860kgs of food products, resulting in over 11,000 meals being distributed to unprivileged families. Being all too aware of the recurring need to replenish our blood banks, Innodis also organised a Mega Blood Donation event in June 2022 with the collaboration of Valentina Mall. Finally, we are launching new initiatives to support some of our employees facing financial predicaments by supplying them with basic food items.


Purejoy
Guava
GREEK
YOGHURT
INNODIS

Corporate Governance Report

Innodis Ltd was incorporated on 25 April 1973 and is listed on the official market of the Stock Exchange of Mauritius Ltd (SEM) since 1996. The company falls under the definition of a public interest entity as defined by the Financial Reporting Act and is governed by the Listing Rules of SEM.

Innodis Ltd and its subsidiaries is further governed by its Constitution, its Board Charter, Companies Act 2001 and the National Code of Corporate Governance (2016).

The Board is aware of its responsibilities for applying and implementing within the Company the eight principles contained in the National Code of Corporate Governance (2016). The Board is committed to attaining and sustaining the highest standards of Corporate Governance with the aim of creating long-term value for the shareholders and stakeholders at large.

CONSTITUTION OF THE COMPANY

The Constitution of the Company does not provide for any restrictions in relation to the ownership of shares.

Save and except where the terms of issue of any class of shares – as may be determined by the Board - specifically provides otherwise, all new shares are, before issue, offered to existing holders in proportion to their existing shareholdings.

The Constitution of the company can be viewed on its website.

DISCLOSURES AND ENGAGEMENT WITH STAKEHOLDERS

The Board is committed to fair financial disclosure for its shareholders and all the stakeholders at large. The Company holds an annual meeting of shareholders, where relevant stakeholders are given the opportunity to be involved in a dialogue on the Company's position, performance and outlook at the annual meeting of shareholders.

CODE OF ETHICS

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. It reflects its diversity and unique culture. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics. The Code of Ethics can be viewed on the Company's website.

BOARD SIZE AND COMPOSITION

To determine its current size and composition, the Board has taken into account (a) the size, complexity and diversity of its operations, (b) the various qualifications and experience of its members, (c) the recommendations of the Code. The Board is satisfied that it is currently of a size and level of diversity that is commensurate with the sophistication and scale of Innodis Group.

There is an appropriate combination of two executive directors, six non-executive directors and two independent directors. The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management.

The list of the directors and their profiles are included on pages 21 to 23 of the Annual Report.

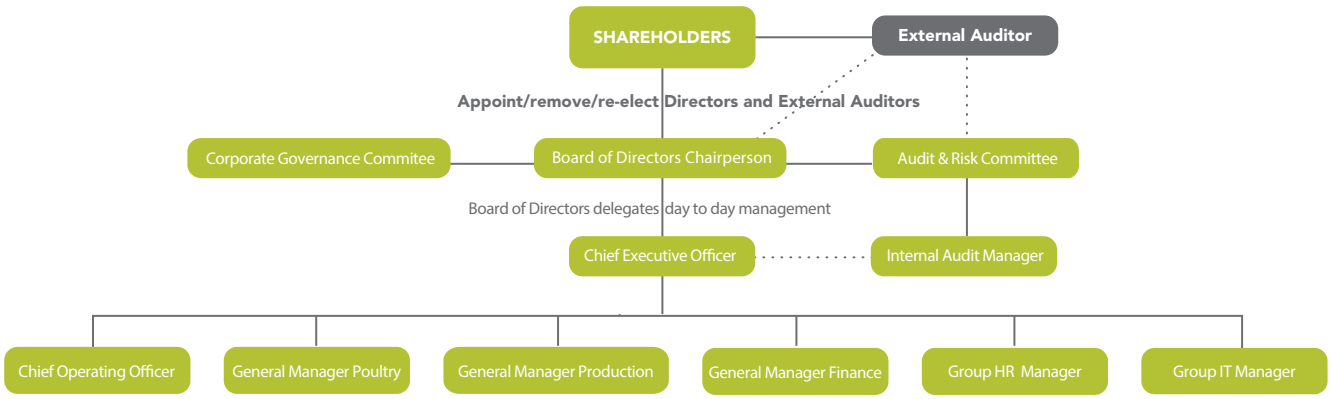
GOVERNANCE STRUCTURE

The Company operates within a defined governance framework, as explained in the chart below, through delegation of authorities and clear lines of responsibility.

Governance and organisational structure and major accountabilities

Shareholders have the power to appoint, re-elect and/or remove Directors.

The Management of the Company is vested to the Board which has all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the company. The Board has created 2 sub committees and each operate within approved terms of reference. At Board meeting reports from sub committees are on the agenda. The Chairperson of each subcommittee is invited to brief the Board on the matters discussed at the committees and make the necessary recommendations where applicable.



THE BOARD

The Board meets on a quarterly basis and at such ad hoc times as may be required. Its main functions include the following:

- Reviewing and evaluating present and future opportunities, threats and risks in the external environment, and current and future strengths, weaknesses and risks relating to the Company;
- Determining strategic options, selecting those to be pursued, and resolving the means to implement and support them;
- Determining the business strategies and plans that underpin the corporate strategy;
- Ensuring that the Company's organisational structure and capabilities are appropriate for implementing the chosen strategies;
- Delegating such authority and power to management as may be deemed appropriate and monitoring and evaluating the implementation of policies, strategies and business plans;
- Ensuring that internal controls are effective;
- Overseeing information governance within the Group and ensuring that information assets are managed effectively;
- Communicating with senior management;
- Ensuring that communications both to and from shareholders and relevant stakeholders and all strategic partners are effective; and
- Understanding and taking into account the interests of shareholders and relevant stakeholders in policy and strategy implementation.

Succession Planning

The Board assumes the responsibilities for succession planning and has developed a succession plan that is updated as and when required; it ensures that there is a strong team assisting the Chief Executive Officer at all times. The profiles of the Senior Managers are disclosed on page 39.

The structure of the Board and its Committees

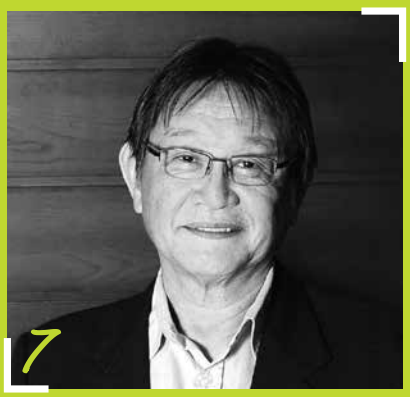
The Board has a unitary (one-tier) structure. Directors on the Board are independently minded. There are 10 directors sitting on the board as follows:

Name	Gender	Country of residence	Board appointment	Committee appointment
Victor Seeyave	M	Mauritius	Non-Executive Chairperson	Chairperson of the Corporate Governance Committee and Board of Directors
Jean-Pierre Lim Kong	M	Mauritius	Executive Director (Chief Executive Officer)	
Maurice de Marassé Enouf	M	Mauritius	Non-Executive Director	Member of the Corporate Governance Committee and Member of the Audit and Risk Committee
Imrith Ramtohul	M	Mauritius	Non-Executive Director	Member of the Corporate Governance Committee
Sheila Ujoodha	F	Mauritius	Independent Director	Chairperson of the Audit and Risk Committee
Richard Luk Tong	M	Mauritius	Non-Executive Director	Member of the Audit and Risk Committee
Pauline Seeyave	F	Mauritius	Non-Executive Director	
Jean How Hong	M	Mauritius	Non-Executive Director	
Vivekanand Ramtohul	M	Mauritius	Executive Director	
Roshan Ramoly	M	Mauritius	Independent Director	Member of the Audit and Risk Committee

The Company Secretary is Box Office Ltd. The latter has as partners two qualified Chartered Secretaries, Mrs. Sophie Gellé and Mrs. Sylvia Maigrot. The main contact of the Company is Mrs. Sophie Gellé.

CORPORATE GOVERNANCE REPORT (Continued)

Profiles of directors and details of external appointments



1 Victor Seeyave
NON-EXECUTIVE CHAIRPERSON

Chairperson of the Corporate Governance Committee

Victor is the holder of a BA in Economics (UK) and an MBA (USA). He is currently the Managing Director of Altima Group, which is engaged in property-related business, and previously held several management positions in the foods division of Innodis Group. He is also a director of Alter Domus (Mauritius) Ltd, a management company, which forms part of Alter Domus Group, a leading international provider of corporate and fund administration services.

He does not hold any directorship in other listed companies.

2 Jean-Pierre Lim Kong
EXECUTIVE DIRECTOR

Jean-Pierre is the Chief Executive Officer of Innodis Ltd since 1st January 2017. He previously held the position of General Manager for Finance and Administration of the company from 2000 to 2005. Jean-Pierre is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc (Hons) in Mathematics and Management Studies from King's College London. Prior to joining Innodis Ltd, he worked for KPMG's audit and consulting practices in London, the business advisory departments of KPMG and DCDM Consulting in Mauritius, and for the Cim Group in Mauritius, first as Managing Director of Cim Finance Ltd and subsequently as Group Chief Finance Executive.

He currently chairs the Listing Executive Committee of the Stock Exchange of Mauritius. Jean-Pierre also served on the Board of the Mauritius Institute of Directors for three years. He does not hold any directorship in other listed companies.

3 Vivekanand Ramtohul
EXECUTIVE DIRECTOR

Vivek is a Fellow of the Association of Chartered Certified Accountants and the Head of Finance of Innodis Ltd. Vivek has more than 24 years of experience in the agro-industry and the commercial sector, with exposure in the shipping and IT industries. He is a director and a member of the Audit Committee of Ariva Ltée. He also chairs the Audit and Risk Committee of Meaders Feeds Ltd. Vivek does not hold any directorship in other listed companies.

4 Maurice de Marassé Enouf
NON-EXECUTIVE DIRECTOR,

Member of the Audit and Risk Committee and of the Corporate Governance Committee

Maurice retired in 2001 after 29 years of service as Finance Manager of the WEAL group of Companies. He is a Non-Executive Director of Mauritius Oil Refineries Ltd. He is currently a member of the Audit and Risk Committee and a member of the Corporate Governance Committee of Innodis Ltd. He is also a member of the Audit and Risk Committee of the Mauritius Oil Refineries Ltd.

5 Sheila Ujoodha
INDEPENDENT DIRECTOR

Chairperson of the Audit and Risk Committee

Sheila is the Chief Executive Officer and Executive Director of the Mauritius Institute of Directors (MIoD) and has 23 years of hands-on experience in internal audit, risk management, corporate governance and process improvement on both the local and international market.

Sheila Ujoodha holds a BSc (Hons) in Accounting. As a fellow member of the Chartered Institute of Certified Accountants and the MIoD, Sheila's membership extends to the Mauritius Institute of Professional Accountants. Sheila's participation extends to the Audit Committee Forum (ACF) and the Directors Forum, where she is presently the Chairperson.

Sheila was awarded the CMO Africa Woman Leadership Award in 2017 for her contribution as a business leader displaying her best in the professional field. In 2019, she was conferred the Africa Impact Leadership Award at the SADC Women Forum and was included into the SADC Women Leaders Hall of Fame.

She joined British American Tobacco (Mauritius) as the Internal Audit Manager in 2001. In March 2005, she was employed as General Manager of the Risk & Audit Department of Rogers Group and was subsequently appointed as Chief Risk & Audit Executive in 2007. Sheila joined the Cim Group in the same capacity in October 2012 to February 2018. She was the Managing Director of SmarTree Consulting Ltd from March 2018 to November 2020.

She is also a director of Alteo Ltd (Listed company), SmarTree Consulting Ltd and the Chairperson of the Audit & Risk Committee of Alteo Ltd.

6 Richard Luk Tong
NON-EXECUTIVE DIRECTOR

Member of the Audit and Risk Committee

Richard is the Head of Finance of Altima Group, with both past and present experience in the textile, shipping, consumer services, property development, business process outsourcing and global business industries. Richard also has strong IT skills, including the analysis and design of computerised systems and accounting software implementation. He is a Fellow member of the Association of Chartered Certified Accountants (FCCA). He does not hold any directorship in other listed companies.

7 Jean How Hong
NON-EXECUTIVE DIRECTOR

Jean was the Chief Executive Officer of Innodis Ltd from 2009 to 2016. Jean holds a Diploma in Sugar Technology (School of Agriculture, University of Mauritius). He had assumed the functions of Executive Director of Mauritius Farms Ltd, General Manager (Commercial Division) of Happy World Ltd and Chief Operating Officer of the Company from 2005 to 2008. He chaired the Corporate Governance Committee of Meaders Feeds Ltd until 30th June 2018. He is also a director of the African Domestic Bond Fund & the MCB India Sovereign Bond ETF.

8 Imrith Ramtohul
NON-EXECUTIVE DIRECTOR

Member of the Corporate Governance Committee

Imrith is the Senior Investment Consultant at Aon Solutions Ltd (Mauritius), a position he has held since 2012. Prior to Aon Solutions, Imrith was the Head of Investment at Mauritius Union Group. He also previously worked at the Stock Exchange of Mauritius and at subsidiaries of South African banking groups Rand Merchant Bank and Nedbank. Imrith has 23 years of financial industry experience and has been cited in a number of media outlets. He was a member of the CFA Institute Global Investment Performance Standards (GIPS) Asset Owners Subcommittee between 2012 and 2017. Imrith graduated with honours from the University of Cape Town, with a Bachelor of Business Science (Honours) degree. He holds the Chartered Financial Analyst® designation, has earned the right to use the Certificate in Investment Performance Measurement (CIPM) designation and is also a Fellow of the Association of Chartered Certified Accountants UK (FCCA).

9 Pauline Seeyave
NON-EXECUTIVE DIRECTOR

Pauline was appointed as a director of Innodis Ltd as from 1st January 2018. She is currently the Group Chief Financial Officer of New Mauritius Hotels Limited. She holds a M.A. (Cantab) Economics from St Catharine's College, University of Cambridge and is a member of the Institute of Chartered Accountants in England and Wales. Pauline has over 20 years of working experience in the UK and Mauritius. She has managed client portfolios in Audit and Business Assurance and has occupied senior executive roles in banking, across finance, risk management, credit, project finance and corporate banking. In the past, she has served on the boards of SBM Bank (Mauritius) Ltd and State Insurance Company of Mauritius Ltd. She is also a director of New Mauritius Hotels Limited and Semaris Ltd (listed companies).

10 Roshan Ramoly
INDEPENDENT DIRECTOR

Member of the Audit and Risk Committee

Roshan holds an MBA from Durham University Business School and has worked in the financial services and banking industry, within the Cim Group and Barclays Bank Mauritius, for more than 15 years at senior managerial levels. He is currently the Director of LinearArc Solutions, which is a corporate training institute and that lends support to start-ups through its business incubator. Roshan's experience is mainly in the fields of strategy, stockbroking, customer experience, marketing and communications. He is also an independent director on several boards, including SBM Capital Markets Ltd.

Directors' attendance at Board meetings for the period from 1 July 2021 to 30 June 2022

	Board Meetings						
	29.09.2021	12.11.2021	08.12.2021	11.02.2022	21.03.2022	11.05.2022	29.06.2022
Victor Seeyave	√	√	√	√	√	√	√
Maurice de Marassé Enouf	√	√	√	√	√	√	√
Imrith Ramtohul	√	√	√	√	√	√	√
Jean-Pierre Lim Kong	√	√	√	√	√	√	√
Sheila Ujoodha	√	√	√	√	√	√	√
Pauline Seeyave	√	√	√	√	√	√	√
Jean How Hong	√	x	√	√	√	√	√
Richard Luk Tong	√	√	√	√	√	√	√
Vivekanand Ramtohul	√	√	√	√	√	√	√
Roshan Ramoly	√	√	√	√	√	√	√

Board orientation and training for new Directors

New Directors receive an induction and orientation upon joining the Board. Management is also responsible for briefing new directors on the Group's business.

Training of Directors

Training of Directors may comprise of externally conducted courses in matters of relevant interest to the Company.

Chairperson

The Chairperson, Mr. Victor Seeyave, has no executive or management responsibilities and chairs meetings of the Board and of shareholders. The Board ensures that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.

The Chairperson's primary functions are to:

- preside over the meetings of directors and ensure the smooth functioning of the Board in the interests of good governance;
- provide overall leadership and encourage active participation of all directors; and
- ensure that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions and maintain sound relations with the Company's shareholders.

Executive Directors / Chief Executive Officer (CEO)

There are two Executive Directors on the Board. The post of CEO is held by Mr. Jean-Pierre Lim Kong who is also a Director and reports to the Board of Directors.

The CEO is responsible for the day-to-day management of the Company and works in close collaboration with the management team, the Board and the Committees.

Independent Directors

The company has two Independent Directors.

The Board considers that an independent director is a board member who normally:

a) has not been an employee of the company or group within the past three years;

b) has not, or has not had within the past three years, a material business relationship with the company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;

c) has not received or receive additional remuneration from the company apart from a director's fee or as a member of the company's pension scheme;

d) is not a nominated director representing a significant shareholder;

e) does not have close family ties with any of the company's advisers, directors or senior employees;

f) does not have cross directorships nor significant links with other directors through involvement in other companies or bodies; and

g) has not served on the board for more than nine years from the date of their first election.

There are currently 2 women out of 10 members on the Board, namely Miss Pauline Seeyave and Mrs Sheila Ujoodha.

The Company therefore complies with the Code of Corporate Governance, which stipulates that the Company shall have at least two independent directors, at least two executive directors, and at least one female director.

BOARD COMMITTEES

The Board has two standing committees to assist in the discharge of its duties: the Audit and Risk Committee and the Corporate Governance Committee. The committees meet regularly under the terms of reference set by the Board. The Chairperson of each committee has the responsibility to report to the Board regarding all decisions and matters arising at each Board meeting. The committees may from time to time seek independent professional and consultancy services, and any recommendations in connection therewith are subject to the approval of the Board. The charters of the Committees are, if necessary, subject to review every two years for the Corporate Governance Committee Charter and every 5 years for the Audit and Risk Committee charter.

Corporate Governance Committee

The Corporate Governance Committee comprises of three non-executive directors as follows:

- Victor Seeyave (Committee Chairperson) – Non-Executive Director
- Imrith Ramtohul – Non-Executive Director
- Maurice de Marassé Enouf – Non-Executive Director

Given the nature, size and moderate complexity of the business, the functions that would have normally been entrusted to a remuneration committee and to a nomination committee are discharged by the Corporate Governance Committee, which submits its recommendations to the Board for approval.

The Corporate Governance Committee charter can be viewed on the Company's website. The Committee members met thrice during the financial year. The main terms of reference of the Corporate Governance Committee are to:

In terms of Corporate Governance:

- make the necessary recommendations to the Board so that the corporate governance culture of the Company is consistent with the eight principles contained within the New Code of Corporate Governance (the Code);
- review and make adequate recommendations to the Board for the approval of the corporate governance report to be published in the Company's annual report;
- ensure that the website includes the key governance documents;
- periodically review and evaluate the effectiveness of the Company's Code of Business Conduct and Ethics; and
- review all related party transactions and situations involving board members and refer where appropriate to the Board.

In terms of Nomination:

- ensure that the board has a right balance of skills, expertise, knowledge and independence and make recommendations to the Board with regards to any changes;
- make recommendations regarding the composition of the Board and the balance between executive and non-executive directors;
- take the lead for the self-appraisal exercise for directors;
- give full consideration to succession planning for directors and other senior executives in the course of its work; and
- review the Directors' fees policy.

The attendance at Corporate Governance Meetings from 01 July 2021 to 30 June 2022 was as follows:

Corporate Governance Committee Meetings

	29.09.2021	11.02.2022
Victor Seeyave (Committee Chairperson)	√	√
Maurice de Marassé Enouf	√	√
Imrith Ramtohul	√	√

Common directorships are disclosed on pages 21 to 23 under the Directors' profiles.

