ANNUAL REPORT
2023

A STRONG LINK
YOU CAN TRUST

Three years back, unexpected events set off a chain reaction.
Countless lessons were learnt...
Processes were streamlined...
Partnerships were honoured...
Bonds were strengthened.

From these occurrences,
we have emerged **wiser**, **stronger**,
and **closer** to the communities we serve
and whose livelihood are intertwined with ours.

Indeed these circumstances have driven us into
CONSOLIDATING EVERY LINK, ACROSS OUR VALUE CHAINS.

From the production chains,
where our innovative engineers thrive...
To the supply chains,
where farmers and breeders depend on our reliability...
And onwards to the value chains,
where the quality of our feeds is paramount,
we play the part of a strong link
across the entire food chain.

A strong link you can trust.

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CHAIRPERSON'S REVIEW

Dear shareholders,

It is my pleasure to submit on behalf of the board of directors, the audited financial statements of the company and its subsidiaries together with a summary of the main events for the year ended June 30, 2023.

OVERVIEW

The world economies are gradually recovering from the effects of the COVID-19 crisis and the lasting war between Russia and Ukraine. The turmoil created by these events on the commodity and freight markets during the past two years are slowly stabilising to new levels.

The structural changes taking place, at global level, over the recent past have, as such, forced us to adopt new strategies and operational practices which are as follows:

- Shorter procurement cycles in the supply chains;
- Higher stocks of ingredients;
- Lower dependency on imported fossil energy; and
- Higher utilisation of local raw materials in countries where we operate.

With the improving economic outlook, I am pleased to report that for the year under review our group has generally performed well with a turnover of Rs 5.4 billion and profit after tax of Rs 209 million. These results are mainly due to an effective purchase of raw materials, the good performance of our overseas operations and the dedication of our people.

LOCAL OPERATIONS

LFL Pailles

In line with the present local economic context, sales of feed remained bearish due to rising costs of production. The egg sector was negatively impacted with the retail price of eggs falling below its cost of production for several months during the year. To recover from this slump, farmers had to voluntarily reduce their flock size, impacting the volume of feed sold. On the meat side, feed sales to broiler farmers were good while the chicken meat kept its competitive edge compared to imported substitutes.

The increase in the local costs of production, related mainly to fossil energy prices on the world market and to higher forex costs, prompted a strategic reflection at the group level. The company is thus committed to supporting an Eclosia group initiative to invest in a photovoltaic farm in the coming year under the CNIS Scheme put into place by the Central Electricity Board.

LFL Riche Terre

On the local market, our sales of pet food continued to grow steadily, with our brands Pongo, Waggo and Vital maintaining their leadership position as the preferred dog feed. On the export front, our sales of fish feed were encouraging with our proximity to east Africa guaranteeing fresh products to the expanding market for tilapia feed in eastern Africa.

Our investment in a new state-of-the-art extrusion production line is at its final stage of commissioning. With more capacity, flexibility and better quality of our products, we are confident that we will be able to develop sales and increase demand in the coming years for this growing export market.

INTERNATIONAL OPERATIONS

LFL Madagascar

Our development in Madagascar relies on the capacity for the local farmers to produce enough maize to satisfy the growing demand of the feed industry.

For the year under review, climatic conditions affected the crop and consequently, procurement on the local market was subject to high price increase affecting the development of chicken producers.

Our division LFL Agri, which was specifically set up to encourage maize production throughout the country, continued to develop its network. Additional stores and field agents were deployed to reach distant maize production areas to provide assistance to farmers with the best maize production techniques. This integrated development mode is, we believe the best option for sustainable development in Madagascar. However, it is a long-term action and we are looking at other possibilities to increase maize production.

There are also fiscal and operational constraints in Madagascar affecting the development of the sector. Our actions through the Professional Association of Feed Producers, of which LFL is a founder, are very active in discussions with Authorities to remove these concerns.

On the commercial side, our operations continued to develop in an integrated manner to offer quality feed and day-old chicks to the Malagasy farmers. Feed sales were encouraging with a growth of 18% compared to that of last year. Farmshop has now more than 125 points of sales run by local entrepreneurs.

On a similar model, a new franchise 'Akoufre' was established to offer quality chicken products in hygienic conditions to the local population. More than 20 franchise stores in and around Antananarivo were opened very successfully during the year. The local entrepreneurs who run these shops receive regular training to ensure that chicken products sold in the shops are of the highest level of hygiene.

LFL Rwanda

We are continuing our development in Rwanda though conditions remain challenging. Over the last two years, our operation was successively affected by a drought in eastern Africa, the war in the Kivu region and restriction on importation of day-old chick due to the bird flu pandemic. LFL operations are gradually recovering from these hurdles and we are confident that the slow start of our integration in the Rwandan economy will develop rapidly to meet the potential of the country.

LFL Seychelles

The animal farming industry in the Seychelles was heavily subsidised during the pandemic and the price of animal feed was maintained at its pre-COVID levels. This strategy helped the country to combat the high COVID inflation and maintain access for the population to farmed products at reasonable prices.

The government has however decided that the subsidy will now be gradually withdrawn. Furthermore, importation of meat and meat products without levies is now allowed, putting the local production in a difficult situation. Local farmers have to simultaneously adapt to rising feed costs and compete with duty-free imported products. Our sales volumes are expected to be affected. LFL will, however, remain present in the new economic environment to support the farmers during this challenging transition.

HUMAN RESOURCES

During the year, the organisational structure was realigned under three clusters. LFL has now regional managers specifically attached in areas where we operate namely, Mauritius, Madagascar and Rwanda. All three managers together with the cross-functional services (procurement, finance, and human resources) report to the Managing Director. This decentralised structure will support the organisation to be more proactive and efficient in the coming years.

With regard to LFL Mauritius, a group reflection was put in place to review the organisational structure in order to modernise and adapt the working environment, focusing particularly on young talents. I am happy to report that the company scored 80% in the engagement survey performed in 2023.

Our teams understand the group objectives and are fully engaged toward improving performance.

SUSTAINABILITY AND INCLUSIVENESS

The company continues to put emphasis on its corporate social responsibility. As such the sustainability department was reinforced and was highly active during the year to contribute to the awareness of its employees and neighbouring communities.

The company launched a pilot-project to locally produce an insect protein meal from waste. This bio conversion project is very encouraging and a final decision whether to produce insect meal commercially will be taken soon.

The company is also participating in a group project to determine its carbon footprint. A French company was outsourced to determine the carbon footprint of LFL and its subsidiaries. An action plan to mitigate the impact of LFL on the environment will be set up.

PROSPECTS

With the gradual global economic recovery, we expect the volatility on the commodities and other costs of production to be more stable. The crop for 2023 appears to be good and better prices are expected for the summer crop in the USA. A further loosening up of commodity prices on the market will create better conditions to give a boost to the agro-industrial sector in the countries where we operate.

ACKNOWLEDGEMENT

I would like to pay heartfelt tribute to Mr Jean Ribet who passed away on the April 5, 2023. Mr Ribet was elected as a board member on September 9, 2015 and was highly appreciated on the board for his sharp financial acumen.

I would also like to express my appreciation to my fellow directors, the management and staff for their dedication and commitment.

Gérard Boullé

Chairperson

CORPORATE IDENTITY

Directorate at June 30, 2023

Richard ARLOVE
Gérard BOULLÉ
Michel DE SPÉVILLE, C.B.E.
Cédric DE SPÉVILLE
Eric ESPITALIER-NOËL
Gilbert ESPITALIER-NOËL
Rocky FORGET
Jean Noël HUMBERT
Pierre-Yves POUGNET
Jacqueline SAUZIER

Secretary
Eclosia Secretarial Services Ltd

Managing Director
Rocky FORGET

Auditors
BDO & Co.

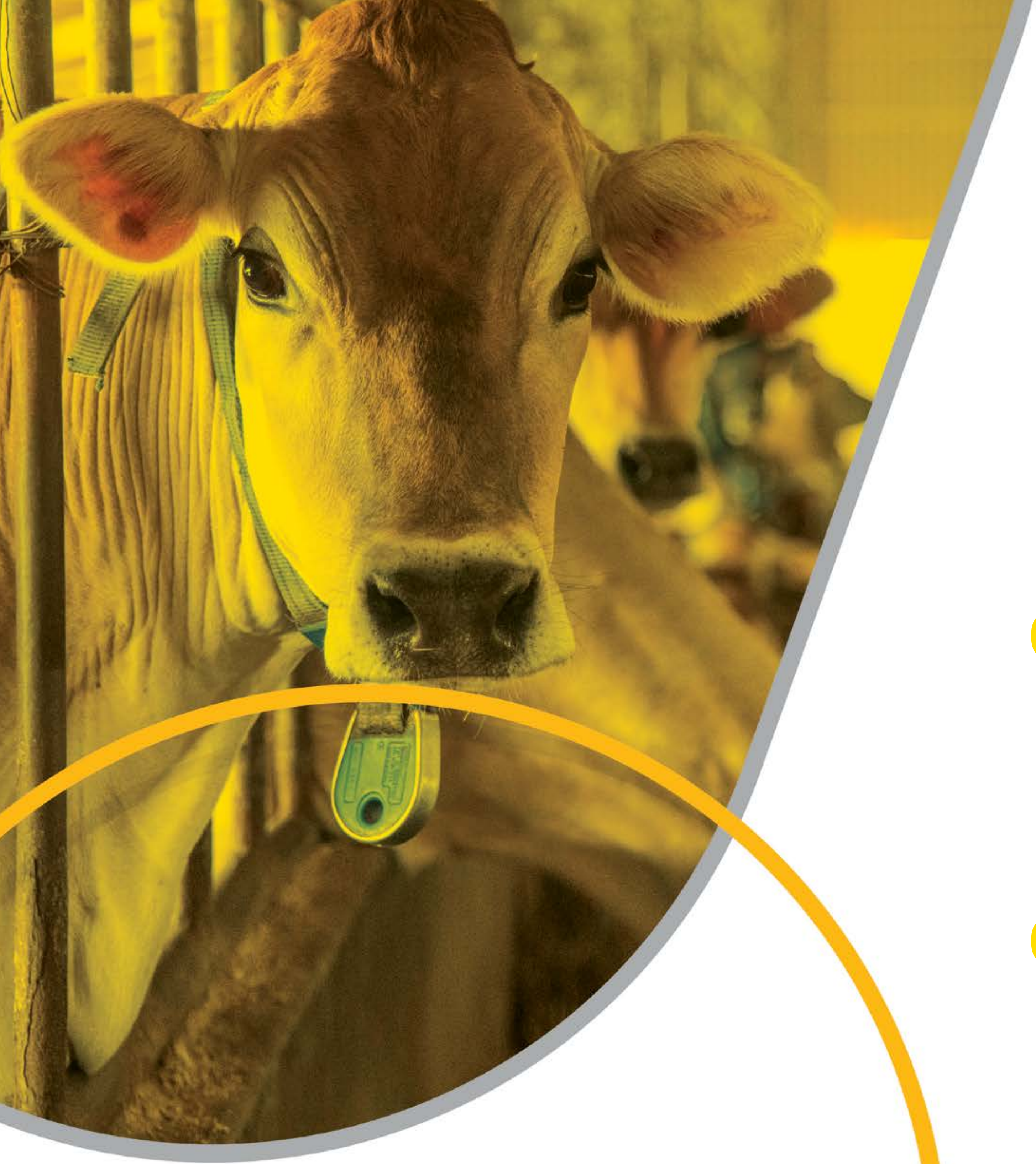
Bankers
The Mauritius Commercial Bank Ltd
Absa Bank (Mauritius) Limited
SBM Bank (Mauritius) Ltd
AfrAsia Bank Limited

Registered office
Eclosia Group Headquarters, Gentilly, Moka

Factory
Claude Delaitre Road, Les Guibies, Pailles

EMERGING STRONGER

In the wake of unexpected challenges, we found our strength. Each link fortified, each step forward. We are now a resolute chain that refuses to break.



CORPORATE GOVERNANCE REPORT

1. SHAREHOLDING STRUCTURE

The shareholding structure of Livestock Feed Limited ("the Company") at June 30, 2023 was as follows:

MANAGEMENT AND DEVELOPMENT CO. LTD (MADCO) 60.58%

LES MOULINS DE LA CONCORDE LTÉE (LMLC) 6.15%

OTHERS 33.27%

LIVESTOCK FEED LIMITED (LFL)

1.1 Shareholders holding more than 5% of the Company

At June 30, 2023, the shareholders holding more than 5% of the Company were:

Shareholders	No. of Ordinary Shares Held	%
Management and Development Company Limited	57,251,916	60.58
Les Moulins de la Concorde Ltée	5,816,223	6.15

Livestock Feed Limited is a public company listed on the Development Enterprise Market ("DEM") of the Stock Exchange of Mauritius. Its largest shareholder, MADCO, holds 60.58% of the ordinary share capital and the ultimate beneficial owner of MADCO is Mr Pierre Elysée Michel Doger de Spéville.

1.2 Distribution of shareholding at June 30, 2023

At June 30, 2023, the Company had 2,632 Ordinary Shareholders, distributed as follows:

No. of Shares	No. of Shareholders	No. of Shares Owned	% Shareholding
0 - 500	1,530	141,853	0.14
501 - 1,000	168	127,490	0.14
1,001 - 5,000	395	965,042	1.02
5,001 - 10,000	164	1,235,776	1.31
10,001 - 100,000	324	10,416,874	11.02
100,001 - 200,000	25	3,698,218	3.91
200,001 - 500,000	18	5,601,934	5.93
above 500,000	8	72,312,813	76.53
	2,632	**94,500,000**	**100.00**

1.3 Shareholders' Agreements affecting Governance of the Company

There are no shareholders' agreements that affect the governance of the Company.

1.4 Annual Meeting

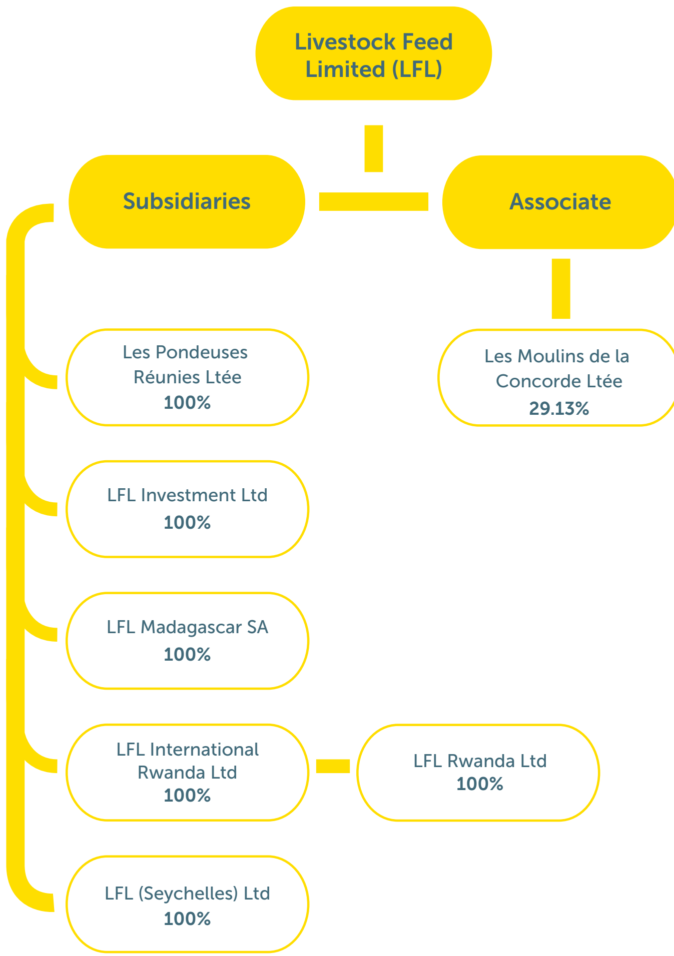
- The next Annual Meeting of the Company will be held on December 13, 2023. Shareholders are encouraged to attend the Annual Meeting which is a forum where the Chairperson and the Managing Director of the Company give a review of the Group's and the Company's performance for the year. It allows face-to-face interactions between the Members of the Board, management and shareholders of the Company.
- Shareholders also receive the annual reports of the Company, the notice of Annual Meeting of shareholders and the proxy forms, should they wish to be represented at the said Meeting, within 21 days from the date of the meeting, as per the requirements of the Companies Act.
- The notice of Annual Meeting details the agenda for the day and all matters which are to be approved by Ordinary and Special resolutions, if any. The standard agenda for the Annual Meetings is:
  - To consider the Annual Report of the Company for the year under review;
  - To receive the Auditors' Report for the year under review;
  - To consider and approve the financial statements of the Company for the year under review;
  - To appoint Directors, through individual resolutions, as Directors of the Company in accordance with Section 138 (6) of the Companies Act 2001, if any;
  - To appoint new Directors, through individual resolutions, as Directors of the Company, if any;
  - To re-appoint, through individual resolutions, Directors who retire by rotation as per the Company's Constitution and who offer themselves for re-election as Directors of the Company;
  - To appoint the External Auditor of the Company who will hold office until the next Annual Meeting and to authorise the Directors to fix their remuneration.

2. CONSTITUTION

- The Constitution is in line with the Companies Act 2001.
- The shares of the Company are traded on the Development Enterprise Market ("DEM") of the Stock Exchange of Mauritius and are free from any restrictions on ownership.

3. THE GROUP STRUCTURE

- The structure of Livestock Feed Limited and its subsidiaries ("the Group") at June 30, 2023 was as follows:



- Although the above subsidiaries have their own governance structure and each has its respective boards, a status on the operations of the subsidiaries and the issues, if any encountered at their level, is presented and discussed at each Board Meeting of Livestock Feed Limited.
- Moreover, issues identified at the level of the largest subsidiary, LFL Madagascar, by its Audit and Risk Committee, are also discussed and followed at the level of the Company's Audit and Risk Committee until the issues identified have been resolved.

4. THE ORGANISATIONAL STRUCTURE

The organisational structure of Livestock Feed Group at June 30, 2023 was as follows:

LFL
Managing Director
Rocky FORGET

Business Units

LFL Pailles & Riche Terre
Manager
Christophe NOËL

Les Pondeuses Réunies
Manager
Yusufi RAHIMBACCUS

LFL Seychelles
Manager
Charles ADELINE

LFL Madagascar
General Manager
Alexandre MALHEIRO

LFL Rwanda
Manager
Steven EDOUARD

Services

Finance
Chief Financial Officer
Sébastien RAE

HR
Head of Human Resources
Hannah SOOBHAN

Procurement
Head of Procurement
Alexandre MAZERY

Engineering & Project Management
Engineering Manager
Kailash ISSUR

Regional Development Manager
Fabrice ZAROUR

The profiles of the senior management of Livestock Feed Limited at June 30, 2023 were as follows:

Rocky Forget
Managing Director

The profile of the Managing Director is given on page 25.

Christophe Noël
Manager - LFL Pailles

Christophe Noël joined the Company in 2006 as Marketing Manager. He was promoted Manager of LFL Pailles Operations in April 2008 and has also managed operations at LFL Riche Terre since 2014. He holds a BSc in marketing and an MBA from Surrey University.

Alexandre Malheiro
General Manager - LFL Madagascar SA

Alexandre Malheiro joined the Eclosia Group of Companies in 2009 as Sales Manager at FTL Madagascar and was promoted Country Manager from 2015 to 2022. He then joined LFL Group of Companies in 2022 as General Manager of LFL Madagascar. Mr Malheiro holds a Masters in Commercial Science from ESSCA (Angers-France).

Sébastien Rae
Chief Financial Officer

Sébastien Rae joined the Eclosia Group of Companies in 2006 as Group Financial Analyst and was promoted Chief Financial Officer of the Company in 2011. Mr Rae is an FCCA, holds an MBA and followed an executive education programme on Strategy from HEC Paris.

Alexandre Mazery
Head of Procurement

Alexandre Mazery joined the Company in 2014 as Head of Procurement. Mr Mazery is a member of the Institute of Chartered Secretaries and Administrators of the UK.

Hannah Soobhan
Head of Human Resources

Hannah Soobhan joined LFL in 2023. Mrs Soobhan holds a BSc (Hons) in Human Resources from University of Technology, Mauritius. She has 14 years of experience in the Human Resources field having held various positions as HR in hospitality services and at corporate levels.

Yusufi Rahimbaccus
Manager – Les Pondeuses Réunies Ltée

Yusufi Rahimbaccus joined the Company in 2006. She holds a BSc (Hons) in Agriculture SP Animal Production, a Masters "3e Cycle en Gestion" and an MBA in International Management from the University of Northampton. Since May 2020, Mrs Rahimbaccus has taken on the additional responsibility of leading the marketing and sales unit at LFL Pailles.

Fabrice Zarour
Manager – Regional Development

Fabrice Zarour joined the Company in 2012 as Technical Coordinator. Mr Zarour holds a Masters in Aquaculture from the University of Montpellier II and a Degree in Agronomy from Bretagne Occidentale University. In 2014, Mr Zarour moved to LFL Pailles as Technical and Marketing Manager. Since May 2020, he has been leading the regional development initiatives of the LFL Group. M. Zarour is presently following an MBA programme at IFG Executive Education.

Kailash Issur
Engineering Manager

Kailash Issur joined the Company in 2015 as Maintenance Manager. He holds a BEng (Hons) in Electrical & Electronic Engineering from the University of Mauritius and an MBA from the University of Edinburgh. Mr Issur is also a Certified Energy Manager from the Association of Energy Engineers (US) and was appointed Engineering and Project Management Manager of the Group in May 2020.

- The above managers and other senior officers do not hold shares in the Company.
- In addition, no senior officer of the Company has been granted any special right to subscribe for equity or debt securities of the Company.
- A formal process of succession planning has been put in place through the "Talent Management" program. Under this program, an "Organisational and People Review" is carried out yearly whereby the Management discusses the development of its key talents, establishes succession plans for key positions and sets up competency development programs for the identified talents.
- The main issues discussed during the OPR are thereafter submitted to the Corporate Governance Committee of the Company for analysis and discussions.
- During presentation of the last OPR process to the Board, the matter of succession planning of the Managing Director, who is reaching retirement age, has been brought up and the Board was satisfied that the issue of his succession is being addressed. The Group organisational structure has also been updated with the appointment of Regional Managers responsible for specific geographical zones in which the Company operates.

5. THE GOVERNANCE STRUCTURE

- Livestock Feed Limited is a public company quoted on the DEM and, as such, is a Public Interest Entity.
- The Board of the Company assumes responsibility for leading and controlling the organisation and for meeting all legal and regulatory requirements. In addition, it ensures that the Company adheres to the principles of good governance.
- In that respect, a board charter and a directors' code of ethics have been adopted by the Board to ensure that the core values of the Company also form an integral part of its governance. The board charter and the directors' code of ethics are available for consultation on the Company's website.
- Furthermore, all the employees of the Company adhere to the Code of Ethics of the Group.
- The Group believes that the most important part of working together is to give the opportunity to employees to express themselves and interact with the management on a daily basis. As part of the Communication Structure, employees are given, through the "Conseil d'Entreprise" and the "Réunion Elargie," the opportunity to interact with the Management and participate in the development of the Company. Furthermore, the "politique d'écoute" adopted gives the opportunity to employees to come forward if they become aware of any non-conformity with the values of the Company.
- Moreover, the stakeholders of the Company are also involved in a dialogue on its organisational position, performance and outlook, and the Management ensures that the Company responds to their reasonable expectations and interests. In that respect, the following steps are taken:

(a) Suppliers

The Company keeps a register of suppliers for products and services it purchases. The suppliers are evaluated on the quality of product delivered and the service they supply. The evaluation exercise allows the Company to determine its preferred supplier.

The Company favours competitive bidding between the preferred suppliers to ensure that it gets the best product at the most competitive price. However, potential suppliers who are not on the preferred suppliers list are invited to quote and are screened according to a fixed established protocol.

(b) Employees

The satisfaction level of employees is evaluated every two years through an engagement survey. The result of this survey is analysed in focus groups consisting of representatives of employees and an improvement action plan is thereafter put in place. The last survey was carried out in 2023 and the satisfaction score was above national average.

(c) Clients

A customer survey exercise is carried out by an independent organisation every two years. The results of the survey done in March 2022 have been analysed and an action plan put in place. Furthermore, there is a procedure to record complaints from clients which are tackled rapidly in line with LFL's quality system management practices.

All reasonable requests from Shareholders and other Stakeholders are attended in a timely manner. Their concerns, expectations and interests (Government institutions, employees, visitors etc) are dealt with by the Management.

5.1 Statement of accountabilities

- The Chairpersons of the Audit and Risk Committee and Corporate Governance Committee report to the Board on the deliberations of their respective Committees, and, as and when necessary, make recommendations to the Board.
- The Managing Director reports on the operations and management of the Company and its subsidiaries to the Board. The Managing Director is accountable to the Board of the Company.

- Moreover, the accountabilities of the Chairperson, Company Secretary and the Board committees have been set out in their Position Statement and Terms of References respectively.
- The organisational structure of the Company is on page 16.

6. THE BOARD STRUCTURE

6.1 The Board

- The Board, as the governing body, fully understands its role, responsibility and authority in setting out the strategy and monitoring the performance of the Company.
- Every 3 years, a strategic review is carried out by the Management. The strategic plan that emanates from this exercise is discussed at board level. Furthermore, a yearly budget is discussed at board level whereby objectives and KPI are set for the year in terms of processes – human resources, finance, marketing and sustainability. During subsequent board meetings, the performance of the Company against these objectives is revised and corrective decisions are taken.
- The Company is headed by a unitary Board consisting at June 30, 2023 of ten members. The Members of the Board are satisfied that:
  - (i) the Board is of an appropriate size, taking into account the organisation's turnover, the complexity of its operations and its sector of activity;
  - (ii) the Board is well balanced regarding the skills, experience and knowledge of the organisation shown by its members;
  - (iii) non-executive directors are independent from management and discussions at Board level are at a high level and conducted with much independence. To increase diversity in terms of both gender and competencies on the Board, a selection process for the appointment of an additional independent director will be carried out during the financial year 2023/2024.
  - (iv) although there is only one executive director on the Board, the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the Code.
- Non-Executive, non-independent Directors have undertaken a self-assessment to determine whether their independence of character and judgement have been influenced. This assessment was reviewed by the Corporate Governance Committee and the conclusions were reported to the Board. The criteria for "independence" is based on the criteria defined in the National Code of Corporate Governance and later formalised in the Companies Act 2001.
- The roles of the Chairperson and the Managing Director are separate. They both have regular meetings to discuss matters concerning the Company and the Board is satisfied that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.
- Although the Chairperson is non-executive and non-independent, the Board has ensured that its Audit and Risk Committee and Corporate Governance committees are chaired by an independent, non-executive director and that their respective members are non-executive directors to ensure the highest level of independence on board deliberations.
- The role and duties of the Chairperson are set out in a Position Statement which has been adopted by the Board of the Company.

