Annual Report 2022

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 2022.

The activities of the group continued throughout 2022 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 26th 2022.

Yours sincerely

Jean-Philippe Coulier
Chairperson

Jocelyne Martin
Director

Annual Report
2022

Bridging Experiences

Finding a tagline for Le Caudan Waterfront was a fundamental element of our repositioning campaign. We all agreed on *'Caudan, Bridging Experiences'*.

If there is one word that aptly encapsulates all we offer at Le Caudan Waterfront, it is 'experiences'. In a world where everything now is about being instant and fast, our offering is different. What matters most to us is to provide as many diverse, delightful and meaningful experiences as possible. There is a reason why we are not a mall, but a destination.

Joe Pine was probably the first to use the term Experience Economy in his seminal book. This has charted a road map for us: running LCW as a business and placing experiences at the heart of our offering is our way forward. Why shouldn't it be? The uniqueness of LCW lends itself to such a claim: this iconic site, set against the backdrop of the sea and the harbour, aligns history with modernity. And so, our diverse offerings – shopping, leisure, dining, offices, take a different dimension here in LCW.

25 years after our opening, experiences are now integral to our DNA. We believe in turning moments into experiences. We want to create stories, make memories and make people live experiences in our precinct. This is what has seen the emergence of Caudan Arts Centre – a unique venue offering artistic and cultural experiences like no other in the region.

A bridge is an important symbol for us. There are no less than 5 bridges that form part of our landscape, linking different zones in the Caudan precinct. The upcoming swing bridge will also be linking Caudan to Odysseo. The bridge also has a strong metaphor: it stands for connection and we see LCW as a space for connections. After all, this is where Le Pouce stream connects to the sea and this is where, through the port, Mauritius connects to the world. LCW is a lieu de vie where art meets learning, cutting across different communities, where Indian culinary specialities meet those of Italy, where local craft reaches out to the world, where art forms merge to give singular experiences. Built on and surrounded by history, LCW connects the past to the present. Connecting and connection define what we do.

It is this two-fold approach to what we do and what we offer that has driven the choice of our tagline. We are a bridge to multifarious experiences. Bridging is a continuous and dynamic act of connecting people to our main offering: a plethora of experiences.

Caudan, Bridging Experiences is not only a tagline, but our raison d'être.

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

	2022	2021
	MRs	MRs
Group shareholders' funds	**4.31bn**	4.14bn
Group net asset value per share	**2.16**	2.07
Share price	**0.85**	0.98
	MRe	MRe
Basic and diluted earnings per share	**0.085**	0.026
Adjusted earnings/ (loss) per share	**0.009**	(0.002)

Performance Summary

	2022	2021
	%	%
Group net asset return	**4.3**	1.5

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	**(13.3)**	(3.9)

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 2022		
5 years	**2.7**	2.4
10 years	**2.0**	1.7

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

Corporate Information

directors

Jean-Philippe Coulier
Chairperson
Assad Abdullatiff
Resigned December 2021
Richard Arlove
Appointed December 2021
Priscilla Balgobin-Bhoyrul
Appointed December 2021
Bertrand de Chazal
Catherine Fromet de Rosnay
Gilbert Gnany
Stéphanie de La Hogue
Resigned December 2021
René Leclézio
Resigned December 2021
Jocelyne Martin
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
Resigned December 2021
René Leclézio
Resigned December 2021
Jocelyne Martin
Appointed February 2022
Philippe Raffray

audit and risk monitoring committee

Priscilla Balgobin-Bhoyrul
Chairperson Appointed December 2021
Assad Abdullatiff
Resigned December 2021
Richard Arlove
Appointed February 2022
Bertrand de Chazal
Stéphanie de La Hogue
Resigned December 2021
Bernard Yen

management company

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

company secretary

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

auditors

Ernst & Young
6th Floor, IconEbene,
Rue de L'Institut
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

Building an Ecosystem around the Harbour

Chairperson's Statement

Dear Shareholder

Your company, CDL, reported a profit after taxation of MRs169.8m for the year, compared to MRs52.9m the previous year, an increase largely attributable to a net fair value gain of MRs151.6m during the period. The activities of Caudan, already impacted by the previous lockdowns, were further hampered by the closure of Barkly Wharf, following the fire break out in November 2021. Consequently our operating profit declined from MRs41.4m to MRs17.3m. During the period, the NAV per share of CDL increased from MRs2.07 to MRs2.16, while our net debt went up from MRs557.1m to MRs581.6m, mainly on account of capital expenditure incurred.

The closure of Barkly Wharf since November 11th 2021, just when the lockdown had been fully lifted, was an unexpected blow. It meant that Le Caudan Waterfront could not fully benefit from the resumption of domestic consumption nor from the return of tourists and the foreign clientele. The positive side is that it sparked an overwhelming response from the management and all staff of your company. Tenants were promptly reassigned to vacant locations, the craft market was reconstituted in the pedestrian promenade 'L'Allée des Artistes', the insurance claims were closely monitored, and the reconstruction of a totally newly designed commercial mall was launched within a very short time.

The new revamped and renovated Barkly Wharf is scheduled to be completed before Christmas, in time for the peak season. This together with the renewed appeal of the Caudan Arts Centre, which has roared back to full activity since the end of 2021, and has now become a reference for the artist community of the region puts us in good stead for the second half of the present year. Further positive contributions are also expected from the various favourable factors announced last year which are now operative such as the new Oceanarium, the Victoria Urban Terminal and the extension of the Metro Express to Curepipe.

Nonetheless our cause for concern, remains the looming global recession that could impact domestic consumption and tourism.

Our subsidiary, Caudan Security, continued to be impacted by the cost cutting exercise of its customers and posted, as a result, a loss of MRs2.9m. We can however expect an improvement with a change in our offering as we now aim to a shift from physical guard solutions to digitally remote ones.

Your company has not yet benefited from the positive prospects we mentioned, especially in terms of cash flow, which is presently being directed to our capex requirements. In view of the increase in our indebtedness, coupled with the rising interest rates trend, the Board, regretfully, decided again this year, for the third time in a row, to postpone the payment of a dividend.

Despite the prevailing uncertainties of our world, we remain confident that, by the next calendar year, we will be able to offer a mix of vibrant activities in renovated premises, within an environment which is unique to Mauritius.

Finally, I would like to thank our staff for their dedication without which we would not have been able to face the recent setbacks, as well as our clients for their loyalty and our shareholders for their confidence.

Yours sincerely

Jean-Philippe Coulier

Chairperson

October 13th 2022

Le Suffren Hotel and Marina

Labourdonnais Waterfront Hotel

Blue Penny Museum

Corporate Governance Report

governance structure

The company is a public interest entity as defined by 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 board strives to comply with all the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) ("NCCG"). The company recognises the importance of these principles and practices and views their application as an opportunity to critically review the group structure and processes. As from January 2022, the company has not fully applied all the principles set out in the Code but is currently in the process of implementing the necessary change so as to be fully compliant with all the requirements in the near future. The promotion of good corporate governance values however 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/Chief Executive Officer (CEO) 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.

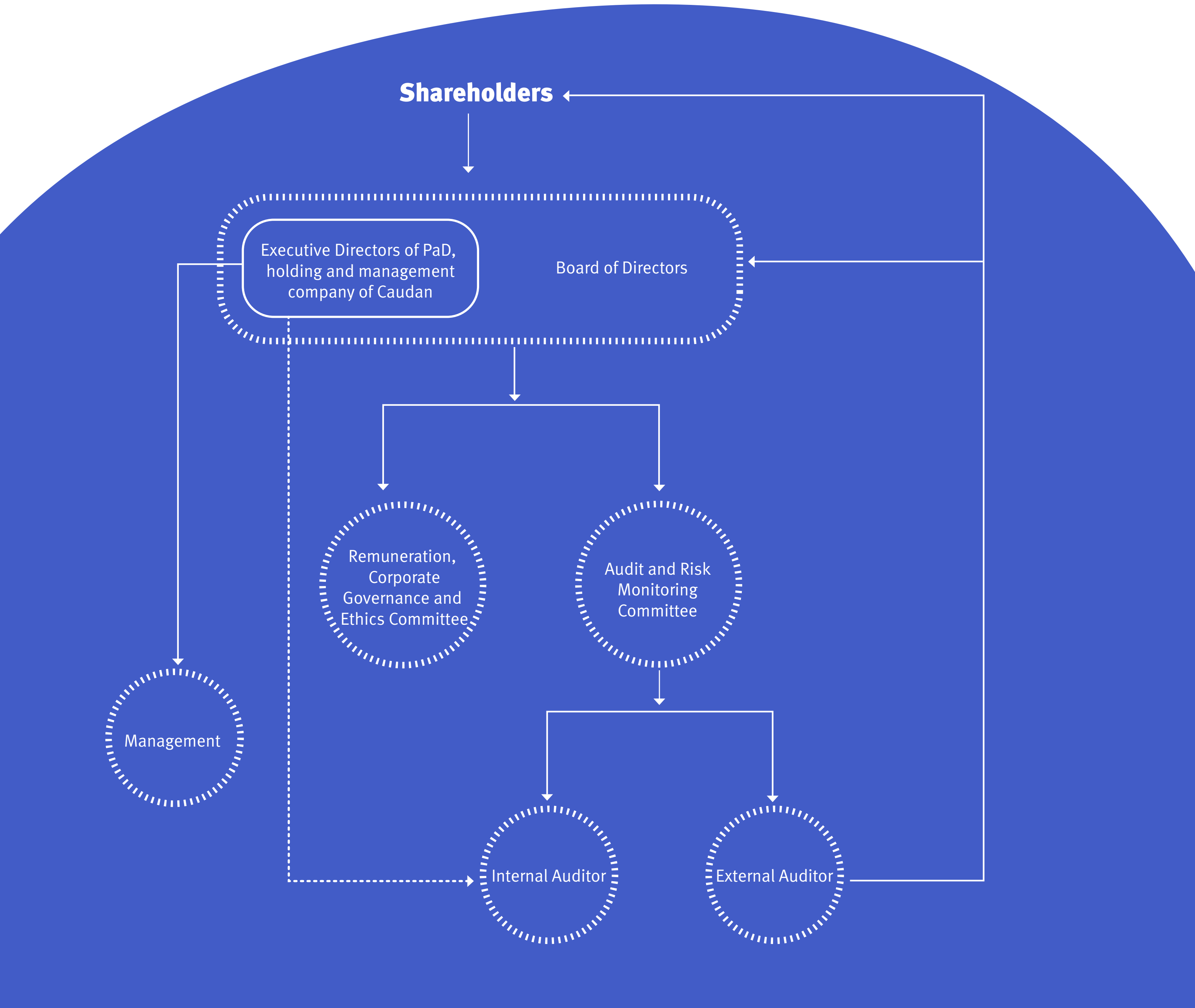
profiles of key governance officers

The profiles of Mr René Leclézio (retired on December 31st 2021) 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 registered as 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.

René Leclézio

Executive director *(up to December 2021)*

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 (up to December 2021), Medine, EUDCOS and MFD Group.

Assad Abdullatiff

Non-independent non-executive director *(up to December 2021)*

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 a number of companies in Mauritius operating in diverse economic sectors.

Richard Arlove

Non-independent non-executive director *(as from December 2021)*

Fellow member of the Association of Chartered Certified Accountants. Founder of Arphilia Consulting, he counts close to 40 years' experience as a professional accountant, business leader, professional entrepreneur and member of the senior leadership team of a global firm. After a 20-year career as a professional accountant in Big Four accounting firms and as general manager of businesses in garment manufacturing and marketing of international brands, he co-founded and was the CEO of ABAX, a regulated financial, corporate and fiduciary services company providing services to international companies and private equity firms doing business primarily in Africa and Asia. On the acquisition of ABAX by Ocorian in 2018, he was appointed Regional Head of Africa, Middle East and Asia and group ExCo member of Ocorian and retired in 2020. Director of IBL, Livestock Feed and Promotion and Development.

Priscilla Balgobin-Bhoyrul

Independent non-executive director *(as from December 2021)*

Senior partner and the chairperson of Dentons Mauritius. She graduated at the London School of Economics and Political Science in 1997, with a LLB (Hons) and has been called both to the Bar of England and Wales at the Middle Temple in 1998 and to the Mauritian Bar in 1999. She has also followed the Authentic Leadership Development Program at Harvard Business School. Priscilla specialises mostly in civil, commercial and industrial law matters. She has a keen interest in the fields of Fintech, Real Estate and ESG (Environment, Social, Governance) matters. Director of Alteo.

