Annual Report 2021

CAUDAN DEVELOPMENT

Dear shareholder

The board of directors of Caudan Development Limited is pleased to present its annual report for the year ended June 30th 2021.

The activities of the group continued throughout 2021 to be property development and investment and the provision of security services.

Caudan Development specialises in the ownership, promotion and development of Le Caudan Waterfront, a unique shopping, leisure and work hub in the capital, on the water edge.
It also includes the Caudan Arts Centre, a landmark arts and conference venue comprising a state-of-the-art theatre and a number of facilities and amenities.
Apart from the waterfront project, the company also rents out industrial buildings situated at Pailles and Riche Terre.

Caudan, via a wholly-owned subsidiary, operates in the security business, and is involved in the sale of alarm equipment and the provision of security and property protection services.

The audited financial statements have been approved by the board on September 28th 2021.

Yours sincerely

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

2021

Annual Report

financial highlights/ performance summary 02

corporate information 03

chairperson's statement 06

corporate governance report 09

statement of compliance 30

company secretary's certificate 31

statutory disclosures 32

corporate social responsibility 34

independent auditors' report to the shareholders 36

statements of financial position 41

statements of profit or loss and other comprehensive income 42

statements of changes in equity 43

statements of cash flows 44

notes to the financial statements 45

Caudan Development
which is listed on the Stock Exchange of Mauritius is a subsidiary of Promotion and Development which holds an effective 70.62 per cent stake in the company

Financial Highlights

	2021	2020
	MRs	MRs
Group shareholders' funds	**4.14bn**	4.09bn
Group net asset value per share	**2.07**	2.04
Share price	**0.98**	1.02
	MRe	MRe
Basic and diluted earnings per share	**0.0264**	0.0025
Adjusted (loss)/earnings per share	**(0.0021)**	0.0053

Performance Summary

	2021	2020
	%	%
Group net asset return	**1.5**	0.0

The growth in net assets plus dividends declared expressed as a percentage of the net assets at the beginning of the year.

Total shareholder return	**(3.9)**	(4.7)

The growth in the share price plus dividends declared expressed as a percentage of the share price at the beginning of the year.

Group annualised returns to June 30th 2021		
5 years	**2.4**	2.2
10 years	**1.7**	1.9

Compound annual total return in terms of increase in net assets plus dividends.

Corporate Information

directors

Jean-Philippe Coulier
Chairperson
Assad Abdullatiff
Bertrand de Chazal
Catherine Fromet de Rosnay
Gilbert Gnany
Stéphanie de La Hogue
René Leclézio
Jocelyne Martin
Seedha Lutcheemee Nullatemby
Resigned September 2021
Philippe Raffray
Bernard Yen

remuneration, corporate governance and ethics committee

Catherine Fromet de Rosnay
Chairperson
Bertrand de Chazal
Jean-Philippe Coulier
Stéphanie de La Hogue
René Leclézio
Philippe Raffray

audit and risk monitoring committee

Assad Abdullatiff
Chairperson
Bertrand de Chazal
Stéphanie de La Hogue
Bernard Yen

management company

Promotion and Development Ltd

company secretary

MCB Group Corporate Services Ltd
Sir William Newton Street
Port Louis, Mauritius

auditors

Ernst & Young
9th Floor, NeXTeracom Tower 1,
Cybercity
Ebène, Mauritius

registrar and transfer office

MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis, Mauritius

registered and postal address

Promotion and Development Ltd
8th Floor, Dias Pier,
Le Caudan Waterfront
Port Louis, Mauritius

Telephone +230 211 94 30
Fax +230 211 02 39
Email corporate@promotionanddevelopment.com

date of incorporation

February 17th 1989

4

Chairperson's Statement

Dear Shareholder

Your company reported a net profit of MRs52.9m for the year compared to MRs5.0m last year, principally due to net revaluation gains booked during the period. The challenging backdrop impacted our performance and resulted in a fall in our operating profit from MRs70.7m to MRs41.4m. During the period, our NAV per share remained fairly stable at MRs2.07, while the net debt dropped from MRs653.2m to MRs557.1m, mainly due to the proceeds from the sale of a plot of land to Government for the Metro Express track.

These figures show that despite the difficult situation, your company has been resilient while confronted with new lockdown restrictions. The extended closure of leisure activities, continued absence of tourists and cruise ships, softness of the rental market and contraction of domestic consumption all contributed to the negative operating performance.

Throughout this difficult year, we worked closely with our tenants, who urged us to support them where we can, by granting them rent reliefs, thereby resulting in reduced rentals. The extended closure of the craft market and of the Caudan Arts Center and the generally lower footfall severely affected our commercial activity. Our security subsidiary company was, for its part, affected by the general cost cutting exercise of several of its customers, but still managed to post a positive contribution to our group's results.

No dividend was declared for the second year running. This was a particularly painful decision for the board to take but we believe that it was more judicious in the light of the tough economic conditions, the current uncertainties, the difficulties in predicting the outlook of the retail sector and the need to strengthen our balance sheet.

We certainly are not able to forecast the evolution of the Covid pandemic nor the sustainability of the economic recovery, but we are encouraged by some recent positive developments which will have a beneficial impact on our activities: The return of tourists, the official opening of the oceanarium, the progress of the new cruise terminal and of the Victoria Station as well as the exit of Mauritius from the grey list of the FATF which should attract more global companies, who are our main office tenants.

We are entering 2022 fully aware of the challenges. In the current evolving environment, we cannot stand still and we are preparing ourselves to benefit from any rebound of the situation. We remain focused on ensuring LCW continues to be attractive to tenants and consumers alike. Our strategy to increase footfall and vibrancy of our destination includes, *inter alia*, exceptional events programmes, a new range of tenants including, for the first time, a deli supermarket, a kids corner and a revamped harbour front terrace.

I would like to express my sincere gratitude to all those who support our activity, our staff, our tenants and our shareholders, and assure them that we are dedicated to overcoming the present difficulties and to rebounding strongly as soon as the environment improves.

Obituary

It is with deep sadness that we recently received the news of the sudden demise of Mooroogassen (Vilas) Soopramanien, the managing director of our subsidiary security company. Vilas, who joined the group in 2012, was a man of great intellect, strong vision and leadership who influenced the strategic direction of the company.

Yours sincerely

Jean-Philippe Coulier

Chairperson

November 9th 2021


CAUDAN
ARTS
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Corporate Governance Report

governance structure

The company is a public interest entity as defined under the Financial Reporting Act 2004.

The board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. The board supports and is committed to attain and maintain the highest standards of corporate governance, including the principles of openness, integrity and accountability.

The company recognises the need to observe the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) ("NCCG") which has brought considerable changes from a corporate governance perspective. We are pleased to report that we are fully compliant with all of the NCCG's requirements. The promotion of good corporate governance values underlies the organisation's decisions and actions.

The company's compliance with the principles of the NCCG is set out in the report.

board and its committees

board charter (the "charter")

The board has adopted a charter which sets out the objectives, roles and responsibilities and composition of the board. The charter should be read in conjunction with the company's Constitution and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail.

The main objectives of the charter are to:

- define the purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and the group in accordance with the directions and delegations of the board; and
- monitor the ethical conduct of the subsidiary companies, its executives and senior officials.

The charter defines inter alia the roles, functions and objectives of the board, various board committees, the Chairperson, the Managing Director and the Company Secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision making processes within the group.

The charter is available for consultation on the company's website.

code of ethics

The group is committed to conduct business in the best interest of all stakeholders in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Code of Ethics which has been approved by the board has been designed to help officers and employees understand their ethical responsibilities as they conduct business on behalf of the group so as to ensure that the company and the group are responsible corporate citizens and that all deliberations and decisions are based on principles of accountability, fairness, responsibility and transparency.

It applies to all subsidiaries of the Caudan group, irrespective of the business segment. Moreover, the Code of Ethics must be read together with the other policies prevailing within the group and any business-specific policies in the applicable area.

The Code of Ethics is reviewed and updated on a periodic basis in order to ensure it stays relevant to the group.

The Code of Ethics is available for consultation on the company's website.

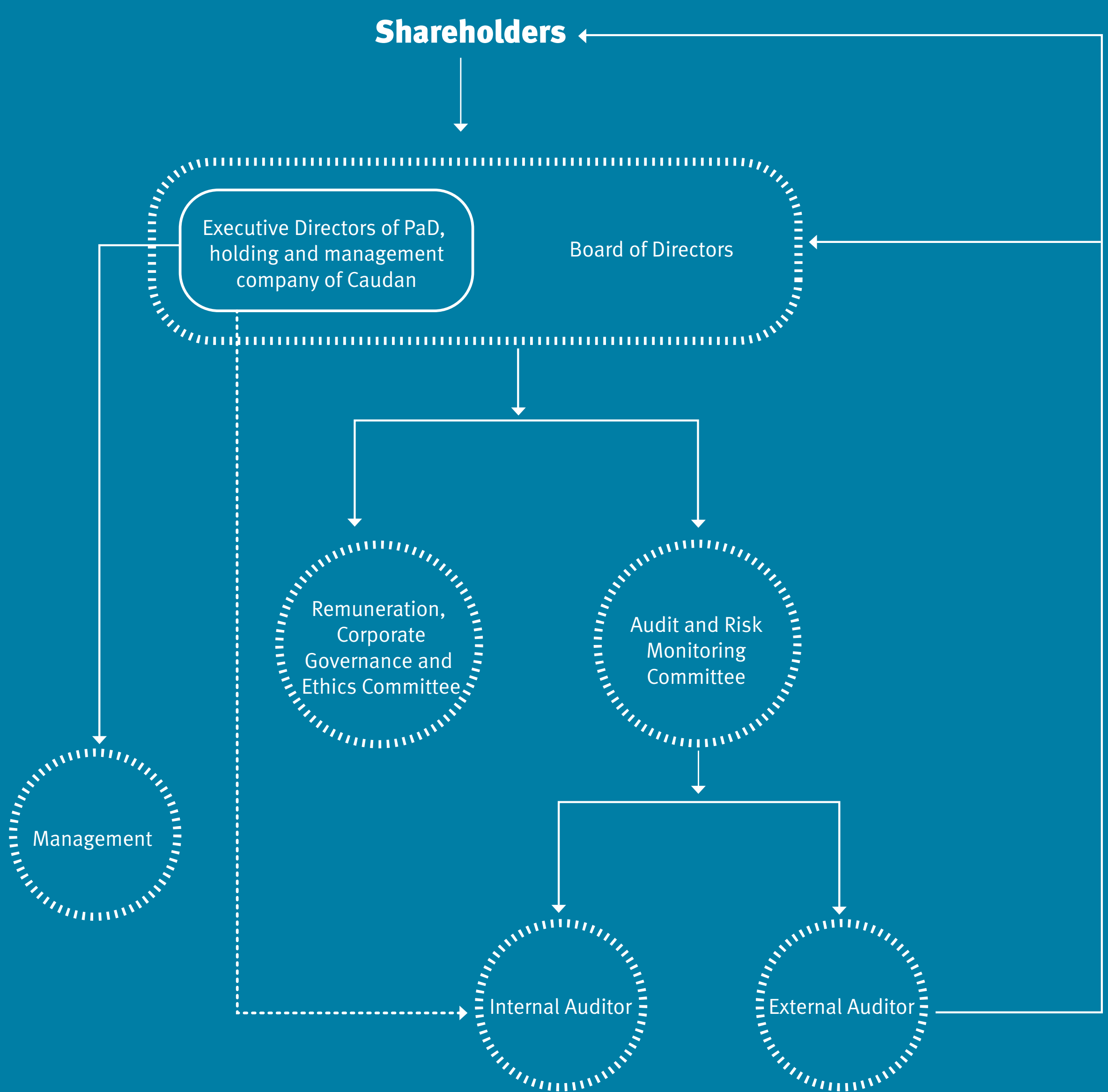
profiles of key governance officers

The profiles of Mr René Leclézio and Mrs Jocelyne Martin appear in the directors' profiles sections.

organisation chart and statement of accountabilities

The board is responsible to set general strategies and policies and ensure their implementation with the support of the key senior governance officers. These key governance officers have an experienced professional background. In addition, the board has set up two committees namely the Remuneration, Corporate Governance and Ethics Committee and the Audit and Risk Monitoring Committee.

structure of the board and its committees



the board

The board is led by an effective and highly committed unitary board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems. It comprises of an appropriate balance of executive, non-independent non-executive and independent non-executive directors.

directors' duties and performance

The main role of the board is to protect and enhance shareholder value. It determines the group's direction, monitors its performance, oversees risks and is collectively responsible for the long-term success of the group, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the company and its subsidiaries are managed in such a way as to achieve its objectives.

The board has ultimate responsibility and is accountable for the performance and activities of the company. The role of the board is to set the overall strategy for the group and to supervise executive management and the proper functioning of the company, including inter alia:

- ensuring that the long term interests of the shareholders are being served, and safeguarding the company's assets;
- assessing major risk factors relating to the group and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;
- reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which plans are based and reaching an independent judgement as to the probability that the plans and/or the forecasts can be realized;
- monitoring the performance of the management against budget and forecasts;
- reviewing and approving the acquisition and divestment policy and significant corporate actions and major transactions;
- approving the treasury policy and raising of finance;
- assessing the effectiveness of the board;
- ensuring that good corporate governance policies and practices are developed within the group;
- ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles and the company's own governing documents;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- performing such other functions as are prescribed by law, or assigned to the board in the company's governing documents.

The board acts in good faith, with due diligence and care, and in the best interests of the company and its shareholders in the course of discharging its duties. It is committed to highest standards of business integrity, transparency and professionalism in all of its activities.

Conflicts of Interest & Related Party Transactions Policy

The board has adopted a Conflicts of Interest & Related Party Transactions Policy which is applicable to the company and to all its subsidiaries. The objective of this policy is to define the scope of conflicts of interest and related party transactions. This policy is available for consultation on the website of the Company. Directors are required to inform the board of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters.

An interest register is maintained and updated on a quarterly basis and is available for consultation upon written request to the Company Secretary.

Information, Information Technology and Information Security Governance Policy

The board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the company applies to all the subsidiaries of the group. All policies relating to information security are made accessible to all employees. This policy is available for consultation on the website of the company.

General Data Protection Privacy Policy

The board is committed to compliance with all relevant laws in respect of personal data, including the European General Data Protection Regulation ('GDPR') and the Mauritian Data Protection Act 2017 ('DPA') for the protection of the rights and freedoms of individuals whose information are collected and processed by the company in the course of its activities. The company is a registered controller with the Data Protection Office. In keeping with the GDPR and the DPA, the Caudan group has endeavoured to reinforce the safety and security measures to protect the personal data it collects, stores and processes. The board has thus approved a General Data Protection Privacy Policy which is available for consultation on the website of the company and has also appointed a Data Protection Officer whose responsibilities include inter alia to monitor the implementation of the aforesaid framework for protecting personal data.

Whistleblowing Policy

The board has approved a whistleblowing policy applicable to all its subsidiaries, its employees and directors, which is made available on the website of the company. This policy aims at providing an avenue for issues to be raised in good faith, concerns of potential breaches of laws, rules, regulations or compliance. The whistleblowing mechanism intends to motivate responsible actions to uphold the group's reputation.

directors' profiles

Jean-Philippe Coulier

Chairperson and non-independent non-executive director

Holder of a 'Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France). During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was appointed Director of The Mauritius Commercial Bank in 2012 and held the chairmanship from 2014 to 2018. In 2018, he was appointed director and Chairperson of Promotion and Development and Caudan Development. He is also a director of MCB Group, MCB Factors, MCB Microfinance, Fincorp Investment, Constance Hotel Services and Hotelest.

René Leclézio

Executive director

BSc (Hons) in Chemical Engineering, Imperial College and MBA, London Business School. Worked as a manager at Lloyds Merchant Bank, London, before joining Promotion and Development as its general manager in 1988. Director of several private and public companies including Promotion and Development, Medine, EUDCOS and MFD Group.

Assad Abdullatiff

Non-independent non-executive director

LLB (Hons) and LLM in Business Law, admitted to the Bar of Mauritius. Founding partner and Managing Director of AXIS Fiduciary. Previously an Assistant Director at the Board of Investment of Mauritius, where he was the Head of the Financial Services Cluster, responsible for the promotion of Mauritius as an International Financial Centre. Member of the Society of Trusts & Estate Practitioners (STEP), past Chairman of the Mauritius branch and appointed as Council member of STEP worldwide in 2017 to represent the Africa/Arabia region. Director of Promotion and Development and a number of other companies in Mauritius operating in diverse economic sectors.

Bertrand de Chazal

Non-independent non-executive director

Fellow member of the Institute of Chartered Accountants of England and Wales and Commissaire aux Comptes. Worked during his career with Touche Ross, Paris and West Africa; retired as senior financial analyst of the World Bank. Director of Promotion and Development, MCB Equity Fund and MCB Capital Markets.