Audit and Risk Committee (ARC)

The Audit and Risk Committee consists of two independent directors, including its Chairperson, and two Non-Executive Directors, as follows:

- Sheila Ujoodha (Committee Chairperson) – Independent Director
- Roshan Ramoly – Independent Director
- Maurice de Marassé Enouf – Non-Executive Director
- Richard Luk Tong – Non-Executive Director

The Audit and Risk Committee Charter can be viewed on the company's website. The Audit and Risk Committee met 4 times during the financial year and the members of the Committee have examined and tabled their views on the financial reports prior to the publication of the audited consolidated and separate financial statements, as well as reports from the Internal and External Auditors.

The main terms of reference of the Audit and Risk Committee are to:

- examine and review the quality and integrity of the interim financial statements, annual financial statements as well as preliminary announcements relating to the company's financial performance and the annual report prior to their release;
- review and report to the Board on significant financial reporting issues and judgements which the financial statements contain, having regard to matters communicated to the Committee by the Internal and/or External Auditor;
- meet with Management, the internal auditor and the external auditors to review the financial statements, the critical accounting policies and practices, and the results of their audit;
- ensure that significant adjustments, unadjusted differences, disagreements with Management and management letters are discussed with the external auditors and where applicable, reported to the Board;
- evaluate the overall effectiveness of the internal control and risk Management frameworks;
- review regularly the risk register and ensure that the Company is adequately insured;
- ensure that the Company has an appropriate internal and external audit function and make recommendations to the Board in relation to the appointment, termination and remuneration of internal and external auditors;
- review the proposed internal and external audit plans;
- review the Company's process compliance with legal and regulatory requirements affecting financial reporting and, if applicable, its code of business conduct;
- review and monitor Management's responsiveness to internal auditor's findings and recommendations; and
- oversee the Company's compliance with legal and regulatory provisions, its Constitution, Code of Ethics, by-laws and any other rules or policy established by the Board.

For the year under review, there were no significant issues in relation to the financial statements.

The attendance at Audit and Risk Committee Meetings from 01 July 2021 to 30 June 2022 was as follows:

Audit and Risk Committee Meetings

	24.09.2021	08.11.2021	04.02.2022	06.05.2022
Maurice de Marassé Enouf	√	√	√	√
Sheila Ujoodha	√	√	√	√
Richard Luk Tong	√	√	√	√
Roshan Ramoly	√	√	√	√

Internal Audit Function

The Internal Audit Manager reports directly to the members of the Audit and Risk Committee to maintain its independence and objectivity, and administratively to the Chief Executive Officer. The Audit and Risk Committee approves the yearly plan of the Internal Audit Manager, which comprises the following main responsibilities:

- Determining the adequacy and effectiveness of the systems of internal accounting and financial reporting of the Company & Group;
- Reviewing management controls designed to safeguard Company & Group resources and verify the existence of such resources;
- Determining whether adequate controls are incorporated into information technology systems and the overall IT administrative functions;
- Appraising the use of resources with regard to cost, efficiency and effectiveness;
- Reviewing compliance with Company & Group policies, plans and procedures to ensure achievement of business objectives;
- Investigating suspected fraudulent activities within the organisation and notifying the Audit and Risk Committee and Management of the results;

Internal Audit Function (Continued)

- Coordinating with and having oversight of other control and monitoring functions (risk management, quality assurance, security and safety);
- Issuing periodic reports to the Audit and Risk Committee on the results of audit activities and management plans to address audit observations; and
- Following-up of implementations of action plans to address significant weaknesses identified.

The Internal Audit team has unrestricted access to the records, management and employees of the Group. The Internal Audit Manager has the responsibility of ensuring that internal controls are implemented at Group level.

The internal audit function is regularly monitored and reviewed by the Audit and Risk Committee to ensure that internal control systems are effective.

The structure of the Internal Audit function and qualifications of the Internal Audit Manager is listed on the company's website.

During the FY2022, the Internal Audit Manager was mandated by the Audit & Risk Committee to carry out special assignments on:

- Procurement & Production at Dairy plant - to assess whether purchasing processes ensures the availability of quality raw materials at the right time & price and evaluate the efficiency and effectiveness of production operations;
- Farming and processing – to review the adequacy of the controls in place in terms of biosecurity, quality control & reporting and evaluate the efficiency and effectiveness of production operations;
- Procurement at Meaders Feeds Ltd - to ensure that appropriate policies and procedures are in place to minimise potential disruptions in the supply chain so that the right products are purchased at the right time, in the right quantities and at the right price; and
- Data Protection - to review the scope and effectiveness of the setups driving the implementation of the Data Protection Act 2017.

DIRECTOR APPOINTMENT PROCEDURES AND RE-ELECTION OF DIRECTORS

The Board, committees and individual directors have their performance evaluated and are held accountable to appropriate stakeholders.

The directors are normally appointed by shareholders by an ordinary resolution at the Annual Meeting. In accordance with the Constitution of the Company, the Board may also appoint any person to be a director, either to fill a casual vacancy, or as an addition to the existing directors. Moreover, the Board may appoint any of the Managers of the Company as an executive director and may limit the powers of the latter.

All directors, whether appointed by a resolution of shareholders or by the directors, hold office only until the next Annual Meeting, at which time they shall retire, or shall be eligible for re-election. The Board assumes the responsibilities for succession planning and for the induction of new directors. All new directors have attended and participated in an induction and orientation process. The Board has the duty to review the professional development and ongoing education of directors.

BOARD, DUTIES, AND INTERESTS AND PERFORMANCE

The directors are aware of their legal duties and observe and foster high ethical standards and a strong ethical culture in the Company. Each director allocates sufficient time to discharge his or her duties effectively. Any conflicts-of-interest and related-party transactions that arise are dealt with in accordance with the Code of ethics. The Board is responsible for the governance of the Company's information strategy, information technology and information security. The Board, committees and individual directors are supplied with information in a timely manner and in an appropriate form and quality to allow them to perform their duties effectively.

BOARD EVALUATION

Board evaluation is carried by way of a Director's self-appraisal carried every two years. The last exercise was carried out in the last quarter of 2020 and included also a part on the evaluation of the two sub-committees. No independent board evaluator was appointed. The next appraisal will be held during the 2022-2023 financial year.

For the evaluation, the Directors are normally invited to fill in a questionnaire, in which the questions are categorised under the following themes:

- company's relationship and communication with shareholders;
- the structure of the board;
- board efficiency;
- board leadership and management relations;
- directors' powers and duties;
- ethics;
- committees;
- risks;
- corporate governance; and
- individual assessment.

RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for risk governance and ensures that the Company and its subsidiaries develop and execute a comprehensive and robust system of risk management and maintains a sound internal control system.

Risk Management Function

The Directors recognise that the Board has the overall responsibility for the risk management and internal control mechanisms of the Company. The Board has, through its Audit and Risk Committee, (a) monitored and evaluated the Company's strategic, financial, operational and compliance risks, and (b) developed and implemented appropriate frameworks and effective processes for the sound management of risks.

Management assists the Board in implementing, operating and monitoring the internal control systems which manage the risks of calamities and failure to achieve business objectives, and provide reasonable but not absolute safeguards against material misstatements or losses. The systems of internal controls put in place by management include:

- the maintenance of proper accounting records;
- the implementation of the policies and strategies approved by the Board;
- the regular assessment of specific risk managements such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks; and
- the overseeing and reviewing on an ongoing basis of the risks associated with occupational health and safety, as well as environmental issues.

Management has a well-designed structure for the identification and management of risks through stringent controls. This provides the directors a certain level of assurance that risk management processes are in place and effective.

The Group Business Risk register which was reviewed and revamped in FY21 promotes risk awareness, management of risks, alleviation of risks with employees working from home, cyber-attacks, and risks of being infected with Covid 19.

Whistle-blowing procedures are outlined in the Code of Ethics of the company. Reports are made to the Group HR Manager or CEO and the whistle-blowers may request their identities to be kept confidential.

Reporting can also be effected solely to the Chairperson of the Audit and Risk Committee regarding sensitive matters that may involve Management.

DIRECTORS' SERVICE CONTRACTS

The existing service contracts between the Company or any of its subsidiaries and their directors are as follows:

- Between Jean-Pierre Lim Kong and Innodis Ltd: Chief Executive Officer
- Between Reynolds Moothoo (Director of Meaders Feeds Ltd) and Meaders Feeds Ltd: Managing Director

COMPANY SECRETARY

The secretary of the Company is Box Office Ltd. The latter offers corporate services, secretarial services, and business facilitation services, with a portfolio of more than 200 business entities consisting of listed companies on the Stock Exchange of Mauritius Ltd, public interest entities, public, private and small private companies, partnerships and associations in all fields of activity. The partners of the company are Sylvia Maigrot, ACG, and Sophie Gellé, ACG. More information may be obtained on the latter on its website at www.box-office.mu.

The Company Secretary has access to the Board members and Directors may separately and independently contact the Company Secretary who attends and prepares minutes for all Board meetings.

The Company Secretary's role is defined, and includes the responsibility for:

- providing the Board with guidance as to how their duties and responsibilities should be properly discharged in the best interests of the Company and in accordance with the Companies Act 2001, the Constitution of the Company and the Code of Corporate Governance;
- drafting the agenda of Board and Board committee meetings in consultation with the Chairperson and the CEO;
- circulating agendas and any supporting papers to Directors in good time;
- convening, attending and drafting of minutes of Board and Committee Meetings and Shareholders' meetings;
- checking that the required quorums of meetings are present; and
- assisting the Chairperson in organising Board evaluations and training programs.

The appointment and dismissal of the Company Secretary are matters requiring the Board's approval.

SHARE OPTION PLAN

The Group and the Company have no share option plans.

LEADERSHIP

Directors and members of Management exercise the utmost good faith, honesty and integrity in all their dealings with or on behalf of the Company. They are well versed with the day-to-day transactions of the Company and are sufficiently experienced and qualified to fulfil their roles and functions.

The Board regularly monitors and evaluates compliance with the Code of ethics.

INTERESTS ETHICS

The Company Secretary maintains an interest register, which is available for consultation to shareholders upon written request to the Company Secretary. The interest register is amended as and when declaration are made by the directors. During the financial year, the following entries were made in the Directors' interests register:

- Mr. Victor Seeyave declared his interests as Director of Swan Reinsurance PCC and Swan Special Risks Company Limited, two subsidiaries of Swan Group, with which the Company engaged discussions to act as transaction advisors.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The information technology and information security policy of the Group is available for consultation on the Company's website.

The Board oversees information governance through its Audit & Risk Committee, which itself supervises the Internal Audit function, which has no restrictions to its right of access to information.

The Board, following recommendations and explanations provided by Management in that respect, approves all significant expenditures on information technology.

REMUNERATION

Statement of remuneration philosophy

- The Board is transparent, fair and consistent in determining the remuneration policy for directors and senior executives. The remuneration of senior executives is generally aligned with the salary packages in the industry. The Group believes that adequate remuneration is essential to attracting and retaining talent and to motivating our key executives to perform at their best.

  The Board's Corporate Governance Committee has reviewed the remuneration of key executives, including the Chief Executive Officer. The level of remuneration is based on a formal assessment of performance in accordance with agreed target parameters and is in line with market trends.

- The non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

A statement showing the remuneration of executive and non-executive directors is shown below.

	FY2022
	Rs'000
Executive Directors	
Jean-Pierre Lim Kong	11,157
Vivekanand Ramtohul	3,271
Non-Executive Directors	
Victor Seeyave	644
Jean How Hong	270
Pauline Seeyave	285
Richard Luk Tong	477
Maurice de Marassé Enouf	617
Imrith Ramtohul	425
Independent Director	
Sheila Ujoodha	633
Roshan Ramoly	477

PROCUREMENT FUNCTION

One of the key risk areas of the Group is the procurement function. As such, Management has set up a separate procurement committee. The aims of the Procurement Committee are to prioritise and manage risks across the entire supply chain. The Procurement Committee currently reports to the Chief Executive Officer and its main terms of reference are to:

- identify and manage procurement risks according to their chances of occurrence and severity;
- provide guidelines on procurement;
- make recommendations for the selection of suppliers to ensure best value for money is received, and the adequacy of stocks, taking into consideration cash flow requirements; and
- set the highest possible ethical standards and best practices for procurement through defined policies and monitoring.

SUSTAINABILITY REPORTING

Health, Safety, Social and Environmental policies

The Group has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.

The Group carries out regular risk assessments to ensure that all production units are operated in such a manner as to minimise damage to the environment and the neighbourhoods. Regular training sessions, both in-house and outsourced, are also provided to our staff to ensure that health and safety cultures prevail within the Group and that everyone is well informed about health and safety policies in place.

Health and Safety committees, consisting of representatives of both Management and employees, are held every two months. The objectives of this committee are to promote cooperation between the employer and the employees and to discuss projects and plans in order to promote the health and safety culture at Innodis.

Moreover, Innodis Poultry Ltd is ISO 45001 certified in relation to workplace risks. This certification replaces OHSAS 18001.

The Group operates its day-to-day activities in a way that is aligned as far as possible with green, environmentally-friendly and energy-saving principles, paying special attention to the regular maintenance and optimal use of its fleet of vehicles to minimise carbon emissions. The used engine oil of our vehicles as well as the plastic, paper and carton waste products at our commercial division are routinely recycled. In line with the local regulations regarding the restriction of single use plastics, the Group is also looking into new eco-friendly packaging solutions, namely for its dairy products.

The commercial division of the Group is also spearheading a new action plan for the reduction, re-use and recycling of materials used in our operations, as mentioned in the Chairperson and CEO's report. This should take our commitment to Sustainability to the next level.

ISO 14001 certification

Innodis Poultry Ltd and our Dairy division are ISO 14001 certified, which helps us identify areas where we can further improve on waste handling and recycling, make best use of our natural resources, create opportunities for environmental benefits, care even more for our animals, water, energy utilisation, and protect the air and the soil.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The group is fully committed to Corporate Social Responsibility and collaborates with the Innodis Foundation and NGOs involved in activities that it considers to be high on its priority list of interventions namely the:

- assistance to the alleviation of poverty;
- promotion of education and training to vulnerable groups;
- assisting in developing a healthy nutrition programme for the needy; and
- supporting projects for the protection of the environment.

The Group did not make any political donations during the year under review.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Annual Meeting

The notice of the Annual Meeting will be available on the Company's website. The list of shareholders' meetings, questions and answers and votes are not published on the website as shareholders can have access to the minutes of the said meetings in accordance with section 226 of the Mauritius Companies Act 2001. The minutes of the 2022 Annual Meeting will be available to shareholders as from two months after the Annual Meeting date.

Substantial Shareholders

The shareholders holding more than 5% of the ordinary shares of the Company at 30 June 2022 were:

- Foods Div Ltd – 33.73%
- Altima Ltd – 13.07%
- National Pension Fund – 8.12%

Summary of shareholders by category

Investment & Trust	1.544%
Individuals	15.482%
Pension & Provident Funds	9.127%
Insurance & Assurance	11.269%
Other Corporate Bodies	62.579%

Shareholding Profile

Size of shareholding	No of shareholders	No of shares owned	%
1 – 500	3,136	394,018	1.073
501 – 1,000	482	376,215	1.024
1,001 – 5,000	643	1,459,567	3.974
5,001 – 10,000	136	953,082	2.595
10,001 – 50,000	121	2,551,182	6.946
50,001 – 100,000	17	1,199,997	3.267
100,001 – 250,000	20	3,084,756	8.398
250,001 -1,000,000	6	2,115,570	5.760
Over 1,000,000	9	24,595,879	66.964

Directors and senior officers' interests and dealing in shares and their shareholding in the company. The Directors use their best endeavours to follow the principles of the model Code on Securities Transactions by Directors (as detailed in Appendix 6 of the Stock Exchange listing rules).

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

	2022 Direct holding Number	2022 Indirect holding %	2021 Direct holding Number	2021 Indirect holding %
Directors:				
Pauline Seeyave	5,734	-	5,734	-
Maurice de Marassé Enouf	533		533	-
Jean How Hong	39,218	0.0065	39,218	0.0065
Victor Seeyave	-	30.45	-	30.45
Imrith Ramtohul	24,242	0.0041	24,242	0.0041
Jean Pierre Lim Kong	5,001	-	5,001	-
Richard Luk Tong	262	-	262	-
Vivekanand Ramtohul	-	-	-	-
Sheila Ujoodha	-	-	-	-
Roshan Ramoly	-	-	-	-
Senior Officers:				
Sonny Wong	-	-	-	-
Rahim Bholah	2,000	-	2,000	-
Rajneetee Beeharry	-	-	-	-
Olivier Fanchette	-	-	-	-
Zaheer Deen Kaudeer	-	-	-	-
Gerard Nien Fong	-	-	-	-
Amrith Dass Nunkoo	310	-	310	-
Deven Ramasawmy	-	-	-	-
Christina Sam See Moi	-	-	-	-
Dimple Seechurn	-	-	-	-
V.N.Reynolds Moothoo	-	-	-	-
Box Office Ltd	-	-	-	-

CONTRACT OF SIGNIFICANCE

The Company has a Technical and Advisory services agreement with Altima Ltd, whereby the latter provides advice, guidance and assistance to the Group in the following areas: strategy, accounting and finance, legal, corporate communications, and marketing. There is no other contract of significance between the Company or any of its subsidiaries and a third party, in which a director is materially interested directly or indirectly, for the year under review.

DIRECTORS' INSURANCE

The Directors benefit from an indemnity insurance to cover for liabilities, which may be incurred while performing their duties to the extent permitted by law.

COMMUNICATION

Innodis strongly believes in an open, honest and meaningful interaction with all those involved with the Group, and one of the key objectives of the Board is to adequately cater for the information requirements of all our shareholders and stakeholders.

The Board ensures that its shareholders and stakeholders (namely its clients, consumers, employees, investors, suppliers, communities, financial institutions, local authorities and regulators) are kept informed on an ongoing basis regarding matters affecting the Group.

The Group's website (www.innodisgroup.com), which was completely refreshed in 2020, is used to provide relevant information, and communication is effected through the Annual Report, social media platforms, the internal newsletter (which is mainly intended for employees), circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group and Company unaudited quarterly and audited abridged financial statements, dividend declarations. Management otherwise interacts with various stakeholders regularly through face-to-face meetings, by phone or email during the ordinary course of business.

We further have the opportunity to interface with some of our key stakeholders through the Mauritius Chamber of Commerce and Industry, Made in Moris, Business Mauritius and local communities either directly or through local authorities, on a regular or ad-hoc basis.

Finally, Investors meetings may be carried out on an annual basis. Institutional investors and investment managers are invited to attend these meetings, during which the audited results of the Group as well as the overall Group strategy and key projects are presented. Attendees are also invited to partake in a dialogue about the organisational position, performance and the outlook of the Group.

The Annual Meeting of shareholders is held every year in December. All Board members are requested to attend annual meetings. The Annual Meeting is an opportunity for shareholders to meet the Directors and have an open discussion about the Group's activities and results. The notice of the annual meeting and other shareholder meetings and related papers are sent to shareholders at least 21 days before the meeting in accordance with the Companies Act.

The expectations and interests of key stakeholders are continuously being assessed by the Board and responded to through continuous dialogue on various platforms as mentioned above. In the case of our suppliers and clients, these are then recorded in commercial agreements, where a win-win approach is favoured, with a view to building long-term relationships.

The following documents can be viewed on the website:

- The Constitution of the Company
- The Quarterly results
- The Annual reports
- The Notices of annual meeting
- The Board Charter
- The Audit and Risk and Corporate Governance Committee Charters
- The Code of ethics
- The IT Policy
- The Audit Policy
- The Governance and organisational structure

SHARE PRICE INFORMATION

For the year under review, Innodis share price stood at Rs 42.00 at 30th June 2022 (June 2021 - Rs 45.00).