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 'Licence ès Sciences Economiques (Economie Mathématique)', 'Maîtrise en Econométrie' and 'DESS en Méthodes Scientifiques de Gestion et Calcul Economique Approfondi' (France). He previously 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 the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius Ltd, 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. He was also a member of the IMF Advisory Group for sub-Saharan Africa and a member of the Senate of the University of Mauritius. He is currently a Board member of several companies within the MCB Group. On the institutional side, he is an external IMF expert in statistics, in particular, on data dissemination standards and strategy. Moreover, he is a member of the Financial Services Consultative Council. He also acts as Chairperson of the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue. Director in other listed companies namely MCB Group, Promotion and Development, COVIFRA and Medine.

Stéphanie de La Hogue

Non-independent non-executive director *(up to December 2021)*

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 a number of companies.

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 Group Finance Director in 2004 and Group CEO with effect from January 1st 2022. Director of Promotion and Development, Medine, EUDCOS, MFD Group, Tropical Paradise, and Oceanarium.

Seedha Lutcheemee Nullatemby

Independent non-executive director *(up to September 2021)*

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.

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. Has served as the African representative on the Committee of Actuaries advising the UN staff pension fund for 15 years. Also director of Promotion and Development.

Odysseo

key roles and responsibilities

The executive directors of the Company up to December 2021 were Mr René Leclézio, and Mrs Jocelyne Martin. Mr Leclézio, the Managing Director of PaD, the holding and management company of Caudan, retired in December 2021 and Mrs Martin was appointed CEO of PaD, with effect from January 2022. PaD is in the process of recruiting an executive director who will also act as executive director on the board of the company.

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/CEO 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 2022, the board was made up of nine 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 Priscilla Balgobin-Bhoyrul appointed in December 2021 and Mr Philippe Raffray.

With three 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	1
Non-independent non-executive directors	6

average age

‹ 50	1
51 - 60	4
61 - 70	2
› 70	2

gender diversity

Female	3
Male	6

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; and
- 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.

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.

Victoria Metro Station

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. Participation by board members by means of teleconference or similar communication equipment is permitted.

Matters considered by the board in 2021-2022:

- The audited annual report for the year ended June 30th 2021;
- The abridged unaudited financial statements for the first, second and third quarters;
- Investments of the company;
- Presentations made by the management of the subsidiaries;
- Succession planning discussions;
- Approval of budgets for financial years 2021/2022 and 2022/2023;
- Presentation on Enterprise Risk Assessment;
- Review of board evaluation results;
- Presentation on Ethics; and
- Review of strategic orientation.

The board met eight 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

2022	board of directors
Jean-Philippe Coulier	8/8
Assad Abdullatiff *(up to December 2021)*	2/4
Richard Arlove *(as from December 2021)*	4/4
Priscilla Balgobin-Bhoyrul *(as from December 2021)*	4/4
Bertrand de Chazal	6/8
Catherine Fromet de Rosnay	8/8
Gilbert Gnany	7/8
Stéphanie de La Hogue *(up to December 2021)*	4/4
René Leclézio *(up to December 2021)*	5/5
Jocelyne Martin	8/8
Seedha Lutcheemee Nullatemby *(up to September 2021)*	2/2
Philippe Raffray	8/8
Bernard Yen	7/8
total number of meetings held	**8**

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 Jocelyne Martin, and Messrs Jean Philippe Coulier, Bertrand de Chazal, and Philippe Raffray.

The committee makes recommendations to the board, in respect of issues relating to appointment 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 2021-2022:

- Review of the board evaluation results;
- Review of the Corporate Governance Report forming part of the Annual Report 2021;
- Approval of appointment of two new directors;
- Review of good governance practices;
- Review of the composition of the committees;
- Succession planning recommendations;
- Review of the Management Agreement; and
- Approval of salary increases.

attendance of the Remuneration, Corporate Governance and Ethics Committee

2022

Jean-Philippe Coulier	3/3
René Leclézio *(up to December 2021)*	0/2
Bertrand de Chazal	2/3
Catherine Fromet de Rosnay	3/3
Stéphanie de La Hogue *(up to December 2021)*	1/2
Jocelyne Martin *(as from February 2022)*	0/0
Philippe Raffray	3/3
total number of meetings held	3

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 Mrs Priscilla Balgobin-Bhoyrul, who chairs this committee, Messrs Richard Arlove, 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

2022

Assad Abdullatiff *(up to December 2021)*	2/3
Richard Arlove *(as from February 2022)*	2/2
Priscilla Balgobin-Bhoyrul *(as from December 2021)*	3/3
Bertrand de Chazal	6/6
Stéphanie de La Hogue *(up to December 2021)*	3/3
Bernard Yen	5/6
total number of meetings held	6

Victoria Urban Terminal

Matters considered by the Audit and Risk Monitoring Committee in 2021-2022:

- 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 June 30th 2021;
- Review of budgets for the financial years 2021/2022 and 2022/2023;
- Selection of Internal Auditor;
- Monitoring of risks identified for the company;
- 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.

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

2022

MRs000	THE COMPANY	SUBSIDIARIES	TOTAL
Jean-Philippe Coulier	223	-	223
Assad Abdullatiff	70	-	70
Richard Arlove	88	-	88
Priscilla Balgobin-Bhoyrul	109	-	109
Bertrand de Chazal	157	60	217
Catherine Fromet de Rosnay	132	-	132
Stéphanie de La Hogue	90	-	90
Seedha Lutcheemee Nullatemby	20	-	20
Philippe Raffray	148	-	148
Bernard Yen	152	-	152
Total Non-Executive	**1,189**	**60**	**1,249**

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 resulting from external events such as natural disasters (e.g. cyclone), fire, explosion terrorism, riots and other political or social unrest. The Group reviews its insurance requirements regularly to ensure appropriate coverage in these circumstances
- human resources: Ability to attract, develop and retain employees with appropriate skills and losses arising from acts inconsistent with employment, health and safety laws. The Group has enlisted the services of a seasoned HR practitioner to help design a HR strategy, build a high performance culture and competency, and maintain employee engagement.
- business continuity: losses resulting from breakdown in systems, failure of internal processes, inadequate back-ups and loss of data. The Group has developed a disaster recovery plan in order to be able to respond to major incidents or emergencies.
- compliance: failure to comply with laws, regulations, codes of conduct and standard of good practice relevant to the group's business environment. Adequate training is provided to employees and directors. The Group compliance officer also monitors compliance with the relevant laws, regulations and codes of conduct and reports to the relevant committees on a regular basis.
- Competition: Proliferation of shopping malls and destination venues around the island may impact on the footfall. Oversupply of rental property may lead to pressure on rental rates. The management continuously monitors the environment and reviews its operating strategies accordingly.
- The property segment is influenced largely by economic growth in the country. The ability of businesses to rent properties depends on their financial performance. In times of low economic growth, businesses may struggle to stay operational, resulting in tenant failures leading to unpaid rents and eventually decreased occupancy. The Group has put in place processes to ensure financial stability of new tenants and a close monitoring of the financial health of its customer base. Management maintains strong relationships with tenants to understand their businesses and deal promptly with potential issues.
- Prompt allocation of permits and licenses from the authorities for development projects may delay their smooth progress.
- Reputation: Reputational risk is the risk of failure by the group to meet stakeholder expectations, as a result of any event, behaviour, action or inaction, either by the Group, its officers, its employees or those with whom it is associated that may cause stakeholders to form a negative view of the Group. The Group's image can be affected by risks related to ethics and integrity, cyber security and products and services and may result in loss of customer's confidence, trust and business relationships impacting on the Group's performance and ability to retain and generate business as well as a loss of investor confidence. The Group ensures that procedures are in place to assess, understand and meet the needs of stakeholders at all times. The Group's reputation is also managed at both senior management and operational level to ensure that our values and actions are in line with best practice standards.

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. A risk management framework was put in place in June 2017 and an action plan implemented to mitigate the business risks and/or to transform them into business opportunities. An updated Enterprise Risk Management Framework has been identified during a workshop held in December 2020. The aim was to prioritise key strategic orientations and initiatives and analyse the various risks involved for their proper execution. An updated action plan was subsequently drafted and a steering committee has been set up to look into the risk assessment and the ongoing 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 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. The Group strategy is therefore underpinned by its commitment to sustainability and the team has been instructed to develop corporate sustainable initiatives and green energy projects to reduce the environmental footprint.

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.

Port Louis Waterfront

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

Following the resignation of the group internal auditor, the Audit and Risk Monitoring Committee has decided to outsource the internal audit function. A tender proposal was launched and PricewaterhouseCoopers has been appointed to act as Internal Auditor for the ensuing year. They will conduct a new risk assessment at the beginning of October 2022 which will serve as a basis for the development of a risk based internal audit plan which will be tabled for approval by the Audit and Risk Monitoring Committee. Up until March 31st 2022, the company had an in-house internal audit function at group level. The group internal auditor evaluated all aspects of internal control of the company and its subsidiaries and assisted the Audit and Risk Monitoring Committee to ensure that the company maintains a sound system of internal controls. The internal auditor reported to the Audit and Risk Monitoring Committee Chairperson, and to the executive management on administrative matters. The Audit and Risk Monitoring Committee ensured the adequacy and effectiveness of the internal audit function. The internal audit plan for financial year 2022 has been established in consultation with, but independent of, Management, and was reviewed and approved by the Audit and Risk Monitoring Committee.

The internal auditor provided a written assessment of the group's internal controls which was tabled at each Audit and Risk Monitoring Committee meeting. The internal audit findings, recommendations and status of remediation were reviewed and discussed with the committee members and management, who also submitted an action plan for the various findings. The internal auditor had 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 cash management of the Guarding department of its subsidiary, Caudan Security Services. The Internal auditor also reported on the implementation status of previous internal audit recommendations.

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.

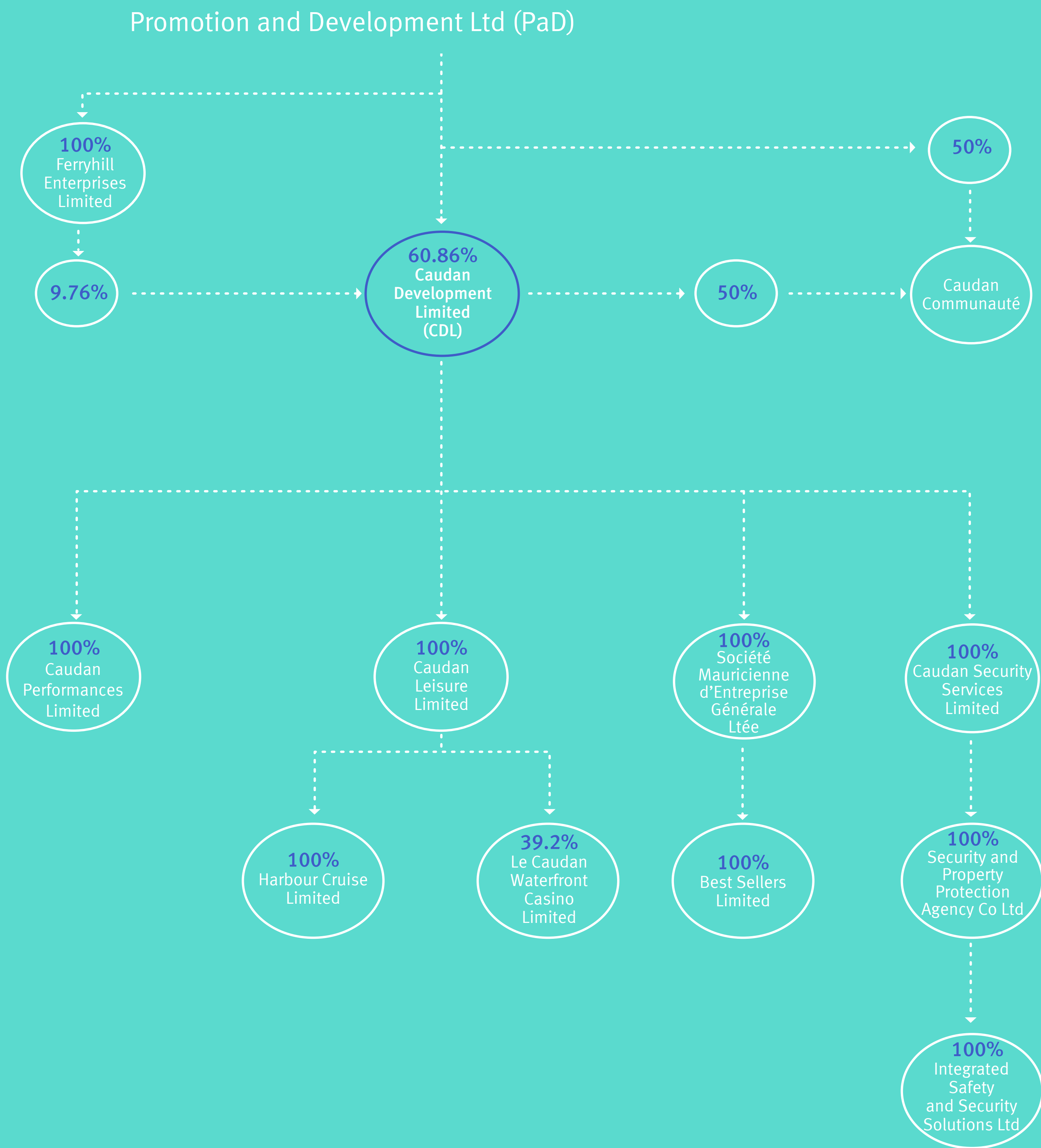
The Audit Committee also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- 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.