Catherine Fromet de Rosnay

Non-independent non-executive director

Director at LEGIS & Partners, a law firm registered under the Law Practitioners Act. Holds a 'Magistère de Juriste d'Affaires' and 'Diplôme de Juriste et Conseil d'Entreprise (D.J.C.E)' from the Université de Paris II, Panthéon Assas. Practised as an in-house lawyer for nearly 8 years at the legal department of Nexans in Paris, formerly known as Alcatel Cable France. Currently involved in the negotiation and drafting of commercial and joint-venture agreements, corporate due diligence exercise, M&A operations, legal and tax advice. Director of Promotion and Development, Hotelest and Constance Hotels Services and of various other private companies controlled by French investors. Also board member of the Chambre de Commerce et d'Industrie France-Maurice.

Gilbert Gnany

Non-independent non-executive director

Holds a Master's degree in Econometrics from the University of Toulouse and a 'DESS' in Management/Micro-Economics from Paris-X. He is currently Chief Strategy Officer of MCB Group. Previously, he worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist after having been the Economic Advisor to the Minister of Finance. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius, the Statistics Advisory Council and the Statistics Board of Mauritius as well as having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. Presently, alongside being a Director of MCB Group and a member of its Strategy Committee and Risk Monitoring Committee, he acts as either Chairperson or board member of several companies of the MCB Group. Director in other listed companies namely MCB Group, Promotion and Development, COVIFRA and Medine.

Stéphanie de La Hogue

Non-independent non-executive director

Holder of a Master's degree in Marketing and Finance from the Institut de Management International de Paris, she also followed the ESSEC General Management Program. She is the Managing Director of Poivre Corporate Services, a corporate office, as well as of Kasa Textile & Co . She is a member of the board of Promotion and Development, Rey & Lenferna, Forges Tardieu and is the Chairperson of CEAL.

Jocelyne Martin

Executive director

BSc (Hons) in Statistics, London School of Economics. Member of the Institute of Chartered Accountants of England and Wales. Trained with Deloitte Haskins + Sells (now part of PwC), London. After several years of experience in the UK, worked at De Chazal Du Mée before joining Promotion and Development in 1995 as Group Financial Controller. Was appointed director in 2004. Director of Promotion and Development, Medine, EUDCOS and MFD Group.

Seedha Lutcheemee Nullatemby

Resigned September 2021

Independent non-executive director

Fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and also holds an MBA in Finance. She is also a qualified Stockbroker. She has been working at the State Investment Corporation for the past 32 years and has wide ranging experience in the field of Finance, Accounting, Administrative and Corporate matters. She is a Director of various companies within the SIC Group. She is also the Chairperson of the Finance Committee and Director of Mauritius Educational Development Company, LaFarge, Cyber Properties Co, among others.

Philippe Raffray

Independent non-executive director

Holds a BA in Politics from the University of York and a Masters degree in Marketing Management from the University of Lancaster (UK). He had an international career spanning over 35 years with L'Oreal in Europe, Africa and Asia. He developped 'emerging markets' sales and marketing strategies as General Manager of the FMCG Divisions in South Africa, India and Indonesia. He was then appointed Country Managing Director of the L'Oreal hubs in South Africa, Ukraine and finally Morocco and the Maghreb. He retired from L'Oreal in June 2019 and joined the Board of Caudan Development Limited in June 2019. He is also a member of the management committee of BrandActiv and an independent non-executive director of CIPD, both part of the IBL group.

Bernard Yen

Non-independent non-executive director

Fellow of the UK Institute and Faculty of Actuaries. Currently the Managing Director of AON in Mauritius, providing actuarial, pensions and other services in the African region. Has 35 years' international consulting experience including 15 years with Mercer in Europe. Serves as the African representative on the Committee of Actuaries advising the UN staff pension fund since 2007. Also director of Promotion and Development.

key roles and responsibilities

The executive directors are: Mr René Leclézio and Mrs Jocelyne Martin who are executive directors of PaD, the holding and management company of Caudan.

To ensure a better balance of power and authority on the board, the functions and roles of the Chairperson and executive directors are independent of each other and they function under separate mandates issued by the board. This differentiates the division of responsibility within the company and ensures a balance of authority. The Chairperson has overall responsibility for leading the board and ensuring its effectiveness whilst the executive directors are responsible for managing and leading the business of the group.

The Chairperson provides overall leadership for decisions taken collectively by the board. He is responsible for ensuring the smooth functioning of the board and for promoting high standards of corporate governance. He is also responsible for ensuring that the directors receive accurate, timely and clear information and that adequate time is available for discussion of all agenda items at board meetings and in particular strategic issues. He encourages the active participation of all board members in discussions and decisions, constructive relation between the board and management and effective communication with stakeholders.

The executive directors are responsible for the day to day running of the group's operations and for developing and recommending the long term strategy and vision of the company and the group. They lead and direct senior management to implement the strategy and policies set out by the board. They also ensure effective communication with shareholders. The executive directors report at each board meeting on the performance, updates and prospects of the Caudan group and any other material matters arising.

The Company Secretary provides assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that the board procedures are followed and that applicable laws and regulations are complied with, for guiding the board with regard to their duties and responsibilities and for preparing agenda and minutes for board meetings and circulating same together with any supporting documentation.

The roles and responsibilities of the Chairperson, the Managing Director and the Company Secretary are defined in the position statements which have been approved and are reviewed regularly by the board. The position statements are available for consultation on the company's website.

balance and diversity

The company's constitution provides that the board of the company shall consist of a minimum of 7 and a maximum of 14 directors. As at June 30th 2021, the board was made up of eleven directors. as set out on page 3.

The board includes an appropriate combination of executive directors, non-independent non-executive directors and independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision taking. All the directors are residents of Mauritius. Taking into account the scope and nature of operations of the group, the board considers that the number of directors is commensurate with the sophistication and scale of the organization and is appropriate to facilitate the effective decision making. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues take place in a critical yet constructive manner.

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.

The non-independent non-executive directors are directors of PaD, major shareholder of Caudan and as such they are not legally considered as being independent. However, they are independent in both character and judgement and have wide experience and make important contributions to strategic issues and corporate governance.

During the year under review, there were 2 independent directors, proving a strong and independent element on the board: Mrs Seedha Lutcheemee Nullatemby and Mr Philippe Raffray. In the forthcoming year, the Company will endeavour to find an independent director to replace Mrs Seedha Lutcheemee Nullatemby who has resigned from the board in September 2021.

With four female directors as board members, the board is also in line with the recommendation of the NCCG regarding the gender diversity.

All directors are expected to objectively discharge their duties and responsibilities in the interests of the company. All directors should make their best efforts to avoid conflicts of interests or situations where others might reasonably perceive such a conflict. The personal interest of a director, or persons closely associated with the director, must not take precedence over those of the company or its shareholders. Any director, who is directly or indirectly interested in a transaction or proposed transaction, is required to disclose the nature of his interest, at the meeting in which the transaction is discussed, and should not participate in the debate, vote or indicate how he would have voted on the matter.

balance

Independent non-executive directors	2
Executive directors	2
Non-independent non-executive directors	7

average age

‹ 50	2
51 - 60	3
61 - 70	4
› 70	2

gender diversity

Female	4
Male	7

board/director's performance

The board acknowledges the need to regularly review the board's performance and effectiveness, that of its committees, the Chairperson and individual members. An internal board evaluation exercise was carried out for the financial year 2020/2021. The evaluation was carried out by means of a questionnaire that was filled in by each Director. The questionnaire covered the following areas:

- The structure of the board
- Board efficiency and effectiveness
- Strategy and Performance
- Risk Management and Governance
- Board committees function
- Board members self-evaluation
- Chairperson's evaluation by board members

The results were analysed and the review established that the directors consider the board to be operating effectively. The board was comfortable with the overall results of the assessment. An action plan will be implemented for the few areas requiring improvement.

The board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

The Board has decided that the board evaluation exercise would be carried out every 2 years. As such, the next exercise will be held in 2023. The directors endeavour to maintain the same vigilance in leading the Company.

director appointment procedures

In accordance with the constitution of the company, all directors shall retire from office and shall be eligible for re-election at each annual meeting of shareholders.

The board of directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors up to a maximum number permitted by the Constitution until the next Annual Meeting of Shareholders where the director shall then retire and shall be eligible for appointment at that meeting.

Newly appointed directors are briefed on key information relating to the group and the sector in which it operates. They are given the relevant governing documents of the company and meet executive management to familiarize with each of the group's business and operation, its strength and weaknesses. This process contributes to ensuring a well-informed and competent board.

The procedures and accountability for certain of the board matters are delegated under clearly defined conditions to board committees and executive management and information is supplied to the board in a manner that enables the board to act diligently and fulfill its responsibilities. The board monitors regularly the effectiveness of the policies and decisions, including the implementation and execution of its strategies.

succession plan

The Board assumes the responsibility for the succession planning of directors and senior officers. The succession planning exercise, which is an on-going process, falls within the purview of the Remuneration, Corporate Governance and Ethics Committee.

board meetings

All directors are expected to attend all meetings of the board, and of those committees on which they serve, and to devote sufficient time to the group's affairs to enable them to properly fulfill their duties as directors. The dates of the meetings together with agenda items are scheduled up to one year in advance, with board meetings at least each quarter.

However, on occasion, in addition to the regular scheduled meetings, it may be necessary to convene ad-hoc meetings at short notice as and when circumstances warrant, which may preclude directors from attending. Besides physical meetings, the board and the board committees may also make decisions by way of written resolutions. Board meetings are chaired in Mauritius and participation by board members by means of teleconference or similar communication equipment is permitted.

Matters considered by the board in 2020-2021:

- The audited annual report for the year ended June 30th 2020;
- The abridged unaudited financial statements for the first, second and third quarters;
- Investments of the company;
- Review of the strategic orientations;
- Succession planning discussions;
- Presentation on fair value and revaluation standards;
- Approval of budget for financial year 2020/2021;
- Presentation of the economic situation resulting from the COVID-19 pandemic and national lockdowns;
- Action plan further to Board evaluation exercise; and
- Presentation on Enterprise Risk Assessment.

The board met six times during the year to consider all aspects of the company's affairs and any further information which it requested from management. Directors are kept regularly informed of the up to date business position of the group.

The agenda of the board is prepared by the Company Secretary in consultation with the Chairperson and the executive directors and circulated together with accompanying board papers in a timely manner.

attendance at board meetings

2021	board of directors
Jean-Philippe Coulier	6/6
René Leclézio	5/6
Assad Abdullatiff	6/6
Bertrand de Chazal	6/6
Catherine Fromet de Rosnay	6/6
Gilbert Gnany	4/6
Stéphanie de La Hogue	6/6
Jocelyne Martin	6/6
Seedha Lutcheemee Nullatemby	4/6
Philippe Raffray	6/6
Bernard Yen	6/6
total number of meetings held	**6**

board committees

To assist the board in the discharge of its responsibilities, the board has delegated certain functions to the following committees, each of which has its own written terms of reference which deal clearly with their authorities and duties. Details of the most important committees are set out below:

The Remuneration, Corporate Governance and Ethics Committees ("RCGEC")

The main role of the RCGEC is to advise and make recommendations to the board in the discharge of its duties relating to corporate governance matters and nomination of directors and senior executives of the company and to all remuneration aspects.

It comprises of Mrs Catherine Fromet de Rosnay, who chairs this committee, Mrs Stéphanie de La Hogue and Messrs Jean Philippe Coulier, Bertrand de Chazal, René Leclézio and Philippe Raffray.

The committee makes recommendations to the board, in respect of issues relating to appointments of directors and the composition, size and structure of the board and generally on all corporate governance provisions to be adopted by the company and oversees their implementation. It also has responsibility for the compensation strategies, plans, policies and programs of the company and its subsidiaries and evaluating and approving the remuneration package and other terms and conditions of service applying to directors and senior executives.

The Committee is also responsible for updating from time to time, and as necessary, the company's Code of Ethics. It is also responsible for driving the process for the implementation of the National Code of Corporate Governance for Mauritius throughout the group. As such, it oversees that compliance to the NCCG is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the group, and that its core principles are embedded in the Group Corporate Culture.

Matters considered by the RCGEC in 2020-2021:

- Implementation of the action plan further to the board evaluation exercise;
- Review of the Corporate Governance Report forming part of the Annual Report 2020;
- Finalisation of the induction pack;
- Succession planning recommendations; and
- Approval of salary increases.

attendance of the Remuneration, Corporate Governance and Ethics Committee

2021	
Jean-Philippe Coulier	2/2
René Leclézio	2/2
Bertrand de Chazal	2/2
Catherine Fromet de Rosnay	2/2
Stéphanie de La Hogue	2/2
Philippe Raffray	2/2
total number of meetings held	2

The Audit and Risk Monitoring Committee

The committee is appointed by the board to assist in the discharge of duties relating to the overall control aspects of the company and its subsidiaries, including the safeguarding of assets, the monitoring of internal control processes, and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards. It also assists in setting up risk mitigation strategies and to assess and monitor the risk management process of the group and to advise the Board on risk issues. The main findings of the committee and its recommendations are reported to the board on a regular basis.

It comprises Mr Assad Abdullatiff, who chairs this committee, Mrs Stéphanie de La Hogue and Messrs Bertrand de Chazal and Bernard Yen. All four members of the committee have the relevant financial experience. None of the members of the Audit and Risk Monitoring Committee were previous partners of or directors of the external auditors, namely Ernst & Young nor do they hold any financial interest therein.

In addition to its statutory functions, the Audit and Risk Monitoring Committee considers and reviews any other matters as may be agreed to by the Audit and Risk Monitoring Committee and the board. In particular, the committee assists the board in fulfilling its financial reporting responsibilities. It reviews the financial reporting process, and monitors compliance with laws and regulations. It monitors the quality, accuracy, reliability and integrity of the financial statements, and reviews interim financial reports and the annual financial statements prior to their submission to the board, and the application of the company's accounting policies. It reviews the audit process and assesses and recommends the appointment of internal and external auditors.

The committee reviews matters affecting the company's financial and internal controls, their adequacy and effectiveness and the management of financial risk. The committee also monitors risks identified and considered critical by management, including capital, market, reputational, strategic and operational risks; it reviews and monitors the development and implementation of the company's risk management programme. The Audit and Risk Monitoring Committee provides a forum through which the external auditors can report to the board and monitors their performance and independence. The board is satisfied that the Audit and Risk Monitoring Committee has adequately discharged its responsibilities in compliance with its terms of reference.

attendance of the Audit and Risk Monitoring Committee

2021	
Assad Abdullatiff	4/5
Bertrand de Chazal	5/5
Stéphanie de La Hogue	5/5
Bernard Yen	5/5
total number of meetings held	5

Matters considered by the Audit and Risk Monitoring Committee in 2020-2021:

- Review the abridged quarterly financial statements for the first, second and third quarters;
- Review and recommend for approval to the board the abridged and annual financial statements for the year ended 30 June 2020;
- Review of budget for the financial year 2020/2021;
- Review of the Compliance reports submitted by the compliance officer;
- Review various audit reports submitted by the internal auditor and monitor the implementation of the agreed internal control improvements by management; and
- Review audit reports and findings of the external auditor.


Investec

statement of remuneration philosophy

The company's remuneration philosophy concerning directors provides that:

- there should be a retainer fee for each director reflecting the workload, size and complexity of the business as well as the responsibility involved. It should be the same for all directors whether executive or non-executive directors.
- the Chairperson having wider responsibilities should have higher remunerations.
- there should be committee fees for directors. The Chairperson should have higher remuneration than members.
- board and committee members also receive an attendance fee per sitting of their respective boards and committees.
- an attendance fee is also paid for attending the Annual Meeting of shareholders.
- no share option or bonus should be granted to non-executive or independent directors.

directors' remuneration

remuneration and benefits received and receivable from the company and its subsidiaries

2021

MRs000	THE COMPANY	SUBSIDIARIES	TOTAL
Jean-Philippe Coulier	210	-	210
Assad Abdullatiff	155	-	155
Bertrand de Chazal	165	60	225
Catherine Fromet de Rosnay	125	-	125
Stéphanie de La Hogue	165	-	165
Seedha Lutcheemee Nullatemby	85	-	85
Philippe Raffray	115	-	115
Bernard Yen	145	-	145
Total Non-Executive	**1,165**	**60**	**1,225**

Remuneration of non-executive directors consists of a basic retainer fee and an attendance fee in respect of their presence at meetings of the board and their respective committees as well as the Annual Meeting of Shareholders.

Executive directors and non-executive directors having an executive role within the PaD Group or entities of the MCB Group are not remunerated.

risk governance and internal control

The group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Monitoring Committee, the nature and governance of risk remain the ultimate responsibility of the board.

The responsibility of the board also includes:

- Ensuring that structures and processes are in place for risks management;
- Identifying the principal risks;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems are in place for implementing, maintaining and monitoring internal controls.

All risks have been documented in a risk register and this will be reviewed at least yearly to identify new and emerging risks.

Some of the operational risks to which the group is exposed are:

- physical: losses due to fire, cyclone, explosion etc.
- human resources: losses arising from acts inconsistent with employment, health and safety laws.
- business continuity: losses resulting from breakdown in systems, failure of internal processes, inadequate back-ups and loss of data.
- compliance: failure to comply with laws, regulations, codes of conduct and standard of good practice relevant to the group's business environment.