6.2 Composition of the board

- The composition of the Board and the interests of the directors in the Company at June 30, 2023 were as follows:

No.	Directors	Executive	Non-Executive	Independent	Non-Independent	Resident in Mauritius	Gender	Direct Shareholding in Livestock Feed Limited Ord %	Direct Shareholding in Livestock Feed Limited Pref %	Indirect Shareholding in Livestock Feed Limited Ord %	Indirect Shareholding in Livestock Feed Limited Pref %	Directorships in other Listed Companies
1	Richard **Arlove**	-	•	•	-	•	M	-	-	-	-	3
2	Gérard **Boullé**	-	•	-	•	•	M	-	-	-	-	2
3	Michel **de Spéville**, C.B.E.	-	•	-	•	•	M	0.031	0.062	36.22	-	2
4	Cédric **de Spéville**	-	•	-	•	•	M	-	-	0.46	-	3
5	Eric **Espitalier-Noël**	-	•	-	•	•	M	-	-	2.21	-	6
6	Gilbert **Espitalier-Noël**	-	•	-	•	•	M	-	-	1.25	-	3
7	Rocky **Forget**	•	-	-	•	•	M	-	-	-	-	-
8	Jean Noël **Humbert**	-	•	-	•	•	M	-	-	-	-	2
9	Pierre-Yves **Pougnet**	-	•	-	•	•	M	0.101	0.034	-	-	3
10	Jacqueline **Sauzier**	-	•	•	-	•	F	-	-	-	-	-

- A yearly review of the board composition is done in March of each year to (i) ascertain the independent status of respective directors and (ii) identify whether the board composition needs to be reviewed following resignation of directors or cessation to hold office due to retirement, rotation or other reasons, during the year under review.

Below are the profiles of the directors of the Company at June 30, 2023:

1. Gérard Boullé (Chairperson)

Holder of a "Maîtrise de Gestion" from the University of Paris IX Dauphine in France, Gérard Boullé is presently the Chief Operating Officer (C.O.O), Food Industry of the Eclosia Group of Companies. He is a former President of the Association of Mauritian Manufacturers and is also Member of the Board of several companies of the Eclosia Group.

Gérard Boullé was appointed Chairperson of the Company on December 4, 2013.

Directorships in other listed companies: Oceanarium (Mauritius) Ltd and Les Moulins de la Concorde Ltée.

2. Michel de Spéville, C.B.E.

Founder President of the Eclosia Group as well as Founder and Senator of the "Jeune Chambre Économique de l'île Maurice", Michel de Spéville was elevated to the rank of "Commander of the Order of the British Empire" (C.B.E), "Chevalier de l'Ordre de Mérite de Madagascar" and "Chevalier de la Légion d'Honneur de France". He is an Honorary Citizen of the Moka-Flacq District of Mauritius and "Honorary Fellow - Agribusiness" of the University of Mauritius. He is a former President of the Mauritius Chamber of Commerce & Industry, a former President of "L'Institut de la Francophonie pour l'Entrepreneuriat" (IFE) and is presently Chairperson and Member of the Board of various companies of the Eclosia Group.

Directorships in other listed companies: Oceanarium (Mauritius) Ltd and Les Moulins de la Concorde Ltée.

3. Cédric de Spéville

Obtained a "Maîtrise en Économie" from the University of Paris I Panthéon Sorbonne in 2001. He also completed an MSc in Accounting and Finance at the London School of Economics in 2003 and obtained a Masters in Business Administration from Columbia Business School in 2007. He was Consultant for COFINTER in Paris from 2002 to 2003 and joined the Eclosia Group in 2003. In January 2013, Cédric de Spéville was appointed Group Chief Executive Officer. He is a director of various companies of the Eclosia Group, a former President of the Mauritius Chamber of Commerce and Industry, a former President of Business Mauritius as well as a former Member of the Economic Development Board of Mauritius. He was appointed to the Board of the Company on May 6, 2009.

Directorships in other listed companies: Oceanarium (Mauritius) Ltd, Les Moulins de la Concorde Ltée and Tropical Paradise Co. Ltd.

4. Eric Espitalier-Noël

Holder of a Bachelor's degree in Social Sciences and an MBA, Eric Espitalier-Noël has extensive experience in the commercial and hospitality sectors, being a board member of various companies evolving in those sectors. He was first appointed to the Board of the Company in 1991 and is currently the Chief Executive Officer of ENL Commercial Limited.

Directorships in other listed companies: Automatic Systems Ltd, Commercial Investment Property Fund Limited, ENL Limited, Rogers and Company Limited, Les Moulins de la Concorde Ltée and Tropical Paradise Co. Ltd.

5. Gilbert Espitalier-Noël

Holder of an MBA from INSEAD Fontainebleau, France, Gilbert Espitalier-Noël was the CEO of New Mauritius Hotels Ltd until 30 June 2023. He is now the CEO of the ENL Group. Gilbert was appointed to the Board of the Company on February 16, 1998.

Directorships in other listed companies: ENL Limited, New Mauritius Hotels Ltd and Rogers and Company Limited.

6. Rocky Forget

Holder of an MBA from Surrey University, UK, Rocky Forget joined the Eclosia Group of Companies in 1980, when he held a position in the farming division. He was appointed in 1991 as Technical & Commercial Manager of Livestock Feed Limited prior to being nominated General Manager in 1999. Rocky Forget was appointed Managing Director of the Company on May 6, 2009. During his 43-year career in the animal production & animal feed industry, Mr Forget has constantly acquired knowledge to spearhead LFL into being a key player in the regional animal feed industry.

Directorship in other listed company: None.

7. Pierre-Yves Pougnet

An accountant by profession, Pierre-Yves Pougnet was appointed to the Board of the Company on September 26, 1985 and is also a member of both the Corporate Governance Committee and the Audit and Risk Committee. He started his career with an audit firm and, in 1975, joined the Eclosia Group where he occupied executive functions, amongst them the Managing Directorship of Panagora Marketing Company Limited and Food and Allied Industries Ltd (now Avipro Co. Ltd). He was the Vice Chairperson of the Group when he retired in 2015.

Directorships in other listed companies: P.O.L.I.C.Y. Limited, Tropical Paradise Co. Ltd and Les Moulins de la Concorde Ltée.

8. Jean-Noël Humbert

Jean-Noël Humbert is the holder of an Honours Degree in Agriculture and a Diploma in Agriculture & Sugar Technology. He has a vast experience in the field of agro-industry, having managed different companies in the sector and also resulting from his previous capacity as General Secretary of the Mauritius Chamber of Agriculture (1997-2005) and Chief Executive Officer of the Mauritius Sugar Syndicate (2005-2015). He has also acted as President of the National Productivity and Competitiveness Council. He is currently Chairperson of the Board of Directors of New Maurifoods Ltd and Chairperson of the Board of ENL Limited.

Mr Humbert was appointed to the Board of the Company on November 13, 2015.

Directorship in other listed company: ENL Limited and Oceanarium (Mauritius) Ltd.

9. Jacqueline Sauzier

Jacqueline Sauzier has a scientific background in aquaculture and marine biology. Formerly Manager of the Mauritius Deer Farming Cooperative Society for more than 20 years, she has also invested her time in major national and regional projects in relation to the protection of the marine environment and biodiversity. She has been General Secretary of the Mauritius Chamber of Agriculture since April 2012 and is the board director of several parastatal bodies. Mrs Sauzier was honoured with the distinction of Chevalier de l'Ordre du Mérite Agricole by the French Government in July 2018.

Directorship in other listed company: None.

10. Richard Arlove

Richard Arlove, FCCA, worked in Big Four accounting firms in Mauritius and the UK and as General Manager of companies marketing international brands prior to co-founding ABAX, a financial, corporate and fiduciary services company, in 2001. He was the CEO of ABAX until the company was acquired in 2018 by Ocorian, a global trust and administration firm. He retired from Ocorian in August 2020, after two years as Regional Head of Africa, Middle East and Asia and Group ExCo member. Richard currently runs a business and finance consulting practice.

Richard has been and continues to be a board member of international companies and private equity funds investing in Africa and Asia and of national business and industry institutions.

Richard has been appointed director of the Company on December 23, 2020.

Directorship in other listed company: IBL Ltd, Caudan Development Ltd and Promotion and Development Ltd.

6.3 Common directors

- The table below indicates the Directors common to Livestock Feed Limited, the management company, Management and Development Company Limited ("Madco") and LFL's associate, Les Moulins de la Concorde Ltée ("LMLC")

NO	DIRECTORS	LFL	MADCO	LMLC
1	Richard **Arlove**	•	-	-
2	Gérard **Boullé** (Chairperson)	•	•	•
3	Michel **de Spéville**, C.B.E.	•	•	•
4	Cédric **de Spéville**	•	•*	•
5	Eric **Espitalier-Noël**	•	•	•
6	Gilbert **Espitalier-Noël**	•	•	-
7	Rocky **Forget**	•	-	-
8	Jean-Noël **Humbert**	•	-	-
9	Pierre-Yves **Pougnet**	•	•	•
10	Jacqueline **Sauzier**	•	-	-

* Also alternate to Mr Michel de Spéville in this company.

6.4 Directors' dealings in securities of the Company

- The directors follow the principles set out in the DEM Rules on restrictions on dealings by the directors.
- None of the directors acquired shares of the Company during the year under review.

6.5 The Company Secretary

- Eclosia Secretarial Services Ltd ("ESS") is the Company Secretary of the Company and its team consists of two Company Secretaries, one Assistant Company Secretary and administrative assistant
- ESS is represented by the Head of Secretarial Services who is holder of a Bachelor of Laws (LLB Hons) from the University of Manchester, UK, and is an Associate of the former Institute of Chartered Secretaries, UK (now the Chartered Governance Institute, UK) and a Company Secretary who is also an Associate of the Chartered Governance Institute. They both complete a minimum of twenty hours of training and skill development annually as required by the Chartered Governance Institute.
- ESS, the Company Secretary has access to Board Members and has been assigned the task of applying and implementing the principles of the Code by the Board.
- The duties of the Company Secretary have been set out in terms of reference which have been adopted by the Board. The said terms of reference are available for consultation on the Company's website and will be reviewed during the financial year 2023/2024.

6.6 Board committees

6.6.1 The Audit and Risk Committee

- The roles and responsibilities of the Audit and Risk Committee are set out in its terms of reference and are in summary:
  - To assist the Board in fulfilling its supervisory responsibilities;
  - To review the financial reporting process, the system of internal control and assessment of business and financial risks, the internal and external audit processes;
  - To monitor compliance with laws and regulations as well as Board policies and Board decisions. In performing its duties, the Committee maintains effective working relationships with the Board of Directors, the Management, as well as the Internal and External Auditors;
  - To review regularly the risks register and ensure through internal audit reports that the identified risks are monitored and reviewed on a regular basis;
  - To submit recommendations to the Board (for consideration and acceptance by shareholders) for the appointment and remuneration of the External Auditors.
- The terms of reference of the Audit and Risk Committee are available for consultation on the Company's website. These terms of reference are reviewed as and when required and, in any case, at least every five years. A review of the said terms of reference will be carried out during the financial year 2023/2024.
- The composition of the Audit and Risk Committee at June 30, 2023 was as follows:

Name	Position	Status
Mr Richard **Arlove**	Chairperson	Independent director
Mr Cédric de **Spéville**	Member	Non-executive director
Mr Eric **Espitalier-Noël**	Member	Non-executive director
Mr Pierre-Yves **Pougnet**	Member	Non-executive director
Eclosia Secretarial Services Ltd	Secretary	-

- The Audit and Risk Committee is presently composed of one independent director, the other Members being non-executive, non-independent directors. The Board is satisfied that the skills, knowledge of the organisation and experience of those non-executive directors allow them to discharge their responsibilities towards the Company and its shareholders effectively. The skills and expertise of the Members of the Audit and Risk Committee are detailed on pages 24 to 26.
- The committee met four times during the year under review and confirms that it has discharged its responsibilities for the year in compliance with the above terms of reference.
- In those meetings, the committee considered the internal audit reports, the IT Audit report, the Food Safety report, the top 10 risks and the risk management process of Livestock Feed Limited and its subsidiaries. The committee also meets the internal auditors and the CFO regularly to have their insights on the different areas covered in their reports.
- All matters discussed during the Audit and Risk Committee meetings are communicated to the Board at the subsequent board meetings and a brief of the deliberations of those meetings is inserted in the board packs.

6.6.2 The Corporate Governance Committee

- The roles and responsibilities of the Corporate Governance Committee are set out in its terms of reference and are in summary:
  - To make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective in ensuring that the Company complies with prevailing corporate principles and practices;
  - To ensure that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance as recommended by the National Committee on Corporate Governance;
  - To make recommendations to the Board on the nomination and remuneration of Directors.
- The terms of reference of the Corporate Governance Committee are available for consultation on the Company's website. These terms of reference are reviewed as and when required and, in any case, at least every five years. A review of the said terms of reference will be carried out during the financial year 2023/2024.
- The Corporate Governance Committee has worked out an internal procedure which provides guidance to the Board on the nomination of Directors. The procedure was approved by the Board and an induction programme for new directors has been reviewed by the Corporate Governance Committee and upon recommendation of the said committee, has been approved by the Board.
- The induction programme is under the responsibility of the Chairperson of the Board.
- The composition of the Corporate Governance Committee at June 30, 2023 was as follows:

Name	Position	Status
Mr Richard **Arlove**	Chairperson	Independent director
Mr Gérard **Boullé**	Member	Non-executive director
Mr Eric **Espitalier-Noël**	Member	Non-executive director
Mr Pierre-Yves **Pougnet**	Member	Non-executive director
Eclosia Secretarial Services Ltd	Secretary	-

- The Corporate Governance Committee is presently composed of one independent director, the other Members being non-executive, non-independent directors. The Board is satisfied that the skills, knowledge of the organisation and experience of those non-executive directors allow them to discharge their responsibilities towards the Company and its shareholders effectively. The skills and expertise of the Members of the Corporate Governance Committee are detailed on pages 24 to 26.
- The Corporate Governance Committee met twice during the year under review. During these meetings, the Committee considered the corporate governance report, the directors retiring by rotation and their proposal for re-election at the next AGM, the board composition, the Company's compliance with the NCCG scorecard, the succession planning through the OPR process and a review of the fees payable to the Directors of the Company.
- All matters discussed during the Corporate Governance Committee are communicated to the Board at the subsequent board meetings and a brief of the deliberations of those meetings is inserted in the board packs.

6.6.3 Investment Committee

- Investments of LFL are regrouped into LFL Investment Ltd. A specific committee annually reviews its portfolio of investment.

6.7 Attendance at Board and Committee Meetings

- The attendance of the Directors and Committee Members for the financial year ended June 30, 2023 was as follows:

No	Directors	Board Attendance 5 Meetings	Audit & Risk Committee Attendance 4 Meetings	Corporate Governance Committee Attendance 2 Meetings
1	Richard **Arlove**	5/5	4/4	2/2
2	Gérard **Boullé**	5/5	-	2/2
3	Michel **de Spéville**, C.B.E.	4/5	-	-
4	Cédric **de Spéville**	5/5	4/4	-
5	Eric **Espitalier-Noël**	3/5	4/4	2/2
6	Gilbert **Espitalier-Noël**	3/5	-	-
7	Rocky **Forget**	5/5	-	-
8	Pierre-Yves **Pougnet**	5/5	4/4	2/2
9	Jean-Noël **Humbert**	5/5	-	-
10	Jean **Ribet***	3/5	-	-
11	Jacqueline **Sauzier**	2/5	-	-

*Ceased to hold office on April 5, 2023

7. DIRECTORS' APPOINTMENT PROCEDURES

7.1 Appointment procedures

- As per the Company's constitution, every year one third of the directors longest in office retire by rotation and may offer themselves for re-election. These directors, if re-elected, have a three-year term after which they may once again stand for re-election.
- Moreover, according to the Company's constitution, in cases of casual vacancies, the Board can appoint someone to serve as director of the Company until the next Annual Meeting, where his election will be ratified.
- The Company has a formal procedure for appointment of directors. This procedure stipulates that prior to the appointment of directors on the Board of the Company, the corporate governance committee shall evaluate the profiles of candidates based on the requirements of the positions and the skills and expertise needed.
- Once the appropriate candidate is selected by the Corporate Governance Committee, the latter will recommend the nomination of the person selected to the shareholders, or, in the case of casual vacancies, to the Board.
- A letter of appointment for non-executive directors has also been approved by the Board and non-executive directors are required to sign the said letter as soon as they are appointed to the Board.

7.2 Induction and orientation

- The Company has a formal induction process. Upon appointment, the Director receives an induction and orientation programme where they are invited to visit the Company and get acquainted with its operations.
- The Director also receives, through an induction pack, copies of minutes of the last three board meetings held prior to his appointment, the last three financial statements, the mission and vision statements of the Company, a company profile and relevant legislations which shall enable him to understand the duties and obligations of being a director.
- Moreover, at the time of his appointment, the Director is requested to give his consent, as per the requirements of the Data Protection Act, for his personal information to be used and shared with authorities and financial institutions as per the requirements of the AML/CFT regulations in place.

7.3 Professional development

- The Company provides the opportunity to its directors to develop their knowledge and skills through workshops and development programmes delivered mostly by the Mauritius Institute of Directors. The Head of Governance, Risk and Compliance of Eclosia Group through the Company Secretary, screens the workshops and training programmes offered and recommends to Directors those which would be relevant and of interest for the Directors to attend.

7.4 Succession planning

- In order to keep a balance of skills and expertise at the level of the Board, a review of the composition of the Board and its committees is carried out at least once a year by the Corporate Governance Committee.

8. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

8.1 Directors' duties

- Upon a director's appointment, the relevant legislations pertaining to the legal duties of acting as a director on the Board of the Company are communicated to the newly-appointed director through the induction pack.
- Furthermore, at the start of every financial year, the directors are provided with the close periods for trading on the Company's securities for the year and the relevant legislations pertaining to declarations of interests under the Securities Act and the DEM Rules.
- In addition, a board charter setting out all the director's duties and responsibilities with respect to the board governance has been adopted by the Board and is available for consultation on the Company's website. This Board charter is reviewed periodically by the Corporate Governance Committee and, thereafter, the Board itself. The Board Charter will be reviewed during the financial year 2023/2024.

8.2 Code of ethics

- A code of ethics for the directors of the Company has been adopted by the Board and is available for consultation on the Company's website.
- The said code of ethics provides guidance to the directors in dealing with and managing ethical issues, conflicts of interest and related party transactions.

8.3 Conflicts of interest and related parties transactions

- The Company Secretary maintains an interest register for the Members of the Board. It is, however, the responsibility of each director to ensure that any interest be recorded in this register. This interest register is available for inspection by the Shareholders upon written request to the Company Secretary.
- Whenever there is an actual or potential conflict of interest, the concerned director is not present at the part of the meeting during which the conflict or potential conflict is discussed and, therefore, does not debate or vote on the matter.
- Specific provisions relating to directors' conflicts of interest and related party transactions are included in the directors' code of ethics which is available for consultation on the Company's website.

8.4 Board information

- Relevant board information is provided to Board members in a timely manner to enable them to have sufficient time to study the matters that will be discussed at the meetings and make appropriate decisions. As a general rule, board documents are sent to the Directors at least 7 days prior to the board meeting.
- Where necessary, directors may have access to management or to independent professional advice at the Company's expense, subject to the formal approval of the Chairperson, to enable them to discharge their responsibilities.
- A Directors' and Officers' Liability cover is in place for directors and senior officers of the Company.

8.5 Board evaluation

- The Board recognises the significance of board evaluation exercises which are carries out on a two-yearly basis. The next board evaluation is due to be carried out during the financial year 2023/2024.
- The board evaluation is done internally by way of a questionnaire and any weakness identified is examines by the Corporate Governance Committee and addressed by the Board.
- Results are discussed at Corporate Governance Level and any corrective action, if needed, is reported to the board.

8.6 Remuneration

- The fees for Members of the Board, Audit and Risk and Corporate Governance Committees at June 30, 2023 were as follows:

	Chairperson		Directors	
Type of meeting	Annual Retainer Rs	Meeting Fee Rs	Annual Retainer Rs	Meeting Fee Rs
Board meeting	200,000	20,000	100,000	20,000
Audit and Risk	140,000	10,000	80,000	10,000
Corporate Governance	50,000	10,000	35,000	10,000

- The fees paid to the directors of the Company for the financial year ended June 30, 2023 were as follows:

No.	Directors	Board Fees Rs	Audit & Risk Committee Fees Rs	Corporate Governance Committee Fees Rs	Total Rs
1	Richard **Arlove**	200,000	180,000	70 000	450,000
2	Gérard **Boullé**	300,000	-	55 000	355,000
3	Michel **de Spéville**,C.B.E.	180,000	-	-	180,000
4	Cédric **de Spéville**	200,000	120 000	-	320,000
5	Eric **Espitalier-Noël**	160,000	120 000	55 000	335,000
6	Gilbert **Espitalier-Noël**	160,000	-	-	160,000
7	Rocky **Forget**	200,000	-	-	200,000
8	Pierre-Yves **Pougnet**	200,000	120 000	55 000	375,000
9	Jean-Noël **Humbert**	200,000	-	-	200,000
10	Jean **Ribet***	160,000	-	-	160,000
11	Jacqueline **Sauzier**	140,000	-	-	140,000
	Total	**2,100,000**	**540,000**	**235,000**	**2,875,000**

*Ceased to hold office on April 5, 2023

- Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the performance of the Company.
- The total remuneration and benefits received by the Executive Director during the financial year amounted to Rs 9,527,717.

8.6.1 Statement of Remuneration Philosophy

- A formal Statement of Remuneration Philosophy has been adopted by the Board of the Company. The philosophy is to offer a competitive package that will attract, retain and motivate directors and employees of the highest calibre and recognise value-added performance, whilst taking into account the Company's financial position.

  In that respect, the remuneration offered to each category of jobs within the Company has been benchmarked and aligned with the current market rate as per the "Hay Group National Survey" which is carried out regularly.
- Moreover, the directors' fees are also benchmarked on market norms and reviewed on a regular basis by the Board upon recommendation of the Corporate Governance Committee. The latest benchmark was done during the financial year under review and another one is expected to be carried out in 2023/2024.

9. RISK GOVERNANCE AND INTERNAL CONTROL

9.1 Risk governance

- The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. It that respect, it has entrusted to the Audit and Risk Committee the responsibility of ensuring that the Management identifies and manages all inherent risks on a regular basis.

- The management of the Company has set up a risk management process to identify and manage risks. The Management keeps a risk register that is updated regularly when risk elements are observed. Risks are evaluated according to the likelihood of their occurrence and their potential impact on the business activity. This methodology helps to prioritise the risks and consequently the focus of management. The top 10 risks of the Company are monitored on a regular basis through cross-functional action meetings under the supervision of the Chief Financial Officer and are presented at the quarterly meetings of the Audit and Risk Committee to ensure that the top 10 risks are properly managed and mitigating actions have been taken.

- For the year under review, the main risks regrouped under, sourcing of raw materials, volatility of commodities prices, supply chain and logistics disruptions, and exchange rate fluctuations and supply were the principal areas of concern and actions to mitigate these risks were taken.

- The enterprise Risk Management Framework is currently being reviewed and updated and new software to assist Risk Management is currently being developed while its implementation is planned for 2023/2024.

- The key risk categories of the Group are as follows:

(a) Strategic Risks

The Group carries out a complete risk analysis exercise yearly and during this process, uncertainties and opportunities are identified for each segment in which it operates. Action plans are then implemented in the yearly budget.

(b) Financial Risks

Risks linked to liquidity, interest rates, foreign currency, due diligence process, costs structures and profitability are covered under this category and management of risks is addressed by the CFO and reported as necessary to Executive meetings, Audit and Risk Committee meetings and Board meetings. Some financial risks are also detailed in note 3 of the financial statements.

(c) People Risks

The Group's success depends on the commitment and performance of its employees Procedures have been put in place for the recruitment and development of talents in the Group. The management of Human Resources is an ongoing process that involves careful planning so that the Company is geared to respond to any change in the environment. Policies have been put in place to ensure that all processes are carried out in line with international best practices. Furthermore, employees are strongly encouraged to participate in improvement teams to continuously improve our processes. This is further detailed in section 23.

(d) Legal and Compliance Risks

The Group minimises legal and compliance risks by consulting in-house and external Legal Counsels, who provide legal advice on relevant files as and when required. The legal and compliance departments also assist Business Units in complying with applicable laws and regulations in force.

(e) Information Technology and Cyber Risks

The Group's management of Information Technology and Cyber risks is detailed under section 9.6.

(f) Customer and Commercial Risks

Risks associated with maintaining the quality and reputation of our products and services and innovation in our customer offer are analysed and the HACCP and ISO 12000 certification and audits ensure that procedures are strictly adhered to so that the quality of products delivered is constantly up to the set standards.

(g) Operational Risks

Risks of loss resulting from inadequate or failed internal processes and procedures, human error, system failure or external events. They include all processes from procurement of raw materials, manufacturing process, up to the point of receipt by customers. These items are constantly discussed in weekly operational meetings.

(h) Business and Market Risks

Risks relating to macroeconomics, politics and foreign investments. These risks are discussed at board level.

(i) Environmental and Sustainability Risks

Risks can be related to climatic conditions or related to other environmental factors, social and governance practices and sustainable development processes.

The annual sustainability plan aims at mitigating risks related to environment (Section 21).

9.2 Risk Management

- Insurance policies are maintained in all countries in which the company operates. These policy covers include fire and allied perils, machinery breakdown, loss of profits resulting from fire and allied perils and machinery breakdown, public and product liabilities, directors' liability, burglary, money in transit, goods' inland transit, marine cover and credit protection facility for non-group local and foreign credit clients. The adequacy of insurance covers is reviewed annually based on the advice of a consultant.

9.3 Business Continuity

- As part of its business continuity plan, a full IT breakdown drill has been carried out in January 2023. The exercise showed that the protocols and procedures in place are effective.

9.4 Internal control

- A sound internal control system is in place in the Company. The internal control system ensures that organisational objectives in terms of effectiveness and efficiency are met. It provides assurance that financial statements are prepared in compliance with relevant accounting standards and that the Company complies with laws, regulations and policies.
- The internal control process is audited by internal and external auditors who report directly to the Audit & Risk Committee on any material weaknesses which come to their attention.
- In addition to reviewing the Company's risks, the Board has entrusted the Audit and Risk Committee with the responsibility of reporting on the effectiveness of Internal Control.
- Internal control systems are (i) reviewed at the level of the ARC annually during the presentation of the auditors' management letter and (ii) discussed during presentation of the internal audit reports at least twice a year.

9.5 Data protection

- LFL complies with the Data Protection Act and the GDPR. It is committed to protect the privacy of its stakeholders including clients, suppliers and employees. In this context, LFL has outsourced the role of Data Protection Officer to a specialist who has been assisting the company in the setting up and implementation of its Data Protection Framework. The planning of activities is updated and there is regular reporting to the Data Protection Committee (DPC) on the progress on the Data Protection Initiatives.
- The year 2022/2023 was marked by the development of several actions to meet the requirements of the applicable legislations and the main elements are:

  (a) Elaboration and deployment of a DPA Action Plan to monitor the progress of the different steps.
  (b) Deployment of policies and procedures.
  (c) Update of the Records of Processing Operations (RPO)
  (d) Preparation and signature of Contracts with Processor and Data Sharing Agreement.
  (e) Staff awareness training on new data protection policies and procedures at LFL.

- There was no case of data breach identified nor reported during the course of the year.