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

relations with shareholders and other key stakeholders

At June 30th 2022, 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 3,220 shareholders on the registry.

shareholders holding more than 5% of the share capital of the company at June 30th 2022

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 2022

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	414	76,674	0.004
501-1,000 shares	211	149,848	0.008
1,001-5,000 shares	923	2,133,395	0.11
5,001-10,000 shares	330	2,297,773	0.11
10,001-50,000 shares	767	17,227,182	0.86
50,001-100,000 shares	190	13,548,794	0.68
Above 100,000 shares	369	1,964,566,334	98.23
Total	**3,204**	**2,000,000,000**	**100.00**

category	number of shareholders	number of shares owned	% holding
Individuals	2,968	118,929,161	5.95
Insurance and Assurance Companies	4	11,684,776	0.58
Pensions and Provident Funds	37	120,249,237	6.01
Investment and Trust Companies	27	157,357,492	7.87
Other Corporate Bodies	168	1,591,779,334	79.59
Total	**3,204**	**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.

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.

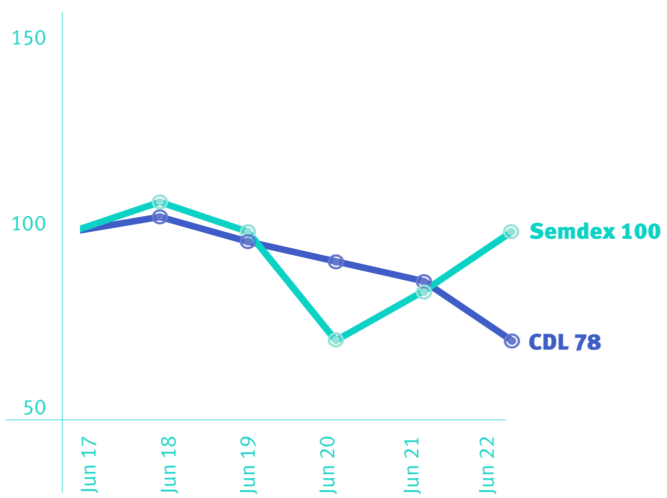
shareholders' calendar

The company has planned the following forthcoming events :

Mid-November 2022	release of first quarter results to September 30th 2022
December 2022	annual meeting of shareholders
Mid-February 2023	release of half-year results to December 31st 2022
Mid-May 2023	release of results for the nine month period to March 31st 2023
June 2023	declaration of final dividend (if any)
End-September 2023	release of full year results to June 30th 2023
Mid-November 2023	release of first quarter results to September 30th 2023
December 2023	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 2017 = 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 2022	Promotion and Development
Jean-Philippe Coulier	›
Richard Arlove	›
Bertrand de Chazal	›
Catherine Fromet de Rosnay	›
Gilbert Gnany	›
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 three years ended June 30th 2020, June 30th 2021 and June 30th 2022.

trend over the past five years

year	dividend per share
	cents
2022	**-**
2021	-
2020	-
2019	4.0
2018	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 26th 2022 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

Jocelyne Martin
Director

L’entracte Restaurant

L’Artista Italian Restaurant

Craft Market

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 2022

We, the directors of Caudan Development Limited, confirm that, to the best of our knowledge, the P.I.E has not fully complied with the principles of the National Code of Corporate Governance (2016) for the reason stated below.

	areas of non-application of the Code	explanation of non-application
› Principle 2	› All Boards should consider having a strong executive management process with at least two executive as members.	› The company is in the process of recruiting an executive director.

Approved by the board of directors on September 26th 2022 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

Jocelyne Martin
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 26th 2022

Statutory Disclosures

(SECTION 221 OF THE COMPANIES ACT 2001)

principal activities

The principal activities of the group continued throughout 2022 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 2022

number of shares	direct	indirect
Jean-Philippe Coulier	-	-
Richard Arlove	-	-
Priscilla Balgobin-Bhoyrul	-	-
Bertrand de Chazal	-	-
Catherine Fromet de Rosnay	-	-
Gilbert Gnany	-	-
Jocelyne Martin	158,628	-
Philippe Raffray	-	-
Bernard Yen	146,426	-

directors of subsidiaries

For directors of subsidiaries, please refer to page 95 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 by each director of PaD from the company and its subsidiaries are found on page 23.

	THE COMPANY		SUBSIDIARIES	
MRs000	**2022**	2021	**2022**	2021
Full time executive directors	**-**	-	**-**	-
Non-executive directors	**1,189**	1,165	**60**	60
	1,189	1,165	**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 2022

	THE COMPANY		SUBSIDIARIES	
MRs000	**2022**	2021	**2022**	2021
Ernst & Young				
Audit services	**1,179**	1,095	**404**	375
Other services	**-**	-	**-**	-
	1,179	1,095	**404**	375

donations

No charitable donations were made during the year (2021: nil).

No political donations were made during the year (2021: 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 MRs110,000 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:

- Action for Integral Human Development - project of 'Centre D'Ecoute' in colleges (School Counselling Unit);
- Oasis De Paix – Nutrition programme for 50 children; and
- Quartier de Lumière – Enhancing the extra-curricular activities of children residing in 'La Valette' including educational support.

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 46 to 94 which comprise the consolidated and separate statements of financial position as at June 30th 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

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

Basis for Opinion

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

Valuation of investment properties

The disclosures associated with the valuation of investment properties is set out in Note 2 - Investment properties and fair value measurement of investment properties.

Investment property makes up approximately 90% (2021: 91%) of the total assets of the Group at a fair value of MRs4.8 billion (2021: MRs4.6 billion) and 91% (2021: 92%) of the total assets of the Company at a fair value of MRs4.7 billion (2021: MRs4.5 billion). The portfolio consists of retail, industrial and office properties.

The valuation of investment properties remains a Key Audit Matter in the current year for the Company, as this is an area of significant management judgement and for which new valuations are performed each year. The key assumptions that underpin the valuations are inherently subjective and impacted by uncertain economic and market conditions arising from the COVID-19 pandemic. This necessitated support from our EY valuation specialists and discussions with management and management independent valuation expert Elevante Property Services Ltd, Chartered Valuation Surveyor.

Auditor attention was required on the following management determinable inputs which need to be assessed:

The capitalisation rate (equivalent yield) is derived from widely available market related data which is continuously updated based on current market conditions. This requires management to exercise their judgement in the selection of a point in the capitalisation rate range, which is based on the category, condition, gross lettable area (GLA), location and grade of a property.

There is more judgement required in determining capitalisation rate given the negative impact of COVID-19 pandemic on property sales, whereby comparable market values are limited which form the basis of the capitalisation rates.

Vacancy rates and estimated rental value (ERV) are judgemental and determined by management based on unique property specific information and the impact of COVID-19 pandemic on the historical cash flows, the ability to retain current tenants, secure new tenants and the ability to sustain current rental rates and future rental escalations.

Our audit procedures included, among others, the following:

We obtained, read, and understood the 2022 report from the independent valuation specialist and we assessed that the valuation techniques applied by management and their external appraisers were consistent with generally accepted property valuation techniques in the real estate market.

We evaluated the competence, independence, and experience of management's external independent appraisers with reference to their qualifications and industry experience.

With the support of our EY valuation specialists, we assessed the methodologies and assumptions applied in determining the fair value of investment properties by management and the external appraisers. This included

- We assessed the category, condition, GLA, location and grade of a property, all of which inform management in the selection of the appropriate capitalisation rate to apply against the outcome of current and prior external valuations and considering the location of the properties and the impact of COVID-19 pandemic on the properties to inform our assessment of the capitalisation rates used by management.
- We compared the capitalisation rates to other market information and through discussions with management and the use of our valuation specialist's professional judgement, we assessed the appropriateness of the specific capitalisation rates used.
- We evaluated the assumptions used in arriving at the budget that forms the basis of the forecasted ERV per property against recent historical income and expenses data, specifically considering the impact of COVID-19 pandemic on the forecasted ERV.
- We agreed the ERV, and vacancy rates assumptions applied by management in the property valuations to lease agreements and tenancy schedules.
- We assessed the reasonability of the fair value of the investment properties at year end as determined by management against the outcome of our independent calculations, in which the outcomes of our above procedures were incorporated.

We assessed the adequacy of the disclosure of the investment property and the fair value thereof against the requirements of IAS 40 - Investment Property and IFRS 13 - Fair Value Measurement on Note 2.

Key Audit Matter	How the matter was addressed in the audit
Significant Event: Fire at the Craft Market Barkly Wharf	
In the consolidated and separate financial statements, a provision receivable of MRs53.2m in respect of insurance claims arising from building insurance cover and loss of rent have been reported under the "Insurance claims receivable" balance sheet item (See Note 33). These obligations primarily related to the insurance claims arising from the fire outbreak in Barkly Wharf in November 2021. The insurance claims have been calculated based on the loss of rent to date, and actual cost incurred to date on the reinstatement of the building and future estimated costs. These are based on the insurance policy that the company currently has in place. In addition, assumptions have been made about the nature and extent of future claims/payments to be made. These assumptions are based on qualified estimates that have been calculated by management's independent loss adjuster and further confirmed by management's independent quality surveyor. From our point of view, this matter was considered as a Key Audit Matter as under IAS 37 Provision, Contingent Liabilities and Contingent Assets, an insurance recovery asset can only be recognised if the Company has a valid insurance policy and furthermore, the accounting for the insurance claims might differ based on a variety of factors, including the nature of the claim, the amount of proceeds (or anticipated proceeds) and the timing of the loss and corresponding insurance recovery. In addition, any accounting for insurance proceeds will be affected by the evaluation of coverage for that specific type of loss, as well as an analysis of the ability of the insurer to satisfy that claim.	Our audit procedures covered the following: We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions potential claims and contingent assets. We obtained a copy of the Insurance Claim Report, read, and understood the report from the independent specialist and we assessed the specialist analysis for investment properties destroyed, claims made and insurance proceeds to be received. We evaluated the competence, independence, and experience of management's external independent appraisers with reference to their qualifications and industry experience. We obtained and reviewed a copy of the insurance policy and ensured that the Group and Company has a valid insurance policy in place, and that it covers the incident and the insurance claim will be settled by the insurers. We obtained a copy of the "Agreement of Loss" issued by the insurer and agreed the amounts received to current and subsequent bank receipts. We obtained an independent confirmation from the insurer that the incident is fully covered under the insurance policy and that the appropriate claim left will be settled. We assessed Management assumptions and estimates related to the recognised provisions and disclosures of contingent assets in the consolidated financial statements as per Note 33. We assessed the adequacy of the disclosure of the insurance claims against the requirement of IAS 37 Provision, Contingent Liabilities and Contingent Assets on Note 33.

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 2022", which includes the Financial Highlights, Performance Summary, Corporate information, Corporate Governance Report, Statement of Compliance, Company Secretary's Certificate and Statutory Disclosures as required by the Companies Act 2001, which we obtained prior to this auditor's report and the Chairperson's Statement, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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.

