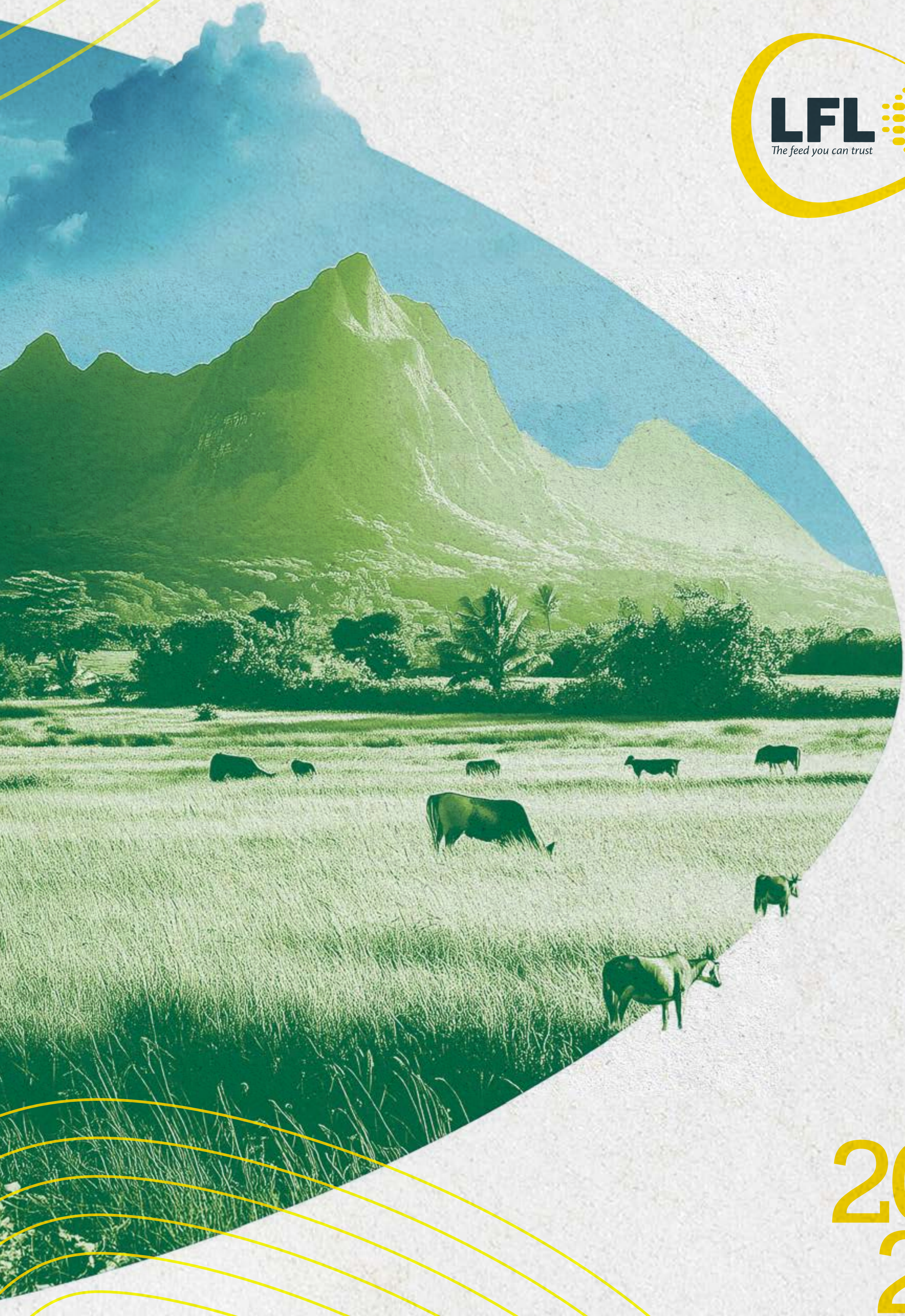


LFL

The feed you can trust

Annual Report 2024

Contents

Chairperson's Review

Dear Shareholders

On behalf of the Board of Directors, it is my pleasure to present to you an overview of the activities of LFL and the audited financial statements of the company and its subsidiaries for the year ended June 30, 2024.

OVERVIEW

For the year under review, the global economy was confronted with a wide range of challenges in terms of geopolitical tensions, continued supply chain disruptions and a general surge in demand in the developed economies keeping inflation high. In an effort to cool off the resulting high inflation, central banks of the major economies maintained high interest rates leading to the strengthening of the major trading currencies, thus raising our costs of imports.

During the first half of the year, LFL was impacted by a significant increase in inflation in its production costs. Despite the inflationary context, the prices of commodities on the world market eased off because of good world corn and soya crops. Through an effective procurement strategy and tight forex management, your company was able to absorb both the rise in its costs of production and the accelerated depreciation of our currency against the USD and pass on two successive price reductions to its clients. Sales, accordingly, are gradually picking up as local food production becomes more competitive against imports. It is pertinent to reiterate, at this juncture, the contribution which an efficient local manufacturing sector does bring to the nation in terms of food security.

The regional expansion strategy of your company is a key element for our future success and already contributes to a significant share of Group profits. In this context and, in order to support the continued growth of the company regionally, the company structure was reviewed with the creation of LFL International which overviews our regional investment and implementation in Madagascar, Rwanda, Seychelles, and Kenya.

I am pleased to inform you that the favourable conditions of the second half of the year and a successful regional performance contributed to good results for the company, which reached a turnover of Rs 5,762m and a profit for the year of Rs 351m.

Chairperson's Review

OPERATIONS

Mauritius

As mentioned earlier, local feed sales were behind schedule for the first half of the year. However, because of an improvement in the households' demand, sales of feed for the poultry meat and egg segments are on the rise. LFL has put in place strategies to support the development of this sector with the commercialisation of day-old chicks through Avishop and increased the pullet production for the layer segment by Les Pondeuses Réunies.

In line with our strategy to further develop sales in the region, a new subsidiary, LFL Kenya, has been launched. This subsidiary will coordinate the sale of all feed exported by LFL Mauritius to East Africa.

Our Mauritian operations have faced serious constraints with the increases in costs of production due to the mandatory rise in wages, the increase in electricity tariffs and the chronic labour shortage of production staff.

The investment of Rs 600m+ in a solar energy farm under the CNIS scheme, which will produce the equivalent of the total electrical consumption of our factory, will be in operation in FY 2025/2026. Our operations in Mauritius will thus be net zero on carbon emissions through this initiative.

Regarding the labour shortage, LFL has put in place a training and development programme "Pepinière métier" which includes, inter-alia, the training of employees in Madagascar to support the workforce in Mauritius and has forged a closer relationship with training institutions.

LFL has also renewed its technical contract with MixScience, a company of the Avril group, which provides high-end technical support for our formulation, process and marketing teams.

REGION

Madagascar

The development of Madagascar operations continued on a very promising trend during the year.

The local 2024 crop of maize was encouraging due to the support strategy of the LFL Agri team, comprising mainly of demonstration parcels for small producers in maize producing areas. The local farmers were encouraged to visit these plots and learn how to improve productivity in their own fields. LFL Agri has also established contract-growing agreements with farmers who are gradually mechanising their production of maize. Despite progress made with respect to local production, the company, nevertheless, has to import a small consignment of maize to supplement its production requirement.

The next challenge on the commodity production side will be to develop the production of soya locally.

The productivity at our factory realised a quantum leap with the installation of a production software, which streamlines and optimises the production process. Inflation costs and regular electricity black outs due to irregular supply of electricity affected production. Appropriate measures have been taken to address the issue in the coming year with the investment in a stand-by generator.

Sales continued to be encouraging: Farmshop, the distribution and sales division of LFL currently manages a network of more than 120 points of sales. The availability of day-old chicks and quality feed supplied by this division, together with the continued support of its technical sales team, contributed to the development and increase in consumption of poultry meat and eggs in the country.

Akoufre, the processed chicken operations of LFL Madagascar, continued its development and has now established 30 franchises in the capital city through which fresh chicken is sold to the population. Akoufre also manages 20 contract growers who produce broiler chicken in line with the franchise specifications.

Rwanda

Our operations in Rwanda continue to develop per expectation. The team on site is gathering momentum and organising procurement through agreements with local producers and cooperatives. A structure to procure maize from neighbouring countries is also being organised so that LFL Rwanda is able to hold stock of essential raw materials during the intercrop periods. Our production capacity was successfully doubled though the investment in new processing equipment and a sales network is being developed in line with the key expectations we have for the county. Although total sales are still below our initial objective, the availability of day-old chicks, the lower price of ingredients and improved demand will increase sales which are expected to grow by 40% next year.

LFL Seychelles

As announced by the authorities of the country earlier last year, the subsidy on animal feed, which helped the country to maintain its production during the Covid crisis, was discontinued in October 2023. Subsequently, the local production was significantly affected. However, LFL maintained sufficient sales to continue its activities. It is hoped that with better economic conditions prevailing and the availability of day-old chicks, the government will reconsider its policy to meet its objective to improve food security level of the country.

People

During the year under review, various initiatives to ensure that our employees contribute further to the development of the company were undertaken.

Recruitment, onboarding, learning and development and communication processes, as discussed under the chapter in the corporate governance report were reviewed and as a result the employee engagement score increased from 78% to 86%.

The human resource department made a special effort to create a workplace environment where individuals from diverse backgrounds feel respected and included. Aligned to our equal opportunity policy, five ladies were employed at factory level demonstrating our commitment towards diversity. Furthermore, having 30% of women in senior positions provides equal opportunities for career advancement regardless of gender at LFL.

Employees were also actively encouraged to engage in sports, social, cultural and environmental activities. It is worth mentioning that a Mauritianism workshop was organised to encourage our employees to discover the cultural heritage that contributes to us being unique.

Availability of labour force in Mauritius is a cause of concern and necessary measures are being taken to mitigate the chronic shortage of operatives in our operations.

Chairperson's Review

The company further continues to formalise and put in place HR best practices:

- A Human Resource information software system was deployed in all group companies;
- Performance Management of all employees against agreed performance indicators is conducted biannually;
- Career development plans are compiled and discussed annually; and
- Employees now receive a bonus based on their performance and the results of the company.

Sustainability development

The sustainability development programme of LFL, especially with respect to environment protection, for the year was fairly comprehensive.

Environment protection

The following projects for the protection of the environment are being implemented by LFL:

- The key project for the year has been an extensive measurement of our carbon footprint wherefrom an action plan was devised. Actions are being taken to reduce our footprint at production and procurement levels where LFL is committed to purchase a portion of its maize and soya from non-deforested areas.
- To reduce the use of fossil energy, LFL has invested in a solar energy farm and 100% of its energy consumption will be produced from this farm by 2025.
- Environmental awareness was conducted at the ZEP school Xavier Barbe and an outdoor recreational area was set up at the ADSP School for disabled children.
- Additionally, the participation of more than 80% of our employees in the "fresque du climat" and Ebony Forest conservation project has been a key element in creating awareness to the environmental challenges facing our planet.

Community development

With respect to Community Development, LFL embarked on the "The Poules Pondeuses" project, which is helping vulnerable families to produce their own food by keeping layer hens. All selected beneficiaries are progressing towards self-sufficiency on this three-year project.

Prospects

LFL has been a successful operation over the years. It has developed a sturdy base regionally with an integrated inclusive development strategy. It is thus well endowed to be resilient and to achieve its mission in developing food security in all the countries in which it operates.

The development of Madagascar and Rwanda is expected to contribute to more than 50% of the sales and revenue of the company in the near future.

Acknowledgement

May I express my appreciation to my fellow Directors for their continuous support, to Management and the employees of LFL for their contribution to the success of the company.

I also have a special thought for Mr Pierre Dinan who sadly passed away this year. Pierre was an active Board Member of the Company and chaired the Audit and Risk Committee and the Corporate Governance Committee for several years with great dedication and commitment.

During the year, the founder of the Eclosia Group, Mr Michel de Spéville, retired as Director on the Board. I would like, on behalf of the Directors and in my personal name, to thank Mr de Spéville for his great pioneering vision and enormous contribution to the development of food security locally and in the region. In the interview that follows Mr de Spéville relates his personal engagement with respect to food security.

Gérard Boullé
CHAIRPERSON

Message from the Founder

« Quand nous lançons notre activité avicole à la fin des années 60, nous nous rendons vite compte qu´en l´absence de production locale, l´approvisionnement de la nourriture des poulets est l´un des plus gros défis auxquels nous devons faire face. Il suffit d´un retard de bateau, d´une grève dans le port, d´un souci de stockage pour que les élevages soient à risque… Il faut agir, et produire localement. LFL naît donc en 1977.

Dix ans plus tard, avec le développement de LFL et sa gamme de 100 types d'aliments conditionnés en farines, miettes ou granulés, c'est tout le secteur de l'élevage qui connaît une croissance importante – d'autant plus que nous ne nous contentons pas de fournir des aliments aux éleveurs, mais aussi un accompagnement technique essentiel pour la professionnalisation du secteur. Étant en amont de la filière, nous avons une responsabilité importante. Celle de fournir une nourriture de qualité et un soutien sans faille aux éleveurs.

La route n'a pas toujours été simple pour LFL mais l'engagement des équipes a su faire la différence. J'ai une pensée particulière pour Patrick Hardy et Rocky Forget qui ont accompagné le développement de l'entreprise, devenu aujourd'hui un Groupe important, produisant des nourritures de qualité à Maurice, à Madagascar et au Rwanda.

En me retirant du Conseil d'administration en fin d'année dernière, je savais que je laissais l'entreprise entre de bonnes mains. J'ai confiance car je sais que chacun de vous, membres du Conseil ou de l'équipe de LFL, ont à cœur de continuer de mener à bien notre mission, une mission d'envergure pour tout un pays ! Merci aussi à nos partenaires, fournisseurs et clients, qui nous ont fait confiance tout au long de ces années. »

Michel de Spéville
FOUNDER

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. »

Corporate Identity

Directorate at June 30, 2024

Richard Arlove
Gérard Boullé
Myriam Blin
Cédric de Spéville
Eric Espitalier-Noël
Gilbert Espitalier-Noël
Rocky Forget
Jean Noël Humbert
Pierre-Yves Pougnet
Christel Maucet
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

Paving the way for sustainable business

At Livestock Feed Limited, our commitment to sustainability transcends business success.

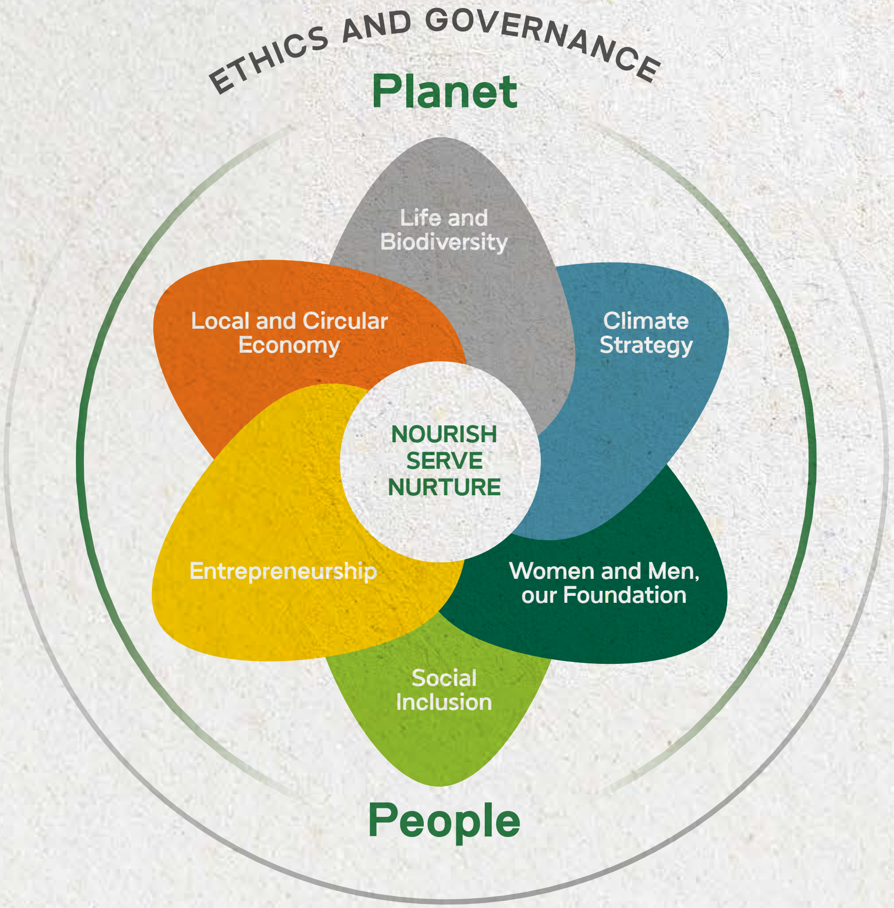
We believe in driving a positive impact by fostering a sustainable way of doing business: one that not only generates profits but also nurtures people, respects the planet and perpetually optimises processes.

Sustainability Strategy

LFL'S SUSTAINABILITY STRATEGY AND THE ECLOSIA WAY FRAMEWORK

A profound sense of societal responsibility has been embedded in the company's DNA since its inception, based on an inclusive model of the Eclosia group, "The Eclosia way", in Mauritius and in other countries.

LFL's sustainability strategy has been crystallised around six strategic areas. The visual presentation below underlines their interconnexion, their interdependence and their alignment.



Ever since 2017, the Company has adopted "The Eclosia Way", a management system that is not solely financial. This framework is based on a Core which describes the culture of the Group and its HR best practices and 4 pillars, namely: People, Planet, Process and Profit which are performance and impact oriented. The Core and each of these pillars are crucial to the life of the Company and at the basis of the structure of this report.

At Livestock Feed Limited, sustainability guides our operations and decision-making processes. Our matrix organisational approach ensures that we address environmental, social, and governance aspects to drive meaningful change and long-term impact.

Our commitment to sustainability is integrated into every stage of our production process, from the supply chain to the end customer. We are dedicated to reducing our carbon footprint by implementing energy-efficient practices and maximising the use of renewable energy sources. Our goal is to significantly cut greenhouse gas emissions and contribute to a cleaner, more sustainable future.

We focus on minimising waste generation across all our facilities. By promoting recycling and reuse programmes, we aim to divert as much waste as possible from landfills, fostering a culture of sustainability within our organisation and extending this commitment to our employees' homes.

We pledge to preserve local biodiversity by respecting environmental laws and supporting conservation NGOs. We are committed to continual improvement in our environmental performance, ensuring that our practices meet and exceed compliance standards. Additionally, we integrate conservation projects into our annual activities and budget.

To ensure the continuity of this strategy, the sustainability department works cross-functionally with each Head of Department through specific environmental objectives and a CSR committee that meets quarterly. For transparent communication, we provide monthly internal updates and publish a magazine twice a year for external stakeholders.

The drafting of our action plan is consultative; around twenty stakeholders were surveyed on the importance of various environmental, social, and governance aspects for LFL. The key results of this exercise are ethics and integrity, food safety, climate change, healthy and respectful products, and responsible production. We have been using them as the foundation for writing a new ESG policy and an ESG plan for the LFL Group.

Sustainability Strategy

ENVIRONMENT, SOCIAL AND GOVERNANCE POLICY

We are committed to conducting our business operations in a sustainable and responsible manner. We recognise the importance of minimising our environmental impact, supporting local communities, and promoting economic growth while meeting the needs of the present without compromising the ability of future generations to meet their own needs.

1. Environmental sustainability

- We will reduce our carbon footprint by implementing energy-efficient practices and maximise the substitution of fossil energy with renewable energy.
- We will minimise waste generation and promote recycling and reuse programmes throughout our facilities to send a minimum waste to landfill.
- We will comply with all relevant environmental laws and regulations and work toward continual improvement in our environmental performance.

2. Social responsibility

- We will prioritise the health and safety of our employees by providing a safe working environment and promoting physical and mental wellness programmes.
- We will respect and uphold human rights, diversity, and non-discrimination within our workforce and supply chain and nurture the full potential of individuals, fostering a culture of growth and innovation.
- We will engage with the local communities to understand their needs and support initiatives that contribute to social welfare and development.

3. Governance development

- We will integrate sustainability and social principles into our business strategies, decision-making processes, and supply chain management, fostering transparent communication throughout.
- We will invest in research and development to foster innovation and create products and services that promote sustainability and human health.
- We will collaborate with stakeholders, industry partners, and governmental bodies to promote sustainable and animal wellbeing practices across our sector.

This policy reflects our commitment to sustainable development and will be communicated to all employees, suppliers, and stakeholders. We will regularly review and update this policy to ensure its alignment with sustainability priorities.

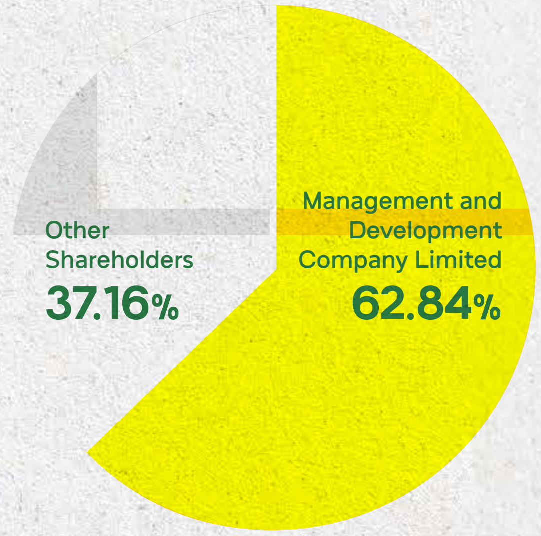
Livestock Feed Limited is dedicated to being a responsible corporate citizen and making a positive impact on the environment and society through our actions.

Our Governance

SHAREHOLDING, GROUP AND ORGANISATIONAL STRUCTURES

The Shareholding structure

The shareholding structure of Livestock Feed Limited ("the Company" or "LFL") at June 30, 2024 was as follows:



Livestock Feed Limited is a public company listed on the Development Enterprise Market ("DEM") of the Stock Exchange of Mauritius. Its largest shareholder, Management and Development Company Limited ("MADCO"), is the only shareholder holding more than 5% of the ordinary share capital. The ultimate beneficial owner of MADCO is Mr Pierre Elysée Michel Doger de Spéville.