9.6 Information Technology and Information Security governance

- The Eclosia Group IT Executive Council ("the GIT"), supported by three sub-committees, is responsible to provide the necessary directions with regards to strategy, infrastructure and operations management in relation to information, communications and technology systems at LFL.
- An Information Technology Policies and Procedures ("ITPP") manual has been mandated by the GIT to provide guiding principles applicable to the management of IT related processes in order to:

  (a) Establish responsibility and accountability for the use and maintenance of IT resources;

  (b) Encourage management and staff to maintain an appropriate level of awareness, knowledge and skill to allow them to leverage IT resources in delivering quality service to the clients;

  (c) Minimise the impact of IT incidents on service delivery;

  (d) Protect the business information and any client information within its custody by safe guarding their confidentiality and integrity by maintaining their availability.
- The ITPP manual is reviewed annually by a sub-committee to accommodate process changes and adapt to new technologies. New IT policies and procedures were introduced to adapt with adoption of emerging technologies. These IT policies encompassed Web Application, Collaboration Tools, Data Classification & Handling, and Generative Artificial Intelligence.
- Independently, the IT Auditor reports to the Audit and Risk Committee of each Group Company about the level of compliance to the ITPP.
- An End-User IT Security Policy is remitted to all new recruits and must be adhered to by all employees together with the cybersecurity awareness and eLearning programme. Periodic cybersecurity awareness and eLearning programmes are conducted for employees to foster a cybersecurity-conscious culture. These initiatives included information security best practices, phishing campaigns, and safe online behaviours.
- Collaboration with a cyber incident response and forensic specialist was established, along with a well-defined incident response plan. Our aim is to facilitate incident response through prompt detection, containment, eradication and recovery from cybersecurity incidents.
- Implemented since 2020, Microsoft D365 Enterprise Resource Planning (ERP) System is improving business operations and decision-making process, as well as providing enhanced financial controls. It is managed through a strong governance, enabling to keep benefits over the time, and benefit from a full redundancy and back-up to ensure full availability for operations.
- Access rights are managed centrally and enable management and restriction to access applications, transactions, and data, for ERP and business systems, and on folders and documents in the document management system, it also enable to qualify sensitivity and confidentiality of documents.
- This robust IT Governance Framework and initiatives prove that Information Management, Information Technology and Information Security is at the heart of LFL's operations and that no efforts will be spared to maintain a reliable and secured IT environment.

10. AUDIT

10.1 Internal audit

- The Company outsources the internal audit functions to Eclosia Corporate Services Ltd ("ECS") ECS's Internal Audit Departments, consists of nineteen staff members, who possess the necessary qualifications (including FCCA, CGI, CIA, CFE, CISA, CRISC, CISM, CDPSE, Certified Compliance professional, among others), expertise and coupled with the number of years of experience to fulfil their role effectively. They are supported by a well-structured Enterprise Risk Management and Governance framework that ensures their independence, objectivity, competence, and free access to books and records for a comprehensive evaluation of risks and controls. The staffing level together with continuous learning & development enable a sufficient coverage of emerging risks and various audit areas such as financial, accounting, operational, data privacy, and information technology. We adopt and apply international auditing standards prescribed by the IIA and ISACA, risk-based audit methodologies, automated tools with data analytics to conduct thorough audits and reporting to Audit and Risk Committees.
- Factory operation is also audited by technicians of MixScience, a major European Operator in the Animal Feed Sector.
- The Board, with the assistance of the Audit and Risk Committee and the Internal Auditor, monitors the effectiveness of internal controls.
- The Internal Auditors follow an established system of internal control and policies which ensure that the control objectives are attained.
- The Internal Audit team has an independent appraisal function which reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks.
- The areas regularly reviewed are: procurement, inventories, approval processes, accounts payable, accounts receivable and production workflows.
- Weaknesses identified by the Internal Auditors during their reviews are brought to the attention of Management and the Audit and Risk Committee formally by way of risk-rated structured reports. These reports comprise the results of the current review together with updates on the corrective actions taken by the Management to improve control systems and procedures. The corrective actions taken are reviewed annually in a follow-up audit.
- The Audit Reports are compiled by the Group Head of GRC (Governance, Risk and Compliance) who attends and reports on the findings at the Audit and Risk Committee. Thereafter, the Chairperson of the Audit and Risk Committee brings before the Board any material issues requiring the special attention of the Directors.
- The purpose, authority and responsibility of the Internal Auditors are formally defined in a charter.
- The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents, as well as to inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organisation.

- The objectives of the reviews performed by the Internal Audit function are to give assurance on the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations as well as on the reliability of financial reporting.
- The Group Internal Audit Manager meets with the Chairperson of the Audit and Risk Committee once a year without the presence of the Management.

10.2 External Auditors

- Further to the tendering process carried out in 2022 to proceed with the rotation of the external auditors of the Company, BDO & Co. were appointed external auditors of the LFL Group. Since BDO was previously acting as external auditor for the LFL Group prior to the appointment of Pricewaterhouse Coopers in 2019, and due to a mandatory cooling-off period, BDO has ensured that LFL shall have a different signing partner this time around.
- The Audit and Risk Committee reviews the audit plan and fees of the external auditor prior to the yearly audits. Moreover, the management and the Chairperson of the ARC met and discussed critical policies, judgements and estimated with the external auditors.
- The Audit and Risk Committee meets once a year with the external auditors to review the Company's financial statements, management and representation letter and to assess the effectiveness of the external audit process. The external auditor also has the opportunity to meet the members of the Audit and Risk Committee without the Management's presence. The points raised in the external auditor's management letter are then taken up at each of the subsequent Audit and Risk committee meetings to ensure that all recommendations made by the external auditor are followed and implemented by the Management. Once the issues are resolved, the subjects are thereafter removed from the minutes of the committee meeting.
- An assessment of the work and performance of external auditors is carried out yearly both by the Management and the Audit and Risk committee. The criteria used for such assessment is as follows:

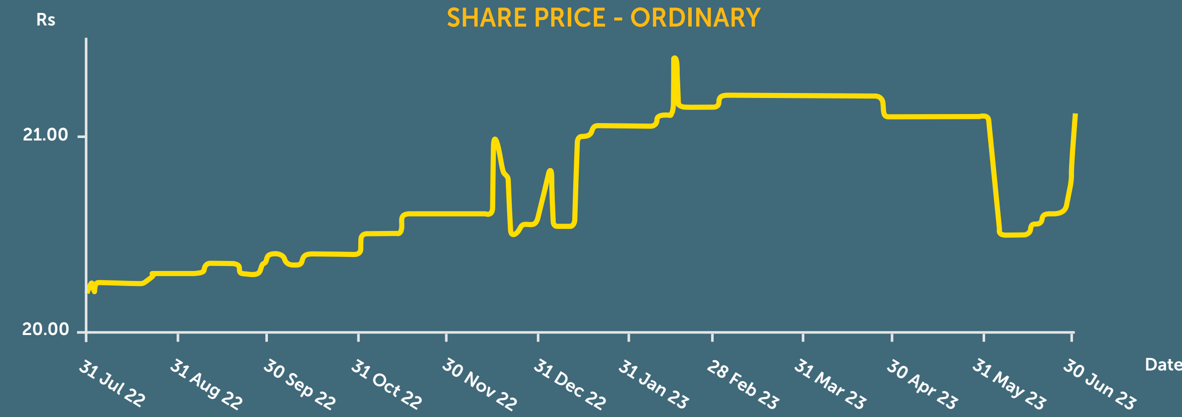
  - Quality of Services provided
  - Sufficiency of Audit Firm and Network Resources
  - Independence, Objectivity and Professional Scepticism.
- The audit fees of the external auditor of the Group for the financial year 2022/2023 were Rs 1,450,000. Non-audit services were not provided by the external auditor during the year under review.

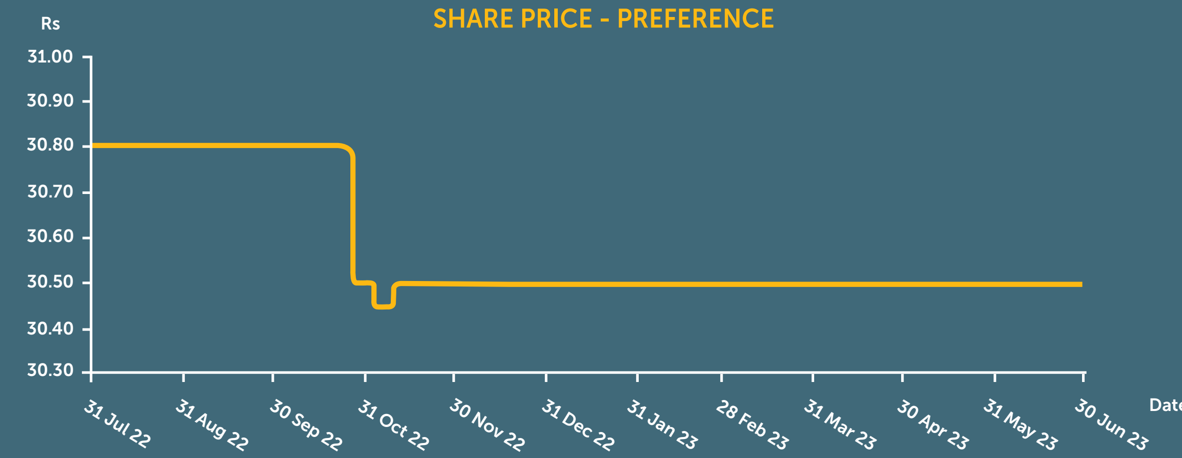
11. SHARE OPTION PLAN

- The Company does not have any Share Option Plan.

12. SHARE PRICE INFORMATION

- The following graph shows the evolution of the Company's share price on the Stock Market during the year under review up to June 30, 2023:





13. DIVIDEND POLICY

- The Company has no defined dividend policy as such and pays dividends based on its current profitability and the liquidity requirements of the Company.
- The dividend paid for the financial year under review amounts to Rs 0.43 per ordinary share and Rs 1.20 per preference share.

14. RELATED PARTY TRANSACTIONS

- Related party transactions are disclosed in note 35 of the accounts and are at arm's length and in the normal course of business.

15. CONTRACT OF SIGNIFICANCE

- The following contracts exist between the Company and its major shareholders for:
  - The provisions of management services as detailed in section 17;
  - The sale of animal feed to Avipro Co. Ltd (wholly-owned subsidiary of MADCO) in the normal course of business;
  - The provision of secretarial services by Eclosia Secretarial Services Ltd (wholly-owned subsidiary of MADCO); and
  - The provision of business support services by Eclosia Corporate Services Ltd (wholly-owned subsidiary of MADCO).
- Furthermore, the following contracts of significance exist:
  - The provision of sales & distribution services by Panagora Marketing Company Limited (subsidiary of MADCO) for dog food in the normal course of business; and
  - The provision of IT Support Services by Eclosia Technology Services Ltd (wholly-owned subsidiary of MADCO).

16. CONTRACT OF SIGNIFICANCE WITH A DIRECTOR

- There is no contract of significance between the Company and any of its directors.

17. MANAGEMENT AGREEMENTS

- Livestock Feed Limited has a management contract with MADCO in which six directors have an interest. Review of scope and at arm's length
- The above contract is remunerated in the form of management fees.

18. MAJOR EVENTS

- The Chairman of the Board in his annual report to the Shareholders addresses the main issues dealt by the Board in terms of personnel, markets environment performance and other environmental factors.
- The main events of LFL for the financial year under review were as follows:

Event	Month
Approval of Audited Financial Statements and Publication of Abridged Financial Statements	September
Annual Meeting	December
Dividend Declaration	June
Dividend Payment	August
Publication of Quarterly Accounts:	
- 1st quarter: ending September 30	November
- 2nd quarter: ending December 31	February
- 3rd quarter: ending March 31	May

19. DONATIONS

- Donations by the Group for the year under review were:

	Group	
	2023 Rs000	2022 Rs000
Charitable Donations	628	729
Political Donations	Nil	Nil

20. MISSION AND VISION

- The vision and mission statements of LFL are used as the guiding framework of all strategic decisions:

Mission : « Contribuer activement au développement durable et responsable du secteur de l'alimentation animale en apportant à nos partenaires des solutions performantes et adaptées. »

Vision : « Nous voulons être dans l'océan Indien et l'Afrique de l'Est, le partenaire de référence de l'alimentation animale par un développement inclusif, valorisant les matières premières produites dans la région. »

- These statements have been communicated to all stakeholders and employees across the Group and are available on the Company's website.

21. SUSTAINABILITY

- LFL started its operations in 1977 to provide the emerging animal farming community with a readily available quality product. The local production of animal feed was a sinequanone condition for the development of a sustainable animal product on the island. Today, the country is self-sufficient in all its poultry production, the main meat consumed by the population. A local success story in sustainable development.
- At LFL, we are aware of the environmental and social impact of our industrial activities. In a common effort with our internal and external stakeholders, we work towards mitigating these impacts. The recent Covid pandemic has highlighted the vulnerability of SIDS in terms of food security. It also underlined the urgency of implementing a regional food security strategy.

21.1 Strategic approach to sustainability

- Considering both our internal and external stakeholders, we develop our sustainability strategy and objectives for a three-year period which are implemented through a yearly sustainability implementation plan. A dedicated team of Green Leaders in the company, under the supervision of a Sustainability Manager, is responsible for implementing these activities. Some examples of the key indicators are reduction of waste (Kg/Unit), increase of recycling, reused water (m^3), etc.
- A monthly management reporting meeting on the progress and achievement of KPIs is organised to follow-up on the implementation plan. Aware that the implementation plan requires the buy-in of the employees of Livestock Feed Ltd, the monthly progress is communicated to all the staff of our company. Our quarterly progress is also shared with all the stakeholders and the neighbourhood of the Company's factory through the newsletter "La Gazette Verte".

21.2 Neighbourhood outreach

- We have a strong will to engage with the neighbourhood for our environmental and social endeavours. Thus, our production facilities are compliant to prevailing laws & regulations. Our relationship with the residents has always been cordial and engaging. This relationship has been consolidated over the years as any request/complaint received by the neighbourhood and registered by Livestock Feed Ltd is obligatorily processed within 3 days. Our neighbourhood outreach policy also concerns the employees of the factory as 48% of the work force are from the region. Our engagement in local livelihood also includes beautification campaigns in collaboration with the municipality to create and maintain green spaces in the locality.

21.3 A sustainability plan inspired by the SDG

- The United Nation's Sustainable Development Goals have created a worldwide framework that sets the pace for sustainable development. At Livestock Feed Ltd, we strongly adhere to the values carried by the framework and our sustainability goals are aligned with these objectives.

Responsible consumption and production

With an objective of reducing raw material packaging and the efficient use of finished product packaging, Livestock Feed Ltd is proud to have reduced its packaging consumption by 3.4T, corresponding to a 40% reduction in total tonnage of packaging.

Another important action implemented recently is the reduction of industrial packaging of our products by promoting reuse of bulk bags. The bulk bag deposit project was launched with our local supplier whereby the same bulk bag is used 5 times to transport goods. The quantity of plastic bags used in the local transport of raw materials was thus reduced by 1.7T. To further reduce the consumption of plastic bags, Livestock Feed Ltd installed 6 silos at our most significant customers. This action allowed the company to reduce the use of plastic by a further 1.6T.

Regarding water consumption, Livestock Feed Ltd is engaged in reducing its water usage. Indeed, consumption has decreased by 17% since the installation of a water recovery system.

Affordable and clean energy

The objective of reducing the energy consumption to produce 1T of feed by 8% was achieved during this financial year. The setting up of the control and operational monitoring of electricity consumption in the factory made it possible to optimise the energy consumption of the whole plant. Furthermore, the installation of a feedwater tank on the boiler allowed a reduction of 0.30L of heavy fuel oil per ton of finished products.

Since April 2023, the LFL photovoltaic panel station has been active and has generated 243,000 KWh in total. Since the photovoltaic plant has been operational, it contributed to 11% of the monthly electrical consumption.

Sustainable cities and communities

As mentioned previously, Livestock Feed Ltd places significant emphasis on its relationship with the local community and is poised to undertake projects to address food insecurity and promote sustainable agricultural practices within the communities. Two successful projects for the financial year are:

Poule Pondeuse

In January, our Poule Pondeuse project achieved a significant milestone by reaching 50% self-financing. This project aims to empower local communities by providing them with a sustainable source of food and income through egg production. With the support from LFL technical team, beneficiaries have been able to manage their poultry operations efficiently, leading to increased egg sales and savings. More importantly, the project helped to combat malnutrition and ensures a more balanced diet for beneficiaries.

Pailles Community Garden Enhancement

This community outreach project promotes responsible agricultural practices and supports the transition towards a sustainable and autonomous food system. Beneficiaries of this project were trained for the cultivation of fresh, locally grown products. This activity was enhanced by technical support to develop horticultural skills among the beneficiaries of the project.

The company's environmental plan is carefully crafted at a community level, with more than 80% of actions undertaken in collaboration with our employees, suppliers, customers, neighbors, schools, NGOs, and recyclers. This approach ensures that sustainability is deeply embedded throughout our value chain. Every year, suppliers are selected according to the results obtained in the supply reliability test assessing their responsibilities towards sustainable and social development, occupational health and safety, product/service quality and solvency. Our company ensures that these responsibilities are carried over its entire value chain and its customers are supported to achieve these same objectives.

Spontaneous projects for 2023-2024 were identified and then supported by employees through a committee of Green Leaders made up of administrative and operational staff. Livestock Feed Ltd strives to foster environmental stewardship and empower individuals with knowledge and resources for a more sustainable future. Two flagship projects were accomplished by employees during this financial year:

Clean Up de Pailles

In September, Livestock Feed Ltd organised the Clean Up de Pailles event, demonstrating our commitment to environmental preservation and community engagement. Through collaboration with our employees, village schools, and beneficiaries of our community gardens united to tackle the pressing issue of pollution. On a single day, an impressive 650kg of waste were collected. 340kg of plastic litter were properly sorted for recycling. By removing this waste from the environment and ensuring proper recycling, the initiative contributed to reduce the impact of pollution on natural habitats and water bodies and contributed to a cleaner and a healthier neighborhood. The Clean Up de Pailles initiative served as an educational platform, raising awareness about the impact of waste on the environment. Participants gained a deeper understanding of the importance of waste management and recycling, inspiring them to adopt more responsible practices in their daily lives.

The project also fostered a strong sense of community collaboration and collective responsibility. By involving employees, schools and beneficiaries, the event showcased the power of working together towards a common goal of environmental sustainability.

Circuit ZEP Project

In June, we launched the Circuit ZEP (zone d'éducation prioritaire) project in partnership with Xavier Barbe's school, seeking to instill environmental consciousness in young minds and encourage active engagement in conservation efforts. The impacts of the Circuit ZEP Project are significant. The project engaged thirty Grade 5 and 6 children in science and history development workshops, combined with school outings to learn about conservation and environmental protection in Mauritius. By targeting children at a crucial age, we promote a lifelong commitment to environmental stewardship and sustainable practices.

The students who participated in the Circuit ZEP Project took the lead in sharing their knowledge and experiences with other classes through oral presentations. This peer-to-peer learning approach empowers children to become environmental advocates within their school and beyond. By integrating environmental education into the school curriculum, the initiative contributed to nurture a culture of conservation and sustainability. The project serves as a steppingstone towards building a generation of environmentally conscious citizens who actively contribute to the preservation of our planet.

Life on land

The collaboration between Livestock Feed Ltd and Ebony Forest was consolidated and enhanced during the financial year. The company provided financial support for activities to protect and reintroduce endemic species such as the Pink Piegon, the Olive White Eye and the Mauritius Fody back in their natural habitat. Through this partnership, Livestock Feed Ltd continues to work towards the preservation and the protection of the local endemic biodiversity of Mauritius. On the World Environment Day 2023, 27 endemic trees and more than 300 endemic shrubs were planted on the premises of the company by the employees.

Livestock Feed Ltd is also proud to have achieved a sorting strategy for the locality accessible to residents and schools in the community as well as to our employees. The community is invited to bring their recyclable waste to the sorting bins and every quarter we organise a home collection of electrical and electronic waste. 73% of waste is recycled, recovered, or reused and the amount of waste sent to Mare Chicose has been significantly reduced by 39% in one year.

To further our involvement in creating a sound environment, a recycled furniture initiative has been launched by the Green Leaders of the company. The company's garden area will be furnished with recycled plastic furniture according to the amount of plastic brought back by employees. 375Kg have already been brought back for the manufacture of 4 garden benches.

These actions are perfectly in line with Livestock Feed Ltd improvement strategy through ISO14001 and ISO50001 certification. Environmental empowerment of each department has been launched so that projects with a social and an environmental dimension are carried out by the managers of each process for the coming year.

Climate action

At Livestock Feed Ltd, the challenges of climate change are considered as important for the continuous sustainable growth of the company. We have identified three strategic actions that directly address climate change.

La Fresque du Climat

La Fresque du Climat has been identified as a strong communication tool to disseminate the challenges of climate change. This interactive card game shows how the global increase of atmospheric CO_2 has been impacting livelihoods around the world. Our goal is to have 100% of the staff of Livestock Feed Ltd participating in the fresque by July 2024. At date, 9 employees have been trained as fresque animators and 10% of the employees have participated in the fresque. The initiative was performed with the top management of the company prior to the development of the Environmental Plan 2023-2024. At Livestock Feed Ltd, we are convinced of the success of this approach to sensitise on climate change.

Carbonact

The project was launched with the technical support of Ecoact, a French company specialised in performing carbon footprint calculations of companies and industries using the globally recognised and standardised GHG (Green House Gas) protocol. The objective is to calculate the carbon footprint of Livestock Feed Ltd scope 1, 2 and 3. The results will be the foundation to create an action plan to reduce the carbon footprint of the company. The objectives of the action plan will be set using the Science Based Target principle. The first stage of this project was launched in February 2023 with a data collection campaign. The action plan is expected to be available by the end of 2023 and the implementation will start by 2024. The Management of Livestock Feed Ltd is participating fully in this ambitious endeavour with a solid support from the Board of Directors.

22. HUMAN RESOURCES

- The HR function at LFL supports activities for the company present in four countries namely Mauritius, Seychelles, Madagascar and Rwanda. Mauritius & Madagascar have a proper locally based HR Team and Rwanda and Seychelles are remotely supported by the HR Team of Mauritius. As at June 30, 2023, LFL Group had approximately 500 employees (Mauritius: 184 employees, Madagascar: 279 employees, Rwanda: 27 employees and Seychelles: 8 employees).
- The demographics for Mauritius: with a total of 184 employees, 148 are gentlemen and 36 are ladies. 96 of them are aged between 30 and 50 years, 61 are over 50 years old and 27 of them are aged under 30. 3.8% of our workforce sits at a senior level positions comprising of 2 women.

1. HR Practices

At LFL, we believe in the need to have the best employee in each job. These are processes in place which enable us to sustain this commitment:

1. All jobs at staff and managers level at LFL are graded by using the Hay Methodology which is a world recognised method. It considers the qualifications required to do the job, the level of problem-solving which the job must face and the level of accountability which the job has.
2. We have a Leadership Competencies Framework; a set of competencies are attached to each grade. These are soft skills which are required to properly progress in the company. These are thoroughly incorporated in our job advertisement and in our Performance Management system model.
3. Further to the above, Competency-Based interview has been crafted and deployed so that we evaluate the leadership competencies at the recruitment level.
4. Employee performance is measured against performance Indicators during bi-annual performance management meetings.

Besides, LFL has continued with its approach to have more gender equality or parity within its workforce. The Company is focussing to increase the presence of women within its more automated factories.

Moreovers, LFL has started an initiative to create more awareness about people with Handicaps and is working closely with the local branch of the Global Rainbow Foundation. The said organisation has been assessing both our Business Units in Mauritius and established jobs where we could recruit handicapped people. Our existing workforce will also be prepared to welcome this change. The project is progressing in a positive way.

2. Learning & Development

To improve our productivity and encourage continuous improvement, we believe that our most important asset is people. As such, we are reinforcing our engagement in making LFL a learning organisation to allow our employees to continue expanding their knowledge and skills, but also highly support and encourage them to do so.

- The Learning Needs Analysis (LNA) is prepared together with each Head of Department by identifying the training needs for each employee every year. We achieved 87% completion of the LNA.
- A dedicated training budget representing nearly 5% of salary mass is allocated every year to the HR Department so that the LNA is deployed. This reflects our commitment to investing in our employees' professional growth and development. The budget has been fully utilised.
- For the financial year 2022 to 2023, a total of 3651 hours of training were conducted. These training sessions covered various types of training such as online, on the job training and technical training and targeted 105 collaborators (staff & operatives).
- The induction programs have been redesigned to ensure that the new employees feel welcomed, supported, and valued. The Managing Director and BU Manager are invited to share the vision, mission and values of the company during the induction sessions so that all employees are aligned with the (OJT; Quality: H&Safety training) were conducted during this period.
- The HR Department is manned with a dedicated person for Learning & Development, and this enables LFL to manage closely both the LNA and the HRDC Refund mechanism. As such, the Company optimises the HRDC scheme by getting 100% refunds.

3. Welfare & Wellbeing

We believe that good health and wellbeing are core enablers of employee engagement and organisational performance. As such, a yearly welfare calendar has been implemented to spread welfare and wellbeing activities throughout the year.

All activities are open to all our employees and allow them to have a work-life balance.

Furthermore, this year marks the renovation of our Pétanque pitch so that our employees can play during their free time. For football enthusiasts, once a week, a group of employees play football at the Futsal which is fully funded by LFL. Additionally, we have implemented in all our Mauritian Business Units, an Egg Breakfast three times a week for all our employees.

4. Employee Engagement

LFL has participated in the National Engagement Survey organised by Business Mauritius in May 2023. LFL Mauritius has scored 81%, LFL Madagascar scored 90%, LFL Rwanda scored 94% and Seychelles 94%.

5. Communication

A lot of focus has been put on internal communication with LFL's team members to ensure optimum top-bottom and bottom-up flow of information.

a. Internal "Cellule d'écoute": The Company has maintained this unit which exists to help and support our employees. We advised all our employees of this initiative in our Company Induction.

b. Departmental Meetings have been set up across the Company systematically every 2 months in line with LFL's endeavor to promote internal dialogue. This is organised and monitored by the HR Dept and promotes two-way communication.

c. LFL has also increased the presence of the HR personnel on the floor by having two dedicated team members constantly visiting production sites.

d. LFL Ki News is a weekly internal publication for the employees. It covers information that concerns different departments and sites which contributes to foster the sense of belonging among all team members.

e. Teambuilding (with a purpose): LFL organised on-going unweeding sessions at Ebony Forest. LFL Mauritius has also organised a Teambuilding exercise to reinforce cohesion. It was held on the public beach of Mont Choisy on July 1, 2023.

f. LFL Mauritius has partnered with APSA for a two-year programme to follow our diabetic employees and provide them with the required facilities to control and monitor on their medical condition.

g. Corporate Social Responsibility (CSR): LFL is in partnership with the local community to accompany vulnerable groups to be more autonomous. Unemployed women have been accompanied to better prepare themselves for the local labour market to get a job. The project consists of sponsoring the school fees of the children provided the parent commits to follow a program to become more employable. It takes the form of preparing a CV, assistance in job search and preparing for interviews, etc.

23. HEALTH AND SAFETY

- The Company benefits from the services of a Health and Safety Officer from the Eclosia Group of Companies who acts as facilitator for the proper functioning of the Safety and Health system of Livestock Feed Limited. His role is to ensure compliance with the Occupational Safety and Health Act 2005 and OSH regulations through regular audits. Furthermore, the Company has a full time Safety and Health Officer who ensures Safety and Health compliance.
- A company doctor is made available to any employee suffering from any ill-health conditions on a weekly basis and as per OSHA 2005; a health surveillance program is being carried out with an Occupational doctor, who visits the company each month.
- Great importance is placed on management commitment, communication, sensitisation and personnel training. Annual refresher training courses as well as weekly task-based Safety and Health Toolbox Talks are being carried out.
- Along with regular Safety and Health Audits and risk assessments, mechanisms such as the work permit are enforced to allow identification of hazards and implementation of control measures to protect employees from ill-health and injury at work.
- Regular Safety and Health meetings with employees are scheduled to review actions required to mitigate risks. An annual Safety and Health plan has been defined placing emphasis on communication & awareness and implementation of engineering control measures to ensure the continual improvement of the Safety and Health Management System of Livestock Feed Limited.
- LFL's Safety and Health Committee representatives are the Safety and Health champions of their respective departments which eases the process of hazard identification and implementation of corrective and preventive actions.
- Over and above all these Safety and Health measures, LFL ensures that the best possible Personal Protective Equipment (PPE) are selected by taking into consideration the protection rating and the ergonomic factor to allow employees to work safely and comfortably.
- All incidents which occur at LFL are diligently investigated to find the root causes in order to implement corrective and preventive actions. A monitoring is then carried out to assess the effectiveness of such corrective and preventive measures.