When we read the Chairperson's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Financial Reporting Act 2004

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

Ernst & Young
Ebène, Mauritius

Anjaala Ramkhelawon, F.C.A
Licensed by FRC

September 26th 2022

Financial Statements

Statements of financial position

MRs000	notes	THE GROUP 2022	2021	THE COMPANY 2022	2021
Assets					
Non-current assets					
Investment property	2	**4,822,521**	4,639,616	**4,686,521**	4,500,891
Property, plant and equipment	3	**325,389**	319,286	**116,958**	110,411
Intangible assets	4	**3,436**	2,916	**774**	1,063
Investments in subsidiary companies	5	**-**	-	**14,272**	14,272
Deferred tax assets	14	**7,358**	6,620	**-**	-
		5,158,704	4,968,438	**4,818,525**	4,626,637
Current assets					
Inventories	7	**18,700**	14,038	**4,043**	3,090
Trade and other receivables	8	**110,284**	65,986	**76,799**	25,551
Other financial assets	9	**-**	21,800	**209,587**	202,739
Prepayments	9A	**32,200**	8,376	**27,091**	4,747
Income tax receivable	20A	**6,797**	6,742	**5,627**	5,735
Cash and cash equivalents		**11,935**	7,154	**10,657**	5,734
		179,916	124,096	**333,804**	247,596
Total assets		**5,338,620**	5,092,534	**5,152,329**	4,874,233
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	**2,311,485**	2,144,850	**2,021,447**	1,833,574
Total equity		**4,311,485**	4,144,850	**4,021,447**	3,833,574
Non-current liabilities					
Borrowings	13	**534,000**	522,000	**534,000**	522,000
Deferred tax liabilities	14	**217,461**	175,740	**195,657**	152,971
Employee benefit liabilities	15	**37,018**	31,194	**9,822**	9,656
Lease liabilities	28	**26,264**	29,184	**26,264**	29,184
		814,743	758,118	**765,743**	713,811
Current liabilities					
Trade and other payables	16	**141,544**	116,733	**278,483**	256,492
Contract liabilities	17	**4,155**	1,868	**-**	-
Current tax liabilities	20A	**-**	609	**-**	-
Borrowings	13	**59,573**	64,006	**79,536**	64,006
Lease liabilities	28	**7,120**	6,350	**7,120**	6,350
		212,392	189,566	**365,139**	326,848
Total liabilities		**1,027,135**	947,684	**1,130,882**	1,040,659
Total equity and liabilities		**5,338,620**	5,092,534	**5,152,329**	4,874,233

These financial statements have been approved for issue by the board of directors on September 26th 2022 and are signed on its behalf by

Jean-Philippe Coulier *Chairperson*

Jocelyne Martin *Director*

The notes on pages 50 to 94 form an integral part of these financial statements. The auditor's report is on pages 40 to 44.

Statements of profit or loss and other comprehensive income

MRs000	notes	THE GROUP 2022	2021	THE COMPANY 2022	2021
Revenue	18, 22	**478,191**	475,214	**184,461**	184,315
Operating expenses	18	**(460,884)**	(433,846)	**(164,832)**	(150,175)
Operating profit		**17,307**	41,368	**19,629**	34,140
Net gain from fair value on investment property	2	**182,665**	21,955	**185,390**	208,057
Profit before finance costs, impairment on financial assets and impairment on goodwill		**199,972**	63,323	**205,019**	242,197
Net impairment on financial assets	10	**(6,293)**	(13,905)	**(1,181)**	(2,976)
Other income	33	**41,398**	-	**39,928**	-
Impairment of goodwill	4	**-**	(4,864)	**-**	-
Finance costs	19	**(24,063)**	(27,377)	**(24,501)**	(27,858)
Finance income	19	**737**	546	**11,293**	10,636
Profit before income tax		**211,751**	17,723	**230,558**	221,999
Taxation	20	**(41,920)**	35,147	**(42,686)**	4,773
Profit for the year attributable to owners of the parent		**169,831**	52,870	**187,872**	226,772
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit liabilities	15	**(3,851)**	5,526	**1**	1,102
Deferred tax on remeasurement of employee benefit liabilities	14	**655**	(939)	**-**	(187)
Other comprehensive (loss)/income for the year attributable to owners of the parent		**(3,196)**	4,587	**1**	915
Total comprehensive income for the year attributable to owners of the parent		**166,635**	57,457	**187,873**	227,687

MRe					
Basic and diluted earnings per share	21	**0.085**	0.026		

The notes on pages 50 to 94 form an integral part of these financial statements. The auditor's report is on pages 40 to 44.

Statements of changes in equity

Attributable to owners of the parent MRs000	share capital	retained earnings	total equity
			THE GROUP
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
At July 1st 2021	2,000,000	2,144,850	4,144,850
Profit for the year	-	169,831	169,831
Other comprehensive income	-	(3,196)	(3,196)
At June 30th 2022	**2,000,000**	**2,311,485**	**4,311,485**
			THE COMPANY
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
At July 1st 2021	2,000,000	1,833,574	3,833,574
Profit for the year	-	187,872	187,872
Other comprehensive income	-	1	1
At June 30th 2022	**2,000,000**	**2,021,447**	**4,021,447**

The notes on pages 50 to 94 form an integral part of these financial statements. The auditor's report is on pages 40 to 44.

Statements of cash flows

		THE GROUP		THE COMPANY	
MRs000	notes	**2022**	2021	**2022**	2021
Cash flows from operating activities					
Cash received from tenants		**172,865**	173,220	**146,222**	156,176
Cash received from other operating activities	29	**44,403**	29,503	**39,471**	25,714
Security fees received		**266,839**	268,708	**-**	-
Deposits received from tenants		**6,445**	3,588	**5,665**	3,000
Deposits repaid to tenants		**(8,427)**	(3,544)	**(7,723)**	(2,459)
Amount refunded/ (paid on behalf of) by other entities		**2,240**	(2,023)	**2,314**	(2,073)
Operating cash payments	30	**(437,540)**	(396,105)	**(152,040)**	(134,680)
Cash generated from operations		**46,825**	73,347	**33,908**	45,678
Interest paid on lease liabilities *		**(1,782)**	(1,942)	**(1,782)**	(1,942)
Interest paid *		**(27,664)**	(20,776)	**(27,963)**	(20,580)
Interest received		**214**	206	**10,892**	9,532
Income tax refunded		**(946)**	4,425	**108**	7,575
Proceeds from insurance relating to rental claim		**30,487**	-	**29,017**	-
Net cash generated from operating activities		**47,134**	55,260	**44,180**	40,263
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(25,446)**	(19,851)	**(12,897)**	(5,255)
Purchase of intangible assets	4	**(60)**	(503)	**(60)**	(458)
Payments in respect of investment property	2	**(2,275)**	(32,725)	**(2,275)**	(32,725)
Amount granted to subsidiary companies		**-**	-	**(7,163)**	(17,388)
Proceeds from disposals of property, plant and equipment		**417**	1,654	**86**	522
Proceeds from disposals of investment property		**-**	94,482	**-**	94,482
Payments in respect of reconstruction works		**(38,177)**	-	**(38,177)**	-
VAT refund on capital goods		**(4,466)**	-	**(4,466)**	-
Net cash (used in)/generated from investing activities		**(70,007)**	43,057	**(64,952)**	39,178
Cash flows from financing activities					
Loan repaid to related company	13	**(1,000)**	(400)	**(1,000)**	(400)
Loan granted to holding company	9	**(45,500)**	(38,200)	**-**	-
Loan refunded by holding company		**67,300**	16,400	**-**	-
Repayment of bank borrowings		**(36,000)**	-	**(36,000)**	-
Proceeds from bank borrowings		**-**	50,000	**-**	50,000
Loan repaid to subsidiary companies		**-**	-	**-**	(51,700)
Loan received from subsidiary companies		**-**	-	**28,700**	28,500
Payment on lease liabilities *	28	**(2,150)**	(2,440)	**(2,150)**	(2,440)
Net cash (used in)/generated from financing activities		**(17,350)**	25,360	**(10,450)**	23,960
Net (decrease)/increase in cash and cash equivalents		**(40,223)**	123,677	**(31,222)**	103,401
Cash and cash equivalents at beginning of the year		**4,848**	(119,137)	**3,428**	(100,281)
Effect of foreign exchange rate changes		**437**	308	**315**	308
Cash and cash equivalents at end of the year		**(34,938)**	4,848	**(27,479)**	3,428
Analysis of cash and cash equivalents disclosed above					
Bank and cash balances		**11,935**	7,154	**10,657**	5,734
Bank overdrafts	13	**(46,873)**	(2,306)	**(38,136)**	(2,306)
		(34,938)	4,848	**(27,479)**	3,428

* Interest paid on lease liability has been shown under operating activities in accordance with IAS 7 and the figures have been aligned accordingly.

The notes on pages 50 to 94 form an integral part of these financial statements. The auditor's report is on pages 40 to 44.

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 c/o 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. The consolidated financial statements have been approved for issue by the board of directors on September 26th 2022 and will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the Company.

Caudan Development Limited 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 Development Limited, 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.

Changes in accounting policies and disclosures

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after July 1st 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	effective for accounting period beginning on or after
COVID-19 – Related Rent Concessions (Amendments to IFRS 16)	January 1st 2021
Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform	April 1st 2021

COVID-19 – Related Rent Concessions (Amendments to IFRS 16)

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 was intended to apply until June 30th 2021, but as the impact of the COVID-19 pandemic is continuing, on March 31st 2021, the IASB extended the period of application of the practical expedient to June 30th 2022.The amendment applies to annual reporting periods beginning on or after April 1st 2021.

However, the Group has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

New and amended standards and interpretations issued but not yet effective

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

New or amended standards	effective for accounting period beginning on or after
Amendments to IFRS 3 Reference to the Conceptual Framework	January 1st 2022
Amendments to IAS 16 Property, Plant and Equipment	January 1st 2022
Amendments to IAS 37 Onerous Contracts	January 1st 2022
Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 1st 2022
Amendments to IFRS 9 Financial Instruments	January 1st 2022
Amendments to IAS 41 Agriculture	January 1st 2022
IFRS 17 Insurance Contracts	January 1st 2023
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	January 1st 2023
Definition of Accounting Estimates Amendment to IAS 8	January 1st 2023
Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practise Statement 2	January 1st 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1st 2023

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

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) as issued by the International Accounting Standards Board (IASB). 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 Group has prepared the FS on the basis that it will continue to operate as a going concern.

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.

Basis of consolidation

The consolidated FS comprise the financial statements of the Company and its subsidiaries as at June 30th 2022. The consolidation process is detailed in note 5 investment in subsidiary companies.

Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified only as:

- Financial assets at amortised cost (rent and other trade receivables and cash and short-term deposits).

The Group does not hold financial assets which are measurement at FVPL.

Financial assets at amortised cost

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

AND

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Since the Group's financial assets (rent and other trade receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

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

Derecognition

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

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

OR

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

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

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

Impairment

The Group recognises 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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; and
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

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

Initial recognition and measurement

The Group's financial liabilities comprise interest-bearing loans, lease liabilities, and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

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

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9.

Derecognition

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

Offsetting of financial instruments

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

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.

Intangible assets

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.

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 recognised at cost. Transaction costs are included in the initial measurement. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is subsequently measured at fair value in accordance with IAS 40.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to a sale.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses on the retirement or disposal of investment property. Any gains or losses are recognised in profit or loss in the year of retirement or disposal.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

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%
Asset costing less than MRs10,000	100%
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 non financial 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.

Leases

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

Group as a lessee

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

(i) Right-of-use assets

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

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of the line item ‘Completed investment property’ in the statement of financial position.

The Group elects to apply the fair value model to measure an investment property that is held as a right–of–use asset. Further details on the measurement of investment property at fair value are provided in Investment property.

(iii) 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.

(iv) 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 systematic 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.

Rent receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets.

Tenant deposits

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. The tenant deposit is recognised as an income when the tenant depart from its lease agreement. Refer also to accounting policies on financial liabilities.

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 business 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 to the mauritian tax authorities. CSR is classified as taxation and any amount payable is accounted under current tax liabilities.

Employee benefit liabilities

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, food and beverage and income from security activities.

Revenue recognition

(a) Revenue from property segment

Rental income from operating leases is recognised on a systematic basis over the lease term. It is recognised 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.