The distribution of LFL's shareholding at June 30, 2024 is as follows:

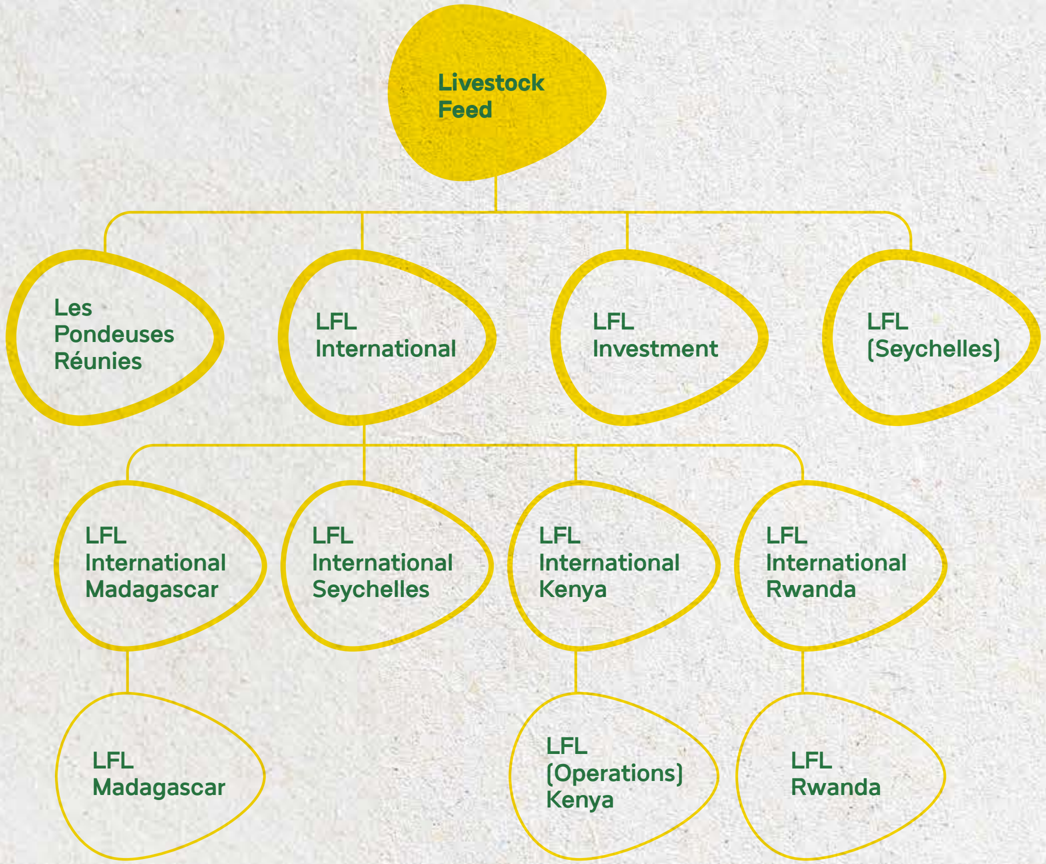
No. of Shares	No. of Shareholders	No. of Shares Owned	% Shareholding
0 - 500	2,899	331,666	0.35
501 - 1,000	272	200,747	0.21
1,001 - 5,000	460	1,068,737	1.13
5,001 - 10,000	174	1,310,073	1.39
10,001 - 100,000	331	10,895,928	11.53
100,001 - 200,000	26	3,777,005	4.00
200,001 - 500,000	20	5,946,053	6.29
above 500,000	9	70,969,791	75.10
	4,191	**94,500,000**	**100**

It is to be noted that further to the dividend in species of LFL shares by Les Moulins de la Concorde Ltée ("LMLC") in February 2024 and the cross-shareholding that existed between LFL and LMLC at the time, LFL has acquired 1,694,215 of its own shares during this distribution, which shares are being kept in treasury.

Our Governance

The Group structure

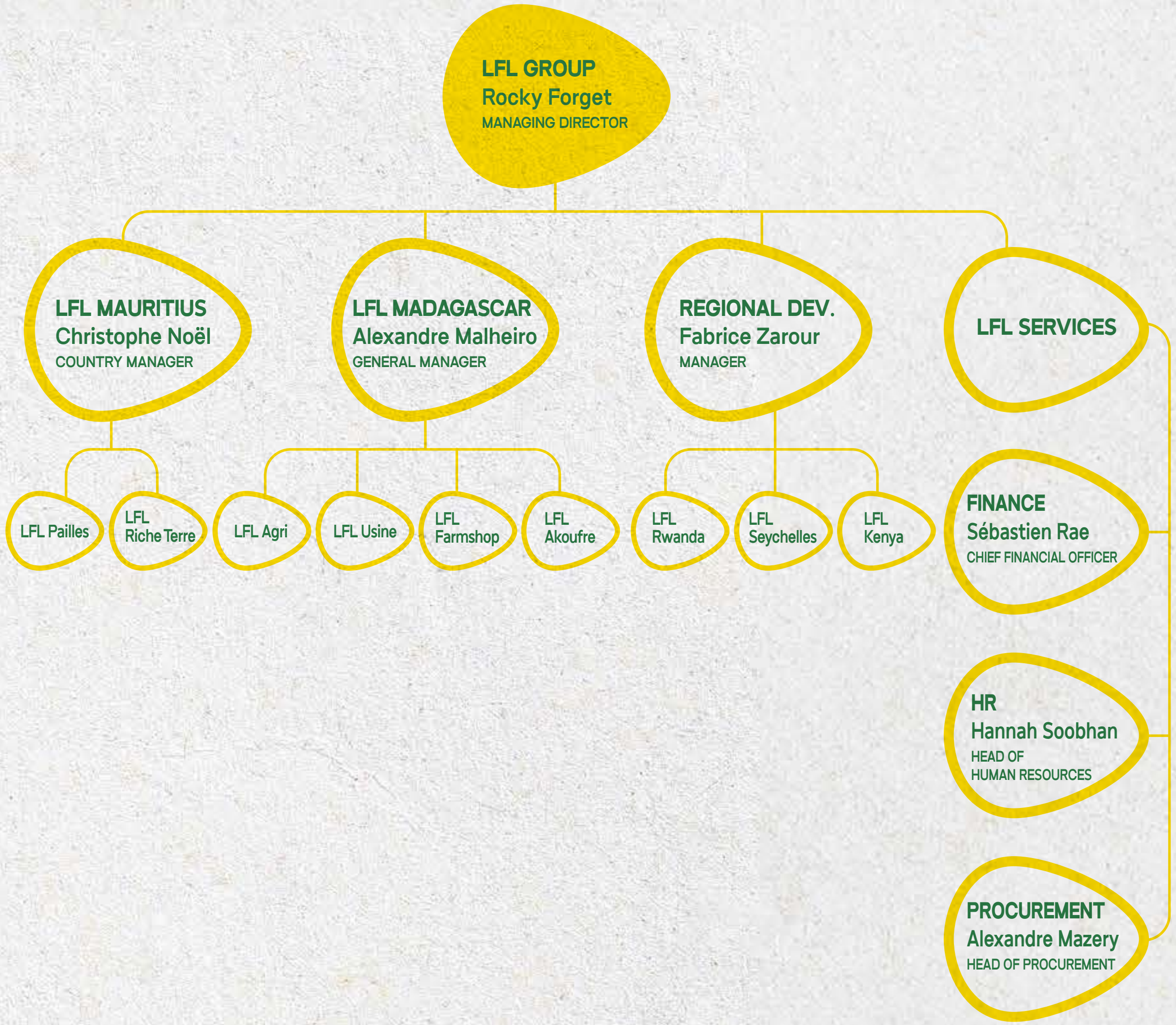
The structure of the LFL Group at June 30, 2024 was as follows:



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, are presented and discussed at the Board Meeting of Livestock Feed Limited. Moreover, issues identified at the level of the largest subsidiary, LFL Madagascar, by its own 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.

The organisational structure

The organisational structure of LFL at June 30, 2024 is as follows:



Our Governance

The profiles of the senior management of Livestock Feed Limited at June 30, 2024 were as follows:

Rocky Forget MANAGING DIRECTOR	The profile of the Managing Director is given on page 26.
Christophe Noël COUNTRY MANAGER LFL MRU	Christophe Noël joined the Company in 2006 as Marketing Manager. He was promoted Manager of operations of LFL Pailles 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 Master 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 LFL 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 Resource field having held position as HR in hospitality services and corporate levels.
Fabrice Zarour MANAGER Regional Development	Fabrice Zarour joined LFL in 2012 as Technical Coordinator. He 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.

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" programme. Under this programme, an "Organisational and People Review" is carried out yearly whereby management discusses the development of its key talents, establishes a succession plan for key positions and sets up competency development programmes 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.

CONSTITUTION

The Constitution of the Company 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.

GOVERNANCE STRUCTURE

Board governance

Livestock Feed Limited is a public company that has been listed on the Development & Enterprise Market (DEM). The Company qualified as a Public Interest entity as defined under the Financial Reporting Act 2004.

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. A review of the board charter and the directors' code of ethics was conducted during the financial year 2023/2024.

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. Those documents were reviewed during the financial year 2023/2024.

Our Governance

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 yearly.

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. A benchmark on Directors' fees on the local market was conducted during the financial year under review and the Directors' fees are expected to be reviewed accordingly during the financial year 2024/2025.

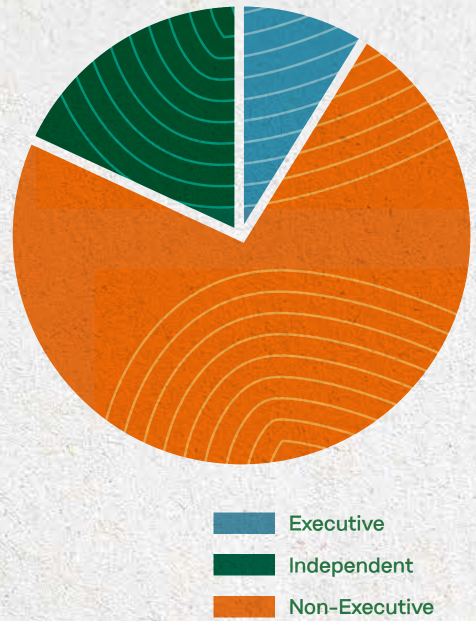
BOARD STRUCTURE

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.

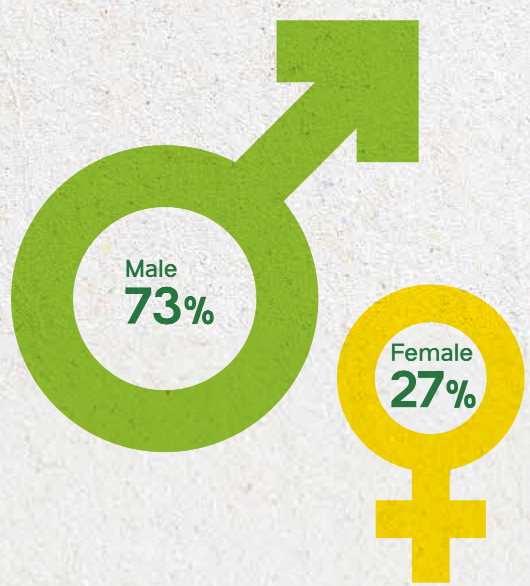
Every 3 years, a strategic review is carried out by the Management. The strategic plan that emanates from this exercise is discussed at Board level. Furthermore, a yearly budget is discussed at Board level whereby objectives and KPI are set for the year in terms of processes, human resources, finance, 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, 2024 of eleven members, with its composition being as follows:

Status



Gender



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;

(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.

An assessment is conducted annually by the Company Secretary to ascertain the independence of directors, based on the criteria defined in the National Code of Corporate Governance and which was formalised in the Companies Act 2001.

The roles of the Chairperson and the Managing Director are separate. The Chairperson, Mr Gérard Boullé, a Non-Executive, Non-Independent Director and the Managing Director, Mr Rocky Forget 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-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.

BOARD EVALUATION

The Board recognises the significance of a board evaluation and resolved that a board evaluation exercise be carried out on a two-yearly basis.

A board evaluation exercise was carried out during the financial 2023/2024, internally by way of a questionnaire and its results were reviewed by the Corporate Governance Committee and will thereafter be submitted to the Board to address the issues raised, if any.

THE DIRECTORS

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 through the induction pack.

In addition, a board charter, setting out all the directors' duties and responsibilities with respect to the board governance, has been adopted by the Board of the company and is available for consultation on the company's website.

The Directors' profiles

Below were the profiles of the directors of the company at June 30, 2024:

Gérard Boullé (Chairperson)
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

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

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

Cédric de Spéville
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

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 Master's 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 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.

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

Rocky Forget
EXECUTIVE DIRECTOR
Resident of Mauritius

Holder of an MBA from Surrey University, UK, Rocky Forget joined the Eclosia Group of Companies in 1980, where he held a position in the farming division. He was appointed in 1991 as Technical and 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 06, 2009. During his 44 years career in the animal production and animal feed industry, Rocky has constantly acquired knowledge to spearhead LFL into being a key regional animal feed player.

Directorships in other listed companies: None.

Eric Espitalier-Noël
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

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.

Directorship 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.

Gilbert Espitalier-Noël
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

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

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

Pierre-Yves Pougnet
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

Pierre-Yves Pougnet is an accountant by profession. He started his career with an audit firm. In 1975 he joined the Eclosia Group where he occupied executive functions, amongst which, Managing Director of Panagora Marketing and subsequently Managing Director of Food & Allied Industries Ltd (now Avipro Co Ltd). He was the Vice Chairman of the Eclosia Group when he retired in 2015.

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

Jean-Noël Humbert
NON-EXECUTIVE DIRECTOR
Resident of Mauritius

Jean-Noël Humbert is the holder of an Honours Degree in Agriculture and a Diploma in Agriculture and 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 and Chairperson of ENL Limited for a number of years. He is currently Chairperson of the Board of Directors of New Maurifoods Ltd.

Jean-Noël was appointed to the Board of the Company on November 13, 2015.

Directorships in other listed companies: ENL Limited and Oceanarium (Mauritius) Ltd.

Myriam Blin

NON-EXECUTIVE DIRECTOR
Resident of Mauritius

Myriam Blin holds a Masters in International Economy from the University Aix-Marseille II, France, a MA in Development Economics and a Ph.D. in Economics both from the University of Manchester, UK. She has been a lecturer, over the years, for prestigious international universities and is currently Head of the Faculty of Accounting, Finance and Law of the Charles Telfair Education Group and the Head of the Charles Telfair Centre. She also Chairs the Charles Telfair Centre Strategic Committee and the Charles Telfair Centre Editorial Committee.

Myriam is a Fellow of the Higher Education Academy and Member of the International Association for Feminist Economics. She was appointed on the Board of LFL on April 16, 2024.

Directorship in other listed companies: None.

Jacqueline Sauzier

INDEPENDENT DIRECTOR
Resident of Mauritius

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. Jacqueline was honoured with the distinction of Chevalier de l'Ordre du Mérite Agricole by the French Government in July 2018.

Directorships in other listed companies: None.

Richard Arlove

INDEPENDENT DIRECTOR
Resident of Mauritius

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.

Directorships in other listed companies: IBL Ltd, Caudan Development Ltd and Promotion and Development Ltd

Christel Maucet

INDEPENDENT DIRECTOR
Resident of Mauritius

Mrs Maucet is a seasoned expert specialising in scale-up strategies and organisational growth. Her extensive portfolio covers a range of critical business functions, including Finance, Human Resources, Project Management and Operations, gained over 15 years of leading operations and expanding teams in Mauritius and across Europe, Africa, Asia, and South America. She holds a Masters of Science in Management from EM Lyon Business School.

She was appointed to the Board of the Company on September 05, 2023 and is the Chairperson of the Audit and Risk Committee.

Directorship in other listed companies: Oceanarium (Mauritius) Ltd.

Common Directors

The table below indicates the Directors common to LFL and its management company, MADCO:

No.	Directors	LFL	MADCO
1	Richard Arlove	•	-
2	Gérard Boullé (Chairperson)	•	•
3	Myriam Blin	•	-
4	Cédric de Spéville	•	•
5	Eric Espitalier-Noël	•	•
6	Gilbert Espitalier-Noël	•	•
7	Rocky Forget	•	-
8	Jean-Noël Humbert	•	-
9	Christel Maucet	•	-
10	Pierre-Yves Pougnet	•	•
11	Jacqueline Sauzier	•	-

Directors' interests

At June 30, 2024, the composition of the Board and the interests of the directors in the company were as follows:

No.	Directors	Executive	Non-Executive	Independent	Non-Independent	Resident in Mauritius	Gender	Direct Shareholding in Livestock Feed Limited		Indirect Shareholding in Livestock Feed Limited		Directorships in other Listed Companies
								Ord (%)	Pref (%)	Ord (%)	Pref (%)	
1	Richard Arlove	-	•	•	-	•	M	-	-	-	-	3
2	Myriam Blin	-	•	-	•	•	F	-	-	-	-	-
3	Gérard Boullé	-	•	-	•	•	M	-	-	-	-	2
4	Cédric de Spéville	-	•	-	•	•	M	-	-	0.46	-	3
5	Eric Espitalier-Noël	-	•	-	•	•	M	-	-	2.30	-	6
6	Gilbert Espitalier-Noël	-	•	-	•	•	M	-	-	1.28	-	4
7	Rocky Forget	•	-	-	•	•	M	-	-	-	-	-
8	Jean-Noël Humbert	-	•	-	•	•	M	-	-	-	-	2
9	Christel Maucet	-	•	•	-	•	F	-	-	-	-	1
10	Pierre-Yves Pougnet	-	•	-	•	•	M	0.105	0.034	-	-	4
11	Jacqueline Sauzier	-	•	•	-	•	F	-	-	-	-	-

Our Governance

A yearly review of the Board composition is done in March each year to (i) ascertain the independent status of respective Directors and identify (ii) 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.

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.

Directors' attendance to board and committee meetings

The attendance of the Directors and Committee Members for the financial year ended June 30, 2024 was as follows:

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

* was appointed on April 16, 2024
** did not offer himself for re-election at AGM held on December 13, 2023

Directors' remuneration

The fees for Members of the Board and Audit and Risk Committee at June 30, 2024 were as follows:

Type of meeting	Chairperson		Directors	
	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, 2024 were as follows:

No.	Directors	Board Fees	Audit and Risk Committee Fees	Corporate Governance Committee Fees	Total
		Rs	Rs	Rs	Rs
1	**Richard Arlove**	200,000	180,000	70,000	450,000
2	**Myriam Blin***	140,000	-	-	140,000
3	**Gérard Boullé**	300,000	-	55,000	355,000
4	**Michel de Spéville, C.B.E.****	120,000	-	-	120,000
5	**Cédric de Spéville**	200,000	110,000	-	310,000
6	**Eric Espitalier-Noël**	200,000	120,000	55,000	375,000
7	**Gilbert Espitalier-Noël**	160,000	-	-	160,000
8	**Rocky Forget**	200,000	-	-	200,000
9	**Jean-Noël Humbert**	200,000	-	-	200,000
10	**Christel Maucet**	200,000			200,000
11	**Pierre-Yves Pougnet**	200,000	120,000	55,000	375,000
12	**Jacqueline Sauzier**	140,000	-	-	140,000
	Total	**2,260,000**	**530,000**	**235,000**	**3,025,000**

* was appointed on April 16, 2024
** did not offer himself for re-election at AGM held on December 13, 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 10,537,382.

Directors' 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.

As for Independent Directors, they are entitled to serve three consecutive three-year term as from the date of their initial appointment until completion of the nine years of eligibility as an Independent Director. After each three-year term, and according to the provisions of the Constitution, they shall retire by rotation and be subject to re-election at the next Annual General Meeting.

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 their election will be ratified.

Our Governance

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.

Directors' 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 familiarise themself 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 them to understand the duties and obligations of being a director.

Moreover, at the time of their appointment, the Director's consent is requested as per the requirements of the Data Protection Act, before their personal information is used and shared with authorities and financial institutions as per the requirements of the AML/CFT regulations in place.

The responsibility of the induction process lies with the Chairperson of the Board.

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, the board charter which sets out all the Director's duties and responsibilities with respect to the Board governance is communicated to each new Director and is also available for consultation on the Company's website.

Directors' 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.

Directors' conflicts of interest

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 Director concerned is not present at the part of the meeting in 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.

Directors' professional development

The Company provides the opportunity to its Directors to develop their knowledge and skills through workshops and development programmes. 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.

Directors' succession planning

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.

BOARD COMMITTEES

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 audit process and the external audit process;
- 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, 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 remunerations of the External Auditors.

Our Governance

The terms of reference of the Audit and Risk Committee are available for consultation on the company's website. Those terms of reference are reviewed as and when required and, in any case, at least every five years. A review of the terms of reference of the Audit and Risk Committee shall be conducted during the financial year 2024/2025 and shall include a review of risks related to environmental issues and sustainability.

The composition of the Audit and Risk Committee June 30, 2024 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 in their profiles which are on pages 26 to 29.

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 regularly with the internal auditors and the CFO 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.

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;
- To review the results of the board evaluation and address issues, if any, at Board level.

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 was conducted during the financial year 2023/2024.

The composition of the Corporate Governance Committee at June 30, 2024 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 in their profiles which are on pages 26 to 29.

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 Company's corporate governance documents.

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.

The Investment Committee

Investments in local companies (excluding Associate and Subsidiaries) are regrouped into LFL Investments and investments in foreign entities are regrouped under LFL International Ltd. A specific committee annually reviews its portfolio of investment.

THE COMPANY SECRETARY

Eclosia Secretarial Services Ltd ("ESS") is the Company Secretary of the Company and is represented by two Company Secretaries.

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 a Fellow 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. A review of the terms of reference of the Company Secretary was conducted during the financial year 2023/2024.

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.

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 safeguarding 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 and 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 programme 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 improves business operations and decision-making process, as well as provides enhanced financial controls. It is managed through a strong governance, enabling to keep benefits over time, and benefit from a full redundancy and back-up to ensure full availability for operations.

Access rights for ERP, business and document management systems are managed centrally enabling restrictions to sensitive and confidential documents.

This robust IT Governance Framework and initiatives proves 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.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 34 of the accounts and are at arm's length and in the normal course of business.

MANAGEMENT AGREEMENTS AND CONTRACTS OF SIGNIFICANCE

Shareholders' agreements affecting governance of the Company

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

Management agreements and contract of significance

LFL has a management contract with Management and Development Company Limited ("MADCO") which covers inter alia, strategy, human resources, governance, risk and compliance issues monitored at group level. The scope of the management contract is evaluated on a yearly basis and the Board has ascertained that the management fees charged by MADCO are at arms' length.

Furthermore, the following contracts exist between the Company and its sister companies:

- 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 (subsidiary of MADCO); and
- The provision of business support services by Eclosia Corporate Services Ltd (wholly-owned subsidiary of MADCO).
- The provision of sales and distribution services by Panagora Marketing Company Limited (wholly-owned 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).

Contract of significance with a director

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

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. In that respect, it has entrusted to the Audit and Risk Committee the responsibility of ensuring that 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. 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 identified were epizooty, sourcing of raw materials, volatility of commodities prices, supply chain, logistics and freight disturbances, exchange rate fluctuations and shortage of skilled employees and appropriate actions to mitigate these risks were taken.

The enterprise Risk Management Framework with an integrated risk management system is being developed and will be implemented across all group companies by December 2025.

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 put in place in the yearly budget.

b) Financial risks

Risks linked to liquidity, interest rates, foreign currency, due diligence process, costs structures, 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.

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 on page 36.

f) Customer and commercial risks

Risk 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 21000 certification and regular audits ensures that procedures are strictly adhered to so that the quality of products delivered are 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 to ensure that the supply chain is running efficiently and effectively.