The property segment is influenced mainly by economic growth in the country. The ability of commercial local businesses to rent properties depends on the former's financial performance, but with the increased competition due to new shopping malls across the country and a low economic growth, these businesses may struggle to stay operational. In addition, oversupply of rental property puts downward pressure on rentals. The COVID-19 pandemic has exacerbated an already challenging situation and has led to significant volatility and uncertainty across various sectors of the economy in which we operate. A series of measures have been taken to mitigate the downside risks and a financial stress test has been performed to assess the Group's resilience.

The Caudan group is also exposed over the allocation of permits from the authorities for development projects. Delays in granting permits may be encountered.

To mitigate the above risks, the company has developed various policies, processes, systems and methods which are reviewed regularly to ensure that they are managed on a timely basis and in an effective manner. Risks workshops are thus organised periodically. In June 2017, a Business Risk Identification and assessment exercise was carried across the group by MCB Consulting. Under their guidance, the group has put in place a risk management framework and implemented the action plan to mitigate the business risks and/or to transform them into business opportunities. Due to Covid-19 and the resulting lockdown, the business risk assessment process which was initially scheduled to be conducted in early 2020, was postponed to December 2020. An updated Enterprise Risk Management Framework has been identified during a workshop. The aim was to prioritise our key strategic orientations and initiatives and analyse the various risks involved for their proper execution. An action plan was subsequently drafted and a steering committee has been set up to look into the risk assessment and the strategic implementation process.

The group is also exposed to financial risks such as market risk, credit risk and liquidity risk. The management of these risks is further discussed in note 1 of the financial statements.

The board is also responsible for information governance within the company and its subsidiaries. It ensures that all risks pertaining to IT are mitigated and are systematically referred to consultants as appropriate. All risks emerging with the spread of new technologies and digitalisation practices issues and problems encountered are currently referred to the IT department of the MCB Ltd or other service providers. Internal control procedures have been implemented internally to avoid inter alia, malfunction or disruption in the operation of the systems and/or cyber-security breaches.

The existing policies are being reviewed and an IT governance model for the company is currently being developed. A list of the existing policies is detailed below:

- Email, internet and other acceptable use policy: Outline appropriate and inappropriate use of email systems and services and internet resources.
- System administrator policy: establish administrative and privileged access rights to the company's IT systems and confidential information.
- Logical access policy: limit access to information processing facilities and business processes of the group.
- Mobile code policy: protect integrity of software and information, provide instructions on measures to be taken to achieve effective malware detection and prevention.
- Information security & incident management policy: protect information assets, prevent security incidents and reduce their potential impact. Identify information security events and weaknesses and take timely corrective action.
- Back up policy: regular backup copies of information and software to protect against loss of data, maintain the integrity and availability of information and information processing facilities.
- Network security policy: protection of information in networks and of supporting infrastructure.
- Password policy: creating, protecting and changing passwords.
- Laptop policy: minimise information security risks that may affect laptops.

reporting with integrity

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare the financial statements in accordance with International Financial Reporting Standards.

The directors are also responsible for keeping adequate accounting records and for the preparation of accounts that fairly present the state of affairs of the company. The annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the company's position, performance and outlook. The directors have also the duty to safeguard the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

sustainability reporting

The company is committed to the development and implementation of social health and safety and environmental policies and practices in line with existing legislatives and regulatory framework.

carbon reduction commitment

Environment consciousness is among one of the most important business practices of the company and the group. The group wishes to go further in the strengthening and affirmation of the group's identity as an eco-friendly destination by building on several ad-hoc green initiatives that have been taken over a certain period of time, like the use of eco-friendly biodegradable detergents when it comes to the cleaning of the premises and recycling of used oils among others. The group has reduced paper consumption through the elimination of paper invoices by sending them electronically. Furthermore, the group has installed water dispensers at its premises in order to shifting off plastic bottles.

The most visible and ambitious action taken at this level is the inculcation of environmental awareness to all staff, visitors and tenants via the implementation of selective separation and sorting of waste with the provision of adapted bins.

In the coming year, the group will continue to work towards bringing consistency to its environment friendly policy and actions in view of putting up a structured and full-fledged project that will strengthen the group's commitment towards sustainable development, thus enabling us to meet international standards with regard to environmental consciousness.

audit

Audit and Risk Monitoring Committee

The mission of the Audit and Risk Monitoring committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the company's auditors.

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

During the year under review, the Audit and Risk Monitoring Committee has continued to focus on its key objectives namely: overseeing financial reporting, internal controls, internal and external audit.

internal audit

The company has established an in-house internal audit function at group level to provide the board with assurance that an effective governance, risk management and internal control environment is maintained. The group internal auditor evaluates all aspects of internal control of the company and its subsidiaries and assists the Audit and Risk Monitoring Committee to ensure that the company maintains a sound system of internal controls. The internal auditor reports to the Audit and Risk Monitoring Committee Chairperson, and to the executive management on administrative matters. The Audit and Risk Monitoring Committee approves the hiring and the removal of the internal auditor and also ensures the adequacy and effectiveness of the internal audit function. The internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the Audit and Risk Monitoring Committee. The internal auditor provides a written assessment of the group's internal controls which is tabled at each Audit and Risk Monitoring Committee meeting. The internal audit findings, recommendations and status of remediation are reviewed and discussed with the committee members and management, who also submits an action plan for the various findings. The internal auditor has unfettered access to the group's documents, records, properties and personnel, including access to the Audit and Risk Monitoring Committee. During the year under review, the internal auditor reported to the Audit and Risk Monitoring Committee on factual findings with respect to controls relating to sales and accounts receivables, complaints and incidents management, cash management, Information Technology , procurement and payment. The Internal auditor also reported on the implementation status of previous internal audit recommendations with respect to inventory management, contracts and accounts receivables management, order to pay, parking and marina, human resources and payroll system. The procurement and payment procedure manual was also tabled for approval.

external audit

Annual audit plans are presented in advance by the external auditors and reviewed by the Audit and Risk Monitoring Committee.

The Audit and Risk Monitoring Committee also reviews the external auditors' report and any recommendations for improvements in controls and procedures identified in the course of their work and ensures the proper follow up of previous recommendations.

The Audit Committee also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the company; and
- Considering whether the relationships that may exist between the company and the External Auditor impair the External Auditor's judgement.

Upon approval from the Audit Committee, the board of the company thereafter recommends the appointment of external auditors to the shareholder in the Annual Meeting of shareholders for approval by way of an ordinary resolution.

Although the External Auditor may provide non-audit services to the company, the objectivity and independence of the External Auditor is safeguarded through restrictions on the provisions of these services such as:

- where the External Auditor may be required to audit its own work, or
- where the External Auditor participates in activities that should normally be undertaken by the company.

The auditors Ernst & Young who were first appointed in December 2019 were re-appointed as external auditors at the annual meeting of shareholders held in December 2020.

relations with shareholders and other key stakeholders

At June 30th 2021, the capital structure of the company was MRs2,000,000,000, represented by 2,000,000,000 ordinary shares of MRe1.00 each and there were 3,205 shareholders on the registry.

shareholders holding more than 5% of the share capital of the company at June 30th 2021

shareholder	number of shares	% held
Promotion and Development Ltd	1,217,257,922	60.86
Ferryhill Enterprises Ltd	195,236,234	9.76
	1,412,494,156	70.62
MCB Group Limited	125,882,191	6.29
Fincorp Investment Ltd	106,790,072	5.34

Subsidiaries and associates of the company are listed in notes 5 and 6 respectively of the financial statements.

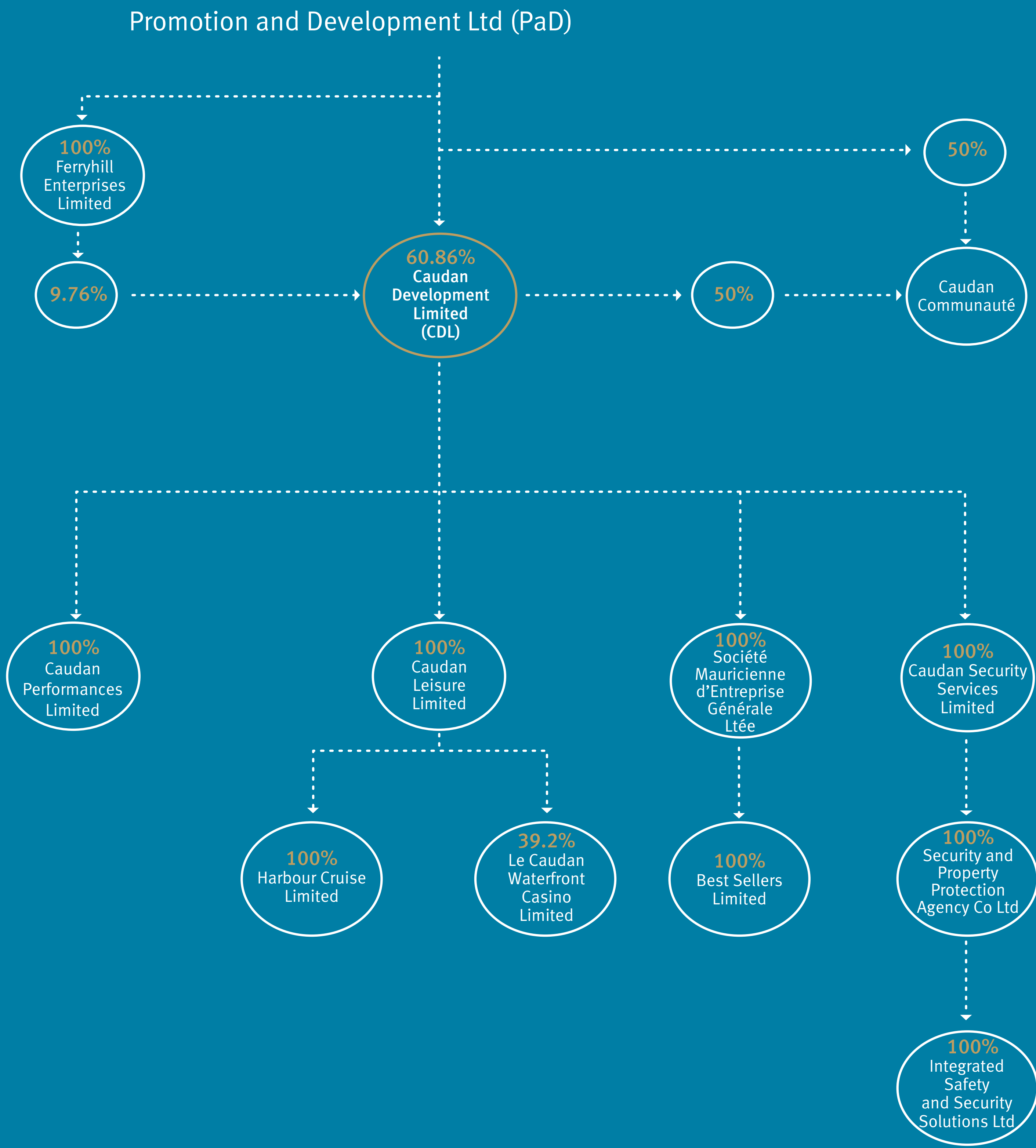
group structure as at June 30th 2021

The holding structure up to and including Promotion and Development Ltd, the ultimate parent, is shown overleaf.

size of shareholding	number of share-holders	number of shares owned	% holding
1-500 shares	397	73,804	0.004
501-1,000 shares	202	141,323	0.007
1,001-5,000 shares	922	2,118,165	0.11
5,001-10,000 shares	333	2,297,400	0.11
10,001-50,000 shares	770	17,451,661	0.87
50,001-100,000 shares	185	13,109,050	0.66
Above 100,000 shares	377	1,964,808,597	98.24
Total	**3,186**	**2,000,000,000**	**100.00**

category	number of shareholders	number of shares owned	% holding
Individuals	2,958	120,116,630	6.01
Insurance and Assurance Companies	5	16,416,449	0.82
Pensions and Provident Funds	35	113,095,467	5.65
Investment and Trust Companies	32	160,824,356	8.04
Other Corporate Bodies	156	1,589,547,098	79.48
Total	**3,186**	**2,000,000,000**	**100.00**

The number of shareholders given above is indicative, having been obtained by consolidation of multiple portfolios for reporting purposes.


Promotion and Development Ltd (PaD)
100% Ferryhill Enterprises Limited
9.76%
60.86% Caudan Development Limited (CDL)
50%
50%
Caudan Communauté
100% Caudan Performances Limited
100% Caudan Leisure Limited
100% Société Mauricienne d'Entreprise Générale Ltée
100% Caudan Security Services Limited
100% Harbour Cruise Limited
39.2% Le Caudan Waterfront Casino Limited
100% Best Sellers Limited
100% Security and Property Protection Agency Co Ltd
100% Integrated Safety and Security Solutions Ltd

The board places great importance on an open and transparent communication with all shareholders; and it endeavours to deliver to the shareholders and to the global investing community thorough and up to date information to support informed investment decisions and keep them informed on matters affecting the company, which could have a material impact on the company's share price.

The company communicates to its shareholders through its Annual Report, publication of unaudited quarterly and audited abridged financial statements of the group, dividend declaration, if any, press announcements and the Annual Meeting of Shareholders to which all shareholders are encouraged to attend. All shareholders of the company are entitled to attend and vote at shareholders' meetings in person or by proxy. The company is required to comply with the provisions of the Listing Rules on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified period. All announcements are posted on the company's website.

The company's website is also an important means of effectively communicating with all stakeholders, keeping them abreast of developments within the group.

The shareholders are entitled to receive the Annual Report of the company and the notice of Annual Meeting within six months of the end of the financial year and at least 21 days before the Annual Meeting in accordance with the Companies Act 2001.

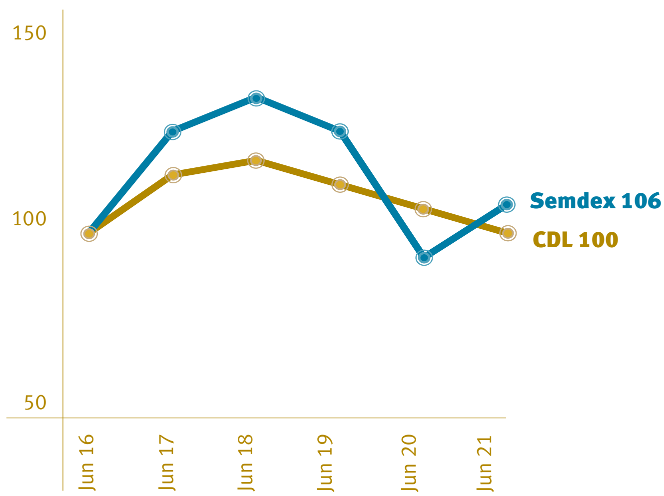
shareholders' calendar

The company has planned the following forthcoming events :

Mid-November 2021	release of first quarter results to September 30th 2021
December 2021	annual meeting of shareholders
Mid-February 2022	release of half-year results to December 31st 2021
Mid-May 2022	release of results for the nine month period to March 31st 2022
June 2022	declaration of final dividend (if any)
End-September 2022	release of full year results to June 30th 2022
Mid-November 2022	release of first quarter results to September 30th 2022
December 2022	annual meeting of shareholders

share price information

evolution of the company's share price compared to the Semdex over the past five years



(Base year, June 2016=100)

the constitution

A copy of the constitution is available at the registered office of the company and on its website. There are no clauses of the constitution deemed material to be disclosed.

common directors

common directors within the holding structure of the company

at June 30th 2021	Promotion and Development
Jean-Philippe Coulier	›
René Leclézio	›
Assad Abdullatiff	›
Bertrand de Chazal	›
Catherine Fromet de Rosnay	›
Gilbert Gnany	›
Stéphanie de La Hogue	›
Jocelyne Martin	›
Bernard Yen	›

shareholders agreement

There is currently no shareholders' agreement affecting the governance of the company by the board.

third party management agreement

There were no such agreements during the year under review.

dividend policy

The company's objective is to provide value to its shareholders through optimum return on equity. The company does not currently have a formal dividend policy. The declaration amount and payment of future dividends depend on many factors, including level of profits realised, cash flow and financial condition, expansion and working capital requirements, commitments with regards to future projects and other factors deemed relevant by the board. The company however aims at achieving a reasonable return and regular income in the form of stable dividends and as far as possible, intends to maintain or grow the dividend each year.

The Audit and Risk Monitoring Committee and the board ensure that dividends are paid out only if the company, shall upon the distribution being made, satisfy the solvency test. Dividends are normally declared and paid once a year.

Given the uncertainties surrounding the evolution and impact of the COVID-19 pandemic, no dividend was paid for the years ended 30th June 2020 and 30th June 2021.

trend over the past five years

year	dividend per share
	cents
2021	**-**
2020	-
2019	4.0
2018	4.0
2017	4.0

statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flow of the company and of the group. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2001. The directors are also responsible to ensure that:

- an effective system of internal control and risk management has been maintained and
- the code of corporate governance has been adhered to.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

Approved by the board of directors on
September 28th 2021 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

Statement of Compliance

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

name of public interest entity ('P.I.E')

Caudan Development Limited

reporting period

Year ended June 30th 2021

We, the directors of Caudan Development Limited, confirm that, to the best of our knowledge, the P.I.E has fully complied with the principles of the National Code of Corporate Governance (2016).