(b) Casual parking, non-Gross Lettable Area income and lease cancellation fees

Casual parking income is recognised over the period for which the services are rendered.

(c) 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.

(d) 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.

(e) Revenue from conferencing and theatre rental

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

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.

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

Recoveries

Recovering operating costs, such as utilities from tenants.

Utility recoveries are recognised over the period for which the services we are rendered. The group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants.

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.

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 principal financial liabilities comprise bank overdraft and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other financial assets and Cash and Cash equivalents that derive directly from its operations. 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 Group's senior management is supported by the audit committee that advises on financial risks and the appropriate financial risk governance. 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 2022, 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 MRs2.5m and MRs2.6m lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings (2021: MRs2.7m and MRs2.9m respectively).

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

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and other financial assets.

Tenants receivables

Tenants are assessed according to Group criteria prior to entering into lease arrangements. The Group has an established credit policy whereby new customers are individually analysed for credit worthiness before any agreement. Credit risk is managed by requiring tenants to pay a deposit in advance as a security.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the payment of profiles of sales over a period of 36 months before June 30th 2022 and June 30th 2021 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 Group recognises an allowance for expected credit losses (''ECLs'') on receivables classified as other financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

Loss allowances are measured using 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

A financial asset at amortised costs is written off when there is no reasonable expectation of recovering the contractual cashflows. Financial assets at amortised costs written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in the Statements of Profit or Loss.

The Group has assessed the counterparties' ability to pay their debt as they become due in the normal course of business and/or in any adverse economic and business conditions. The probability of default in respect of these financial assets are negligible as are considered to have a low credit risk given that these are intercompany balances. Group has not accounted for any impairment loss as deemed immaterial.

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.

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 2022						
Expected loss rate (%)	**10.14%**	**20.82%**	**46.11%**	**70.23%**	**96.47%**	
MRs000						
Gross carrying amount						
Trade receivable	**17,383**	**9,799**	**5,979**	**4,313**	**23,472**	**60,946**
Loss allowance	**1,762**	**2,040**	**2,757**	**3,029**	**22,643**	**32,230**
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

Specific provision amounted to MRs18.763m (2021: MRs34.181m).

The above gross carrying amount is exclusive of deposit amounting to MRs2.350m (2021: MRs8.800m).

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 2022						
Expected loss rate (%)	**12.55%**	**26.58%**	**48.69%**	**100.00%**	**100.00%**	
MRs000						
Gross carrying amount						
Trade receivable	**1,007**	**1,007**	**366**	**447**	**1,710**	**4,537**
Loss allowance	**126**	**268**	**178**	**447**	**1,710**	**2,729**
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

Specific provision amounted to MRs9.905m (2021: MRs25.059m).

The above gross carrying amount is exclusive of deposit amounting to MRs1.899m (2021: MRs2.917m).

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 4% and 100% and the closing loss allowance amounted to MRs0.391m (2021: MRs0.350m) 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 2022						
Expected loss rate (%)	**4.16%**	**13.08%**	**25.70%**	**100.00%**	**100.00%**	
MRs000						
Gross carrying amount						
Other receivables	**1,566**	**32**	**84**	**16**	**284**	**1,982**
Loss allowance	**65**	**4**	**22**	**16**	**284**	**391**
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

Specific provision amounted to MRs1.627m (2021: MRs3.421m).

The above gross carrying amount is exclusive of deposit amounting to MRs0.266m (2021: MRs0.386m) and includes other receivables not yet invoiced amounting to MRs8.028m (2021: 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	2021	cash flows	2022
Bank loans	570,000	(36,000)	**534,000**
Other loans	13,700	(1,000)	**12,700**
Lease liabilities	35,534	(2,150)	**33,384**
Loan (granted to)/refunded from holding company	(21,800)	21,800	**-**
Total liabilities from financing activities	597,434	(17,350)	**580,084**

THE COMPANY MRs000	2021	cash flows	2022
Bank loans	570,000	(36,000)	**534,000**
Other loans	13,700	(1,000)	**12,700**
Loan from subsidiary company at call	-	28,700	**28,700**
Lease liabilities	35,534	(2,150)	**33,384**
Total liabilities from financing activities	619,234	(10,450)	**608,784**

THE GROUP MRs000	2020	cash flows	2021
Bank loans	520,000	50,000	570,000
Other loans	14,100	(400)	13,700
Lease liabilities	37,974	(2,440)	35,534
Loan granted to holding company	-	(21,800)	(21,800)
Total liabilities from financing activities	572,074	25,360	597,434

THE COMPANY MRs000	2020	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	(2,440)	35,534
Total liabilities from financing activities	595,274	23,960	619,234

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
2022				at June 30th
Borrowings	**73,391**	**22,468**	**233,064**	**406,441**
Other payables	**141,544**	**-**	**-**	**-**
Lease liability	**8,732**	**4,982**	**11,796**	**15,729**
Contract liabilities	**4,155**	**-**	**-**	**-**
2021				
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	-	-	-

MRs000				THE COMPANY
2022				at June 30th
Borrowings	**102,091**	**22,468**	**233,064**	**406,441**
Other payables	**278,483**	**-**	**-**	**-**
Lease liability	**8,732**	**4,982**	**11,796**	**15,729**
2021				
Borrowings	83,061	69,335	272,417	330,061
Other payables	256,492	-	-	-
Lease liability	8,132	4,982	12,846	19,661

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 from the prior year.

The debt-to-adjusted capital ratios

MRs000	THE GROUP		THE COMPANY	
at June 30th	**2022**	2021	**2022**	2021
Total debt	**534,000**	583,700	**534,000**	583,700
Loan at call	**12,700**	(21,800)	**41,400**	-
Cash and Cash equivalents	**34,938**	(4,848)	**27,479**	(3,428)
Net debt	**581,638**	557,052	**602,879**	580,272
Total equity	**4,311,485**	4,144,850	**4,021,447**	3,833,574
Debt to adjusted capital ratio	**0.13**	0.13	**0.15**	0.15

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 2022, 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 non financial 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 27 and 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 MRs32m (2021: MRs65m) and MRs31m (2021: MRs79m) respectively at June 30th 2022. The lender has given a letter to Management that it intends to maintain its banking facilities, subject to annual review. The Company also benefited from a 36-months moratorium facility for its loan and same has been classified as non-current liability in the financial statements. As at June 30th 2022, the Group and the Company has undrawn facilities of MRs95.4m and MRs45.5m respectively with the bank. Management 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 have thus been prepared on a going concern basis.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remained unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that control be predicted with any certainty.

Insurance claims receivable

Judgment is required in assessing the virtual certainty of the recoverability of insurance claims, which is supported by the insurer's validation of the progress in the claims assessment process and payments received to date.

2 investment property

THE GROUP		Le Caudan waterfront					Industrial	Total	Total*
		commercial	offices	parking	land	buildings	land	2022	2021
		level 3	*level 3*	*level 3*	*level 3*	*level 3*	(including leasehold) *level 3*		
MRs000	note								
Fair value									
At July 1st		**2,081,905**	**644,385**	**219,980**	**1,450,020**	**182,199**	**61,127**	**4,639,616**	4,679,132
Additions		**240**	**-**	**-**	**-**	**-**	**-**	**240**	7,068
Transfer from right-of-use assets	27	**-**	**-**	**-**	**-**	**-**	**-**	**-**	25,943
Disposals		**-**	**-**	**-**	**-**	**-**	**-**	**-**	(94,482)
Fair value gains on investment properties		**51,948**	**49,470**	**9,520**	**49,185**	**11,700**	**10,842**	**182,665**	21,955
At June 30th		**2,134,093**	**693,855**	**229,500**	**1,499,205**	**193,899**	**71,969**	**4,822,521**	4,639,616

THE COMPANY									
Fair value									
At July 1st		**1,629,363**	**644,385**	**219,980**	**1,627,335**	**247,300**	**132,528**	**4,500,891**	4,354,305
Additions		**240**	**-**	**-**	**-**	**-**	**-**	**240**	7,068
Transfer from right-of-use assets	27	**-**	**-**	**-**	**-**	**-**	**-**	**-**	25,943
Disposals		**-**	**-**	**-**	**-**	**-**	**-**	**-**	(94,482)
Fair value gains on investment properties		**47,188**	**49,470**	**9,520**	**52,970**	**13,700**	**12,542**	**185,390**	208,057
At June 30th		**1,676,791**	**693,855**	**229,500**	**1,680,305**	**261,000**	**145,070**	**4,686,521**	4,500,891

* The investment properties relating to industrial building and land have been classified as Level 3 given that the discount applied to the directly observable input is deemed to be significant. The disclosures have thus been aligned accordingly to ensure that these properties have been included under level 3 hierarchy for each financial year.

Basis of valuation

› It is the policy of the Group to have every property valued by an external valuer on an annual basis. Each year the directors appoint an external valuer who is responsible for the valuations of property for the financial statements. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

› Each (owned or leased) property is considered a separate asset class based on its unique nature, characteristics and risks. Management compares each property's change in fair value with preceding annual periods and relevant external sources to determine whether the change is reasonable.

Valuations techniques

› The fair values of investment properties are determined using either the market comparable approach or the income capitalisation method or the depreciated replacement cost. These valuation methods were used across the different properties of Caudan Group.

Market comparable approach

› The market comparable approach uses prices and other relevant information that have been generated by market transactions that involve identical or comparable assets. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The best suited comparables are used and adjusted for geographical location, size and attributes.

Income capitalisation method

› Under the income capitalisation method, a property's fair value is estimated based on the normalised and market related net operating income (NOI) generated by the property which is divided by the capitalisation rate.

2 investment property *continued*

Depreciated Replacement Cost (DRC)

› The depreciated replacement cost approach reflects the value of the current cost to replace the specialised property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional and economic obsolescence.

› The valuations were performed by Elevante Property Services Ltd accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13.

Changes in valuation techniques

› There were no changes in valuation techniques during the year.

Highest and best use

› For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Valuation techniques used to derive level 3 fair values

The table below presents the following for each class of the investment property of the Group:

~ The fair value measurements at the end of the reporting period.
~ A description of the valuation techniques applied.
~ The inputs used in the fair value measurement.
~ Quantitative information about the significant unobservable inputs used in the fair value measurement.

class of property	fair value 2022 MRs000	fair value 2021 MRs000	valuation technique	key unobservable inputs	range 2022	range 2021
Le Caudan Waterfront						
Commercial	**2,134,093**	2,081,905	market comparison	price per sqm (MRs)	**115,000 - 125,000**	115,000 - 125,000
			income capitalisation	discount rate	**10.75% - 11.25%**	10.75% - 11.25%
				yield	**7.5% - 8.5%**	7.5% - 8.5%
			depreciated replacement cost	depreciation rate	**12%**	11%
Offices	**693,855**	644,385	income capitalisation	discount rate	**11.00% - 11.50%**	11.00% - 11.50%
				yield	**7.75% - 8.75%**	7.75% - 8.75%
Parking	**229,500**	219,980	market comparison	price per parking bay (MRs)	**500,000 - 600,000**	500,000 - 600,000
Land	**1,499,205**	1,450,020	market comparison	price per sqm (MRs)	**101,939 - 252,971**	101,939 - 252,971
Industrial						
Building	**193,899**	182,199	market comparison	price per sqm (MRs)	**15,350 - 20,000**	15,350 - 20,000
			income capitalisation	discount rate	**11.75% - 12.25%**	10.75% - 11.25%
				yield	**8.75% - 9.75%**	8.75% - 9.75%
			depreciated replacement cost	depreciation rate	**21%**	20%
Land	**71,969**	61,127	market comparison	price per sqm (MRs)	**2,000 - 3,000**	2,000 - 3,000

Descriptions and definitions

The table above includes the following descrptions and definitions relating or valuation tecniques and key unobservable inputs made in determing the fair values:

Price per sqm

The price per square metres at which the properties could be sold in the market prevailing at the date of valuation.

Yield
The yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value at the next review, but with no further rental growth.

Discount rate
The future net operating income is discounted by an appropriate discount rate based on the market yield when determining the value of the properties.

Depreciation rate
The depreciation allowance determined by independent valuer to adjust the current cost of replacing the property taking into consideration the physical deterioration, functional obsolescence and economic obsolescence.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.
The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the entity's portfolios of investment property are:
~ Price per sqm
~ Discount rate
~ Yield--
~ Depreciation rate

Price per sqm
An increase or decrease in price per sqm is directly correlated to an increase or decrease in the estimated fair value.