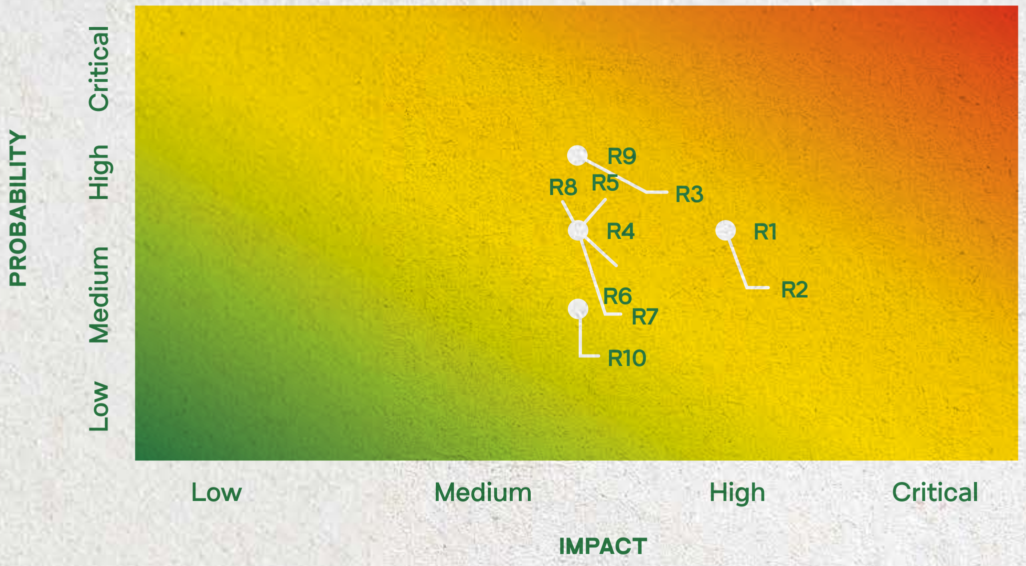
h) Business and market risks

Risks relating to macroeconomics, politics and foreign investments have increased. 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 the environment.

LFL Risk Heat Chart



R1 Bird flu and impact on local and regional clients

R2 Compliance challenges by foreign subsidiaries due to differing and rapidly changing laws and regulations

R3 Concentration of market and overdependence on large clients

R4 No development and reduction in exports sales volumes

R5 Malware and virus compromising IT infrastructure

R6 Over dependence on South America for sourcing of bulk raw materials

R7 Fluctuations in the exchange rate of USD against MUR impacting financial performance

R8 Logistics and freight disturbances due to geopolitical tensions

R9 Shortages of skilled employees

R10 Investments in new equipment with reduced outcome deliveries

Risk management

Extensive 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.

Business continuity

The Company maintains a Business Continuity Plan (BCP) register and BCPs are put in place to ensure the smooth running of the business in case of unexpected circumstances. 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.

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 and 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 controls systems are (i) reviewed at the level of the Audit and Risk Committee annually during the presentation of the auditors' management letter and (ii) discussed during presentation of the internal audit reports at least twice a year.

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, 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 2023/2024 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.

Audit

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 and development enables a sufficient coverage of emerging risks and various audit areas such as financial, accounting, operational, data privacy, and information technology. 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 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 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 Company has a full-time cost controller and stock controller to monitor and ensure that any deviation from the norm is rapidly addressed.

Furthermore, internal audits are regularly carried out by ECS in the following segments: Quality, Operations, Safety & Health, Human Resources, Legal.

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 management.

External Audit

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 as External Auditors of the LFL Group. Since BDO was previously acting as External Auditor for the LFL Group further to the appointment of PricewaterhouseCoopers 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 estimates 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 management 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 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 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, BDO & Co, of the LFL Group for the financial year 2023/2024 were Rs 1,595,000. Non-audit services were not provided by the External Auditor during the year under review.

RELATIONSHIP WITH STAKEHOLDERS

The stakeholders of the Company are involved in a dialogue on the organisational position, performance and outlook and management ensures that the Company responds to their reasonable expectations and interests. In that respect, the following steps are taken:

a) Annual General Meetings

The next Annual Meeting of the Company will be held on December 11, 2024. 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 and which allows face-to-face interactions between the Members of the Board, management and shareholders of the Company.

Shareholders can 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. Alternatively, these are available on the Company's Website.

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.

b) 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.

c) Clients

A customer survey exercise is carried out by an independent organisation every two years. The results of the survey done in August 2023 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 by the Management.

d) Public bodies

LFL complies with all legal and normative rules put forth by public bodies. The company constantly monitors any updates in the relevant legal framework and undertakes appropriate action to ensure compliance with the law at all times.

MAJOR EVENTS

The Chairperson of the Board addresses, in his Annual Report to the Shareholders, the main issues dealt by the Board in terms of personnel, markets environment performance and other environmental factors.

The main events of the 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	May
Dividend Payment	July
Publication of Quarterly Accounts:	
– 1st quarter: ending September 30	November
– 2nd quarter: ending December 31	February
– 3rd quarter: ending March 31	May

DONATIONS

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

	THE GROUP	
	2024 Rs000	2023 Rs000
Charitable Donations	2,674	628
Political Donations	Nil	Nil

Statement of Compliance

Reporting period: July 01, 2023 to June 30, 2024

We, the Directors of LIVESTOCK FEED LIMITED, confirm that to the best of our knowledge, throughout the financial year ended June 30, 2024, LIVESTOCK FEED LIMITED has applied the principles set out in the Corporate Governance Code for Mauritius except for the following:

a) 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.

b) 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

Richard Arlove
DIRECTOR

September 25, 2024

People

Empowering communities and a sustainable workforce

Women and Men, our Foundation

OUR CREED

Livestock Feed Limited adheres to and holds at heart the values of our Group in all activities it initiates and undertakes. In our onboarding and induction processes, each new entrant receives an explanation of the Credo and shows their commitment by signing our Creed charter, which is as per below:

We believe that:

Our Group's **Culture** is based on strong fundamental values.

Integrity is the foundation to these values and represents a rock-solid guarantee for our shareholders, personnel, clients, suppliers and the community at large.

Dignity has no hierarchy and represents each and everyone's most intimate treasure.

Mutual Respect and **Recognition** are essential elements to our relationships.

Being prepared to **Listen to others** is an enriching experience since one learns from someone else's difference.

The **Quality** of our services, products and relationships leads to further development and progress.

Our **Professionalism, Creativity** and **Innovation** ensure the sustainability of our actions and our participation to growth.

Equity guarantees social justice and liberty.

Loyalty ensures serene continuity to our relationships.

These **Values** reinforce our convictions and urge us to fulfil our tasks and responsibilities.

Women and Men, our Foundation

Our employees are the most precious asset. We are pleased to present below the activities of LFL for this year 2024:

RECRUITMENT

a) Selection and interview protocol

Identifying the right talent right from the start

LFL uses the Competency-Based Interviewing (CBI) protocol and its own internal operatives interview questionnaire to ensure appropriate selection of prospective newcomers in terms of technical and cultural match with the company.

58% of our managers have successfully completed training in Competency-Based Interviewing.

ONBOARDING

Onboarding process for operatives

During the onboarding process, the operatives are introduced to the Country Manager and visit essential facilities like the mess room and lockers, as well as the factory where they will be working. This orientation ensures they are familiar with their surroundings. On the first day, they also follow an induction training with the Health & Safety and Quality departments to understand their respective procedures and policies to which LFL is fully committed to.

Induction plan and welcoming

This induction plan is designed to provide the new staff with a comprehensive understanding of the different departments over 3 weeks. By meeting with each department, the new staff member gains valuable insights into the organisation and establishes connections with key team members.

We invite the staff to gather in the mess to greet and get to know our new staff. We believe that coming together over a cup of coffee creates a welcoming atmosphere and sets the tone for a positive and collaborative work environment.

Onboarding Human Resources Information System (HRIS)

In line with the Group's vision to overcome current and future challenges, LFL has implemented in 2022 the new integrated HRIS to manage the HR cycle more effectively by simplifying it and making it more reliable.

HRIS has multiple tools adapted to the environment and professional evolution and it is more targeted service quality and greater reliability of employee data. Our collaborators can access their pay slips at one click, schedule their leaves, update their personal information easily, choose their medical plan. We do explain the platform to all new employees during the onboarding.

CAREER

Livestock Feed Limited provides opportunities for the employees to acquire new skills and to develop their career growth. At least 5 employees have been promoted to new roles during the year.

Learning development

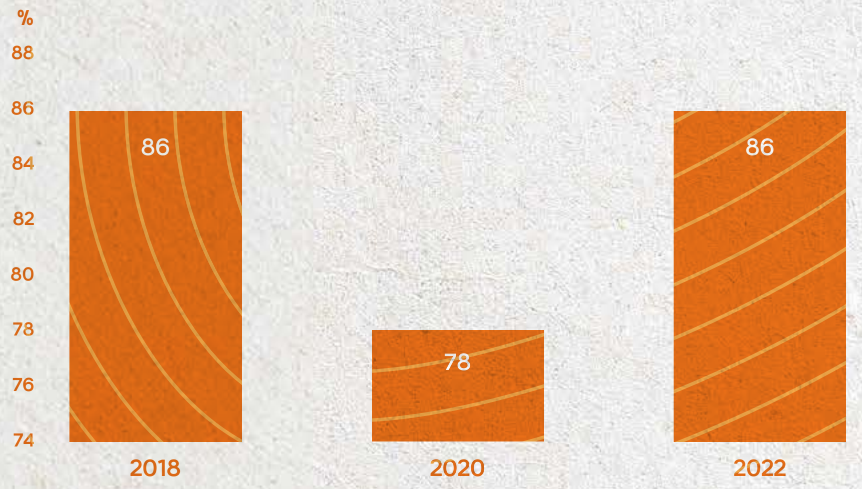
LFL focuses on enhancing the knowledge, skills, and abilities of collaborators through various training programmes, workshops, exchange programmes, and international exposure opportunities. This commitment to continuous learning and development ensures that collaborators are equipped with the necessary tools to excel in their roles and contribute effectively to the organisation's success. (The metrics below demonstrate the successful upskilling of our collaborators.)

- Several employees attended training sessions overseas. The Company has also established an exchange programme with companies in the group so that employees can experience different work environments and cultures.
- A competency matrix has been designed to align the team's skills and knowledge with the requirements in Quality and Health & Safety. Consequently, a six-month training calendar has been prepared to ensure all collaborators receive the necessary training as per their job positions and level.
- A total of 3,149 hours of training were conducted during the financial year 2023-2024 including on the job training in Quality, Health & Safety.

EMPLOYEE ENGAGEMENT

Livestock Feed Limited participates in the Engagement Survey every 2 years as per the Group's policy, via an independent company. These results highlighted the strengths and opportunities to leverage employee engagement.

Engagement Survey Result



LFL partnered with Mind On to run focus groups with employees from 3 Business Units. The aim of the focus group was to gather our employees and brainstorm on key actions to be maintained or improved, which will be implemented during the financial year. The consultant met with our Head of Departments to debrief each report's post focus groups. An action plan has been finalised and will be implemented during the next 2 years. To ensure deployment of those actions, checkpoint meetings have been scheduled every 3 months with HODs.

Working together

It started with the Young Talent project to bridge the generational gap, find new ways of working together and to build alignment. LFL partnered with Dale Carnegie Mauritius on this journey. The participants identified the strengths of the company but also the processes that need to be reviewed or improved to better respond to future challenges. This collaborative exercise, rooted in a true culture of knowledge-sharing has been an eye-opening experience across levels.

DIVERSITY, EQUITY, INCLUSION

Diversity and Inclusion

Livestock Feed Limited creates a workplace environment where individuals from diverse backgrounds feel valued, respected, and included. We have employed 5 ladies in the factory, demonstrating our commitment towards diversity. Furthermore, having 30% of women in senior positions provides equal opportunities for career advancement regardless of gender.

We have reviewed our working conditions by offering flexible working hours for part-time opportunities to cater for candidates with different family obligations.

Equity

In February 2024, we organised a roadshow on Talent Management to ensure that all collaborators are exposed to the Talent Management Cycle in the LFL Group. The themes that have been explained are: Job Grading, PMS, Leadership Competencies and so forth.

We are fully compliant to the Salary Grid Structure and Job Grading at LFL Group to ensure fairness, equity and transparency.

CORPORATE LIFE

At Livestock Feed Limited, we have a variety of communication channels designed to enhance employee awareness, promote our company culture, and ensure transparency, these communication channels aim at:

- **Creating awareness:** Keep employees informed about company policies, projects and initiatives;
- **Promoting LFL culture:** Reinforce our organisational culture, mission, vision, and values;
- **Ensuring transparency:** Maintain open and honest communication across the organisation;
- **Supporting employee wellbeing:** Promote the health and wellbeing of our employees through regular activities;
- **Encouraging participation:** Foster active involvement in company activities and initiatives, a place to express themselves and have a say.

Women and Men, our Foundation

These channels include:

- **LFL Times:** an internal magazine sharing insight across LFL Group;
- **LFL Ki News:** an internal magazine sharing weekly news;
- **Notice board and digital screens** in all the mess rooms: 4 boards and 4 screens displaying LFL info, news, and activities;
- **WhatsApp group for staff:** circulating fun info, but also for emergencies;
- **Emailing:** cascading Group and Company info;
- **'Réunion élargie':** every 2 months, to further cascade info with Operatives, and to communicate H&S, Sustainability, HR, and projects updates to all employees in the same reunion;
- **LinkedIn page:** to share our projects and initiatives, advertising our vacancies, and build our employer brand;
- **Departmental meetings:** to address an issue related to the department;
- **SIM meetings:** to address task related issue in each section of the factories;
- **Operations meetings:** to review weekly operating performance and address issues encountered;
- **Monthly management and executive meetings:** to review each departments' achievements;
- **Budget and mid-term review:** to share projected initiatives and their related costs for the coming year, and review same halfway;
- **Weekly action brief:** where each department review its KPIs and action plan.

Conseil d'Entreprise (CE)

This forum facilitates dialogue between the employee representatives and Management. This forum aims at addressing work environment issues and employee wellbeing at large and is not necessarily related to the employee's department. The CE is hosted every three months and is chaired by the Country Manager, ensuring top-level oversight and decision-making. Each department is represented at the Council, ensuring a diverse range of perspectives and comprehensive coverage of all business areas. A standardised format is used for note-taking during meetings, ensuring consistency, clarity, and effective record-keeping and follow up of actions by the members of the CE.

WELLNESS

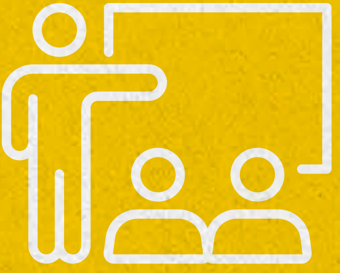
3 GOOD HEALTH AND WELL-BEING

Livestock Feed Limited is committed to creating a healthy, safe, and supportive work environment for all our employees. The safety and health of all our stakeholders is our top priority. Through continuous improvement, each year we strive to make our workplace a secure one through rigorous protocols and regular training sessions. A brief overview of how we promote wellbeing, wellness, and safety:

- We abide strictly to OSHA 2022 and its corresponding regulations to ensure that our practice meets regulatory standards;
- Regular risk assessments are carried out as well as daily Safety and Health Inspection;
- We have recently implemented the 'VST- Visite Sécurité Terrain' where process owners are involved in the inspection;
- Regular training sessions on safety protocols, emergency procedures, and proper equipment use are conducted to ensure the safety of our collaborators;
- Caring for the health of our employees, we have put in place a well-structured, proactive health surveillance programme that allows early detection of potential health issues;
- Health check-ups and screenings are available every Monday by Dr Gobin at LFL Pailles and every Thursday to help our collaborators to monitor and maintain their health;
- Employees have access to a 'cellule d'écoute' at LFL and counselling service provided by Gina Casset;
- A policy was created and implemented regarding Flexible Working Hours (FWH) and the Work From Home (WFH) for office personnel, applicable weekly, contributing to the work-life balance of our employees.

MEETING

Executive Meeting
Operations Meeting
Management Meeting
Departmental Meeting



SIM – Réunion de Section
Weekly Action Brief
Focus Groups
Road Show
Budget Presentation

Conseil d'Entreprise
Réunion Élargie
LFL Ki News
LFL Nu Zistwar
Notice Boards
TV Screens

Welfare

In February 2024, LFL organised a carrom and domino tournament over three days, providing employees with an opportunity to engage in fun activities and socialise with their colleagues at both Pailles and Riche Terre. Around twenty participants per activity competed in a friendly and convivial atmosphere, where good humour and team spirit were the order of the day. Ultimately, it was the teams from Riche Terre who made the difference by winning both tournaments.

Cultural activities

This year, LFL celebrated the independence by emphasising on Mauritianism, which was the theme of the day. She urged us to remain positive and to develop all possible actions to encourage our compatriots to respect; respect for nature, respect for communities, respect for Mauritius' heritage, creativity, inventiveness, entrepreneurship, gastronomy, and traditions—everything that makes Mauritius a unique place in the world. In addition to the get-together that followed the ceremony, the staff enjoyed a photo exhibition of Mauritius history. These photos were lent to the company by the Museum of Photography. The initiative was highly appreciated by the employees at Pailles.

Planet

Nurturing a resilient future for the generations to come

Performance and Impact

Two major initiatives were taken to determine the carbon footprint of the Company and to carry out a survey with all stakeholders on their views of the major sustainability issues faced.

The Fondation Solidarité which coordinates the social activities of the Eclosia group, established in 2009, aims to facilitate the development, financing, and execution of responsible actions aligned with the Group's core values. The foundation oversees the CSR funds and acts as the conduit through which contributions from the various companies are channelled. The foundation oversees project implementation and shares its expertise with project leaders in the companies where the projects are deployed. To accomplish these goals, the foundation has cultivated strong partnerships with NGOs and other associations.

LFL has a vibrant sustainability team which coordinates the activities of LFL with our policy.

POLICY

At Livestock Feed Limited, we are committed to conducting our business operations in a sustainable and responsible manner. We recognise the importance of minimising our environmental impact, supporting local communities, and promoting economic growth while meeting the needs of the present without compromising the ability of future generations to meet their own needs.

1. Environmental sustainability

- We will reduce our carbon footprint by implementing energy-efficient practices and maximise the substitution of fossil energy with renewable energy.
- We will minimise waste generation and promote recycling and reuse programmes throughout our facilities to send a minimum waste to landfill.
- We will comply with all relevant environmental laws and regulations and work toward continual improvement in our environmental performance.

2. Social responsibility

- We will prioritise the health and safety of our employees by providing a safe working environment and promoting physical and mental wellness programmes.
- We will respect and uphold human rights, diversity, and non-discrimination within our workforce and supply chain and nurture the full potential of individuals, fostering a culture of growth and innovation.
- We will engage with the local communities to understand their needs and support initiatives that contribute to social welfare and development.

3. Governance development

- We will integrate sustainability and social principles into our business strategies, decision-making processes, and supply chain management, fostering transparent communication throughout.
- We will invest in research and development to foster innovation and create products and services that promote sustainability and human health.
- We will collaborate with stakeholders, industry partners, and governmental bodies to promote sustainable and animal wellbeing practices across our sector.

This policy reflects our commitment to sustainable development and will be communicated to all employees, suppliers, and stakeholders. We will regularly review and update this policy to ensure its alignment with sustainability priorities.

Livestock Feed Limited is dedicated to being a responsible corporate citizen and making a positive impact on the environment and society through our actions.

SOCIAL IMPACT

"Les Poules Pondeuses"

"Les Poules Pondeuses" project aims to promote food self-sufficiency among vulnerable families who struggle to meet their own food needs and rely on donations to survive. To address this situation, we have created this project in three phases.

"Les jardins communautaires"

Several families in our neighbouring communities, at Pailles and Tranquebar, have seen their incomes decrease and struggle to meet their needs due to rising prices, compromising their access to healthy food. To address this, a community garden project was launched in 2022 with the NGO Action for Environmental Protection (AEP) to provide organic vegetables and fruits to those in need. The project also includes workshops to teach gardening and agroecology techniques, thereby creating opportunities for food self-sufficiency and additional income.

Five beneficiaries identified by Caritas have been employed to manage the garden and sell the produce. A beekeeping project was also integrated in the project. The beneficiaries have also been trained in composting to reduce organic waste and replicate these techniques at home.

Today, Pailles garden is managed by a team of three men, and Tranquebar garden by a mixed team of two people. This project gives them the chance to earn additional income each month and provides support to overcome dependencies on drugs and alcohol, with social support programmes in place to help the families. They receive assistance from neighbours and scouts to maintain the garden, and the vegetables are sold to the community on Saturdays and Sundays, and to LFL employees during the week. The proceeds cover the operational costs of the garden, and the aim is that next year these gardens will be 100% self-sufficient.

4 QUALITY EDUCATION

15 LIFE ON LAND

14 LIFE BELOW WATER

"Le circuit ZEP"

Xavier Barbe School, a ZEP (Zone d'Education Prioritaire) school with 200 students, follows the government programme that includes topics on resource use, environment, ecosystems, and climate change. Due to a lack of financial resources, these topics remain theoretical. LFL offers workshops for grade 5 and 6 students to better understand these subjects through visits and practical experiences. The students present their findings to the class and are encouraged to initiate environmental projects at the school.

The activities took place at Ebony Forest on the theme of deforestation and conservation. At Odysseo on marine life and its protection, and Island Bio on soil protection and organic farming.

By participating in concrete projects, the students developed their critical thinking, motivation, and ability to take initiatives, contributing to a more comprehensive and enriching education. LFL has observed various environmental initiatives implemented in the school since these visits, such as planting workshops on school grounds, pledges made by students to protect the lagoon and beaches of the island, plastic waste sorting, and a desire to contribute to the collection of electrical and electronic waste.

4 QUALITY EDUCATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

Green space at ADSP

ADSP is a school for children with disabilities, and it welcomes 80 students each year. The school offers various activities to develop motor skills and encourage learning, but unfortunately, none of these activities can take place outdoors due to the lack of a properly equipped space to safely accommodate children with disabilities.

LFL has created a suitable space for integrating outdoor activities into the school curriculum by providing: synthetic grass facilitating movement, playground equipment for recreation and free play, and materials for motor and sensory activities.

This new space will improve the physical, mental, and cognitive development of the children while providing them with a pleasant environment to play and socialise. More than nine outdoor sessions per week are organised for each class, and teachers have observed a positive change in the children's behaviour and concentration.

The link to the report of "Fondation Solidarité" is as follows: Rapport-Fondation-Solidarite-2023-pages (fliphtml5.com)

In addition to these social projects, LFL employees spontaneously assist the communities of Pailles and Roche Bois through clothing donations, purchasing school supplies, organising recyclable and electronic waste collection drives, and providing financial and technical support for environmental projects in schools. In Madagascar, LFL allocates a percentage of its turnover for infrastructure development in communities where it operates. This year, six villages received LFL support for access to clean water and school development, benefiting 4,000 people.

PLANET - ENVIRONMENTAL IMPACT

The environmental strategy of the LFL Group companies is crystallised today around major global issues of 3 axes: climate, local and circular economy, and living and biodiversity.

At the beginning of the financial year, LFL conducted a materiality exercise by having its stakeholders evaluate various social, environmental, and governance issues. The most important issues identified were further developed in internal co-development sessions to define areas and actions aligned with the group's environmental strategy as follows:

- **Carbon climate:** Reduction of CO_2 emissions and maximisation of renewable energy use.
- **Local and circular economy:** Optimisation of the 5R strategy for zero waste to landfill and creation of raw materials from locally sourced insects.
- **Living and biodiversity:** Legal compliance and support for conservation projects.

The policy was communicated to everyone via email, posted in our premises (mess hall, reception, and lunchroom), and published in the green gazette and discussed in the extended LFL committee.

LFL's main goals for this year, which have been 93% achieved, focus on:

- **Responsible purchasing and freight:** Through supplier evaluations, zero air freight orders, and efficient delivery organisation.
- **Responsible production:** By optimising bulk raw material orders and local purchases, achieving waste generation reduction, energy and water consumption reduction, and effluent compliance objectives.
- **Relations with neighbours:** Aiming for zero complaints on environmental issues by neighbours.
- **Employee and customer engagement:** Through awareness-raising, participation in various responsible initiatives, and support for environmentally impactful projects.
- **Community support:** By implementing CSR projects that are both socially and environmentally beneficial.