Approved by the board of directors on September 28th 2021 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

Company Secretary's Certificate

In our capacity as Company Secretary, 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 under the Companies Act 2001.

MCB Group Corporate Services Ltd

Company Secretary

September 28th 2021

Statutory Disclosures

(SECTION 221 OF THE COMPANIES ACT 2001)

principal activities

The principal activities of the group continued throughout 2021 to be property development and investment and the provision of security services.

directors' interests in shares

The directors are aware of the contents of the Model Code on Securities Transactions by Directors (appendix 6 of the Mauritius Stock Exchange Listing Rules 2000).

interests of the directors in the share capital of the company and its subsidiaries at June 30th 2021

number of shares	direct	indirect
Jean-Philippe Coulier	-	-
Assad Abdullatiff	-	-
Bertrand de Chazal	-	-
Catherine Fromet de Rosnay	-	-
Gilbert Gnany	-	-
Stéphanie de La Hogue	-	-
René Leclézio	-	1,281,237
Jocelyne Martin	158,628	-
Seedha Lutcheemee Nullatemby	-	-
Philippe Raffray	-	-
Bernard Yen	146,426	-

directors of subsidiaries

For directors of subsidiaries, please refer to page 86 of the financial statements.

directors' service contracts

There are no service contracts between the company or its subsidiaries and the directors.

directors' indemnity insurance

The company has contracted an indemnity insurance cover for the directors' liability.

directors' remuneration

The total remuneration and benefits received or due and receivable by each director of PaD from the company and its subsidiaries are found on page 21.

	THE COMPANY		SUBSIDIARIES	
MRs000	**2021**	2020	**2021**	2020
Full time executive directors	**-**	-	**-**	-
Non-executive directors	**1,165**	1,045	**60**	60
	1,165	1,045	**60**	60

contract of significance

During the year under review, there was no contract of significance to which the company was a party and in which a director was materially interested either directly or indirectly.

auditors' fees

fees payable to the auditors for audit and other services, year ended June 30th 2021

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Ernst & Young				
Audit services	**1,095**	1,123	**375**	350
Other services	**-**	-	**-**	-
	1,095	1,123	**375**	350

donations

No charitable donations were made during the year (2020: MRs10,000).

No political donations were made during the year (2020: nil).

Corporate Social Responsibility

CSR fund

Ever since inception, the company has always been committed in providing voluntary support to non-governmental organisations (NGOs) and sponsorship to individuals and associations for the promotion of education, arts and culture and sports activities. Le Caudan Waterfront has indeed always been actively involved in empowerment through the provision of free mall space and the promotion of local arts and crafts, artistic exhibitions and cultural as well as sports events.

The commitment of the group towards corporate social responsibility was further strengthened with the incorporation in 2010 of Caudan Communauté, a special purpose vehicle (SPV) to implement the specific CSR programme of the group. Its main responsibilities consist of financing and working closely in partnership with all stakeholders of the community: the public through NGOs engaged in social work, other foundations which have similar objectives and the authorities, namely the National Social Inclusion Foundation (NSIF).

The management of Caudan Communauté has been entrusted to a committee composed of representatives of the group to translate the philosophy and vision of the group in all CSR activities.

The field of intervention of Caudan Communauté is as follows:

- promotion of socio-economic development, including poverty alleviation and the improvement of gender and human rights;
- promotion of development in the fields of health, education and training, leisure and environment;
- intervention and support during and following catastrophic events; and
- undertaking or participation in programmes approved by the NSIF.

Since its operation, Caudan Communauté has contributed in the following areas namely:

- support to vulnerable groups: children, women in distress and handicapped;
- education: literacy programmes and training;
- health: support to the rehabilitation of patients suffering from mental disorder, inadapted children and fight against AIDS;
- human values: fight against corruption;
- arts and culture: opportunities for development of talented musicians;
- sports: promotion of sports events;
- environment: creation of green spaces outside the work place; and
- empowerment of women and children.

As part of the requirements of the authorities to set up an annual CSR fund representing 2% of their chargeable income derived during the preceding year, an aggregate amount of around MRs150,000 was entrusted by the Group to Caudan Communauté following the approval of NSIF to reduce the amount payable to the Mauritius Revenue Authority in respect of approved programmes listed below.

Main highlights of our contribution to the CSR programme during the year under review:

- 'Association pour l'accompagnement, la Réhabilitation et l'Insértion Sociale des Enfants' - Enhancing the educational and social development of poor children in Cassis and Pointe aux Sables;
- Action for Integral Human Development - project of 'Centre D'Ecoute' in colleges (School Counselling Unit);
- Oasis De Paix – School materials and protective items for 2021; and
- Quartier de Lumière – Enhancing the extra-curricular activities of children residing in 'La Valette' including educational support.


Joyeuses Pâques

Independent Auditor's Report

to the members of Caudan Development Limited and its subsidiaries

Report on the audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Caudan Development Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 85 which comprise the consolidated and separate statements of financial position as at 30 June 2021, 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 2021, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

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

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

Key Audit Matter	How the matter was addressed in the audit
1. Valuation of investment properties As set out in Note 2 to the consolidated and separate financial statements, investment properties are carried at fair value amounting to MRs 4,640 million and MRs 4,501 million for the Group and Company respectively. Gains and losses are recognised in profit or loss. On June 30, 2021, investment properties were re-valued by Elevante Property Services, Chartered Valuation Surveyor, which is an independent valuation specialist. The fair values of the properties were determined by taking into account the Open Market Value approach as appropriate and as provided by independent valuer's valuation. The determination of fair value requires significant judgement by both the independent valuation specialist and the Directors who reassess the valuations annually. Inappropriate inputs and assumptions used in the fair valuation of investment properties would result in a significant impact on the Group's and the Company's results and on the carrying amount of the properties. The continuous spread of the Covid-19 pandemic and its impact on the economy has added some degree of uncertainty in predicting future economic outcomes and hence added more complexity in the use of estimates and judgements in determining the fair value in the context of the pandemic. As such, we have identified the fair valuation of Investment Properties as a key audit matter.	Our audit procedures included the following: • We have obtained, read and understood the 2021 report from the independent valuation specialist. We have tested the mathematical accuracy of the report and evaluated the valuation methodology used by the external property valuer. • We assessed the competence, capability, experience and independence, of the external property valuer. • We discussed the valuations with the external property valuer, challenging key assumptions adopted in the valuations, including available market selling prices, market rents and by comparing them with historical rates and other available market data. We performed a sensitivity analysis using the key assumptions used. • We reviewed the forecasts prepared by management and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing operating costs. • We ensured the reasonableness of the inputs and assumptions used in the context of the Covid-19 pandemic. • We reviewed the disclosures about significant estimates and critical judgements made by management in the consolidated and separate financial statements in respect of valuation of investment properties. We have also ensured adequate disclosures have been made in the consolidated and separate financial statements as per IAS 40 Investment Property and other sensitivity disclosures in respect of the effects on fair value to changes in the assumptions and valuation techniques under IFRS 13 Fair Value Measurements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Caudan Development Limited Audited Financial Statements year ended June 30th 2021" which includes the Financial Highlights, Performance Summary, Corporate Information, Corporate Governance Report, Statutory Disclosures, Supplementary Information and the Company Secretary's Certificate as required by the Companies Act 2001. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or 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.

Corporate Governance Report

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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.

Ernst & Young
Ebène, Mauritius

Li Kune Lan Pookim, F.C.A, F.C.C.A
Licensed by FRC

September 28th 2021

Financial Statements

Statements of financial position

		THE GROUP		THE COMPANY	
MRs000	notes	**2021**	2020	**2021**	2020
Assets					
Non-current assets					
Investment property	2	**4,639,616**	4,679,132	**4,500,891**	4,354,305
Property, plant and equipment	3	**319,286**	322,709	**110,411**	116,309
Intangible assets	4	**2,916**	7,873	**1,063**	906
Right-of-use assets	27	**-**	29,017	**-**	29,017
Investments in subsidiary companies	5	**-**	-	**14,272**	14,272
Deferred tax assets	14	**6,620**	7,217	**-**	-
Trade receivables	8	**-**	640	**-**	-
		4,968,438	5,046,588	**4,626,637**	4,514,809
Current assets					
Inventories	7	**14,038**	14,736	**3,090**	4,201
Trade and other receivables	8	**65,986**	75,386	**25,551**	22,477
Other financial assets	9	**21,800**	-	**202,739**	184,417
Prepayments	9A	**8,376**	12,656	**4,747**	8,542
Income tax receivable	20A	**6,742**	13,322	**5,735**	13,310
Cash and cash equivalents		**7,154**	2,793	**5,734**	2,424
		124,096	118,893	**247,596**	235,371
Total assets		**5,092,534**	5,165,481	**4,874,233**	4,750,180
Equity and liabilities					
Capital and reserves attributable to owners of the parent					
Share capital	11	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Retained earnings	12	**2,144,850**	2,087,393	**1,833,574**	1,605,887
Total equity		**4,144,850**	4,087,393	**3,833,574**	3,605,887
Non-current liabilities					
Borrowings	13	**522,000**	520,000	**522,000**	520,000
Deferred tax liabilities	14	**175,740**	212,116	**152,971**	157,557
Retirement benefit obligations	15	**31,194**	33,317	**9,656**	10,448
Lease liabilities	28	**29,184**	32,384	**29,184**	32,384
		758,118	797,817	**713,811**	720,389
Current liabilities					
Trade and other payables	16	**116,733**	136,273	**256,492**	278,309
Contract liabilities	17	**1,868**	1,185	**-**	-
Current tax liabilities	20A	**609**	1,193	**-**	-
Borrowings	13	**64,006**	136,030	**64,006**	140,005
Lease liabilities	28	**6,350**	5,590	**6,350**	5,590
		189,566	280,271	**326,848**	423,904
Total liabilities		**947,684**	1,078,088	**1,040,659**	1,144,293
Total equity and liabilities		**5,092,534**	5,165,481	**4,874,233**	4,750,180

These financial statements have been approved for issue by the board of directors on September 28th 2021 and are signed on its behalf by

Jean-Philippe Coulier *Chairperson*

René Leclezio *Director*

The notes on pages 45 to 85 form an integral part of these financial statements. The auditor's report is on pages 36 to 39.

Statements of profit or loss and other comprehensive income

MRs000	notes	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Revenue	18, 22	**475,214**	517,543	**184,315**	211,338
Operating expenses	18	**(433,846)**	(446,869)	**(150,175)**	(170,620)
Operating profit		**41,368**	70,674	**34,140**	40,718
Net gain from fair value adjustment on investment property	2	**21,955**	-	**208,057**	-
Profit before finance costs, impairment on financial assets and impairment on goodwill		**63,323**	70,674	**242,197**	40,718
Net impairment on financial assets	10	**(13,905)**	(6,093)	**(2,976)**	(3,097)
Impairment of goodwill	4	**(4,864)**	(5,571)	**-**	-
Finance costs	19	**(27,377)**	(36,423)	**(27,858)**	(36,627)
Finance income	19	**546**	376	**10,636**	12,501
Profit before income tax		**17,723**	22,963	**221,999**	13,495
Taxation	20	**35,147**	(17,934)	**4,773**	(11,315)
Profit for the year attributable to owners of the parent		**52,870**	5,029	**226,772**	2,180
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligations	15	**5,526**	718	**1,102**	(2,153)
Deferred tax on remeasurement of retirement benefit obligations	14	**(939)**	(122)	**(187)**	366
Other comprehensive income for the year attributable to owners of the parent		**4,587**	596	**915**	(1,787)
Total comprehensive income for the year attributable to owners of the parent		**57,457**	5,625	**227,687**	393

MRe					
Basic and diluted earnings per share	21	**0.0264**	0.0025		

The notes on pages 45 to 85 form an integral part of these financial statements. The auditor's report is on pages 36 to 39.

Statements of changes in equity

Attributable to owners of the parent MRs000	notes	share capital	other reserves	retained earnings	total equity
					THE GROUP
At July 1st 2019		2,000,000	(19)	2,081,787	4,081,768
Profit for the year		-	-	5,029	5,029
Transfer from reserve *	31	-	19	(19)	-
Other comprehensive income		-	-	596	596
At June 30th 2020		2,000,000	-	2,087,393	4,087,393
At July 1st 2020		2,000,000	-	2,087,393	4,087,393
Profit for the year		-	-	52,870	52,870
Other comprehensive income		-	-	4,587	4,587
At June 30th 2021		**2,000,000**	**-**	**2,144,850**	**4,144,850**
					THE COMPANY
At July 1st 2019		2,000,000	-	1,605,494	3,605,494
Profit for the year		-	-	2,180	2,180
Other comprehensive income		-	-	(1,787)	(1,787)
At June 30th 2020		2,000,000	-	1,605,887	3,605,887
At July 1st 2020		2,000,000	-	1,605,887	3,605,887
Profit for the year		-	-	226,772	226,772
Other comprehensive income		-	-	915	915
At June 30th 2021		**2,000,000**	**-**	**1,833,574**	**3,833,574**

* Transfer from reserve relates to a translation reserve held in respect of a former subsidiary company.

The notes on pages 45 to 85 form an integral part of these financial statements. The auditor's report is on pages 36 to 39.

Statements of cash flows

		THE GROUP		THE COMPANY	
MRs000	note	**2021**	2020	**2021**	2020
Cash flows from operating activities					
Cash received from tenants		**173,220**	201,670	**156,176**	173,837
Cash received from other operating activities	29	**29,503**	41,512	**25,714**	37,149
Security fees received		**268,708**	261,143	**-**	-
Deposits received from tenants		**3,588**	3,521	**3,000**	3,400
Deposits repaid to tenants		**(3,544)**	(2,797)	**(2,459)**	(2,484)
Amount (paid on behalf of)/refunded by other entities		**(2,023)**	213	**(2,073)**	189
Operating cash payments	30	**(396,105)**	(422,917)	**(134,680)**	(166,414)
Cash generated from operations		**73,347**	82,345	**45,678**	45,677
Interest paid		**(20,776)**	(34,369)	**(20,580)**	(34,696)
Interest received		**206**	222	**9,532**	11,915
Income tax refunded/(paid)		**4,425**	(8,150)	**7,575**	(6,652)
Net cash generated from operating activities		**57,202**	40,048	**42,205**	16,244
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(19,851)**	(19,839)	**(5,255)**	(6,375)
Purchase of intangible assets	4	**(503)**	(79)	**(458)**	(79)
Purchase of investment property	2	**(32,725)**	(71,517)	**(32,725)**	(71,517)
Amount refunded by subsidiary companies		**-**	-	**-**	83,482
Amount granted to subsidiary companies		**-**	-	**(17,388)**	(84,356)
Loan granted to holding company	9	**(21,800)**	-	**-**	-
Proceeds from disposals of property, plant and equipment		**1,654**	1,428	**522**	21
Proceeds from disposals of investment property		**94,482**	82,000	**94,482**	82,000
VAT refund on capital goods		**-**	2,702	**-**	2,702
Net cash generated from/(used in) investing activities		**21,257**	(5,305)	**39,178**	5,878
Cash flows from financing activities					
Loan(repaid to) /received from related company	13	**(400)**	14,100	**(400)**	14,100
Proceeds from bank borrowings		**50,000**	-	**50,000**	-
Loan repaid to subsidiary companies		**-**	-	**(51,700)**	(57,000)
Loan received from subsidiary companies		**-**	-	**28,500**	62,000
Payment on lease liabilities	28	**(4,382)**	(4,382)	**(4,382)**	(4,382)
Dividends paid to Company's shareholders	32	**-**	(80,000)	**-**	(80,000)
Net cash generated from/(used in) financing activities		**45,218**	(70,282)	**22,018**	(65,282)
Net increase/(decrease) in cash and cash equivalents		**123,677**	(35,539)	**103,401**	(43,160)
Cash and cash equivalents at beginning of the year		**(119,137)**	(83,575)	**(100,281)**	(57,121)
Effect of foreign exchange rate changes		**308**	(23)	**308**	-
Cash and cash equivalents at end of the year		**4,848**	(119,137)	**3,428**	(100,281)
Analysis of cash and cash equivalents disclosed above					
Bank and cash balances		**7,154**	2,793	**5,734**	2,424
Bank overdrafts	13	**(2,306)**	(121,930)	**(2,306)**	(102,705)
		4,848	(119,137)	**3,428**	(100,281)

The notes on pages 45 to 85 form an integral part of these financial statements. The auditor's report is on pages 36 to 39.

Notes to the financial statements

general information

Caudan Development Limited is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Promotion and Development Ltd, 8th Floor, Dias Pier, Le Caudan Waterfront, Port Louis. The Company is listed on the official market of the Stock Exchange of Mauritius. These consolidated financial statements have been approved for issue by the board of directors on September 28th 2021 and will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the Company.

Caudan Development specialises in the ownership, promotion and development of Le Caudan Waterfront, a mixed commercial project on the waterfront of Port Louis which includes the Caudan Arts Centre.

The Company also rents out industrial buildings situated at Pailles and Riche Terre.

Caudan, via a wholly owned subsidiary, operates in the security business, and is involved in the sale of alarm equipment and the provision of security and property protection services.