Discount rate
Increases/decreases in the discount rate would result in decreases/increases in the estimated fair value.

Yield
Increases/decreases in the yield rate would result in decreases/increases in the estimated fair value.

Depreciation rate
An increase or decrease in the depreciation rate would result in a decrease or increase in the estimated fair value of specialised property.

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%.

2 investment property *continued*

A quantitative sensitivity analysis is shown below. The sensitivity assumes that the changes in one input are in isolation to other input:

	key unobservable inputs	change in inputs	2022	2021
			MRs000	MRs000
Le Caudan Waterfront				
Commercial	price per sqm	± 5%	**± 10,700**	± 10,500
	discount rate	0.25%	**(11,300)**	(8,900)
		-0.25%	**10,400**	8,400
	yield	0.50%	**(36,100)**	(45,600)
		-0.50%	**39,400**	45,700
	depreciation rate	5%	**(8,500)**	(7,200)
		-5%	**8,400**	6,900
Offices	discount rate	0.25%	**(8,100)**	(7,200)
		-0.25%	**8,000**	7,500
	yield	0.50%	**(31,900)**	(29,600)
		-0.50%	**35,700**	33,600
Parking	price per parking bay	± 5%	**± 6,900**	± 6,900
Land	price per sqm	± 5%	**±85,000**	±85,000
Industrial				
Building	price per sqm	± 5%	**±2,300**	±2,300
	discount rate	0.25%	**(1,100)**	(1,000)
		-0.25%	**1,100**	1,000
	yield	0.50%	**(3,900)**	(3,600)
		-0.50%	**4,000**	4,400
	depreciation rate	5%	**(900)**	(800)
		-5%	**900**	800
Land	price per sqm	± 5%	**±5,600**	±5,470

- On November 11th 2021, a fire outbreak occurred at the Craft Market of Barkly Wharf which rendered some the buildings unfit for beneficial occupation. L'Observatoire and Le Pavillon were able to reopen for operations as from the end of November 2021 and beginning of December 2021 respectively whilst Barkly Wharf has suffered extensive damages and is still not in a useable state as at year-end.

- The re-instatement works at the Barkly Wharf building are still ongoing and are expected to be completed by December 2022. The re-construction costs and loss of rental income were covered under its insurance policy and thus the valuation of Barkly Wharf based on the NOI was not significantly impacted. Refer to note 33.

- Gains and losses arising from changes in fair value of investment properties are included in profit and loss for the period in which they arise.

- 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 MRs190m (2021: MRs199m) for the group and MRs161m (2021: MRs169m) for the company. Direct operating expenses arising on the income generating investment property in the year amounted to MRs83.2m (2021: MRs74.5m) for the group and MRs75.9m (2021: MRs67.9m) for the company.

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

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

THE GROUP AND THE COMPANY		
MRs000	**2022**	2021
Reconciliation of cash flow		
Payable at July 1st	**3,007**	28,664
Additions during the year	**240**	7,068
Payable at June 30th	**(972)**	(3,007)
Cash outflows	**2,275**	32,725

3 property, plant and equipment

THE GROUP MRs000	property	assets in progress	furniture and equipment	motor vehicles	total
Cost					
At July 1st 2020	274,780	-	164,269	48,934	487,983
Additions	347	-	10,489	9,092	19,928
Amount written off	-	-	(1,905)	-	(1,905)
Disposal	-	-	-	(5,436)	(5,436)
At June 30th 2021	275,127	-	172,853	52,590	500,570
At July 1st 2021	275,127	-	172,853	52,590	500,570
Additions	-	13,373	5,987	8,892	28,252
Amount written off	-	-	(2,712)	-	(2,712)
Disposal	-	-	-	(6,391)	(6,391)
At June 30th 2022	**275,127**	**13,373**	**176,128**	**55,091**	**519,719**
Depreciation					
At July 1st 2020	17,812	-	121,230	26,232	165,274
Charge for the year	2,727	-	13,117	6,465	22,309
Amount written off	-	-	(1,897)	-	(1,897)
Disposal	-	-	-	(4,402)	(4,402)
At June 30th 2021	20,539	-	132,450	28,295	181,284
At July 1st 2021	20,539	-	132,450	28,295	181,284
Charge for the year	2,931	-	11,668	7,176	21,775
Amount written off	-	-	(2,712)	-	(2,712)
Disposal	-	-	-	(6,017)	(6,017)
At June 30th 2022	**23,470**	**-**	**141,406**	**29,454**	**194,330**
Net book values					
At June 30th 2022	**251,657**	**13,373**	**34,722**	**25,637**	**325,389**
At June 30th 2021	254,588	-	40,403	24,295	319,286

3 property, plant and equipment *continued*

THE COMPANY MRs000	property	assets in progress	furniture and equipment	motor vehicles	total
Cost					
At July 1st 2020	87,509	-	74,117	4,383	166,009
Additions	-	-	4,730	525	5,255
Amount written off	-	-	(147)	-	(147)
Disposal	-	-	-	(1,572)	(1,572)
At June 30th 2021	87,509	-	78,700	3,336	169,545
At July 1st 2021	87,509	-	78,700	3,336	169,545
Additions	-	13,373	2,329	-	15,702
Disposal	-	-	-	(405)	(405)
At June 30th 2022	**87,509**	**13,373**	**81,029**	**2,931**	**184,842**
Depreciation					
At July 1st 2020	10,018	10,018	37,678	2,004	49,700
Charge for the year	1,348	1,348	8,641	394	10,383
Amount written off	-	-	(147)	(1,572)	(1,719)
Disposal	-	-	(147)	(802)	(949)
At June 30th 2021	11,366	11,366	46,172	1,596	59,134
At July 1st 2021	11,366	-	46,172	1,596	59,134
Charge for the year	1,348	-	7,463	263	9,074
Disposal	-	-	-	(324)	(324)
At June 30th 2022	**12,714**	**-**	**53,635**	**1,535**	**67,884**
Net book values					
At June 30th 2022	**74,795**	**13,373**	**27,394**	**1,396**	**116,958**
At June 30th 2021	76,143	-	32,528	1,740	110,411

- Bank borrowings are secured by floating charges on the assets of the group including property, plant and equipment (note 13).
- Depreciation charge of MRs21.775m for the Group (2021: MRs22.309m) and MRs9.074m for the Company (2021: MRs10.383m) has been included in operating expenses.
- Non-cash additions amounted to MRs2.805m for the Group (2021: MRs0.08m) and MRs2.805m for the Company (2021: nil).

4 intangible assets

THE GROUP MRs000	computer software	goodwill	other	total
Cost				
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
At July 1st 2021	8,037	-	2,105	10,142
Additions	1,148	-	-	1,148
Impairment	(10)	-	-	(10)
At June 30th 2022	**9,175**	**-**	**2,105**	**11,280**
Amortisation				
At July 1st 2020	4,525	-	2,105	6,630
Amortisation charge	596	-	-	596
At June 30th 2021	5,121	-	2,105	7,226
At July 1st 2021	5,121	-	2,105	7,226
Amortisation charge	618	-	-	618
At June 30th 2022	**5,739**	**-**	**2,105**	**7,844**
Net book values				
At June 30th 2022	**3,436**	**-**	**-**	**3,436**
At June 30th 2021	2,916	-	-	2,916

4 intangible assets *continued*

THE COMPANY MRs000	computer software
Cost	
At July 1st 2020	1,717
Additions	458
At June 30th 2021	2,175
At July 1st 2021	2,175
Additions	60
At June 30th 2022	**2,235**
Amortisation	
At July 1st 2020	811
Amortisation charge	301
At June 30th 2021	1,112
At July 1st 2021	1,112
Amortisation charge	349
At June 30th 2022	**1,461**
Net book values	
At June 30th 2022	**774**
At June 30th 2021	1,063

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

- Amortisation charges of MRs0.618m (2021: MRs0.596m) for the Group and MRs0.349m (2021: MRs0.301m) for the Company are included in operating expenses.

- In prior year, the Group performed its annual impairment assessment of goodwill and an impairment of MRs4.864m has been recognised as the IS3 cash generating unit (CGU) has ceased its operations.

- Non-cash additions amounted to MRs1.088m for the Group (2021: MRs nil).

5 investments in subsidiary companies

THE COMPANY		
MRs000	**2022**	2021
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	direct holding	indirect holding	main business
			MRs000	%	%	
Best Sellers Limited	ordinary	June	25	-	100	dormant
Caudan Communauté	limited by guarantee	December	1	50	-	management of CSR fund (not consolidated)
Caudan Leisure Ltd	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	**2022**	2021
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 %
2022 and 2021							
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 2022. › 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 is set out below:

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	loss for the year	other comprehensive income for the year	total comprehensive loss for the year
2022								
Le Caudan Waterfront Casino Limited	**43,227**	**10,646**	**256,074**	**38,838**	**78,728**	**(65,370)**	**23,797**	**(41,573)**
2021								
Le Caudan Waterfront Casino Limited	33,643	16,190	149,765	60,897	73,611	(56,349)	(24,365)	(80,714)

› 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 comprehensive income for the year	closing net assets	unrecognised losses and other comprehensive income	ownership interest	share of unrecognised losses and other comprehensive income	interest in associates	goodwill	carrying value
2022										
Le Caudan Waterfront Casino Limited	**(243,473)**	**(65,370)**	**23,797**	**(285,046)**	**(285,046)**	**39.2%**	**(111,738)**	**-**	**-**	**-**
2021										
Le Caudan Waterfront Casino Limited	(162,759)	(56,349)	(24,365)	(243,473)	(243,473)	39.2%	(95,442)	-	-	-

7 inventories

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Spares and accessories	**1,681**	1,295	**1,681**	1,295
Operating equipment	**241**	768	**241**	768
Food and beverages	**2,121**	1,027	**2,121**	1,027
Consumables	**2,411**	2,172	**-**	-
Work in progress	**3,801**	1,871	**-**	-
Goods for resale	**8,445**	6,905	**-**	-
	18,700	14,038	**4,043**	3,090
Costs of inventories recognised as expense and included in				
Cost of sales	**28,963**	24,264	**11,917**	7,218
Operating expenses	**8,688**	6,058	**2,443**	901

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

› The amount of provision for slow-moving inventories for the year recognised as an expense in profit or loss is MRs0.650m (2021: MRs nil) for the Group and MRs nil (2021: MRs nil) for the Company.

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

› The cost of inventories recognised as expense and included in cost of sales amounted to MRs28.9m (2021: MRs24.2m) for the Group and MRs11.9m (2021: MRs7.2m) for the Company. Provision for slow moving inventory is included above.

8 trade and other receivables

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Trade receivables	**97,583**	116,220	**26,255**	42,356
Less provision for expected credit losses	**(50,993)**	(60,466)	**(12,634)**	(26,606)
Trade receivables - net	**46,590**	55,754	**13,621**	15,750
Insurance claim receivable	**53,169**	-	**53,169**	-
Other receivables *	**12,538**	14,003	**12,022**	13,572
Less: allowances	**(2,013)**	(3,771)	**(2,013)**	(3,771)
	110,284	65,986	**76,799**	25,551

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

› › Insurance claim receivable represents outstanding claims with regards to the re-construction cost of Barkly Wharf (MRs42.3m) and the loss of rent (MRs10.9m). Refer to note 33 for further details.

* Other receivables consist principally of utilities recharge to tenants.

8 trade and other receivables *continued*

(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 2022 and June 30th 2021 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 2022 and June 30th 2021 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 expected loss rates of the different age buckets vary between 4% and 100% and the closing loss allowance amounted to MRs32.230m (2021: MRs26.285m) for the Group and MRs2.729m (2021: MRs1.547m) for the Company.

- The closing loss allowances (including specific loss allowance) for trade receivables as at June 30th 2022 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
At July 1st	**60,466**	55,460	**26,606**	25,517
Net loss allowance recognised in profit or loss during the year	**5,174**	13,246	**675**	2,338
Receivables written off during the year as uncollectible	**(14,647)**	(8,240)	**(14,647)**	(1,249)
At June 30th	**50,993**	60,466	**12,634**	26,606

(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 MRs8.2m (2021: MRs8.1m), which include cash deposits and bank guarantees from tenants, which approximate their fair values.