24 SUMMARY OF RESULTS, ASSETS & LIABILITIES

	GROUP	
	2023 Rs000	2022 Rs000
Results - Net profit after tax	209,277	206,116
Current Assets	1,870,760	1,894,289
Non-Current Assets	2,519,952	2,263,501
Total Assets	**4,390,712**	**4,157,790**
Capital and Reserves	2,729,597	2,491,192
Current Liabilities	1,425,391	1,469,756
Non-Current Liabilities	235,724	196,842
Total Equity and Liabilities	**4,390,712**	**4,157,790**

ECLOSIA SECRETARIAL SERVICES LTD
SECRETARY

Date: October 10, 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

WITH RESPECT TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for:

(i) Adequate accounting records and maintenance of effective internal control systems.

(ii) The preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS) and the Companies Act 2001.

(iii) The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The report of the external auditors confirming that the financial statements are fairly presented is on page 70.

The Directors report that:

(i) Adequate accounting records and an effective system of internal controls and risk management have been maintained.

(ii) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been consistently used.

(iii) International Financial Reporting and Accounting Standards have been adhered to. Any departure from fair presentation has been disclosed, explained and quantified.

(iv) All the principles of the Code of Corporate Governance for Mauritius (2016) have been complied with and explanations provided as to how they have been applied.

(v) They consider that the annual report and accounts, which are published in full on the Company's website, taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's and the Group's position, performance and outlook.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's systems of control. The systems have been designed to provide the directors with reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded and that there are no material errors and irregularities.

An internal audit system is in place to assist management in the effective discharge of its responsibilities, and it is independent of management and reports to the Audit and Risk Committee.

RISK MANAGEMENT

The Directors acknowledge their overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Company's assets and shareholders' interests.

The Board accepts overall responsibility for risk management. Through the Audit and Risk Committee, the Directors are made aware of the risk areas which affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.

Gérard Boullé
Chairperson

Rocky Forget
Managing Director

Date: October 10, 2023

GROWING WISER

Through adversity, we grew in wisdom.
Lessons etched in our journey, forging a smarter,
more adaptive chain of progress.

STATUTORY DISCLOSURES

YEAR ENDED JUNE 30, 2023

1. The directors have the pleasure to submit herewith their statutory disclosures together with the audited consolidated and separate financial statements for the year ended June 30, 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of Livestock Feed Limited is unchanged from last year and consists of the processing of animal feeds.

The principal activities of the subsidiary companies are as follows:

- **LFL Madagascar SA**: Processing of animal feeds
- **Les Pondeuses Réunies Ltée**: Providing support services to small farmers in the laying sector
- **LFL Investment Ltd**: Investment holding
- **LFL (Seychelles) Ltd**: Sale and distribution of animal feed and chicks
- **LFL International Rwanda Ltd**: Investment holding
- **LFL Rwanda Ltd**: Processing of animal feeds

The principal activity of **Les Moulins de la Concorde Ltée**, the associate, is production of flour.

The consolidated statements of profit or loss and other comprehensive income for the year ended June 30, 2023 is set out on 79.

3. DIRECTORATE AT JUNE 30, 2023

Livestock Feed Limted

Gérard **Boullé** (Chairperson)
Michel **de Spéville**, C.B.E
Cédric **de Spéville**
Eric **Espitalier-Noël**
Gilbert **Espitalier-Noël**
Rocky **Forget**
Pierre-Yves **Pougnet**
Jean Noël **Humbert**
Jacqueline **Sauzier**
Richard **Arlove**

Les Pondeuses Réunies Ltée

Thierry **de Spéville** (Chairperson)
Gérard **Boullé**
Cédric **de Spéville**
Rocky **Forget**
Sébastien **Rae**

LFL Investment Ltd

Gérard **Boullé** (Chairperson)
Cédric **de Spéville**
Rocky **Forget**
Denis-Claude **Pilot**

STATUTORY DISCLOSURES (CONT'D)

DIRECTORATE AT JUNE 30, 2023 (CONT'D)

LFL Madagascar SA

Gérard **Boullé** (Chairperson)
Eclosia Corporate Services Madagascar Sarl rep. by Jérôme **Poutot**
Avipro Co. Ltd rep. by Thierry **de Spéville**
Agrifarms Ltd rep. by Cédric **de Spéville**
Livestock Feed Ltd rep. by Rocky **Forget**

LFL (Seychelles) Ltd

Rocky **Forget**
Gérard **Boullé**
Sébastien **Rae**

LFL International Rwanda Ltd

Gérard **Boullé**
Cédric **de Spéville**
Rocky **Forget**
Denis-Claude **Pilot**

LFL Rwanda Ltd

Rocky **Forget** (Chairperson)
Gérard **Boullé**
Thierry **de Spéville**
Denis-Claude **Pilot**
Emmanuel **de Rosnay**

4. DIRECTOR'S REMUNERATION

Directors' fees (including bonuses and commissions) received and receivable from the Company were Rs 2,675,000 (2022: Rs 2,795,000) to individual Non-Executive Directors.

The total remuneration and benefits received by the Executive Director during the financial year amounted to Rs 9,527,717 (2022: Rs 7,238,384).

Refer to page 33 for breakdown of remuneration paid/payable to individual directors. No remuneration is paid to the directors by the subsidiary companies.

5. DIRECTORS' SERVICE CONTRACTS

Except for Mr Rocky Forget who has an undetermined service contract with the Company, none of the other directors have any contract of significance with the Company and the subsidiaries companies

6. DONATIONS

	THE GROUP		THE COMPANY	
	2023 Rs000	**2022 Rs000**	**2023 Rs000**	**2022 Rs000**
Charitable donations				
Livestock Feed Limited	230	5	230	5
LFL Madagascar SA	398	724	-	-
	628	729	230	5
Political donations	-	-	-	-
	628	729	230	5

7. SHAREHOLDER'S INTEREST BY THE COMPANY IN ANOTHER COMPANY

As at June 30, 2023 and 2022, the Company had 29.13% of equity interest in Les Moulins de la Concorde Limitée ("LMLC"), an associate of the Company. (Note 8 and Note 15).

8. AUDITOR REMUNERATION

The fees payable to the auditor were as follows:

	Audit services		Other services	
	BDO & Co.	PWC	BDO & Co.	PWC
	2023 Rs000	**2022 Rs000**	**2023 Rs000**	**2022 Rs000**
Livestock Feed Limited	1,300	1,540	-	873
Les Pondeuses Reunies Ltée	75	105	-	-
LFL Investment Ltd	75	105	-	11
LFL International Rwanda Ltd	-	-	-	11
	1,450	1,750	-	697

9. DIVIDENDS

Dividends of Rs 40,635,000 (2022: Rs 34,965,000) on ordinary shares and Rs 424,391 (2022: Rs 424,391) on preference shares have been declared in respect of the current year.

Gérard Boullé
Chairperson

Rocky Forget
Managing Director

Date: October 10, 2023

THRIVING FURTHER

From our roots in production to nourishing value chains, we thrive. Together, we nourish the livelihoods of communities and cultivate a thriving, unbreakable chain.

SECRETARY'S CERTIFICATE

YEAR ENDED JUNE 30, 2023

We 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 Mauritian Companies Act 2001.

ECLOSIA SECRETARIAL SERVICES LTD
Corporate Secretary

Date: October 10, 2023

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: LIVESTOCK FEED LIMITED
Reporting Period: JULY 1, 2022 TO JUNE 30, 2023

We, the Directors of LIVESTOCK FEED LIMITED, confirm that to the best of our knowledge, throughout the financial year ended June 30, 2023, LIVESTOCK FEED LIMITED has applied the principles set out in the Corporate Governance Code for Mauritius except for the following:

1. Composition of the Board

There is only one executive director on the Board of Livestock Feed Limited. However, the Board believes that the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the Code.

2. Composition of the Audit and Risk Committee

The Audit and Risk Committee is presently composed of one independent director, the other Members being non-executive, non-independent directors. The Board is satisfied that the skills, knowledge of the organisation and experience of those non-executive directors allow them to discharge their responsibilities towards the Company and its shareholders effectively.

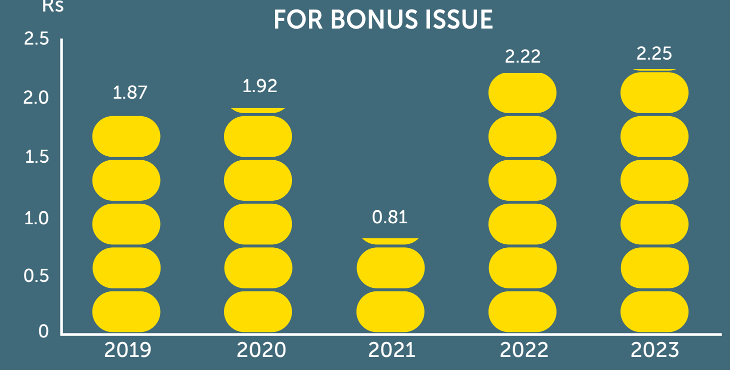
Gérard Boullé
Chairperson

Rocky Forget
Managing Director

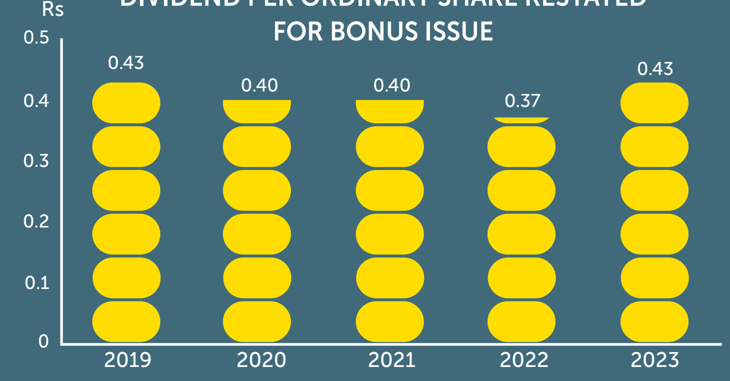
Date: October 10, 2023

FINANCIAL HIGHLIGHTS
PER SHARE
YEAR ENDED JUNE 30, 2023

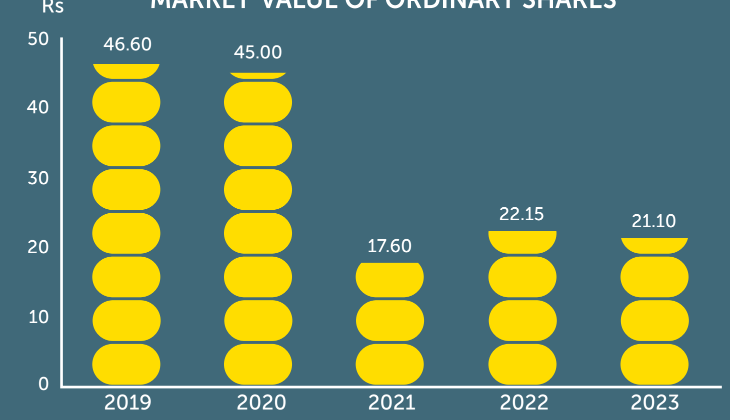
EARNINGS PER SHARE RESTATED FOR BONUS ISSUE



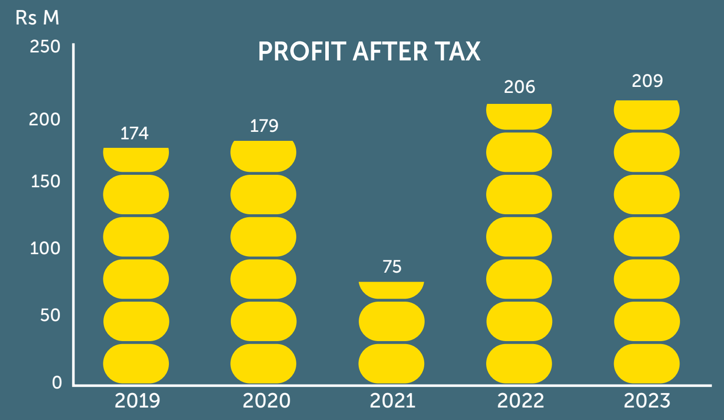
DIVIDEND PER ORDINARY SHARE RESTATED FOR BONUS ISSUE

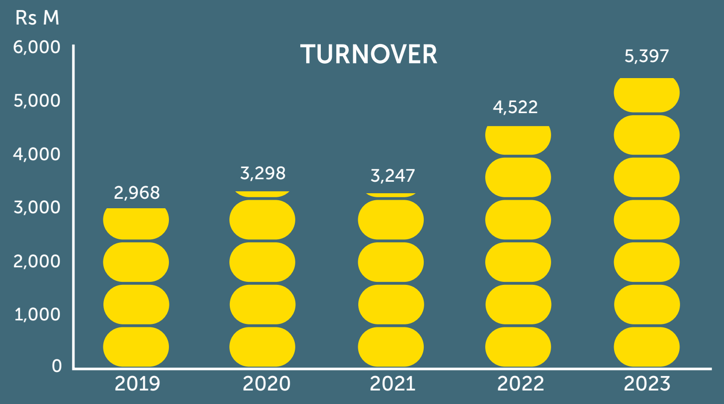


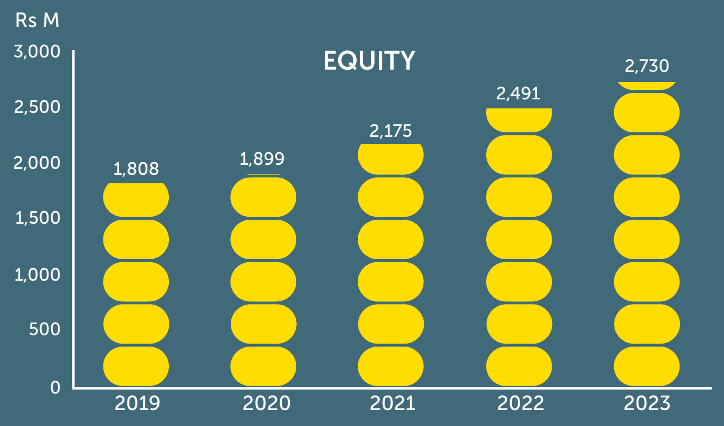
MARKET VALUE OF ORDINARY SHARES



FINANCIAL HIGHLIGHTS
FOR THE GROUP
YEAR ENDED JUNE 30, 2023

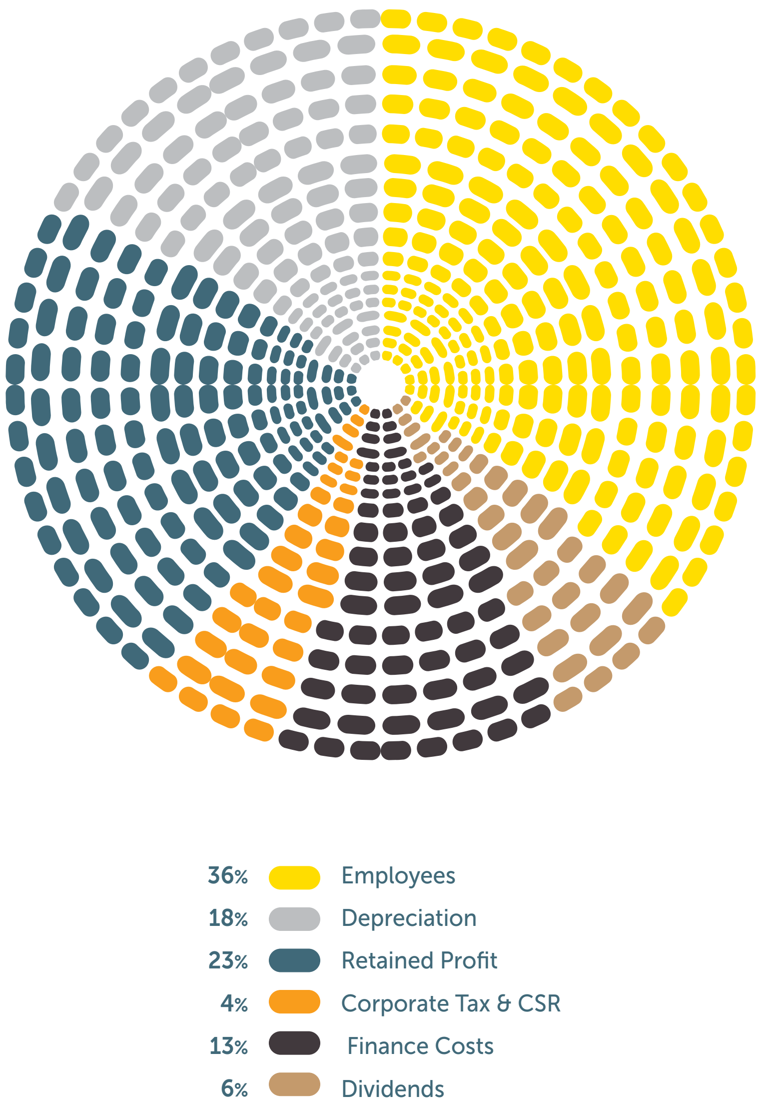






FINANCIAL HIGHLIGHTS
FOR THE GROUP (CONT'D)
YEAR ENDED JUNE 30, 2023

STATEMENT OF VALUE ADDED



SUSTAINING HEALTHIER

Our commitment to quality stays unwavering.
In the realm of value chains, we ensure the health of livestock
and communities with sustainable feeds.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Livestock Feed Limited

Report on the Audit of the Consolidated And Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Livestock Feed Limited and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 78 to 163 which comprise the consolidated and separate statements of financial position as at June 30, 2023, 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 a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 78 to 163 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key Audit Matters (Continued)

KEY AUDIT MATTER	*AUDIT RESPONSE*
Valuation of unquoted investments held at fair value through other comprehensive income	
The Group holds unquoted investments held at fair value through other comprehensive income amounting to Rs 167.9M at June 30, 2023. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income (FVTOCI) rather than through profit or loss with changes in fair value recognised in other comprehensive income (OCI) and accumulated in the FVTOCI reserve. Upon disposal any balance within FVTOCI reserve is reclassified directly to retained earnings and is not reclassified to profit or loss. The valuation of unquoted investments is performed internally by management. There is limited external evidence and observable market data available to determine the fair value of unquoted investments. Thus, the valuation involves significant judgements and estimations due to the complexity of the techniques and assumptions used. Due to the significant judgements and estimations applied by the Management, we considered the determination of the fair value of the unquoted investments to be a key audit matter. Refer to Note 9 (Financial assets fair value recognised in other comprehensive income), Note 2 (g) (accounting policy), and Note 4.1 (Key sources of estimation uncertainty) of the accompanying financial statements.	We obtained, read and understood the valuation report prepared by management. We tested the mathematical accuracy of the report and evaluated the appropriateness of the valuation methodology used by management in determining the fair value. For unobservable inputs we obtained the models and assessed the assumptions and data used against market information and industry norms. Our valuation experts performed an independent valuation of the unquoted investments, in order to assess whether management's valuations were within a reasonable range of outcomes in the context of the inherent uncertainties. We also involved our valuation experts to review and compare the methodologies used in the context of the relevant investments held. We evaluated whether disclosures in the financial statements in respect of the unquoted investments were in accordance with the requirements of International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Livestock Feed Limited

Key Audit Matters (Continued)

KEY AUDIT MATTER	*AUDIT RESPONSE*
Valuation of property, plant and equipment – land and buildings, plant and machinery and factory equipment	
The Group and the Company have property, plant and equipment which included land and buildings, plant and machinery and factory equipment amounting to Rs 1,408M and Rs 886M respectively. The property, plant and equipment are measured at fair value less accumulated depreciation and any impairment losses. Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, the surplus is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The revaluation surplus on land and buildings, plant and machinery and factory equipment reported in other comprehensive income amounts to Rs 101.9M for Group and Rs 53.9M for the Company, net of deferred tax. The Directors used an external independent valuation specialist to determine the fair value of the relevant assets. The external independent valuation specialist used information and professional judgement concerning market conditions and factors impacting the individual assets. The valuation of land and buildings, plant and machinery and factory equipment was considered to be a key audit matter due to its significance on the statements of financial position and also due to the significant estimates and judgments involved in the valuation. Refer to Note 5 (Property, plant and equipment), Note 2 (accounting policy), and Note 4.1 (Key sources of estimation uncertainty) of the accompanying financial statements.	We obtained, read and understood the report from the external independent valuation specialist. We tested the mathematical accuracy of the report and evaluated the appropriateness of the valuation methodologies used by the external independent valuation specialist for determining the fair values of land, buildings plant and machinery and factory equipment. We assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialist. We discussed and challenged the key inputs and assumptions used by the external independent valuation specialist for the valuation model and also work with the Management to ensure that there were no matters affecting the external independent valuation specialist' judgements. We evaluated whether disclosures in the financial statements in respect of valuation of land and buildings, plant and machinery and factory equipment were in accordance with the requirements of International Financial Reporting Standards.

Other Information

The Directors are responsible for the other information. The other information comprises mainly information contained in the Annual Report, including the Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

All other information in the annual report, except those disclosed above, will be made available to us after that date. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

Responsibilities of Directors and Those Charged with Governance 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 in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Livestock Feed Limited

Auditor's Responsibilities for the Audit of the Consolidated And Separate Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 directors.
- Conclude on the appropriateness of 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor.
- We have obtained all 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.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("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 public interest entity has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The financial statements of the Group and the Company as at and for the year ended June 30, 2022 were audited by PricewaterhouseCoopers who expressed an unmodified opinion on those statements on September 27, 2022.

BDO & Co.
Chartered Accountants

Lilawattee Tarachand, FCA, FCMA
Licensed by FRC

Date: October 10, 2023

STATEMENTS OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023 Rs000	THE GROUP Restated 2022 Rs000	THE GROUP Restated July 1, 2021 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
ASSETS						
Non-current assets						
Property, plant and equipment	5	1,579,527	1,367,869	1,169,525	1,038,400	871,475
Right-of-use assets	5A	32,176	21,403	19,949	11,447	11,977
Intangible assets	6	59,785	70,902	54,135	33,307	39,495
Deferred tax assets	20	6,456	4,460	952	-	-
Prepayments and other receivables	12A	-	2,559	2,710	-	-
Investment in subsidiaries	7	-	-	-	377,318	274,818
Investment in associate	8	643,762	579,091	525,058	58,798	58,798
Financial assets at fair value through other comprehensive income	9	198,246	217,217	144,458	1	1
		2,519,952	2,263,501	1,916,787	1,519,271	1,256,564
Current assets						
Biological assets	10	2,275	3,520	-	-	-
Inventories	11	1,041,864	1,088,366	838,785	683,674	629,380
Trade receivables	12	491,753	442,846	304,115	491,369	387,217
Prepayments and other receivables	12A	238,684	142,614	209,669	118,363	166,252
Derivative financial instruments	13	5,147	5,001	11,256	5,147	5,001
Current tax receivable	14	23,764	31,098	4,978	5,776	6,042
Cash and cash equivalents	31(b)	67,273	180,844	187,618	3,244	138,518
		1,870,760	1,894,289	1,556,421	1,307,573	1,332,410
Total assets		**4,390,712**	**4,157,790**	**3,473,208**	**2,826,844**	**2,588,974**
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	15	945,000	945,000	945,000	945,000	945,000
Revaluation and other reserves	16	594,725	524,962	379,548	188,391	137,580
Retained earnings		1,189,872	1,021,230	850,079	536,282	431,688
Total equity		2,729,597	2,491,192	2,174,627	1,669,673	1,514,268
LIABILITIES						
Non-current liabilities						
Preference shares	17	3,536	3,536	3,536	3,536	3,536
Borrowings	18	67,042	54,385	78,855	-	-
Lease liabilities	5B	14,176	13,782	19,769	11,317	11,572
Deferred tax liabilities	20	119,456	94,677	93,880	96,739	83,141
Retirement benefit obligations	19	31,514	30,462	41,111	30,301	29,560
		235,724	196,842	237,151	141,893	127,809
Current liabilities						
Trade and other payables	21	394,571	333,160	269,401	243,074	182,978
Borrowings	18	949,243	950,545	750,766	758,882	635,712
Bank overdraft	18A	51,917	157,750	38,557	13,067	127,699
Lease liabilities	5B	6,007	4,057	781	255	508
Current tax payable	14	23,653	24,244	1,925	-	-
		1,425,391	1,469,756	1,061,430	1,015,278	946,897
Total liabilities		1,661,115	1,666,598	1,298,581	1,157,171	1,074,706
Total equity and liabilities		**4,390,712**	**4,157,790**	**3,473,208**	**2,826,844**	**2,588,974**

*Refer to prior year adjustment, note 38.
These financial statements have been approved for issue by the Board of Directors on October 10, 2023.

Gérard Boullé
CHAIRPERSON

Rocky Forget
MANAGING DIRECTOR

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023 Rs000	THE GROUP Restated 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Revenue	22	5,396,541	4,522,196	3,550,285	3,031,633
Cost of sales	23	(4,690,531)	(3,886,900)	(3,148,299)	(2,683,486)
Gross profit		706,010	635,296	401,986	348,147
Other income	25	22,854	18,700	54,170	45,364
Reversal of impairment	26	-	-	-	1,001
Impairment of receivables	12	(6,630)	(43,521)	862	661
Administrative expenses	23	(424,991)	(328,874)	(236,737)	(208,816)
Operating profit		297,243	281,601	220,281	186,357
Net finance costs	27	(111,081)	(88,120)	(65,863)	(45,691)
Share of profit of associate	8(a)	54,118	18,200	-	-
Profit before income tax	28	240,280	211,681	154,418	140,666
Income tax (expense)/credit	14	(31,003)	(5,565)	(9,239)	8,275
Profit for the year		209,277	206,116	145,179	148,941
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Gains on revaluation of property, plant and equipment	5	123,685	70,542	63,184	62,531
Deferred tax on revaluation surplus of property, plant and equipment	20	(21,700)	(13,368)	(9,323)	(10,646)
Remeasurement of post employment benefit obligations	19	844	(3,840)	844	(3,840)
Deferred tax on remeasurement of post employment benefit obligations	20	(143)	4,583	(143)	(799)
Changes in fair value of equity instruments at fair value through other comprehensive income	9(i)	(18,971)	72,759	-	-
Share of other comprehensive income of associate	8(a)/38(i)	19,543	45,129	-	-
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		(32,377)	(4,468)	-	-
Share of other comprehensive income of associate	8(a)/38(i)	2,633	143	-	-
Cash flow hedges	16	(3,751)	(26,066)	(3,751)	(26,066)
Other comprehensive income for the year – net of tax		69,763	145,414	50,811	21,180
Total comprehensive income for the year		**279,040**	**351,530**	**195,990**	**170,121**
Profit attributable to:					
Owners of the parent		209,277	206,116	145,179	148,941
Total comprehensive income attributable to:					
Owners of the parent		279,040	351,530	195,990	170,121
Earnings per share	29	**2.25**	**2.22**		

The notes on pages 83 to 163 form an integral part of these financial statements.
Independent auditor's report on pages 72 to 77.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2023

	Notes	Share capital Rs000	Revaluation & other reserves Rs000	Retained earnings Rs000	Total equity Rs000
		(Attributable to owners of the parent)			
THE GROUP					
Balance at July 1, 2022					
- As previously reported		945,000	562,497	1,021,230	2,528,727
- Effect of prior year adjustment (Note 38)		-	(37,535)	-	(37,535)
- Restated		945,000	524,962	1,021,230	2,491,192
Profit for the year		-	-	209,277	209,277
Other comprehensive income for the year	16	-	69,763	-	69,763
Total comprehensive income for the year		-	69,763	209,277	279,040
Dividends	30	-	-	(40,635)	(40,635)
Balance at June 30, 2023		**945,000**	**594,725**	**1,189,872**	**2,729,597**
Balance at July 1, 2021					
- As previously reported		945,000	409,374	850,079	2,204,453
- Effect of prior year adjustment (Note 38)		-	(29,826)	-	(29,826)
- Restated		945,000	379,548	850,079	2,174,627
Profit for the year		-	-	206,116	206,116
Other comprehensive income for the year (restated)	16	-	145,414	-	145,414
Total comprehensive income for the year		-	145,414	206,116	351,530
Dividends	30	-	-	(34,965)	(34,965)
Balance at June 30, 2022		**945,000**	**524,962**	**1,021,230**	**2,491,192**

The notes on pages 83 to 163 form an integral part of these financial statements.
Independent auditor's report on pages 72 to 77.

