

CASE NOYALE LIMITEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

CASE NOYALE LIMITEE

TABLE OF CONTENTS - FOR THE YEAR ENDED JUNE 30, 2023

	PAGES
DIRECTORS' REPORT	1
STATUTORY DISCLOSURES	2
STATEMENT OF COMPLIANCE	2(a)
CORPORATE GOVERNANCE REPORT	2(b) - 2(k)
SECRETARY'S CERTIFICATE	3
AUDITORS' REPORT	4 - 4(b)
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 51

DIRECTORS' REPORT - FOR THE YEAR ENDED JUNE 30, 2023

The directors have the pleasure in submitting their report together with the financial statements for the year ended June 30, 2023.

Overview

Case Noyale Limitée recorded a profit after tax of Rs 88.8m for the financial year 2022-2023 compared to a profit after tax of Rs 4.9 m for the previous financial year.

Financial Review

The Company's turnover stood at Rs 185.9m (2022: Rs 76.8m), the increase being principally due to the return of the leisure activities at the Chamarel 7 Coloured Earth Geopark ('Geopark') to pre-Covid levels.

The Seven Coloured Earth Geopark witnessed a remarkable increase in visitor numbers throughout the financial year, ultimately reaching pre-COVID levels.

The rise in revenue within the agribusiness sector can be attributed primarily to the successful initiation of a new venture involving the sale of sandalwood.

Dividends

No dividend was declared and paid during the year under review.

Outlook & Prospects

As the Geopark's operations return to normal, the management is actively pursuing significant upgrading initiatives to enhance the overall visitor experience. These efforts aim to solidify the destination's status as a must-see site in Mauritius and concurrently boost its financial performance.

Our livestock strategy will undergo a comprehensive reevaluation of the operational model, aiming to enhance the performance of this activity. The focus will be on optimizing operational efficiency.

The operations of our coffee business are currently under review, exploring strategic adjustments to better position our products for increased revenue generation..

STATUTORY DISCLOSURES - FOR THE YEAR ENDED JUNE 30, 2023

PRINCIPAL ACTIVITY

The Company is engaged in agro-related activities, tourism, leisure and property development.

DIRECTORS

The directors of the Company since July 1, 2022 and at the date of this report are:

Mr. Hector Espitalier Noël	Non-Executive Director
Mr. Eric Espitalier Noël	Non-Executive Director
Mr. Philippe Espitalier Noël	Non-Executive Director
Mr. Gustave Jean Pierre Lenoir	Independent Non- Executive Director
Mr. Christopher Hart De Keating	Independent Non- Executive Director
Mr. Jerome Harel	Independent Non- Executive Director
Mr. Thierry Montocchio	Non-Executive Director
Mr Thierry Sauzier	Executive Director

DIRECTORS SERVICE CONTRACTS

There are no service contracts between the Company and directors.

DIRECTORS' REMUNERATION

Remuneration and benefits received and receivable from the Company were as follows:

	2023	2022
	Rs.	Rs.
Executive Director	-	-
Non-Executive - Full-time	-	-
- Part-time	157,500	112,500
	<u>157,500</u>	<u>112,500</u>

AUDITORS' REMUNERATION

	2023	2022
	Rs.	Rs.
Audit fees (BDO)	<u>501,000</u>	<u>440,000</u>

DONATIONS

The Company did not make any donation during the years ended 30 June 2023 and 30 June 2022.



.....
DIRECTOR



.....
DIRECTOR

Date : April 1, 2024

STATEMENT OF COMPLIANCE**(Section 75 (3) of the Financial Reporting Act)****Name of PIE: CASE NOYALE LIMITEE****Reporting Period: 1st July 2022 – 30th June 2023**

Throughout the year ended 30 June 2023, to the best of the Board's knowledge, Case Noyale Limitée (the "Company") has complied with the National Code of Corporate Governance for Mauritius (2016) (the "Code"). Case Noyale Limitee has applied the eight principles set out in the Code and explained how these principles have been applied.

SIGNED BY:

Names:
CHAIRPERSON

.....
DIRECTOR

DATE: April 1, 2024

DATE: April 1, 2024

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

Case Noyale Limitee (“the Company” or “CNL”) is qualified as a Public Interest Entity pursuant to the Financial Reporting Act 2004 and is therefore required to apply the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) (the “Code”).

1. PRINCIPLE 1 - GOVERNANCE STRUCTURE

The Board assumes responsibility for leading and controlling the Company and is collectively responsible for its long-term success, reputation and governance while meeting all legal and regulatory requirements. The Board has applied this principle by:

- a. Approving an organisational chart and a statement of accountabilities which will be uploaded on the website of the Company (<https://agria.mu/>)
- b. Adopting the Code of Ethics of Rogers and Company Limited (“Rogers”), the Company being indirectly a subsidiary of Rogers. The Rogers’ Code of Ethics will be available on <https://rogers.mu/content/policies>; and
- c. Identifying the key senior governance positions within the Company, namely:
 - a. The Chief Executive Officer;
 - b. Chief Finance Officer and MLRO;
 - c. Head of Agriculture;
 - d. Business Manager-Smart Farming, Hunting & Garage;
 - e. Project Manager and DMLRO;
 - f. Manager- Land and Property;
 - g. Property Operations Executive;
 - h. Compliance Officer;
 - i. Data protection Officer; and
 - j. People Operations Manager.

Their position statements will be available on the website of the Company at <https://agria.mu/>.