Climate strategy

Low Carbon Strategy

LFL's carbon footprint for Scope 1 and 2, is 7,600 tons of CO_2. At the Scope 3 level, the procurement of raw materials, particularly the import of corn and soy, represents 90% of the total footprint, whilst maritime and road freight represents 6% of our footprint. To reduce these emissions, LFL is firmly committed to importing a portion of corn and soy from non-deforested areas, revising its criteria for selecting less polluters ships, re-organising its logistics, revalorising 100% of organic waste, and producing electricity entirely from green energy. In Madagascar, the reduction goals are to source 100% of the maize and soy locally, optimise road freight, switch to solar energy, and raise awareness and support farmers in responsible agriculture and are aligned with the SBTi commitments for a temperature increase of less than 1.5°C by 2027. The responsible importation of raw materials is a long-term approach. LFL collaborates with its suppliers, to source certified non-deforested corn and soy.

Energetic efficiency

LFL has been able to reduce its electricity consumption by 6% through daily monitoring of losses and implementing energy-saving actions. At the Pailles site, LFL achieved energy savings by replacing existing factory lights with LED lighting by configuring a kVA demand management system. Additionally, we focused on the utilisation of UES in the factory. LFL Pailles is one of the few Mauritian companies certified ISO 50001 having put in place an energy management system.

At the Riche Terre site, the installation and commissioning of a new extrusion line did not reduce electricity consumption per ton of feed produced. However, mitigation was possible by monitoring and shutting down machines that were running unnecessarily. We are also implementing a standard operating procedure (SOP) for sequencing the startup of machines rather than switching them all on at once, which helps reduce our demand. Additionally, we conduct weekly monitoring of air pressure leakage in the factory to prevent unwanted demand for compressed air.

Energy transition

Since 2022, solar panels have been installed on the roof of LFL's premises, providing more than 13% of the electricity consumed by our operations. By 2025, a 10 MW photovoltaic farm project, conducted at the group level, will enable the company to cover 100% of its electricity consumption with renewable energy.

Awareness

To engage employees in the movement to reduce fossil fuel use, several awareness campaigns have been conducted and posters placed on the shop floor. The most impactful awareness method has been "La Fresque du Climat" project, during which employees were sensitised. At the end of each workshop, participants identified carbon reduction actions that could be implemented in the company and made personal commitments.

The sustainability department integrated these actions into the 2023/2024 environmental plan and deployed various means to help employees fulfil their personal commitments, such as financing home recycling, selling organic vegetables at the company, and implementing a second-hand policy, among others. In this financial year, 86% of employees participated in the Climate Fresco.

"La Fresque du Climat" was also conducted externally with awareness sessions for the Pailles scouts, reinforcing the importance of their involvement in LFL community gardens.

Employee awareness took on added significance during World Environment Day. Under the theme of deforestation and soil desertification, employees participated in a treasure hunt at Ebony Forest that included conservation activities and review questions from "La Fresque du Climat". This allowed them to understand that they can make a difference at their level and that every small gesture counts.

LOCAL AND CIRCULAR ECONOMY

Local purchases

LFL's purchasing policy ensures the optimisation of bulk raw material costs by using purchasing mechanisms to benefit from opportunities in commodity markets. This approach enables LFL to offer stable selling prices. By regularly taking positions in futures markets, LFL reduces fluctuations in the prices of finished products.

Furthermore, LFL utilises Supply Chain tools to determine raw material needs, ensuring efficient inventory management. Additionally, prioritising the purchase of local raw materials is emphasised, with 17.8% of our current raw materials sourced from Mauritius.

Selection criteria for purchases include food safety and quality, sustainability, price and payment terms, delivery time, technical support, communication, competence, consistency, commitment, and response time.

Eco-conception

During its participation in the eco-design programme of the Association of Mauritian Manufacturers, LFL collaborated with Qualitropic to assess the impact of its packaging. LFL assessed that the yellow woven polypropylene bag is the most responsible option for several reasons:

- Its manufacturing consumes less energy than a paper bag.
- Its low weight allows it to support 25 kg of food and associated handling, unlike a PE bag.
- It is reusable thanks to the #reuseme campaign.

Therefore, LFL decided to retain the yellow WPP bags. However, we encourage clients to buy products in bulk. To achieve this, we encourage the installation of silos for clients consuming more than 10 tons of feed per month, with 10 silos installed during the year. A new project for small silos targeting clients consuming less than 6 tons annually was also launched. In 2023/2024, 2 silos were installed, with the remaining clients preparing their sites to accommodate this project next year. These two projects have helped to reduce 4.3 tons of plastic packaging.

Regarding dog food, a purchasing contract was signed with Vraco to install a bulk container in Mauritius, promoting a zero-waste culture among consumers of pet food. The dispenser will be installed in December 2024.

Objective zero waste to landfill

LFL aims to move towards zero waste sent to the landfill using a 5R strategy:

- **Refuse** initiatives that would generate more waste, such as excessive fractionation of certain raw materials.
- **Reduce** waste upstream, particularly packaging of raw materials, by setting a monthly waste threshold per ton produced not to be exceeded.
- **Reuse** waste internally and externally, such as used IBCs, drums, bags, or big bags, which are taken back by farmers, breeders, or garden maintenance providers.
- **Recycle** all single-material wastes produced on-site, such as wood, plastic, glass, paper, cardboard, and electronic and electrical waste (DEEE).
- **Revalorise** organic waste into compost through a partnership with Sealife Organic.

Through this strategy, we have managed to divert 74% of our waste from Mare Chicose, amounting to 475 tons, although only 28% of this waste is recyclable.

5.26 kg of waste are generated per ton of feed produced, compared to 3.27 kg last year. This is due to the implementation of a new line at Riche Terre and the feed tests conducted on it during the year.

Plastic transition

Each plastic-producing initiative is evaluated by the sustainability team before implementation to avoid generating additional plastic waste. A threshold in terms of kilograms of plastic per ton of feed produced has been set and must be adhered to. To achieve this, LFL ensures bulk orders and purchases raw materials in large volumes whenever possible and encourages recycling by the setting up of depots for local clients. Cleaning product containers are returned to the supplier, and big bags of raw materials are reused multiple times. These two initiatives, implemented since 2023, have prevented 5.3 tons of plastic being sent to waste this year.

In 2024, LFL has met the threshold and reduced the amount of plastic per ton produced to 1.18 kg, compared to 1.98 kg last year.

Awareness and cleanup

Employee engagement remains key to achieving our environmental protection goals. This year:

- 100% of employees have been trained in waste sorting;
- 5 sessions were organised on the consequences of climate change;
- 2 waste sorting contests per department were held;
- 4 collections of electronic and electrical waste at home were arranged for employees;
- 1 home plastic collection contest was organised for World Clean Up Day.

BIODIVERSITY AND LIVING

Responsible food

Every year, we review our recipes to improve animal health and further respect the environment. This involves optimising ingredients and making adjustments that, cumulatively, contribute to significant overall improvement. This year, 51% of our recipes have been enhanced: for better digestibility by the animal, increased nutritional value, prevention of certain diseases, or to remove low-impact ingredients and reduce our carbon footprint.

Ecosystems and biodiversity

To ensure the preservation of the ecosystem, LFL ensures compliance with standards regarding dust emissions, CO_2 and other gases, the treatment of solid and hazardous waste, and effluents released into municipal drains. The Pailles site, located in a residential area near a river, and the Riche Terre site, near the sea and the bird sanctuary, prioritise the quality of our emissions to minimise our environmental impact and preserve the health and wellbeing of our neighbours.

To strengthen this commitment, LFL collaborates with Ebony Forest. Feed donations are made to support their pink pigeon conservation project. Protein-rich waste from the factory is also sent to Ebony Forest to feed insects reared to feed the endemic birds of the conservation and release programme, such as the Mauritius Kestrel (national bird), the Mauritius Fody, the Grey White-eye, and the Mascarene Paradise Flycatcher. These proteins also serve to nourish endemic insects like the Pyrgacris relictus grasshopper or the Pachystyla bicolor snail. Employees support this initiative by donating their egg cartons to the NGO, thus creating a more favourable environment for the survival and reproduction of the insects.

In Madagascar, a reforestation project was signed two years ago, in which LFL commits to reforesting 10 hectares annually (planting productive species) in the Andringitra massif (Analamanga). The goal was achieved this year. Another reforestation and responsible farming awareness project has already been signed by LFL Madagascar and will be deployed next year.

Water

Although LFL does not consume a high volume of water, the reduction of this increasingly scarce resource is monitored by the sustainability team. Thanks to daily water consumption monitoring, leak detection, and employee awareness sessions, LFL's water consumption decreased by 12% between 2023 and 2024. Of the 9.99 m^3 of water consumed per ton produced, 15% comes from LFL's underground sources. This recovered and purified water is reused on-site for truck washing, irrigation, and the biosecurity tunnel, instead of being directly released into the drains. Additionally, it is ensured that all effluents leaving the LFL site comply with regulatory standards for effluents in residential areas.

Awareness

Conservation and environmental protection goals cannot be achieved without employee participation. By involving employees in this effort, LFL aims to impact local communities and change the habits of Mauritians. To this end, the following campaigns were implemented in 2024:

- One-on-one training for 190 employees on waste management;
- Health and Safety Day talk on climate change;
- Funding for Odysseo's awareness campaign on seagrass beds;
- Agroecology session with scouts, LFL employees, Caritas South Africa, and PWC in the community garden supported by LFL;
- School trips to conservation areas or local and circular economy sites;
- Awareness sessions by Mission Verte in Pailles schools;
- Environment Day with LFL employees.

World Environment Day provided LFL an opportunity to discuss with employees on the theme: deforestation and soil desertification. On the day, internal talks and quiz competitions were organised. The Pailles staff visited Ebony Forest for educational activities and a treasure hunt on soil conservation and protection, while the Riche Terre team went to the beach for "La Fresque du Climat" activity in nature.

Process

Shaping a future of efficiency through innovation

Performance and Impact

PROCESS

In a context of mature local market and escalating costs, LFL Mauritius has managed to build solid grounds to respond to the ongoing and upcoming challenges.

Managerial structures have been consolidated namely at LFL Pailles with Technical and Operational poles each regrouped under a senior manager and at Riche Terre the appointment of an Operations Manager to support the Business Unit Manager. These senior managers report to the Country Manager.

Our technical expertise has been strengthened through an enhanced partnership with MixScience. Interactions, training, and field support have been increased and ventilated across farming and industry sectors.

Finally, this year's focus has been on Health & Safety with the appointment of a new Occupation Safety and Health Officer. Site audits have been conducted as per MixScience's international standards with the objectives to reach ISO 45001 accreditation in 2025.

Procurement

The normalisation of the world market has provided grounds to dimension supply chain and thereby optimise the number of stock days, enabling considerable reduction in cash immobilisation and currency risks.

A new challenge arose with the Suez Canal blockages and lack of containers. Proactive sourcing actions have resulted in zero shortage during this crisis period.

Improvement of storage of raw materials through proper segregation of consignments in bulk and bags has been made possible through the rental of specific and dedicated warehouses.

A new international surveyor has been appointed to sample and test soja bean meal at reception. Additionally to the control at embarkment in Argentina, we thereby secure second level verifications for the quality of the product as per purchasing criteria.

Another critical major raw material, local wheat bran, already secured through the ongoing rental of a dedicated warehouse, has been furtherly secured through an inaugural import of 300Mt to eliminate the risk of shortage at peak period.

Activities have been further diversified through storage of 2,000Mt wheat flour from LMLC and 8,600Mt of cereals from Meaders Feed. Additionally, the team has disembarked two vessels of Sugar for 84,000 Mt and re-exported a total of 675 containers of blend for LFL Madagascar.

LFL Pailles

Manpower

A major challenge for operations has been the lack of manpower on the local market; this resulted in high turnover, a high rate of absenteeism with peaks of 12% during the past year and a surge in overtime expenses. Recruiting of staff from our Malagasy operation will help to address this issue.

Health & Safety

The focus has been on Health and Safety. Further to a comprehensive Risk Analysis, challenges pertaining to the site's open-air structure have been addressed as a priority. Platforms have been added or consolidated to properly secure access to equipment and structures.

A GAP analysis has been done for ISO 45001, Occupational Health and Safety management systems. This project has been launched with the partnership of MixScience and ECS with targeted certification in 2025.

Efficiency

For better monitoring, benchmarking and improvement of our performances, a complete ERP-derived dashboard has been developed. KPI's are followed daily and reviewed monthly with our MixScience consultants.

The critical bottleneck for production was the new automatic packer. Weaknesses have been identified and addressed with supplier and partially redesigned to improve efficiency. Furthermore, pneumatic hammers have been installed on product bins thereby improving flowability.

Energy-saving initiatives have remained a key focus for this year, the energy management programme has enabled proper control of the maximum kVA demand and reduction of costs, through daily monitoring of production and maintenance KPI's. Other initiatives included the replacement of conventional lights by LED in the factory area and replacement of motors by efficient IE3 motors. The Maintenance and Energy Manager has been successfully trained on international course and achieved the status of Certified Energy Manager.

Our logistics team has worked on several projects to ensure traceability and improve customer satisfaction. The Bulk Bin Automation project has provided the missing link between operating systems eliminating human interventions and errors and enhancing traceability. Migration to a connected, secured and client-focused GPS system incorporating cameras and SMS notifications have provided a complete control and traceability of farm deliveries.

Bird nets have been installed all over the factory at Pailles to reduce presence of birds and further securing the site from contamination risks in case of bird-disease outbreak.

Markets

With the appointment of a new Marketing Manager in January 2024, the team has been able to overcome the major challenges of a mature and competitive market and improved sales volumes.

The broiler market was largely impacted by competitors' disruption in supply of day-old chicks. The integration of Avishop activities has allowed interesting opportunities to provide a complete service to farmers, a closer monitoring of the broiler market and consolidation of market share.

The layer market saw financial struggles of some key partners that required constant technical and financial support. The development of Starponte and notably national campaigns aimed at increasing national egg consumption positively impacted the total market.

The ruminant market was severely impacted by the Foot and Mouth Disease spread in southern Africa, impacting availability of live cattle for imports, and thereby severely affecting local ruminant livestock and feed sales.

Resellers' markets have been on the decline over the last decade with a shift of broiler farmers towards integrated structures and increased vulnerability of small layer farms.

LFL continued to provide customer service solutions through the sales support and logistics to directly onboard farmers, as well as the development of LFL and partners point of sales to enhance regional availability of feed for small farmers.

The development of an LFL App, provides a connected and interactive tool for our technical and commercial teams to enhance and formalise their technical support in real time with our clients.

Several initiatives have been launched towards easing customer experience at LFL through several projects namely the digitalisation of credit notes and invoicing processes, a smooth monitoring of customer credit facilities and an improved robotisation of customer order taking.

Profit

Sustaining growth by reinvesting in society

Performance and Impact

LFL Riche Terre

The major highlight for our Riche Terre factory has been the large-scale project of setting up of the new extruder line for Rs 120m and the launching of LFL Kenya to develop sales of fish feed to East Africa.

Structure

The team has been renewed and consolidated, with the appointment of an Operations Manager to support the Business Unit Manager, as well as the recruitment of new competencies at Production and Maintenance.

The enhanced team has been trained with the help of our new technical partners, Andritz, Cimbria, Geelen, ADM & MixScience.

Efficiency

The new extrusion line has provided the basis to achieve better quality products and double our production capacity.

In response to the expanding fish feed market, the pellet mill line has been optimised and doubled in capacity.

A new bagging has been launched to improve efficiency and cater for expanding export markets while reducing overtime.

Markets

Sales has continued to improve with an annual growth of 11%. New export markets have been gained in East Africa and the launching of LFL Kenya will further consolidate our presence and awareness on the markets. The development of Madagascar market has benefited from the collaboration of Farmshop for the sale of tilapia fish feed.

The new extruder line has enabled innovation in the factory with namely the optimised inclusion of locally available poultry fat and oil.

New dog food product development has also been developed on the new line.

Primate market has benefited from renewed technical expertise from our partners ADM and through continued support in accompanying their development with installation of several farm silos.

PROFIT

At a glance - LFL Group

Rs 5.8 bn
TURNOVER

Rs 3.1 bn
EQUITY

Rs 351 m
PROFIT FOR THE YEAR

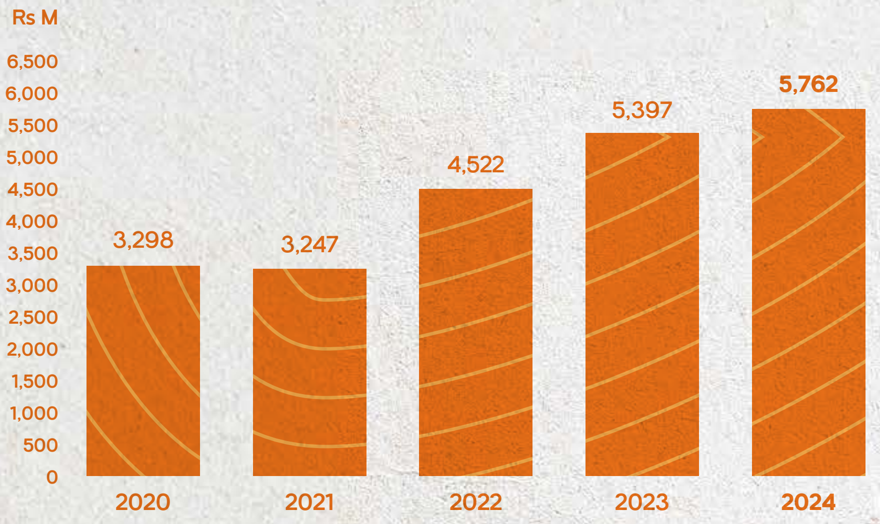
Rs 1.7 bn
MARKET CAPITALISATION

Operations

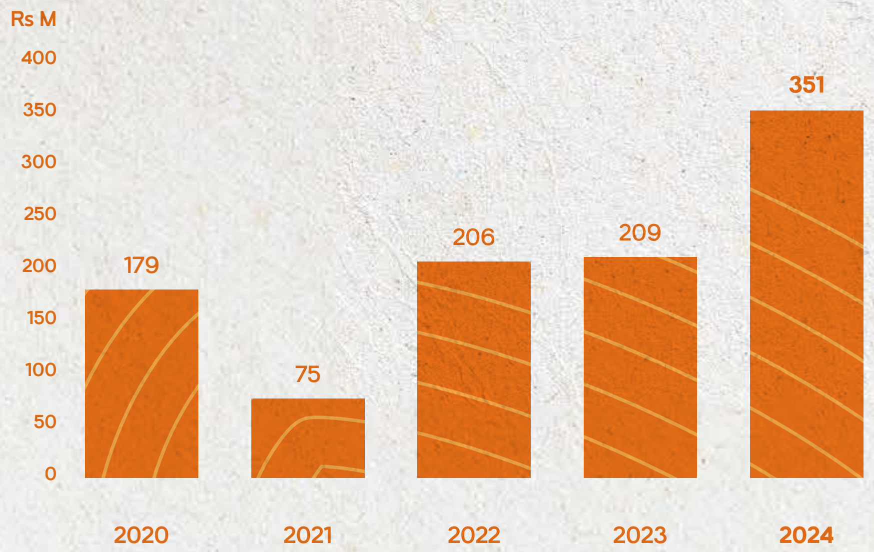
Group turnover for 2024 increased by Rs 366m to Rs 5.8bn, while Group profit for the year stood at Rs 351m, an increase of Rs 142m from a profit of Rs 209m in 2023 mainly because of increased sales volumes, improved margins and cost containment initiatives.

	2024 Rs m	2023 Rs m	Change %
Revenue	5,762	5,396	7
Operating profit	448	297	51
Profit for the year	351	209	68

Turnover



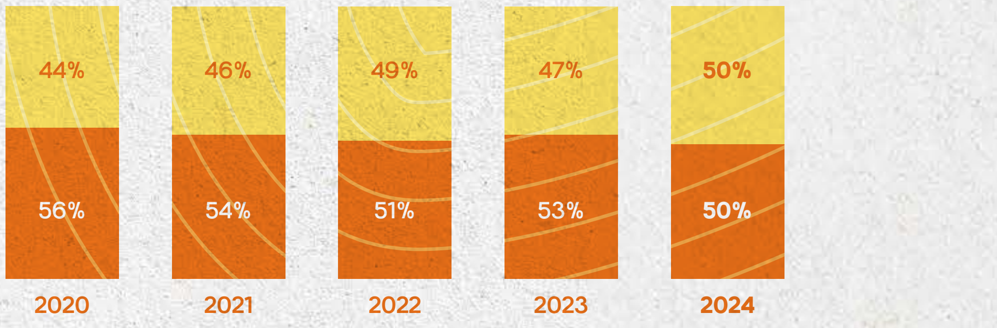
Profit for the Year



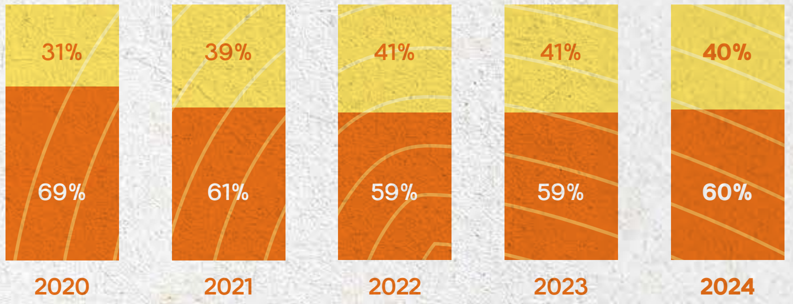
Segment overview

Both Mauritian and international operations performed well with operating profits of Rs 298m and Rs 193m respectively.

Revenue from External Customers by Operating Segment



Operating Profit by Operating Segment



Since 2004, when LFL's first foreign subsidiary was set up in Madagascar, the Group now also operates in Seychelles (2018), in Rwanda (2021) and in Kenya (2024).

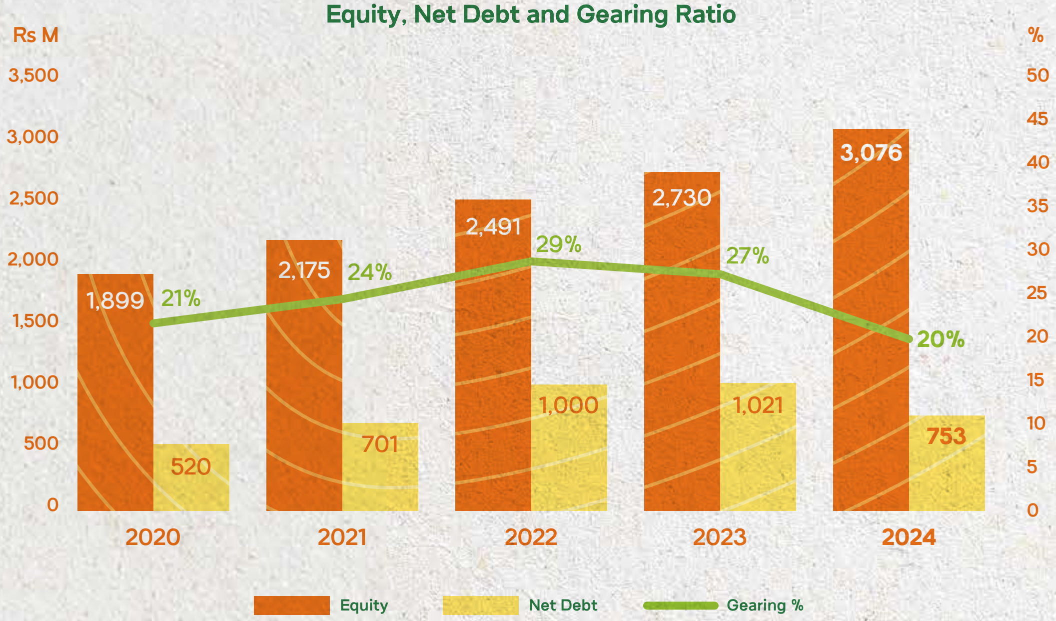
With the growing activities of LFL overseas operations, a subsidiary, LFL International Ltd, was set-up during the year to regroup all investments in foreign subsidiaries namely LFL Madagascar, LFL Seychelles, LFL Rwanda and LFL Kenya under one entity enabling the ring fencing of local and foreign operations and opening new horizons for the funding of foreign investments.