	2022	2021
Share price (Rs)	**42.00**	45.00
Net Asset Value per share (Rs)	**56.02**	52.30
Earnings per share (Rs)	**0.20**	0.58
Dividend per share (Rs)	**1.15**	1.15
Dividend yield (%)	**2.74**	2.56

Timetable of important events for shareholders:

September	Payment of final dividends of previous Financial Year**
September	Approval of audited consolidated and separate financial statements
November	Publication of first quarter results
December	Declaration of interim dividends*
	Annual meeting of shareholders
February	Publication of second quarter results
February/March	Payment of interim dividends declared in December**
May	Publication of third quarter results
June	Declaration of final dividends*

* Subject to the approval by the Board of Directors

** Subject to a resolution to that effect by the Board of Directors

RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 29.

DIVIDEND POLICY

The Board has not established a formal dividend policy. However, the Board endeavours to authorise distributions in the light of the company's profitability, cash flow requirements and planned capital expenditure.

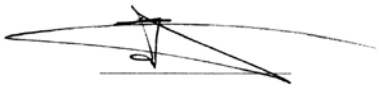
SHAREHOLDERS' AGREEMENT

There is no shareholders' agreement which affects the governance of the Company by the Board.

ACKNOWLEDGEMENT

The Board would like to thank all employees for their continued dedication and loyalty.

Mr Victor Seeyave
Chairperson



Mr Imrith Ramtohul
Member of the Corporate Governance Committee

Fostering Sustainability & Good Practices

Did you know that Innodis was the first company in Mauritius to adopt a circular economy approach to its poultry waste management? The by-products of our chicken operations are converted into a fertile compost which is then distributed to families in the neighbouring villages to encourage them to adopt backyard gardening practices and grow their own fruits and vegetables at home – a step further towards self-sufficiency. The compost is also used in our own greenhouses to produce vegetables under the Maurigap certification.

Statement of Compliance

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

We, the Directors of Innodis Ltd, confirm, to the best of our knowledge that the Company has complied with the New Corporate Governance Code for Mauritius (2016), has applied all of the principles set out in the Code and has explained how these principles have been applied.

Mr Victor Seeyave
Chairperson of the Board

Mr Jean-Pierre Lim Kong
Director

Date: 28 September 2022

Secretary's Certificate

Under section 166(d) of the Mauritius Companies Act 2001

In accordance with Section 166 (d) of the Mauritius Companies Act 2001, we hereby certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.

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Box Office Ltd
Company Secretary

Date: 28 September 2022

Statutory Disclosures

EXTERNAL AUDITORS

Auditors' Remuneration

		2022 Rs'000	2021 Rs'000
Company:			
EY :	Audit Fees	**2,726**	2,595
Group:			
EY :	Audit Fees	**4,978**	4,706
EY :	Tax Services	**58**	55

SUBSIDIARIES OF INNODIS LTD AND THEIR DIRECTORSHIPS

Peninsula Rice Milling Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Jean-Pierre Lim Kong

Sonny Wong Lun Sang

Challenge Hypermarkets Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Jean-Pierre Lim Kong

Maurice de Marassé Enouf

HWFRL Investments Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Jean-Pierre Lim Kong

Redbridge Investments Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Jean-Pierre Lim Kong

Vivekanand Ramtohul

Moçambique Farms, Limitada

Jean How Hong (Chairperson)

Victor Seeyave

Jean-Pierre Lim Kong

N. Vincent Reynolds Moothoo

Mauritius Farms Limited

Jean How Hong (Chairperson)

Jean-Pierre Lim Kong

Vivekanand Ramtohul

SUBSIDIARIES OF INNODIS LTD AND THEIR DIRECTORSHIPS (CONTINUED)

Essentia Ltd

Jean How Hong (Chairperson)

Jean-Pierre Lim Kong

Vivekanand Ramtohul

Poulet Arc-en-ciel Ltée

Victor Seeyave

Vivekanand Ramtohul

Jean-Pierre Lim Kong

Rahim Bholah

Maurice de Marassé Enouf

Yoon Kong (Gerard) Wong Chong resigned on 29.10.2021

Jocelyn Gerard Olivier Fanchette – appointed on 21.10.2021

Chicken Corner Ltd

Jean-Pierre Lim Kong (Chairperson)

Vivekanand Ramtohul

Jocelyn Olivier Fanchette – appointed on 10.01.2022

Jean How Hong – resigned on 10.01.2022

Sonny Wong Lun Sang – resigned on 10.01.2022

Innodis Poultry Ltd

Victor Seeyave (Chairperson)

Vivekanand Ramtohul

Jean-Pierre Lim Kong

Richard Luk Tong

Jocelyn Gerard Olivier Fanchette – appointed on 21.10.2021

Innodis Property Ltd – incorporated on 06.04.2022

Victor Seeyave (Chairperson)

Vivekanand Ramtohul

Jean-Pierre Lim Kong

Micali Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Vivekanand Ramtohul

Meaders Feeds Limited

Clairette Ah-Hen (Chairperson)

Jean-Pierre Lim Kong

Robert Joseph Bernard Montocchio – resigned on 17th June 2022

Vivekanand Ramtohul

Emmanuel Wiehe

David Montocchio

N. Vincent Reynolds Moothoo

Gaetan Bestel – appointed on 17th June 2022

Jocelyn Gerard Olivier Fanchette – appointed on 21.10.2021

Supercash Ltd

Jean How Hong (Chairperson)

Victor Seeyave

Sonny Wong Lun Sang

Jean-Pierre Lim Kong

Vivekanand Ramtohul

Green Island Milling Limited

Jean How Hong (Chairperson)

Rahim Bholah

Graeme Lance Robertson

Rachmat Imanuel Suhirman

Promotion et Diversification Publicitaire Limitée

Victor Seeyave (Chairperson)

Sir René Sow Choung Seeyave – resigned on 24.09.2021

SENIOR MANAGEMENT TEAM

The Senior Management team, other than the CEO, Jean-Pierre Lim Kong and Vivekanand Ramtohul (General Manager Finance), are as follows:

- **Sonny Wong Lun Sang**

Chief Operating Officer

Sonny has more than twenty-two years of experience in the food sector as Production & Quality Manager, Sales & Marketing Manager and is currently the Chief Operating Officer of Innodis Ltd. He holds an MBA from 'IAE – Institut en Administration des Entreprises' of Poitiers, a Master-DESS in project management from the University of Bordeaux and a Master-DEPA in entrepreneurship from the IFE of Réduit.

- **Rahim Bholah**

General Manager - Production

Rahim Bholah joined Innodis Ltd in 1993 as Production Manager at the poultry production plant and has today some 31 years of hands-on experience in the manufacturing sector, within textiles, poultry and dairy industries. He is also running the Peninsula Rice Milling Ltd operations, which is a subsidiary of Innodis Ltd. He holds a Bachelor (Hons) degree in Production Engineering and Production Management from the University of Nottingham (UK). He also possesses a Postgraduate Diploma in Management.

- **Rajneetee Beeharry**

Group Human Resources Manager

Rajneetee has over 19 years of working experience within different areas that span over Human Resources, Hospitality, Quality Assurance, Training and Food & Beverage within the Financial and Hospitality sectors. She holds a BSc in Human Resources from the University of Mauritius and an MBA Degree from the Management College of South Africa. She joined the Company in April 2016 and is currently leading the Human Resources department.

- **Olivier Fanchette**

General Manager – Innodis Poultry Ltd and Export Innodis Poultry Ltd

Olivier is the holder of a BSc (Hons.) Agribusiness and Finance and a BSc (Hons.) Animal Production from the University of KwaZulu-Natal Pietermaritzburg South Africa. He started his career in Mauritius in 2006 before joining Innodis Group in 2007 as Technical Manager. He moved to Madagascar in 2011 where, as General Manager, he successfully set up, launched and operated the Agribusiness companies Agrifarm, Agrival and Mabel. Back in Mauritius after more than 5 years, he joined Innodis Poultry Ltd as Production Manager in 2016.

- **Zaheerud Deen Kaudeer**

Senior Manager

Zaheer joined Innodis Ltd in 2001 and has been working successively as Brand Manager, Key Account Manager and Sales and Marketing Manager in the commercial division. He is presently the Manager of Supercash Limited. During the financial year 20/21, he has also been tasked with overseeing the poultry sales of both Innodis Poultry Ltd and Poulet Arc-en-Ciel Ltée. He holds a BSc (Hons.) in Management with specialisation in Marketing and a Masters in Business Administration, both from the University of Mauritius.

- **Gerard Nien Fong**

Senior Manager

Gerard holds a BSc in Economics and Diploma in Marketing from Bordeaux University, France and started his career in the Real Estate sector with the Jade Group. In 2002, he joined Innodis Ltd as Manager at Supercash. Gerard was subsequently employed by Cim Finance Ltd in 2007 where he occupied the post of Manager of the Customer Accounts Department for 8 years. In 2015, he returned to Innodis as Purchasing and Sales Manager.

- **Amrith Nunkoo**

Senior Technical Manager

He holds an MA Engineering from the University of Cambridge, UK. He is presently in charge of the Group's Technical and Maintenance functions and oversees technical operations and drives projects. He is also in charge of the management of the fleet of vehicles and refrigeration systems.

- **Deven Ramasawmy**

Internal Audit Manager

He is a Fellow of the Association of Chartered Certified Accountants, UK. He joined the Group in 2013 as Internal Audit Executive and is now the Group's Internal Audit & Risk Manager. Previously he has worked for Shibani Finance and Poivre Corporate Services as Internal Audit Manager.

- **Christina Sam See Moi**

Senior Manager – Commercial

Christina joined the Company in the year 2000 after graduating from university and started her career in the marketing department. She was promoted to Senior Manager in the commercial department in 2015, where she heads the consumer goods division. She holds a BSc (Hons.) Management from the London School of Economics and Political Science.

- **Dimple Seechurn**

Marketing Manager

Dimple joined the Company in 2015 as Marketing Manager. She has some 21 years of experience in marketing in different sectors, namely advertising, FMCG and financial services. Prior to joining Innodis, Dimple was the Marketing Manager of Lottotech, where she contributed to the successful implementation of the Mauritius National Lottery. She holds a BSc (Hons.) in Management with Specialisation in Marketing and a MBA degree from the University of Mauritius.

- **Mr. Richard Yan Shi Cheung**

Information Technology Manager

Richard joined Innodis in December 2021 and has a vast experience within ICT related activities including ERP Implementations - Oracle, SAP Business One, Sage X3, Sage Pastel Evo, IT Architecture & Integration, Global IT Delivery & Project Management, Process Improvement, Systems and Software development, Enterprise IT Systems, IT Strategy & Execution. He holds a Bsc in Computer Science from University of London.

MANAGEMENT AGREEMENT

There is no management agreement between Innodis Ltd or any of its subsidiaries with third parties, except in the case of our subsidiaries, Poulet Arc-en-Ciel Ltée and Innodis Poultry Ltd, which have a management agreement with Innodis Ltd.

Protecting The Purchasing Power of Mauritians

Prices have been on the rise everywhere in the world, and Mauritius has not been spared. This has heavily impacted the purchasing power of local consumers, forcing them to make sacrifices and modify their consumption habits. In this regard, it is our duty to do our very best to continue to offer reliable products at the best possible prices. Our promise is 'good today, better tomorrow', and we have to ensure that the essential commodity products that we distribute will remain affordable to all, without any compromise on quality. That is just one of several ways to build trust and loyalty, and to fulfil our role as an agent of change in our community.

Independent Auditor's report to the members of Innodis Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Innodis Limited (the "Company") and its subsidiaries (the "Group") set out on pages 45 to 132 which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

The Key Audit Matters applies to the audit of the consolidated financial statements. No KAM has been identified on separate financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matter	How the matter was addressed in the audit
Valuation of biological assets In line with IAS 41, the Group evaluates biological assets (hatchable eggs, live broilers and breeders) at fair value less cost to sell. As of 30 June 2022, the biological assets amounted to Rs 139m (FY21: Rs 131m) as disclosed in Note 18 (b). This represented 3% of the Group's total assets. Management used significant judgement about the following unobservable inputs to arrive at the fair value of the respective biological asset: • Hatchability rate - the fair value of hatchable eggs is determined based on the value at which a day-old chick can be sold, less hatchery cost and adjusted for hatchability rate. • Mortality rate and weight - the fair value of live broilers is determined based on the selling price of live broilers, adjusted for mortality and weight. • Number of eggs expected to be laid and future cost to be incurred - the fair value of breeders is based on the expected cash flows to be generated, itself based on the number of eggs expected to be laid by the breeder and adjusted for future cost to be incurred. We focused on this area as a key audit matter because the assessment of the fair value using valuation techniques involves significant judgements.	We obtained an understanding of management's processes and controls for determining the fair valuation of biological assets. This included discussing with management about their valuation governance structure and protocols around their oversight of the valuation process. We assessed and tested the design of some selected key controls over management's process for valuing biological assets. We obtained and read the monthly management operation reports to ensure consistency of assumptions used in the model with the actual monthly data being reported for management purposes. We also compared the assumptions to those used to prepare the budget for the relevant period. Our substantive procedures in assessing the reasonableness of fair value included the following: • We evaluated the valuation model against the requirements in IAS 41, IFRS 13 and industry practice and checked the mathematical accuracy of the valuation model. • We compared the selling price of live broilers and day-old chicks to the actual sales made to third party. • We evaluated the reasonableness of the key unobservable inputs including hatchability, mortality rates, weight against historical production data and to after year-end production data. • We assessed the cash flow projections, by challenging and performing audit procedures on management's assumptions such as evaluating the reasonableness of the expected number of eggs and the future cost by comparing to actual production and cost incurred. • We reviewed the reasonableness of Group's disclosures regarding fair value of biological assets, in accordance with IAS 41 and IFRS 13, including key assumptions and judgements.

Other Information

The directors are responsible for the other information. The other information comprises the annual report other than the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

Date: 28 September 2022

THIERRY LEUNG HING WAH, F.C.C.A
Licensed by FRC

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

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Continuing operations					
Revenue	7	**5,381,088**	4,526,186	**2,793,976**	2,609,980
Expected credit loss movement	5(i)	**1,259**	(20,390)	**4,244**	(11,873)
Profit from operating activities	8	**104,067**	104,547	**55,289**	44,365
Finance income	10	**29,005**	10,982	**8,128**	2,510
Finance costs	10	**(73,908)**	(73,507)	**(41,709)**	(46,102)
Profit before tax from continuing activities		**59,164**	42,022	**21,708**	773
Income tax (expense)/ credit	11	**(2,988)**	3,078	**(3,386)**	1,702
Profit for the year from continuing operations		**56,176**	45,100	**18,322**	2,475
Loss from discontinued operations	34	**(25,904)**	(466)	**-**	-
Profit for the year		**30,272**	44,634	**18,322**	2,475
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial (loss)/gain on retirement benefit obligations	25	**(67,085)**	94,819	**(62,617)**	82,727
Deferred tax on retirement benefit obligations	26	**11,386**	(16,055)	**10,645**	(14,064)
Fair value loss on equity instruments designated at fair value through other comprehensive income	17	**(1,280)**	-	**(1,280)**	-
Revaluation gain on land & building		**268,471**	-	**23,757**	-
Deferred tax surplus on revaluation reserve	26	**(31,631)**	-	**(1,102)**	-
		179,861	78,764	**(30,597)**	68,663
Items that are or may be reclassified to profit or loss					
Foreign currency translation arising on foreign operations		**(15,526)**	(7,356)	**-**	-
Other comprehensive income/(loss) for the year		**164,335**	71,408	**(30,597)**	68,663
Total comprehensive income/(loss) for the year		**194,607**	116,042	**(12,275)**	71,138

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Note	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit attributable to:					
Owners of the Company		**7,469**	21,172		
Non-controlling interest		**22,803**	23,462		
Profit for the year		**30,272**	44,634		
Total comprehensive income attributable to:					
Owners of the Company		**155,048**	93,230		
Non-controlling interest		**39,559**	22,812		
Total comprehensive income for the year		**194,607**	116,042		
Earnings per share					
Basic and diluted earnings per share (Rs)	12	**0.20**	0.58		
Basic and diluted earnings per share (Rs) for continuing operations		**0.63**	0.58		

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**2,095,185**	1,800,221	**296,424**	284,780
Right-of-use assets	13(a)	**253,824**	228,807	**68,154**	84,621
Intangible assets and goodwill	15	**18,798**	19,857	**-**	-
Bearer biological assets	18(b)	**3,512**	11,943	**-**	-
Investment properties	14	**-**	-	**480,749**	475,816
Investments in subsidiaries	16(a)	**-**	-	**374,436**	374,336
Other investments	17	**23,808**	26,214	**23,808**	25,088
Deferred tax assets	26	**4,582**	1,652	**-**	-
Retirement benefit obligation	25	**-**	10,135	**-**	10,135
Total non-current assets		**2,399,709**	2,098,829	**1,243,571**	1,254,776
Current assets					
Inventories	18(a)	**1,357,262**	1,098,190	**625,848**	593,099
Bearer biological assets	18(b)	**42,627**	52,413	**-**	-
Consumable biological assets	18(b)	**92,872**	66,533	**-**	-
Trade and other receivables	19	**1,011,677**	856,769	**842,225**	751,975
Financial asset at fair value through profit or loss	21	**-**	3,184	**-**	-
Income tax receivable		**2,579**	6,995	**2,452**	7,128
Cash and cash equivalents	20	**265,719**	188,576	**136,015**	78,586
		2,772,736	2,272,660	**1,606,540**	1,430,788
Asset held for sale	34	**-**	-	**-**	-
Total current assets		**2,772,736**	2,272,660	**1,606,540**	1,430,788
Total assets		**5,172,445**	4,371,489	**2,850,111**	2,685,564
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	22	**367,303**	367,303	**367,303**	367,303
Share premium	22	**5,308**	5,308	**5,308**	5,308
Revaluation reserve	22	**636,291**	427,482	**324,393**	307,044
Foreign currency translation reserve		**(36,247)**	(21,181)	**-**	-
Fair value reserve of financial assets at FVOCI		**(1,280)**	-	**(1,280)**	-
Retained earnings		**795,908**	875,563	**553,464**	624,048
Total equity attributable to owners of the Company		**1,767,283**	1,654,475	**1,249,188**	1,303,703
Non-controlling interests	16(b)	**290,403**	266,524	**-**	-
Total shareholders' equity		**2,057,686**	1,920,999	**1,249,188**	1,303,703

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION (Continued)

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Non-current liabilities					
Borrowings	23	**767,184**	129,217	**686,038**	77,832
Lease liabilities	24	**200,640**	149,982	**32,816**	26,243
Other payables		**-**	3,715	**-**	-
Retirement benefit obligations	25	**114,967**	65,705	**44,112**	-
Deferred tax liabilities	26	**110,248**	93,179	**11,176**	17,333
Total non-current liabilities		**1,193,039**	441,798	**774,142**	121,408
Current liabilities					
Bank overdrafts	20	**348,151**	623,401	**245,615**	544,298
Borrowings	23	**850,635**	866,009	**194,718**	416,412
Lease liabilities	24	**44,493**	65,707	**17,917**	41,664
Trade and other payables	27	**672,230**	453,575	**368,327**	258,079
Financial liability at fair value through profit or loss		**218**	-	**204**	-
Income tax payable		**5,993**	-	**-**	-
Total current liabilities		**1,921,720**	2,008,692	**826,781**	1,260,453
Total liabilities		**3,114,759**	2,450,490	**1,600,923**	1,381,861
Total equity and liabilities		**5,172,445**	4,371,489	**2,850,111**	2,685,564

Approved by the Board on 28 September 2022 and signed on its behalf by:

Mr Victor Seeyave

Chairman of the Board

Mr Jean-Pierre Lim Kong

Director

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Attributable to equity holders of the parent								
CONSOLIDATED	Share Capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total	Non-controlling interest	Total Shareholders' Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2021	367,303	5,308	427,482	(21,181)	-	875,563	1,654,475	266,524	1,920,999
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	7,469	7,469	22,803	30,272
Other comprehensive income									
Foreign currency translation difference – foreign operations	-	-	-	(15,066)	-	-	(15,066)	(460)	(15,526)
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	-	-	11,386	11,386	-	11,386
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	-	-	(66,617)	(66,617)	(468)	(67,085)
Revaluation reserve released (Note 22)	-	-	(10,347)	-	-	10,347	-	-	-
Fair value loss on equity instrument designated at FVOCI (Note 17)	-	-	-	-	(1,280)	-	(1,280)	-	(1,280)
Deferred tax surplus on revaluation reserve	-	-	(31,631)	-	-	-	(31,631)	-	(31,631)
Revaluation gain on land and building	-	-	250,787	-	-	-	250,787	17,684	268,471
Total other comprehensive income	-	-	208,809	(15,066)	(1,280)	(44,884)	147,579	16,756	164,335
Total comprehensive income for the year	-	-	208,809	(15,066)	(1,280)	(37,415)	155,048	39,559	194,607
Transaction with owners, recorded directly in equity									
Dividends (Note 28)	-	-	-	-	-	(42,240)	(42,240)	(15,680)	(57,920)
Balance as at 30 June 2022	**367,303**	**5,308**	**636,291**	**(36,247)**	**(1,280)**	**795,908**	**1,767,283**	**290,403**	**2,057,686**

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 30 June 2022

	Attributable to equity holders of the parent							
CONSOLIDATED	Share Capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total Shareholders' Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	367,303	5,308	441,862	(14,475)	803,487	1,603,485	253,512	1,856,997
Total comprehensive income for the year								
Profit for the year	-	-	-	-	21,172	21,172	23,462	44,634
Other comprehensive income								
Foreign currency translation difference – foreign operations	-	-	-	(6,706)	-	(6,706)	(650)	(7,356)
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	-	(16,055)	(16,055)	-	(16,055)
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	-	94,819	94,819	-	94,819
Revaluation reserve released (Note 22)	-	-	(14,380)	-	14,380	-	-	-
Total other comprehensive income	-	-	(14,380)	(6,706)	93,144	72,058	(650)	71,408
Total comprehensive income for the year	-	-	(14,380)	(6,706)	114,316	93,230	22,812	116,042
Transaction with owners, recorded directly in equity								
Dividends	-	-	-	-	(42,240)	(42,240)	(9,800)	(52,040)
Balance as at 30 June 2021	**367,303**	**5,308**	**427,482**	**(21,181)**	**875,563**	**1,654,475**	**266,524**	**1,920,999**

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 30 June 2022

SEPARATE	Share Capital	Share premium	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2021	367,303	5,308	307,044	-	624,048	1,303,703
Total comprehensive income for the year						
Profit for the year	-	-	-	-	18,322	18,322
Other comprehensive income						
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	-	10,645	10,645
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	-	(62,617)	(62,617)
Revaluation reserve released (Note 22)	-	-	(5,306)	-	5,306	-
Net loss on equity instrument designated at FVOCI (Note 17)	-	-	-	(1,280)	-	(1,280)
Deferred tax surplus on revaluation reserve	-	-	(1,102)	-	-	(1,102)
Revaluation gain on land and buildings	-	-	23,757	-	-	23,757
Total other comprehensive income	-	-	17,349	(1,280)	(46,666)	(30,597)
Total comprehensive income for the year	-	-	17,349	(1,280)	(28,344)	(12,275)
Transaction with owners, recorded directly in equity						
Dividends	-	-	-	-	(42,240)	(42,240)
Balance as at 30 June 2022	**367,303**	**5,308**	**324,393**	**(1,280)**	**553,464**	**1,249,188**

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 30 June 2022

SEPARATE	Share Capital	Share premium	Revaluation reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	367,303	5,308	312,350	589,844	1,274,805
Total comprehensive income for the year					
Profit for the year	-	-	-	2,475	2,475
Other comprehensive income					
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	(14,064)	(14,064)
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	82,727	82,727
Revaluation reserve released (Note 22)	-	-	(5,306)	5,306	-
Total other comprehensive income	-	-	(5,306)	73,969	68,663
Total comprehensive income for the year	-	-	(5,306)	76,444	71,138
Transaction with owners, recorded directly in equity					
Dividends	-	-	-	(42,240)	(42,240)
Balance as at 30 June 2021	**367,303**	**5,308**	**307,044**	**624,048**	**1,303,703**

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Operating activities					
Profit for the year		**30,272**	44,634	**18,322**	2,475
Adjustments for:					
Depreciation of PPE	13	**112,027**	108,959	**37,028**	39,278
Change in fair value of biological assets	18(b)	**8,456**	(12,112)	**-**	-
Depreciation on right of use	13(a)	**58,574**	71,137	**27,683**	42,881
Amortisation and write-off of intangible assets	15	**1,059**	2,334	**-**	-
Depreciation of investment property	14	**-**	-	**7,942**	7,990
Impairment of investment property		**-**	-	**573**	-
Fair value loss / (gain) on derivative contract		**3,402**	(2,994)	**204**	-
Profit on disposal of property, plant and equipment	8	**(4,388)**	(1,249)	**(3,970)**	(1,348)
Impairment of property, plant and equipment due to fire		**2,504**	-	**-**	-
Interest income	10	**(29,005)**	(10,982)	**(8,128)**	(2,510)
Interest expense	10	**70,506**	73,507	**41,505**	46,102
Dividend income	8	**-**	-	**(16,320)**	(18,200)
Income tax expense		**2,988**	(3,078)	**3,386**	(1,702)
Expected credit allowances		**(1,259)**	20,390	**(4,244)**	11,873
Loss arising on discontinued operations		**25,904**	-	**-**	-
Movement in retirement benefit obligations		**(7,688)**	(9,198)	**(8,370)**	(5,551)
		273,352	281,348	**95,611**	121,288
Movement in working capital					
Changes in inventories		**(270,215)**	(121,822)	**(32,749)**	12,114
Changes in trade and other receivables		**(157,378)**	16,774	**(92,444)**	(11,767)
Changes in trade and other payables		**188,504**	20,534	**110,101**	(28,525)
		34,263	196,834	**80,519**	93,110
Income tax paid		**2,222**	(7,824)	**4,677**	(3,713)
Interest received		**29,005**	10,982	**8,128**	10
Interest paid		**(70,506)**	(73,507)	**(41,505)**	(46,102)
Net cash (utilised)/generated from operating activities		**(5,016)**	126,485	**51,819**	43,305

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS (Continued)

For the year ended 30 June 2022

		Consolidated		Separate	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Investing activities					
Acquisition of investment in subsidiary		**-**	-	**(100)**	-
Proceeds from disposal of property, plant and equipment		**4,476**	2,243	**4,008**	1,348
Dividend received		**-**	-	**9,310**	6,120
Acquisition of intangible assets		**-**	(126)	**-**	-
Acquisition of property, plant and equipment	13	**(161,959)**	(83,565)	**(21,706)**	(17,061)
Payment on acquisition of right-of-use assets at commencement date		**(1,048)**	(2,122)	**(641)**	(167)
Net cash (used in)/from investing activities		**(158,531)**	(83,570)	**(9,129)**	(9,760)
Financing activities					
Payment of principal portion of lease liabilities	5(iii)	**(55,859)**	(66,583)	**(30,995)**	(43,922)
Proceeds from issue of bonds		**797,120**	-	**797,120**	-
Loans received	5(iii)	**1,543,855**	1,856,943	**335,000**	702,800
Loans repayment	5(iii)	**(1,718,381)**	(1,705,176)	**(745,608)**	(728,429)
Dividends paid to equity holders of the parent	5(iii)	**(52,875)**	(14,940)	**(42,095)**	(11,020)
Net cash from/(used in) financing activities		**513,860**	70,244	**313,422**	(80,571)
Net increase / (decrease) in cash and cash equivalents		**350,313**	113,159	**356,112**	(47,026)
Effects of exchange rate fluctuations on cash and cash equivalents		**2,080**	2,622	**-**	-
Cash and cash equivalents at beginning of year		**(434,825)**	(550,606)	**(465,712)**	(418,686)
Cash and cash equivalents at end of year		**(82,432)**	(434,825)	**(109,600)**	(465,712)
Cash and cash equivalents consist of:					
Cash and bank balances		**265,719**	188,576	**136,015**	78,586
Bank overdrafts		**(348,151)**	(623,401)	**(245,615)**	(544,298)
		(82,432)	(434,825)	**(109,600)**	(465,712)

The notes on pages 55 to 132 form part of these consolidated and separate financial statements.

1A. REPORTING ENTITY

Innodis Ltd (the "Company") is a public company domiciled in Mauritius. The address of the registered office is at Innodis Building, Caudan, Port Louis. The main activities of the Group and the Company are production of poultry and dairy products, poultry farming, animal feed manufacturing, rice milling, distribution and marketing of food and grocery products.

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (together referred as the "Group") and the separate financial statements of the parent company (the "Company").

1B. GOING CONCERN

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group has adequate resources to continue in business for the near future. They are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Group and the Company believe that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and in compliance with requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are authorised for issue by the Company's Board of Directors on the 28th Sep 2022.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost basis except for the following material items in the consolidated and separate statements of financial position:

- Consumable biological assets (breeders, broilers and hatchable eggs) are measured at fair value less costs to sell;
- The liability for retirement benefit obligations is recognised as the present value of defined obligations less the net total of the plan assets, plus unrecognised actuarial gains, less unrecognised past service cost and unrecognised actuarial losses;
- Land and buildings are measured at revalued amounts; and
- Financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value.

(c) Functional and presentation currency

These consolidated and separate financial statements are presented in thousands of Mauritian Rupees (Rs'000), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. All group entities have Mauritian Rupees as their functional currency except for the following subsidiaries:

Subsidiaries	*Functional currency*
Moçambique Farms Limitada	Mozambican Metical (MZN)
Meaders (Seychelles) Ltd	Seychellois Rupee (SCR)

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of 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. Revisions to estimates are recognised prospectively.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgement which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contract with customers

The Group enters into contracts with its contract growers for the supply of broilers. Under these contracts, the Group sells day-old chicks and feeds to those contract growers and repurchase the live broilers at killing age. The Group determined that control has not been transferred to the customer upon sale of those day-old chicks and feeds. Therefore, the Group determined that it is a principal in these contracts.

The Group has concluded that revenue for sale of finished goods is to be recognized at a point in time, i.e. upon sale to their customers.

(ii) Assumptions and estimation uncertainties

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 and Company make 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:

Revaluation of property, plant and equipment

The Group carries its land and buildings at revalued amounts, with changes in fair value being recognised in OCI. These were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 30 June 22. The key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Note 13.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 17.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

(ii) Assumptions and estimation uncertainties (continued)

Provision for expected credit losses of trade receivables

The Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risks, but instead recognises a loss allowance based on life time ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due of various customer segments that have similar loss patterns (i.e. by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group and Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. Refer to note 5.

Fair value of biological assets

Biological assets are recorded at fair values less costs to sell. Biological assets consist of hatchable eggs, live broiler chicks and breeders. The Group's Committee determines the policies and procedures for fair value measurement of biological assets. The Committee is made up of the general manager of poultry cluster and the managers of the different department concerned such as finance and production. The Committee decides which valuation techniques and inputs to use. At each reporting date, the Committee analyses the movements in the value of assets and verifies the major inputs applied in the latest valuation by agreeing the information used in the computation to relevant documents. The Committee also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable. Fair value of the Group's biological assets was determined by using valuation techniques including discounted cash flow model as described in Note 18(b). The inputs to these models are taken from observable markets where possible, but as there were no observable market prices near the reporting date for biological assets of the same physical conditions a degree of judgement is required in establishing fair values. Assumptions include mortality rates, hatchability rates, yield rate, expected hatchery eggs and expected cost incurred.

Leases - Estimating the incremental borrowing rate

The Group and Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating. Refer to Note 23.

Retirement Benefits obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact on the carrying amount of pension obligations. The Group and Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based on current market conditions. Refer to Note 25.

2. BASIS OF PREPARATION (CONTINUED)

(e) Changes in accounting standards

Several amendments to IFRS and interpretations issued by the IASB are effective for annual periods beginning on or after 01 January 2022. None were applicable for the Group. The Group has not early adopted any other standards, interpretations, amendments that have been issued but are not yet effective.

(f) New and revised standards and interpretations issued but not yet effective

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 listed below. The Group intends to adopt these new and amended standards and interpretations when they become effective, if applicable.

	Effective for accounting period beginning on or after
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment; Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts - costs of fulfilling a contract	1 January 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2022
Subsidiary as a first-time adopter	1 January 2022
Amendments to IAS 41 Agriculture	1 January 2022
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
AIP IAS 41 Agriculture – Taxation in fair value measurements	1 January 2023

These amendments are not expected to have a significant impact on the financial statements of the Group and Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

(a) Basis of consolidation

(i) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries are in line with Group accounting. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

In the Company's separate financial statements, investments in subsidiaries are measured at cost. The carrying amount is reduced if there is any indication of impairment in value.

A list of the principal subsidiaries is shown in Note 16(a).

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

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary with any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a financial asset depending on level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Interests in equity-accounted investees are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, these consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

In the separate financial statements, the interests in equity-accounted investees are carried at cost less any impairment losses.

(vi) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing these consolidated and separate financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investments to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Mauritian Rupee at exchange rates at the reporting date. The income and expenses of foreign operations are translated into Mauritian Rupee at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of a net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Financial asset

Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, other investments, and other financial assets.

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group includes in this category cash and cash equivalents and trade receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial asset (continued)

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

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

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

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

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes forward contracts.

Derecognition

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

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

Or

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial asset (continued)

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for factors specific to the debtors.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off after one year when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. Those are classified at amortised cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial liabilities (continued)

Offset

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

(d) 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.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Following initial recognition at cost, freehold land and buildings are revalued on every 5 years. Any revaluation surplus is credited to revaluation reserve as part of other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same recognised in the asset revaluation reserve. An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired, that is, its carrying amount may be higher than its recoverable amount. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

(ii) Depreciation (continued)

The depreciation rates for the current and comparative periods are as follows:

Asset Category		Rate of Depreciation
a.	Freehold land	Nil
b.	Buildings	2% - 5% p.a
c.	Plant and machinery	4% - 33% p.a
d.	Furniture and equipment	10 - 33% p.a
e.	Motor vehicles	6% - 15% p.a
f.	Work in progress	Nil

Freehold land and work-in-progress are not depreciated.

Work-in-progress relates to:

- extension of premises and will be transferred to buildings once work is completed.
- acquisition of plant and machinery which will be transferred once available for use.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes accounted for as a change in estimates.

(iii) Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in profit and loss. At the time of disposal of the assets, any revaluation surpluses are transferred to retained earnings from revaluation reserve.

(iv) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and to the Company. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets and goodwill

Other intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and the Company have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses. These represent trademarks, licences and software.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(iv) Amortisation

Intangible assets are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Group's and the Company's intangible assets is as follows for the current and comparative periods:

	Computer software and distribution rights	Brand and licences
Useful lives	3 years	5 - 20 years
Amortisation method used	Amortised on a straight line basis over its estimated useful life	Amortised on a straight line basis over its estimated useful life
Internally generated or acquired	Acquired	Acquired

Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets and goodwill (continued)

Goodwill

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

(ii) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. The recoverable amounts are determined based on value-in-use calculations using cash flow projections.

(g) Biological assets

'Biological assets' are living animals that are capable of biological transformation. Biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.

The Group recognizes a biological asset or agricultural produce when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the Group, and the fair value or cost of the asset can be measured reliably.

Biological assets are stated at fair value less estimated costs to sell at both initial recognition and as of the reporting date, with any results recognized in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including costs necessary to get the assets to market.

There are two types of biological assets:

- Bearer biological assets consist of breeding stock of chickens which are kept for laying hatchable eggs, including parent-rearing and laying stock. The fair value of breeders is determined by reference to the cash flows that will be obtained from sales of hatchery eggs, with an allowance for costs to be incurred and risks to be faced during the remaining productive period.
- Consumable biological assets consist of hatchable eggs and live broiler chicks that are raised specifically for meat production. Consumable biological assets are measured at fair value less estimated costs to sell at year end, with gains and losses arising from changes in the fair values recorded in profit or loss for the period in which they arise. The determination of fair value is based on active market values, where appropriate, or management's assessment of the fair value based on available data and benchmark statistics. These have been further elaborated in Note 4(a).

All the expenses incurred in establishing and maintaining the biological assets are recognised in profit or loss. All costs incurred in acquiring biological assets are capitalised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other assets

Other asset are premiums paid on registration of leasehold land. Premiums paid on acquisition of leasehold land are amortised over the lease terms.

(i) Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction cost. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

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

The depreciation rate for investment property is 2%.

(j) Leased assets

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

(i) Right of use

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use assets are measured at cost which include the amount of leases recognised, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

The Company also assesses the right-of-use asset for impairment when such indicators exist.

- Buildings 10 years
- Motor vehicles 5 years

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(ii) Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Variable lease payment that does not depend on an index or at rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group and the Company as Lessor

Leases in which the group does not transfer substantially the risk and reward incidental to ownership of an assets are classified as operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials and consumables: purchase cost on an average cost basis and standard costs in relevant companies.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts are initially classified as inventory. When a replacement is made to an existing asset, these are then expensed or reclassified as PPE depending on their value. Only spare parts above MUR 5,000 are capitalised upon repairs.

The amount of any write down inventories to net realisable value is recognised as an expense in the period the write down occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial asset

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

(m) Employee benefits obligations

Retirement benefits obligations

The Group and the Company operate various pension schemes. The schemes are generally funded through payments to trustees-administered funds, determined by annual actuarial calculations. The Group and the Company have both defined contribution plan and defined benefit plan.

Defined Contribution plans

The Group and the Company maintains a defined contribution plan for its employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits obligations (continued)

Retirement benefits obligations (continued)

Defined benefit plan

The Group has both funded and unfunded obligations. For the funded obligations, the Group participates in the Innodis Ltd (Executives) Pension Fund and Innodis Ltd (Employees) Pension Fund, registered under the Private Pension Fund Act, the assets of which are held independently. The pension plans are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Swan Life Ltd.

The unfunded liability relates to employees who are entitled to retirement gratuities payable under the Workers' Right Act 2019. The Group and the Company is required under the Workers' Rights Act 2019 (the "WRA") to make a statutory gratuity payment to employees retiring after continuous employment with the Group and the Company for a period of 12 months or more. The employee needs to have reached retirement age as prescribed by the WRA to be eligible for the gratuity payment.

The Group and the Company calculates its net obligations in respect of defined benefit pension plans arising from the WRA for employees by estimating the amount of future benefit that its employees have earned in return for their service in the current and prior periods, that benefits is discounted to determine the present value. The discount rate is the yield at the end of the reporting period. The net present value of gratuity on retirement payable under the WRA is calculated by qualified actuaries (MUA Life Ltd) using the projected unit credit method on a yearly basis.

The Group and the Company is eligible to deduct employer's share of contributions from the above defined benefit contribution maintained by the Group and the Company to the extent as prescribed by the WRA, which may or may not leave a residual liability to be provided for in the financial statements. The obligations arising under this item are not funded.

In accordance with the Workers' Rights Act, the amounts deductible are:

- half the lump sum payable from the defined contribution scheme, based on employer's contribution;
- five times the amount of any annual pension payable at the retirement age due from the defined contribution, based on employer's contribution;
- any other gratuity granted at the retirement age; and
- ten times the amount of any other annual pension granted at the retirement age.

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

Short-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 has a present legal or constructive obligation 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of good is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates. The rights to volume rebates give rise to variable consideration.

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. A debit note is received from the customers.

To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Commercial income

The Company received income from suppliers as marketing incentives and these are recognised in other income. Under IFRS 15, these incomes should be recognised as a deduction in cost of sales as there are no distinct services being provided by the Company.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of financial assets in Note 3(c) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue (continued)

Management fee income

Revenue from rendering of services consists of management fees which is recognised in accordance with the substance of the relevant agreement.