(iv) 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 2022 and June 30th 2021 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 2022 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 expected loss rates of the different age buckets vary between 4% and 100% and the closing loss allowance amounted to MRs0.391m (2021: MRs0.350m) for the Group and the Company.

(v) Impairment and risk exposure

› The closing loss allowance for financial assets as at June 30th 2022 and June 30th 2021 reconciles to the opening loss allowance on July 1st 2021 and July 1st 2020 as follows:

THE GROUP AND THE COMPANY		
MRs000	**2022**	2021
At July 1st	**3,771**	4,304
Receivables written off during the year as uncollectible	**(2,136)**	(878)
Allowance recognised in profit or loss during the year	**378**	345
Loss allowance at June 30th	**2,013**	3,771

9 other financial assets

(i)

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Assets as per statements of financial position				
Receivables from subsidiary companies	**-**	-	**109,587**	102,739
Loan to parent company	**-**	21,800	**-**	-
Loan to subsidiary company receivable at call	**-**	-	**100,000**	100,000
	-	21,800	**209,587**	202,739

› 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.

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

9A prepayments

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Prepayments	**6,978**	3,023	**3,821**	1,549
Payment on account	**25,222**	5,353	**23,270**	3,198
	32,200	8,376	**27,091**	4,747

› Payment on account relates to advance payment made to contractors with respect to reconstruction costs of Barkly Wharf further to the fire.

10 net impairment on financial assets

MRs000	THE GROUP 2022	2021	THE COMPANY 2022	2021
Amount written off	**741**	314	**128**	293
Net loss allowance recognised in profit or loss (trade and other receivables)	**5,174**	13,246	**675**	2,338
Net loss allowance recognised in profit or loss (other financial assets)	**378**	345	**378**	345
	6,293	13,905	**1,181**	2,976

11 share capital

THE GROUP AND THE COMPANY

MRs000	2022	2021
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 2021	1,833,574	370,193	(19,076)	(39,841)	2,144,850
Profit attributable to shareholders	187,872	(13,254)	-	(4,787)	169,831
Other comprehensive income for the year	1	(3,197)	-	-	(3,196)
At June 30th 2022	**2,021,447**	**353,742**	**(19,076)**	**(44,628)**	**2,311,485**

13 borrowings

MRs000	THE GROUP 2022	2021	THE COMPANY 2022	2021
Non-current				
Bank loan	**534,000**	522,000	**534,000**	522,000
Current				
Bank overdrafts	**46,873**	2,306	**38,136**	2,306
Loan from subsidiary companies at call	**-**	-	**28,700**	-
Other loan at call from related parties	**12,700**	13,700	**12,700**	13,700
Bank loan	**-**	48,000	**-**	48,000
	59,573	64,006	**79,536**	64,006
Total borrowings	**593,573**	586,006	**613,536**	586,006

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.

13 borrowings *continued*

The effective interest rates at the reporting date were

%	THE GROUP 2022	2021	THE COMPANY 2022	2021
Bank overdrafts	**4.50**	4.10	**4.50**	4.10
Other Loans	**2.675**	2.275	**2.675**	2.275
Bank borrowings	**1.5-4.50**	1.5-4.10	**1.5-4.50**	1.5-4.10

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

MRs000	THE GROUP 2022	2021	THE COMPANY 2022	2021
Within one year	**59,573**	64,006	**79,536**	64,006

The maturity of non-current borrowings

THE GROUP AND THE COMPANY MRs000	2022	2021
After one year and before two years	**-**	48,000
After two years and before three years	**62,000**	62,000
After three years and before five years	**48,000**	182,000
After five years	**424,000**	230,000
	534,000	522,000

14 deferred tax

Deferred tax liability/(asset)

THE GROUP MRs000	at July 1st 2021	charge/ (credit) to statement of profit or loss	credit to statement of other comprehen-sive income	**at June 30th 2022**
Provisions	(8,856)	1,929	-	**(6,927)**
Employee benefit liabilities	(5,304)	(333)	(655)	**(6,292)**
Right-of-use assets and lease liabilities	(1,703)	442	-	**(1,261)**
Tax losses	(14,801)	925	-	**(13,876)**
Deferred tax assets	(30,664)	2,963	(655)	**(28,356)**
Accelerated capital allowances	124,439	7,622	-	**132,061**
Fair value gains	75,345	31,053	-	**106,398**
Deferred tax liabilities	199,784	38,675	-	**238,459**
Net deferred tax	169,120	41,638	(655)	**210,103**

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

14 deferred tax *continued*

Deferred tax liabilities

THE COMPANY MRs000	at July 1st 2021	charge/ (credit) to statement of profit or loss	credit to statement of other comprehensive income	**at June 30th 2022**
Right-of-use assets and lease liabilities	(1,703)	438	-	**(1,265)**
Accelerated capital allowances	93,732	6,645	-	**100,377**
Provisions	(5,785)	2,676	-	**(3,109)**
Employee benefit liabilities	(1,641)	(28)	-	**(1,669)**
Tax losses	(14,800)	1,439	-	**(13,361)**
Fair value gains	83,168	31,516	-	**114,684**
	152,971	42,686	-	**195,657**

- 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	**2022**	2021
Deferred tax assets		
Provisions	**(3,477)**	(4,130)
Employee benefit liabilities	**(4,623)**	(3,661)
Tax losses	**(514)**	-
Accelerated capital allowances	**1,256**	1,171
	(7,358)	(6,620)

MRs000	**2022**	2021
Deferred tax liabilities		
Provisions	**(3,450)**	(4,726)
Employee benefit liabilities	**(1,669)**	(1,641)
Lease liability	**(1,261)**	(1,703)
Tax losses	**(13,362)**	(14,801)
Accelerated capital allowances	**130,805**	123,266
Fair value gains	**106,398**	75,345
	217,461	175,740

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Deferred tax assets	**(7,358)**	(6,620)	**(19,404)**	(23,929)
Deferred tax liabilities	**217,461**	175,740	**215,062**	176,900
	210,103	169,120	**195,658**	152,971

- Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

		THE GROUP		THE COMPANY	
MRs000	note	**2022**	2021	**2022**	2021
The movement in the deferred income tax account					
At July 1st		**169,120**	204,899	**152,971**	157,557
Charge/(credit) to profit or loss	20	**41,638**	(36,718)	**42,686**	(4,773)
(Credit)/charge to other comprehensive income		**(655)**	939	**-**	187
At June 30th		**210,103**	169,120	**195,657**	152,971

15 employee benefit liabilities

		THE GROUP		THE COMPANY	
MRs000	note	**2022**	2021	**2022**	2021
Amounts recognised in the statements of financial position					
Other post retirement benefits (gratuity on retirement)		**37,018**	31,194	**9,822**	9,656
Amounts recognised in the statements of profit or loss and other comprehensive income					
Provision for the year		**3,202**	4,725	**970**	1,045
Total included in employee benefit expense	18	**3,202**	4,725	**970**	1,045
Movement in the liability recognised in the statements of financial position					
At July 1st		**31,194**	33,317	**9,656**	10,448
Gratuity on retirement paid		**(494)**	(587)	**(70)**	-
Benefits paid		**(735)**	(735)	**(735)**	(735)
Amount charged to/(credited) other comprehensive income		**3,851**	(5,526)	**1**	(1,102)
Expense for the year		**3,202**	4,725	**970**	1,045
At June 30th		**37,018**	31,194	**9,822**	9,656

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

Principal actuarial assumptions used for accounting purposes were:

	2022	2021
Discount rate (%)	**5.3**	5.0
Future salary increases (%)	**4.2**	3.9
Future pension increases (%)	**3.2**	2.9
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	**2022**	2021
Increase due to 1% decrease in discount rate	**1,103 - 6,064**	1,043 - 5,413
Decrease due to 1% increase in discount rate	**909 - 4,967**	858 - 4,412

15 employee benefit liabilities *continued*

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

THE GROUP AND THE COMPANY		
MRs000	**2022**	2021
Within the next 12 months (next annual reporting period)	**2,811**	1,738
Between 2 and 5 years	**8,787**	7,116
Between 5 and 10 years	**20,242**	17,358
Beyond 10 years	**271,160**	212,597
Total expected contribution	**303,000**	238,809

› The average duration of the defined benefit plan obligation at the end of the reporting period is 17.5 years (2021: 26.5 years).

16 trade and other payables

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Amounts owed to parent	**8,310**	3,762	**6,741**	769
Amounts owed to subsidiary companies	**-**	-	**181,598**	180,977
Social security and other taxes	**4,788**	3,558	**1,720**	426
Defined contribution plan	**1,997**	1,825	**623**	433
Advance monies	**33,095**	35,077	**24,921**	26,980
Construction costs payable	**26,139**	352	**26,139**	352
Other payables and accrued expenses	**67,215**	72,159	**36,741**	46,555
	141,544	116,733	**278,483**	256,492

› 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 relate to trade payables and accruals.

17 contract liabilities

Liabilities related to contracts with customers

THE GROUP		
MRs000	**2022**	2021
Opening balance	**1,868**	1,185
Amount included in contract liabilities that was recognised as revenue during the year	**(13,484)**	(4,621)
Cash received (or rights to cash) in advance of performance and not recognised as revenue during the year	**15,771**	5,304
Closing balance	**4,155**	1,868

› 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 2022	2021	THE COMPANY 2022	2021
Operating profit is arrived at after crediting					
Rental income		**176,090**	198,756	**143,557**	168,741
Sale of goods		**22,269**	16,418	**-**	-
Sale of services		**234,854**	240,941	**-**	-
Profit on disposal of property, plant and equipment		**43**	247	**5**	-
Income from other operating activities		**44,978**	19,099	**40,905**	15,574
and after charging					
Depreciation on property, plant and equipment	3	**21,775**	22,309	**9,074**	10,383
Amortisation of intangible assets	4	**618**	596	**349**	301
Loss on disposal of property, plant and equipment		**-**	860	**-**	-
Employee benefit expense		**260,309**	248,382	**53,300**	49,621

› 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 2022	2021	THE COMPANY 2022	2021
Wages and salaries		**236,701**	224,237	**47,967**	44,211
Social security costs		**9,757**	8,784	**1,808**	1,654
Pension costs					
Defined contribution plan		**10,649**	10,636	**2,555**	2,711
Other post retirement benefits	15	**3,202**	4,725	**970**	1,045
		260,309	248,382	**53,300**	49,621

19 finance income from an effective interest rate and finance costs

MRs000	THE GROUP 2022	2021	THE COMPANY 2022	2021
Finance costs				
Interest expense				
Bank overdrafts	**464**	3,820	**358**	3,424
Bank loan	**21,568**	21,240	**21,567**	21,240
Other loans at call	**249**	302	**794**	1,252
Lease liabilities	**1,782**	1,942	**1,782**	1,942
Foreign exchange loss	**-**	73	**-**	-
	24,063	27,377	**24,501**	27,858
Finance income from an effective interest rate				
Loan to parent	**(180)**	-	**-**	-
Interest income	**(21)**	(206)	**(10,880)**	(10,296)
Foreign exchange gain	**(536)**	(340)	**(413)**	(340)
	(737)	(546)	**(11,293)**	(10,636)
Net finance costs	**23,326**	26,831	**13,208**	17,222

20 income tax expense

MRs000	note	THE GROUP 2022	2021	THE COMPANY 2022	2021
Based on the profit for the year, as adjusted for tax purposes, at 15%		**272**	1,401	**-**	-
Overprovision of tax in previous year		**(26)**	-	**-**	-
Deferred income tax movement for the year	14	**41,638**	(36,718)	**42,686**	(4,773)
Corporate social responsibility expense		**36**	170	**-**	-
Charge/(credit) to statement of profit or loss		**41,920**	(35,147)	**42,686**	(4,773)
Deferred income tax charge					
Lease liabilities		**442**	(107)	**438**	(107)
Accelerated capital allowances		**7,622**	7,458	**6,645**	6,498
Provisions		**1,929**	(833)	**2,676**	(95)
Employee benefit liabilities		**(333)**	(580)	**(28)**	(52)
Fair value gains		**31,053**	(39,941)	**31,516**	(8,303)
Tax losses		**925**	(2,715)	**1,439**	(2,714)
		41,638	(36,718)	**42,686**	(4,773)

› 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 19.7% (2021: 198.3%) and the Company of 18.5% (2021: 2.1%).