Performance and Impact

Balance sheet and gearing

Owners' interests improved by Rs 346m to Rs 3.08bn mainly due to the increased profitability. Group net debt amounted to Rs 753m a decrease of 26% over 2023 and net finance costs decreased from Rs 111m to Rs 96m. The Group gearing ratio (net debt / net debt + total equity) now stands at 20% and remains low in terms of overall Group's borrowing capacity.

Equity, Net Debt and Gearing Ratio

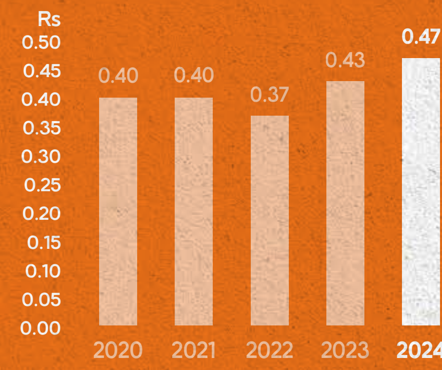


Shareholders' information

Following the distribution in specie of LFL ordinary shares by its associate LMLC during the year, at June 30, 2024, the company had 4,191 ordinary shareholders, an increase of 59% as compared with the previous year.

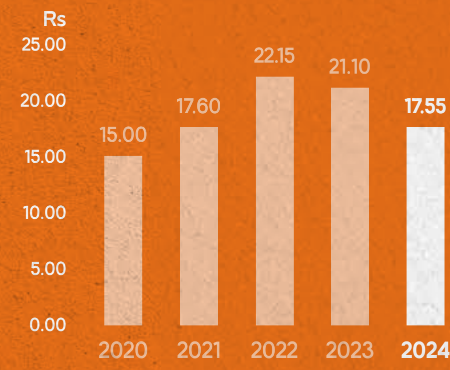
Ordinary dividend per share for FY2024 increased by 9% to Rs 0.47 (FY23: Rs 0.43). Earnings per share and net assets value per share increased by 68% and 13% respectively compared with 2023.

Dividend per Ordinary Share Restated for Bonus Issue

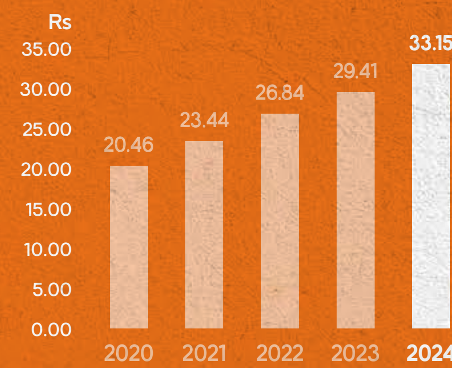


Market Value of Ordinary Shares at End of FInancial Year

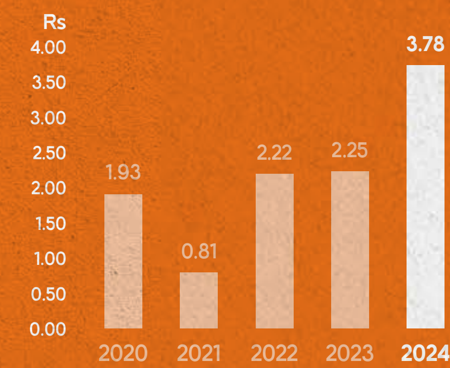
(2020 restated for 2 to 1 bonus issue)



Net Asset Value per Share Restated for Bonus Issue

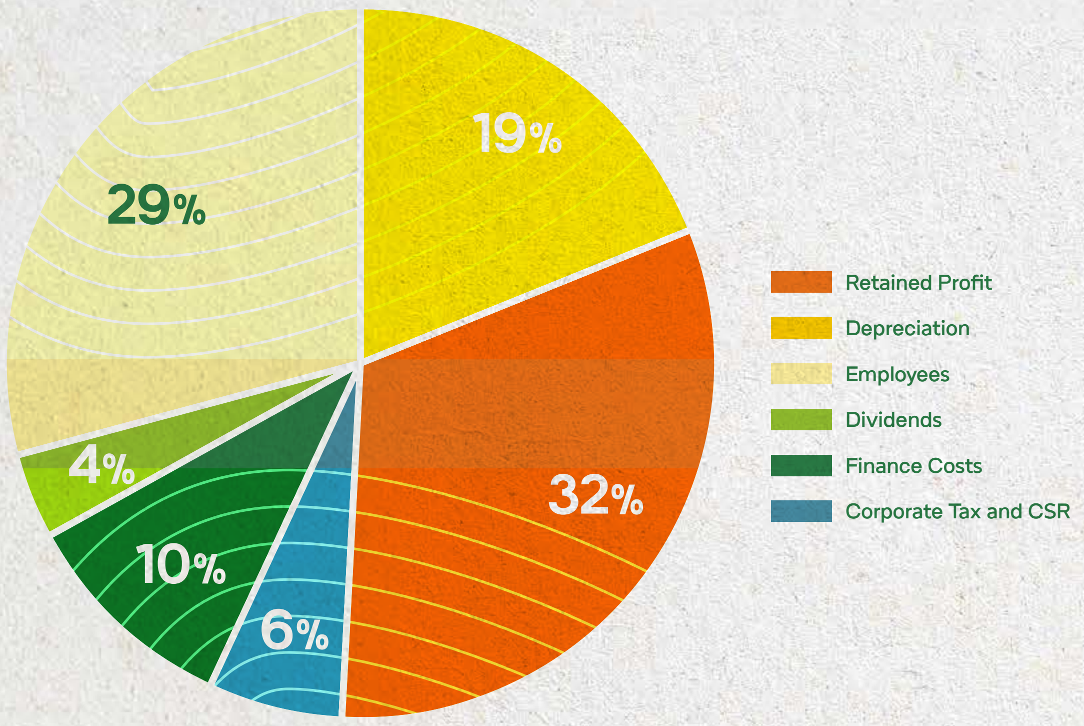


Earnings per Share Restated for Bonus Issue



Performance and Impact

Value Added Chart



Outlook

The focus in the coming year will be to continue to be on our growth strategies through increased exports volumes, investments in our overseas production equipment and improvements of our sales offerings in the countries where we operate.

Particular attention will also be maintained on cost containment even if we have seen over the last months increases in freight and logistics costs due to disturbances in the Red Sea region and a depreciation of the MUR versus the USD and the EUR impacting negatively on our imported costs of raw materials.

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, 2024:

Share option plan

The Company does not have a share option plan.

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 0.47 per ordinary share and Rs 1.20 per preference share.

Statement of Directors' Responsibilities

WITH RESPECT TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for:

[1] Adequate accounting records and maintenance of effective internal control systems;

[2] 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 IFRS Accounting Standards, International Accounting Standards (IAS) and the Mauritian Companies Act 2001;

[3] 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 pages 99 to 103.

The Directors report that:

[1] Adequate accounting records and an effective system of internal controls and risks management have been maintained;

[2] Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been consistently used;

[3] International Financial Reporting standards have been adhered to. Any departure from fair presentation has been disclosed, explained and quantified;

[4] 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;

[5] They consider that the corporate governance 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 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

Richard Arlove
DIRECTOR

September 25, 2024

Statutory Disclosures

YEAR ENDED JUNE 30, 2024

(pursuant to section 221 of the Mauritius Companies Act 221)

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, 2024.

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

LFL International Ltd: Investment holding

LFL International Kenya Ltd: Investment holding

LFL Operation (Kenya) Limited: Sale and distribution of animal feed and chicks

LFL International Seychelles Ltd: Investment holding

LFL International Madagascar Ltd: Investment holding

The principal activity of the Associate is as follows:
Les Moulins de la Concorde Ltée: Production of flour

The consolidated statements of profit or loss and other comprehensive income for the year ended June 30, 2024 is set out on page 105.

Statutory Disclosures
YEAR ENDED JUNE 30, 2024
(pursuant to section 221 of the Mauritius Companies Act 221)

3. DIRECTORATE AT JUNE 30, 2024

Livestock Feed Limited

Gérard **Boullé** (Chairperson)
Cédric **de Spéville**
Eric **Espitalier-Noël**
Gilbert **Espitalier-Noël**
Rocky **Forget**
Pierre-Yves **Pougnet**
Jean-Noël **Humbert**
Jacqueline **Sauzier**
Richard **Arlove**
Myriam **Blin**
Christel **Maucet**

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**

LFL Madagascar SA

Gérard **Boullé** (Chairperson)
Cédric **de Spéville**
Eclosia Corporate Services Madgascar Sarl represented by Jérôme **Poutot**
Avipro Co. Ltd represented by Denis Claude **Pilot**
Agrifarms Ltd represented by Gérard **Boullé**
LFL International Madagascar Ltd represented 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**
Eustache **Ngoga**

LFL International Madagascar Ltd

Gérard **Boullé**
Cédric **de Spéville**
Rocky **Forget**
Cédric **Poonisami**
Sébastien **Rae**

LFL Operation (Kenya) Ltd

Sébastien **Rae**
Fréderic **Bardothier**
Cédric **de Spéville**
Cédric **Poonisami**
Rocky **Forget**
Gérard **Boullé**

LFL International Kenya Ltd

Gérard **Boullé**
Cédric **de Spéville**
Rocky **Forget**
Cédric **Poonisami**
Sébastien **Rae**

LFL International Ltd

Gérard **Boullé**
Cédric **de Spéville**
Rocky **Forget**
Cédric **Poonisami**
Sébastien **Rae**

4. DIRECTORS' REMUNERATION

Directors' fees (including bonuses and commissions) received and receivable from the Company were Rs 3,025,000 (2023: Rs 2,675,000) by individual Non-Executive Directors.

The total remuneration and benefits received by the Executive Director during the financial year amounted to Rs 10,537,382 (2023: Rs 9,527,717).

Refer to page 31 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 subsidiary companies.

6. DONATIONS

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Charitable donations				
Livestock Feed Limited	2,118	230	2,118	230
LFL Madagascar SA	556	398	-	-
	2,674	628	2,118	230
Political donations	-	-	-	-
	2,674	628	2,118	230

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

As at June 30, 2024 and 2023, the Company had 29.13% of equity interest in Les Moulins de la Concorde Limitee ("LMLC"), an associate of the Company (Note 8 and Note 15).

8. AUDITOR REMUNERATION

The fees payable to the auditor, BDO & Co, were as follows:

	Audit Services		Other Services	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Livestock Feed Limited	1,430	1,300	-	-
Les Pondeuses Réunies Ltée	83	75	-	-
LFL Investment Ltd	83	75	-	-
	1,596	1,450	-	-

9. DIVIDENDS

Dividends of Rs 43,618,719 (2023: Rs 40,635,000) on ordinary shares and Rs 424,391 (2023: Rs 424,391) on preference shares have been declared in respect of the current year.

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

Gérard Boullé
CHAIRPERSON

Richard Arlove
DIRECTOR

September 25, 2024

Secretary's Certificate

YEAR ENDED JUNE 30, 2024

(pursuant to section 166(d) of the Mauritius Companies Act 2001)

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

September 25, 2024

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 (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 104 to 198 which comprise the consolidated and separate statements of financial position as at June 30, 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at June 30, 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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	Audit Response
Valuation of unquoted investments held at fair value through other comprehensive income (FVTOCI)	
The Group holds unquoted investments held at FVTOCI amounting to Rs 182.5m at June 30, 2024. The Group has made an irrevocable election to classify the equity investments at 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 judgments and estimations applied by 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 at fair value recognised in other comprehensive income), Note 2(g) (accounting policy), Note 3.1(a)(ii) and 3.2 (Financial Risk Management), and Note 4.1(f) (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, 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 assess if the methodologies used in the context of the relevant investments held is appropriate. We evaluated whether disclosures in the financial statements in respect of the unquoted investments were in accordance with the requirements of IFRS Accounting Standards.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's 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.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

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

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

BDO & CO
CHARTERED ACCOUNTANTS

Didier Dabydin, FCA
LICENSED BY FRC

Port Louis,
Mauritius.

September 25, 2024

Statements of Financial Position

YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**1,580,781**	1,579,527	**1,013,601**	1,038,400
Right-of-use assets	5A	**89,794**	32,176	**22,248**	11,447
Intangible assets	6	**45,686**	59,785	**23,475**	33,307
Deferred tax assets	20	**7,854**	6,456	**-**	-
Investment in subsidiaries	7	**-**	-	**377,320**	377,318
Investment in associate	8	**691,565**	643,762	**58,798**	58,798
Financial assets at fair value through other comprehensive income	9	**205,262**	198,246	**1**	1
		2,620,942	2,519,952	**1,495,443**	1,519,271
Current assets					
Biological assets	10	**5,710**	2,275	**-**	-
Inventories	11	**1,170,423**	1,041,864	**598,655**	683,674
Trade receivables	12	**459,490**	491,753	**410,579**	491,369
Prepayments and other receivables	12A	**148,500**	238,684	**79,376**	118,363
Derivative financial instruments	13	**3,463**	5,147	**3,463**	5,147
Current tax receivable	14	**18,358**	23,764	**-**	5,776
Cash and cash equivalents	30(b)	**172,455**	67,273	**55,704**	3,244
		1,978,399	1,870,760	**1,147,777**	1,307,573
Total assets		**4,599,341**	4,390,712	**2,643,220**	2,826,844
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	15	**928,058**	945,000	**928,058**	945,000
Revaluation and other reserves	16	**651,352**	594,725	**183,854**	188,391
Retained earnings		**1,496,992**	1,189,872	**711,135**	536,282
Total equity		**3,076,402**	2,729,597	**1,823,047**	1,669,673
LIABILITIES					
Non-current liabilities					
Preference shares	17	**3,536**	3,536	**3,536**	3,536
Borrowings	18	**69,722**	67,042	**-**	-
Lease liabilities	5B	**68,109**	14,176	**18,747**	11,317
Deferred tax liabilities	20	**126,972**	119,456	**96,061**	96,739
Retirement benefit obligations	19	**31,885**	31,514	**30,451**	30,301
		300,224	235,724	**148,795**	141,893
Current liabilities					
Trade and other payables	21	**395,567**	394,571	**231,510**	243,074
Borrowings	18	**679,597**	949,243	**420,126**	758,882
Bank overdraft	18A	**96,564**	51,917	**10,100**	13,067
Lease liabilities	5B	**11,567**	6,007	**5,490**	255
Current tax payable	14	**39,420**	23,653	**4,152**	-
		1,222,715	1,425,391	**671,378**	1,015,278
Total liabilities		**1,522,939**	1,661,115	**820,173**	1,157,171
Total equity and liabilities		**4,599,341**	4,390,712	**2,643,220**	2,826,844

These financial statements have been approved for issue by the Board of Directors on September 25, 2024

Gérard Boullé
CHAIRPERSON

Richard Arlove
DIRECTOR

The notes on pages 109 to 198 form an integral part of these financial statements.
Independent auditor's report on pages 99 to 103.

Statements of Profit or Loss & Other Comprehensive Income

YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Revenue	22	**5,762,228**	5,396,541	**3,652,124**	3,550,285
Cost of sales	23	**(4,852,286)**	(4,690,531)	**(3,149,306)**	(3,148,299)
Gross profit		**909,942**	706,010	**502,818**	401,986
Other income	25	**17,482**	22,854	**25,393**	54,170
Impairment of receivables	12	**(26,912)**	(6,630)	**(124)**	862
Administrative expenses	23	**(452,244)**	(424,991)	**(261,660)**	(236,737)
Operating profit		**448,268**	297,243	**266,427**	220,281
Net finance costs	26	**(95,971)**	(111,081)	**(49,931)**	(65,863)
Share of profit of associate	8(b)	**51,986**	54,118	**-**	-
Profit before income tax	27	**404,283**	240,280	**216,496**	154,418
Income tax expense	14	**(53,544)**	(31,003)	**(14,966)**	(9,239)
Profit for the year		**350,739**	209,277	**201,530**	145,179
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Gains on revaluation of property, plant and equipment	5	**-**	123,685	**-**	63,184
Deferred tax on revaluation surplus of property, plant and equipment	20	**-**	(21,700)	**-**	(9,323)
Remeasurement of post employment benefit obligations	19	**(2,259)**	844	**(2,259)**	844
Deferred tax on remeasurement of post employment benefit obligations	20	**384**	(143)	**384**	(143)
Changes in fair value of equity instruments at fair value through other comprehensive income	9(i)	**8,016**	(18,971)	**-**	-
Share of other comprehensive income of associates	8(b)/16	**24,557**	19,543	**-**	-
Cash flow hedges	16	**(2,662)**	(3,751)	**(2,662)**	(3,751)
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		**28,591**	(32,377)	**-**	-
Share of other comprehensive income of associates	8(b)/16	**-**	2,633	**-**	-
Other comprehensive income for the year - net of tax		**56,627**	69,763	**(4,537)**	50,811
Total comprehensive income for the year		**407,366**	279,040	**196,993**	195,990
Profit attributable to:					
Owners of the parent		**350,739**	209,277	**201,530**	145,179
Total comprehensive income attributable to:					
Owners of the parent		**407,366**	279,040	**196,993**	195,990
Earnings per share	28	**3.78**	2.25		

The notes on pages 109 to 198 form an integral part of these financial statements.
Independent auditor's report on pages 99 to 103.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2024

(Attributable to owners of the parent)

THE GROUP	Notes	Share Capital Rs000	Revaluation and Other Reserves Rs000	Retained Earnings Rs000	Total Equity Rs000
Balance at July 01, 2023		945,000	594,725	1,189,872	2,729,597
Profit for the year		-	-	350,739	350,739
Other comprehensive income for the year	16	-	56,627	-	56,627
Total comprehensive income for the year		-	56,627	350,739	407,366
Treasury shares received as distribution in specie	15	(16,942)	-	-	(16,942)
Dividends	29	-	-	(43,619)	(43,619)
Balance at June 30, 2024		928,058	651,352	1,496,992	3,076,402
Balance at July 01, 2022		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	29	-	-	(40,635)	(40,635)
Balance at June 30, 2023		945,000	594,725	1,189,872	2,729,597

The notes on pages 109 to 198 form an integral part of these financial statements.
Independent auditor's report on pages 99 to 103.

(Attributable to owners of the parent)

THE COMPANY	Notes	Share Capital Rs000	Revaluation and Other Reserves Rs000	Retained Earnings Rs000	Total Equity Rs000
Balance at July 01, 2023		945,000	188,391	536,282	1,669,673
Profit for the year		-	-	201,530	201,530
Other comprehensive income for the year	16	-	(4,537)	-	(4,537)
Total comprehensive income for the year		-	(4,537)	201,530	196,993
Treasury shares received as distribution in specie	15	(16,942)	-	16,942	-
Dividends	29	-	-	(43,619)	(43,619)
Balance at June 30, 2024		928,058	183,854	711,135	1,823,047
Balance at July 01, 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	29	-	-	(40,635)	(40,635)
Balance at June 30, 2023		945,000	188,391	536,282	1,669,673

The notes on pages 109 to 198 form an integral part of these financial statements.
Independent auditor's report on pages 99 to 103.

Statements of Cash flows

YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Cash flows from operating activities					
Cash generated from operations	30(a)	**620,922**	292,426	**487,075**	40,929
Interest received	25	**604**	1,686	**144**	1,429
Interest paid		**(91,697)**	(91,069)	**(52,325)**	(50,686)
Interest paid on lease		**(4,490)**	(875)	**(1,259)**	(712)
Tax paid	14(a)	**(26,547)**	(22,507)	**(3,180)**	(4,841)
Tax refunded	14(a)	**642**	-	**285**	-
Net cash generated from/(used in) operating activities		**499,434**	179,661	**430,740**	(13,881)
Cash flows from investing activities					
Acquisition of subsidiary	7/30(d)	**-**	-	**(2)**	-
Purchase of property, plant and equipment	5	**(126,409)**	(238,711)	**(47,528)**	(161,434)
Purchase of intangible assets	6	**(463)**	(4,021)	**(463)**	(3,158)
Proceeds from sale of property, plant and equipment		**1,843**	4,448	**211**	586
Proceeds from sale of equity investments at fair value through other comprehensive income		**1,854**	-	**-**	-
Dividends received		**24,259**	19,561	**55,559**	35,159
Net cash (used in)/generated from investing activities		**(98,916)**	(218,723)	**7,777**	(128,847)
Cash flows from financing activities					
Proceeds from borrowings	30(c)	**10,611,858**	8,465,063	**9,476,174**	8,452,077
Payments of borrowings	30(c)	**(10,857,957)**	(8,598,865)	**(9,789,580)**	(8,493,157)
Proceeds from borrowings from related parties	30(c)	**1,043,700**	408,550	**1,057,100**	408,550
Payments of borrowings to related parties	30(c)	**(1,082,450)**	(244,300)	**(1,082,450)**	(244,300)
Principal paid on lease liabilities	30(c)	**(12,791)**	(1,220)	**(3,680)**	(508)
Proceeds on lease liabilities	30(c)	**-**	3,497	**-**	-
Dividends paid to Company's shareholders		**(40,654)**	(576)	**(40,654)**	(576)
Net cash (used in)/ generated from financing activities		**(338,294)**	32,149	**(383,090)**	122,086
Net increase/(decrease) in cash and cash equivalents		**62,224**	(6,913)	**55,427**	(20,642)
Movement in cash and cash equivalents					
At July 01,		**15,356**	23,094	**(9,823)**	10,819
Increase/(decrease)		**62,224**	(6,913)	**55,427**	(20,642)
Effect of foreign exchange rate changes		**(1,689)**	(825)	**-**	-
At June 30,	30(b)	**75,891**	15,356	**45,604**	(9,823)

The notes on pages 109 to 198 form an integral part of these financial statements.
Independent auditor's report on pages 99 to 103.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2024

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. 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 IFRS Accounting Standards 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 Rupee 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.

Other than disclosure of accounting policies, the new standards and amendments did not have material impact on the financial statements.

IFRS 17 *Insurance contracts*

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

IAS 1 *Presentation of Financial Statements & IFRS Practice Statement 2 Making Materiality Judgements*

2. ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, amendments to published standards and interpretations issued but not yet effective (cont'd)

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. These amendments have no effect on the measurement or presentation of any items of the Company's financial statements but affect the disclosure of accounting policies of the Company. During the year, only material accounting policy information is disclosed in the Group's financial statements.

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.

IAS 12 *Income Taxes*

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.

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 01, 2024 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:

<u>Effective date January 01, 2024</u>

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.

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.