	Notes	Share capital Rs000	Revaluation & other reserves Rs000	Retained earnings Rs000	Total equity Rs000
		(Attributable to owners of the parent)			
THE COMPANY					
Balance at July 1, 2022		945,000	137,580	431,688	1,514,268
Profit for the year		-	-	145,179	145,179
Other comprehensive income for the year	16	-	50,861	-	50,861
Transfer		-	(50)	50	-
Total comprehensive income for the year		-	50,811	145,229	196,040
Dividends	30	-	-	(40,635)	(40,635)
Balance at June 30, 2023		**945,000**	**188,391**	**536,282**	**1,669,673**
Balance at July 1, 2021		945,000	116,400	317,712	1,379,112
Profit for the year		-	-	148,941	148,941
Other comprehensive income for the year	16	-	21,180	-	21,180
Total comprehensive income for the year		-	21,180	148,941	170,121
Dividends	30	-	-	(34,965)	(34,965)
Balance at June 30, 2022		**945,000**	**137,580**	**431,688**	**1,514,268**

The notes on pages 83 to 163 form an integral part of these financial statements.
Independent auditor's report on pages 72 to 77.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

		THE GROUP		THE COMPANY	
	Notes	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Cash flows from operating activities					
Cash generated from operations	31(a)	314,081	132,453	43,023	(79,790)
Interest received	25	1,686	471	1,429	96
Interest paid		(91,069)	(47,968)	(50,686)	(20,156)
Interest paid on lease		(875)	(749)	(712)	(749)
Tax (paid)/refund	14(a)	(22,507)	(19,518)	(4,841)	243
Employees benefits paid	19(b)	(1,626)	(2,204)	(1,626)	(2,204)
Pension Contribution paid	19(a)	(468)	(15,414)	(468)	(15,414)
Net cash from/(absorbed in) operating activities		199,222	47,071	(13,881)	(117,974)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(238,711)	(217,451)	(161,434)	(95,276)
Purchase of intangible assets	6	(4,021)	(31,109)	(3,158)	(1,283)
Proceeds from sale of property, plant and equipment		4,448	38	586	-
Dividends received		-	-	35,159	-
Net cash used in investing activities		(238,284)	(248,522)	(128,847)	(96,559)
Cash flows from financing activities					
Proceeds from borrowings	31(c)	8,465,063	6,671,005	8,452,077	6,647,073
Payments of borrowings	31(c)	(8,598,865)	(6,492,877)	(8,493,157)	(6,458,493)
Proceeds from borrowings from related parties	31(c)	408,550	-	408,550	-
Payments of borrowings to related parties	31(c)	(244,300)	(23,360)	(244,300)	(28,600)
Principal paid on lease liabilities	31(c)	(1,220)	(6,937)	(508)	(1,581)
Proceeds on lease liabilities	31(c)	3,497	-	-	-
Dividends paid to company's shareholders		(576)	(71,955)	(576)	(71,955)
Net cash from financing activities		32,149	75,876	122,086	86,444
Net decrease in cash and cash equivalents		**(6,913)**	**(125,575)**	**(20,642)**	**(128,089)**
Movement in cash and cash equivalents					
At July 1		23,094	149,061	10,819	132,213
Decrease		(6,913)	(125,575)	(20,642)	(128,089)
Effect of foreign exchange rate changes		(825)	(392)	-	6,695
At June 30	31(b)	**15,356**	**23,094**	**(9,823)**	**10,819**

The notes on pages 83 to 163 form an integral part of these financial statements.
Independent auditor's report on pages 72 to 77.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

1 GENERAL INFORMATION

Livestock Feed Limited is a public limited company incorporated and domiciled in Mauritius. The address of its registered office is Eclosia Group Headquarters, Gentilly, Moka and its principal place of business is at Claude Delaitre Street, Pailles since 1977.

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

Principal activities

The principal activities of the company consist of processing animal feeds. Details of the subsidiaries activities are disclosed in Note 7.

2 SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of Livestock Feed Limited and its subsidiaries comply with the Mauritius Companies Act 2001 and Mauritian Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standard Board (IASB) and Mauritian Financial Reporting Act 2004.

The financial statements include the consolidated financial statements of the company and its subsidiary companies (The "Group") and the separate financial statements of the Livestock Feed Limited (The "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs000), except when otherwise indicated. Where necessary, comparative figures have been amended to conform with changes in current year.

The financial statements are prepared under the historical cost convention, except that:

(i) land and buildings, plant and machinery and factory equipment are carried at revalued amounts;

(ii) derivative financial instruments are stated at fair value;

(iii) financial assets for which irrevocable election has been made to be classified as other comprehensive income are stated at fair value;

(iv) liability in respect of defined benefit pension plans are carried at the present value of the defined benefit obligation less the fair value of plan assets; and

(v) consumable biological assets are stated at fair value less costs to sell.

(a) Basis of preparation

New standards, amendments to existing standards and interpretation issued and effective in the reporting period.

In the current year, the Group and the Company have assessed all of the new standards, amendments to existing standards and interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective in the reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS. A similar election is available to an associate or joint venture. The amendments have no impact on the Group's financial statements.

IFRS 3 *Business Combinations*

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Group's financial statements.

IFRS 9 *Financial Instruments*

Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Group's financial statements.

IAS 16 *Property, Plant and Equipment*

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Group's financial statements.

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Group's financial statements.

IAS 41 *Agriculture*

Annual Improvements to IFRS Standards 2018–2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Group has not early adopted.

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

Effective date January 1, 2023

IFRS 17 *Insurance contracts*

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts.

IAS 1 *Presentation of Financial Statements*

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 *Income Taxes*

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 *Presentation of Financial Statements*

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 *Leases*

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

IAS 7 *Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures*

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

Where relevant, the Group is still evaluating the effect of the Standards, Amendments to published Standards and Interpretations issued but not yet effective for the current reporting period.

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

(b) Property, plant and equipment

Land and buildings, plant and machinery and factory equipment, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations by external independent valuers, less subsequent accumulated depreciation and any accumulated impairment losses for buildings, plant and machinery and factory equipment. At the date of revaluation, the gross carrying amount of buildings, plant and machinery and factory equipment is restated by reference to market data, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and carrying amount of the asset after taking into account accumulated impairment losses. Valuations are usually carried out every 3 years. All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. 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. All repair and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus directly in equity; all other decreases are charged to profit or loss. Increases that offset future decrease of the same asset shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Properties in the course of construction for production, administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, 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 or revalued amounts of the assets to their residual values over their estimated useful lives as follows:

	Annual rates
Buildings	2% - 33%
Plant and machinery	2% - 20%
Factory equipment	3% - 100%
Furniture, fittings and equipment	2% - 100%
Motor vehicles	20%

Freehold land is not depreciated.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. On disposal of revalued assets, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Intangible assets

(i) Customer relationship

Customer relationship for which the Group has control over the expected future economic benefits flowing therefrom and which is seperable, is classified as a separate category of intangible assets.It is amortised using the straight line method over its estimated useful life (10 years).

(ii) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives (3-7 years).

Costs associated with developing or maintaining computer software 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.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding 3 years).

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Intangible assets (cont'd)

(ii) Computer software (cont'd)
Losses on scrappings of computer software are included in profit or loss.

An intangible asset shall be derecognised:

(a) on disposal; or

(b) when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss when the asset is derecognised.

(d) Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

Consolidated financial statements

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and 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 value 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 interests' proportionate share of the acquiree's net assets.

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

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

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial 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.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes 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.

If the ownership interest in a joint venture or an associate is reduced but joint control or 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.

(e) Investment in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Investment in associates (cont'd)

Consolidated financial statements

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

Investment in associates is accounted for using the equity method, except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments. Cross holding/reciprocal interest is eliminated on equity accounting.

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

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

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

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

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

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

(f) Biological assets

Consumable biological assets
- Eggs and broilers (including contract growers)

Consumable biological assets are measured at fair value less estimated costs to sell, with gains or losses arising from changes in the fair values recognised in profit or loss. The fair values are determined by estimating the expected cash flows as adjusted by the hatchability, mortality and margin rates and the present condition of the asset.

(g) Financial assets

Initial recognition

Financial assets are recognised in the Group and Company's financial position when the Group and the Company become a party to the contractual provisions of the instruments.

The Group classifies its financial assets as per business model test and contractual cashflows of the financial assets as follows:

(a) Amortised cost

(i) Initial and subsequent measurement

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.

(ii) Impairment

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

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

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(iii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial assets (cont'd)

(a) Amortised cost (cont'd)

(iv) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the clients.
- A breach of contract, such as a default or past due event.
- The Group, for economic or contractual reasons relating to the client's financial difficulty, having granted to the client a concession(s) that the Group would not otherwise consider.
- It is becoming probable that the client will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for that financial asset because of financial difficulties.

(v) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(vi) Derecognition

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either: substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

  On derecognition of a financial asset in its entirety, the difference between:

  (a) the carrying amount (measured at the date of derecognition) and

  (b) the consideration received is recognised in profit or loss.

(vii) Fair value through other comprehensive income

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

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(h) Financial liabilities

Initial recognition

Financial liabilities are recognised in the Group and Company's financial position when the Group and the Company become a party to the contractual provisions of the instruments.

The Group's accounting policy for its financial liabilities is as follows:

(i) Preference shares

Preference shares are classified as debt based on its contractual terms. The terms of the preference shares include a mandatory fixed cumulative dividend of 10%, meeting the definition of a liability under the requirements of IAS 32. Dividend on the preference shares is accounted for as finance cost in profit or loss.

(ii) Borrowings

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

On derecogntion of financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial liabilities (cont'd)

(iii) Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group, prior to the end of the financial year which are unpaid. These amounts are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(i) Hedge accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge;
- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not dominate the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and the hedging instrument. Where option contracts are used to hedge forecast transactions, only the intrinsic value of the options is designated as the hedging instrument.

Cash flow hedges

The Group and the Company uses call options in respect of highly probable forecast transactions as hedged instrument to hedge their price risks arising on the purchase of soya and maize. The Group and the Company uses such contracts to fix the cost of inventories in the functional currency of the entity concerned. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Option contracts

Where option contracts are used to hedge forecast transactions, only the intrinsic value of the options is designated as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity. Ineffective portion of hedge transaction is recognised in the statement of profit or loss.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (Inventory – Note 11), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (e.g., through cost of sales). (Note 2(k)(a)).

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income is frozen and recognised in profit or loss. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Group closes out its position before the transaction takes place (even though it is still expected to take place) the cumulative gain or loss on changes in fair value of the derivative remains in equity until transaction takes place. If, at any point, the hedged transaction is no longer expected to occur, the cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss immediately.

(j) Share capital

Ordinary shares

Ordinary shares are classified as equity.

(k) Inventories

Inventories consist of the following categories of items: raw materials, work in progress, finished goods and spare parts.

(a) Raw materials,work in progress and finished goods

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowings costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. Cost of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials. When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(b) Spare parts

The Company keeps spare parts on hand to operate its plant and equipment in the production process. Some of the spare parts will be used in less than one period in the normal course of business while others will be used in connection with repairs and servicing of property, plant and equipment over more than one period.

(l) Defined benefit plans

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Defined benefit plans (cont'd)

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

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

(i) Defined benefit plans

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

(ii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by a qualified actuary. The Workers' Right 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 payments) of the employee instead of earnings. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26) for a worker employed on a 6-day week and 15 days remuneration based on a month of 22 days (15/22) for a worker employed on a 5-day week. The Group and the Company makes Portable Retirement Gratuity Fund contribution ("PRGF") contribution in line with the Workers' Right Act 2019.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions. Unpaid contrbutions are recognised as a liability.

(m) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it 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 and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred 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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(n) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"), except for the subsidiaries located in Madagascar, Seychelles and Rwanda and whose functional currency is the Madagascar Ariary (MGA), the Seychellois Rupee (SCR) and the Rwandan Franc (RWF) respectively. The consolidated financial statements are presented in Mauritian Rupees.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Foreign currencies (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to the purchase of raw materials are presented in profit or loss within 'cost of sales'. All other foreign exchange gains and losses are presented in profit or loss within 'finance costs'.

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.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and

(c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity.

When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

(o) Leases

As a lessee

The Group leases land, building and plant and machinery.

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

(i) Leases of low value assets; and

(ii) Leases with a duration of 12 months or less.

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

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise through use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRS rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Leases (cont'd)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. The terms of the leases previously classified as operating lease under IAS 17 are disclosed in Note 5B. The lease liability classified as finance lease obligations under IAS 17 is disclosed in Note 5B. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use whenever:

- The lease term has charged or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- The lease payments change due to changes in an index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payment using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discounr rate is used).
- The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

For the current year, the Group does not have short term leases of low-value assets.

Right-of-use assets comprise land, buildings and plant and machinery.

(p) Revenue recognition

(i) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

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

Determining the transaction price

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

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold. 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). When 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).

(ii) Other revenues earned by the Group are recognised on the following bases:

- Interest income - by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.

(q) Preference dividend distribution

Preference dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

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 risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the decision-makers.

Management monitors the operating results of its business units seperately for the purpose of making decisions about resource allocation and performs assessment.

(t) Basic earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares; and
- by number of ordinary shares adjusted for any bonus issue.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Contingent liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(v) Offsetting of financial instruments

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The activities of the Group and the Company expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

A description of the significant risk factors is given below together with the risk management policies applicable.

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

Categories of financial instruments

		THE GROUP		THE COMPANY	
	IFRS Classification	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
At June 30, 2023					
Financial assets:					
Financial assets at fair value through other comprehensive income (Note 9)	Fair value	198,246	217,217	1	1
Trade receivables (Note 12)	Amortised cost	491,753	442,846	491,369	387,217
Other receivables (see note below) (Note 12A)	Amortised cost	62,513	63,807	64,122	125,645
Derivative financial instruments (Note 13)	Fair value	5,147	5,001	5,147	5,001
Cash and cash equivalents (Note 31(b))	Amortised cost	67,273	180,844	3,244	138,518
Total financial assets		**824,932**	**909,715**	**563,883**	**656,382**
Financial liabilities:					
Preference shares (Note 17)	Amortised cost	3,536	3,536	3,536	3,536
Trade and other payables (see note below) (Note 21)	Amortised cost	327,080	333,160	201,524	182,978
Borrowings (Note 18)	Amortised cost	1,016,285	1,004,930	758,882	635,712
Bank overdraft (Note 18A)	Amortised cost	51,917	157,750	13,067	127,699
Lease liabilities (gross) (Note 5B)	Amortised cost	20,183	17,839	11,572	12,080
Total financial liabilities		**1,419,001**	**1,517,215**	**988,581**	**962,005**

Note: Prepayments, advances to suppliers and employees, accrued expenses and provision have been excluded.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, the US dollar, Malagasy Ariary, Seychellois rupee and Rwanda Franc.

The Group uses forward contracts and call options to hedge its exposure to foreign currency risk when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific assets, liabilities or future transactions.

Currency profile

The currency profile of the Group's and the Company's financial assets and liabilities are summarised below:

	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
THE GROUP							
At June 30, 2023							
Trade receivables (Note 12)	338,594	101,639	1,075	199	23,225	27,021	491,753
Other receivables (Note 12A)	27,908	-	33,066	-	1,525	14	62,513
Derivative financial instruments (Note 13)	-	-	5,147	-	-	-	5,147
Cash and cash equivalents (Note 31(b))	5,832	23,089	2,798	68	18,864	16,622	67,273
Total financial assets	372,334	124,728	42,086	267	43,614	43,657	626,686

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

Currency profile (cont'd)

	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
THE GROUP							
At June 30, 2023							
Preference shares (Note 17)	3,536	-	-	-	-	-	3,536
Trade and other payables (see note below) (Note 21)	192,608	-	117,817	12,446	113	4,096	327,080
Borrowings (Note 18)	282,251	257,403	476,631	-	-	-	1,016,285
Bank overdrafts (Note 18A)	232	38,850	11,818	1,017	-	-	51,917
Lease liabilities (Note 5B)	11,572	8,611	-	-	-	-	20,183
Total financial liabilities	**490,199**	**304,864**	**606,266**	**13,463**	**113**	**4,096**	**1,419,001**

Note: Prepayments, advances to suppliers and employees, accrued expenses and provision have been excluded.

	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
THE GROUP							
At June 30, 2022							
Trade receivables (Note 12)	186,284	88,697	113,317	39	41,332	13,177	442,846
Other receivables (see note below) (Note 12A)	25,769	12,982	22,966	-	2,090	-	63,807
Derivative financial instruments (Note 13)	-	-	5,001	-	-	-	5,001
Cash and cash equivalents (Note 31(b))	6,100	22,187	114,004	22,697	8,484	7,372	180,844
Total financial assets	**218,153**	**123,866**	**255,288**	**22,736**	**51,906**	**20,549**	**692,498**
Preference shares (Note 17)	3,536	-	-	-	-	-	3,536
Trade and other payables (see note below) (Note 21)	35,480	116,092	152,624	4,358	3,210	21,396	333,160
Borrowings (Note 18)	425,059	369,500	200,731	-	-	9,640	1,004,930
Bank overdrafts (Note 18A)	127,377	27,010	133	189	3,041	-	157,750
Lease liabilities	12,080	5,759	-	-	-	-	17,839
Total financial liabilities	**603,532**	**518,361**	**353,488**	**4,547**	**6,251**	**31,036**	**1,517,215**

Note: Prepayments, advances to suppliers and employees, accrued expenses and provision have been excluded.

	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
THE COMPANY							
At June 30, 2023							
Trade receivables (Note 12)	321,218	-	169,463	688	-	-	491,369
Other receivables (see note below) (Note 12A)	22,751	25,215	15,897	-	259	-	64,122
Derivative financial instruments (Note 13)	-	-	5,147	-	-	-	5,147
Cash and cash equivalents (Note 31(b))	101	-	2,688	27	428	-	3,244
Total financial assets	**344,070**	**25,215**	**193,195**	**715**	**687**	**-**	**563,882**
Preference shares (Note 17)	3,536	-	-	-	-	-	3,536
Trade and other payables (see note below) (Note 21)	188,151	-	2,000	8,054	-	3,319	201,524
Borrowings (Note 18)	282,251	-	476,631	-	-	-	758,882
Bank overdrafts (Note 18A)	232	-	11,818	1,017	-	-	13,067
Lease liabilities	11,572	-	-	-	-	-	11,572
Total financial liabilities	**485,742**	**-**	**490,449**	**9,071**	**-**	**3,319**	**988,581**

Note: Prepayments, advances to suppliers and employees, accrued expenses and provision have been excluded.

	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
THE COMPANY							
At June 30, 2022							
Trade receivables (Note 12)	276,345	-	110,833	39	-	-	387,217
Other receivables (see note below) (Note 12A)	67,029	27,137	31,170	-	309	-	125,645
Derivative financial instruments (Note 13)	-	-	5,001	-	-	-	5,001
Cash and cash equivalents (Note 31(b))	217	-	115,304	22,654	343	-	138,518
Total financial assets	**343,591**	**27,137**	**262,308**	**22,693**	**652**	**-**	**656,381**
Preference shares (Note 17)	3,536	-	-	-	-	-	3,536
Trade and other payables (Note 21)	139,762	-	20,653	1,515	-	21,048	182,978
Borrowings (Note 18)	435,025	-	200,687	-	-	-	635,712
Bank overdrafts (Note 18A)	127,377	-	133	189	-	-	127,699
Lease liabilities	12,080	-	-	-	-	-	12,080
Total financial liabilities	**717,780**	**-**	**221,473**	**1,704**	**-**	**21,048**	**962,005**

Note: Prepayments, advances to suppliers and employees, accrued expenses and provision have been excluded.

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Currency profile (cont'd)

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
MGA	0.011	0.013	0.011	0.013
USD	45.69	43.02	45.55	44.15
EUR	49.37	48.51	49.47	46.25
SCR	3.303	2.980	3.435	3.250
RWF	0.040	0.041	0.038	0.041

Sensitivity analysis

At June 30, 2023, if the rupee had weakened/strengthened by 5%, based on historical observations against the US dollar/Euro/Malagasy Ariary/Seychellois rupee, with all other variables held constant, post tax profit for the year and equity would have been impacted as follows mainly as a result of measurement of financial instruments denominated in a foreign currency.

	2023 Rs000	2022 Rs000
THE GROUP		
	+/-5%	+/-5%
MGA	(9,007)	(19,809)
	+/-5%	+/-5%
USD	(28,209)	(14,880)
	+/-5%	+/-5%
EUR	(660)	312
	+/-5%	+/-5%
SCR	2,175	(19)
THE COMPANY		
	+/-5%	+/-5%
USD	(14,863)	(3,170)
	+/-5%	+/-5%
EUR	(418)	409

Given that the Group has limited foreign currency exposure to RWF, no sensitivity analysis was carried out.

(ii) Other price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5% based on historical observations.

Categories of investments	Impact on equity	
	2023 Rs000	2022 Rs000
Designated at fair value through other comprehensive income	**9,912**	**10,861**

(b) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivatives instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding trade receivables. The maximum exposure of the Group and the Company to the credit risk is the carrying value of these assets.

Credit risk is managed on a Group basis. For banks and financial institution, only independently rated parties are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management. The receivables are covered by a letter of credit, bank guarantee or credit protection cover (Note 12).

The Group and the Company trade receivables are concentrated amongst its related parties.

The table below shows the trade receivable balance of major counterparties at the end of the reporting period for the Company:

	2023		2022	
	Overdue balance Rs000	Balance Rs000	Overdue balance Rs000	Balance Rs000
Major counterparties	-	369,661	8,628	303,097
Others	1,882	122,092	136	84,120
	1,882	**491,753**	**8,764**	**387,217**

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

(b) Credit risk (cont'd)

Management does not expect any losses from non-performance by these counterparties.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(c) Interest rate risk

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. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At June 30, 2023, if interest rates on rupee-denominated borrowings had been 50 basis points(based on historical observations), higher/lower with all other variables held constant, post tax profit for the year would have been Rs 2,661,578 (2022: Rs 10,716,068) lower/higher for the Group and Rs 20,086,492 (2022: Rs 3,101,081) lower/higher for the Company, mainly as a result of higher/lower interest expense on floating rate borrowings.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding from an adequate amount of committed credit facilities.

The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

The tables below analyse the Group's and the Company's financial exposure into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year Rs000	1 -2 years Rs000	2 -5 years Rs000	Total Rs000
THE GROUP				
At June 30, 2023				
Preference shares (Note 17)	-	-	3,536	3,536
Money market lines (Note 18)	118,000	-	-	118,000
Trade and other payables (Note 21)	394,571	-	-	394,571
Bank overdraft (Note 18A)	51,917	-	-	51,917
Import loan (Note 18)	663,007	-	-	663,007
Bank loans (Note 18)	3,986	17,308	49,734	71,028
Other loans (Note 18)	164,250	-	-	164,250
Lease liabilities (Note 5B)	6,687	3,734	21,000	31,421
	1,402,418	**21,042**	**74,270**	**1,497,730**

	Less than 1 year Rs000	1 -2 years Rs000	2 -5 years Rs000	Total Rs000
THE GROUP				
At June 30, 2022				
Preference shares (Note 17)	-	-	3,536	3,536
Money market lines (Note 18)	430,000	-	-	430,000
Trade and other payables (Note 21)	333,160	-	-	333,160
Bank overdraft (Note 18A)	157,750	-	-	157,750
Import loan (Note 18)	495,052	-	-	495,052
Bank loans (Note 18)	25,493	54,385	-	79,878
Lease liabilities (Note 5B)	4,770	3,150	21,875	29,795
	1,446,225	**57,535**	**25,411**	**1,529,171**
THE COMPANY				
At June 30, 2023				
Preference shares (Note 17)	-	-	3,536	3,536
Money market lines (Note 18)	118,000	-	-	118,000
Trade and other payables (Note 21)	243,074	-	-	243,074
Bank overdraft (Note 18A)	13,067	-	-	13,067
Import loan (Note 18)	476,632	-	-	476,632
Other loans (Note 18)	164,250	-	-	164,250
Lease liabilities (Note 5B)	939	875	21,000	22,814
	1,015,962	**875**	**24,536**	**1,041,373**
THE COMPANY				
At June 30, 2022				
Preference shares (Note 17)	-	-	3,536	3,536
Money market lines (Note 18)	430,000	-	-	430,000
Trade and other payables (Note 21)	182,978	-	-	182,978
Bank overdraft (Note 18A)	127,699	-	-	127,699
Import loan (Note 18)	200,689	-	-	200,689
Bank loans (Note 18)	5,023	-	-	5,023
Lease liabilities (Note 5B)	1,220	939	21,875	24,034
	947,609	**939**	**25,411**	**973,959**

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.2 Fair value estimates

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry Group and the Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as investments held at FVOCI.

For unquoted investments the Group applies a number of methodologies to determine and assess the reasonableness of the fair value which may include the following:

- Earnings multiple
- Net asset value;
- Dividend valuation;
- Discounted cash flow
- Price to book multiple

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Refer to Notes 9, 10 and 13 for the inputs, assumptions used in the valuation techniques and the fair value hierarchy of the Group's and the Company's financial and non-financial assets measured at fair value.

Except where otherwise stated,the carrying amounts of financial assets and financial liabilities approximate their fair values.

3.3 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 provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital, retained earnings, revaluation and other reserves), other than amounts recognised in equity relating to cash flow hedges.

During the year June 30, 2023, the Group's strategy, which was unchanged from 2022, was to maintain the debt-to-adjusted capital ratio to a reasonable level in order to secure access to finance at reasonable costs.

The debt-to-adjusted capital ratio at June 30, 2023 and June 30, 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Total debt	1,088,385	1,180,519	783,521	775,491
Less: cash and cash equivalents	(67,273)	(180,844)	(3,244)	(138,518)
Net debt	**1,021,112**	**999,675**	**780,277**	**636,973**
Total equity	2,729,597	2,491,192	1,669,673	1,514,268
Less: amounts recognised in equity relating to cash flow hedges (Note 16(a)/(c))	(8,853)	(5,102)	(8,853)	(5,102)
Adjusted capital	**2,720,744**	**2,486,090**	**1,660,820**	**1,509,166**
Debt-to-adjusted capital ratio	**38%**	**40%**	**47%**	**42%**

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

4.1 Key sources of estimation uncertainty (cont'd)

(b) Revaluation of property, plant and equipment

The Group carries land and buildings, plant and machinery and factory equipments at revalued amounts with changes in fair value being recognised in other comprehensive income. Land and buildings, and plant and machinery and factory equipment have been revalued as at June 30, 2023. Revaluation includes various inputs which requires judgements and assumptions as disclosed in Note 5.