Investment property rental income

Rental income from investment property is recognised in profit or loss 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.

(o) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established, which in case of quoted securities is the ex-dividend date.

(p) Finance income and finance costs

Finance income comprises interest income and foreign exchange gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expenses on loans and borrowings, overdrafts and finance leases. Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(q) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends, Government grants and subsidies.

Current tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and if it relates to the same taxation authority.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group and the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax expense (continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group and Company expect at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if the following criteria are met:

(a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (i) the same taxable entity; or
   (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility (CSR)

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

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

(r) Current versus non-current classification

The Group and the Company presents assets and liabilities in the statement of financial position based on current/non- current classification.

- An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(s) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(t) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

4. DETERMINATION OF FAIR VALUES

A number of the Group's and Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value is the the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

(a) Fair value hierarchy

The Group and the Company classify financial instruments measured at fair values using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

- Level 1: Quoted (unadjusted) prices in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Measurement of fair values and valuation techniques used for property plant and equipment and biological assets have been detailed in Note 13 and 18(b) respectively.

(b) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remained 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 and Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's and the Company's view of possible near-term market changes that cannot be predicted with any certainty.

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and cash equivalents that are derived directly from its operations.

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's and the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. The Group Audit and Risk Committee is assisted in its role by the Internal Audit. Internal Audit Manager who undertakes both regular and adhoc reviews of risk management controls and procedures and the results of which are reported to the Audit and Risk Committee.

This note presents information about the Group's and the Company's exposure to each of the above risks, the Group's and the Company's objectives, policies and processes for measuring and managing risk, and the Group's and the Company's management of capital. Quantitative disclosures have also been included.

(i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract as and when they fall due thus leading to a financial loss. Credit risk is managed on a Group basis and arises principally from the Group's and the Company's operating activities (primarily trade receivables).

Loans and advances to subsidiaries and other related parties

The Company manages its credit risk with regards to loans to subsidiaries and other related parties by actively monitoring the operations and financial performance of its subsidiaries and other related parties.

Management has assessed the liquidity position of the related parties and their cash-generating capacity and concluded that no impairment is required.

The maximum exposure to credit risk is represented by the carrying amount of the loans to subsidiaries in the separate financial statements.

Trade and other receivables

Trade receivables comprise a large, widespread customer base. These risks are controlled by the application of credit limits, credit controlling procedures and credit insurance.

The Group and the Company do not require collateral in respect of trade and other receivables.

The Group and the Company establish an allowance for impairment that represents their estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a known loss component based on historical data for similar financial assets.

The Group and the Company have no significant concentrations of credit risk. The Group's and the Company's policies ensure that the vetting criteria including internal ratings take into consideration economic realities. These ratings do not preclude the monitoring of outstanding debts continuously and relevant diminution in value recognised as and when they become apparent. The maximum exposure to credit risk is represented by the carrying amount of the trade and other receivables in the consolidated and separate statements of financial position.

Other receivables have been tested for impairment using the ECL method and no impairment is required.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

At 30 June 2022, the credit risk exposure on the Group's trade receivables was as follows:

CONSOLIDATED	Total	< 30 days	31 – 60 days	61 – 90 days	>90 days
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
Expected credit loss rate		0.1%-5.1%	0.1%-5.6%	0.4%-10.6%	1%-100%
Estimated total gross carrying amount at default	**913,115**	**496,164**	**236,773**	**60,208**	**119,970**
Expected credit loss[1]	**(81,124)**	**(2,780)**	**(1,696)**	**(1,144)**	**(75,504)**
	831,991	**493,384**	**235,077**	**59,064**	**44,466**
2021					
Expected credit loss rate		0.1%-5.1%	0.1%-5.6%	0.4%-10.6%	1%-100%
Estimated total gross carrying amount at default	807,568	423,010	201,244	45,655	137,659
Expected credit loss	(84,779)	(6,865)	(1,875)	(653)	(75,386)
	722,789	416,145	199,369	45,002	62,273

SEPARATE	Total	< 30 days	31 – 60 days	61 – 90 days	>90 days
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
Expected credit loss rate		0.1%-1.7%	0.1%-1.6%	0.5%-2.0%	1.3%-100%
Estimated total gross carrying amount at default	**544,487**	**303,325**	**186,163**	**29,438**	**25,561**
Expected credit loss[1]	**(10,885)**	**(443)**	**(363)**	**(169)**	**(9,910)**
	533,602	**302,882**	**185,800**	**29,269**	**15,651**
2021					
Expected credit loss rate		0.1%-5.1%	0.1%-5.6%	0.4%-10.8%	1%-100%
Estimated total gross carrying amount at default	559,698	290,379	167,390	39,723	62,206
Expected credit loss	(17,525)	(141)	(201)	(85)	(17,098)
	542,173	290,238	167,189	39,638	45,108

[1] The movement is explained by improvement in the quality of debtors i.e. the expected credit loss for this year has decreased mainly due to the economic conditions going back to normal post Covid-19

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Balance at 1 July	**84,779**	63,433	**17,525**	5,652
(Reversal)/Charge for the year	**(1,259)**	20,390	**(4,244)**	11,873
Effect of exchange rate	**-**	956	**-**	-
Utilised	**(2,396)**	-	**(2,396)**	-
Balance at 30 June	**81,124**	84,779	**10,885**	17,525

Cash and cash equivalents

Cash and cash equivalents are held in a number of reputable financial institutions. Accordingly, the Group and the Company have no significant concentration of credit risk with respect to cash and cash equivalents.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that they always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

The Group's and the Company's liquidity risk consist mainly of amounts borrowed from time to time. The details of borrowings are disclosed in Note 23. The Group and the Company have credit facilities from its bankers and these facilities are reviewed on an annual basis.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
	Carrying value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
CONSOLIDATED	Rs'000	Rs'000	Rs'000	Rs'000	Rs`000	Rs'000
At 30 June 2022						
Bank overdrafts	348,151	345,151	-	-	-	345,151
Borrowings	1,617,819	929,965	78,535	713,806	-	1,722,306
Lease liabilities	245,133	53,975	44,136	110,613	108,325	317,049
Trade and other payables	672,230	672,230	-	-	-	672,230
	2,883,333	2,001,321	122,671	824,419	108,325	3,056,736

		Contractual cash flows			
	Carrying value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
CONSOLIDATED	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021					
Bank overdrafts	623,401	623,401	-	-	623,401
Borrowings	995,226	878,019	49,385	87,669	1,015,073
Lease liabilities	215,689	100,732	50,897	123,815	275,444
Trade and other payables	453,575	453,575	-	-	453,575
	2,287,891	2,055,727	100,282	211,484	2,367,493

For the year ended 30 June 2022

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

	Contractual cash flows				
	Carrying value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
SEPARATE	Rs'000	Rs'000	Rs'000	Rs'000	Rs`000
At 30 June 2022					
Bank overdrafts	245,615	245,615	-	-	245,615
Borrowings	880,756	223,898	113,102	677,700	1,014,700
Lease liabilities	50,733	32,816	11,207	41,153	85,176
Trade and other payables	368,327	368,327	-	-	368,327
	1,545,431	870,656	124,309	718,853	1,713,818

	Contractual cash flows				
	Carrying Value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
SEPARATE	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021					
Bank overdrafts	544,298	544,311	-	-	544,311
Borrowings	494,244	424,003	27,726	55,173	506,902
Lease liabilities	67,907	43,714	18,357	9,566	71,637
Trade and other payables	258,079	258,079	-	-	258,079
	1,364,528	1,270,107	46,083	64,739	1,380,929

(iii) Changes in liabilities arising from financing activities:

CONSOLIDATED	1 July 2021	Cash flows	New leases	Other	30 June 2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	995,226	622,593	-	-	1,617,819
Lease liabilities	215,689	(55,859)	101,531	(16,228)	245,133
Dividends payable	48,120	(52,875)	-	57,920	53,165
Total liabilities from financing activities	1,259,035	513,859	101,531	41,692	1,916,117

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Changes in liabilities arising from financing activities (continued)

CONSOLIDATED	1 July 2020	Cash flows	New leases	Other	30 June 2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	843,459	151,767	-	-	995,226
Lease liabilities	260,161	(66,583)	22,111	-	215,689
Dividends payable	11,020	(14,940)	-	52,040	48,120
Total liabilities from financing activities	1,114,640	70,244	22,111	52,040	1,259,035

SEPARATE	**1 July 2021**	**Cash flows**	**New leases**	**Other**	**30 June 2022**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Borrowing	**494,244**	**386,512**	**-**	**-**	**880,756**
Lease liabilities	**67,907**	**(30,995)**	**24,681**	**(10,860)**	**50,733**
Dividends payable	**42,240**	**(42,095)**	**-**	**42,240**	**42,385**
Total liabilities from financing activities	**604,391**	**313,422**	**24,681**	**31,380**	**973,874**

SEPARATE	1 July 2020	Cash flows	New leases	Other	30 June 2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	519,873	(25,629)	-	-	494,244
Lease liabilities	106,131	(43,922)	5,698	-	67,907
Dividends payable	11,020	(11,020)	-	42,240	42,240
Total liabilities from financing activities	637,024	(80,571)	5,698	42,240	604,391

(iv) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group and the Company are exposed to currency risks from their imports both for their commercial and production activities. As such, they are subject to risks from changes in currency values that could affect earnings. Given the limited availability of financial instruments locally, short term transaction risks arising from currency fluctuations are not hedged.

Subject to cost and availability of finance, the Group and the Company aim to minimise their foreign exposure by borrowing in local currency.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

The currency profile of the financial assets and liabilities is summarised as follows:

	CONSOLIDATED		SEPARATE	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
2022				
Australian Dollar	16	-	16	-
Euro	50,967	17,791	32,122	20,021
Mauritian Rupee	964,330	2,352,446	764,922	1,295,539
South African Rand	51,720	12,948	45,896	14,812
United States Dollar	112,921	243,308	82,953	164,530
Seychelles Rupee	4,580	-	-	-
Mozambican Metical	36,217	11,925	-	-
	1,220,751	2,638,418	925,909	1,494,902

	CONSOLIDATED		SEPARATE	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
2021				
Australian Dollar	2,100	-	2,100	-
Euro	21,173	23,749	17,814	16,325
Mauritian Rupee	778,666	1,929,488	652,749	1,194,445
South African Rand	45,402	36,035	45,402	30,943
United States Dollar	132,156	69,677	98,845	54,908
Seychelles Rupee	11,585	101	-	-
Mozambican Metical	37,849	13,669	-	-
	1,028,931	2,072,719	816,910	1,296,621

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

The following exchange rates were applied during the year:

	AVERAGE RATE		SPOT RATE	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Euro	**47.75**	40.91	**48.15**	51.36
Australian Dollar	**30.90**	25.78	**31.84**	32.63
South African Rand	**2.76**	2.48	**2.88**	3.07
United States Dollar	**45.25**	36.05	**45.82**	43.04
Mozambican Metical	**0.61**	0.54	**0.68**	0.65
Seychelles Rupee	**3.15**	2.61	**2.64**	2.64
Pound Sterling	**54.55**	45.68	**55.88**	59.75

Foreign currency sensitivity analysis

Foreign exchange risk arises from changes in foreign exchange rates. Fluctuations in the above currencies by 10% would result in a gain or loss recognised in profit or loss and equity as shown below. The analysis does not take the currency positions that are denominated in the functional currencies of relevant operations because they do not create any foreign currency exposure. Also, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not represent the exposure during the year. The Group's exposure to foreign currency changes for all other currencies is not material.

For the year ended 30 June 2022

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

	CONSOLIDATED					
	Appreciation/ (depreciation) in foreign exchange rates	**Effect on profit or loss**	**Effect on Equity**	Appreciation/ (depreciation) in foreign exchange rates	Effect on profit or loss	Effect on Equity
	%	**Rs'000**	**Rs'000**	%	Rs'000	Rs'000
	2022	**2022**	**2022**	2021	2021	2021
United States Dollar	**10**	**(13,039)**	**(13,039)**	10	(6,248)	(5,310)
	(10)	**13,039**	**13,039**	(10)	6,248	5,310
South African Rand	**10**	**3,877**	**3,877**	10	(937)	(796)
	(10)	**(3,877)**	**(3,877)**	(10)	937	796
Euro	**10**	**3,318**	**3,318**	10	258	242
	(10)	**(3,318)**	**(3,318)**	(10)	(258)	(242)
Mozambican Metical	**10**	**2,429**	**2,429**	10	(2,470)	(2,100)
	(10)	**(2,429)**	**(2,429)**	(10)	2,470	2,100
Australian Dollar	**10**	**2**	**2**	10	(210)	(178)
	(10)	**(2)**	**(2)**	(10)	210	178
Seychelles Rupee	**10**	**458**	**458**	10	(1,148)	(976)
	(10)	**(458)**	**(458)**	(10)	1,148	976

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

	SEPARATE					
	Appreciation/ (depreciation) in foreign exchange rates	**Effect on profit or loss**	**Effect on Equity**	Appreciation/ (depreciation) in foreign exchange rates	Effect on profit or loss	Effect on Equity
	%	**Rs'000**	**Rs'000**	%	Rs'000	Rs'000
	2022	**2022**	**2022**	2021	2021	2021
United States Dollar	**10**	**(8,158)**	**(8,158)**	10	(4,394)	(3,735)
	(10)	**8,158**	**8,158**	(10)	4,394	3,735
South African Rand	**10**	**3,108**	**3,108**	10	(1,446)	(1,229)
	(10)	**(3,108)**	**(3,108)**	(10)	1,446	1,229
Euro	**10**	**1,210**	**1,210**	10	(149)	(127)
	(10)	**(1,210)**	**(1,210)**	(10)	149	127
Australian Dollar	**10**	**2**	**2**	10	(210)	(178)
	(10)	**(2)**	**(2)**	(10)	210	178

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's interest rate risk arises from loans and borrowings. Loans and borrowings issued at variable rates expose the Group and the Company to cash flow interest rate risk. Loans and borrowings issued at fixed rates expose the Group and the Company to fair value interest rate risk.

The Group and the Company have an interest rate policy which aims at minimising the annual interest costs and to reduce volatility. The Group and the Company borrow mainly from banks at variable rates indexed to the prime lending rate. The cost of debt is managed by effective negotiation directly with banks and leasing companies.

For the year ended 30 June 2022

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Interest rate risk (continued)

The interest rate profile of the financial assets and financial liabilities of the Group and the Company at 30 June 2022 was:

Variable rate instruments

	Consolidated	**Separate**	**Consolidated and separate**	Consolidated	Separate	Consolidated and separate
	2022	**2022**	**2022**	2021	2021	2021
	Rs'000	**Rs'000**	**Interest Rate**	Rs'000	Rs'000	Interest Rate
Borrowings	**(1,617,819)**	**(880,756)**	**2.95% - 5.13%**	(995,226)	(494,244)	3.15%-7.65%
Lease liabilities	**(245,133)**	**(50,733)**	**4.15% -7.65%**	(215,689)	(67,907)	4.15%-7.65%
Bank overdrafts	**(348,151)**	**(245,615)**	**2.95%-17%**	(623,401)	(544,298)	2.95%-17%
Cash and cash equivalents	**265,719**	**136,015**	**0.25% -5%**	188,576	78,586	0.25% -5%

Interest rate sensitivity analysis

	Profit or loss		**Equity**	
	100bp	**100bp**	**100bp**	**100bp**
CONSOLIDATED	**Increase**	**Decrease**	**Increase**	**Decrease**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
30 June 2022				
Variable rate instruments:				
Interest on borrowings	**(16,178)**	**16,178**	**(16,178)**	**16,178**
Interest on bank overdrafts	**(3,482)**	**3,482**	**(3,482)**	**3,482**
Interest on cash and cash equivalents	**2,657**	**(2,657)**	**2,657**	**(2,657)**
Cash flow sensitivity (net)	**(17,003)**	**17,003**	**(17,003)**	**17,003**
30 June 2021				
Variable rate instruments:				
Interest on borrowings	(9,952)	9,952	(9,952)	9,952
Interest on bank overdrafts	(6,234)	6,234	(6,234)	6,234
Interest on cash and cash equivalents	1,886	(1,839)	1,886	(1,839)
Cash flow sensitivity (net)	(14,300)	14,347	(14,300)	14,347

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

	Profit or loss		Equity	
SEPARATE	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
30 June 2022				
Variable rate instruments:				
Interest on borrowings	**(8,808)**	**8,808**	**(8,808)**	**8,808**
Interest on bank overdrafts	**(2,456)**	**2,456**	**(2,456)**	**2,456**
Interest on cash and cash equivalents	**1,360**	**(1,360)**	**1,360**	**(1,360)**
Cash flow sensitivity (net)	**(9,904)**	**9,904**	**(9,904)**	**9,904**
30 June 2021				
Variable rate instruments:				
Interest on borrowings	(4,942)	4,942	(4,942)	4,942
Interest on bank overdrafts	(5,443)	5,443	(5,443)	5,443
Interest on cash and cash equivalents	786	(786)	786	(786)
Cash flow sensitivity (net)	(9,599)	9,599	(9,599)	9,599

The sensitivity analysis has been determined based on the exposure to interest rate for the financial liabilities as at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

Capital risk management

The Group's and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company and Group monitor capital using a ratio of adjusted net debt to adjusted equity and net debt. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligation under finance leases, less cash and cash equivalents.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Capital risk management (continued)

Gearing Ratio

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total borrowings including lease liabilities and bank overdrafts	**2,211,103**	1,834,316	**1,177,104**	1,106,449
Less: Cash and bank balances	**(265,719)**	(188,576)	**(136,015)**	(78,586)
Net Debt	**1,945,384**	1,654,740	**1,041,089**	1,027,863
Total Equity	**2,057,686**	1,920,999	**1,249,188**	1,303,703
Gearing ratio	**49%**	46%	**45%**	44%

6. SEGMENT REPORTING

The Group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately as they are subject to different technology and marketing strategies.

- Production Agro Business: poultry farming, distribution of chicken, manufacture and distribution of animal feeds;
- Distribution and others: food and non-food and grocery products;
- Production others: ice cream, yoghurt and rice & other frozen food items.

The Group's Chief Executive officer reviews the internal management reports of each division at least quarterly.

Inter-segment pricing is determined on normal commercial terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The following factors have been taken into consideration on determining the operating segment.

- The nature of the business activities of each component. Each operating segment has a distinct economic activity.
- The existence of managers responsible for the components. Each operating segment has a different manager, who is responsible for the financial results produced.
- For each operating segment, the results are presented separately to the Board.

6. SEGMENT REPORTING (CONTINUED)

Information related to each reportable segment is set out below. Segment profit/(loss) before tax is used to measure performance as management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. The group evaluates the performance on the basis of the segment profit from operating activities. The Group's customer base is highly diversified, with no individually significant customers.

Segment information

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2022					
External Revenue	2,455,133	-	2,925,955	-	5,381,088
Internal Revenue	1,455,420	264,396	283,634	(2,003,450)	-
Total revenue from contract with customers	3,910,553	264,396	3,209,589	(2,003,450)	5,381,088
Geographical markets					
Mauritius	3,599,080	264,396	3,209,589	(2,003,450)	5,069,615
Mozambique	275,012	-	-	-	275,012
Seychelles	36,461	-	-	-	36,461
Total revenue from contract with customers	3,910,553	264,396	3,209,589	(2,003,450)	5,381,088
Timing of revenue recognition					
Goods transferred at a point in time	3,910,553	264,396	3,126,567	(1,920,428)	5,381,088
Services transferred over time	-	-	83,022	(83,022)	-
Total revenue from contract with customers	3,910,553	264,396	3,209,589	(2,003,450)	5,381,088

* These relate to consolidation adjustments.