<u>Effective date January 01, 2025</u>

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

<u>Effective date January 01, 2026</u>

IFRS 9 *Financial Instruments & IFRS 7 Financial Instruments: Disclosures*

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

<u>Effective date January 01, 2027</u>

IFRS 18 *Presentation and Disclosure in Financial Statements*

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories — operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 — Presentation of Financial Statements.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS accounting standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent Company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

<u>The effective date of this amendment has been deferred indefinitely until further notice</u>

2. ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, amendments to published standards and interpretations issued but not yet effective (cont'd)

IFRS 10 *Consolidated Financial Statements and 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 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.

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 Accounting Standards 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 separable, 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).

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.

2. ACCOUNTING POLICIES (CONT'D)

(d) Investment in subsidiaries (cont'd)

***Consolidated financial statements** (cont'd)*

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 associate

Separate financial statements of the Company

In the separate financial statements of the Company, investment in associated company is 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

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 associate is accounted for using the equity method, except when classified as held-for-sale. Investment in associate is 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 are 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 associate 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 are 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
- Point of Lay

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.

2. ACCOUNTING POLICIES (CONT'D)

(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 statements of profit or loss and other 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 statements 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.

(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) De-recognition

The Group de-recognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expires; 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 entities 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.

2. ACCOUNTING POLICIES (CONT'D)

(g) Financial Assets (cont'd)

***a) Amortised cost** (cont'd)*

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.

(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, the intrinsic and time value of the options are 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 soyas and maize. 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, the intrinsic and time value of the options are designated as the hedging instrument.

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 is 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

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

(ii) Treasury shares

Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in equity attributable to the Company's equity holders.

2. ACCOUNTING POLICIES (CONT'D)

(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 realizable 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) Retirement benefit obligations

(i) 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.

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.

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. 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 contributions 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.

2. ACCOUNTING POLICIES (CONT'D)

(m) Current and deferred income tax (cont'd)

Deferred tax (cont'd)

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 Rupee, the currency of the primary economic environment in which the entity operates ("functional currency"), except for the subsidiaries located in Madagascar, Seychelles, Rwanda and Kenya and whose functional currency is the Madagascar Ariary (MGA), the Seychellois Rupee (SCR), the Rwandan Franc (RWF) and the Kenyan Shillings (KES) respectively. The consolidated financial statements are presented in Mauritian Rupee.

(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, buildings 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 IFRSs 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.

2. ACCOUNTING POLICIES (CONT'D)

(o) Leases (cont'd)

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).

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 changed 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 discount 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 or 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 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). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

(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) Dividend distribution

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.

2. ACCOUNTING POLICIES (CONT'D)

(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.

(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 separately 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.

(w) Impairment of non-financial assets

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

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.

Categories of financial instruments

		THE GROUP		THE COMPANY	
At June 30, 2024	IFRS Classification	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Financial assets:					
Financial assets at fair value through other comprehensive income (Note 9)	Fair value	**205,262**	198,246	**1**	1
Trade receivables (Note 12)	Amortised cost	**459,490**	491,753	**410,579**	491,369
Other receivables (see note below) (Note 12 A)	Amortised cost	**72,297**	62,513	**25,903**	64,122
Derivative financial instruments (Note 13)	Fair value	**3,463**	5,147	**3,463**	5,147
Cash and cash equivalents (Note 30(b))	Amortised cost	**172,455**	67,273	**55,704**	3,244
Total financial assets		**912,967**	824,932	**495,650**	563,883
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	**315,802**	327,080	**205,767**	201,524
Borrowings (Note 18)	Amortised cost	**749,319**	1,016,285	**420,126**	758,882
Bank overdraft (Note 18A)	Amortised cost	**96,564**	51,917	**10,100**	13,067
Lease liabilities (Note 5B)	Amortised cost	**79,676**	20,183	**24,237**	11,572
Total financial liabilities		**1,244,897**	1,419,001	**663,766**	988,581

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(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, Rwanda Franc and Kenyan Shillings.

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:

THE GROUP	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other Currencies Rs000	Total Rs000
At June 30, 2024							
Trade receivables [Note 12]	338,942	74,142	11,294	-	7,923	27,189	459,490
Other receivables [see note below][Note 12 A]	38,715	32,991	-	-	530	61	72,297
Derivative financial instruments [Note 13]	-	-	3,463	-	-	-	3,463
Cash and cash equivalents [Note 30(b)]	67,666	62,092	7,847	1,350	14,055	19,445	172,455
Total financial assets	**445,323**	**169,225**	**22,604**	**1,350**	**22,508**	**46,695**	**707,705**
Preference shares [Note 17]	3,536	-	-	-	-	-	3,536
Trade and other payables [see note below] [[Note 21]	89,463	28,896	154,989	24,239	13,120	5,095	315,802
Borrowings [Note 18]	190,500	334,342	216,227	-	-	8,250	749,319
Bank overdrafts [Note 18A]	10,100	86,464	-	-	-	-	96,564
Lease liabilities [Note 5B]	24,237	55,439	-	-	-	-	79,676
Total financial liabilities	**317,836**	**505,141**	**371,216**	**24,239**	**13,120**	**13,345**	**1,244,897**

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

THE GROUP	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
At June 30, 2023							
Trade receivables [Note 12]	338,594	101,639	1,075	199	23,225	27,021	491,753
Other receivables [see note below] [Note 12 A]	27,908	-	33,066	-	1,525	14	62,513
Derivative financial instruments [Note 13]	-	-	5,147	-	-	-	5,147
Cash and cash equivalents [Note 30(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**
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	232	38,850	11,818	1,017	-	-	51,917
Lease liabilities	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, accrued expenses and provisions have been excluded.

THE COMPANY	MUR Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
At June 30, 2024						
Trade receivables [Note 12]	329,094	81,485	-	-	-	410,579
Other receivables [see note below] [Note 12 A]	7,426	18,339	-	138	-	25,903
Derivative financial instruments [Note 13]	-	3,463	-	-	-	3,463
Cash and cash equivalents [Note 30(b)]	45,990	7,818	1,350	543	3	55,704
Total financial assets	**382,510**	**111,105**	**1,350**	**681**	**3**	**495,649**
Preference shares [Note 17]	3,536	-	-	-	-	3,536
Trade and other payables [see note below] [[Note 21]	173,415	5,897	23,712	-	2,743	205,767
Borrowings	203,900	216,226	-	-	-	420,126
Bank overdrafts	10,100	-	-	-	-	10,100
Lease liabilities	24,237	-	-	-	-	24,237
Total financial liabilities	**415,188**	**222,123**	**23,712**	**-**	**2,743**	**663,766**

Note: Prepayments, advances to suppliers, accrued expenses and provisions 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 COMPANY	MUR Rs000	MGA Rs000	USD Rs000	EUR Rs000	SCR Rs000	Other currencies Rs000	Total Rs000
At June 30, 2023							
Trade receivables [Note 12]	321,218	-	169,463	688	-	-	491,369
Other receivables [see note below] [Note 12 A]	22,751	25,215	15,897	-	259	-	64,122
Derivative financial instruments [Note 13]	-	-	5,147	-	-	-	5,147
Cash and cash equivalents [Note 30[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 [Note 21]	188,151	-	2,000	8,054	-	3,319	201,524
Borrowings	282,251	-	476,631	-	-	-	758,882
Bank overdraft	232	-	11,818	1,017	-	-	13,067
Lease liabilities	-	-	-	-	-	-	-
Total financial liabilities	**474,170**	**-**	**490,449**	**9,071**	**-**	**3,319**	**977,009**

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

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2024 Rs	2023 Rs	**2024 Rs**	2023 Rs
MGA	**0.011**	0.011	**0.011**	0.011
USD	**45.31**	45.69	**47.44**	45.55
EUR	**49.24**	49.37	**51.07**	49.47
SCR	**3.337**	3.303	**3.425**	3.435
RWF	**0.037**	0.040	**0.036**	0.038

Sensitivity analysis

At June 30, 2024, 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.

THE GROUP	2024 Rs000	2023 Rs000
MGA	+/-5% (16,796)	+/-5% (9,007)
USD	+/-5% (17,431)	+/-5% (28,209)
EUR	+/-5% (1,144)	+/-5% (660)
SCR	+/-5% 469	+/-5% 2,175

THE COMPANY	2024 Rs000	2023 Rs000
USD	+/-5% (5,551)	+/-5% (14,863)
EUR	+/-5% (1,118)	+/-5% (418)
SCR	+/-5% 34	+/-5% 34

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(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.

	Impact on Equity	
	2024 Rs000	2023 Rs000
Categories of investments:		
Designated at fair value through other comprehensive income	10,263	9,912

(b) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivatives instruments and deposits with banks and financial institutions (with credit ratings ranging from baa2 to baa3 for 2024 and 2023), 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Credit risk (cont'd)

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

	2024		2023	
	Overdue Balance Rs000	Balance Rs000	Overdue Balance Rs000	Balance Rs000
THE GROUP				
Major counterparties	38,409	357,456	48,167	364,329
Others	2,809	102,034	4,054	127,424
	41,218	459,490	52,221	491,753
THE COMPANY				
Major counterparties	-	316,722	-	369,661
Others	736	93,857	1,882	121,708
	736	410,579	1,882	491,369

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group mitigates this risk by negotiating with financial institutions to obtain the best rates.

At June 30, 2024, 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 2.6m (2023: Rs 0.3m) lower/higher for the Group and Rs 1.2m (2023: Rs 2.5m) lower/higher for the Company, mainly as a result of higher/lower interest expense on floating rate borrowings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(d) Liquidity risk (cont'd)

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. Management monitors rolling forecasts of the liquidity reserve on the basis of expected cash flows.

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.

THE GROUP	Less than 1 year Rs000	1 - 2 years Rs000	2 - 5 years Rs000	Total Rs000
At June 30, 2024				
Preference shares [Note 17]	-	-	3,536	3,536
Money market lines [Note 18]	65,000	-	-	65,000
Trade and other payables [Note 21]	395,567	-	-	395,567
Bank overdraft [Note 18A]	96,564	-	-	96,564
Import loan [Note 18]	484,062	-	-	484,062
Bank loans [Note 18]	5,035	26,681	43,041	74,757
Other loans [Note 18]	125,500	-	-	125,500
Lease liabilities [Note 5B]	16,367	20,444	65,159	101,970
	1,188,095	47,125	111,736	1,346,956
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

THE COMPANY	Less than 1 year Rs000	1 - 2 years Rs000	2 - 5 years Rs000	Total Rs000
At June 30, 2024				
Preference shares [Note 17]	-	-	3,536	3,536
Money market lines [Note 18]	65,000	-	-	65,000
Trade and other payables [Note 21]	231,510	-	-	231,510
Bank overdraft [Note 18A]	10,100	-	-	10,100
Import loan [Note 18]	216,226	-	-	216,226
Other loans [Note 18]	138,900	-	-	138,900
Lease liabilities [Note 5B]	6,875	6,875	22,125	35,875
	668,611	6,875	25,661	701,147
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
Bank 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

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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimates (cont'd)

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, 2024, the Group's strategy, which was unchanged from 2023, 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, 2024 and June 30, 2023 were as follows:

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Total debt	925,559	1,088,385	454,463	783,521
Less: cash and cash equivalents	(172,455)	(67,273)	(55,704)	(3,244)
Net debt	753,104	1,021,112	398,759	780,277
Total equity	3,076,402	2,729,597	1,823,047	1,669,673
Less: amounts recognised in equity relating to cash flow hedges (Note 16(a)/(c))	(11,515)	(8,853)	(11,515)	(8,853)
Adjusted capital	3,064,887	2,720,744	1,811,532	1,660,820
Debt-to- adjusted capital ratio	25%	38%	22%	47%

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 equipment 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 by an external valuer. 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 there is an indication impairment. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. 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 of the financial statements.

(g) Biological assets

Biological assets consist of point of lay 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 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) 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.

(j) 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.

(b) Assessment from customs

The foreign subsidiary, LFL Madagascar SA, has received a claim from the local customs department in respect of duties payable on imports relating to the years 2021 to 2024. The foreign subsidiary, upon advice from its legal advisors, is objecting this assessment and believes that its arguments are strong as the declarations made by the foreign subsidiary are in line with the Import Rules of Madagascar. The potential outcome of this assessment remains unknown.

5. PROPERTY, PLANT AND EQUIPMENT

	Land and Building Rs000	Plant and Machinery Rs000	Factory Equipment Rs000	Furniture, Fittings and Equipment Rs000	Motor Vehicles Rs000	Work-in-Progress Rs000	Total Rs000
(a) THE GROUP							
COST OR VALUATION							
At July 01, 2023	726,827	783,788	461,008	67,896	44,950	144,751	2,229,220
Additions	24,314	9,839	18,853	6,278	5,667	61,458	126,409
Transfers from work-in-progress	41,192	83,684	23,925	1,930	2,851	(153,582)	-
Transfers from Right-of-use assets (Note 5A)	-	-	2,246	-	-	-	2,246
Disposals	-	(2,987)	(411)	(393)	(1,320)	-	(5,111)
Exchange differences	8,847	5,334	19,285	1,584	1,976	979	38,005
Scrap	-	(434)	(342)	(320)	-	-	(1,096)
Adjustment	(1,001)	-	-	-	-	-	(1,001)
At June 30, 2024	800,179	879,224	524,564	76,975	54,124	53,606	2,388,672
DEPRECIATION							
At July 01, 2023	8,814	366,091	199,744	49,276	25,768	-	649,693
Reclassification adjustments	-	-	122	(122)	-	-	-
Charge for the year	35,198	45,759	54,721	6,772	6,979	-	149,429
Transfers from Right-of-use assets (Note 5A)	-	-	761	-	-	-	761
Disposal adjustments	-	(1,775)	(240)	(122)	(1,320)	-	(3,457)
Exchange differences	1,092	2,024	8,454	1,205	677	-	13,452
Scrap	-	(246)	(259)	(319)	-	-	(824)
Adjustment	(7)	(1,156)	-	-	-	-	(1,163)
At June 30, 2024	45,097	410,697	263,303	56,690	32,104	-	807,891
NET BOOK VALUES							
At June 30, 2024	755,082	468,527	261,261	20,285	22,020	53,606	1,580,781

	Land and Building Rs000	Plant and Machinery Rs000	Factory Equipment Rs000	Furniture, Fittings and Equipment Rs000	Motor Vehicles Rs000	Work-in-Progress Rs000	Total Rs000
(b) THE GROUP							
COST OR VALUATION							
At July 01, 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 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 01, 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

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and Building Rs000	Plant and Machinery Rs000	Factory Equipment Rs000	Furniture, Fittings and Equipment Rs000	Motor Vehicles Rs000	Work-in-Progress Rs000	Total Rs000
(c) THE COMPANY							
COST OR VALUATION							
At July 01, 2023	527,891	637,277	139,090	39,952	16,855	141,889	1,502,954
Additions	-	-	740	-	-	46,788	47,528
Transfers from work-in-progress	41,192	83,684	23,902	1,930	2,851	(153,559)	-
Transfers from Right-of-use assets [Note 5A]	-	-	2,246	-	-	-	2,246
Disposals	-	-	(50)	-	(1,320)	-	(1,370)
Scrap	-	(434)	(342)	(320)	-	-	(1,096)
Adjustment	(1,001)	-	-	-	-	-	(1,001)
At June 30, 2024	**568,082**	**720,527**	**165,586**	**41,562**	**18,386**	**35,118**	**1,549,261**
DEPRECIATION							
At July 01, 2023	4,749	334,812	78,992	34,199	11,802	-	464,554
Charge for the year	18,327	33,416	17,535	2,625	1,777	-	73,680
Transfers from Right-of-use assets [Note 5A]	-	-	761	-	-	-	761
Disposal adjustments	-	-	(28)	-	(1,320)	-	(1,348)
Scrap	-	(246)	(259)	(319)	-	-	(824)
Adjustment	(7)	(1,156)	-	-	-	-	(1,163)
At June 30, 2024	**23,069**	**366,826**	**97,001**	**36,505**	**12,259**	**-**	**535,660**
NET BOOK VALUES							
At June 30, 2024	**545,013**	**353,701**	**68,585**	**5,057**	**6,127**	**35,118**	**1,013,601**

	Land and Building Rs000	Plant and Machinery Rs000	Factory Equipment Rs000	Furniture, Fittings and Equipment Rs000	Motor Vehicles Rs000	Work-in-Progress Rs000	Total Rs000
(d) THE COMPANY							
COST OR VALUATION							
At July 01, 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 01, 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**

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 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 was 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 revalued amounts are based on revaluation performed as at June 30, 2023 by independent qualified valuers namely Elevante Property Services Ltd except for the properties in Madagascar which were revalued by Cabinet Razafindratandra. The Group's and the Company's plant & machinery and factory equipment revalued amounts are based on revaluation performed as at June 30, 2023 by independent qualified valuer namely Engineering Technical and Management Services Ltd.

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 buildings, core 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 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
2024				
Land	153,188	-	145,600	-
Building	-	601,894	-	399,413
Plant and machinery	-	281,119	-	212,221
Factory equipment	-	52,252	-	41,151
	153,188	**935,265**	**145,600**	**652,785**

	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**

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	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
At July 01,	867,586	789,604	595,080	553,984
Additions	130,175	48,327	105,744	34,619
Reclassification/Transfer	-	2,897	1,034	-
Disposal Adjustments	(890)	(602)	(176)	(922)
Depreciation	(73,598)	(31,933)	(48,897)	(36,579)
Fair value movement	-	89,930	-	43,978
Exchange differences	11,992	(30,637)	-	-
At June 30,	**935,265**	**867,586**	**652,785**	**595,080**

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, 2024, the most significant observable inputs for the valuation of land were as follows:

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

At June 30, 2024, the most significant unobservable inputs for the valuation of building were as follows:

	THE GROUP	THE COMPANY
	Range of Unobservable Input Rs/m²	Range of Unobservable Input Rs/m²
Buildings		
Price per square metre	**7,790 - 35,000**	**15,000 - 35,000**
At June 30, 2023:		
Buildings		
Price per square metre	**7,790 - 35,000**	**15,000 - 35,000**

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

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

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

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

	Land & Buildings		Plant and Machinery and Factory Equipment	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
THE GROUP				
Cost	608,626	535,274	578,436	483,000
Accumulated depreciation	(197,170)	(173,407)	(306,740)	(256,131)
Net book value	**411,456**	**361,867**	**271,696**	**226,869**
THE COMPANY				
Cost	376,159	334,967	433,378	350,128
Accumulated depreciation	(71,115)	(63,327)	(274,081)	(221,431)
Net book value	**305,044**	**271,640**	**159,297**	**128,697**

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Cost of sales	143,015	98,872	68,246	50,686
Administrative expenses	6,414	7,571	5,434	5,430
	149,429	**106,443**	**73,680**	**56,116**

(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 and Machinery Rs000	Total Rs000
THE GROUP				
At July 01, 2023	28,217	2,398	1,561	32,176
Additions	-	70,097	-	70,097
Transfer to property, plant and equipment (Note 5)	-	-	(1,485)	(1,485)
Depreciation	(1,498)	(14,190)	(76)	(15,764)
Exchange differences	(3,186)	7,956	-	4,770
At June 30, 2024	**23,533**	**66,261**	**-**	**89,794**
At July 01, 2022	13,808	5,885	1,710	21,403
Transfer from 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**

5A. RIGHT-OF-USE ASSETS (CONT'D)

	Land Rs000	Buildings Rs000	Plant and Machinery Rs000	Total Rs000
THE COMPANY				
At July 01, 2023	9,887	-	1,560	11,447
Additions	-	16,345	-	16,345
Transfer to property, plant and equipment (Note 5)	-	-	(1,485)	(1,485)
Depreciation	(380)	(3,604)	(75)	(4,059)
At June 30, 2024	**9,507**	**12,741**	**-**	**22,248**
At July 01, 2022	10,267	-	1,710	11,977
Depreciation	(380)	-	(150)	(530)
At June 30, 2023	**9,887**	**-**	**1,560**	**11,447**

5B. LEASE LIABILITIES

	Land Rs000	Buildings Rs000	Plant and Machinery Rs000	Total Rs000
THE GROUP				
At July 01, 2023	11,148	7,991	1,044	20,183
Additions	-	70,097	-	70,097
Interest expense	680	3,806	4	4,490
Lease payments	(700)	(16,343)	(238)	(17,281)
Termination	-	-	(856)	(856)
Exchange differences	-	2,997	46	3,043
At June 30, 2024	**11,128**	**68,548**	**-**	**79,676**
Current				11,567
Non-current				68,109
				79,676
At July 01, 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

	Land Rs000	Buildings Rs000	Plant and Machinery Rs000	Total Rs000
THE COMPANY				
At July 01, 2023	11,338	-	234	11,572
Additions	-	16,345	-	16,345
Interest expense	680	575	4	1,259
Lease payments	(700)	(4,001)	(238)	(4,939)
At June 30, 2024	**11,318**	**12,919**	**-**	**24,237**
Current				5,490
Non-current				18,747
				24,237

	Land Rs000	Plant and Machinery Rs000	Total Rs000
THE COMPANY			
At July 01, 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

(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	
	THE GROUP	THE COMPANY
June 30, 2024		
Land	3	1
Buildings	62	1
Plant and machinery	-	-
June 30, 2023		
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 lessees 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 4 years.

(e) Residual value

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, 2024, the residual value included in the calculation of the lease liabilities is nil (2023: 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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Interest expense (included in finance cost)	4,490	712	1,259	712
Total cash outflows	(17,281)	(1,220)	(4,939)	(1,220)

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

	2024 %	2023 %
THE GROUP		
Lease liabilities	6.00 - 7.50	6.25 - 7.50
THE COMPANY		
Lease liabilities	6.00 - 6.75	6.00 - 6.25

6. INTANGIBLE ASSETS

	Customer relationship Rs000	Computer software Rs000	Total Rs000
(a) THE GROUP			
COST			
At July 01, 2023	27,494	78,698	106,192
Additions	-	463	463
Exchange differences	(1,214)	305	(909)
At June 30, 2024	**26,280**	**79,466**	**105,746**
AMORTISATION			
At July 01, 2023	2,624	43,783	46,407
Charge for the year	2,695	10,930	13,625
Exchange differences	(248)	276	28
At June 30, 2024	**5,071**	**54,989**	**60,060**
NET BOOK VALUES			
At June 30, 2024	**21,209**	**24,477**	**45,686**

6. INTANGIBLE ASSETS (CONT'D)

	Customer Relationship Rs000	Computer Software Rs000	Total Rs000
(b) THE GROUP			
COST			
At July 01, 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 01, 2022	-	35,242	35,242
Charge for the year	2,929	9,996	12,925
Scrap	-	(1,209)	(1,209)
Exchange differences	(305)	(246)	(551)
At June 30, 2023	**2,624**	**43,783**	**46,407**
NET BOOK VALUES			
At June 30, 2023	**24,870**	**34,915**	**59,785**

Customer relationship

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

	Computer Software	
	2024 Rs000	2023 Rs000
(c) THE COMPANY		
COST		
At July 01	72,118	70,169
Additions	463	3,158
Scrap	-	(1,209)
At June 30	**72,581**	**72,118**
AMORTISATION		
At July 01	38,811	30,674
Charge for the year	10,295	9,345
Scrap	-	(1,208)
At June 30	**49,106**	**38,811**
NET BOOK VALUES		
At June 30	**23,475**	**33,307**

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Administrative expenses	**13,625**	**12,925**	**10,295**	**9,345**

7. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2024 Rs000	2023 Rs000
Unquoted		
COST		
At July 01	377,318	274,818
Additions	2	102,500
At June 30	**377,320**	377,318

The Directors have reviewed the financial position and performance of the subsidiary companies and there was no indication of impairment in respect of investment in subsidiaries.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiary companies are as follows:

			2024		2023			
			Proportion of Ownership		Proportion of Ownership			
Name	Stated Capital	Class of Shares Held	Direct	Indirect	Direct	Indirect	Country of Incorporation and Operation	Main Business
Les Pondeuses Réunies Ltée	Rs 87,000,000	Ordinary	100%	-	100%	-	Mauritius	Sale and distribution of animal feed and chicks
LFL Investment Ltd	Rs 158,001,000	Ordinary	100%	-	100%	-	Mauritius	Investment holding
LFL International Ltd	Rs 542,501,000	Ordinary	100%	-	-	-	Mauritius	Investment holding
LFL (Seychelles) Ltd	SCR 8,115,000	Ordinary	100%	-	100%	-	Seychelles	Sale and distribution of animal feed and chicks
LFL International Madagascar Ltd	Rs 450,000,000	Ordinary	-	100%	-	-	Mauritius	Investment holding
LFL Madagascar SA	MGA 2,744,540,000	Ordinary	-	100%	100%	-	Madagascar	Production of animal feed
LFL International Rwanda Ltd	Rs 92,500,000	Ordinary	-	100%	100%	-	Mauritius	Investment holding
LFL Rwanda Ltd	RWF 2,745,000,000	Ordinary	-	100%	-	100%	Rwanda	Production of animal feed
LFL International Kenya Ltd	Rs 1,000	Ordinary	-	100%	-	-	Mauritius	Investment holding
LFL Operation (Kenya) Limited	KES 4,900,000	Ordinary	-	100%	-	-	Kenya	Sale and distribution of animal feed and chicks
LFL International Seychelles Ltd	Rs 1,000	Ordinary	-	100%	-	-	Mauritius	Investment holding

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.