(c) Asset lives and residual values for Property Plant and Equipment

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives. Such estimates are disclosed in Note 2(b).

(d) Impairment of non-financial assets

Property, plant and equipment, intangible assets and Right of Use Assets, investments in subsidiaries and associate are reviewed for impairment whenever events or loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Refer to Notes 5, 5A ,6, 7 and 8.

(e) Leases

In determining the lease term for the buildings being rented, management exercises judgement when considering the broader economics of its arrangement with the lessor, including economic penalties for each of the lessor and if the Group and the Company were to vacate the leased premises. Refer to Note 5B.

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

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques, including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further information about the assumptions made in measuring fair values is included in Note 9 to the financial statements.

(g) Biological assets

Biological assets consist of breeders, hatchable eggs and broilers and are carried at fair value less costs to sell. The fair value was determined by using valuation techniques which are based on certain assumptions such as hatchability rates, expected costs, mortality rates and margin rate. Valuation techniques used include estimating the expected cash flows. Management also exercises judgement when cost approximates fair value. These are disclosed in Note 10.

(h) Impairment of financial assets

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

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

When the fair value of investments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques (refer to Note 10). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in asssumptions about these factors could affect the reported fair value of investments.

(j) Hedge ineffectiveness

The Group is exposed to price risk, on the purchase of raw materials. The Group hedges these exposures by entering into option contracts ("hedging instruments") that will match the terms of the physical commodity contract ("hedged item"). To apply hedge accounting, a condition is that the forecast transaction must be "highly probable". The Group has applied judgement in assessing whether the hedge effectiveness is highly probable as disclosed in Note 13.

(k) Asset lives for customer relationship

Customer relationship is amortised using the straight line method over its estimated useful life (10 years) (Note 6).

4.2 Critical accounting judgement

(a) Limitation of sensitivity analysis

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

Sensitivity analysis does not take into consideration that the Group's and 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 Group's and the Company's view of possible near-term market changes that cannot be predicted with any certainty.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

5 PROPERTY, PLANT AND EQUIPMENT

(a)

	Land & building Rs000	Plant & machinery Rs000	Factory equipment Rs000	Furniture, fittings & equipment Rs000	Motor vehicles Rs000	Work-in-progress Rs000	Total Rs000
THE GROUP							
COST OR VALUATION							
At July 1, 2022	678,015	653,372	415,207	64,734	38,349	39,702	1,889,379
Reclassification adjustments	2,640	-	946	(2,640)	-	(1,096)	(150)
Additions	532	21,820	32,254	8,527	10,090	165,488	238,711
Transfers from work-in-progress	8,534	26,547	18,948	1,706	3,283	(59,018)	-
Transfers from/(to) Right-of-use assets (Note 5A)	(11,472)	-	-	-	-	-	(11,472)
Disposals	-	(2,359)	-	(97)	(4,859)	-	(7,315)
Exchange differences	(9,598)	(6,798)	(22,497)	(1,478)	(1,913)	(325)	(42,609)
Scrap	-	(25,885)	(3,480)	(2,856)	-	-	(32,221)
Revaluation adjustment	58,176	117,091	19,630	-	-	-	194,897
At June 30, 2023	**726,827**	**783,788**	**461,008**	**67,896**	**44,950**	**144,751**	**2,229,220**
DEPRECIATION							
At July 1, 2022	3,196	297,883	147,410	46,908	26,113	-	521,510
Reclassification adjustments	-	(6,473)	5,878	-	-	-	(595)
Charge for the year	20,820	32,350	41,483	6,164	5,626	-	106,443
Disposal adjustments	-	(2,257)	-	(97)	(4,859)	-	(7,213)
Exchange differences	(124)	(4,403)	(4,403)	(883)	(1,112)	-	(10,925)
Scrap	-	(23,632)	(3,078)	(2,816)	-	-	(29,526)
Impairment	-	(1,213)	-	-	-	-	(1,213)
Revaluation adjustment	(15,078)	73,836	12,454	-	-	-	71,212
At June 30, 2023	**8,814**	**366,091**	**199,744**	**49,276**	**25,768**	**-**	**649,693**
NET BOOK VALUES							
At June 30, 2023	**718,013**	**417,697**	**261,264**	**18,620**	**19,182**	**144,751**	**1,579,527**

(b)

	Land & building Rs000	Plant & machinery Rs000	Factory equipment Rs000	Furniture, fittings & equipment Rs000	Motor vehicles Rs000	Work-in-progress Rs000	Total Rs000
THE GROUP							
COST OR VALUATION							
At July 1, 2021	572,069	554,430	212,347	60,211	34,695	152,521	1,586,273
Reclassification adjustments	-	(483)	573	(90)	-	-	-
Additions	22,480	2,838	36,689	3,840	3,352	148,252	217,451
Transfers from work-in-progress	78,157	33,278	147,570	1,034	1,032	(261,071)	-
Transfers from/(to) Right-of-use assets (Note 5A)	(969)	89	-	-	-	-	(880)
Disposals	-	(23)	(13)	(55)	(730)	-	(821)
Exchange differences	75	3	239	98	-	-	415
Scrap	-	(1,127)	(3,628)	(304)	-	-	(5,059)
Revaluation adjustment	6,203	64,367	21,430	-	-	-	92,000
At June 30, 2022	**678,015**	**653,372**	**415,207**	**64,734**	**38,349**	**39,702**	**1,889,379**
DEPRECIATION							
At July 1, 2021	-	240,492	112,723	41,452	22,081	-	416,748
Charge for the year	21,593	26,765	27,854	5,709	4,762	-	86,683
Disposal adjustments	-	(15)	(8)	(38)	(730)	-	(791)
Exchange differences	-	14	33	81	-	-	128
Scrap	-	(606)	(1,814)	(296)	-	-	(2,716)
Revaluation adjustment	(18,397)	31,233	8,622	-	-	-	21,458
At June 30, 2022	**3,196**	**297,883**	**147,410**	**46,908**	**26,113**	**-**	**521,510**
NET BOOK VALUES							
At June 30, 2022	**674,819**	**355,489**	**267,797**	**17,826**	**12,236**	**39,702**	**1,367,869**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(c)

	Land & building Rs000	Plant & machinery Rs000	Factory equipment Rs000	Furniture, fittings & equipment Rs000	Motor vehicles Rs000	Work-in-progress Rs000	Total Rs000
THE COMPANY							
COST OR VALUATION							
At July 1, 2022	490,038	545,285	111,597	41,152	14,743	37,403	1,240,218
Additions	-	-	-	-	-	161,434	161,434
Transfers from work-in-progress	8,534	26,547	16,928	1,656	3,283	(56,948)	-
Disposals	-	(2,356)	-	-	(1,171)	-	(3,527)
Scrap	-	(25,880)	(3,480)	(2,856)	-	-	(32,216)
Revaluation surplus	29,319	93,681	14,045	-	-	-	137,045
At June 30, 2023	**527,891**	**637,277**	**139,090**	**39,952**	**16,855**	**141,889**	**1,502,954**
DEPRECIATION							
At July 1, 2022	1,878	262,512	58,843	33,825	11,685	-	368,743
Charge for the year	13,990	25,468	12,180	3,190	1,288	-	56,116
Disposal adjustments	-	(2,256)	-	-	(1,171)	-	(3,427)
Scrap	-	(23,632)	(3,078)	(2,816)	-	-	(29,526)
Impairment	-	(1,213)	-	-	-	-	(1,213)
Revaluation adjustment	(11,119)	73,933	11,047	-	-	-	73,861
At June 30, 2023	**4,749**	**334,812**	**78,992**	**34,199**	**11,802**	**-**	**464,554**
NET BOOK VALUES							
At June 30, 2023	**523,142**	**302,465**	**60,098**	**5,753**	**5,053**	**141,889**	**1,038,400**

(d)

	Land & building Rs000	Plant & machinery Rs000	Factory equipment Rs000	Furniture, fittings & equipment Rs000	Motor vehicles Rs000	Work-in-progress Rs000	Total Rs000
THE COMPANY							
COST OR VALUATION							
At July 1, 2021	449,350	454,088	97,090	40,565	14,441	10,826	1,066,360
Additions	-	-	-	-	-	95,276	95,276
Transfers from work-in-progress	25,670	31,729	9,377	891	1,032	(68,699)	-
Transfers from Right-of-use assets (Note 5A)	(248)	89	-	-	-	-	(159)
Disposals	-	-	-	-	(730)	-	(730)
Scrap	-	(1,127)	(3,628)	(304)	-	-	(5,059)
Revaluation surplus	15,266	60,506	8,758	-	-	-	84,530
At June 30, 2022	**490,038**	**545,285**	**111,597**	**41,152**	**14,743**	**37,403**	**1,240,218**
DEPRECIATION							
At July 1, 2021	-	214,437	47,106	30,306	11,034	-	302,883
Charge for the year	13,256	19,209	9,646	3,816	1,381	-	47,308
Disposal adjustments	-	-	-	-	(730)	-	(730)
Scrap	-	(606)	(1,814)	(297)	-	-	(2,717)
Revaluation adjustment	(11,378)	29,472	3,905	-	-	-	21,999
At June 30, 2022	**1,878**	**262,512**	**58,843**	**33,825**	**11,685**	**-**	**368,743**
NET BOOK VALUES							
At June 30, 2022	**488,160**	**282,773**	**52,754**	**7,327**	**3,058**	**37,403**	**871,475**

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(e) It is the Group policy to revalue the land and buildings, factory equipment and plant and machinery of the Group every three years. Revaluations are done more frequently if at after the review of directors,there is any indication that the carrying amount differs materially from its fair value. The Group's and the Company's land were revalued using sales comparison approach. Buildings,plant and equipment and factory equipment were revalued on a depreciated replacement cost basis. The Group's and Company's land and buildings were revalued by independent qualified valuers namely Elevante Property Services Ltd except for the properties in Madagascar which were revalued by Cabinet Razafindratandra as of June 30, 2023. The Group's and the Company's plant & machinery, and factory equipment were revalued by independent qualified valuer Engineering Technical and Management Services Ltd as of June 30, 2023.

The valuation method is the open market value approach. The valuation consideration takes into account two broad valuation methodologies, namely the sales comparison approach and the depreciated replacement cost approach.

The depreciated replacement cost approach is computed as follows for land and buildings, factory equipment and plant and machinery:

- Buildings; The cost approach used for revaluation of buildings reflects the cost to a market participant to construct assets of comparable utility and age and is adjusted for obsolescence and physical deterioration.
- Factory equipment and plant and machinery; The Group's core equipment were revalued on the basis of fair market value – installed which involves calculating a replacement cost from recent price references and adjusting for depreciation attributable to the assets as of the date of the valuation.
- For land, the sales comparison approach involves comparing sales prices of comparable land in close proximity.

The revaluation surplus/deficit net of deferred income taxes was credited/charged to revaluation reserve in shareholders' equity.

Details of the Group's land, buildings, plant & machinery and factory equipment, measured at fair value and information about the fair value hierarchy are as follows:

	THE GROUP		THE COMPANY	
	Level 2 Rs000	Level 3 Rs000	Level 2 Rs000	Level 3 Rs000
2023				
Land	153,298	-	145,600	-
Building	-	564,715	-	377,542
Plant and machinery	-	250,618	-	181,479
Factory equipment	-	52,253	-	36,059
	153,298	**867,586**	**145,600**	**595,080**

	THE GROUP		THE COMPANY	
	Level 2 Rs000	Level 3 Rs000	Level 2 Rs000	Level 3 Rs000
2022				
Land	152,067	-	135,492	-
Building	-	522,752	-	352,668
Plant and machinery	-	213,293	-	169,664
Factory equipment	-	53,559	-	31,652
	152,067	**789,604**	**135,492**	**553,984**

There were no transfers between level 2 and 3 during the year.

Reconciliation of Level 3 fair value hierachy as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	789,604	670,615	553,984	502,396
Additions	48,327	110,453	34,619	35,542
Reclassification / Transfer	2,897	(311)	-	(159)
Disposal Adjustments	(602)	(688)	(922)	(1,401)
Depreciaiton	(31,933)	(43,223)	(36,579)	(30,569)
Fair value movement	89,930	52,640	43,978	48,175
Exchange differences	(30,637)	118	-	-
At June 30	**867,586**	**789,604**	**595,080**	**553,984**

The fair value of land was derived using the sales comparison approach. The most significant input into this valuation approach is price per square metre.

At June 30, 2023, the most significant observable inputs for the valuation of land were as follows:

	THE GROUP	THE COMPANY
	Range of obervable input Rs/m²	Range of obervable input Rs/m²
Land		
Price per square metre	**573 - 6,434**	**3,655 - 6,434**

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

At June 30, 2022, the most significant observable inputs for the valuation of land were as follows:

	THE GROUP Range of obervable input Rs/m²	THE COMPANY Range of obervable input Rs/m²
Land		
Price per square metre	**400 - 4,400**	**3,200 - 4,400**

Significant increase/(decrease) in the above observable input, price per square metre in isolation would result in a significant higher/(lower) fair value.

At June 30, 2023, the most significant unobservable inputs for the valuation of building were as follows:

	THE GROUP Range of obervable input Rs/m²	THE COMPANY Range of obervable input Rs/m²
Buildings		
Price per square metre	**7,790 - 35,000**	**15,000 - 35,000**
At June 30, 2022:		
Buildings		
Price per square metre	**8,000 - 33,000**	**15,000 - 33,000**

Significant increase/(decrease) in the above unobservable input, price per square metre in isolation would result in a significant higher/(lower) fair value.

The fair value of plant & machinery and factory equipment was determined using the depreciated replacement cost basis.

Directors have assessed the fair value of factory equipment, plant and machinery and consider same to not be materially different from its carrying amount.

(f) If the land & buildings and plant & machinery were stated on the historical cost basis, the amounts would be as follows:

	Land & Buildings		Plant and Machinery	
	2023 **Rs000**	2022 Rs000	**2023** **Rs000**	2022 Rs000
THE GROUP				
Cost	535,274	533,166	483,000	469,675
Accumulated depreciation	(173,407)	(172,724)	(256,131)	(249,065)
Net book value	**361,867**	**360,442**	**226,869**	**220,610**
THE COMPANY				
Cost	334,967	326,433	350,128	351,817
Accumulated depreciation	(63,327)	(61,714)	(221,431)	(222,499)
Net book value	**271,640**	**264,719**	**128,697**	**129,318**

(g) Depreciation charge is allocated as follows in the statement of profit or loss and other comprehensive income:

	THE GROUP		THE COMPANY	
	2023 **Rs000**	2022 Rs000	**2023** **Rs000**	2022 Rs000
Cost of sales	98,872	80,310	50,686	41,267
Administrative expenses	7,571	6,373	5,430	6,041
	106,443	**86,683**	**56,116**	**47,308**

(h) Bank borrowings are secured by floating charges on the assets of the Group, including property, plant and equipment (Note 18).

5A RIGHT-OF-USE ASSETS

	Land Rs000	Buildings Rs000	Plant & machinery Rs000	Total Rs000
THE GROUP				
At July 1, 2022	13,808	5,885	1,710	21,403
Transfer from/(to) Property, plant and equipment (Note 5)	11,472	-	-	11,472
Disposal	-	2,054	-	2,054
Depreciation	(917)	(5,541)	(149)	(6,607)
Exchange differences	3,854	-	-	3,854
At June 30, 2023	**28,217**	**2,398**	**1,561**	**32,176**
At June 30, 2021	10,646	7,355	1,948	19,949
Additions	-	4,230	-	4,230
Transfer from/(to) Property, plant and equipment (Note 5)	969	-	(89)	880
Transfer from intangible assets (Note 6)	2,870	-	-	2,870
Effect of modification to lease terms	(245)	-	-	(245)
Depreciation	(444)	(5,698)	(149)	(6,291)
Exchange differences	12	(2)	-	10
At June 30, 2022	**13,808**	**5,885**	**1,710**	**21,403**

5A RIGHT-OF-USE ASSETS (cont'd)

	Land Rs000	Plant & machinery Rs000	Total Rs000
THE COMPANY			
At July 1, 2022	10,267	1,710	11,977
Depreciation	(380)	(150)	(530)
At June 30, 2023	**9,887**	**1,560**	**11,447**
At July 1, 2021	10,646	1,948	12,594
Additions	(245)	-	(245)
Transfer to Property, plant and equipment (Note 5)	248	(89)	159
Depreciation	(382)	(149)	(531)
At June 30, 2022	**10,267**	**1,710**	**11,977**

5B LEASE LIABILITIES

	Land Rs000	Buildings Rs000	Plant & machinery Rs000	Total Rs000
THE GROUP				
At July 1, 2022	11,167	5,949	723	17,839
Additions	-	2,632	865	3,497
Interest expense	681	-	31	712
Lease payments	(700)	-	(520)	(1,220)
Exchange differences	-	(590)	(55)	(645)
At June 30, 2023	**11,148**	**7,991**	**1,044**	**20,183**
Current				6,007
Non current				14,176
				20,183
At July 1, 2021	11,374	7,639	1,537	20,550
Additions	-	4,230	-	4,230
Interest expense	493	189	67	749
Lease payments	(700)	(6,105)	(881)	(7,686)
Exchange differences	-	(4)	-	(4)
At June 30, 2022	**11,167**	**5,949**	**723**	**17,839**
Current				4,057
Non current				13,782
				17,839

	Land Rs000	Plant & machinery Rs000	Total Rs000
THE COMPANY			
At July 1, 2022	11,357	723	12,080
Interest expense	681	31	712
Lease payments	(700)	(520)	(1,220)
At June 30, 2023	**11,338**	**234**	**11,572**
Current			255
Non current			11,317
			11,572
At July 1, 2021	11,375	1,537	12,912
Interest expense	682	67	749
Lease payments	(700)	(881)	(1,581)
At June 30, 2022	**11,357**	**723**	**12,080**
Current			508
Non current			11,572
			12,080

(a) Nature of leasing activities (in the capacity as lessee)

The Group and the Company lease a plot of land, building and plant and machinery for their operations.

(b) Lease payments

The lease payments for the plot of land & buildings and plant and machinery are fixed for the Group.

	Lease contract number	
	Group	Company
June 30, 2023		
Land	3	1
Buildings	24	-
Plant and machinery	1	1
June 30, 2022		
Land	3	1
Buildings	24	-
Plant and machinery	1	1

5B LEASE LIABILITIES (cont'd)

(c) Extension and termination options

Extension and termination options are included in the land and buildings of the Group and the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group and the Company's operations. The extension and termination options held are exercisable only by mutual agreement by the respective entitors and respective lessors.

(d) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is revised if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease term for land is for a period of 30 years. The lease terms for buildings varies between 1 to 13 years.

(e) Residual

The Group and the Company initially estimate and recognise amounts expected to be payable under residual value guarantee as part of the lease liability. Typically the expected residual value at the lease commencement is equal to or higher than the guaranteed amount, and so the Company does not expect to pay anything under the guarantees.

At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices. As at June 30, 2023, the residual value included in the calculation of the lease liabilities is nil (2022: nil).

(f) Short term lease or low value assets

The Group and the Company does not have any short term leases or low value assets.

(g) Interest expense and cash outflows

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Interest expense (included in finance cost)	712	749	712	749
Total cash outflows	(1,220)	(7,686)	(1,220)	(1,581)

(h)

The incremental rate of borrowings used for computation of the present value of the lease obligations were as follows:

	2023 %	2022 %
THE GROUP		
Lease liabilities	**6.25 - 7.50**	**6.25 - 7.50**
THE COMPANY		
Lease liabilities	**6.00 - 6.25**	**6.25 - 7.50**

6 INTANGIBLE ASSETS

(a)

	Customer relationship Rs000	Computer software Rs000	Total Rs000
THE GROUP			
COST			
At July 1, 2022	29,933	76,211	106,144
Additions	-	4,021	4,021
Scrap	-	(1,209)	(1,209)
Exchange differences	(2,439)	(325)	(2,764)
At June 30, 2023	**27,494**	**78,698**	**106,192**
AMORTISATION			
At July 1, 2022	-	35,242	35,242
Charge for the year	2,929	9,996	12,925
Scrap	-	(1,208)	(1,208)
Exchange differences	(305)	(247)	(552)
At June 30, 2023	**2,624**	**43,783**	**46,407**
NET BOOK VALUES			
At June 30, 2023	**24,870**	**34,915**	**59,785**

(b)

	Customer relationship Rs000	Computer software Rs000	Total Rs000
THE GROUP			
COST			
At July 1, 2021	1,575	78,582	80,157
Transfer to Right-of-Use assets (Note 5A)	-	(2,901)	(2,901)
Additions	29,704	1,405	31,109
Scrap	-	(1,044)	(1,044)
Exchange differences	(1,346)	169	(1,177)
At June 30, 2022	**29,933**	**76,211**	**106,144**
AMORTISATION			
At July 1, 2021	-	26,022	26,022
Transfer to Right-of-Use assets (Note 5A)	-	(31)	(31)
Charge for the year	-	10,159	10,159
Scrap	-	(1,044)	(1,044)
Exchange differences	-	136	136
At June 30, 2022	**-**	**35,242**	**35,242**
NET BOOK VALUES			
At June 30, 2022	**29,933**	**40,969**	**70,902**

6 INTANGIBLE ASSETS (cont'd)

Customer relationship

Customer relationship for which the Group has control over the expected future economic benefits flowing there from and which is seperable, is classified as a separate category of intangible assets. It is amortised using the straight line menthod over its estimated useful life (10 years).

(c) THE COMPANY

	Computer software 2023 Rs000	Computer software 2022 Rs000
COST		
At July 1	70,169	69,930
Additions	3,158	1,283
Scrap	(1,209)	(1,044)
At June 30	**72,118**	**70,169**
AMORTISATION		
At July 1	30,674	22,199
Charge for the year	9,345	9,519
Scrap	(1,208)	(1,044)
At June 30	**38,811**	**30,674**
NET BOOK VALUES		
At June 30	**33,307**	**39,495**

(d) Amortisation charge is allocated as follows in the statements of profit or loss and other comprehensive income:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Administrative expenses	**12,925**	**10,159**	**9,345**	**9,519**

7 INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Unquoted		
COST		
At July 1	274,818	273,817
Reversal of impairment (Note 26)	-	1,001
Additions (Note (a))	102,500	-
At June 30	**377,318**	**274,818**

Note (a) Amount receivable from LFL Rwanda Ltd

The Directors have reviewed the financial position and performance of the subsidiary companies and the following was considered as at reporting date and there were no indication of impairment in respect of investment in subsidiaries.

Details of the subsidiary companies are as follows:

Name	Stated Capital	Class of shares held	2023 Proportion of ownership Direct	2023 Indirect	2022 Proportion of ownership Direct	2022 Indirect	Country of incorporation & operation	Main business
Les Pondeuses Reunies Ltée	Rs 87,000,000	Ordinary	100%	0%	100%	0%	Mauritius	Sale and distribution of animal feed and chicks
LFL Investment Ltd	Rs 158,001,000	Ordinary	100%	0%	100%	0%	Mauritius	Investment holding
LFL Madagascar SA	MGA 2,744,540,000	Ordinary	100%	0%	100%	0%	Madagascar	Production of animal feed
LFL (Seychelles) Ltd	SCR 8,115,000	Ordinary	100%	0%	100%	0%	Seychelles	Sale and distribution of animal feed and chicks
LFL International Rwanda Ltd	Rs 92,500,000	Ordinary	100%	0%	100%	0%	Mauritius	Investment holding
LFL Rwanda Ltd	RWF 2,250,000,000	Ordinary	0%	100%	0%	100%	Rwanda	Production of animal feed

All the above subsidiaries have coterminous reporting date, that is June 30.

The directors confirm that there are no significant restrictions on the ability of the Group to access or use assets and settle liabilities.

8 INVESTMENT IN ASSOCIATE

	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
(a) **Investments in associate at cost**	**58,798**	**58,798**

	THE GROUP 2023 Rs000	THE GROUP 2022 (Restated) Rs000
(a) **Investments in associate**	**643,762**	**579,091**
Reconciliation to carrying amounts:		
THE GROUP		
At July 1		
- As previously reported	616,626	554,884
- Effect of prior year adjustment (Note 38)	(37,535)	(29,826)
- Restated	579,091	525,058
Share of profit after tax and non-controlling interests	54,118	18,200
Dividends	(11,623)	(9,439)
Share of other comprehensive income (Note 38)	22,176	45,272
At June 30	**643,762**	**579,091**

8 INVESTMENT IN ASSOCIATE (cont'd)

(b) THE GROUP (cont'd)

(i) The summarised financial information of the Group's associate were as follows:

	Year end	Cash & Cash Equivalents Rs000	Other Current Assets Rs000	Non Current Assets Rs000	Total Assets Rs000	Financial liabilities (excluding trade payables) Rs000	Other Current Liabilities Rs000	Total Current Liabilities Rs000	Total Non Current Liabilities Rs000	Net Assets Rs000
2023										
Les Moulins de la Concorde Ltée	June 30	111,764	1,431,652	1,880,002	3,423,420	57,668	642,539	700,207	378,393	2,344,820
2022										
Les Moulins de la Concorde Ltée	June 30	71,844	1,264,197	1,775,517	3,111,558	40,453	613,979	654,432	344,611	2,112,515

	Revenues Rs000	Interest income Rs000	Depreciation & amortisation Rs000	Interest expense Rs000	Income tax expense Rs000	Proft/(loss) for the year Rs000	Other comprehensive income for the year Rs000	Total comprehensive income for the year Rs000	Dividends received during the year Rs000	Proportion of ownership interest Direct	Proportion of ownership interest Indirect	Main business	Country of Incorporation & operation
2023													
Les Moulins de la Concorde Ltée	3,437,370	1,963	(86,601)	(35,220)	(13,867)	189,975	79,728	269,703	2,502	29.13%	-	Milling of wheat	Mauritius
2022													
Les Moulins de la Concorde Ltée	2,634,430	14	(85,395)	(15,442)	(5,062)	65,881	181,867	247,748	2,153	29.13%	-	Milling of wheat	Mauritius

(ii) Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of the associate is set out below:

	Net Assets at July 1 Rs000	Profit for the year Rs000	Dividends Rs000	Other comprehensive income for the year Rs000	Closing Net assets at June 30 Rs000	Ownership interest %	Interest in associate Rs000	Effect of prior year Rs000	Restated Rs000	Goodwill Rs000	Carrying value Rs000
GROUP											
2023											
Les Moulins de la Concorde Ltée	2,112,515	189,975	(37,397)	79,727	2,344,820	29.13%	681,297	(37,535)	643,762	n/a	643,762
2022											
Les Moulins de la Concorde Ltée	1,899,267	65,881	(34,500)	181,867	2,112,515	29.13%	608,917	(29,826)	579,091	n/a	579,091

(i) Les Moulins de la Concorde Ltée is a public limited company incorporated and domiciled in Mauritius. The address of its registered office is Eclosia Group Headquarters, Gentilly, Moka and its principal place of business is at Cargo Peninsula, Quay D, Port Louis. The associate is, to some extent, also a supplier of raw material to Livestock Feed Limited.

(ii) The above associate is accounted for using the equity method.

(iii) As at June 30, 2023, the fair value of the Group's interest in Les Moulins de la Concorde Ltée which is DEM quoted was Rs 321 M (2022: Rs 499M) based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

(iv) The Directors confirm that there are no restrictions on the ability of the group to access or use assets and settle liabilities.