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2022					
Segment revenue	3,910,553	264,396	3,209,589	(2,003,450)	5,381,088
Segment profit from operating activities	88,077	8,899	29,280	(22,189)	104,067
- Interest income	22,906	1,953	6,174	(2,028)	29,005
- Interest expenses	(39,075)	(521)	(36,340)	2,028	(73,908)
Segment profit/(loss) before tax from continuing operations	71,908	10,331	(886)	(22,189)	59,164
Segment assets	3,018,137	438,296	2,674,180	(958,168)	5,172,445
Segment liabilities (excluding tax)	1,930,803	211,448	1,560,672	(704,405)	2,998,518
Other segment items					
- Purchase of property, plant and equipment	126,774	9,225	25,961	-	161,959
- Depreciation	61,846	19,409	30,772	-	112,027

* These relate to consolidation adjustments.

For the year ended 30 June 2022

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2021					
External Revenue	1,788,605	-	2,737,581	-	4,526,186
Internal Revenue	954,527	252,385	142,242	(1,349,154)	-
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Geographical markets					
Mauritius	2,514,428	252,385	2,879,823	(1,349,154)	4,297,482
Mozambique	211,911	-	-	-	211,911
Seychelles	16,793	-	-	-	16,793
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Timing of revenue recognition					
Goods transferred at a point in time	2,743,132	252,385	2,798,085	(1,267,416)	4,526,186
Services transferred over time	-	-	81,738	(81,738)	-
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186

* These relate to consolidation adjustments.

For the year ended 30 June 2022

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2021					
Segment revenue	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Segment profit from operating activities	70,017	15,922	52,329	(34,187)	104,081
- Interest income	10,972	-	10	-	10,982
- Interest expenses	(29,554)	(1,571)	(42,382)	-	(73,507)
Segment profit/(loss)	51,435	14,351	9,957	(34,187)	41,556
Segment assets	2,820,427	380,464	2,486,977	(1,316,379)	4,371,489
Segment liabilities (excluding tax)	1,946,792	170,838	1,275,008	(1,035,327)	2,357,311
Other segment items					
- Purchase of property, plant and Equipment	66,002	7,726	9,837	-	83,565
- Depreciation	59,120	20,389	29,450	-	108,959

*These relate to consolidation adjustments

7. REVENUE

Details of revenue generated by Innodis Ltd and its subsidiaries are illustrated in table below:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue from contract with customers*	**5,381,088**	4,526,186	**2,710,954**	2,560,571
Rental income	**-**	-	**83,022**	49,409
Total revenue	**5,381,088**	4,526,186	**2,793,976**	2,609,980

* Refer to Note 6 for the breakdown of revenue by segment

For the year ended 30 June 2022

8. PROFIT FROM OPERATING ACTIVITIES

The following items have been (credited)/charged in arriving at profit from operating activities:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**-**	-	**(16,320)**	(18,200)
Depreciation on property, plant and equipment:				
- Owned assets	**112,027**	108,959	**37,028**	39,278
- Right of use assets	**58,574**	71,137	**27,683**	42,881
Stock written off	**29,362**	28,174	**13,621**	21,202
Impairment of assets due to fire[1]	**15,651**	-	**-**	-
Retirement benefit obligation				
- Expenses recognised (Note 25)	**17,376**	21,378	**12,200**	16,123
Profit on disposal of property, plant and equipment	**(4,388)**	(1,249)	**(3,970)**	(1,348)
Cost of inventories expensed:				
- Raw materials	**2,141,663**	1,611,337	**222,701**	185,231
- Finished goods	**2,379,958**	2,179,233	**2,120,814**	1,954,439
Staff cost (Note 9)	**506,325**	481,604	**207,062**	206,187
Repairs and maintenance	**12,748**	14,331	**11,877**	12,739
Wage Assistance Scheme[2]	**-**	(7,600)	**-**	(3,726)
Amortisation of intangible	**1,059**	2,334	**-**	-

[1] This relates to stock written off of Rs 13.1m and impairment of equipment of Rs 2.5m following a fire outbreak at Supercash Phoenix on 23 June 2022. The loss incurred is covered by insurance and proceeds from insurance claims will be recognised when it is virtually certain that it will be received.

[2] The Group and the Company received Rs 7.6m & Rs 3.7m as Wage Assistance Scheme from the Government in 2021.

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9. STAFF COST

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**458,190**	429,352	**170,172**	167,398
Social security and pension costs	**15,636**	17,161	**5,575**	6,582
Expense for defined contribution plan	**32,500**	35,091	**31,314**	32,207
	506,326	481,604	**207,061**	206,187

Number of persons employed at year-end:

	2022	2021	**2022**	2021
	Number	Number	**Number**	Number
Full time	**1,252**	1,351	**538**	522
Part time	**148**	28	**8**	2
	1,400	1,379	**546**	524

10. NET FINANCE COSTS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**(19,554)**	(10,982)	**(2,035)**	(2,510)
Foreign exchange gain	**(9,451)**	-	**(6,093)**	-
	(29,005)	(10,982)	**(8,128)**	(2,510)
Interest expense:				
- Overdrafts	**36,297**	38,228	**14,375**	18,792
- Loans	**10,543**	17,383	**10,542**	17,383
- Lease liability	**8,601**	11,704	**1,523**	3,984
- Interest on bond issue	**12,681**	-	**12,681**	-
- Interest on bills	**2,384**	4,992	**2,384**	4,891
Fair value loss on derivatives contract	**3,402**	-	**204**	-
Foreign exchange transaction losses	**-**	1,200	**-**	1,052
	73,908	73,507	**41,709**	46,102
Net finance costs	**44,903**	62,525	**33,581**	43,592

For the year ended 30 June 2022

11. INCOME TAX EXPENSE

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Income tax based on adjusted profits at 15% (2021: 15%)	**7,331**	1,892	**-**	-
Over provision in previous years	**-**	(243)	**-**	-
Deferred taxation (Note 26)	**(6,106)**	(5,367)	**3,386**	(1,702)
Corporate social responsibility	**1,763**	640	**-**	-
	2,988	(3,078)	**3,386**	(1,702)

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Reconciliation of effective taxation				
Profit before tax from continuing operations	**59,164**	41,556	**18,322**	2,475
Loss before tax from discontinued operations	**(25,904)**	-	**-**	-
Profit before taxation	**33,260**	41,556	**18,322**	2,475
Income tax at 17% (2021: 17%)	**5,654**	7,065	**3,115**	421
Non-deductible expenses	**10,907**	2,538	**656**	1,962
Exempt income	**(9,517)**	(13,091)	**(3,854)**	(4,085)
Unrecognised tax losses	**(668)**	(44)	**3,469**	-
Effect of tax rates in foreign jurisdiction	**(41)**	57	**-**	-
Over provision in previous years	**-**	(243)	**-**	-
CSR	**1,763**	640	**-**	-
Investment Tax Credit	**(5,110)**	-	**-**	-
	2,988	(3,078)	**3,386**	(1,702)

12. EARNINGS PER SHARE

Basic and diluted earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to the Owners of the Company by the weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share were the same since there was no potential dilutive ordinary shares at 30 June 2022.

Basic and diluted EPS from discontinued operations is a loss per share of Rs 0.43 as per below table.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2022	2021
	Rs'000	Rs'000
Profit for the year attributable to Owners of the Company		
Continuing operations	**23,011**	21,452
Discontinued operations	**(15,542)**	(280)
	7,469	21,172
Weighted average number of ordinary shares ('000)	**36,730**	36,730

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13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Freehold land	Buildings	Improve-ment to buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost/revalued								
Balance at 01 July 2020	215,626	966,488	37,157	1,218,905	655,113	225,103	103,151	3,421,543
Additions	-	8,601	4,780	35,616	15,544	2,338	16,686	83,565
Disposals	-	-	-	-	(1,145)	(7,368)	-	(8,513)
Transfer to intangible asset	-	-	-	-	-	-	(1,017)	(1,017)
Transfer from right of use assets	-	-	-	8,760	-	29,414	-	38,174
Transfer between categories	-	30,834	236	55,279	8,854	1,556	(96,759)	-
Foreign currency difference	-	12,202	-	19,445	799	952	-	33,398
Balance at 30 June 2021	**215,626**	**1,018,125**	**42,173**	**1,338,005**	**679,165**	**251,995**	**22,061**	**3,567,150**
Additions	3,350	83,885	5,833	39,410	15,047	11,675	2,759	161,959
Disposals	-	-	-	(1,588)	-	(17,360)	-	(18,948)
Transfer between categories	-	27,575	(6,165)	21,381	(20,569)	-	(22,222)	-
Transfer from right of use assets	-	-	-	-	-	16,193	-	16,193
Scrapped[3]	-	-	-	(38,796)	(15,026)	(23)	-	(53,845)
Impairment due to fire[1]	-	-	(4,329)	(4,382)	(15,123)	-	-	(23,834)
Discontinued operations	-	-	-	(33,996)	-	(304)	-	(34,300)
Revaluation	30,974	101,016	2,391	-	-	-	-	134,381
Foreign currency difference	-	6,717	-	6,087	426	385	6	13,621
Balance at 30 June 2022	**249,950**	**1,237,318**	**39,903**	**1,326,121**	**643,920**	**262,561**	**2,604**	**3,762,377**

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CONSOLIDATED (CONTINUED)	Freehold land	Buildings	Improve-ment to buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accumulated depreciation/ and impairment losses								
Balance at 01 July 2020	-	76,600	4,260	839,715	523,730	168,464	-	1,612,769
Depreciation for the year	-	22,125	1,355	49,622	24,630	11,227	-	108,959
Foreign currency difference	-	6,464	-	12,761	697	929	-	20,851
Transfer from right of use assets	-	-	-	6,184	-	25,685	-	31,869
Disposals	-	-	-	-	(437)	(7,082)	-	(7,519)
Balance at 30 June 2021	**-**	**105,189**	**5,615**	**908,282**	**548,620**	**199,223**	**-**	**1,766,929**
Depreciation for the year	-	22,720	1,555	64,284	11,500	11,968	-	112,027
Foreign currency difference	-	3,757	-	6,102	1,627	323	-	11,809
Transfer from right of use assets	-	-	-	-	-	12,947	-	12,947
Revaluation	-	(130,281)	(3,809)	-	-	-	-	(134,090)
Scrapped[3]	-	-	-	(38,796)	(15,026)	(23)	-	(53,845)
Impairment due to discontinued operations[2]	-	-	-	25,904	-	-	-	25,904
Discontinued operations	-	-	-	(33,996)	-	(304)	-	(34,300)
Disposals	-	-	-	(1,588)	-	(17,272)	-	(18,860)
Impairment due to fire[1]	-	-	(1,951)	(4,374)	(15,004)	-	-	(21,329)
Balance at 30 June 2022	**-**	**1,385**	**1,410**	**925,818**	**531,717**	**206,862**	**-**	**1,667,192**
Carrying amounts:								
Balance as 30 June 2022	**249,950**	**1,235,933**	**38,493**	**400,303**	**112,203**	**55,699**	**2,604**	**2,095,185**
Balance as 30 June 2021	215,626	912,936	36,558	429,723	130,545	52,772	22,061	1,800,221

[1] Relates to the impairment of equipment to nil recoverable amount following a fire outbreak at Supercash Phoenix on 23 June 2022.
[2] Relates to impairment of equipment to nil recoverable amount following decision to discontinue the operations of Green Island Milling Ltd.
[3] Relates to assets that have been fully depreciated and no longer in use.

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

SEPARATE	Freehold land	Buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost/Revalued							
Balance at 01 July 2020	19,000	132,159	428,695	430,112	150,077	3,784	1,163,827
Additions	-	40	8,286	7,707	669	359	17,061
Disposals	-	-	-	-	(5,478)	-	(5,478)
Transfer between categories	-	-	2,228	-	1,556	(3,784)	-
Transfer from right of use assets	-	-	12,331	-	25,692	-	38,023
Balance at 30 June 2021	**19,000**	**132,199**	**451,540**	**437,819**	**172,516**	**359**	**1,213,433**
Additions	-	-	8,987	2,680	8,395	1,644	21,706
Disposals	-	-	(1,588)	-	(14,776)	-	(16,364)
Scrapped	-	-	(38,847)	(14,974)	(23)	-	(53,844)
Transfer between categories	-	-	981	-	-	(981)	-
Transfer from right of use assets	-	-	-	-	16,193	-	16,193
Revaluation	6,300	5,100	-	-	-	-	11,400
Balance at 30 June 2022	**25,300**	**137,299**	**421,073**	**425,525**	**182,305**	**1,022**	**1,192,524**
Accumulated depreciation and impairment losses							
Balance at 01 July 2020	-	6,159	326,405	401,267	130,612	-	864,443
Depreciation for the year	-	3,099	19,852	11,283	5,044	-	39,278
Disposals	-	-	-	-	(5,478)	-	(5,478)
Transfer from right of use assets	-	-	6,362	-	24,048	-	30,410
Balance at 30 June 2021	**-**	**9,258**	**352,619**	**412,550**	**154,226**	**-**	**928,653**
Depreciation for the year	-	3,099	19,269	8,484	6,176	-	37,028
Disposals	-	-	(1,588)	-	(14,738)	-	(16,326)
Transfer from right of use	-	-	-	-	12,947	-	12,947
Scrapped	-	-	(38,848)	(14,974)	(23)	-	(53,845)
Revaluation	-	(12,357)	-	-	-	-	(12,357)
Balance at 30 June 2022	**-**	**-**	**331,452**	**406,060**	**158,588**	**-**	**896,100**
Carrying amounts:							
At 30 June 2022	**25,300**	**137,299**	**89,621**	**19,465**	**23,717**	**1,022**	**296,424**
At 30 June 2021	19,000	122,941	98,921	25,269	18,290	359	284,780

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) *Security*

The movable and immovable assets of the Group are subject to a floating charge for Rs 2,329m. Bank borrowings are secured by fixed and floating charges over the assets of the Group.

(ii) *Valuation*

Land and buildings of the Group and the Company have been revalued at open market value on June 2022 by Elevante Property Services Ltd, Chartered Valuation Surveyors, for Meaders Feeds Ltd, by CDDS Land Surveyors and Property Valuer and for Mozambique Farms Ltd, by PI Property & Investment Advisers.

Fair value is determined by reference to market based evidence. This means that valuations performed by the values are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. The independent valuers used the sales comparison and the depreciated replacement cost approach to determine the valuation for specialised. The key inputs under this approach are the price per square meter from current year sales of comparable lots of land in the area (location and size). Any gain or loss arising from a change in fair value is recognised in comprehensive income. The fair value measurement for the land and buildings has been categorised as a level 3 fair value based on the inputs for the valuation technique used.

A valuation gain of Rs 268,471,177 was recognised in OCI at 30 June 2022.

Sensitivity

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of buildings are per the below:

Depreciation rate - 2% - 5%

Significant increase/ (decrease) in estimated depreciation value would result in a significantly higher/ (lower) fair value measurement.

	(-5%)	(+5%)
	Rs'000	Rs'000
The Group	65,289	67,789
The Company	38,400	40,400

The carrying amounts of Land and Building that would have been included in the financial statements had the assets been carried at cost are as follows:

	Consolidated	Separate
	Rs'000	Rs'000
At 30 June 2022	758,396	568,993
At 30 June 2021	763,283	566,731

For the year ended 30 June 2022

13. (a) RIGHT OF USE ASSETS

CONSOLIDATED	Land and Buildings	Motor vehicles and Machinery	Total
	Rs'000	Rs'000	Rs'000
COST			
As at 01 Jul 2020	191,859	90,159	282,018
Additions	9,555	14,676	24,231
Transfer to PPE	-	(6,305)	(6,305)
Depreciation	(43,995)	(27,142)	(71,137)
At 30 June 2021	**157,419**	**71,388**	**228,807**
Additions	**94,037**	**8,542**	**102,579**
Transfer to PPE	**-**	**(3,246)**	**(3,246)**
Disposal	**(15,742)**	**-**	**(15,742)**
Depreciation	**(34,404)**	**(24,170)**	**(58,574)**
At 30 June 2022	**201,310**	**52,514**	**253,824**

SEPARATE	Land and Buildings	Motor vehicles and Machinery	Total
	Rs'000	Rs'000	Rs'000
COST			
As at 01 Jul 2020	75,226	54,024	129,250
Additions	-	5,865	5,865
Transfer to PPE	-	(7,613)	(7,613)
Depreciation	(28,517)	(14,364)	(42,881)
At 30 June 2021	**46,709**	**37,912**	**84,621**
Additions	**18,214**	**7,108**	**25,322**
Transfer to PPE	**-**	**(3,246)**	**(3,246)**
Disposal	**(10,860)**	**-**	**(10,860)**
Depreciation	**(17,259)**	**(10,424)**	**(27,683)**
At 30 June 2022	**36,804**	**31,350**	**68,154**

14. INVESTMENT PROPERTIES

	Separate	
	2022	2021
	Rs'000	Rs'000
Cost		
At 1 July	**519,241**	519,241
Addition	**13,448**	-
Impairment	**(573)**	-
	532,116	519,241
Accumulated depreciation		
At 1 July	**43,425**	35,435
Charge for the year	**7,942**	7,990
At 30 June	**51,367**	43,425
Carrying amounts		
At 30 June	**480,749**	475,816

During the year there has been no direct operating expenses relating to investment properties.

These investment properties relate to freehold land and buildings that are leased to Innodis Poultry Ltd and Supercash Ltd, both subsidiaries of Innodis Ltd.

In 2022, the Company has appointed an independent valuer to fair value its investments properties. The fair value is Rs 611m as at 30 June 2022. The fair value was determined using the sale comparison approach and was based on prices for properties of similar nature, location and condition. The Company has determined that the highest and best use of the property used is its current use. The level hierarchy has been categorised as level 3.

Significant unobservable valuation input	Range
Price per square metre	Rs 1,465 – 3,181

Significant increase/(decreases) in estimated price per square metre in isolation would result in a significant higher/(lower) fair value on a linear basis. See note 13 for fair value information on the building and note 3(i) for the information related to the historical cost.

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15. INTANGIBLE ASSETS AND GOODWILL

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost				
At 1 July and 30 June	**134,007**	136,860	**105,743**	105,743
Transfer	**-**	1,021	**-**	-
Impairment	**(21)**	(4,000)	**-**	-
Additions	**-**	126	**-**	-
	133,986	134,007	**105,743**	105,743
Amortisation				
At 1 July	**114,150**	115,816	**105,743**	105,743
Charge for the year	**1,038**	1,017	**-**	-
Impairment	**-**	(2,683)	**-**	-
At 30 June	**115,188**	114,150	**105,743**	105,743
Carrying amounts				
At 30 June	**18,798**	19,857	-	-

Intangible assets and goodwill are as follows:

	Separate and Consolidated	Consolidated			
	Brands & licences	Software	Distribution rights	Goodwill on Acquisition of Poulet Arc en Ciel Ltée	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost					
At 1 July 2021	105,743	17,355	2,474	8,435	134,007
Impairment	-	(21)	-	-	(21)
At 30 June 2022	**105,743**	**17,334**	**2,474**	**8,435**	**133,986**
Amortisation					
At 1 July 2021	105,743	1,990	2,210	4,207	114,150
Charge for the year	-	1,038	-	-	1,038
At 30 June 2022	**105,743**	**3,028**	**2,210**	**4,207**	**115,188**
Carrying amounts					
At 30 June 2022	-	**14,306**	**264**	**4,228**	**18,798**
At 30 June 2021	-	15,365	264	4,228	19,857

For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the respective company from which the goodwill arises. This is the lowest level at which goodwill is monitored for internal management purposes.

15. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

The Group performed its annual impairment test in June 2022 and 2021. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Goodwill on acquisition of Poulet Arc-en-Ciel Ltée

The recoverable amounts have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for the products and services.

Keys assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for, goodwill on acquisition of Poulet Arc-en-Ciel Ltée is most sensitive to the following assumptions:

- Gross margins – 4%
- Discount rates – 11.2%
- Growth rates of 2% was used to extrapolate cash flows beyond the forecast period

Gross margins - Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. Decreased demand can lead to a decline in the gross margin.