During the year, LFL International Ltd was set up, in which the Company holds 100%. The reorganisation did not give rise to any profit or loss or retained earnings adjustments. LFL International Ltd in turn holds the foreign subsidiaries.

8. INVESTMENT IN ASSOCIATE

		THE COMPANY	
		2024 Rs000	2023 Rs000
(a)	**COST/QUOTED**		
	Investment in associate	**58,798**	58,798

		THE GROUP	
		2024 Rs000	2023 Rs000
(b)			
	Investment in associate	**691,565**	643,762
	Reconciliation to carrying amounts:		
	THE GROUP		
	At July 01	**643,762**	579,091
	Share of profit after tax and non-controlling interests	**51,986**	54,118
	Dividends	**(11,798)**	(11,623)
	Treasury shares received as distribution (Note 15)	**(16,942)**	-
		23,246	42,495
	Share of other comprehensive income	**24,557**	22,176
	At June 30	**691,565**	643,762

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
2024										
Les Moulins de la Concorde Ltée	**June 30**	**56,241**	**1,270,223**	**1,842,157**	**3,168,621**	**292,465**	**86,401**	**378,866**	**415,796**	**2,373,959**
2023										
Les Moulins de la Concorde Ltée	June 30	111,764	1,431,652	1,880,004	3,423,420	57,668	642,539	700,207	378,393	2,344,820

	Revenue Rs000	Interest Income Rs000	Depreciation & Amortisation Rs000	Interest Expense Rs000	Income Tax Expense Rs000	Profit 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		Main Business	Country of Incorporation & Operation
										Direct %	Indirect %		
2024													
Les Moulins de la Concorde Ltée	**3,265,301**	**6,581**	**(103,262)**	**(22,787)**	**(21,592)**	**178,454**	**10,027**	**188,482**	**14,273**	**29.13%**	**-**	**Milling of wheat**	**Mauritius**
2023													
Les Moulins de la Concorde Ltée	3,437,370	1,963	(86,601)	(34,160)	(18,506)	189,975	79,728	269,703	16,471	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:

THE GROUP	Net Assets at July 01, Rs000	Profit for the Year Rs000	Dividends Rs000	Other Comprehensive Income for the Year Rs000	Closing Net assets at June 30, Rs000	Ownership Interest Rs000	Interest in associate Rs000	Adjustments Rs000	Goodwill Rs000	Carrying Value Rs000
2024										
Les Moulins de la Concorde Ltée	2,344,820	178,454	(42,600)	10,027	2,373,959	29.13%	691,565	-	n/a	691,565
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)	n/a	643,762

(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 materials to Livestock Feed Limited.

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

(iii) As at June 30, 2024, the fair value of the Group's interest in Les Moulins de la Concorde Ltée which is DEM quoted was Rs 233m (2023: Rs 321m) 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) In 2023, the effect of cross shareholding was eliminated in line with IAS 28 Accounting for Investments in Associates. Also, adjustments were made to reverse fair value changes arising on revaluation of investment held by Les Moulins de la Concorde Ltée in Livestock Feed Limited.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024** Rs000	2023 Rs000
At July 1	**198,246**	217,217	**1**	1
Disposal	**(1,000)**	-	**-**	-
Change in fair value recognised in OCI	**8,016**	(18,971)	**-**	-
At June 30	**205,262**	198,246	**1**	1

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024** Rs000	2023 Rs000
Quoted:				
Equity securities - Mauritius	**22,796**	30,310	**-**	-
Unquoted:				
Equity security - Mauritius	**182,465**	167,935	**-**	-
Equity security - Madagascar	**1**	1	**1**	1
	205,262	198,246	**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		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024** Rs000	2023 Rs000
Quoted - Level 1:				
Mauritius Freeport Development Co Ltd	**19,493**	26,910	**-**	-
Constance Hotels Ltd	**1,847**	1,944	**-**	-
C-Care (Mauritius) Ltd	**1,456**	1,456	**-**	-
Unquoted - Level 3:				
Indigo Hotels & Resorts Ltd	**43,558**	43,516	**-**	-
Premier Logistics Co Ltd	**137,488**	122,000	**-**	-
Moka Sports Club (S & W Synergy Ltd)	**-**	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 SA	**1**	1	**1**	1
	205,262	198,246	**1**	1

(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 multiple-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:

Description	Fair Value at June 30,		Valuation Technique	Unobservable Inputs
	2024 Rs000	2023 Rs000		
Indigo Hotels & Resorts Ltd	**43,558**	43,516	Net asset value and PE Multiple for underlying investment	PE Multiple of 5.18 Illiquidity Discount of 20%
Premier Logistics Co Ltd	**137,488**	122,000	Dividend discount model and PE Multiple	Dividend Yield ratio 2.43% Price earnings multiple 19.2 Illiquidity Discount 25%

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

The higher the price earnings multiple, and the lower the dividend yield ratio, 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 the table above.

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
At July 1	167,936	191,034	1	1
Disposal	(1,000)	-	-	-
Change in fair value recognised in OCI	15,530	(23,098)	-	-
At June 30	182,466	167,936	1	1

10. BIOLOGICAL ASSETS

		THE GROUP	
		2024 Rs000	2023 Rs000
(a)	**At July 01**	2,275	3,520
	Purchase cost of growing and fair value gains	25,687	28,841
	Disposals and decrease due to depletion	(22,252)	(30,086)
	At June 30	5,710	2,275
	Analysed as follows:		
	Current	5,710	2,275
		5,710	2,275

(b) **The carrying amounts of biological assets are as follows:**

	THE GROUP	
	2024 Rs000	2023 Rs000
Bearer biological assets	-	-
Consumable biological assets	5,710	2,275
	5,710	2,275

(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 chicken layers of similar ages and weights, adjusted for mortality rate, which represent significant unobservable inputs. The assumption for mortality rates ranges from 0 - 4% while a 5% change in each assumption would change the fair value by Rs 286,000 [2023: Rs 114,000] 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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Raw materials	1,041,594	919,251	542,942	637,358
Work in progress	-	921	-	921
Finished goods	73,353	28,015	27,176	18,698
Packing materials and sundry consumables	38,468	35,494	38,364	35,327
Goods-in-transit	31,502	69,139	-	-
Stock provision [Note (a)]	(14,494)	(10,956)	(9,827)	(8,630)
	1,170,423	1,041,864	598,655	683,674
Cost of inventories recognised as expense in cost of sales	4,310,024	4,307,286	2,893,124	2,934,353

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.

12. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Trade receivables	545,337	550,098	412,425	493,533
Less: provision for impairment	(85,847)	(58,345)	(1,846)	(2,164)
Trade receivables - net	459,490	491,753	410,579	491,369

(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 which 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 143.7m (2023: Rs 117m) with a reputable bank (baa2) and amount due from related parties amounts to Rs 255m (2023: Rs 336m). No impairment has been considered on these categories of customers.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2024 or July 01, 2023 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, 2024 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, 2024					
Expected loss rate	0%	0%	0%	85%	
Gross carrying amount- Trade receivable	390,596	36,290	17,334	101,117	545,337
Net exposure post credit protection	261,888	27,704	13,166	98,856	401,614
Loss allowance	-	-	-	85,847	85,847

	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 01, 2023					
Expected loss rate	0%	0%	0%	57%	
Gross carrying amount- Trade receivable	314,855	120,969	12,004	102,270	550,098
Net exposure post credit protection	196,233	119,733	11,763	101,471	429,200
Loss allowance	-	-	-	58,345	58,345
THE COMPANY					
At June 30, 2024					
Expected loss rate	0%	0%	0%	35%	
Gross carrying amount- Trade receivable	390,987	10,815	5,407	5,216	412,425
Net exposure post credit protection	262,279	2,229	1,239	2,955	268,702
Loss allowance	-	-	-	1,846	1,846
At July 01, 2023					
Expected loss rate	0%	0%	0%	13%	
Gross carrying amount- Trade receivable	456,298	17,946	2,367	16,922	493,533
Net exposure post credit protection	337,676	16,710	2,126	16,123	372,635
Loss allowance	-	-	-	2,164	2,164

The closing loss allowances for trade receivables as at June 30, 2024 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
At July 01	58,345	55,729	2,164	3,669
Increase/(Decrease) in loss allowance	26,912	6,630	124	(862)
Recoveries	(442)	(4,014)	(442)	(643)
Exchange differences	1,032	-	-	-
At June 30	85,847	58,345	1,846	2,164

12. TRADE RECEIVABLES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Malagasy Ariary	74,142	101,639	-	-
Mauritian Rupee	338,942	338,594	329,094	321,218
US Dollar	11,294	1,075	81,485	169,463
Euro	-	199	-	688
Seychelles rupee	7,923	23,225	-	-
Rwandan Franc	27,189	27,021	-	-
	459,490	491,753	410,579	491,369

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

12A. PREPAYMENTS AND OTHER RECEIVABLES

	THE GROUP	
	2024 Rs000 Current	2023 Rs000 Current
Advance to suppliers	99,513	89,000
Dividends receivable	1,341	10,842
Advance to employees	2,181	1,802
Vat recoverable	13,486	41,383
Prepayment	19,407	32,133
Refundable deposits	1,323	3,863
Other receivables	11,249	59,661
	148,500	238,684

	THE COMPANY	
	2024 Rs000	2023 Rs000
Advance to suppliers	35,694	31,099
Advance to related parties	18,940	16,636
Dividends receivable	6,029	46,227
Advance to employees	934	1,259
Vat recoverable	13,193	18,213
Prepayment	2,209	2,822
Other receivables	2,377	2,107
	79,376	118,363

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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Malagasy Ariary	75,933	119,945	-	25,215
Mauritian Rupee	50,923	91,409	26,998	67,291
US Dollar	198	21,692	39,474	21,692
Other currencies	21,446	5,638	12,904	4,165
	148,500	238,684	79,376	118,363

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair Value of Assets	
	2024 Rs000	2023 Rs000
THE GROUP AND THE COMPANY		
Options	3,463	5,147
	3,463	5,147

Options

The Group and the Company use maize and soybean meal call options to hedge itself against future increases in the price of maize and soybean meal. 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.

13. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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

	2024 Rs000	2023 Rs000
THE GROUP AND THE COMPANY		
Carrying amount of derivatives	**3,463**	5,147
Change in fair value of designated hedging instruments	**5,477**	3,024
Change in fair value of designated hedged item	**5,477**	3,024
Notional amount	**3,463**	5,147
Maturity date	December 24 – March 25	September 23 - 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

		THE GROUP		THE COMPANY	
		2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
(a)	**Statement of financial position**				
	At July 01,	**(111)**	(6,854)	**(5,776)**	(6,042)
	Current tax on the adjusted profit for the year at 3%/15%/20% (2023: 3%/15/20%)	**54,390**	39,711	**25,525**	15,705
	Tax paid	**(23,418)**	(31,661)	**(51)**	(1,260)
	Tax refund	**417**	-	**60**	-
	Investment tax credit	**(25,525)**	(15,705)	**(25,525)**	(15,705)
	TDS suffered	**(95)**	-	**(95)**	-
	Corporate social responsibility paid	**(2,625)**	(1,557)	**(2,625)**	(1,105)
	Provision for corporate social responsibility for the year	**4,291**	2,728	**4,291**	2,631
	Under provision in prior years	**12,971**	-	**8,348**	-
	Exchange differences	**767**	13,227	**-**	-
		21,062	(111)	**4,152**	(5,776)
	Disclosed as follows:				
	Current tax asset	**(18,358)**	(23,764)	**-**	(5,776)
	Current tax liability	**39,420**	23,653	**4,152**	-
	Net	**21,062**	(111)	**4,152**	(5,776)
	Statement of profit or loss				
	Current tax on the adjusted profit for the year at 3%/15%/20% (2023: 3%/15/20%)	**54,390**	39,711	**25,525**	15,705
	Tax suffered on foreign dividend received	**2,437**	2,476	**2,437**	2,476
	Withholding tax	**409**	-	**409**	-
	Investment tax credit	**(25,525)**	(15,705)	**(25,525)**	(15,705)
	Tax refund	**(225)**	-	**(225)**	-
	Movement in deferred taxation account (Note 20)	**4,796**	1,793	**(294)**	4,132
	Provision for CSR	**4,291**	2,728	**4,291**	2,631
	Under provision in prior years	**12,971**	-	**8,348**	-
		53,544	31,003	**14,966**	9,239

14. INCOME TAX (CONT'D)

(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		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Profit before income tax and share of profit of associate	**352,297**	186,162	**216,496**	154,418
Tax calculated on accounting profit at 3%/17%/20% (2023: 3%/17%/20%)	**58,673**	42,426	**36,804**	26,251
Income not subject to tax	**(10,483)**	(12,245)	**(10,880)**	(5,661)
Expenses not deductible for tax purposes	**15,287**	14,051	**3,598**	1,878
Tax refund	**(225)**	-	**(225)**	-
Tax suffered on foreign income received	**2,437**	2,476	**2,437**	2,476
Withholding tax	**409**	-	**409**	-
Investment income tax credit	**(25,525)**	(15,705)	**(25,525)**	(15,705)
Under provision in prior years	**12,971**	-	**8,348**	-
Tax charge	**53,544**	31,003	**14,966**	9,239

15. STATED CAPITAL

	THE GROUP & THE COMPANY	
	Number of Ordinary Shares (Thousands)	Ordinary Shares Rs000
At June 30, 2024	**92,806**	**928,058**
At June 30, 2023	94,500	945,000

	Number of Ordinary Shares (Thousands)	Ordinary Shares Rs000	Treasury Shares Rs000	Total Rs000
Fully paid				
At July 01	94,500	945,000	-	945,000
Treasury shares purchased	(1,694)	-	(16,942)	(16,942)
At June 30	92,806	945,000	(16,942)	928,058

The total issued number of ordinary share is 94,500,000 shares (2023: 94,500,000 shares) with a par value of Rs 10 per share (2023: 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.

The Company acquired 1,694,000 of its own shares following a distribution in specie from Les Moulins de La Concorde Ltée ("LMLC") during the year. LMLC resolved to proceed with a distribution of its shareholding in the Company in the form of a dividend in specie to its ordinary shareholders. The shares are held as "treasury shares". On September 25, 2024, the board has resolved to cancel all the treasury shares.

16. REVALUATION AND OTHER RESERVES

		Notes	Revaluation Reserve Rs000	Financial Assets at FVOCI Reserve Rs000	Translation of Foreign Operations Rs000	Actuarial Reserve Rs000	Reserve of associate Rs000	Hedging Reserve Rs000	Total Rs000
	THE GROUP								
(a)	2024								
	Balance at July 1, 2023		359,605	45,679	(30,748)	(26,283)	255,325	(8,853)	594,725
	Items that will not be reclassified to profit or loss								
	Remeasurement of post-employment benefit obligations	19	-	-	-	(2,259)	-	-	(2,259)
	Deferred tax on remeasurement of post-employment benefit obligations	20	-	-	-	384	-	-	384
	Change in fair value of equity instruments at fair value through other comprehensive income	9(i)	-	8,016	-	-	-	-	8,016
	Share of other comprehensive income of associates	8(a)	-	-	-	-	24,557	-	24,557
	Cash flow hedges		-	-	-	-	-	(2,662)	(2,662)
	Items that may be reclassified subsequently to profit or loss	-							
	Currency translation differences		-	-	28,591	-	-	-	28,591
	At June 30, 2024		359,605	53,695	(2,157)	(28,158)	279,882	(11,515)	651,352

16. REVALUATION AND OTHER RESERVES (CONT'D)

		Notes	Revaluation Reserve Rs000	Financial Assets at FVOCI Reserve Rs000	Translation of Foreign Operations Rs000	Actuarial Reserve Rs000	Reserve of Associate Rs000	Hedging Reserve Rs000	Total Rs000
	THE GROUP								
(b)	2023								
	Balance at July 1, 2022		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(b)	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 associates						19,543		19,543
	Cash flow hedges		-	-	-	-	-	(3,751)	(3,751)
	Items that may be reclassified subsequently to profit or loss								
	Share of other comprehensive income of associates	8(a)	-	-	-	-	2,633	-	2,633
	Currency translation differences		-	-	(32,377)	-	-	-	(32,377)
	At June 30, 2023		**359,605**	**45,679**	**(30,748)**	**(26,283)**	**255,325**	**(8,853)**	**594,725**

		Notes	Revaluation Reserve Rs000	Actuarial Reserve Rs000	Hedging Reserve Rs000	Total Rs000
	THE COMPANY					
(c)	2024					
	At July 01, 2023		**228,910**	**(31,666)**	**(8,853)**	**188,391**
	Items that will not be reclassified to profit or loss					
	Remeasurement of post-employment benefit obligations	19	**-**	**(2,259)**	**-**	**(2,259)**
	Deferred tax on remeasurement of post-employment benefit obligations	20	**-**	**384**	**-**	**384**
	Cash flow hedges		**-**	**-**	**(2,662)**	**(2,662)**
	At June 30, 2024		**228,910**	**(33,541)**	**(11,515)**	**183,854**
(d)	2023					
	At July 01, 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(d)	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)
	Cash flow hedges		-	-	(3,751)	(3,751)
	At June 30, 2023		228,910	(31,666)	(8,853)	188,391

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings, plant & machinery and factory equipment.

16. REVALUATION AND OTHER RESERVES (CONT'D)

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 represent 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 AND THE COMPANY	Hedging Reserve	
	2024 Rs000	2023 Rs000
Items that will not be reclassified to profit or loss		
Gains/(losses) recognised on hedging instruments	(22,243)	(4,968)
Transferred to initial carrying amount of inventory	10,728	(3,885)
	(11,515)	(8,853)

17. PREFERENCE SHARES

	THE GROUP AND THE COMPANY	
	Number of Preference Shares (Thousands)	Preference Shares Rs000
At June 30, 2024	**354**	**3,536**
At June 30, 2023	354	3,536

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

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 26).

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 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Non-current				
Bank loans [Note 18(b)]	**69,722**	67,042	-	-
Current				
Bank loans	**5,035**	3,986	-	-
Money market lines	**65,000**	118,000	**65,000**	118,000
Import loan	**484,062**	663,007	**216,226**	476,632
Related party loan (Note 34)	**125,500**	164,250	**138,900**	164,250
	679,597	949,243	**420,126**	758,882
Total borrowings	**749,319**	1,016,285	**420,126**	758,882

(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 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
After 1 year and before 2 years	**26,681**	17,308	-	-
After 2 years and before 5 years	**43,041**	49,734	-	-
	69,722	67,042	-	-

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

	2024 Rs %	2024 MGA %	2023 Rs %	2023 MGA %
THE GROUP				
Bank loans	7.00	8.50 - 11.50	4.50 - 6.75	8.50 - 11.50
Money market lines	4.75 - 5.60	8.75 - 11.50	2.75 - 5.60	8.75 - 11.50
Import loan	7.559 - 7.8750	8.75 - 10.50	3.314 - 7.559	8.75 - 10.50
Related party loan	4.00	-	4.00	-

	2024 Rs %	2023 Rs %
THE COMPANY		
Bank loans	-	4.50 - 6.75
Money market lines	4.75 - 5.60	2.75 - 5.60
Import loan	7.559 - 7.8750	3.314 - 7.559
Related party loan	4.00	4.00

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

	One Year	1 to 5 Years	Total
THE GROUP			
At June 30, 2024	**679,597**	**69,722**	**749,319**
At June 30, 2023	949,243	67,042	1,016,285
THE COMPANY			
At June 30, 2024	**420,126**	-	**420,126**
At June 30, 2023	758,882	-	758,882

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

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Mauritian Rupee	**190,500**	282,251	**203,900**	282,251
Malagasy Ariary	**334,342**	257,403	-	-
US Dollar	**216,227**	476,631	**216,226**	476,631
Rwandan Franc	**8,250**	-	-	-
	749,319	1,016,285	**420,126**	758,882

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

18A. BANK OVERDRAFTS

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Current				
Bank overdrafts	**96,564**	51,917	**10,100**	13,067

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

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

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Bank overdrafts - Variable rates	96,564	51,917	10,100	13,067

	One Year Rs000	Total Rs000
THE GROUP		
At June 30, 2024	**96,564**	**96,564**
At June 30, 2023	51,917	51,917
THE COMPANY		
At June 30, 2024	**10,100**	**10,100**
At June 30, 2023	13,067	13,067

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

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Mauritian Rupee	**10,100**	232	**10,100**	232
Malagasy Ariary	**86,464**	38,850	**-**	-
US Dollar	**-**	11,818	**-**	11,818
Euro	**-**	1,017	**-**	1,017
	96,564	51,917	**10,100**	13,067

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

	2024 Rs %	2024 MGA %	2023 Rs %	2023 MGA %	2023 SCR %
THE GROUP					
Bank overdrafts	**6.75**	**9.00 - 12.40**	3.90-6.75	9.00 - 12.00	10.00

	2024 %	2023 %
THE COMPANY		
Bank overdrafts	**6.75**	3.90-6.75

19. RETIREMENT BENEFIT OBLIGATIONS

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

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Retirement benefit obligations	**31,885**	31,514	**30,451**	30,301
Amounts recognised in the statement of financial position:				
Defined pension benefits [Note 19(a)(ii)]	**13,549**	15,641	**13,549**	15,641
Other post retirement benefits [Note 19(b)(i)]	**18,336**	15,873	**16,902**	14,660
	31,885	31,514	**30,451**	30,301
Amounts charged to profit or loss:				
- Defined pension benefits [Note 19(a)(v)]	**1,524**	1,244	**1,524**	1,244
- Other post retirement benefits [Note 19(b)]	**(597)**	2,683	**(597)**	2,435
	927	3,927	**927**	3,679
Amounts charged to other comprehensive income:				
- Defined pension benefits [Note 19(a)(vi)]	**(1,888)**	2,860	**(1,888)**	2,860
- Other post retirement benefits [Note 19(b)]	**4,147**	(3,704)	**4,147**	(3,704)
	2,259	(844)	**2,259**	(844)

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(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, 2024 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.