(v) Refer to Note 38 for the effect of prior year adjustment.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
At July 1	217,217	144,458	1	1
Change in fair value recognised in OCI	(18,971)	72,759	-	-
At June 30	**198,246**	**217,217**	**1**	**1**

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Quoted:				
Equity securities – Mauritius	30,310	26,183	-	-
Unquoted:				
Equity security – Mauritius	167,935	191,033	-	-
Equity security – Madagascar	1	1	1	1
	198,246	**217,217**	**1**	**1**

(iii) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss.

(iv) Fair value through other comprehensive income financial assets include the following:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Quoted – Level 1:				
Mauritius Freeport Development Co Ltd	26,910	21,735	-	-
Constance Hotels Ltd	1,944	1,944	-	-
C-Care (Mauritius) Ltd	1,456	2,504	-	-
Unquoted – Level 3:				
Indigo Hotels & Resorts Ltd	43,516	80,857	-	-
Premier Logistics Co Ltd	122,000	107,757	-	-
Moka Sports Club (S & W Synergy Ltd)	1,000	1,000	-	-
Ecocentre Ltée	1,003	1,003	-	-
Progos	50	50	-	-
Les Lycées Associées	350	350	-	-
Ferme Laitière de L'Avenir	15	15	-	-
Mer Rouge Trading Ltd	1	1	-	-
Avitech SARL	1	1	1	1
	198,246	**217,217**	**1**	**1**

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (cont'd)

(v) Fair value through other comprehensive income financial assets are denominated in Mauritian Rupees (Rs).

(vi) Level 1
The fair value of quoted securities is based on published market prices.

Level 3
When utilising a multiples-based approach, multiples are applied to the most recent and relevant operating performance metric of the investment as appropriate, including historical and/or forecasted revenue, EBITDA, dividend yield, net income or other relevant operating performance metric (as appropriate).

The significant unobservable inputs used in measuring the fair value of Level 3 securities are as follows:

	Fair values at June 30			
Description	**2023 Rs000**	2022 Rs000	Valuation technique	Unobservable inputs
Indigo Hotels & Resorts Ltd	43,516	80,857	Price to book NAV multiple	Multiple of 0.13- 1.37 Illiquidity Discount of 25%
Premier Logistics Co Ltd	122,000	107,757	Earnings Multiple	Dividend Yield ratio 2% - 3.75% Price earnings multiple 7- 20 Illiquidity Discount 20% - 25%

The higher the price to book multiple, the dividend yield ratio and price earnings multiple, the higher the fair value of the investment and vice versa.

The higher the illiquidity discount, the lower the fair value of the investment and vice versa.

Other remaining investments are not materially sensitive to changes in unobservable inputs and have therefore not been presented in table above.

A reconciliation of equity investments at fair value through other comprehensive income (Level 3) is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	191,034	121,411	1	1
Change in fair value recognised in OCI	(23,098)	69,623	-	-
At June 30	**167,936**	**191,034**	**1**	**1**

10 BIOLOGICAL ASSETS

		THE GROUP	
		2023 Rs000	2022 Rs000
(a)	At July 1	3,520	-
	Purchase cost of growing and fair value gains	28,841	5,755
	Disposals and decrease due to depletion	(30,086)	(2,235)
	At June 30	**2,275**	**3,520**
	Analysed as follows:		
	Non-current	-	-
	Current	2,275	3,520
		2,275	**3,520**
(b)	The carrying amounts of biological assets are as follows:		
	Bearer biological assets	-	-
	Consumable biological assets	2,275	3,520
		2,275	**3,520**

(c) The fair value measurements for biological assets have been categorised as Level 3 fair value based on inputs to the valuation techniques used. There have been no transfers of assets to a different level.

The valuation technique used for consumable biological assets is based on the expected selling price less cost of sale for chickens of similar ages and weights, adjusted for mortality and hatchability rate, which represent significant unobservable inputs. The assumption for mortality and hatchability rates ranges from 0-5% and 38-40% respectively while a 5% change in each assumption would change the fair value by Rs 114,000 (2022: Rs 176,000) for the Group.

(d) The Group is exposed to the risk of diseases which may cause mortality rate of live birds to increase. However, the Group has in place processes aimed at monitoring and mitigating this risk, including strict controls over health and safety.

11 INVENTORIES

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Raw materials	919,251	934,219	637,358	564,847
Work in progress	921	3,542	921	3,542
Finished goods	28,015	69,021	18,698	39,393
Packing materials and sundry consumables	35,494	53,847	35,327	30,285
Goods-in-transit	69,139	38,872	-	-
Stock provision (Note (a))	(10,956)	(11,135)	(8,630)	(8,687)
	1,041,864	**1,088,366**	**683,674**	**629,380**
Cost of inventories recognised as expense in cost of sales	**4,278,144**	**3,562,133**	**2,905,211**	**2,496,362**

The bank borrowings are secured by floating charges on the assets of the Group, including inventory (Note 18).

(a) Stock of raw materials are subject to loss in weight. Therefore, a stock provision is accounted based on 1-1.5% on year end stock.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

12 TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Trade receivables	550,098	498,575	493,533	390,886
Less: provision for impairment	(58,345)	(55,729)	(2,164)	(3,669)
Trade receivables – net	**491,753**	**442,846**	**491,369**	**387,217**

(i) *Impairment of trade receivables*

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

The compliance with credit limits by customers is regularly monitored by line management. In determining the expected credit loss, receivables are covered by a letter of credit, bank guarantee or credit protection cover are excluded from the calculation.

The Group has a credit protection cover of Rs 117M (2022: Rs 113M) and amount due from related parties amounts to Rs 336M (2022: Rs 259M). No impairment has been considered on these categories of customers. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2023 or July 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company identified the real GDP of low income and developing countries and accordingly adjust the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2023 was determined as follows for trade receivables:

	Current Rs000	More than 30 days past due Rs000	More than 60 days past due Rs000	More than 90 days past due Rs000	Total Rs000
THE GROUP					
At June 30, 2023					
Expected loss rate	**0%**	**0%**	**100%**	**100%**	
Gross carrying amount:					
Trade receivable	**491,753**	**-**	**980**	**9,285**	**502,018**
Net exposure post credit protection	**373,131**	**16,913**	**2,145**	**16,358**	**408,547**
Loss allowance	**-**	**-**	**980**	**57,365**	**58,345**

	Current Rs000	More than 30 days past due Rs000	More than 60 days past due Rs000	More than 90 days past due Rs000	Total Rs000
THE GROUP					
At July 1, 2022					
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount:					
Trade receivable	442,846	-	-	55,729	498,575
Net exposure post credit protection	326,682	859	2,157	25,709	355,407
Loss allowance	-	-	-	55,729	55,729
THE COMPANY					
At June 30, 2023					
Expected loss rate	**0%**	**0%**	**0%**	**100%**	
Gross carrying amount:					
Trade receivable	**470,834**	**18,149**	**2,386**	**2,164**	**493,533**
Net exposure post credit protection	**337,217**	**16,913**	**2,145**	**16,358**	**372,633**
Loss allowance	**-**	**-**	**-**	**2,164**	**2,164**
At July 1, 2022					
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount:					
Trade receivable	387,217	-	-	3,669	390,886
Net exposure post credit protection	245,057	859	2,157	25,709	273,782
Loss allowance	-	-	-	3,669	3,669

For the Group and the Company, loss allowances for all trade receivables which are more than 90 days past due are fully provided for.

The closing loss allowances for trade receivables as at June 30, 2023 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
At July 1	55,729	26,665	3,669	4,410
Increase/(Decrease) in loss allowance	6,630	43,521	(862)	(661)
Recoveries	(4,014)	(14,960)	(643)	(80)
Exchange differences	-	503	-	-
At June 30	**58,345**	**55,729**	**2,164**	**3,669**

The carrying amounts of the trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Malagasy Ariary	101,639	88,697	-	-
Mauritian Rupee	338,594	186,284	321,218	276,345
US Dollar	1,075	113,317	169,463	110,833
Euro	199	39	688	39
Seychelles Rupee	23,225	41,332	-	-
Rwandan Franc	27,021	13,177	-	-
	491,753	**442,846**	**491,369**	**387,217**

The Group does not hold any collateral as security.

12A PREPAYMENTS AND OTHER RECEIVABLES

	THE GROUP		THE GROUP	
	2023 **Rs000** Current	**2023** **Rs000** **Non-current**	2022 Rs000 Current	2022 Rs000 Non-current
Advance to suppliers	16,636	-	73,293	-
Dividends receivable	10,842	-	23	-
Advance to employees	1,259	-	-	-
Vat recoverable	18,652	-	4,757	-
Prepayment	32,133	-	8,328	-
Refundable deposits	104,180	-	-	-
Other receivables	54,982	-	56,213	2,559
	238,684	**-**	**142,614**	**2,559**

	THE COMPANY	
	2023 **Rs000**	2022 Rs000
Advance to suppliers	31,099	19,820
Advance to related parties	16,636	88,994
Dividends receivable	46,227	35,160
Advance to employees	1,259	1,491
Vat recoverable	18,213	4,814
Prepayment	2,822	2,357
Other receivables	2,107	13,616
	118,363	**166,252**

Other receivables consist of TDS recoverable and deposits.

The carrying amounts of the prepayments and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 **Rs000**	2022 Rs000	**2023** **Rs000**	2022 Rs000
Malagasy Ariary	119,945	74,215	25,215	27,136
Mauritian Rupee	91,409	18,399	67,291	90,910
US Dollar	21,692	43,957	21,692	43,273
Other currencies	5,638	8,602	4,165	4,933
	238,684	**145,173**	**118,363**	**166,252**

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value of assets	
	2023 **Rs000**	2022 Rs000
THE GROUP & THE COMPANY		
Options	5,147	5,001
	5,147	**5,001**

Options

The Group and the Company use maize and soya bean call options to hedge itself against future increases in the price of maize and soya beans. The options qualify as a cash flow hedge and the gains/losses on the hedging instrument are recognised in equity. The gains/losses are then removed from the cash flow hedge reserve and included directly in the initial cost of inventory.

The effects of the options hedging relationships are as follows at June 30:

	2023 **Rs000**	2022 Rs000
THE GROUP & THE COMPANY		
Carrying amount of derivatives	5,147	5,001
Change in fair value of designated hedging instruments	3,024	(1,947)
Change in fair value of designated hedged item	3,024	(1,947)
Notional amount	5,147	5,001
Maturity date	September 23 - November 23	September 22 - November 23
Hedge ratio	1:1	1:1

The maximum exposure to credit risk at the end of the reporting period is the fair value of the derivative assets in the statements of financial position.

The carrying amounts of the derivative financial assets are denominated in US Dollar.

There are no forward contracts that have been taken for the purchase of the hedged items.

Hedging

The Company has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The Group enters into hedge relationships where the critical terms of the hedging instrument and the hedge item match. Therefore, for the prospective assessment of effectiveness, a qualitative assessment is performed.

14 INCOME TAX EXPENSE

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
(a) **Statement of financial position**				
At July 1	(6,854)	(3,053)	(6,042)	(4,978)
Current tax on the adjusted profit for the year at 3%/15%/20% (2022: 3%/15%/20%)	39,711	30,749	15,705	12,693
Tax paid	(31,661)	(20,479)	(1,260)	(718)
Tax refund	-	1,591	-	1,591
Investment tax credit	(15,705)	(16,299)	(15,705)	(16,299)
Corporate social responsibility paid	(1,557)	(630)	(1,105)	(630)
Provision for corporate social responsibility for the year	2,728	2,400	2,631	2,299
Exchange differences	13,227	(1,133)	-	-
	(111)	**(6,854)**	**(5,776)**	**(6,042)**

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Statement of financial position				
Disclosed as follows:				
Current tax asset	(23,764)	(31,098)	(5,776)	(6,042)
Current tax liability	23,653	24,244	-	-
Net	**(111)**	**(6,854)**	**(5,776)**	**(6,042)**
Statement of profit or loss				
Current tax on the adjusted profit for the year at 3%/15%/20% (2022: 3%/15%/20%)	39,711	30,749	15,705	12,693
Tax suffered on foreign dividend received	2,476	-	2,476	-
Investment tax credit	(15,705)	(16,299)	(15,705)	(16,299)
Movement in deferred taxation account (Note 20)	1,793	(11,285)	4,132	(6,968)
Provision for CSR	2,728	2,400	2,631	2,299
	31,003	**5,565**	**9,239**	**(8,275)**

(b) The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Profit before income tax	**240,280**	**211,681**	**154,418**	**140,666**
Tax calculated on accounting profit at 3%/15%/20% (2022: 3%/15%/20%)	39,698	28,599	15,692	9,661
Income not subject to tax	(12,245)	(15,683)	(12,245)	(14,747)
Expenses not deductible for tax purposes	12,258	10,865	12,258	10,811
Timing difference not recognised previously	1,793	-	4,132	-
Accelerated capital allowances	-	(4,304)	-	-
Tax suffered on foreign dividend received	2,476	-	2,476	-
Investment income tax credit	(15,705)	(16,299)	(15,705)	(16,299)
Provision for CSR	2,728	2,387	2,631	2,299
Tax charge	**31,003**	**5,565**	**9,239**	**(8,275)**

15 STATED CAPITAL

	THE GROUP & THE COMPANY Number of Ordinary shares (Thousands)	THE GROUP & THE COMPANY Ordinary Shares Rs000
Issued and fully paid		
At June 30, 2023	**94,500**	**945,000**
At June 30, 2022	**94,500**	**945,000**

The total issued number of ordinary share is 94,500,000 shares (2022: 94,500,000 shares) with a par value of Rs 10 per share (2022: Rs 10 per share).

Fully paid ordinary shares carry one vote per share and a right to dividends.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The Board may issue shares at any time and there is no limit on the number of shares to be issued at no par value.

As at June 30, 2023 and 2022, Les Moulins de la Concorde Ltée ("LMLC"), an associate company, holds 5,816,223 ordinary shares of the Company, representing an equity interest of 6.15% of total shares at reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

16 REVALUATION AND OTHER RESERVES

		Notes	Revaluation reserve Rs000	Financial assets at FVOCI reserve Rs000	Translation of foreign operations Rs000	Actuarial losses Rs000	Reserve of associate Rs000	Hedging reserve Rs000	Total Rs000
	THE GROUP								
(a)	**2023**								
	Balance at July 1, 2022								
	As previously reported		257,620	64,650	1,629	(26,984)	270,684	(5,102)	562,497
	Effect of prior year adjustment (Note 38)		-	-	-	-	(37,535)	-	(37,535)
	Restated		257,620	64,650	1,629	(26,984)	233,149	(5,102)	524,962
	Items that will not be reclassified to profit or loss								
	Gain on revaluation of property, plant and equipment	5(a)	123,685	-	-	-	-	-	123,685
	Deferred tax on revaluation	20	(21,700)	-	-	-	-	-	(21,700)
	Remeasurement of post-employment benefit obligations	19	-	-	-	844	-	-	844
	Deferred tax on remeasurement of post-employment benefit obligations	20	-	-	-	(143)	-	-	(143)
	Change in fair value of equity instruments at fair value through other comprehensive income	9(i)	-	(18,971)	-	-	-	-	(18,971)
	Share of other comprehensive income of associate		-	-	-	-	19,543	-	19,543
	Items that may be reclassified subsequently to profit or loss	-							
	Share of other comprehensive income of associate	8(a)	-	-	-	-	2,633	-	2,633
	Currency translation differences		-	-	(32,377)	-	-	-	(32,377)
	Cash flow hedges		-	-	-	-	-	(3,751)	(3,751)
	At June 30, 2023		**359,605**	**45,679**	**(30,748)**	**(26,283)**	**255,325**	**(8,853)**	**594,725**

		Notes	Revaluation reserve Rs000	Financial assets at FVOCI reserve Rs000	Translation of foreign operations Rs000	Actuarial losses Rs000	Reserve of associate Rs000	Hedging reserve Rs000	Total Rs000
	THE GROUP								
(b)	**2022**								
	Balance at July 1, 2021								
	As previously reported		200,446	(8,109)	6,097	(27,727)	217,703	20,964	409,374
	Effect of prior year adjustment (Note 38)		-	-	-	-	(29,826)	-	(29,826)
	Restated		200,446	(8,109)	6,097	(27,727)	187,877	20,964	379,548
	Items that will not be reclassified to profit or loss								
	Gain on revaluation of property, plant and equipment	5(b)	70,542	-	-	-	-	-	70,542
	Deferred tax on revaluation	20	(13,368)	-	-	-	-	-	(13,368)
	Remeasurement of post-employment benefit obligations	19	-	-	-	(3,840)	-	-	(3,840)
	Deferred tax on remeasurement of post-employment benefit obligations	20	-	-	-	4,583	-	-	4,583
	Change in fair value of equity instruments at fair value through other comprehensive income	9(i)	-	72,759	-	-	-	-	72,759
	Items that may be reclassified subsequently to profit or loss								
	Share of other comprehensive income of associate	8(a)	-	-	-	-	45,272	-	45,272
	Currency translation differences		-	-	(4,468)	-	-	-	(4,468)
	Cash flow hedges		-	-	-	-	-	(26,066)	(26,066)
	At June 30, 2022		**257,620**	**64,650**	**1,629**	**(26,984)**	**233,149**	**(5,102)**	**524,962**

16 REVALUATION AND OTHER RESERVES (cont'd)

		Notes	Revaluation reserve Rs000	Actuarial reserve Rs000	Hedging reserve Rs000	Total Rs000
	THE COMPANY					
(c)	**2023**					
	At July 1, 2022		175,049	(32,367)	(5,102)	137,580
	Items that will not be reclassified to profit or loss					
	Gain on revaluation of property, plant and equipment	5(c)	63,184	-	-	63,184
	Deferred tax on revaluation	20	(9,323)	-	-	(9,323)
	Remeasurement of post-employment benefit obligations	19	-	844	-	844
	Deferred tax on remeasurement of post-employment benefit obligations	20	-	(143)	-	(143)
	Items that may be reclassified subsequently to profit or loss					
	Cash flow hedges		-	-	(3,751)	(3,751)
	At June 30, 2023		**228,910**	**(31,666)**	**(8,853)**	**188,391**
	2022					
	At July 1, 2021		123,164	(27,728)	20,964	116,400
	Items that will not be reclassified to profit or loss					
	Gain on revaluation of property, plant and equipment	5(d)	62,531	-	-	62,531
	Deferred tax on revaluation	20	(10,646)	-	-	(10,646)
	Remeasurement of post-employment benefit obligations	19	-	(3,840)	-	(3,840)
	Deferred tax on remeasurement of post-employment benefit obligations	20	-	(799)	-	(799)
	Items that may be reclassified subsequently to profit or loss					
	Cash flow hedges		-	-	(26,066)	(26,066)
	At June 30, 2022		**175,049**	**(32,367)**	**(5,102)**	**137,580**

Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

Financial assets at FVOCI reserve

Financial assets at FVOCI reserve comprises the cumulative net change in financial assets at fair value through other comprehensive income that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Actuarial losses

The actuarial losses represents the cumulative remeasurement of post employment benefit obligations recognised.

Translation of foreign operations

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

Hedging reserve

This reserve comprises of gains/losses arising on the effective portion of hedging instruments carried at fair value in a qualifying cash flow hedge.

Associate Reserve

Associate reserves comprise the cumulative change in other comprehensive income of associate arising mainly on fair value changes in investment in financial assets and revaluation on property, plant and equipment.

	THE GROUP & THE COMPANY Hedging reserve	
	2023 Rs000	2022 Rs000
Items that are or may be reclassified subsequently to profit or loss		
Gains/(Losses) recognised on hedging instruments	(5,399)	24,432
Transferred to profit or loss for the year (included in cost of sales)	431	(27,494)
Transferred to initial carrying amount of inventory	(3,885)	(2,040)
	(8,853)	**(5,102)**

17 PREFERENCE SHARES

	THE GROUP & THE COMPANY	
	Number of Preference shares (Thousands)	Preference shares Rs000
At June 30, 2023	**354**	**3,536**
At June 30, 2022	354	3,536

The preference share is of a par value of Rs 10 issued by the Company.

17 PREFERENCE SHARES (cont'd)

The terms of the preference shares included a mandatory fixed cumulative dividend of 10%, meeting the definition of a liability under the requirements of IAS 32. The present value of the mandatory cash flows has been computed after applying a discount rate representing the effective interest rate applicable at the time of issue. Dividend on the preference shares is accounted for as finance cost in the statements of profit or loss and other comprehensive income (refer to Note 27).

The holders of the preference shares are entitled to a fixed cumulative dividend of 10% per annum in preference to the holders of ordinary shares which is considered as a finance cost. Any amount paid over and above the 10% is considered as dividend.

The 10% cumulative preference shares meets the definition of a liability under the requirements of IAS 32, because the instrument includes a contractual obligation to deliver cash to the holder.

Any balance the Board decides to distribute by way of dividends shall be distributed "pari-passu" per share amongst the ordinary and preference shareholders, the latter being entitled to a maximum dividend of 10%.

The preference shares carry a right to repayment of capital in winding up in priority to the ordinary shares but no other rights in respect of dividends, capital and voting.

18 BORROWINGS

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Non-current				
Bank loans (Note 18(b))	67,042	54,385	-	-
	67,042	54,385	-	-
Current				
Bank loans	3,986	25,493	-	5,023
Money market lines	118,000	430,000	118,000	430,000
Import loan	663,007	495,052	476,632	200,689
Related party loan (Note 35)	164,250	-	164,250	-
	949,243	950,545	758,882	635,712
Total borrowings	**1,016,285**	**1,004,930**	**758,882**	**635,712**

(a) The bank borrowings (loans, money market lines and import loans) are secured by floating charges on the assets of the Group and the Company, including inventories, property, plant and equipment. The related party loan is unsecured.

(b) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
After 1 year and before 2 years	17,308	33,410	-	-
After 2 years and before 5 years	49,734	20,975	-	-
	67,042	**54,385**	**-**	**-**

(c) The effective interest rates ranges in the relevant financial years were as follows:

	2023			2022		
	Rs %	MGA %	SCR %	Rs %	MGA %	SCR %
THE GROUP						
Bank loans	4.50 - 6.75	8.50 - 11.50	-	4.25 - 4.50	8.00	-
Money market lines	2.75 - 5.60	8.75 - 11.50	-	2.70 - 3.05	-	-
Import loan	3.314 - 7.559	8.75 - 10.50	-	2.632 - 3.314	9.25 - 10.50	-
Related party loan	4.00	-	-	-	-	-

	2023	2022
	Rs %	Rs %
THE COMPANY		
Bank loans	4.50 - 6.75	4.25 - 4.50
Money market lines	2.75 - 5.60	2.70 - 3.05
Import loan	3.314 - 7.559	2.632 - 3.314
Related party loan	4.00	-

The exposure of borrowings, except preference shares to interest rate changes and the contractual repricing dates are as follows:

	One year	2 to 5 years	Total
THE GROUP			
At June 30, 2023	**966,551**	**49,734**	**1,016,285**
At June 30, 2022	**983,955**	**20,975**	**1,004,930**
THE COMPANY			
At June 30, 2023	**758,882**	**-**	**758,882**
At June 30, 2022	**635,712**	**-**	**635,712**

(d) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Mauritian Rupee	282,251	425,059	282,251	435,025
Malagasy Ariary	257,403	369,500	-	-
US Dollar	476,631	200,731	476,631	200,687
Euro	-	-	-	-
Seychelles Rupee	-	-	-	-
Rwandan Franc	-	9,640	-	-
	1,016,285	**1,004,930**	**758,882**	**635,712**

(e) The carrying amounts of current and non-current borrowings are not materially different from the fair values.

18A BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Current				
Bank overdrafts	51,917	157,750	13,067	127,699

(a) The bank overdrafts are secured by floating charges on the assets of the Group and the Company, including inventories, property, plant and equipment. The related party loan is unsecured.

(b) The exposure of the Company's bank overdrafts to interest rate changes and contractual repricing dates are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Bank overdrafts - Variable rates	51,917	157,750	13,067	127,699

	One year	2 to 5 years	Total
THE GROUP			
At June 30, 2023	51,917	-	51,917
At June 30, 2022	157,750	-	157,750
THE COMPANY			
At June 30, 2023	13,067	-	13,067
At June 30, 2022	127,699	-	127,699

(c) The carrying amounts of the Group's and the Company's bank overdrafts are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Mauritian Rupee	232	127,377	232	127,377
Malagasy Ariary	38,850	27,010	-	-
US Dollar	11,818	133	11,818	133
Euro	1,017	189	1,017	189
Seychelles Rupee	-	3,041	-	-
Rwandan Franc	-	-	-	-
	51,917	157,750	13,067	127,699

(d) The effective interest rates ranges in the relevant financial years were as follows:

	2023			2022		
	Rs %	MGA %	SCR %	Rs %	MGA %	SCR %
THE GROUP						
Bank overdrafts	3.90-6.75	9.00-12.00	10.00	4.25-4.50	9.75-10.50	11.50

	2023 %	2022 %
THE COMPANY		
Bank overdrafts	3.90-6.75	4.25-4.50

19 RETIREMENT BENEFIT OBLIGATIONS

The following amounts are shown on the statements of financial position:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Retirement benefit obligations	31,514	30,462	30,301	29,560
Amounts recognised in the statement of financial position:				
Defined pension benefits (Note 19(a)(ii))	18,245	14,542	18,245	14,542
Other post retirement benefits (Note 19(b)(i))	13,269	15,920	12,056	15,018
	31,514	30,462	30,301	29,560
Amounts charged to profit or loss:				
- Defined pension benefits (Note 19(a)(v))	2,528	1,677	2,528	1,677
- Other post retirement benefits (Note 19(b))	1,399	1,288	1,151	1,171
	3,927	2,965	3,679	2,848
Amounts charged to other comprehensive income:				
- Defined pension benefits (Note 19(a)(vi))	1,643	3,416	1,643	3,416
- Other post retirement benefits (Note 19(b))	(2,487)	424	(2,487)	424
	(844)	3,840	(844)	3,840

(a) **Defined pension benefits**

(i) The Group operates a defined benefit pension scheme. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The assets of the plan are independently administered by Swan Life.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2023 by Swan Life. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

19 RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) **Defined pension benefits (cont'd)**

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Present value of funded obligations	19,666	28,568	19,666	28,568
Fair value of plan assets (Note 19(a)(iv))	(4,025)	(16,563)	(4,025)	(16,563)
Deficit of funded plans	15,641	12,005	15,641	12,005
Present value of unfunded obligations	2,604	2,537	2,604	2,537
Liability in the statement of financial position	**18,245**	**14,542**	**18,245**	**14,542**

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	14,542	24,863	14,542	24,863
Charged to profit or loss	2,528	1,677	2,528	1,677
Charged to other comprehensive income	1,643	3,416	1,643	3,416
Contributions paid	(468)	(15,414)	(468)	(15,414)
At June 30	**18,245**	**14,542**	**18,245**	**14,542**

(iii) The movement in the defined benefit obligations over the year is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	31,105	28,808	31,105	28,808
Current service cost	660	874	660	874
Interest expense	1,175	1,098	1,175	1,098
Actuarial (gain)/loss	185	3,249	185	3,249
Employees' contribution	164	258	164	258
Past service cost	1,041	-	1,041	-
Benefits paid	(12,060)	(3,182)	(12,060)	(3,182)
At June 30	**22,270**	**31,105**	**22,270**	**31,105**

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	(16,563)	(3,945)	(16,563)	(3,945)
Remeasurements:				
Return on plan assets, excluding amounts included in interest expense	(391)	(373)	(391)	(373)
Actuarial gain	1,458	166	1,458	166
Employer's contribution	(468)	(15,414)	(468)	(15,414)
Employees' contribution	(164)	(258)	(164)	(258)
Cost of insuring risk benefits	43	79	43	79
Benefits paid	12,060	3,182	12,060	3,182
At June 30	**(4,025)**	**(16,563)**	**(4,025)**	**(16,563)**

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Current service cost	660	874	660	874
Cost of insuring risk benefits	43	79	43	79
Past service cost	1,041	-	1,041	-
Interest expense	784	724	784	724
Total included in employee benefit expense	**2,528**	**1,677**	**2,528**	**1,677**
Actual return on plan assets	**(1,067)**	**207**	**(1,067)**	**207**

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Remeasurement on the net defined benefit liability:				
Gains on pension scheme assets	1,458	166	1,458	166
Experience losses on the liabilities	1,857	4,085	1,857	4,085
Change in assumption underlying the present value of the scheme	(1,672)	(835)	(1,672)	(835)
Actuarial loss recognised in other comprehensive income	**1,643**	**3,416**	**1,643**	**3,416**

19 RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) **Defined pension benefits** (cont'd)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Local equities	564	2,869	564	2,869
Overseas equities	966	4,933	966	4,933
Fixed interest	2,335	8,481	2,335	8,481
Properties	160	280	160	280
Total market value of assets	**4,025**	**16,563**	**4,025**	**16,563**

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets. The Company's ordinary shares are not included in the pension plan assets.