Discount rates – Discount rates represent the current market assessment of the risks specific to each category taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Growth rate estimates - Rates are based on published industry research. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions.

Sensitivity to changes in significant observable inputs

- 1% increase/(decrease) in the weighted average cost of capital would result in an increase/(decrease) in the recoverable amount by Rs 2.1m.
- 1% increase/(decrease) in the forecast annual revenue growth rate would result in an increase/(decrease) in the recoverable amount by Rs 2.3m.

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16. (a) INVESTMENTS IN SUBSIDIARIES

	2022	2021
	Rs'000	Rs'000
Separate		
Cost		
At 1 July	**839,588**	839,588
Additions	**100**	-
At 30 June	**839,688**	839,588
Impairment		
At 1 July	**465,252**	465,252
At 30 June	**465,252**	465,252
Carrying amounts		
At 30 June	**374,436**	374,336

The Group performed its annual impairment test in June 2022 and 2021. The recoverable amounts have been determined based on value in use calculation using cash flow projections from financial budgets approved by senior management. The projected cash flows have been updated to reflect the increased demand for the products and services.

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16. (a) INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's subsidiaries are:

Name of subsidiaries	Country of incorporation	Class of shares held	Holding		Cost of investment (Net of impairment)		Principal activity
			2022	2021	**2022**	2021	
			%	%	**Rs'000**	Rs'000	
Société Enatou	Mauritius	Ordinary	**100**	100	**-**	-	Investment holding
Supercash Ltd	Mauritius	Ordinary	**100**	100	**20,000**	20,000	Wholesale
Peninsula Rice Milling Ltd	Mauritius	Ordinary	**100**	100	**250**	250	Rice milling
Peninsula Rice Milling Ltd	Mauritius	Loan*	**100**	100	**43,500**	43,500	Rice milling
Challenge Hypermarkets Ltd	Mauritius	Ordinary	**50.1**	50.1	**5**	5	Property development
Moçambique Farms Limitada	Mozambique	Loan*	**100**	100	**94,959**	94,959	Poultry farming and sales of chicken
HWFRL Investments Ltd	Mauritius	Investment	**100**	100	**-**	-	Investment holding
HWFRL Investments Ltd	Mauritius	Loan*	**100**	100	**-**	-	Investment holding
Mauritius Farms Limited	Mauritius	Ordinary	**100**	100	**25,992**	25,992	Investment holding
Essentia Ltd	Mauritius	Ordinary	**100**	100	**1**	1	Investment holding
Meaders Feeds Ltd	Mauritius	Ordinary	**51**	51	**39,628**	39,628	Feed Mill operations
Chicken Corner ltd	Mauritius	Ordinary	**100**	100	**1**	1	General retailer
Innodis Poultry Ltd	Mauritius	Ordinary	**100**	100	**150,000**	150,000	Poultry farming and sales of chicken
Innodis Property Ltd	Mauritius	Ordinary	**100**	-	**100**	-	Manufacture of other food products
					374,436	374,336	

*The repayment of this loan is neither planned nor likely to occur in the foreseeable future.

The Company, indirectly, holds investments in the following subsidiaries:

Name of subsidiaries	Country of incorporation	Effective holding		Principal activity
		2022	2021	
		%	%	
Société Narien	Mauritius	**100**	100	Dormant entity
Redbridge Investments Ltd	Mauritius	**100**	100	Property development
Société Centre Point	Mauritius	**50.1**	50.1	Dormant entity
Moçambique Farms Limitada	Mozambique	**100**	100	Broiler growing and processing
Poulet Arc-en-Ciel Ltée	Mauritius	**100**	100	Poultry farming and sales of chicken
Green Island Milling Limited	Mauritius	**60**	60	Rice Milling
Meaders Seychelles Ltd	Seychelles	**41**	41	Distributor of feeds and day old chicks

*Meaders Seychelles is 80% owned by Meaders Feeds Ltd.

All the subsidiaries have the same year end as the parent.

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16. (b) NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has a material NCI, before any intra-group eliminations.

	Meaders Feeds Ltd	Green Island Milling Limited	Challenge Hypermarkets Ltd	Meaders Seychelles
NCI percentage	49%	40%	49.9%	20%
	Rs'000	Rs'000	Rs'000	Rs'000
As at 30 June 2022				
Non-current assets	598,414	-	-	9,476
Current assets	947,828	-	670	16,920
Non-current liabilities	(105,645)	-	-	-
Current liabilities	(849,666)	-	(108)	(23,562)
Net assets	590,931	-	562	2,834
Carrying amount of NCI	289,556	-	281	567
Revenue	1,937,960	-	-	36,461
Profit/(loss) for the year	68,087	(25,904)	-	(997)
OCI	33,913	-	-	695
Total comprehensive income	102,000	(25,904)	-	(302)
Profit/(loss) allocated to NCI	33,363	(10,361)	-	(199)
OCI allocated to NCI	16,617	-	-	139
Total comprehensive income allocated to NCI	49,980	(10,361)	-	(60)
Cash flows generated from/(used in) operating activities	(167,656)	-	-	(2,590)
Cash flows used in investment activities	(3,288)	-	-	(39)
Cash flows (used in)/generated from financing activities	160,929	-	-	-
Net movement in cash and cash equivalents	(10,015)	-	-	(2,629)
Dividends paid to non-controlling interests during the year	15,680	-	-	-

16. (b) NON-CONTROLLING INTERESTS (CONTINUED)

	Meaders Feeds Ltd	Green Island Milling Limited	Challenge Hypermarkets Ltd	Meaders Seychelles
NCI percentage	49%	40%	49.9%	20%
	Rs'000	Rs'000	Rs'000	Rs'000
As at 30 June 2021				
Non-current assets	570,175	27,688	-	7,287
Current assets	642,641	-	670	15,340
Non-current liabilities	(119,158)	-	-	-
Current liabilities	(572,728)	(1,785)	(109)	(19,490)
Net assets	520,930	25,903	561	3,137
Carrying amount of NCI	255,256	10,361	280	627
Revenue	1,378,447	-	-	16,793
Profit/(loss) for the year	47,406	(466)	782	143
OCI	(1,259)	-	-	489
Total comprehensive income	46,147	(466)	782	633
Profit/(loss) allocated to NCI	23,229	(186)	390	29
OCI allocated to NCI	(617)	-	-	(33)
Total comprehensive income allocated to NCI	22,612	(186)	390	(4)
Cash flows generated from/(used in) operating activities	(54,992)	-	-	3,775
Cash flows used in investment activities	(25,111)	-	-	10
Cash flows (used in)/generated from financing activities	169,983	-	-	-
Net movement in cash and cash equivalents	89,880	-	-	3,784
Dividends paid to non-controlling interests during the year	9,800	-	-	-

17. OTHER INVESTMENTS

	2022	2021
	Rs'000	Rs'000
Consolidated		
At 1 July	**26,214**	26,214
Fair value loss on equity instruments designated at FVOCI	**(1,280)**	-
Impairment at equity accounted associates	**(1,126)**	-
At 30 June	**23,808**	26,214

	2022	2021
Separate	Rs'000	Rs'000
As at 30 June and 01 July	**25,088**	25,088
Changes in fair value	**(1,280)**	-
	23,808	25,088

Other investments are made up of equity shares of non-listed companies designated at fair value through OCI and investments in associates.

Non-listed equity shares of Rs 23.8m relate to interest in Victoria Station Ltd and Group considers that this investment is strategic in nature. Fair value of this investment has been categorised as level 3. The investment was acquired during the financial year 2019/20 and at 30 June 2022, management has re-assessed its fair value as being the net asset value of the equity. No unobservable input has been developed by management, as such no sensitivity has been performed.

Details of the Company's investments held in associates are as follows:

Name of company	Country of incorporation	Activities	Class of shares held	% Holding	
				2022	2021
Promotion et Diversification Publicitaire Limitée	Mauritius	Advertising	Ordinary	**50**	50
Salière de l'Ouest Limitée	Mauritius	Manufacturing	Ordinary	**48**	48
Ariva Ltée	Mauritius	Shipping Agent	Ordinary	**8.41**	8.41

By virtue of the Company's representation on the Board of Ariva Ltée, the Company deems to have significant influence over the investee, and hence continue to treat this investment as associate.

The Group has not equity accounted those investments and did not disclose the summarised financial information as these are considered as not material. As at 30 June 2022, the carrying amount was nil.

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18 (a) INVENTORIES

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials	**749,443**	494,040	**73,480**	88,112
Finished goods	**568,340**	512,684	**524,132**	467,652
Work in Progress	**3,975**	34,347	**3,975**	34,347
Goods in transit	**22,271**	21,030	**22,271**	-
Consumables	**830**	2,257	**144**	457
Spare parts	**12,403**	33,832	**1,846**	2,531
	1,357,262	1,098,190	**625,848**	593,099
Cost of inventories expensed	**4,521,621**	3,790,570	**2,343,515**	2,139,670

All inventories are recorded at lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

During the year, the Group's inventories have been reduced by Rs 29.4m (2021: Rs 28.2m) and for Company inventories have been reduced by Rs 13.6m (2021: Rs 21.2m) as a result of write down to net realisable value. The write down is included in profit or loss.

18 (b) BIOLOGICAL ASSETS

The reconciliation of biological asset movement:

	Consolidated	
	2022	2021
	Rs'000	Rs'000
Bearer biological assets		
Non-current	**3,512**	11,943
Current	**42,627**	52,413
At 30 June	**46,139**	64,356
Consumable biological assets		
Current	**92,872**	66,533
At 30 June	**92,872**	66,533
At 30 June	**139,011**	130,889

18 (b) BIOLOGICAL ASSETS (CONTINUED)

The reconciliation of biological asset movement:

	Consolidated	
	2022	2021
	Rs'000	Rs'000
At July 1	**130,889**	119,947
Purchases	**55,076**	70,120
Decrease due to depletion	**(1,088,020)**	(910,251)
Cost of growing	**1,049,522**	838,961
Change in fair value less estimated costs to sell	**(8,456)**	12,112
At June 30	**139,011**	130,889

The total quantity of bearer biological assets on hand at year end were 76,893 birds (2021: 92,321 units) while the total quantity for the consumable biological assets were 735,600 units (2021: 733,803 units) for eggs and 813,291 units (2021: 637,066 units) for live broilers.

During the year, 10,412,827kg (2021: 7,477,246kg) of live birds were sent to the processing plant.

The fair valuation of biological assets held by contract growers amounted to Rs 27.2 m (2021: Rs 7.8m)

(i) Measurement of fair values

Fair value hierarchy

The fair value measurements for biological assets amounting to Rs 139 m (2021: Rs 130.9m) have been categorized as Level 3 fair value based on inputs to the valuation techniques used. There have been no transfers of assets to a different level.

(ii) Valuation techniques and significant unobservable inputs for consumable biological assets

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation techniques	Significant unobservable inputs
Livestock		
Livestock comprise of:		
(i) Live breeders	Live breeders are fair valued based on the cash flow generated from sales of hatchery eggs, adjusted for cost to be incurred.	Expected number of hatchery eggs by one breeder Projected cost of growing breeder
(ii) Live broilers and eggs	Live broilers and eggs are fair valued based on the market price less cost to sale of chickens of similar ages and weights, adjusted for mortality and hatchability.	Mortality rate Hatchability rate Live weight

18 (b) BIOLOGICAL ASSETS (CONTINUED)

(iii) Sensitivity analysis

Type	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to value
Live breeders	Discounted cash flow	Number of hatchery eggs by one breeder 125 – 140 eggs	5% increase/(decrease) in number of hatchery eggs by breeder would result in increase/(decrease) in fair value of Rs 8,742,456 (2021: Rs 7,733,528)
		Projected cost of growing breeders	5% increase/(decrease) in projected cost of growing breeders would result in (decrease)/increase in fair value of Rs 6,506,391 (2021: Rs 4,515,746)
Hatchable eggs	Discounted cash flow	Hatchability rate 2022: 74.9% 2021: 77.27%	5% increase/(decrease) in hatchability rate would result in increase/(decrease) in fair value of Rs 915,555 (2021: Rs 724,232)
Live broilers	Discounted cash flow	Mortality rate 2022: 6.29% 2021: 5.74%	5% increase/(decrease) in mortality rate would result in increase/(decrease) in fair value by Rs 76,150 (2021: Rs 49,103)
		Live weight 2022: 1.97kg 2021: 1.94kg	5% increase/(decrease) in live weight would result in increase/(decrease) in fair value by Rs 3,065,911 (2021: Rs 1,783,413)

(iv) Financial risk management strategies

The Group is exposed to the following risks as producer of poultry:

1. Regulatory and environmental risk

The Group is subject to laws and regulations in the countries in which it operates. The Group manages environmental risks, such as natural misfortunes and fire through insurance cover. For regulatory risk such as disclosure of country of origin of supplies, necessary permits and infrastructure, the Group has clear established procedures and policies that comply with law.

2. Demand and supply risk

The group is exposed to risk arising from the fluctuations in the price of chicken and manages it through production planning

19. TRADE AND OTHER RECEIVABLES

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivable from third-party customers	**913,115**	807,568	**544,487**	559,698
Receivable from other related parties	**1,573**	876	**1,573**	876
Receivable from subsidiaries	**-**	-	**168,200**	139,664
	914,688	808,444	**714,260**	700,238
Allowance for expected credit losses	**(81,124)**	(84,779)	**(10,885)**	(17,525)
Other receivables and prepayments	**178,113**	133,104	**138,850**	69,262
	1,011,677	856,769	**842,225**	751,975

As at 30 June 2022, the carrying amount of the trade and other receivables approximate their fair value. The Group had prepayments amounted to Rs 58.3m (2021: Rs 19.6m) and the Company had prepayments amounted to Rs 52.3m (2021: Rs 13.6m). Other receivables include receivables from insurance claim, deposit, VAT refund and loans to employees.

Transactions between related parties are carried out in the normal course of business and any amount receivable is repaid as per the Group's and the Company's credit terms. An ageing analysis of the Group's and the Company's trade receivables is provided in Note 5 (i).

20. CASH AND CASH EQUIVALENTS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**265,719**	188,576	**136,015**	78,586
Bank overdrafts	**(348,151)**	(623,401)	**(245,615)**	(544,298)
	(82,432)	(434,825)	**(109,600)**	(465,712)

Bank overdrafts

The bank overdrafts and other facilities are secured by floating charges of Rs 2,233m (2021: Rs 1,795m) on all the assets of the Company and its subsidiaries.

21. FINANCIAL (LIABILITIES) /ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial (liabilities)/assets at fair value through profit or loss				
Foreign exchange forward contracts	**(218)**	3,184	**(204)**	-
Disclosed as follows:				
Current (liabilities)/assets	**(218)**	3,184	**(204)**	-
Total Financial (liabilities)/ assets at fair value through profit or loss	**(218)**	3,184	**(204)**	-

The total notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at 30 June 2022 for the Group and the Company were USD 3,625,000 equivalent to Rs 166.1m (2021: USD 1,625,000 equivalent to Rs 69.9m) and USD 500,000 equivalent to Rs 22.7m (2021: nil). The instruments have been categorised as level 2. The fair value of foreign exchange forward are determined by using the foreign exchange spot and forward rates and forward rate curves of each currency.

22. SHAREHOLDERS' EQUITY

Share capital

	2022	2021	**2022**	2021
	Number	Number	**Rs'000**	Rs'000
Authorised				
Ordinary shares of Rs 10 each	**50,000,000**	50,000,000	**500,000**	500,000
Issued and fully paid				
Ordinary shares of Rs 10 each	**36,730,266**	36,730,266	**367,303**	367,303

Share premium

A share premium arises when the value of the consideration received for the issue of shares exceeds the nominal value of the shares issued. The share premium account is regarded as permanent capital of the Company and only certain expenses of a capital nature may be set-off against it, namely:

(i) the expenses of, or the commission paid on, the creation or issue of any shares.

The share premium account may also be applied:

(i) in paying up shares of the Company to be issued to shareholders of the Company as fully paid shares;

(ii) to reflect the decrease in the share premium account arising from shares acquired or redeemed.

22. SHAREHOLDERS' EQUITY (CONTINUED)

Revaluation reserve

The revaluation reserve arises from the revaluation of the Group's and the Company's land and buildings.

This reserve is reduced by the transfers to retained earnings:

(i) on an annual basis of an amount equivalent to the depreciation on the revaluation surplus, net of the deferred tax impact; and

(ii) on disposal of the revalued property of the remaining revaluation surplus on the property disposed of, net of the deferred tax impact.

(iii) The revaluation reserve is used to record increases in the fair value of land and buildings. Subsequently when the building is being depreciated, proportionately a release of the revaluation reserve is released to equity.

The revaluation reserve may be applied in paying up shares of the Company and its subsidiaries to be issued to their shareholders as fully paid shares.

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
As at 1 July	**427,482**	441,862	**307,044**	312,350
Revaluation gain for the year	**268,471**	-	**23,757**	-
Non-controlling Interest	**(17,684)**	-	**-**	-
	678,269	441,862	**330,801**	312,350
Deferred tax arising on revaluation	**(31,631)**	-	**(1,102)**	-
Release to retained earnings	**(10,347)**	(14,380)	**(5,306)**	(5,306)
As at 30 June	**636,291**	427,482	**324,393**	307,044

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of subsidiaries on consolidation. The foreign currency translation reserve consists of the Group's share of the exchange difference arising on the consolidation of the subsidiaries whose financial statements are presented in Mozambican Metical and Seychellois Rupee.

Fair value reserve of financial assets at FVOCI

This reserve comprises of changes in the fair value of financial assets measured at FVOCI.

For the year ended 30 June 2022

23. BORROWINGS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank loans (a)	**691,415**	866,009	**35,498**	416,412
Bond issue (b)	**159,220**	-	**159,220**	-
	850,635	866,009	**194,718**	416,412
Non-current				
Bank loans (a)	**129,284**	129,217	**48,138**	77,832
Bond issue (b)	**637,900**	-	**637,900**	-
	767,184	129,217	**686,038**	77,832
Total borrowings	**1,617,819**	995,226	**880,756**	494,244

(a) Bank loans

Bank loans are analysed as follows:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
- Term Loan	**124,547**	783,551	**29,679**	333,954
- Import Loan	**566,868**	82,458	**5,819**	82,458
	691,415	866,009	**35,498**	416,412
Non-current				
- Term Loan	**129,284**	129,217	**48,138**	77,832
Total borrowings	**820,699**	995,226	**83,636**	494,244

23. BORROWINGS (CONTINUED)

(a) Bank loans (continued)

The terms and conditions of outstanding loans are as follows:

Consolidated

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying value	Face value	Carrying value
				2022	**2022**	2021	2021
				Rs'000	**Rs'000**	Rs'000	Rs'000
Term Loan	MUR	3.0% - 4.5%	2022-2025	**253,830**	**253,830**	482,295	482,295
Import Loan	MUR	2.95% - 5.13%	2022	**566,869**	**566,869**	512,931	512,931
				820,699	**820,699**	995,226	995,226

Separate

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying value	Face value	Carrying value
				2022	**2022**	2021	2021
				Rs'000	**Rs'000**	Rs'000	Rs'000
Term Loan	MUR	3.0% - 4.5%	2022-2025	**77,817**	**77,817**	411,787	411,787
Import Loan	MUR	2.95% - 5.13%	2022	**5,819**	**5,819**	82,457	82,457
				83,636	**83,636**	494,244	494,244

The loans are secured by floating charges on the immovable assets of the Company and its subsidiaries and the rates of interest vary between 2.95% and 5.13% (2021 - between 2.9% and 5.25%) per annum.

(b) Bond Issue

On 26 December 2021, the Company has issued 8,000 bonds at a nominal issue price of Rs 100,000 per bond, amounting to Rs 800m, out of which Rs 200m have a maturity of 15 months and Rs 600m have a maturity of five years.