1 significant accounting policies

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

Basis of preparation

The financial statements of Caudan Development Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (MRs000), except when otherwise indicated. The financial statements are prepared under the historical cost convention, except that:

- investment properties are stated at their fair value and;
- relevant financial assets and financial liabilities are carried out at amortised cost.

The preparation of financial statements in conformity with ifrs requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in the process of applying the company's accounting policies. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity are disclosed in note 1A.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1st 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(Amendments to IFRS 3)

Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

(Amendments to IFRS 7, IFRS 9 and IAS 39)

Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

(Amendments to IAS 1 and IAS 8)

Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on March 29th 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

(Amendments to IFRS 16 Covid-19)

Related Rent Concessions

On May 28th 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after June 1st 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

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

IFRS 17

Insurance Contracts

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts. IFRS 17 is effective for reporting periods beginning on or after January 1st 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

(Amendments to IAS 1)

Classification of Liabilities as Current or Non-current

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

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

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

(Amendments to IFRS 3)

Reference to the Conceptual Framework

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

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1st 2022 and apply prospectively. The Group is still assessing its impact.

(Amendment to IAS 16)

Property, Plant and Equipment: Proceeds before Intended Use

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

The amendment is effective for annual reporting periods beginning on or after January 1st 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

(Amendment to IAS 37)

Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1st 2022. The Group is still assessing its impact.

IFRS 9

Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1st 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

(Amendments to IAS 8)

Definition of Accounting Estimates

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

The amendments are effective for annual reporting periods beginning on or after January 1st 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.
The board is still assessing the effect of amendments to IAS 8 on the Company.

(Amendments to IAS 1 and IFRS Practice Statement 2)
Disclosure of Accounting policies
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide acccounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group’s accounting policy for each category is as follows:

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

The Group’s financial assets at amortised cost includes trade and other receivables and other financial assets.

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

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the loss given default of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The impairment on trade receivables is recognised in profit or loss. On confirmation, that the trade receivable will not be collectable, the gross carrying amount of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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 when there is no reasonable expectation of recovering the contractual cash flows.

Write off policy
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

The Group’s financial assets comprise trade and other receivables, other financial assets and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, and for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Financial liabilities

The Group classifies its financial liabilities into the following category:

Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Other payables which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Investments in subsidiary companies

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases..

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised immediately in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all the policies adopted by the group.

Transactions and non-controlling interests

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

Separate financial statements of the company

In the company's financial statements, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Disposal of subsidiaries

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

Investments in associates

An associate is an entity over which the group has significant influence, through participation in the financial and operating policy decisions but not control.

Investments in associates are accounted for using the equity method of accounting, except when classified as held-for-sale, and are initially recognised at cost and adjusted by post acquisition changes in the group's share of net assets of the associate. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post acquisition profits or losses is recognised in profit or loss, and its share of post acquisition movements in reserves is recognised in reserves.

The carrying amount of the investment is reduced to recognise any impairment in the value of the individual investments. When the group's share of losses exceeds its interest in an associate, the group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

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

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

Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the group's share of the net identifiable assets and liabilities of the acquired subsidiary company or associate at the date of acquisition. Goodwill on acquisitions of subsidiary companies is included in intangible assets. Gains on bargain purchases represent the excess of the fair value of the group's share of net assets acquired over the cost of acquisition and are recognised in profit or loss.

Goodwill on acquisitions of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of annual impairment testing.

Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (not exceeding five years). Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software controlled by the group and that will generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Customer list

Customer list represents the value of the customer portfolio and has been amortised over a period of two years. The customer portfolio was previously tested for impairment annually.

Investment property

Investment property, which is property held for long-term rental yields and/or capital appreciation, and is not occupied by the companies in the group, is initially measured at cost, including transaction costs. Subsequent to initial recognition, it is stated at its fair value at the end of the reporting period. Gains or losses arising from changes in fair value of investment property are included in profit or loss for the period in which they arise. Property that is under construction or development to earn rentals or for capital appreciation or both is accounted as investment property.

A valuation is carried out every year by external independent valuers.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property, plant and equipment

All plant and equipment, as well as property, which are occupied by the group companies, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

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

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

Buildings	1%
Equipment, furniture and fittings	5–$33^1/_3$%
Motor vehicles	11%
Land is not depreciated	

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with their carrying amount and included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are expensed in the period in which they are incurred.

Impairment of assets

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.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

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.

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.

Right-of-use assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Refer to the accounting policies on property, plant and equipment.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section(s) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The Group does not have any short term leases or low-value assets.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the basis of either weighted average price or on a first-in, first-out (FIFO) method. Costs comprise direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

Spares and accessories included under inventories consist of items which are regularly used for repairs, maintenance and new installations.

Share capital

Ordinary shares are classified as equity.

Current and deferred income tax

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

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantially enacted by the end of the reporting period and includes corporate social responsibility charge.

Deferred tax

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

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

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

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

Corporate Social Responsibility (CSR)

Every mauritian company is required to set up a CSR fund equivalent to 2 per cent of its chargeable income of the preceding year and the company should remit 75 per cent of the fund respectively to the mauritian tax authorities. CSR is classified as taxation and any amount payable is accounted under current tax liabilities.

Retirement benefit obligations

Defined contribution plan

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The company and its subsidiaries operate a defined contribution retirement benefit plan for qualifying employees. Contributions are recognised as an employee benefit expense when they fall due.

Gratuity on retirement

The net present value of gratuity on retirement payable under the Workers' Rights Act 2019 has been provided for in respect of those employees who are not covered or who are insufficiently covered by the above retirement benefit plan. The obligations arising under this item are not funded.

The Workers' Rights Act 2019 stipulates that the Gratuity paid on Retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payment) of the employee. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26).

Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Mauritian rupees, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets are included in reserves in equity.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, which it is probable, will result in an outflow of resources that can be reasonably estimated. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation.

Revenue

Revenue consists of rental income, commissions, food and beverage and income from security activities.

Revenue recognition

(a) Revenue from contracts with customers.

Performance obligations and timing of revenue recognition

The Group has identified two main business segments namely property and security services which contribute in generating most of its revenue from contracts with customers.

Revenue from customers includes both sales of goods and services made to customers. The property segment is highly involved in the rental of properties. The security services segment is involved in the provision of guarding services, installation and monitoring of alarm systems, cash in transit, and rental of alarm systems.

The majority of the revenue generated from the sale of goods and services defined above are recognised at a point in time when the control of the good or the services rendered is actually transferred to the customer.

This is generally when the goods or services are delivered to the customer.

Revenue from property segment

Rental income from operating leases is recognized on a straight line basis over the lease term. It is recognized in the accounting period in which the property is occupied by the tenant.
Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts.

Revenue from security services

Part of the revenue of the Group is derived from provision of security services and sales of goods with revenue recognised at a point in time when control has transferred to the customer. This is generally when the goods are delivered and/or services rendered to the customer. However, for sales and installation of alarm system, control is transferred only upon commissioning of the alarm system and user acceptance, at which point the Group will have present right to payment (as a single payment delivery) and retains non of the significant risks and reward of the goods in question.

Determining the transaction price

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

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold or services rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately). For contracts which are recognised typically on an over time basis, the revenue is only recognise on commissioning of goods and user acceptance.

Costs of obtaining long-term contracts and costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and

- for service contracts, revenue is recognised over time by reference to the milestone achieved (based on output method) meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as the project is carried out. Consequently, no asset for work in progress is recognised.

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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(b) Other revenues and income from other operating activities earned by the Group are recognized on the following bases:

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired.

Revenue from sale of food and beverages

The Group recognizes revenue when a customer takes possession of the food and beverage ordered. The transaction price is specified on the price list provided on the menus.

Revenue from conferencing and theatre rental

The revenue is recognized when we have provided the facility to the customer as per their request.

Other income is recognized as it accrues unless collectability is in doubt.

Dividend distribution

Dividends are recorded in the financial statements in the period in which they are declared by the board of directors.

Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment reporting is shown in note 22.

Related parties

Related parties are individuals and enterprises where the individual or enterprise has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

1.1 Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest risk and price risk), credit risk and liquidity risk.

The audit committee monitors closely the group's significant risks. All risks issues are systematically addressed both at the audit committee and at the board level. The group's exposure is managed and reviewed regularly.

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

Risk management is carried out by treasury department under policies approved by the board of directors.

Market risk

Currency risk

The group has foreign currency denominated cash balances and is exposed to foreign exchange risk arising from foreign currency exposure.

The impacts on post-tax profit are insignificant since the group holds small amount of foreign currency-denominated cash balances.

Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates. The group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. The group's interest rate risk is closely monitored by management on a regular basis which is then approved by the audit committee and the board of directors. Management systematically analyses the interest rate exposure and assesses the potential impact on the financial position of the group. Various scenarios are considered such as rescheduling of existing loans, early repayment options and renegotiating favourable interest rates. The risk is also managed by maintaining an appropriate level of debt and monitoring the gearing ratio.

At June 30th 2021, if interest rates on borrowings had been 50 basis points higher/lower during the year with all other variables held constant, post-tax profit for the year for the group and the company would have been MRs2.7m and MRs2.9m lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings (2020: MRs2.8m).

Price risk

The group is not exposed to equity securities price risk because investments held by the group in subsidiary companies and associated company are carried at cost in the separate financial statements. Impairment tests are performed regularly on these investments. The group is not exposed to commodity price risk.

Credit risk

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by the group's management based on prior experience and the current economic environment.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers and tenants. The group has policies in place to ensure that properties are rented and services provided to customers with an appropriate credit history. Close monitoring is carried out on all trade receivables.

The loss rates have been adjusted taking into consideration the Covid-19 impact. The company has been granting discounts on the rentals for an extended period post first and second lockdown to those tenants who did not have any credit risk impaired before. The rental income has thus been accounted net of rebates and discounts. The rebates were not significant and did not lead to a modification of the lease terms.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30th 2021 and June 30th 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The expected loss rates of the different age buckets vary between 9% and 100% and the closing loss allowance amounted to MRs26.285m (2020: MRs18.705m) for the Group and MRs1.547m (2020: MRs1.309m) for the Company.

The following significant changes in the gross carrying amounts of trade receivables contributed to the changes in the impairment loss allowance during 2021:

At Company level, trade receivables increased by MRs3.5m (2020: MRs0.14m) due to extended credit period granted to tenants and in line with the continued uncertainties and fragility prevailing in the local economy due to Covid-19. At Group level, the trade receivables decreased by MRs4.9m compared to an increase of MRs5.8m in 2020 as a result of better credit control management by our subsidiary operating in the security segment, offset to some extent by increased trade receivables from our property segment. The resulting net effect led to an increase in impairment allowances of MRs5m (2020: MRs0.048m) and for the Company MRs1m (2020: MRs0.02m).

Covid-19 led to the departure of tenants and a specific provision has been made in respect of those tenants.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

	current	more than 30 days past due	more than 60 days past due	more than 90 days past due	more than 120 days past due	total
at June 30th 2021						
Expected loss rate (%)	**9.78%**	**19.65%**	**43.97%**	**69.28%**	**97.66%**	
MRs000						
Gross carrying amount						
Trade receivable	**17,603**	**11,609**	**6,306**	**4,081**	**17,081**	**56,680**
Loss allowance	**1,722**	**2,282**	**2,773**	**2,827**	**16,681**	**26,285**
at June 30th 2020						
Expected loss rate (%)	4.60%	7.60%	21.30%	47.40%	89.90%	
MRs000						
Gross carrying amount						
Trade receivable	22,012	12,457	6,017	5,457	14,320	60,263
Loss allowance	1,015	948	1,279	2,588	12,875	18,705

Specific provision amounted to MRs34.181m (2020: MRs36.755m).

The above gross carrying amount is exclusive of deposit amounting to MRs8.800m (2020: MRs9.275m) and contract assets amounting to MRs16.559m (2020: MRs14.814m).

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

	current	more than 30 days past due	more than 60 days past due	more than 90 days past due	more than 120 days past due	total
at June 30th 2021						
Expected loss rate (%)	**13.34%**	**34.02%**	**69.27%**	**100.00%**	**100.00%**	
MRs000						
Gross carrying amount						
Trade receivable	**514**	**280**	**160**	**101**	**1,171**	**2,226**
Loss allowance	**69**	**95**	**111**	**101**	**1,171**	**1,547**
at June 30th 2020						
Expected loss rate (%)	9.39%	25.96%	68.15%	100.00%	100.00%	
MRs000						
Gross carrying amount						
Trade receivable	597	240	328	726	242	2,133
Loss allowance	56	62	223	726	242	1,309

Specific provision amounted to MRs25.059m (2020: MRs24.208m).

The above gross carrying amount is exclusive of deposit amounting to MRs2.917m (2020: MRs6.326m) and contract assets amounting to MRs12.154m (2020: MRs6.172m).

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix.

The expected loss rates of the different age buckets vary between 5% and 100% and the closing loss allowance amounted to MRs0.350m (2020: MRs0.359m) for the Group and the Company.

	current	more than 30 days past due	more than 60 days past due	more than 90 days past due	more than 120 days past due	total
at June 30th 2021						
Expected loss rate (%)	**5.23%**	**18.25%**	**37.47%**	**100.00%**	**100.00%**	
MRs000						
Gross carrying amount						
Other receivables	**764**	**180**	**43**	**87**	**174**	**1,248**
Loss allowance	**40**	**33**	**16**	**87**	**174**	**350**
at June 30th 2020						
Expected loss rate (%)	7.20%	30.00%	83.20%	100.00%	100.00%	
MRs000						
Gross carrying amount						
Other receivables	3,348	-	-	118	-	3,466
Loss allowance	241	-	-	118	-	359

Specific provision amounted to MRs3.421m (2020: MRs3.945m).

The above gross carrying amount is exclusive of deposit amounting to MRs0.386m and includes other receivables not yet invoiced amounting to MRs8.948m.

Liquidity risk

Prudent liquidity management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The group is exposed to calls on its available cash resources from maturing loans.

Reconciliation of liabilities arising from financing activities

THE GROUP MRs000	2020	interest on lease liabilities	cash flows	2021
Bank loans	520,000	-	50,000	**570,000**
Other loans	14,100	-	(400)	**13,700**
Lease liabilities	37,974	1,942	(4,382)	**35,534**
Total liabilities from financing activities	572,074	1,942	45,218	**619,234**

THE COMPANY MRs000	2020	interest on lease liabilities	cash flows	2021
Bank loans	520,000	-	50,000	**570,000**
Other loans	14,100	-	(400)	**13,700**
Loan from subsidiary company at call	23,200	-	(23,200)	**-**
Lease liabilities	37,974	1,942	(4,382)	**35,534**
Total liabilities from financing activities	595,274	1,942	22,018	**619,234**

THE GROUP MRs000	2019	impact of IFRS 16	interest on lease liabilities	cash flows	2020
Bank loans	520,000	-	-	-	520,000
Other loans	-	-	-	14,100	14,100
Lease liabilities	-	40,261	2,095	(4,382)	37,974
Dividend payable	80,000	-	-	(80,000)	-
Total liabilities from financing activities	600,000	40,261	2,095	(70,282)	572,074

THE COMPANY MRs000	2019	impact of IFRS 16	interest on lease liabilities	cash flows	2020
Bank loans	520,000	-	-	-	520,000
Other loans	-	-	-	14,100	14,100
Loan from subsidiary company at call	18,200	-	-	5,000	23,200
Lease liabilities	-	40,261	2,095	(4,382)	37,974
Dividend payable	80,000	-	-	(80,000)	-
Total liabilities from financing activities	618,200	40,261	2,095	(65,282)	595,274

Analysis of the group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date

YEARS	less than 1	between 1 & 2	between 2 & 5	over 5
MRs000				THE GROUP
2021				at June 30th
Borrowings	**83,061**	**69,335**	**272,417**	**330,061**
Other payables	**116,733**	**-**	**-**	**-**
Lease liability	**8,132**	**4,982**	**12,846**	**19,661**
Contract liabilities	**1,868**	**-**	**-**	**-**
2020				
Borrowings	157,350	68,585	220,976	330,061
Other payables	136,273	-	-	-
Lease liability	7,532	4,982	13,896	23,594
Contract liabilities	1,185	-	-	-

MRs000				THE COMPANY
2021				at June 30th
Borrowings	**83,061**	**69,335**	**272,417**	**330,061**
Other payables	**256,492**	**-**	**-**	**-**
Lease liability	**8,132**	**4,982**	**12,846**	**19,661**
2020				
Borrowings	161,325	68,585	220,976	330,061
Other payables	278,309	-	-	-
Lease liability	7,532	4,982	13,896	23,594

Fair values

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Capital risk management

The group's objectives when managing capital are:
- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to reduce the cost of capital.

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

Consistently with others in the industry, the group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt adjusted for cash and cash equivalents and adjusted capital comprises all components of equity.

There were no changes in the group's approach to capital risk management during the year.