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Present value of funded obligations	**26,748**	19,666	**26,748**	19,666
Fair value of plan assets (Note 19(a)(iv))	**(13,199)**	(4,025)	**(13,199)**	(4,025)
Deficit of funded plans	**13,549**	15,641	**13,549**	15,641

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
At July 01	**15,641**	12,005	**15,641**	12,005
Charged to profit or loss	**1,524**	1,244	**1,524**	1,244
(Credited)/charged to other comprehensive income	**(1,888)**	2,860	**(1,888)**	2,860
Transfer from Maurilait	**3,425**	-	**3,425**	-
Contributions paid	**(5,153)**	(468)	**(5,153)**	(468)
At June 30	**13,549**	15,641	**13,549**	15,641

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
At July 01	**19,666**	28,568	**19,666**	28,568
Current service cost	**798**	554	**798**	554
Interest expense	**1,083**	1,038	**1,083**	1,038
Actuarial (gain)/loss	**(1,636)**	1,402	**(1,636)**	1,402
Employees' contribution	**84**	164	**84**	164
Past service cost	-	-	-	-
Transfer from Maurilait	**6,753**	-	**6,753**	-
Benefits paid	-	(12,060)	-	(12,060)
At June 30	**26,748**	19,666	**26,748**	19,666

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
At July 01,	**(4,025)**	(16,563)	**(4,025)**	(16,563)
Transfer from Maurilait	**(3,328)**		**(3,328)**	-
Interest Income	**(357)**	(391)	**(357)**	(391)
Actuarial (loss)/gain	**(252)**	1,458	**(252)**	1,458
Employer's contribution	**(5,153)**	(468)	**(5,153)**	(468)
Employees' contribution	**(84)**	(164)	**(84)**	(164)
Cost of insuring risk benefits	-	43	-	43
Benefits paid	-	12,060	-	12,060
At June 30,	**(13,199)**	(4,025)	**(13,199)**	(4,025)

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Current service cost	**798**	553	**798**	553
Cost of insuring risk benefits	-	43	-	43
Interest expense	**726**	648	**726**	648
Total included in employee benefit expense	**1,524**	1,244	**1,524**	1,244
Actual return on plan assets	**609**	(1,067)	**609**	(1,067)

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Remeasurement on the net defined benefit liability:				
Gains on pension scheme assets	(252)	1,458	(252)	1,458
Experience losses on the liabilities	(2,206)	1,857	(2,206)	1,857
Change in assumption underlying the present value of the scheme	570	(455)	570	(455)
Actuarial (loss)/gain recognised in other comprehensive income	**(1,888)**	2,860	**(1,888)**	2,860

(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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Local equities	1,962	564	1,962	564
Overseas equities	3,219	966	3,219	966
Fixed interest	6,322	2,335	6,322	2,335
Properties	1,696	160	1,696	160
Total market value of assets	**13,199**	4,025	**13,199**	4,025

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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Discount rate	5.1%	5.4%	5.1%	5.4%
Future salary growth rate	2.0%	2.0%	2.0%	2.0%
Expected return on plan assets	5.10%	5.40%	5.10%	5.40%

(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
2024				
Discount rate (1% movement)	2,087	1,884	2,087	1,884
Future salary growth rate (1% movement)	2,120	1,944	2,120	1,944
2023				
Discount rate (1% movement)	1,783	1,588	1,783	1,588
Future salary growth rate (1% movement)	1,761	1,532	1,761	1,532

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 4.25m to the pension scheme for the year ending June 30, 2025.

(xiii) The weighted average duration of the defined benefit obligation under the funded plan are 8 years at the end of the reporting period.

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(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).

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Movement in gratuity on retirement:				
At July 01,	**15,873**	18,458	**14,660**	17,556
Liabilities of employees leaving company before June 30, 24	**10**	1	**10**	1
Total (income)/expense charged to profit or loss	**(597)**	2,683	**(597)**	2,435
Charged to other comprehensive income	**4,147**	(3,704)	**4,147**	(3,704)
Contributions and direct benefits paid	**(1,250)**	(1,567)	**(1,250)**	(1,568)
Fair value of plan assets	**(68)**	(60)	**(68)**	(60)
Exchange difference	**221**	62	**-**	-
	18,336	15,873	**16,902**	14,660

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's accounts for IAS 19 purposes.

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Current service cost	**579**	878	**579**	630
Interest expense	**784**	765	**784**	765
Past service cost	**(1,960)**	1,040	**(1,960)**	1,040
Total included in employee benefit expense	**(597)**	2,683	**(597)**	2,435

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Remeasurement on the net defined benefit liability:				
Losses/(gains) on pension scheme assets	**4,147**	(3,705)	**4,147**	(3,705)
Experience losses on the liabilities	**-**	1	**-**	1
Actuarial losses/(gains) recognised in other comprehensive income	**4,147**	(3,704)	**4,147**	(3,704)

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
At July 01,	**61**	20	**61**	20
Contribution to plan assets	**79**	125	**79**	125
Benefit paid out of plan assets	**(72)**	(85)	**(72)**	(85)
Total included in employee benefit expense	**68**	60	**68**	60

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	**2024 Rs000**	2023 Rs000
Discount rate	**5% - 6%**	5% - 6%	**5% - 6%**	5% - 6%
Future salary growth rate	**2%**	2%	**2%**	2%

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

	THE GROUP		THE COMPANY	
	Increase Rs000	Decrease Rs000	Increase Rs000	Decrease Rs000
2024				
Discount rate (1% movement)	**3,874**	**3,369**	**3,874**	**3,369**
Future salary growth rate (1% movement)	**3,616**	**3,148**	**3,616**	**3,148**
2023				
Discount rate (1% movement)	3,379	2,621	3,379	2,621
Future salary growth rate (1% movement)	3,189	2,412	3,189	2,412

The weighted average term of liabilities is 8 years.

20. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 17% (2023: 17%).

(a) 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		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Deferred tax assets	(7,854)	(6,456)	-	-
Deferred tax liabilities	126,972	119,456	96,061	96,739
	119,118	113,000	96,061	96,739

The movement on the deferred taxes account is as follows:

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
At July 01,	113,000	90,217	96,739	83,141
(Credited)/charged to profit or loss (Note 14(a))	4,796	1,793	(294)	4,132
Charged/(credited) to equity (Note 20(c))	(384)	21,843	(384)	9,466
Exchange differences	1,706	(853)	-	-
At June 30	119,118	113,000	96,061	96,739

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 01 Rs000	(Credited)/ charged to profit or loss Rs000	(Credited)/ charged to equity Rs000	Exchange differences Rs000	At June 30 Rs000
THE GROUP					
2024					
Deferred tax assets					
Retirement benefit obligations	(11,086)	834	(384)	-	(10,636)
Tax losses carried forward	(5,241)	(92)	-	229	(5,104)
Unrealised exchange loss	(776)	502	-	22	(252)
Others	(1,293)	3,879	-	(42)	2,544
	(18,396)	5,123	(384)	209	(13,448)
Deferred tax liabilities					
Property, plant and equipment	130,555	577	-	1,536	132,668
Excess capital allowance over depreciation	1,207	(655)	-	(39)	513
Others	(366)	(249)	-	-	(615)
	131,396	(327)	-	1,497	132,566
Net deferred tax liabilities	113,000	4,796	(384)	1,706	119,118
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

20. DEFERRED TAXES (CONT'D)

	At July 01 Rs000	(Credited)/ Charged to Profit or Loss Rs000	(Credited)/ Charged to Equity Rs000	At June 30 Rs000
(c) THE COMPANY				
2024				
Deferred tax assets				
Retirement benefit obligations	(5,627)	834	(384)	(5,177)
Others	203	(517)	-	(314)
	(5,424)	317	(384)	(5,491)
Deferred tax liabilities				
Property, plant and equipment	102,253	(362)	-	101,891
Others	(90)	(249)	-	(339)
	102,163	(611)	-	101,552
Net deferred tax liabilities	96,739	(294)	(384)	96,061
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

21. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Trade payables	166,816	167,684	66,035	67,768
Dividend payable	45,953	42,988	45,953	42,988
Accrued expenses	103,033	128,717	93,779	109,065
Provision for employees benefits	23,504	14,971	22,872	14,971
Other payables	56,261	40,211	2,871	8,282
	395,567	394,571	231,510	243,074

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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Malagasy Ariary	26,024	110,448	-	-
Mauritian Rupee	185,704	246,424	200,512	229,701
US Dollar	154,989	-	4,543	2,000
Euro	24,239	12,446	23,712	8,054
Other currencies	4,611	25,253	2,743	3,319
	395,567	394,571	231,510	243,074

22. REVENUE

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

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Revenue from the sale of goods	5,762,228	5,396,541	3,652,124	3,550,285

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

	Primary Geographic Markets		
	Mauritius Rs000	International Markets Rs000	Total Rs000
THE GROUP			
2024			
Timing of revenue recognition			
At a point in time	2,883,837	2,878,391	5,762,228
2023			
Timing of revenue recognition			
At a point in time	2,836,459	2,560,082	5,396,541

22. REVENUE (CONT'D)

	Primary Geographic Markets		
	Mauritius Rs000	International Markets Rs000	Total Rs000
THE COMPANY			
2024			
Timing of revenue recognition			
At a point in time	**2,711,835**	**940,289**	**3,652,124**
2023			
Timing of revenue recognition			
At a point in time	2,645,502	904,783	3,550,285

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

23. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
(a) **Cost of sales**	**4,852,286**	4,690,531	**3,149,306**	3,148,299
Administrative expenses	**452,244**	424,991	**261,660**	236,737
	5,304,530	5,115,522	**3,410,966**	3,385,036

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Depreciation (Note 5(a)/5 (c))	**149,429**	106,443	**73,680**	56,116
Amortisation (Note 6(a)/6 (c))	**13,625**	12,925	**10,295**	9,345
Depreciation on right-of-use assets (Note 5A)	**15,764**	6,607	**4,059**	530
Employee benefit expense (Note 24)	**279,514**	263,186	**177,072**	159,133
Cost of inventories recognised as expense (Note 11)	**4,310,024**	4,307,286	**2,893,124**	2,934,353
Utilities and other consumables	**108,907**	102,750	**57,921**	53,504
Transportation	**9,697**	16,692	**6,936**	7,812
Repairs and maintenance	**42,101**	42,862	**36,609**	38,982
Unloading cost	**25,279**	30,058	**25,279**	29,142
Professional fees	**68,000**	64,100	**19,754**	19,455
Management fees	**27,532**	25,398	**25,912**	24,918
Advertising and marketing expenses	**13,254**	23,221	**9,502**	5,860
General administrative expenses	**115,266**	19,952	**15,265**	11,825
Other expenses	**126,138**	94,042	**55,558**	34,061
Total cost of sales and administrative expenses (Note 23(a))	**5,304,530**	5,115,522	**3,410,966**	3,385,036

24. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Wages and salaries, including termination benefits	**253,361**	236,123	**158,206**	140,267
Social security costs	**16,922**	16,156	**10,198**	8,701
Pension cost - defined pension benefits	**1,524**	1,244	**1,524**	1,244
Pension cost - other post retirement benefits	**(597)**	2,683	**(597)**	2,435
Pension cost - defined contribution plan	**8,304**	6,980	**7,741**	6,486
	279,514	263,186	**177,072**	159,133

25. OTHER INCOME

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Interest income	**604**	1,686	**144**	1,429
Dividend income:				
- DEM quoted	**797**	-	**11,798**	11,012
- Unquoted	**4,600**	7,938	**-**	-
- Subsidiaries	**-**	-	**6,000**	35,215
Gain/(loss) on disposal of property, plant and equipment	**189**	(487)	**189**	(487)
Gain on disposal of equity investments at fair value through other comprehensive income	**854**	-	**-**	-
Others	**10,438**	13,717	**7,262**	7,001
	17,482	22,854	**25,393**	54,170

26. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Net foreign exchange gains/(losses)	**216**	(18,425)	**3,653**	(14,041)
Interest expense:				
- Bank overdrafts	**(42,854)**	(42,607)	**(3,587)**	(7,736)
- Bank loans and money market lines	**(22,144)**	(25,241)	**(22,039)**	(19,278)
- Dividends on preference shares	**(424)**	(424)	**(424)**	(424)
- Import loan	**(19,038)**	(23,672)	**(19,038)**	(23,672)
- Lease liabilities	**(4,490)**	(712)	**(1,259)**	(712)
- Swap cost	**(7,237)**	-	**(7,237)**	-
	(96,187)	(92,656)	**(53,584)**	(51,822)
	(95,971)	(111,081)	**(49,931)**	(65,863)

27. PROFIT BEFORE INCOME TAX

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 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	**797**	-	**11,798**	11,012
Dividends from subsidiaries	**-**	-	**6,000**	35,215
Gain/(loss) on disposal of property, plant and equipment (Note 25)	**189**	(487)	**189**	(487)
and (charging):				
Depreciation on:				
- owned assets (Note 5(a)/5 (c))	**149,429**	106,443	**73,680**	56,116
- right-of-use assets (Note 5A)	**15,764**	6,607	**4,059**	530
Amortisation of intangible assets (Note 6(a)/6 (c))	**13,625**	12,925	**10,295**	9,345
Employee benefit expense (Note 24)	**279,514**	263,186	**177,072**	159,133

28. EARNINGS PER SHARE

	THE GROUP	
	2024 Rs000	2023 Rs000
Profit attributable to equityholders of the Company	**350,739**	209,277
	350,739	209,277
Number of ordinary shares in issue	**92,806**	94,500
Number of ordinary shares (adjusted for reciprocal interest in 2023)	**92,806**	92,806
Earnings per share (Rs)	**3.78**	2.25

29. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2024 Rs000	2023 Rs000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended June 30, 2024 of Rs 0.47 per share (2023: Rs 0.43 per share)	**43,619**	40,635

30. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Profit before income tax	404,283	240,280	216,496	154,418
Adjustments for:				
Depreciation on property, plant and equipment (Note 5(a)/5(c))	149,429	106,443	73,680	56,116
Depreciation of right-of-use assets (Note 5A)	15,764	6,607	4,059	530
Gain on termination of lease	(856)	-	-	-
Loss/(profit) on sale of property, plant and equipment (Note 25)	(189)	(4,846)	(189)	487
Loss on scrappings/impairment of property, plant and equipment	272	-	272	554
Adjustment on property, plant and equipment	(162)	-	(162)	-
Amortisation of intangible assets (Note 6(a)/6 (c))	13,625	12,925	10,295	9,345
Gain on disposal of equity investments at fair value through other comprehensive income	(854)	-	-	-
Retirement benefit obligations (Note 19)	(1,888)	1,893	(2,109)	1,585
Dividend income (Note 25)	(5,397)	(7,938)	(17,798)	(46,227)
Interest expense (Note 27)	96,187	92,656	53,584	51,822
Interest income (Note 25)	(604)	(1,686)	(144)	(1,429)
Share of results of associates	(51,986)	(54,118)	-	-
Foreign exchange differences	17,116	(22,592)	-	-
Increase/(decrease) in loss allowance (Note 12)	26,912	6,630	124	(862)
Fair value (gain)/loss on derivative financial instruments	(978)	5,001	(978)	(3,897)
Changes in working capital				
- inventories	(128,559)	46,503	85,019	(54,294)
- consumable biological assets	(3,435)	1,245	-	-
- trade and other receivables	5,351	(154,190)	80,666	(103,290)
- Prepayment and other receivables	80,683	(3,751)	(1,211)	(43,544)
- trade and other payables	6,208	21,364	(14,529)	19,615
Cash generated from operations	620,922	292,426	487,075	40,929

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Cash in hand and at bank	172,455	67,273	55,704	3,244
Bank overdrafts (Note 18A)	(96,564)	(51,917)	(10,100)	(13,067)
	75,891	15,356	45,604	(9,823)

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

THE GROUP

	At July 01, 2023 Rs000	Cash Flows Repayment Rs000	Cash Flows Additions Rs000	Non-Cash Transactions Rs000	At June 30, 2024 Rs000
2024					
Bank loans	71,028	(44,865)	45,190	3,404	74,757
Money market line	118,000	(8,082,000)	8,029,000	-	65,000
Import loans	663,007	(2,731,092)	2,537,668	14,479	484,062
Lease liabilities (Note 5A)	20,183	(12,791)	-	72,284	79,676
Related party loans	164,250	(1,082,450)	1,043,700	-	125,500
Total liabilities from financing activities	1,036,468	(11,953,198)	11,655,558	90,167	828,995

THE GROUP

	At July 01, 2022 Rs000	Cash Flows Repayment Rs000	Cash Flows Additions Rs000	Non-Cash Transactions Rs000	At June 30, 2023 Rs000
2023					
Bank loans	79,878	(20,925)	12,984	(909)	71,028
Money market line	430,000	(7,022,000)	6,710,000	-	118,000
Import loans	495,052	(1,555,940)	1,742,079	(18,184)	663,007
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

30. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities (cont'd)

THE COMPANY

	At July 01, 2023 Rs000	Cash Flows Repayment Rs000	Cash Flows Additions Rs000	Non-Cash Transactions Rs000	At June 30, 2024 Rs000
2024					
Money market line	118,000	(8,082,000)	8,029,000	-	65,000
Import loans	476,632	(1,707,580)	1,447,174	-	216,226
Lease liabilities (Note 5A)	11,572	(3,680)	-	16,345	24,237
Related party loans	164,250	(1,082,450)	1,057,100	-	138,900
Total liabilities from financing activities	770,454	(10,875,710)	10,533,274	16,345	444,363

THE COMPANY

	At July 01, 2022 Rs000	Cash Flows Repayment Rs000	Cash Flows Additions Rs000	Non-Cash Transactions Rs000	At June 30, 2023 Rs000
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

(d) Non cash transaction

The principal non cash transactions relate to acquisition of Right-of-use assets and treasury shares received as distribution in specie in 2024. Non cash transactions on bank loans and import loans relate mainly to effect of foreign exchange differences for both 2024 and 2023. In 2023, the principal non cash transactions related mainly to acquisition of subsidiary and acquisition of Right-of-use assets.

31. 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.

32. COMMITMENTS

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

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Authorised but not contracted for	151,665	91,640	127,668	82,070
Authorised and contracted for	158,394	16,610	148,848	14,500
	310,059	108,250	276,516	96,570

33. CONTINGENT LIABILITIES

(i) Bank guarantees

At June 30, 2024, 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 Limited has provided bank guarantees to Cargo Handling Corporation Ltd, Mauritius Prison Service and Ministry of Agriculture on behalf of Livestock Feed Limited. The maturity dates are July 09, 2024, September 10, 2024 and October 09, 2024.

	THE GROUP 2024 Rs000	THE GROUP 2023 Rs000	THE COMPANY 2024 Rs000	THE COMPANY 2023 Rs000
Bank guarantees to third parties	1,068	762	1,068	762

(ii) The foreign subsidiary, LFL Madagascar SA, has an ongoing assessment with the local customs department, to which it has objected. The potential outcome of this assessment remains unknown. See also note 4.2 (b).

34. 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					
2024					
Holding company	30,247	-	559	20,000	-
Fellow subsidiary companies	562,459	1,367,517	48,331	84,000	232,210
Enterprise with common directors	-	2,448	-	-	631
Associated companies	189,967	1,240	31,527	21,500	29
	782,673	1,371,205	80,417	125,500	232,870
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
THE COMPANY					
2024					
Holding company	30,247	-	559	20,000	-
Subsidiary companies	13,290	828,039	1,201	13,400	93,008
Fellow subsidiary companies	210,497	1,161,838	12,544	84,000	186,751
Enterprise with common directors	-	2,448	-	-	631
Associated companies	189,967	1,240	31,527	21,500	29
	444,001	1,993,565	45,831	138,900	280,419
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

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, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2023: 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	
	2024 Rs000	2023 Rs000	2024 Rs000	2023 Rs000
Salaries, bonuses and car benefits	40,624	40,765	33,496	29,276
Pension and other benefits	3,124	3,104	2,843	2,168
	43,748	43,869	36,339	31,444

35. SEGMENT INFORMATION

	2024				2023			
	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	2,000,912	203,126	11,509	2,215,547	1,704,548	177,181	(4,225)	1,877,504
Sales to external customers	1,714,740	2,675,265	-	4,390,005	1,895,058	2,382,901	-	4,277,959
Gross	3,715,652	2,878,391	11,509	6,605,552	3,599,606	2,560,082	(4,225)	6,155,463
Inter segment sales	(843,324)	-	-	(843,324)	(758,922)	-	-	(758,922)
	2,872,328	2,878,391	11,509	5,762,228	2,840,684	2,560,082	(4,225)	5,396,541
Other income	59,112	12,386	(54,016)	17,482	15,577	54,285	(47,008)	22,854
Expenses	(2,633,670)	(2,697,772)	-	(5,313,960)	(2,630,893)	(2,491,259)	-	(5,122,152)
Operating profit	297,770	193,005	(42,507)	448,268	225,368	123,108	(51,233)	297,243
Share of results of associates	51,986	-	-	51,986	54,118	-	-	54,118
Segment results	349,756	193,005	(42,507)	500,254	279,486	123,108	(51,233)	351,361
Net finance cost				(95,971)				(111,081)
Profit before tax				404,283				240,280
Tax expense				(53,544)				(31,003)
Profit for the year				350,739				209,277

35. SEGMENT INFORMATION (CONT'D)

	2024			2023		
	Mauritian Operations Rs000	International Operations Rs000	Total Rs000	Mauritian Operations Rs000	International Operations Rs000	Total Rs000
Property, plant and equipment	1,100,937	479,844	1,580,781	1,131,892	447,635	1,579,527
Right-of-use assets	22,248	67,546	89,794	11,447	20,729	32,176
Intangible assets	23,475	22,211	45,686	33,307	26,478	59,785
Other assets	1,294,995	896,520	2,191,515	1,341,502	733,960	2,075,462
Associate			691,565			643,762
			4,599,341			4,390,712
Segment liabilities	726,606	796,333	1,522,939	982,564	678,551	1,661,115
Interest expense [Note 26]	53,584	42,603	96,187	51,652	41,004	92,656
Cost of sales	3,188,667	1,663,619	4,852,286	3,188,142	1,502,389	4,690,531
Additions to Property, plant and equipment	47,638	78,771	126,409	162,081	76,630	238,711
Additions to Right-of-use assets	16,345	53,752	70,097	-	-	-
Additions to Intangible assets	463	-	463	3,158	863	4,021
Depreciation [Note 5]	78,896	70,533	149,429	62,228	44,215	106,443
Amortisation [Note 6]	10,295	3,330	13,625	9,345	3,580	12,925

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, right-of-use assets and intangible assets.

The Group's main activity is that of processing animal feeds and the reportable segments are identified in terms of geographical areas.

36. SUBSEQUENT EVENTS

In July 2024, the Finance (Miscellaneous Provisions) Act 2024 was promulgated into law and requires the Company to pay a Corporate Climate Responsibility ("CCR") levy equivalent to 2% of its chargeable income. The levy will be paid in respect of the year of assessment commencing on July 01, 2024. This has been deemed to be a non-adjusting event.

The potential effect of this additional 2% levy are as follows:

	Company Rs000
Increase in deferred tax liability	11,301

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