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Discount rate	5.4%/6.2%	3.6%/5.3%	5.4%/6.2%	3.6%/5.3%
Future salary growth rate	2.0%	2.0%	2.0%	2.0%
Expected return on plan assets	5.40%	3.60%	5.40%	3.60%

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP		THE COMPANY	
	Increase Rs000	Decrease Rs000	Increase Rs000	Decrease Rs000
2023				
Discount rate (1% movement)	3,348	2,688	3,348	2,688
Future salary growth rate (1% movement)	3,438	2,717	3,438	2,717
2022				
Discount rate (1% movement)	2,706	2,639	2,706	2,639
Future salary growth rate (1% movement)	3,109	2,612	3,109	2,612

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) Risks associated with the plans

The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk, market (investment) risk, and salary risk, as described below:

- Interest rate risk: If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
- Investment risk: The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
- Salary risk: If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.
- Longevity Risk: Pensions are bought out with an insurance company at retirement. Once bought out, the risk is therefore shifted to the insurance company. However, there is the risk that the cost of annuities increases before buying out.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group is expected to contribute Rs 8M to the pension scheme for the year ending June 30, 2024.

(xiii) The weighted average duration of the defined benefit obligation under the plan is 7 years at the end of the reporting period and at June 30, 2023.

(b) **Other post-retirement benefits**

Other post-retirement benefits comprise mainly gratuity on retirement payable under the Workers Rights Act 2019 and other benefits. The risks associated with the other post-retirement benefits is disclosed under Note 19(a)(x).

Movement in gratuity on retirement:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
At July 1	15,920	16,248	15,018	15,627
Total expense charged to profit or loss	1,450	1,288	1,151	1,171
Charged to other comprehensive income	(2,487)	424	(2,487)	424
Contributions and direct benefits paid	(1,565)	(2,184)	(1,565)	(2,204)
Fair value of planned assets	(61)	(20)	(61)	-
Exchange difference	12	164	-	-
At June 30	**13,269**	**15,920**	**12,056**	**15,018**

- For employees working 5 days a week: 15/22 of monthly remuneration per year of service, including 13th month bonus and any additional emoluments.
- For employees working 6 days a week: 15/26 of monthly remuneration per year of service, including 13th month bonus and any additional emoluments.
- For pension scheme members – 5 times the annual pension, relating to employer's share of contributions, is offset from the retirement gratuity and this residual liability is recognised in the company accounts for IAS 19 purposes.

19 RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(b) **Other post-retirement benefits** (cont'd)

(i) The amounts recognised in profit or loss are as follows:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Current service cost	823	855	524	738
Interest expense	627	433	627	433
Total included in employee benefit expense	**1,450**	**1,288**	**1,151**	**1,171**

(ii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Remeasurement on the net defined benefit liability:				
Experience losses/(gains) on the liabilities	(2,487)	424	(2,487)	424
Actuarial loss recognised in other comprehensive	**(2,487)**	**424**	**(2,487)**	**424**

(iii) Changes in the Fair value of the planned assets

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
At July 1	20	-	20	-
Contribution to planned assets	126	24	126	24
Benefit paid out of planned assets	(85)	(4)	(85)	(4)
Total included in employee benefit expense	**61**	**20**	**61**	**20**

(iv) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP 2023 %	THE GROUP 2022 %	THE COMPANY 2023 %	THE COMPANY 2022 %
Discount rate	5.14	4.36	5.14	4.36
Future salary growth rate	2.0	2.0	2.0	2.0

(v) Sensitivity analysis on Other post-retirement benefits at end of the reporting period:

	THE GROUP Increase Rs000	THE GROUP Decrease Rs000	THE COMPANY Increase Rs000	THE COMPANY Decrease Rs000
2023				
Discount rate (1% movement)	1,520	1,813	1,520	1,813
Future salary growth rate (1% movement)	1,513	1,227	1,513	1,227
2022				
Discount rate (1% movement)	1,855	2,108	1,855	2,108
Future salary growth rate (1% movement)	1,784	1,542	1,784	1,542

20 DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 17% (2022: 17%).

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

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
Deferred tax assets	(18,396)	(4,460)	-	-
Deferred tax liabilities	131,396	94,677	96,739	83,141
	113,000	**90,217**	**96,739**	**83,141**

The movement on the deferred taxes account is as follows:

	THE GROUP 2023 Rs000	THE GROUP 2022 Rs000	THE COMPANY 2023 Rs000	THE COMPANY 2022 Rs000
At July 1	90,217	92,928	83,141	78,664
Credited/(charged) to profit or loss (Note 14(a)/20(c))	1,793	(11,285)	4,132	(6,968)
Credited to equity (Note 20(cc))	21,843	8,922	9,466	11,445
Exchange differences	(853)	(348)	-	-
At June 30	**113,000**	**90,217**	**96,739**	**83,141**

Deferred tax assets and liabilities and deferred tax charge/(credit) in the statements of profit or loss and other comprehensive income are attributable to the following items:

(b)

	At July 1 Rs000	(Credited)/ charged to profit or loss Rs000	(Credited)/ charged to equity Rs000	Exchange differences Rs000	At June 30 Rs000
THE GROUP					
2023					
Deferred tax assets					
Retirement benefit obligations	(11,485)	283	143	(27)	(11,086)
Tax losses carried forward	(2,964)	(2,770)	-	493	(5,241)
Unrealised exchange loss	-	(825)	-	49	(776)
Others	(1,361)	141	-	(73)	(1,293)
	(15,810)	(3,171)	143	442	(18,396)
Deferred tax liabilities					
Property, plant and equipment	106,027	3,749	21,700	(921)	130,555
Excess capital allowance over depreciation	71	1,215	-	(79)	1,207
Others	(71)	-	-	(295)	(366)
	106,027	4,964	21,700	(1,295)	131,396
Net deferred tax liabilities	**90,217**	**1,793**	**21,843**	**(853)**	**113,000**
2022					
Deferred tax assets					
Retirement benefit obligations	(6,728)	-	(4,583)	(174)	(11,485)
Others	(1,061)	(3,227)	137	(174)	(4,325)
	(7,789)	(3,227)	(4,446)	(348)	(15,810)
Deferred tax liabilities					
Property, plant and equipment	100,717	(8,058)	13,368	-	106,027
	100,717	(8,058)	13,368	-	106,027
Net deferred tax liabilities	**92,928**	**(11,285)**	**8,922**	**(348)**	**90,217**

20 DEFERRED TAXES (cont'd)

	At July 1 Rs000	(Credited)/ charged to profit or loss Rs000	(Credited)/ charged to equity Rs000	At June 30 Rs000
(c) **THE COMPANY**				
2023				
Deferred tax assets				
Retirement benefit obligations	(6,115)	345	143	(5,627)
Others	(52)	255	-	203
	(6,167)	600	143	(5,424)
Deferred tax liabilities				
Property, plant and equipment	89,398	3,532	9,323	102,253
Others	(90)	-	-	(90)
	89,308	3,532	9,323	102,163
Net deferred tax liabilities	**83,141**	**4,132**	**9,466**	**96,739**
2022				
Deferred tax assets				
Retirement benefit obligations	(6,914)	-	799	(6,115)
Others	(52)	-	-	(52)
	(6,966)	-	799	(6,167)
Deferred tax liabilities				
Property, plant and equipment	85,720	(6,968)	10,646	89,398
Others	(90)	-	-	(90)
	85,630	(6,968)	10,646	89,308
Net deferred tax liabilities	**78,664**	**(6,968)**	**11,445**	**83,141**

21 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Trade payables	167,684	191,996	67,768	72,398
Dividend payable	42,818	2,506	42,988	2,506
Accrued expenses	128,887	92,133	109,065	81,883
Provision for employees benefits	14,971	9,283	14,971	9,283
Other payables	40,211	37,242	8,282	16,908
	394,571	**333,160**	**243,074**	**182,978**

The carrying amount of trade and other payables approximate their fair value.

The carrying amount of the trade and other payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Malagasy Ariary	110,448	116,092	-	-
Mauritian Rupee	246,424	35,480	229,701	139,758
US Dollar	-	152,624	2,000	20,653
Euro	12,446	4,358	8,054	1,515
Other currencies	25,253	24,606	3,319	21,052
	394,571	**333,160**	**243,074**	**182,978**

22 REVENUE

The following is an analysis of the Group's and the Company's revenue for the year:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Revenue from the sale of goods	**5,396,541**	**4,522,196**	**3,550,285**	**3,031,633**

(a) Disaggregation of revenue from contracts with customers is as follows:

	Primary geographic markets		
	Mauritius Rs000	International markets Rs000	Total Rs000
THE GROUP			
2023			
Timing of revenue recognition			
At a point in time	**2,836,459**	**2,560,082**	**5,396,541**
2022			
Timing of revenue recognition			
At a point in time	**1,454,428**	**3,067,768**	**4,522,196**
THE COMPANY			
2023			
Timing of revenue recognition			
At a point in time	**2,645,502**	**904,783**	**3,550,285**
2022			
Timing of revenue recognition			
At a point in time	**2,162,729**	**868,904**	**3,031,633**

The Group has single performance obligations to deliver goods or services and revenue is recognised when the performance obligation is satisfied.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED JUNE 30, 2023

23 EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Cost of sales	4,690,531	3,886,900	3,148,299	2,683,486
Administrative expenses	424,991	328,874	236,737	208,816
	5,115,522	**4,215,774**	**3,385,036**	**2,892,302**
Depreciation (Note 5(a)/5(c))	106,443	86,683	56,116	47,308
Amortisation (Note 6(a)/6(c))	12,925	10,159	9,345	9,519
Depreciation on right-of-use assets (Note 5A)	6,607	6,291	530	531
Employee benefit expense (Note 24)	262,863	216,109	158,757	134,453
Cost of inventories recognised as expense (Note 11)	4,278,144	3,562,133	2,905,211	2,496,362
Utilities and other consumables	102,750	92,411	53,504	50,064
Transportation	16,692	11,406	7,812	6,463
Repairs and maintenance	42,862	30,223	38,982	28,063
Unloading cost	30,058	27,973	29,142	27,145
Professional fees	64,100	40,840	19,455	18,774
Management fees	25,398	22,654	24,918	22,654
Advertising and marketing expenses	23,221	8,464	5,860	5,723
General administrative expenses	19,952	50,455	11,825	12,972
Other expenses	123,507	49,973	63,579	32,271
Total cost of sales and administrative expenses (Note 23(a))	**5,115,522**	**4,215,774**	**3,385,036**	**2,892,302**

24 EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Wages and salaries, including termination benefits	236,123	194,969	140,267	118,143
Social security costs	16,156	12,700	8,701	7,987
Pension cost - defined pension benefits	338	455	338	455
Pension cost - other post retirement benefits	3,266	3,114	2,965	2,997
Pension cost - defined contribution plan	6,980	4,871	6,486	4,871
	262,863	**216,109**	**158,757**	**134,453**

25 OTHER INCOME

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Interest income	1,686	471	1,429	96
Dividend income:				
- DEM quoted	-	58	11,012	9,438
- Unquoted	7,938	5,282	-	-
- Subsidiaries	-	-	35,215	35,137
(Loss)/gain on disposal of property, plant and equipment	(487)	8	(487)	-
Loss on scrappings of property, plant and equipment	-	(2,949)	-	(2,342)
Others	13,717	15,830	7,001	3,035
	22,854	**18,700**	**54,170**	**45,364**

26 REVERSAL OF IMPAIRMENT OF SUBSIDIARY

	THE COMPANY	
	2023 Rs000	2022 Rs000
Reversal of impairment (Note 7)	-	(1,001)

27 NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Net foreign exchange losses	(18,425)	(24,280)	(14,041)	(24,037)
Interest expense:				
- Bank overdrafts	(41,732)	(4,790)	(7,736)	(4,777)
- Bank loans and MML	(25,241)	(13,732)	(19,278)	(6,884)
- Dividends on preference shares	(424)	(424)	(424)	(424)
- Import loan	(23,672)	(43,444)	(23,672)	(8,820)
- Lease liabilities	(1,587)	(749)	(712)	(749)
- Other interests	-	(701)	-	-
	(92,656)	(63,840)	(51,822)	(21,654)
	(111,081)	**(88,120)**	**(65,863)**	**(45,691)**

28 PROFIT BEFORE INCOME TAX

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
Profit before income tax is arrived at after:				
Crediting:				
Dividends from equity investments held at FVOCI				
- Related to investments held at the end of the reporting period	-	58	11,012	9,438
Dividends from subsidiaries	-	-	35,215	35,137
(Loss)/gain on disposal of property, plant and equipment (Note 25)	(487)	8	(487)	-
and (charging):				
Loss on scrappings of intangible assets	-	2,949	-	2,342
Depreciation on:				
- owned assets (Note 5(a)/5(c))	106,443	86,683	56,116	47,308
- right-of-use assets (Note 5A)	6,607	6,291	530	531
Amortisation of intangible assets (Note 6(a)/6(c))	12,925	10,159	9,345	9,519
Employee benefit expense (Note 24)	262,863	216,109	158,757	134,453

29 EARNINGS PER SHARE

	THE GROUP	
	2023 Rs000	2022 Rs000
Profit attributable to equityholders of the Company	209,277	206,116
	209,277	**206,116**

		Restated
	2023 Rs000	2022 Rs000
Number of ordinary shares in issue	94,500	94,500
Number of ordinary shares adjusted for reciprocal interest	92,807	92,807
Earnings per share (Rs)	**2.25**	**2.22**

30 DIVIDENDS PER SHARE

	THE GROUP & THE COMPANY	
	2023 Rs000	2022 Rs000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended June 30, 2023 of Rs 0.43 per share (2022: Rs 0.37 per share)	**40,635**	**34,965**

31 NOTES TO THE STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	**2023 Rs000**	2022 Rs000
(a) **Cash generated from operations**				
Profit before income tax	240,280	211,681	154,418	140,666
Adjustments for:				
Depreciation on property, plant and equipment (Note 5(a)/5(c))	106,443	86,683	56,116	47,308
Depreciation of right-of-use assets (Note 5A)	6,607	6,291	530	531
Reversal of impairment of investment in subsidiary (Note 26)	-	-	-	(1,001)
(Gain)/loss on sale of property, plant and equipment (Note 25)	(4,846)	(8)	487	-
Loss on scrappings/impairment of property, plant and equipment	-	2,949	554	2,342
Amortisation of intangible assets (Note 6(a)/6(c))	12,925	10,159	9,345	9,519
Retirement benefit obligations (Note 19)	3,987	2,965	3,679	2,848
Dividend income (Note 25)	-	(5,340)	(46,227)	(9,438)
Interest expense (Note 27)	92,656	63,840	51,822	21,654
Interest income (Note 25)	(1,686)	(471)	(1,429)	(96)
Share of results of associate	(42,495)	(8,761)	-	-
Foreign exchange differences	(22,592)	21,175	-	28,492
Increase/(decrease) in loss allowance (Note 12)	6,630	43,521	(862)	(661)
Fair value gain/(loss) on derivative financial instruments	5,001	(24,073)	(3,897)	(24,073)
Changes in working capital				
- inventories	46,503	(249,581)	(54,294)	(210,424)
- consumable biological assets	1,245	(3,520)	-	-
- trade and other receivables	(154,190)	(183,675)	(103,290)	(55,336)
- prepayment and other receivables	(3,751)	67,206	(43,544)	(49,752)
- trade and other payables	21,364	91,412	19,615	17,631
Cash generated from operations	**314,081**	**132,453**	**43,023**	**(79,790)**

31 NOTES TO THE STATEMENT OF CASH FLOWS (cont'd)

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Cash in hand and at bank	67,273	180,844	3,244	138,518
Bank overdrafts (Note 18A)	(51,917)	(157,750)	(13,067)	(127,699)
	15,356	**23,094**	**(9,823)**	**10,819**

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(c) **Reconciliation of liabilities arising from financing activities**

	At July 1, 2022 Rs000	Cash flows Repayment Rs000	Cash flows Additions Rs000	Non-cash transactions Rs000	At June 30, 2023 Rs000
THE GROUP					
2023					
Bank loans	79,878	(20,925)	12,984	99	72,036
Money market line	430,000	(7,022,000)	6,710,000	-	118,000
Import loans	495,052	(1,555,940)	1,742,079	(19,192)	661,999
Lease liabilities (Note 5A)	17,839	(1,220)	3,497	67	20,183
Related party loans	-	(244,300)	408,550	-	164,250
Total liabilities from financing activities	**1,022,769**	**(8,844,385)**	**8,877,110**	**(19,026)**	**1,036,468**

	At July 1, 2021 Rs000	Cash flows Repayment Rs000	Cash flows Additions Rs000	Non-cash transactions Rs000	At June 30, 2022 Rs000
THE GROUP					
2022					
Bank loans	101,587	(23,654)	19,730	(17,785)	79,878
Money market line	100,000	(4,881,000)	5,211,000	-	430,000
Import loans	604,674	(1,588,223)	1,440,275	38,326	495,052
Lease liabilities (Note 5A)	20,550	(6,937)	4,230	(4)	17,839
Related party loans	23,360	(23,360)	-	-	-
Total liabilities from financing activities	**850,171**	**(6,523,174)**	**6,675,235**	**20,537**	**1,022,769**

	At July 1, 2022 Rs000	Cash flows Repayment Rs000	Cash flows Additions Rs000	Non-cash transactions Rs000	At June 30, 2023 Rs000
THE COMPANY					
2023					
Bank loans	5,023	(5,023)	-	-	-
Money market line	430,000	(7,022,000)	6,710,000	-	118,000
Import loans	200,689	(1,466,134)	1,742,077	-	476,632
Lease liabilities (Note 5A)	12,080	(508)	-	-	11,572
Related party loans	-	(244,300)	408,550	-	164,250
Total liabilities from financing activities	**647,792**	**(8,737,965)**	**8,860,627**	**-**	**770,454**

	At July 1, 2021 Rs000	Cash flows Repayment Rs000	Cash flows Additions Rs000	Non-cash transactions Rs000	At June 30, 2022 Rs000
THE COMPANY					
2022					
Bank loans	11,484	(6,461)	-	-	5,023
Money market line	100,000	(4,881,000)	5,211,000	-	430,000
Import loans	314,829	(1,571,032)	1,436,073	20,819	200,689
Lease liabilities (Note 5A)	12,912	(1,581)	-	749	12,080
Related party loans	28,600	(28,600)	-	-	-
Total liabilities from financing activities	**467,825**	**(6,488,674)**	**6,647,073**	**21,568**	**647,792**

(d) **PREPAYMENT AND OTHER RECEIVABLES**

	At July 1, 2022 Rs000	Net Cash flows Rs000	Non-cash transactions Rs000	At June 30, 2023 Rs000
THE COMPANY				
Dividends receivable	35,160	11,067	-	46,227
Other receivables	131,092	43,544	(102,500)	72,136
	166,252	**54,611**	**(102,500)**	**118,363**

32 ULTIMATE HOLDING COMPANY

The directors regard Management and Development Company Limited (MADCO), a limited liability company incorporated in Mauritius, as its holding company. The ultimate control of the Company remains with Société Beauvoir Holdings, a société civile.

33 COMMITMENTS

Capital expenditure authorised for at end of the reporting period but not recognised in the financial statements is as follows:

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Authorised but not contracted for	91,640	119,701	82,070	119,701
Authorised and contracted for	16,610	54,581	14,500	50,247
	108,250	174,282	96,570	169,948

34 CONTINGENT LIABILITIES

Bank guarantees

At June 30, 2023, the Group and the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Mauritius Commercial Bank has provided bank guarantees to Cargo Handling Corporation Ltd and Ministry of Agriculture on behalf of Livestock Feed Ltd. The maturity dates are August 9, 2023 and July 9, 2024.

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Bank guarantees to third parties	762	665	762	665

35 RELATED PARTY TRANSACTIONS

	Purchase of goods or services Rs000	Sales of goods or services Rs000	Trade payables to related parties Rs000	Loan due to related parties Rs000	Amount owed by related parties Rs000
THE GROUP					
2023					
Holding company	26,442	-	256	63,500	-
Fellow subsidiary companies	510,831	1,303,877	24,354	59,000	233,945
Enterprise with common directors	-	2,410	-	-	482
Associated companies	155,348	2,914	30,858	30,000	-
	692,621	1,309,201	55,468	152,500	234,427
2022					
Holding company	23,083	-	914	-	-
Fellow subsidiary companies	509,796	1,055,887	56,495	-	204,704
Enterprise with common directors	-	1,528	-	-	310
Associated companies	134,594	1,547	21,619	-	6,500
	667,473	1,058,962	79,028	-	211,514

	Purchase of goods or services Rs000	Sales of goods or services Rs000	Trade payables to related parties Rs000	Loan due to related parties Rs000	Amount owed by related parties Rs000
THE COMPANY					
2023					
Holding company	26,442	-	256	63,500	-
Subsidiary companies	11,212	757,786	170	11,750	169,525
Fellow subsidiary companies	156,618	1,118,620	12,235	59,000	182,116
Enterprise with common directors	-	2,410	-	-	482
Associated companies	155,348	2,913	30,858	30,000	-
	349,620	1,881,729	43,519	164,250	352,123
2022					
Holding company	23,083	-	914	-	-
Subsidiary companies	11,169	740,379	982	-	186,956
Fellow subsidiary companies	147,103	895,516	16,241	-	159,377
Enterprise with common directors	-	1,528	-	-	310
Associated companies	134,594	1,462	21,619	-	1,362
	315,949	1,638,885	39,756	-	348,005

The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

The sales to and purchases from related parties are made at normal prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

(a) There has been no guarantees provided or received for any related party receivables or payables and outstanding balances at year end are unsecured. For the year ended June 30, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2022: 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.

(b) **Key management personnel compensation**

	THE GROUP		THE COMPANY	
	2023 Rs000	2022 Rs000	2023 Rs000	2022 Rs000
Salaries, bonuses and car benefits	40,765	34,780	29,276	22,367
Pension and other benefits	3,104	2,481	2,168	1,904
	43,869	37,261	31,444	24,271

36 SEGMENT INFORMATION

	2023				2022			
	Mauritian operations Rs000	International operations Rs000	Group transactions Rs000	Total Rs000	Mauritian operations Rs000	International operations Rs000	Group transactions Rs000	Total Rs000
Sales to MADCO Group	1,704,548	177,181	(4,225)	1,877,504	1,485,158	153,727	13,928	1,652,813
Sales to external customers	1,895,058	2,382,901	-	4,277,959	1,573,000	2,045,137	-	3,618,137
Gross	3,599,606	2,560,082	(4,225)	6,155,463	3,058,158	2,198,864	13,928	5,270,950
Inter segment sales	(758,922)	-	-	(758,922)	(748,754)	-	-	(748,754)
	2,840,684	2,560,082	(4,225)	5,396,541	2,309,404	2,198,864	13,928	4,522,196
Expenses	(2,662,324)	(2,436,974)	-	(5,099,298)	(2,157,620)	(2,082,975)	-	(4,240,595)
Operating profit	178,360	123,108	(4,225)	297,243	151,784	115,889	13,928	281,601
Share of results of associate	54,118	-	-	54,118	18,200	-	-	18,200
Segment results	232,478	123,108	(4,225)	351,361	169,984	115,889	13,928	299,801
Net Finance cost				(111,081)				(88,120)
Profit before tax				240,280				211,681
Tax expense				(31,003)				(5,565)
Profit for the year				**209,277**				**206,116**

	2023			2022		
	Mauritian operations Rs000	International operations Rs000	Total Rs000	Mauritian operations Rs000	International operations Rs000	Total Rs000
Property, plant and equipment	1,131,891	447,635	1,579,526	959,807	408,063	1,367,870
Rights of Use	11,447	20,729	32,176	11,977	9,426	21,403
Intangibles	33,307	26,478	59,785	39,495	31,407	70,902
Other assets	1,353,442	733,960	2,087,402	1,353,721	764,803	2,118,524
Associate			643,762			579,091
			4,402,651			4,157,790
Segment liabilities	**982,564**	**678,551**	**1,661,115**	**926,317**	**740,281**	**1,666,598**
Interest expense (Note 27)	51,652	41,004	92,656	21,732	42,108	63,840
Cost of sales	3,188,142	1,502,389	4,690,531	2,699,039	1,187,861	3,886,900
Additions Property, plant and equipment	162,081	76,630	238,711	140,591	76,860	217,451
Additions Rights of Use	-	-	-	-	4,230	4,230
Additions Intangibles	3,158	863	4,021	1,283	29,826	31,109
Depreciation (Note 5)	62,228	44,215	106,443	50,424	36,259	86,683
Amortisation (Note 6)	9,345	3,580	12,925	9,519	640	10,159

Group transactions represent elimination of intra group transactions which are entered into under the normal commercial terms and conditions that would be available to unrelated third parties. Segment assets consist of property, plant and equipment, intangible assets, inventories and receivables, investments, investment properties and cash and cash equivalents and exclude associate. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

37 SUBSEQUENT EVENTS

In preparing the financial statements, the directors have determined that there are no subsequent events that require adjustment or disclosure in the financial statements.

38 PRIOR YEAR ADJUSTMENT

Cross shareholding between the Company and its associate, Les Moulins de la Concorde Ltée ("LMLC")

In preparing the financial statements for the year ended June 30, 2023, the Group identified prior year restatements and made necessary corrections in respect of cross shareholding between the Company and its associate, Les Moulins de la Concorde Ltée ("LMLC"). Since acquisition of LMLC by the Company, the effect of cross shareholding has not been eliminated in line with IAS 28 Accounting for Investments in Associate which led to double counting and as such the Group's performance and position being overstated.

Restatements were made to the financial statements presentation and disclosures of certain transactions and balances, in accordance with International Accounting Standard, IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Impact on financial statements

THE GROUP

(i) **Statement of profit or loss and other comprehensive income**

	June 30, 2022		
	Previously stated Rs000	Adjustments Rs000	Restated Rs000
Share of other comprehensive income of associate	**52,981**	**(7,709)**	**45,272**

(ii) **Statement of financial position**

	June 30, 2022		
	Previously stated Rs000	Adjustments Rs000	Restated Rs000
Investment in associate	616,626	(37,535)	579,091
Revaluation and other reserves	562,497	(37,535)	524,962

	June 30, 2021		
	Previously stated Rs000	Adjustments Rs000	Restated Rs000
Investment in associate	554,884	(29,826)	525,058
Revaluation and other reserves	409,374	(29,826)	379,548

NOTES

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