The debt-to-adjusted capital ratios

MRs000	THE GROUP		THE COMPANY	
at June 30th	**2021**	2020	**2021**	2020
Total debt	**583,700**	534,100	**583,700**	557,300
Loan at call	**(21,800)**	-	**-**	-
Cash and cash equivalents	**(4,848)**	119,137	**(3,428)**	100,281
Net debt	**557,052**	653,237	**580,272**	657,581
Total equity	**4,144,850**	4,087,393	**3,833,574**	3,605,887
Debt to adjusted capital ratio	**0.13**	0.16	**0.15**	0.18

1.2 Critical accounting estimates and judgments

Estimates and judgments 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 resulting accounting estimates will, by definition, seldom equal the related actual results.

The fair value of financial assets at fair value through other comprehensive income and investment property may therefore increase or decrease, based on prevailing economic conditions.

Estimate of fair value of investment properties

The group carries its investment properties at fair value, with change in fair value being recognised in the profit or loss. The fair value is determined by directors' valuation based on independent valuer's valuation.

For the purpose of the valuation carried out as at June 30th 2021, the income approach, direct sales comparison approach and cost approach have been used. Additional information is disclosed in note 2.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Please refer to note 9.

Asset lives, residual values and depreciation policies

Property, plant and equipment are depreciated over its useful life taking into account the residual values which are assessed annually and may vary depending on a number of factors such as technological innovation, maintenance programmes and future market condition. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. The residual value of an asset is the estimated net amount that the group would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgment to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives. Please refer to note 3.

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgments in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgment in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised. Please refer to note 22.

Revenue arising from maintenance and repair work in progress is recognised on the percentage of completion basis.

Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Refer to Note 4 for further details.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the directors reviewed the group's investment property portfolio and concluded that the investment properties, excluding undeveloped land, are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Please refer to note 14.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Please refer to note 28.

Leases - Estimating the incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment. Please refer to note 27.

Going concern

The Group and the Company had net current liabilities of MRs66m (2020: MRs161m) and MRs79m (2020: MRs188m) respectively at June 30th 2021. The lender has given a letter of financial support to the company and intends to maintain its banking facilities in the future to the company. The board is satisfied that the group and the company have the resources to meet their liabilities in foreseeable future. Furthermore, the board is not aware of any uncertainties that may cast significant doubt upon the group's and the company's ability to continue on as a going concern. The financial statements are prepared on a going concern basis.

2 investment property

THE GROUP		level 3	level 2	level 2		
		Le Caudan Waterfront	land & other buildings	buildings	2021	2020
MRs000	note					
Fair value						
At July 1st		**4,458,461**	**109,599**	**111,072**	**4,679,132**	4,723,269
Additions		**7,068**	**-**	**-**	**7,068**	33,763
Transfer from right-of-use assets	27	**2,216**	**-**	**23,727**	**25,943**	-
Disposals		**(94,482)**	**-**	**-**	**(94,482)**	(77,900)
Net gain from fair value adjustment on investment property		**23,027**	**6,900**	**(7,972)**	**21,955**	-
At June 30th		**4,396,290**	**116,499**	**126,827**	**4,639,616**	4,679,132

THE COMPANY		level 3	level 2	level 2	2021	2020
Fair value						
At July 1st		**4,024,332**	**218,901**	**111,072**	**4,354,305**	4,398,442
Additions		**7,068**	**-**	**-**	**7,068**	33,763
Disposals		**(94,482)**	**-**	**-**	**(94,482)**	(77,900)
Transfer from right-of-use assets	27	**2,216**	**-**	**23,727**	**25,943**	-
Net gain from fair value adjustment on investment property		**181,929**	**34,100**	**(7,972)**	**208,057**	-
At June 30th		**4,121,063**	**253,001**	**126,827**	**4,500,891**	4,354,305

Basis of valuation

- Investment property comprises a number of offices, commercial and industrial properties rented to third parties.

- Investment property is measured at fair value in the group's statement of financial position and categorised as level 2 and level 3 in the fair value hierarchy as it has been valued using both observable and unobservable market data.

- It is the group's policy to engage independent external valuers to determine the market value of its investment property at June 30th. The group provides information to the valuers, including current lease and tenant data along with asset-specific business plans. The valuers use this and other inputs including market transactions for similar properties to produce valuations. These valuations and the assumptions they have made are then discussed and reviewed with the management team and directors.

- Valuation fees are a fixed amount agreed between the group and the valuers in advance of the valuation and are not linked to the valuation output.

- An independent valuation of the properties was carried out at June 30th 2021 by Elevante Property Services Ltd ,Chartered Valuation Surveyor, using the Present Day Open Market Value. The Direct Market Comparison Approach is based on recent transactions for similar properties. Where comparables are not available, the best suited comparables are used and adjusted for geographical location, size and attributes.

- The group's land and buildings have been revalued at their fair value.

- In the case of Le Caudan Waterfront, the value determined by the valuer has been based on the assumption that the property is sold as a bulk and would therefore command a discount of 15%. If the discount rate had been 5% higher or lower, the impact would have been MRs258.5m and MRs242.3m higher or lower for the group and the company respectively. In 2020, the independent valuation of the properties was carried out by Ricardo Ramiah Isabel. An impact of MRs260.3m and MRs234.7m was reported respectively for the group and the company.

- Bank borrowings are secured by floating charges on the assets of the borrowing companies including investment property (note 13).

- Rental income from investment property amounted to MRs199m (2020: MRs231.0m) for the group and MRs169m (2020: MRs193.1m) for the company. Direct operating expenses arising on the income generating investment property in the year amounted to MRs74.5m (2020: MRs87.5m) for the group and MRs67.9m (2020: MRs70.8m) for the company.

- No cost was incurred in respect of the non-income generating investment property.

2 investment property *continued*

The table below shows the non-cash items for investment property:

THE GROUP AND THE COMPANY MRs000	2021	2020
Reconciliation of cash flow		
Payable at July 1st	**26,008**	63,762
Additions during the year	**7,068**	33,763
Payable at June 30th	**(351)**	(26,008)
Cash outflows	**32,725**	71,517

3 property, plant and equipment

THE GROUP MRs000	property	furniture and equipment	motor vehicles	total
Cost				
At July 1st 2019	271,491	156,099	52,386	479,976
Additions	3,289	10,203	7,383	20,875
Disposal/amount written off	-	(2,033)	(10,835)	(12,868)
At June 30th 2020	274,780	164,269	48,934	487,983
At July 1st 2020	274,780	164,269	48,934	487,983
Additions	347	10,489	9,092	19,928
Disposal/amount written off	-	(1,905)	(5,436)	(7,341)
At June 30th 2021	**275,127**	**172,853**	**52,590**	**500,570**
Depreciation				
At July 1st 2019	15,274	111,286	31,132	157,692
Charge for the year	2,538	11,977	5,708	20,223
Disposal	-	(2,033)	(10,608)	(12,641)
At June 30th 2020	17,812	121,230	26,232	165,274
At July 1st 2020	17,812	121,230	26,232	165,274
Charge for the year	2,727	13,117	6,465	22,309
Disposal	-	(1,897)	(4,402)	(6,299)
At June 30th 2021	**20,539**	**132,450**	**28,295**	**181,284**
Net book values				
At June 30th 2021	**254,588**	**40,403**	**24,295**	**319,286**
At June 30th 2020	256,968	43,039	22,702	322,709

3 property, plant and equipment *continued*

THE COMPANY MRs000	property	furniture and equipment	motor vehicles	total
Cost				
At July 1st 2019	87,509	68,375	4,983	160,867
Additions	-	6,375	-	6,375
Disposal	-	(633)	(600)	(1,233)
At June 30th 2020	87,509	74,117	4,383	166,009
At July 1st 2020	87,509	74,117	4,383	166,009
Additions	-	4,730	525	5,255
Disposal/amount written off	-	(147)	(1,572)	(1,719)
At June 30th 2021	**87,509**	**78,700**	**3,336**	**169,545**
Depreciation				
At July 1st 2019	8,670	30,908	2,099	41,677
Charge for the year	1,348	7,403	435	9,186
Disposal/amount written off	-	(633)	(530)	(1,163)
At June 30th 2020	10,018	37,678	2,004	49,700
At July 1st 2020	10,018	37,678	2,004	49,700
Charge for the year	1,348	8,641	394	10,383
Disposal	-	(147)	(802)	(949)
At June 30th 2021	**11,366**	**46,172**	**1,596**	**59,134**
Net book values				
At June 30th 2021	**76,143**	**32,528**	**1,740**	**110,411**
At June 30th 2020	77,491	36,438	2,379	116,309

- Bank borrowings are secured by floating charges on the assets of the group including Property, plant and equipment (note 13).
- Depreciation charge of MRs22.309m for the group (2020: MRs20.223m) and MRs10.383m for the company (2020: MRs9.186m) has been included in operating expenses.
- Non-cash additions amounted to MRs0.08m for the group (2020: MRs1.0m) and nil for the company (2020: nil).

4 intangible assets

THE GROUP MRs000	computer software	goodwill	other	total
Cost				
At July 1st 2019	7,455	10,435	2,105	19,995
Additions	79	-	-	79
Impairment	-	(5,571)	-	(5,571)
At June 30th 2020	7,534	4,864	2,105	14,503
At July 1st 2020	7,534	4,864	2,105	14,503
Additions	503	-	-	503
Impairment	-	(4,864)	-	(4,864)
At June 30th 2021	**8,037**	**-**	**2,105**	**10,142**
Amortisation				
At July 1st 2019	3,973	-	2,105	6,078
Amortisation charge	552	-	-	552
At June 30th 2020	4,525	-	2,105	6,630
At July 1st 2020	4,525	-	2,105	6,630
Amortisation charge	596	-	-	596
At June 30th 2021	**5,121**	**-**	**2,105**	**7,226**
Net book values				
At June 30th 2021	**2,916**	**-**	**-**	**2,916**
At June 30th 2020	3,009	4,864	-	7,873

THE COMPANY MRs000	computer software
Cost	
At July 1st 2019	1,638
Additions	79
At June 30th 2020	1,717
At July 1st 2020	1,717
Additions	458
At June 30th 2021	**2,175**
Amortisation	
At July 1st 2019	572
Amortisation charge	239
At June 30th 2020	811
At July 1st 2020	811
Amortisation charge	301
At June 30th 2021	**1,112**
Net book values	
At June 30th 2021	**1,063**
At June 30th 2020	906

- Other intangible assets relate to consideration paid in respect of the acquisition of a customer list purchased in September 2005.

- Amortisation charges of MRs0.596m (2020: MRs0.552m) for the group and MRs0.301m (2020: MRs0.239m) for the company are included in operating expenses.

- The group performed its annual impairment assessment of goodwill and an additional impairment of MRs4.864m has been recognised as the IS3 cash generating unit (CGU) has ceased its operations. During the prior year, the recoverable amount of the goodwill was determined based on the value in use calculation of the CGU using cash flow projection from management budget prepared on a 3 year basis. As a result of the analysis, an impairment of MRs5.571m was recognised. The calculation of the value in use is most sensitive to discount rate. A rise in the pre-tax discount rate by two percentage points would result in a decrease in the value in use by MRs nil for this year (2020: MRs0.63m) with a corresponding goodwill impairment. The pre-tax discount rate used is 21.2% with a growth rate of 1%.

5 investments in subsidiary companies

THE COMPANY MRs000	2021	2020
Cost		
At July 1st	**14,272**	14,272
At June 30th	**14,272**	14,272

Subsidiaries of Caudan Development Limited	class of shares	year end	stated capital and nominal value of investment MRs000	direct holding %	indirect holding %	main business
Best Sellers Limited	ordinary	June	25	-	100	dormant
Caudan Communauté	limited by guarantee	December	1	50	-	management of CSR fund (not consolidated)
Caudan Leisure Limited	ordinary	June	1,000	100	-	leisure & property
Caudan Performances Limited	ordinary	June	25	100	-	creative, arts and entertainment activities
Caudan Security Services Limited	ordinary	June	10,000	100	-	security
Harbour Cruise Ltd	ordinary	June	300	-	100	dormant
Integrated Safety and Security Solutions Ltd	ordinary	June	20	-	100	security
Security and Property Protection Agency Co Ltd	ordinary	June	10,000	-	100	security
Société Mauricienne d'Entreprise Générale Ltée	ordinary	June	3,000	100	-	dormant

› Société Mauricienne d'Entreprise Générale Ltée, Harbour Cruise Ltd and Best Sellers Limited did not trade during the year. › All the subsidiaries are incorporated and domiciled in the Republic of Mauritius. › None of the subsidiaries have debt securities.

6 investments in associate

A

THE GROUP MRs000	2021	2020
Share of net assets	**-**	-
Goodwill	**-**	-
At June 30th	**-**	-
Cost		
At July 1st and June 30th	**19,076**	19,076
Share of post acquisition reserves		
At July 1st and June 30th	**(19,076)**	(19,076)
At June 30th	**-**	-

6 investments in associate *continued*

B The associated company of Caudan Development Limited

Details of the associate at the end of the reporting period	class of shares	year end	nature of business	principal place of business	country of incorporation	proportion of ownership interest and voting rights direct %	indirect %
2021 and 2020							
Le Caudan Waterfront Casino Limited	ordinary	December	leisure	Mauritius	Mauritius	39.20	39.20

› The above associate is accounted for using the equity method. › Since the associate has a different reporting date, management accounts have been prepared as at June 30th 2021. › The investment has been reduced to nil given that the entity's share of losses exceeded its interests.The group will resume recognising its share of profit only after it will equal the share of losses not recognised. The value of the associate has been fully impaired in prior years.

C Summarised financial information

Summarised financial information in respect of the associate

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	loss for the year	other compre-hensive income for the year	total compre-hensive income for the year
2021								
Le Caudan Waterfront Casino Limited	**33,643**	**16,190**	**149,765**	**60,897**	**73,611**	**(56,349)**	**(24,365)**	**(80,714)**
2020								
Le Caudan Waterfront Casino Limited	31,363	18,493	137,956	68,463	100,004	(40,672)	9,145	(31,527)

› › The summarised financial information above represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

D Reconciliation of summarised financial information

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

MRs000	opening net assets July 1st	loss for the year	other compre-hensive income for the year	closing net assets	unrecog-nised losses and other comprehen-sive income	ownership interest	share of unrecog-nised losses and other comprehen-sive income	interest in associates	goodwill	carrying value
2021										
Le Caudan Waterfront Casino Limited	**(162,759)**	**(56,349)**	**(24,365)**	**(243,473)**	**(243,473)**	**39.2%**	**(95,442)**	**-**	**-**	**-**
2020										
Le Caudan Waterfront Casino Limited	(131,232)	(40,672)	9,145	(162,759)	(162,759)	39.2%	(63,802)	-	-	-

7 inventories

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Spares and accessories	**1,295**	1,659	**1,295**	1,659
Operating equipment	**768**	1,191	**768**	1,191
Food and beverages	**1,027**	1,351	**1,027**	1,351
Consumables	**2,172**	2,399	**-**	-
Work in progress	**1,871**	1,316	**-**	-
Goods for resale	**6,905**	6,820	**-**	-
	14,038	14,736	**3,090**	4,201
Costs of inventories recognised as expense and included in				
Cost of sales	**24,264**	24,094	**7,218**	10,328
Operating expenses	**6,058**	5,815	**901**	1,619

› The bank borrowings are secured by floating charges over the assets of the group including inventories (note 13).

8 trade and other receivables

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Trade receivables	**116,220**	121,107	**42,356**	38,839
Less provision for expected credit losses	**(60,466)**	(55,460)	**(26,606)**	(25,517)
Trade receivables - net	**55,754**	65,647	**15,750**	13,322
Other receivables *	**14,003**	14,683	**13,572**	13,459
Less: allowances	**(3,771)**	(4,304)	**(3,771)**	(4,304)
	65,986	76,026	**25,551**	22,477
Less non-current portions				
Trade receivables	**-**	(640)	**-**	-
Current portion	**65,986**	75,386	**25,551**	22,477

* Other receivables consist principally of utilities recharge to tenants.

› For trade and other receivables, refer to the table as per note 1.1 - credit risk.

(i) Impairment of trade receivables

› The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

› To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

› The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30th 2021 and June 30th 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

› On that basis, the loss allowance as at June 30th 2021 and June 30th 2020 was determined by applying the different expected loss rates calculated for each age bucket, including the amount receivable for the current month, to the gross carrying amount of trade receivables, net of collaterals.

› The specific provision is in respect of departed tenants and those affected by Covid-19.

› The expected loss rates of the different age buckets vary between 9% and 100% and the closing loss allowance amounted to MRs26.285m (2020: MRs18.705m) for the Group and MRs1.547m (2020: MRs1.309m) for the Company.

8 trade and other receivables *continued*

- The closing loss allowances (including specific loss allowance) for trade receivables as at June 30th 2021 reconcile to the opening loss allowances as follows:

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
At July 1st	**55,460**	55,508	**25,517**	23,437
Net loss allowance recognised in profit or loss during the year	**13,246**	5,196	**2,338**	2,200
Receivables written off during the year as uncollectible	**(8,240)**	(5,244)	**(1,249)**	(120)
At June 30th	**60,466**	55,460	**26,606**	25,517

(ii) All of the trade and other receivables are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group holds collaterals amounting to MRs8.1m (2020: MRs8.7m), which include cash deposits and bank guarantees from tenants, which approximate their fair values.

(iv) Non-current portions consist of a long term credit granted to an entity.

(v) Impairment of other receivables

- The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables.

- To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due.