As per the percentage of profit before income tax

%	THE GROUP 2022	2021	THE COMPANY 2022	2021
Income tax rate	**15.0**	15.0	**15.0**	15.0
Impact of				
Disallowable items *	**2.3**	18.2	**1.9**	1.0
Exempt income **	**(0.6)**	(7.0)	**(0.6)**	(0.7)
Income not subject to tax	**-**	(217.4)	**-**	(17.4)
Deferred tax rate differential in CSR tax ***	**2.3**	(19.1)	**2.2**	-
Underprovision of deferred tax in previous year	**-**	-	**-**	-
Unutilised tax losses	**0.7**	10.3	**-**	-
Underprovision of tax in previous year	**-**	0.7	**-**	-
Corporate social responsibility	**-**	1.0	**-**	-
Average effective income tax rate	**19.7**	(198.3)	**18.5**	(2.1)

* 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

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
The movement in the income tax (receivable)/payable account				
At July 1st	**(6,133)**	(12,129)	**(5,735)**	(13,310)
Charge for the year	**282**	1,571	**-**	-
Refunded/(paid) during the year	**(946)**	4,425	**108**	7,575
At June 30th	**(6,797)**	(6,133)	**(5,627)**	(5,735)
Analysed as follows:				
Income tax receivable	**(6,797)**	(6,742)	**(5,627)**	(5,735)
Current tax liabilities	**-**	609	**-**	-
At June 30th	**(6,797)**	(6,133)	**(5,627)**	(5,735)

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	**2022**	2021
Profit attributable to owners of the parent	**169,831**	52,870
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	2,000,000

22 segment information

2022 MRs000	property	security	inter-segment adjustments and eliminations	total
Revenues				
External sales	221,069	257,122	-	478,191
Intersegment sales	4,800	20,227	(25,027)	-
Total revenue	225,869	277,349	(25,027)	478,191
Direct operating expenses	(147,820)	(233,438)	20,227	(361,031)
Administrative expenses	(53,696)	(50,536)	4,378	(99,854)
Total expenses	(201,516)	(283,974)	24,605	(460,885)
Segment result	24,353	(6,625)	(422)	17,307
Other income	41,398	-	-	41,398
Net gain from fair value adjustment on investment property	182,665	-	-	182,665
Net impairment on financial assets	(9,727)	3,434	-	(6,293)
Finance income	416	864	(544)	737
Finance costs	(24,501)	(565)	1,003	(24,063)
Profit before income tax	214,605	(2,892)	37	211,751
Taxation	(42,002)	82	-	(41,920)
Profit attributable to owners of the parent	172,603	(2,810)	37	169,831
Segment assets	5,257,916	122,456	(41,749)	5,338,623
Segment liabilities	989,353	80,067	(42,286)	1,027,135
Capital expenditure	16,327	13,313	-	29,640
Depreciation and amortisation	10,878	11,515	-	22,393

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

THE GROUP MRs000	note	**2022**	2021
Product type			
Revenue from the sale of goods	18	**22,269**	16,418
Revenue from rendering of services	18	**234,854**	240,941
Rental income	18	**176,090**	198,756
Income from other operating activities		**44,978**	19,099
		478,191	475,214

Disaggregation of revenue from contracts with customers

THE GROUP MRs000	2022	2021
Product type		
Revenue from the sale of goods	**22,269**	16,418
Revenue from rendering of services	**234,854**	240,941
	257,123	257,359
Timing of revenue recognition		
At a point in time	**250,686**	252,095
Over time	**6,437**	5,264
	257,123	257,359

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 MRs262m (2021: MRs218m), which do not fall under the scope of IFRS 15.

(a) Operating expenses by segment

2022 MRs000	property	security	total
Employee benefit costs	14,495	173,676	188,171
Repairs and maintenance	17,881	-	17,881
Security fees	18,313	-	18,313
Cost of alarm	-	14,961	14,961
Marketing and advertising	16,647	-	16,647
Utilities	11,794	-	11,794
Motor vehicle running expenses	-	15,493	15,493
Restaurant costs	11,898	-	11,898
Depreciation	-	7,656	7,656
Rates and taxes	5,732	-	5,732
Other expenses	51,060	21,652	72,712
	147,820	233,438	381,258

2022 MRs000	property	security	inter-segment eliminations	total
Cash flows arising on:				
Operating activities	37,999	13,935	(4,800)	47,134
Investing activities	(57,983)	(12,024)	-	(70,007)
Financing activities	(10,450)	(11,700)	4,800	(17,350)
	(30,434)	(9,789)	-	(40,223)

22 segment information *continued*

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	(b)	(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)
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

(b) 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	22,766	37,294	(4,800)	55,260
Investing activities	56,588	(13,531)	-	43,057
Financing activities	23,960	(3,400)	4,800	25,360
	103,314	20,363	-	123,677

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

MRs000	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
Capital				
Commitment in respect of future capital expenditure authorised by the directors and not provided in the financial statements	**100,000**	-	**100,000**	-

› Note that the capital commitment is exclusively for the renovation of the Barkly Wharf building.

Contingencies

THE GROUP MRs000	2022	2021
Contingent liabilities		
Bank guarantees to third parties	**3,616**	4,031
	3,616	4,031

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

2022 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	**91**	**170**	**-**	**3,932**	**11,671**	**(180)**	**-**	**-**
Associate	**17,460**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**20,373**	**-**	**1,808**	**-**	**-**	**(21)**	**-**	**-**
Shareholders with significant influence	**18,017**	**-**	**1,020**	**-**	**-**	**22,110**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**48**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**9,225**

2021								
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

Key management personnel compensation

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**8,688**	10,394	**5,494**	6,138
Post employments benefits	**537**	878	**268**	313
	9,225	11,272	**5,762**	6,451

Transactions carried out by the company with related parties

2022 MRs000	rental/ other income	payment in respect of invest-ment property	operating expenses	rental payments	manage-ment fees expense	net interest expense/ (income)	net loan received from/ (repaid to)	emolu-ments and benefits
Parent	**81**	**168**	**-**	**3,932**	**9,559**	**-**	**-**	**-**
Associate	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**-**	**1,967**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**1,479**	**-**	**14,504**	**-**	**-**	**544**	**28,700**	**-**
Shareholders with significant influence	**1,013**	**-**	**1,020**	**-**	**-**	**22,110**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**-**	**48**	**-**	**-**	**-**	**-**	**5,762**

2021								
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

- 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 2022, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25 related party transactions *continued*

THE GROUP

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

2022	receivables from related companies	borrowings payable to related companies	payables to related companies
MRs000			
Parent	**-**	**-**	**8,310**
Associate of parent	**2,504**	**-**	**-**
Shareholders with significant influence	**3,506**	**580,873**	**-**
2021			
Parent	-	-	3,762
Associate of parent	5,282	-	-
Shareholders with significant influence	4,125	572,306	110
Key management personnel and directors	50	-	8

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 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 2022 (MRs4.3m in 2021).

- The Group does not have any contract that has not commenced as at June 30th 2022 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

MRs000	land	total
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
At July 1st 2021	35,534	35,534
Interest expense	1,782	1,782
Lease payments	(3,932)	(3,932)
At June 30th 2022	**33,384**	**33,384**

MRs000	**2022**	2021
Analysed as follows:		
Current	**7,120**	6,350
Non-current	**26,264**	29,184
	33,384	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 2022 and 2021, the maturity analysis of lease liabilities are disclosed in note 1.
- The Group had total cash outflows for leases amounting to MRs3.9m (2021: MRs4.4m).

29 cash received from other operating activities

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Cash received from theatre revenue	**6,341**	5,188	**1,409**	1,399
Cash received from food and beverages revenue	**38,062**	24,315	**38,062**	24,315
	44,403	29,503	**39,471**	25,714

30 operating cash payments

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Staff and other related costs	**228,935**	245,990	**55,259**	47,040
Purchase of goods and services	**208,605**	150,115	**96,781**	87,640
Total operating cash payments	**437,540**	396,105	**152,040**	134,680

31 dividend paid

› No dividend was declared for the two years ended June 30th 2021 and 2022.

32 operating leases - group as a lessor

	THE GROUP		THE COMPANY	
MRs000	**2022**	2021	**2022**	2021
Future minimum lease rentals receivable under non-cancellable operating leases				
Not later than 1 year	**104,695**	106,873	**70,725**	76,200
Later than 1 year and not later than 5 years	**233,817**	206,369	**141,862**	109,567
Later than 5 years	**32,960**	90,302	**25,742**	61,495
	371,472	403,544	**238,329**	247,262

› 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.

33 significant event - fire at the craft market Barkly Wharf

› In November 2021, the Craft Market located in Barkly Wharf was destroyed by a fire. The impact of the fire led to the destruction of the Craft Market and caused extensive damages to the shops and offices in Barkly Wharf which as of June 30th 2022 were still closed. L'Observatoire and Le Pavillon were also impacted by the fire outbreak but were able to re-open by end of November and beginning of December respectively. The re-instatement, rebuilding and renovation of Barkly Wharf are progressing well with expected completion by December 2022. The Company has suffered extensive damages to its assets and material disruptions to its business operations (in terms of loss of rent) which are fully covered under its insurance policy. The company has partly recovered the material asset losses and related costs incurred up to June 30th 2022 from its insurer. Significant items relating to the fire, recorded during the year under review, is tabled below:

	THE GROUP	THE COMPANY
MRsm		
Impact on of Statement of Comprehensive Income		
Other income - Loss of rent	41.4	39.9
Statement of Financial Position		
Insurance claims receivable	53.2	53.2

› The company's business interruption claims (loss of rent) will remain open until the premises are fit for occupation.

Insurance proceeds

› During the year under review, the company submitted three insurance claims covering the period from the date the fire occurred to end of July 2022, for which 'Agreements of loss' were issued by insurer.

› After the year-end, the company received a further interim payment of MRs75m for the loss of rent and the reinstatement costs. In line with insurance recovery recognition criteria as set out by IAS 37, an additional recovery of MRs37m has not been accounted for in the 2022 financial year. However, a contingent asset exists on June 30th 2022.

34 subsequent events

› Other than disclosed in note 33, there were no material events after the reporting date which would require disclosure or adjustments to the financial statements.

directors of subsidiary companies

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

Caudan Leisure Ltd
Jocelyne Martin

Caudan Performances Limited
Jocelyne Martin
Ashish Beesoondial

Caudan Security Services Limited
Jocelyne Martin
Deepak K. Lakhabhay

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

Integrated Safety and Security Solutions Ltd
Deepak K. Lakhabhay

Harbour Cruise Ltd
Jocelyne Martin

Société Mauricienne d'Entreprise Générale Ltée & Best Sellers Limited
Jocelyne Martin

Caudan Communauté
Jocelyne Martin

supplementary information

Three year summary of published results:

THE GROUP MRs000	2022	2021	2020
Statements of profit and loss and other comprehensive income			
Revenue	**478,191**	475,214	517,543
Profit before income tax	**211,751**	17,723	22,963
Taxation	**(41,920)**	35,147	(17,934)
Profit attributable to owners of the parent	**169,831**	52,870	5,029
Other comprehensive income for the year	**(3,196)**	4,587	596
Total comprehensive income attributable to owners of the parent	**166,635**	57,457	5,625
Adjusted profit/loss attributable to owners of the parent	**18,219**	(4,162)	10,600
Earnings per share (MRe)	**0.0849**	0.0264	0.0025
Adjusted earnings/(loss) per share (MRe)	**0.0091**	(0.0021)	0.0053

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

THE GROUP MRs000	2022	2021
Profit attributable to owners of the parent	**169,831**	52,870
Impairment of goodwill	**-**	4,864
Net gain from fair value adjustment on investment property (net of deferred tax)	**(151,612)**	(61,896)
Adjusted earnings/(loss) attributable to owners of the parent	**18,219**	(4,162)
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	2022	2021	2020
Statements of financial position			
Non-current assets	**5,158,704**	4,968,438	5,046,588
Current assets	**179,916**	124,096	118,893
Total assets	**5,338,620**	5,092,534	5,165,481
Total equity	**4,311,485**	4,144,850	4,087,393
Non-current liabilities	**814,743**	758,118	797,817
Current liabilities	**212,392**	189,566	280,271
Total equity and liabilities	**5,338,620**	5,092,534	5,165,481
Net assets value per share (MRs)	**2.16**	2.07	2.04
Number of shares	**2,000,000.00**	2,000,000.00	2,000,000.00

CAUDAN
DEVELOPMENT

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