Salient features of the short-term bonds are as follows:

- The blended interest rate is 1.75% and interest is paid bi-annually
- Bondholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.
- The tenor of the short-term bonds in issue is 15 months and will be redeemed in bullet at maturity.

Salient features of the long-term bonds are as follows:

- 3,000 bonds have been issued at a fixed rate of 3.90% and the remaining 3,000 bonds issued at a floating rate of 1.45% + PLR. The interest is paid bi-annually
- Bondholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.
- The bonds will be redeemed in bullet at maturity.

24. LEASE LIABILITIES

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**215,689**	260,161	**67,907**	106,131
Accretion of interest	**9,498**	11,704	**2,160**	3,946
Additions	**101,531**	22,111	**24,681**	5,698
Disposal	**(16,228)**	-	**(10,860)**	-
Repayments	**(65,357)**	(78,287)	**(33,155)**	(47,868)
As at 30 June	**245,133**	215,689	**50,733**	67,907

Lease liabilities are analysed as follows:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
- Current	**44,493**	65,707	**17,917**	41,664
- Non-current	**200,640**	149,982	**32,816**	26,243
Total	**245,133**	215,689	**50,733**	67,907

During the year, the company renewed its rental contract for storage facilities under a variable lease agreement that does not depend on an index or a rate. The storage fee was based on the number of pallets stored. As such no lease liability has been recognised on that contract. The amount is expensed in profit or loss as and when incurred. Rs 28,119,528 has been recognised in profit or loss (2021: Nil).

Leasing agreements

Included in the above are leases relating to plant and machinery and motor vehicles with lease terms of 5 years on average. The Group and Company have the option to purchase the equipment and motor vehicles at the residual value as mentioned on the lease contract. The Group's and Company's obligations under finance lease are secured by the lessor's title to the leased assets. The rate of interest vary between 5.7% - 7.6% per annum for Company and 5.5% - 7.6% per annum for Group.

The Group and the Company had total cash outflows for lease Rs 56m (2021: Rs 67m) and Rs 41m (2021: Rs 44m) respectively.

The Group and the Company also had non-cash addition to right of use assets and lease liabilities of Rs 1.0m (2021: Rs 2.1m) and Rs0.6m (2021: Rs 0.1m) respectively.

For the year ended 30 June 2022

25. RETIREMENT BENEFITS OBLIGATIONS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised in the statements of financial position at year end				
Present value of funded obligations	**460,613**	406,680	**385,256**	337,051
Fair value of plan assets	**(345,646)**	(351,116)	**(341,144)**	(347,186)
Liability recognised in statement of financial position at year end	**114,967**	55,570	**44,112**	(10,135)
Disclosed as:				
Assets	**-**	(10,135)	**-**	(10,135)
Liabilities	**114,967**	65,705	**44,112**	-
	114,967	55,570	**44,112**	(10,135)

The Company has residual liability in respect of Workers Right Act 2019 (WRA) on top of its defined benefit plan. The amounts deductible in accordance with the WRA are as detailed in the accounting policy note under the employee benefits section. It is therefore exposed to investment under-performance of the defined contribution plan. See sensitivity analysis below.

25. RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

Amounts recognised in the statements of profit or loss and other comprehensive income

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service costs	**25,541**	25,665	**20,871**	21,106
Interest costs	**2,114**	4,448	**(578)**	2,226
Fund expenses & life insurance	**1,813**	1,379	**1,774**	1,358
Contributions by employees	**(8,572)**	(8,085)	**(8,572)**	(8,085)
Curtailment/settlement (gain)	**-**	-	**(1,322)**	(749)
Past service cost	**(3,562)**	(2,030)	**-**	-
Net cost for the year recognised in profit or loss	**17,334**	21,377	**12,173**	15,856
Remeasurement recognised in OCI	**67,085**	(94,819)	**62,617**	(82,727)
Net cost for the year	**84,419**	(73,442)	**74,790**	(66,871)
Net interest cost for the year				
Interest on obligation	**18,017**	12,338	**15,135**	9,994
Expected return on plan assets	**(15,903)**	(7,890)	**(15,713)**	(7,768)
Net interest cost	**2,114**	4,448	**(578)**	2,226

25. RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Re-measurement recognised in other comprehensive income for the year:				
Actuarial gains/(losses) on the plan assets	**(28,092)**	53,806	**(28,109)**	54,242
Actuarial gains/(losses) arising from:				
- Financial assumptions	**(38,993)**	21,581	**1,878**	36,300
- Experience adjustment	**-**	19,432	**(36,386)**	(7,815)
Re-measurement recognised in OCI – (Loss)/Gain	**(67,085)**	94,819	**(62,617)**	82,727
Changes in the Present Value of the Obligation				
Present value of obligation at start of year	**406,686**	436,724	**337,051**	351,078
Effect of movement of Peninsula Ltd to Innodis Ltd	**-**	-	**-**	267
Liabilities of new employees who left the company before the year ending 30 June 2022	**42**	-	**27**	-
Interest cost	**18,017**	12,338	**15,135**	9,994
Current service cost	**25,541**	25,665	**20,871**	21,106
Benefits paid	**(24,875)**	(29,059)	**(21,014)**	(16,161)
Past service costs	**-**	2,030	**-**	-
Curtailment/settlement (gain) loss on obligation	**(3,562)**	-	**(1,322)**	(749)
Expected obligation at end of year	**421,849**	447,698	**350,748**	365,535
Present value of obligation at end of year	**460,613**	406,686	**385,256**	337,051
Remeasurement recognised in OCI at end of year -loss	**(38,764)**	41,012	**(34,508)**	28,484

25. RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Changes in the Fair Value of the Plan Assets				
Fair value of plan assets at start of period	**351,116**	277,136	**347,186**	272,936
Expected return on plan assets	**15,903**	7,890	**15,713**	7,768
Contributions to plan assets	**27,050**	27,864	**26,642**	27,799
Benefits paid out of plan assets	**(18,518)**	(14,202)	**(18,514)**	(14,202)
Fund expenses & life insurance	**(1,813)**	(1,379)	**(1,774)**	(1,358)
Expected fair value at end of year	**373,738**	297,309	**369,253**	292,943
Fair value of plan assets at end of year	**345,646**	351,116	**341,144**	347,186
Remeasurement recognised in OCI at end of year – Losses	**28,092**	(53,807)	**28,109**	(54,243)
Movement in liability recognised in the statement of financial position				
At 1 July	**55,570**	159,587	**(10,135)**	78,142
Effect of movement of Peninsula Ltd to Innodis Ltd	**-**	-	**-**	267
Liabilities of new employees who left the company before the year ending 30 June 2022	**42**	-	**27**	-
Expense recognised in the statement of comprehensive income	**17,334**	21,378	**12,173**	15,856
Actuarial gain on unfunded retirement benefit	**67,085**	(94,819)	**62,617**	(82,727)
Contributions paid	**(25,064)**	(30,576)	**(20,570)**	(21,674)
At 30 June	**114,967**	55,570	**44,112**	(10,135)
Principal actuarial assumptions at end of year				
Discount rate (%)	**3.26 – 5.13**	3.15 - 5.05	**3.26 – 5.13**	3.15 - 5.05
Expected rate of return on plan assets (%)	**3.26 – 5.13**	3.15 - 5.05	**3.26 – 5.13**	3.15 - 5.05
Future salary increases (%)	**2**	2	**2**	2

25. RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Experience adjustments on:				
Plan liabilities	**(42,491)**	(19,432)	**(36,386)**	(7,815)
Plan assets	**28,092**	(53,806)	**28,109**	(54,242)
Sensitivity				
Effect on present value of unfunded obligations				
1% Increase in Discount Rate	**(25,655)**	(25,569)	**(15,022)**	(15,502)
1% Decrease in Discount Rate	**29,183**	28,504	**17,843**	17,903
1% Increase in Salary Increase	**13,447**	7,482	**4,991**	4,983
1% Decrease in Salary Increase	**(11,281)**	(6,359)	**(4,009)**	(4,161)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of year after increasing or decreasing the discount rate or the future salary increases while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between the pure retirement gratuities under the Workers' Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Company's share of contributions. The latter amount is Rs 27.3 million (2021: Rs 27.9 million) for the Group and Rs 26.6 million (2021: Rs 27.8 million) for the Company as at 30 June 2022 in respect of the Defined Contribution fund.

The major categories of plan assets at the reporting date for each category are as follows:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Local equities	**143,097**	104,633	**141,234**	103,461
Overseas equities	**134,111**	161,864	**132,364**	160,053
Fixed interest	**39,058**	45,996	**38,549**	45,482
Cash and others	**29,380**	38,623	**28,997**	38,190
Total market value of assets	**345,646**	351,116	**341,144**	347,186
Present value of plan liability	**(460,613)**	(406,686)	**(385,256)**	(337,051)
(Deficit) / Surplus	**(114,967)**	(55,570)	**(44,112)**	10,135

The weighted average duration of the defined benefit obligation is 14.3 years (2021: 13.4 years) for the Group as at 30 June 2022.

25. RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

Expected contribution for next year

The Group and the Company are expected to contribute Rs 4.2 million and Rs 2 million respectively to the pension scheme for the year ended 30 June 2023 (2022: Rs 4.2 million and Rs 2 million respectively).

Actuarial risk

- **Interest risk**

The present value of the obligation is calculated using a discount rate based on the yields of long term government bonds. An increase or decrease in the discount rate of 1 basis point will have a significant impact on the liabilities as can be seen in the sensitivity section of the results.

- **Salary risk**

The present value of the liability is calculated based on the future salary increase of the non-members and members of the Defined Benefit plan. Sensitivity analysis of salary increase assumption has been performed to assess its impact on the liability. An increase in salary increase assumption leads to an increase in the present value of the obligations.

- **Longevity risk**

The present value of the obligation for the Defined Contribution members and present value of future pension in payment are calculated based on the best estimate of plan participants' mortality after retirement. Sensitivity has also been performed in respect of the mortality assumption. An increase in the life expectancy of the plan participants will increase the liability.

26. DEFERRED TAX LIABILITIES

The movement in temporary differences during the year were as follows:

Consolidated

	Assets		Liabilities		Net	
	2022	2021	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Tax losses carried forward	**8,907**	4,336	**-**	-	**8,907**	4,336
Accelerated capital allowances	**-**	-	**(71,791)**	(73,440)	**(71,791)**	(73,440)
Surplus on revaluation of building	**-**	-	**(90,876)**	(59,245)	**(90,876)**	(59,245)
Employee benefit obligations	**19,174**	9,123	**-**	-	**19,174**	9,123
Right of use-lease assets	**1,695**	1,391	**-**	-	**1,695**	1,391
Provision for expected credit losses	**27,225**	26,308	**-**	-	**27,225**	26,308
	57,001	41,158	**(162,667)**	(132,685)	**(105,666)**	(91,527)

26. DEFERRED TAX LIABILITIES (CONTINUED)

Separate

	Assets		Liabilities		Net	
	2022	2021	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Accelerated capital allowances	**-**	-	**(14,622)**	(14,301)	**(14,622)**	(14,301)
Surplus on revaluation of building	**-**	-	**(46,202)**	(45,100)	**(46,202)**	(45,100)
Employee benefit obligations	**7,498**	-	**-**	(1,724)	**7,498**	(1,724)
Right of use-lease assets	**-**	281	**-**	-	**-**	281
Provision for expected credit losses	**40,668**	41,797	**-**	-	**40,668**	41,797
Tax loss	**1,482**	1,714	**-**	-	**1,482**	1,714
	49,648	43,792	**(60,824)**	(61,125)	**(11,176)**	(17,333)

Deferred tax are analysed as follow:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax asset	**4,582**	1,652	**-**	-
Deferred tax liabilities	**(110,248)**	(93,179)	**(11,176)**	(17,333)
Net	**(105,666)**	(91,527)	**(11,176)**	(17,333)

26. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The movements in temporary differences during the year were as follows:

Consolidated

	Balance at 30 June 2020	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2021	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 30 June 2022**
	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment	(75,613)	2,173	-	(73,440)	**1,649**	**-**	**(71,791)**
Revaluation of property	(59,245)	-	-	(59,245)	**-**	**(31,631)**	**(90,876)**
Employee benefits	26,787	(1,609)	(16,055)	9,123	**(1,335)**	**11,386**	**19,174**
Right of use-lease assets	787	604	-	1,391	**304**	**-**	**1,695**
Provisions	23,159	3,149	-	26,308	**917**	**-**	**27,225**
Tax losses carried forward	3,043	1,293	-	4,336	**4,571**	**-**	**8,907**
	(81,082)	5,610	(16,055)	(91,527)	**6,106**	**(20,245)**	**(105,666)**

Separate

	Balance at 30 June 2020	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2021	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 30 June 2022**
	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment	(13,160)	(1,141)	-	(14,301)	**(321)**	**-**	**(14,622)**
Revaluation of property	(45,100)	-	-	(45,100)	**-**	**(1,102)**	**(46,202)**
Employee benefits	13,283	(943)	(14,064)	(1,724)	**(1,423)**	**10,645**	**7,498**
Right of use-lease assets	227	54	-	281	**(281)**	**-**	**-**
Provisions	39,779	2,018	-	41,797	**(1,129)**	**-**	**40,668**
Tax losses	-	1,714	-	1,714	**(232)**	**-**	**1,482**
	(4,971)	1,702	(14,064)	(17,333)	**(3,386)**	**9,543**	**(11,176)**

For the year ended 30 June 2022

27. TRADE AND OTHER PAYABLES

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**561,269**	367,076	**272,932**	157,001
Accruals and other payables	**93,161**	74,112	**57,067**	49,811
Contract liability	**17,800**	12,389	**17,800**	12,387
Amounts owed to subsidiaries	**-**	-	**20,528**	38,880
	672,230	453,575	**368,327**	258,079

Trade and other payables are non-interest bearing and have an average term of 30 to 90 days.

Amounts owed to subsidiaries and related parties are unsecured, interest free and with no fixed repayment terms. Refer to Note 29. The carrying amount approximate their fair value due to their short term nature.

Accruals and other payables include accrued marketing and advertising expenses, salaries, wages, local creditors and provision of end of year bonus.

Contract liability relates to trade discount accrued as per contract.

28. DIVIDENDS

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend declared				
At July 01	**48,120**	11,020	**42,240**	11,020
Declared during the year	**57,920**	52,040	**42,240**	42,240
Paid during the year	**(52,875)**	(14,940)	**(42,095)**	(11,020)
	53,165	48,120	**42,385**	42,240

	Separate	
	2022	2021
	Rs	Rs
Dividend per share	**1.15**	1.15

For the year ended 30 June 2022

29. RELATED PARTY TRANSACTIONS

Nature of transaction/ balance at year end	Nature of relationship	Name of related party	Terms and conditions	Transaction for the year		Balance at 30 June	
				2022	2021	**2022**	2021
				Rs'000	Rs'000	**Rs'000**	Rs'000
Consolidated							
Sales/(Purchases) of goods and services	Associate	Salière de l'Ouest Limitée	Normal course of business	**-**	(959)	**-**	876
	Subsidiary	Societe Centre Point	Normal course of business	**-**	-	**1,573**	-
				-	(959)	**1,573**	876
Payment for services received	Shareholder	Altima Ltd	Technical fees of 0.35 % of turnover is charged	**(9,507)**	(8,894)	**(2,347)**	(1,492)

For the year ended 30 June 2022

29. RELATED PARTY TRANSACTIONS (CONTINUED)

Nature of transaction/ balance at year end	Nature of relationship	Name of related party	Terms and conditions	Transaction for the year		Balance at 30 June	
				2022	2021	**2022**	2021
Separate				**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sales/(Purchases) of goods and services	Subsidiary	Challenge Hypermarkets Ltd	Normal course of business	**-**	-	**(635)**	(641)
	Subsidiary	Innodis Poultry Ltd	Normal course of business	**(877,341)**	(582,105)	**(16,051)**	(38,239)
	Subsidiary	Peninsula Rice Milling Ltd	Normal course of business	**-**	-	**(3,842)**	-
				(877,341)	(582,105)	**(20,528)**	(38,880)
Sales/(Purchases) of goods and services	Subsidiary	Supercash Ltd	Normal course of business	**35,330**	50,207	**24,172**	15,804
	Subsidiary	Mauritius Farms Ltd	Normal course of business	**-**	-	**46,449**	46,443
	Subsidiary	Peninsula Rice Milling Ltd	Normal course of business	**-**	(13,973)	**-**	(4,743)
	Subsidiary	Innodis Property Ltd	Normal course of business	**-**	-	**1,255**	-
	Subsidiary	Chicken Corner ltd	Normal course of business	**791**	-	**8,965**	8,965
	Subsidiary	Poulet Arc en Ciel Ltée	Normal course of business	**-**	(5,703)	**76,139**	71,418
	Subsidiary	Meaders Feeds Ltd	Normal course of business	**16,320**	-	**11,220**	-
	Subsidiary	Green Island Milling Ltd	Normal course of business	**-**	-	**-**	1,777
				52,441	30,531	**168,200**	139,664
Rental	Subsidiary	Supercash Ltd	Normal course of business	**1,320**	1,526	**-**	-
	Subsidiary	Innodis Poultry Ltd	Normal course of business	**47,693**	47,693	**-**	-
				49,013	49,219	**-**	-
Sales/(Purchases) of goods and services	Associate	Salière de l'Ouest Limitée	Normal course of business	**-**	(959)	**-**	876
	Subsidiary	Societe Centre Point	Normal course of business	**-**	-	**1,573**	-
				-	(959)	**1,573**	(876)

The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended 30 June 2022, the Group and Company have not made any provision for credit losses relating to amounts owned by related parties (2021: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. RELATED PARTY TRANSACTIONS (CONTINUED)

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Directors remuneration	**31,083**	37,427	**17,930**	16,499

	Consolidated		Separate	
	2022	2021	**2022**	2021
Key management personnel's emoluments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Short-term employment benefit	**19,019**	21,162	**19,019**	16,540
Post-employment benefit	**1,223**	1,270	**1,223**	992
	20,242	22,432	**20,242**	17,532

Innodis Ltd defines its key management personnel as the members of the Executive Committee, including the Chief Executive Officer.

30. CAPITAL COMMITMENTS

Capital expenditure authorised at the reporting date but not yet contracted for is as follows:

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment	**145,204**	168,487	**28,833**	45,900

31. CONTINGENT LIABILITIES

The Group and the Company have the following contingent liabilities as at 30 June 2022.

	Consolidated		Separate	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Letter of credit	**23,708**	-	**23,708**	-
Guarantees	**22,453**	16,250	**16,545**	14,700

32. FINANCIAL SUPPORT

Innodis Ltd, the holding company, has confirmed through a letter of financial support, that it will financially be supporting Supercash Ltd, Innodis Poultry Ltd and Poulet Arc En Ciel Ltée to enable them to meet their obligations as and when they fall due, for a period of more than twelve months.

33. EVENTS AFTER REPORTING DATE

Full compensation was received in the first quarter of FY22/23 for the loss incurred following the fire outbreak at Supercash Phoenix.

There have been no other material events after the reporting date, which would require disclosure, or adjustment to the financial statements for the year ended 30 June 2022.

34. DISCONTINUED OPERATIONS

Part of a manufacturing process within the Innodis group namely Green Island Milling Limited is presented as discontinued in operation following the commitment of the Group's management to stop processing of rice product.

The major classes of assets and liabilities of Green Island Milling Limited classified as held for sale as at 30 June 2022 are as follows:

	Consolidated
	2022
	Rs'000
Assets	
Plant and equipment	-
Liabilities	-
Net assets classified as held for sale	-

	Consolidated	
	2022	2021
	Rs'000	Rs'000
Revenue	-	-
Expense	**(25,902)**	(466)
Profit/loss before income tax	**(25,902)**	(466)
Tax expense	-	-
	(25,902)	(466)

There was no cashflow movement.

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