- The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30th 2021 and June 30th 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

- On that basis, the loss allowance as at June 30th 2021 and June 30th 2020 was determined by applying the different expected loss rates calculated for each age bucket, including the amount receivable for the current month, to the gross carrying amount of other receivables, net of collaterals.

- The specific provision is in respect of departed tenants and those affected by Covid-19.

- The expected loss rates of the different age buckets vary between 5% and 100% and the closing loss allowance amounted to MRs0.350m (2020: MRs0.359m) for the Group and the Company.

(vi) Impairment and risk exposure

- The closing loss allowance for financial assets as at June 30th 2021 and June 30th 2020 reconciles to the opening loss allowance on July 1st 2020 and July 1st 2019 as follows:

THE GROUP AND THE COMPANY MRs000	2021	2020
At July 1st	**4,304**	4,046
Receivables written off during the year as uncollectible	**(878)**	(74)
Allowance recognised in profit or loss during the year	**345**	332
Loss allowance at June 30th	**3,771**	4,304

9 other financial assets

(i)

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Assets as per statements of financial position				
Receivables from subsidiary companies	**-**	-	**102,739**	84,417
Loan to parent company	**21,800**	-	**-**	-
Loan to subsidiary company receivable at call	**-**	-	**100,000**	100,000
	21,800	-	**202,739**	184,417

› These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at market rates where the terms of repayment exceed six months. Collateral is not normally obtained.

› Receivables from subsidiary companies are repayable on demand and interest may be charged at the prevailing market rate. The default from subsidiary companies is assessed as being remote and as such the related expected credit losses were regarded as immaterial.

(ii) All of the financial assets at amortised cost are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

9A prepayments

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Prepayments	**3,023**	4,140	**1,549**	2,309
Payment on account	**5,353**	8,516	**3,198**	6,233
	8,376	12,656	**4,747**	8,542

10 net impairment on financial assets

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Amount written off	**314**	565	**293**	565
Net loss allowance recognised in profit or loss (trade and other receivables)	**13,246**	5,196	**2,338**	2,200
Net loss allowance recognised in profit or loss (other financial assets)	**345**	332	**345**	332
	13,905	6,093	**2,976**	3,097

11 share capital

THE GROUP AND THE COMPANY MRs000	2021	2020
Issued and fully paid		
At July 1st and June 30th	**2,000,000**	2,000,000

12 retained earnings

MRs000	the company	subsidiaries	associates	consolidation adjustment	the group
At July 1st 2020	1,605,887	549,203	(19,076)	(48,621)	2,087,393
Profit attributable to shareholders	226,772	(182,682)	-	8,780	52,870
Other comprehensive income for the year	915	3,672	-	-	4,587
At June 30th 2021	**1,833,574**	**370,193**	**(19,076)**	**(39,841)**	**2,144,850**

13 borrowings

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Non-current				
Bank loan	**522,000**	520,000	**522,000**	520,000
Current				
Bank overdrafts	**2,306**	121,930	**2,306**	102,705
Loan from subsidiary companies at call	**-**	-	**-**	23,200
Other loan	**13,700**	14,100	**13,700**	14,100
Bank loan	**48,000**	-	**48,000**	-
	64,006	136,030	**64,006**	140,005
Total borrowings	**586,006**	656,030	**586,006**	660,005

Bank overdrafts

- The bank overdrafts are secured by floating charges over the assets of the group.

The group's borrowings are denominated in mauritian rupee. The carrying amounts of borrowings were not materially different from their fair values.

The effective interest rates at the reporting date were

%	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Bank overdrafts	**4.10**	4.10	**4.10**	4.10
Bank borrowings	**1.5 - 4.10**	4.10	**1.5 - 4.10**	4.10

The exposure of the borrowings to interest rate changes at the end of the reporting period

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Within one year	**64,006**	136,030	**64,006**	140,005

13 borrowings *continued*

The maturity of non-current borrowings

THE GROUP AND THE COMPANY		
MRs000	**2021**	2020
After one year and before two years	**48,000**	48,000
After two years and before three years	**62,000**	48,000
After three years and before five years	**182,000**	124,000
After five years	**230,000**	300,000
	522,000	520,000

14 deferred tax

Deferred tax liability/(asset)

MRs000	at July 1st 2020	charge/ (credit) to statement of profit or loss	charge to statement of other comprehen-sive income	**at June 30th 2021**
THE GROUP				
Provisions	(8,023)	(833)	-	**(8,856)**
Retirement benefit obligations	(5,664)	(580)	939	**(5,304)**
Right-of-use assets and lease liabilities	(1,596)	(107)	-	**(1,703)**
Tax losses	(12,086)	(2,715)	-	**(14,801)**
Deferred tax assets	(27,369)	(4,235)	939	**(30,664)**
Accelerated capital allowances	116,982	7,458	-	**124,439**
Fair value gains	115,286	(39,941)	-	**75,345**
Deferred tax liabilities	232,268	(32,483)	-	**199,784**
Net deferred tax	204,899	(36,718)	939	**169,120**

› The above table currently shows the deferred tax assets and deferred tax liabilities as gross amounts.

14 deferred tax *continued*

Deferred tax liabilities

MRs000	at July 1st 2020	charge/ (credit) to statement of profit or loss	charge to statement of other comprehen- sive income	**at June 30th 2021**
THE COMPANY				
Right-of-use assets and lease liabilities	(1,596)	(107)	-	**(1,703)**
Accelerated capital allowances	87,234	6,498	-	**93,732**
Provisions	(5,690)	(95)	-	**(5,785)**
Retirement benefit obligations	(1,776)	(52)	187	**(1,641)**
Tax losses	(12,086)	(2,714)	-	**(14,800)**
Fair value gains	91,471	(8,303)	-	**83,168**
	157,557	(4,773)	187	**152,971**

› The tax losses are in respect of annual allowances which can be carried forward indefinitely.

› There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred income taxes relate to the same fiscal authority of the same entity. The following amounts are shown in the statements of financial position for the Group.

MRs000	**2021**	2020
Deferred tax assets		
Provisions	**(4,130)**	(4,443)
Retirement benefit obligations	**(3,661)**	(3,888)
Accelerated capital allowances	**1,171**	1,114
	(6,620)	(7,217)

MRs000	**2021**	2020
Deferred tax liabilities		
Provisions	**(4,726)**	(3,580)
Retirement benefit obligations	**(1,641)**	(1,776)
Lease liability	**(1,703)**	(1,596)
Tax losses	**(14,801)**	(12,086)
Accelerated capital allowances	**123,266**	115,868
Fair value gains	**75,345**	115,286
	175,740	212,116

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Deferred tax assets	**(6,620)**	(7,217)	**(23,929)**	(21,148)
Deferred tax liabilities	**175,740**	212,116	**176,900**	178,705
	169,120	204,899	**152,971**	157,557

› Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2020: 17%).

14 deferred tax *continued*

MRs000	note	THE GROUP 2021	2020	THE COMPANY 2021	2020
The movement in the deferred income tax account					
At July 1st		**204,899**	190,629	**157,557**	146,608
Charge to profit or loss	20	**(36,718)**	14,148	**(4,773)**	11,315
Credit to other comprehensive income		**939**	122	**187**	(366)
At June 30th		**169,120**	204,899	**152,971**	157,557

15 retirement benefit obligations

MRs000	note	THE GROUP 2021	2020	THE COMPANY 2021	2020
Amounts recognised in the statements of financial position					
Other post retirement benefits (gratuity on retirement)		**31,194**	33,317	**9,656**	10,448
Amounts recognised in the statements of profit or loss and other comprehensive income					
Release in respect of leavers		**-**	(84)	**-**	-
Provision for the year		**4,725**	5,408	**1,045**	1,255
Total included in employee benefit expense	18	**4,725**	5,324	**1,045**	1,255
Movement in the liability recognised in the statements of financial position					
At July 1st		**33,317**	31,694	**10,448**	9,417
Gratuity on retirement paid		**(587)**	(2,248)	**-**	(1,642)
Benefits paid		**(735)**	(735)	**(735)**	(735)
Amount charged to other comprehensive income		**(5,526)**	(718)	**(1,102)**	2,153
Expense for the year		**4,725**	5,324	**1,045**	1,255
At June 30th		**31,194**	33,317	**9,656**	10,448

› Other post retirement benefits comprise gratuity on retirement payable under the Workers' Rights Act 2019.

Principal actuarial assumptions used for accounting purposes were:	2021	2020
Discount rate (%)	**5.0**	3.2
Future salary increases (%)	**3.9**	1.5
Future pension increases (%)	**2.9**	0.5
Average retirement age (ARA)		
Pension scheme members	**60.0**	60.0
Non scheme members	**65.0**	65.0

Sensitivity analysis on retirement benefit obligation at the end of the reporting period

MRs000	2021	2020
Increase due to 1% decrease in discount rate	**1,043 - 5,413**	852 - 5,063
Decrease due to 1% increase in discount rate	**858 - 4,412**	704 - 4,141

15 retirement benefit obligations *continued*

The following are the expected contributions to the defined benefit plan in future years:

THE GROUP AND THE COMPANY MRs000	2021	2020
Within the next 12 months (next annual reporting period)	**1,738**	998
Between 2 and 5 years	**7,116**	3,378
Between 5 and 10 years	**17,358**	4,384
Beyond 10 years	**212,597**	39,665
Total expected contribution	**238,809**	48,425

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.5 years (2020: 25.3 years).

16 trade and other payables

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Amounts owed to parent	**3,762**	2,316	**769**	1,106
Amounts owed to subsidiary companies	**-**	-	**180,977**	185,223
Social security and other taxes	**3,558**	4,598	**426**	1,179
Defined contribution plan	**1,825**	1,687	**433**	344
Advance monies	**35,077**	35,033	**26,980**	26,438
Construction costs payable	**352**	25,361	**352**	25,361
Other payables and accrued expenses	**72,159**	67,278	**46,555**	38,658
	116,733	136,273	**256,492**	278,309

Other payables are interest free and have settlement dates within one year. The carrying amounts of other payables approximate their fair values.

Advance monies consist of deposit from tenants.

Other payables and accrued expenses: construction costs relate to accruals for phase 3 construction costs.

17 contract liabilities

Liabilities related to contracts with customers

THE GROUP MRs000	2021	2020
Opening balance	**1,185**	1,687
Amount included in contract liabilities that was recognised as revenue during the year	**(4,621)**	(3,330)
Cash received (or rights to cash) in advance of performance and not recognised as revenue during the year	**5,304**	2,828
Closing balance	**1,868**	1,185

Contract liabilities arise from sales and installation of alarm system, whereby control is transferred only upon commissioning of the alarm system and user acceptance, at which point the Group will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question and cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

There are no revenues arising from performance obligations satisfied in previous years.

18 operating profit

MRs000	notes	THE GROUP 2021	2020	THE COMPANY 2021	2020
Operating profit is arrived at after crediting					
Rental income		**198,756**	230,960	**168,741**	193,061
Sale of goods		**16,418**	17,043	**-**	-
Sale of services		**240,941**	247,190	**-**	-
Profit on disposal of property, plant and equipment		**247**	1,271	**-**	21
Income from other operating activities		**19,099**	22,350	**15,574**	18,277
and after charging					
Depreciation on property, plant and equipment	3	**22,309**	20,223	**10,383**	9,186
Amortisation of intangible assets	4	**596**	552	**301**	239
Loss on disposal of property, plant and equipment		**860**	-	**-**	-
Employee benefit expense		**248,382**	252,675	**49,621**	49,057

› Income from other operating activities include food and beverages revenue and sales of theatre tickets.

› For breakdown of expenses, please refer to note 22(a).

Analysis of employee benefit expense included above

MRs000	note	THE GROUP 2021	2020	THE COMPANY 2021	2020
Wages and salaries		**224,237**	226,644	**44,211**	43,632
Social security costs		**8,784**	11,144	**1,654**	2,301
Pension costs					
Defined contribution plan		**10,636**	9,563	**2,711**	1,869
Other post retirement benefits	15	**4,725**	5,324	**1,045**	1,255
		248,382	252,675	**49,621**	49,057

19 finance costs/(income)

MRs000	THE GROUP 2021	2020	THE COMPANY 2021	2020
Finance costs				
Interest expense				
Bank overdrafts	**3,820**	5,626	**3,424**	4,875
Bank loan	**21,240**	27,602	**21,240**	27,602
Other loans at call	**302**	1,077	**1,252**	2,055
Foreign exchange loss	**73**	23	**-**	-
Interest on lease liabilities	**1,942**	2,095	**1,942**	2,095
	27,377	36,423	**27,858**	36,627
Finance income				
Interest income	**(206)**	(264)	**(10,296)**	(12,389)
Foreign exchange gain	**(340)**	(112)	**(340)**	(112)
	(546)	(376)	**(10,636)**	(12,501)
Net finance costs	**26,831**	36,047	**17,222**	24,126

20 income tax expense

MRs000	note	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Based on the profit for the year, as adjusted for tax purposes, at 15%		**1,401**	3,194	**-**	-
Underprovision of tax in previous year		**-**	162	**-**	-
Deferred income tax movement for the year	14	**(36,718)**	14,148	**(4,773)**	11,315
Corporate social responsibility expense		**170**	430	**-**	-
Charge to statement of profit or loss		**(35,147)**	17,934	**(4,773)**	11,315
Deferred income tax charge					
Lease liabilities		**(107)**	(133)	**(107)**	(133)
Accelerated capital allowances		**7,458**	17,814	**6,498**	16,988
Provisions		**(833)**	685	**(95)**	(289)
Retirement benefit obligations		**(580)**	(398)	**(52)**	191
Fair value gains		**(39,941)**	-	**(8,303)**	-
Tax losses		**(2,715)**	(3,820)	**(2,714)**	(5,442)
		(36,718)	14,148	**(4,773)**	11,315

› Reconciliation between the applicable income tax rate of 15.0% for the group and the company and the effective rate of income tax of the group of 198.3% (2020: 78.1%) and the company of 2.1% (2020: 83.8%).

As per the percentage of profit before income tax

%	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Income tax rate	**15.0**	15.0	**15.0**	15.0
Impact of				
Disallowable items *	**18.2**	22.7	**1.0**	18.6
Exempt income **	**(7.0)**	(10.4)	**(0.7)**	(12.6)
Income not subject to tax	**(217.4)**	-	**(17.4)**	-
Deferred tax rate differential in CSR tax ***	**(19.1)**	6.2	**-**	9.9
Underprovision of deferred tax in previous year	**-**	31.1	**-**	52.9
Unutilised tax losses	**10.3**	10.9	**-**	-
Underprovision of tax in previous year	**0.7**	0.7	**-**	-
Corporate social responsibility	**1.0**	1.9	**-**	-
Average effective income tax rate	**(198.3)**	78.1	**(2.1)**	83.8

* Disallowable items relate to expenses which are not deductible for income tax purposes or expenses of a capital nature such as renovation costs.
** Exempt income relates to partial exemption on interest receivable.
*** This relates to the effect of different tax rates since income tax is charged at 15% and deferred tax is calculated at 17%.

20A income tax (receivable)/payable

MRs000	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
The movement in the income tax (receivable)/payable account				
At July 1st	**(12,129)**	(7,765)	**(13,310)**	(6,658)
Charge for the year	**1,571**	3,786	**-**	-
Refunded/(paid) during the year	**4,425**	(8,150)	**7,575**	(6,652)
At June 30th	**(6,133)**	(12,129)	**(5,735)**	(13,310)
Analysed as follows:				
Income tax receivable	**(6,742)**	(13,322)	**(5,735)**	(13,310)
Current tax liabilities	**609**	1,193	**-**	-
At June 30th	**(6,133)**	(12,129)	**(5,735)**	(13,310)

21 basic and diluted earnings per share

Earnings per share is calculated on the basis of the group profit for the year and the number of shares in issue and ranking for dividends during the two years under review.

THE GROUP MRs000	**2021**	2020
Profit attributable to owners of the parent	**52,870**	5,029
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	2,000,000

22 segment information

2021 MRs000	note	property	security	inter-segment adjustments and eliminations	total
Revenues					
External sales		217,850	257,364	-	475,214
Intersegment sales		4,845	21,129	(25,974)	-
Total revenue		222,695	278,493	(25,974)	475,214
Direct operating expenses	(a)	(139,029)	(221,951)	21,099	(339,881)
Administrative expenses		(47,979)	(50,379)	4,393	(93,965)
Total expenses		(187,008)	(272,330)	25,492	(433,846)
Segment result		35,687	6,163	(482)	41,368
Net gain from fair value adjustment on investment property		21,955	-	-	21,955
Impairment of goodwill		-	(4,864)	-	(4,864)
Gain on remeasurement of equity interests		-	-	-	-
Net impairment on financial assets		(13,409)	(496)	-	(13,905)
Finance income		339	1,157	(950)	546
Finance costs		(27,858)	(1,102)	1,583	(27,377)
Profit before income tax		16,714	858	151	17,723
Taxation		36,528	(1,381)	-	35,147
Profit attributable to owners of the parent		53,242	(523)	151	52,870
Segment assets		4,992,454	113,124	(13,044)	5,092,534
Segment liabilities		890,168	70,481	(13,574)	947,075
Current tax liabilities		-	609	-	609
		890,168	71,090	(13,574)	947,684
Capital expenditure		12,933	14,566	-	27,499
Depreciation and amortisation		12,193	10,712	-	22,905

22 segment information *continued*

The following is an analysis of the revenue for the year:

THE GROUP MRs000	2021	2020
Product type		
Revenue from the sale of goods	**16,418**	17,043
Revenue from rendering of services	**240,941**	247,190
Rental income	**198,756**	230,960
Income from other operating activities	**19,099**	22,350
	475,214	517,543

Disaggregation of revenue from contracts with customers

THE GROUP MRs000	2021	2020
Product type		
Revenue from the sale of goods	**16,418**	17,043
Revenue from rendering of services	**240,941**	247,190
	257,359	264,233
Timing of revenue recognition		
At a point in time	**252,095**	241,259
Over time	**5,264**	22,974
	257,359	264,233

› The above does not tally with total revenue as per statement of profit or loss since the group has other sources of income such as rental income and income from other operating activities amounting to MRs218m (2020: MRs253m), which do not fall under the scope of IFRS 15.

(a) Operating expenses by segment

2021 MRs000	property	security	total
Employee benefit costs	13,908	172,122	186,030
Repairs and maintenance	24,365	-	24,365
Security fees	19,063	-	19,063
Cost of alarm	-	15,902	15,902
Marketing and advertising	10,502	-	10,502
Utilities	10,560	-	10,560
Motor vehicle running expenses	-	12,773	12,773
Restaurant costs	7,218	-	7,218
Depreciation	-	7,078	7,078
Rates and taxes	4,721	-	4,721
Other expenses	48,692	14,076	62,768
	139,029	221,951	360,980

2021 MRs000	property	security	inter-segment eliminations	total
Cash flows arising on:				
Operating activities	24,708	37,294	(4,800)	57,202
Investing activities	34,788	(13,531)	-	21,257
Financing activities	43,818	(3,400)	4,800	45,218
	103,314	20,363	-	123,677

22 segment information *continued*

2020		property	security	inter-segment adjustments and eliminations	total
MRs000	note				
Revenues					
External sales		253,310	264,233	-	517,543
Intersegment sales		4,800	23,021	(27,821)	-
Total revenue		258,110	287,254	(27,821)	517,543
Direct operating expenses	(b)	(148,456)	(227,386)	22,920	(352,922)
Administrative expenses		(51,993)	(46,302)	4,348	(93,947)
Total expenses		(200,449)	(273,688)	27,268	(446,869)
Segment result		57,661	13,566	(553)	70,674
Impairment of goodwill		-	(5,571)	-	(5,571)
Net impairment on financial assets		(2,975)	(3,118)	-	(6,093)
Finance income		160	1,194	(978)	376
Finance costs		(36,626)	(1,575)	1,778	(36,423)
Profit before income tax		18,220	4,496	247	22,963
Taxation		(15,074)	(2,860)	-	(17,934)
Profit attributable to owners of the parent		3,146	1,636	247	5,029
Segment assets		5,074,696	108,177	(17,392)	5,165,481
Segment liabilities		1,027,361	67,275	(17,741)	1,076,895
Current tax liabilities		-	1,193	-	1,193
		1,027,361	68,468	(17,741)	1,078,088
Capital expenditure		43,604	11,113	-	54,717
Depreciation and amortisation		10,860	9,915	-	20,775

(b) Operating expenses by segment

2020	property	security	total
MRs000			
Employee benefit costs	33,246	179,676	212,922
Repairs and maintenance	35,343	-	35,343
Security fees	21,747	-	21,747
Cost of alarm	-	16,903	16,903
Marketing and advertising	12,551	-	12,551
Utilities	13,205	-	13,205
Motor vehicle running expenses	-	11,232	11,232
Restaurant costs	10,328	-	10,328
Depreciation	-	6,348	6,348
Rates and taxes	4,721	-	4,721
Other expenses	17,315	13,227	30,542
	148,456	227,386	375,842

2020 MRs000	property	security	inter-segment eliminations	total
Cash flows arising on:				
Operating activities	17,667	27,181	(4,800)	40,048
Investing activities	4,459	(9,764)	-	(5,305)
Financing activities	(65,282)	(9,800)	4,800	(70,282)
	(43,156)	7,617	-	(35,539)

Products and services from which reportable segments derive their revenues

In prior years, segment information reported externally was analysed on the basis of activities undertaken by each of the group's operating divisions and the same information was provided to management. The group's reportable segments under IFRS8 are as follows:

Segment	Activity
Property	rental income and income from other operating activities (theatre and F&B revenue)
Security	security and property protection services and sales of equipment

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intersegment sales and transfers are accounted as if the sales or transfers were to third parties at current market prices.

Factors that management used to identify the entity's reportable segments

Reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Geographical information

No material revenues were derived from customers outside Mauritius. All of the non current assets are found in Mauritius.

23 commitments and contingencies

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Capital				
Commitment in respect of future capital expenditure authorised by the directors and not provided in the financial statements	**-**	-	**-**	-

THE GROUP MRs000	**2021**	2020
Contingent liabilities		
Bank guarantees to third parties	**4,031**	4,966
	4,031	4,966

24 parent and ultimate parent

The directors regard Promotion and Development Ltd, which is incorporated in the Republic of Mauritius, as the parent, ultimate parent and ultimate controlling party.

25 related party transactions

Transactions carried out by the group with related parties

2021 MRs000	rental/ other income	payment in respect of investment property	operating expenses	rental payments	management fees expense/ (income)	net interest expense/ (income)	net loan received from/ (repaid to)	emoluments and benefits
Parent	**50**	**168**	**-**	**3,932**	**8,800**	**(71)**	**-**	**-**
Associate	**17,092**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**23,743**	**-**	**600**	**-**	**-**	**-**	**-**	**-**
Shareholders with significant influence	**18,551**	**-**	**907**	**-**	**-**	**25,060**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**33**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**580**	**-**	**-**	**-**	**-**	**-**	**-**	**11,272**

2020								
Parent	39	832	-	3,932	12,896	989	-	-
Associate	16,797	-	-	-	-	-	-	-
Associate of parent	22,610	-	1,846	-	-	-	-	-
Shareholders with significant influence	16,515	-	1,016	-	-	33,228	-	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	-	105	-	-	-	-	-
Key management personnel and directors	625	-	-	-	-	-	-	12,156

Key management personnel compensation

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**10,394**	10,574	**6,138**	6,289
Post employments benefits	**878**	1,582	**313**	755
	11,272	12,156	**6,451**	7,044

Transactions carried out by the company with related parties

2021 MRs000	purchase of property plant & equipment	rental/ other income	payment in respect of investment property	operating expenses	rental payments	management fees expense	net interest expense/ (income)	net loan received from/ (repaid to)	emoluments and benefits
Parent	**-**	**40**	**168**	**-**	**3,932**	**7,228**	**-**	**-**	**-**
Associate	**-**	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**-**	**-**	**375**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**-**	**6,448**	**-**	**14,670**	**-**	**-**	**950**	**(23,200)**	**-**
Shareholders with significant influence	**-**	**2,737**	**-**	**907**	**-**	**-**	**24,664**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**-**	**33**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,451**

2020									
Parent	-	29	761	-	3,932	9,755	989	-	-
Associate	-	363	-	-	-	-	-	-	-
Associate of parent	-	-	-	1,201	-	-	-	-	-
Subsidiary companies	205	6,279	-	15,474	-	-	(10,890)	5,000	-
Shareholders with significant influence	-	2,693	-	1,016	-	-	32,477	-	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	-	-	105	-	-	-	-	-
Key management personnel and directors	-	-	-	-	-	-	-	-	7,044

› The related party transactions were carried out on normal commercial terms and at prevailing market prices. › There is a management service fee contract between the company and Promotion and Development Ltd (PAD) which is the ultimate parent. The management fees paid to PAD are equivalent to (1) 5% of the net income after operating costs, but before interest, depreciation and tax, (2) 2.5% of the cost of construction and capital works, excluding professional fees, government fees and interest and (3) agents fees equivalent to 1 months' basic rental on securing new tenants, half month's basic rental on new contracts with existing tenants and 2% of gross consideration in respect of sales of property. › The key management personnel compensation consists only of salaries and employment benefits. None of the investments in associates have been impaired during the year. › For the year ended June 30th 2021, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2020: 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.

25 related party transactions *continued*

THE GROUP

Outstanding balances in respect of related party transactions at the end of the reporting period

2021 MRs000	receivables from related companies	borrowings payable to related companies	payables to related companies
Parent	**-**	**-**	**3,762**
Associate of parent	**5,282**	**-**	**-**
Shareholders with significant influence	**4,125**	**572,306**	**110**
Key management personnel and directors	**50**	**-**	**8**
2020			
Parent	-	-	2,316
Associate of parent	9,048	-	-
Shareholders with significant influence	2,792	641,930	135
Key management personnel and directors	51	-	5

26 currency

The financial statements are presented in thousands of Mauritian Rupees.

27 right-of-use assets

Set out below is the carrying amount of right-of-use asset recognised and the movement during the year:

THE GROUP AND THE COMPANY

MRs000	note	land	total
At July 1st 2019		32,093	32,093
Depreciation		(3,076)	(3,076)
At June 30th 2020		29,017	29,017
At July 1st 2020		29,017	29,017
Depreciation		(3,074)	(3,074)
Transfer to investment property	2	(25,943)	(25,943)
At June 30th 2021		**-**	**-**

› The Group had total cash outflows for leases of MRs4.3m in 2021 (MRs4.3m in 2020).

› The Group does not have any contract that has not commenced as at June 30 th 2021 and as such does not have future cash outflows relating to leases that have not yet commenced .

28 lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movement during the year:

THE GROUP AND THE COMPANY		
	land	total
MRs000		
At July 1st 2019	40,261	40,261
Interest expense	2,095	2,095
Lease payments	(4,382)	(4,382)
At June 30th 2020	37,974	37,974
At July 1st 2020	37,974	37,974
Interest expense	1,942	1,942
Lease payments	(4,382)	(4,382)
At June 30th 2021	**35,534**	**35,534**
Analysed as follows:		
Current		6,350
Non-current		29,184
		35,534

› The leases are in respect of land, at Le Caudan Waterfront, which will expire on June 30th 2024 and is renewable for three further periods of ten years, and at Riche Terre which will expire on May 31st 2031 and is renewable for a period of twenty years and another period of thirty nine years.

› For financial year 2021 and 2020, the maturity analysis of lease liabilities are disclosed in note 1.

› The Group had total cash outflows for leases amounting to MRs.4.4m (2020: MRs4.4m).

› Non-cash additions to right-of-use assets and lease liabilities amounted MRs29.0m and MRs38.0m respectively for the group and the company for the financial year 2020.

29 cash received from other operating activities

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Cash received from theatre revenue	**5,188**	6,625	**1,399**	2,262
Cash received from food and beverages revenue	**24,315**	34,887	**24,315**	34,887
	29,503	41,512	**25,714**	37,149

30 operating cash payments

	THE GROUP		THE COMPANY	
MRs000	**2021**	2020	**2021**	2020
Staff and other related costs	**245,990**	255,618	**47,040**	49,701
Purchase of goods and services	**150,115**	167,299	**87,640**	116,713
Total operating cash payments	**396,105**	422,917	**134,680**	166,414

31 other reserves

THE GROUP

MRs000	translation reserve
At July 1st 2019	(19)
Currency translation differences	-
Transfer from reserve *	19
At June 30th 2020	-

Translation of foreign operations

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

* Transfer from reserve was a translation reserve held in respect of a former subsidiary company.

32 dividend paid

The company declared a final dividend of MRs80m (MRe0.04 per share) during the year ended June 30th 2019 which was paid in August 2019. No dividend was declared for the two years ended June 30th 2020 and 2021.

33 prepaid operating lease payments

THE GROUP AND THE COMPANY

MRs000	**2021**	2020
Cost		
At July 1st	-	602
Transfer to right-of-use assets	-	(602)
At June 30th	-	-
Amortisation		
At July 1st	-	165
Transfer to right-of-use assets	-	(165)
At June 30th	-	-
Net book values		
At June 30th	-	-

34 operating leass - group as a lessor

MRs000	THE GROUP 2021	2020	THE COMPANY 2021	2020
Future minimum lease rentals receivable under non-cancellable operating leases				
Not later than 1 year	**106,873**	126,038	**76,200**	96,835
Later than 1 year and not later than 5 years	**206,369**	159,150	**109,567**	95,633
Later than 5 years	**90,302**	59,313	**61,495**	57,856
	403,544	344,501	**247,262**	250,324

- The leases have varying terms, escalation clauses and renewal rights.There are no restrictions imposed on the group by the lease arrangements.
- Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored by management.

35 subsequent events

- There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended June 30th 2021.

36 covid-19 impact

The Company's and Group's results continued to be affected by the aftermath of the two lockdowns in 2020 and 2021, closure of borders and ongoing uncertainty and disruptions to various sectors of the economy in which our group companies operate.

The following is an analysis of the possible impact of COVID-19 on various other aspects of our group:

Going concern
In the light of the anticipated long term economic impact of COVID-19, Management has made an assessment of the Group's ability to continue as a going concern.

A series of measures are being taken to mitigate the downside risks caused by the outbreak and management is satisfied that there is no material uncertainty around the going concern assumption. A financial stress has also been performed to assess the Group's resilience.

Rental payments from tenants
Following the second lockdown earlier this year, the Government came up again with a series of measures by introducing a moratorium of rental payments from tenant.
Management has been working in close collaboration with all its tenants and accounted for rent from some tenants on collectable basis. Moreover, specific provisions were made for tenants who departed.
Close monitoring is being done to work on repayment plans so that the group's cash flow is properly managed.

Management has also considered the following to be the most likely impacts on the group's business:
- an increase in the vacancies rate for commercial;
- a decrease in the demand for security services as a result of the anticipated decline in economic activities and rising unemployment rate.

The following measures have been taken to mitigate the impact of COVID-19 on the Group:
- Regular monitoring of the cash flow of the group;
- New bank loans facilities obtained from the bank;
- A more proactive marketing approach.

However, it should be noted that the full magnitude of the economic and financial impact of COVID-19 will depend on a number of factors as described below:
- The duration and severity of the spread of the virus across the globe;
- The duration and extent of the preventive measures by government; and
- The duration and extent of government continuing support and measures to stimulate the economy.

directors of subsidiary companies

Directors of subsidiary companies holding office at the end of the accounting period

Caudan Leisure Ltd
René Leclézio
Jocelyne Martin

Caudan Performances Limited
René Leclézio
Ashish Beesoondial

Caudan Security Services Limited
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

Security and Property Protection Agency Co Ltd
Dhunpathlall Bhima
Bertrand de Chazal
Deepak K. Lakhabhay
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

Integrated Safety and Security Solutions Ltd
Deepak K. Lakhabhay
Mooroogassen Soopramanien

Harbour Cruise Ltd
René Leclézio

Société Mauricienne d'Entreprise Générale Ltée & Best Sellers Limited
René Leclézio

Caudan Communauté
René Leclézio
Jocelyne Martin

supplementary information

› Three year summary of published results:

THE GROUP MRs000	2021	2020	2019
Statements of profit and loss and other comprehensive income			
Revenue	**475,214**	517,543	503,309
Profit before income tax	**17,723**	22,963	256,381
Taxation	**35,147**	(17,934)	(37,609)
Profit attributable to owners of the parent	**52,870**	5,029	218,772
Other comprehensive income for the year	**4,587**	596	(4,159)
Total comprehensive income attributable to owners of the parent	**57,457**	5,625	214,613
Adjusted loss/profit attributable to owners of the parent	**(4,162)**	10,600	55,388
Rate of dividend (%)	**-**	-	4%
Dividend per share (MRe)	**-**	-	0.04
Earnings per share (MRe)	**0.0264**	0.0025	0.1094
Adjusted (loss)/earnings per share (MRe)	**(0.0021)**	0.0053	0.0277

› Adjusted (loss)/earnings per share is calculated on the basis of the group profit for the year excluding net gain from fair value adjustment on investment property and impairment of goodwill divided by the number of shares in issue and ranking for dividends.

THE GROUP MRs000	2021	2020
Profit attributable to owners of the parent	**52,870**	5,029
Impairment of goodwill	**4,864**	5,571
Net gain from fair value adjustment on investment property (net of deferred tax)	**(61,896)**	-
Adjusted (loss)/earnings attributable to owners of the parent	**(4,162)**	10,600
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	2,000,000

› Three year summary of assets and liabilities:

THE GROUP MRs000	2021	2020	2019
Statements of financial position			
Non-current assets	**4,968,438**	5,046,588	5,083,922
Current assets	**124,096**	118,893	105,933
Total assets	**5,092,534**	5,165,481	5,189,855
Total equity	**4,144,850**	4,087,393	4,087,411
Non-current liabilities	**758,118**	797,817	766,148
Current liabilities	**189,566**	280,271	336,296
Total equity and liabilities	**5,092,534**	5,165,481	5,189,855
Net assets value per share (MRs)	**2.07**	2.04	2.04
Number of shares	**2,000,000,000**	2,000,000,000	2,000,000,000

CAUDAN
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