The Board has further resolved that the Company would not adopt a board charter for the financial year ended 30 June 2023 as the contents of a board charter are already covered in the Company’s Articles of Association and the prevailing legislation, rules and regulations.

2. PRINCIPLE 2 - THE STRUCTURE OF THE BOARD

As at 30 June 2023, the Company was headed by a unitary board which comprises nine directors. All directors of the Company reside in Mauritius. The size of the Board is determined by the provisions of the memorandum and Articles of Association of the Company, that is, a minimum of 5 and a maximum of 9 directors. A copy of the Memorandum and Articles of Association is available on the Company’s website at <https://agria.mu/>.

The Company has ensured that the Board includes an appropriate combination of executive, non-executive and independent directors. The Board consists of eight male directors and one female director and the Board is of the view that the size and level of diversity is commensurate with the sophistication and scale of the Company. The Board is also of the view that given the size and level of operations of the Company, there is an appropriate combination of executive and non-executive and independent directors. The definitions of executive, non-executive and independent are in line with those provided by the Code.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

Mrs. Aruna Radhakeessoon resigned as director of the Company on 30 August 2022. On 31 August 2022, upon the recommendation of the Nomination Committee of Rogers, which oversees the governance matters of the Company, Ms. Pauline Sybille Cheh Seeyave was appointed as director of the Company by the directors of the Company to fill casual vacancy following resignation of Mrs. Aruna Radhakeessoon.

The profiles of the directors will be made available on the website of the Company at <https://agria.mu/>. Moreover, the list of directorships of each director will be made available upon request from the Company Secretary.

The categories and respective balance of skills are set out in Table 1.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

	NAME OF DIRECTORS									
	Hector Espitalier- Noël	Eric Espitalier- Noël	Philippe Espitalier- Noël	Christopher Hart de Keating	Jerome Harel	Thierry Montocchio	Aruna Radhakeesoo n	Thierry Sauzier	Jean Pierre Lenoir	Pauline SEYAVE
Appointment Date	19/03/1997	01/11/2000	24/04/2005	09/02/2018	28/02/2019	28/08/2019	10/06/2021 upto 30/08/2022	24/11/2021	05/05/2013	31/08/2022
Category	NED	NED	NED	NED	INED	NED	NED	ED	NED	NED
Skills										
Board Matters	X	X	X		X	X	X	X	X	X
Accounting	X					X				X
Business	X	X	X	X	X	X	X	X	X	X
Governance	X	X	X				X	X		
Legal	X						X			
Financial	X	X	X			X		X		X
Financial Reporting						X				X
HR	X	X	X				X			
Communication	X	X	X	X			X	X	X	
Entrepreneurial	X	X	X	X	X	X	X	X	X	
Risk and Audit	X	X	X	X		X	X			X
Strategic Dimension	X	X	X	X	X	X	X	X	X	
Knowledge of FinTech Business			X				X			
Knowledge of Hospitality Business	X	X	X			X	X			X
Knowledge of Logistics Business		X	X				X			
Knowledge of the Property Business	X	X	X				X			
International Exposure	X	X	X			X		X		X

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

PROFILE OF DIRECTORS

ESPITALIER-NOËL Marie André Eric

(64 Years)

Non-Executive Director

APPOINTED

01 November 2000

NATIONALITY

Mauritian

RESIDENCY

Mauritius

QUALIFICATIONS

- Bachelor's degree in Social Sciences (University of Natal, South Africa)
- Master of Business Administration (University of Surrey, UK)
-

ESPITALIER-NOËL Marie Maxime Hector

(65 Years)

Non-Executive Director and Chairman

APPOINTED

19 March 1997

NATIONALITY

Mauritian

RESIDENCY

Mauritius

QUALIFICATIONS

- Member of the Institute of Chartered Accountants in England and Wales
- Leadership Course – INSEAD Business School

ESPITALIER-NOËL Marie Hector Philippe

(58 Years)

Non-Executive Director

APPOINTED

24 April 2005

NATIONALITY

Mauritian

RESIDENCY

Mauritius

QUALIFICATIONS

- BSc in Agricultural Economics (University of Natal, South Africa)
- Master of Business Administration (London Business School)

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

HAREL Jerome Guy Antoine
(65 Years)
Independent Non-Executive Director

APPOINTED
28 February 2019

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- University of Surrey – MBA Administration
- University of Natal – Bachelors in Agricultural Management

HART DE KEATING Edouard Philippe Christopher
(52 Years)
Independent Non-Executive Director

APPOINTED
09 February 2018

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- Université of Paris Dauphine - 'Maîtrise Audit et Contrôle de Gestion'
- Diploma in Strategy from HEC Paris

LENOIR Gustave E. Jean Pierre
(78 Years)
Independent Non-Executive Director

APPOINTED
06 May 2013

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- l'Ecole Supérieure de Journalisme of Lille(France)

MONTOCCHIO Francois Thierry
(50 Years)
Non-Executive Director

APPOINTED
28 August 2019

NATIONALITY
Mauritian

RESIDENCY
Mauritius

SAUZIER Thierry Raymond
(55 Years)
Executive Director

APPOINTED
23 November 2021

NATIONALITY
Mauritian

RESIDENCY
Mauritius

SEELYAVE Pauline Sybille Cheh
(49 Years)
Independent Non-Executive Director

APPOINTED
31 August 2022

NATIONALITY
Mauritian

RESIDENCY
Mauritius

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

QUALIFICATIONS

- Bachelor of Commerce – University of Cape Town
- Post Graduate Diploma in Accounting - University of Cape Town (1997)
- Member of the South African Institute of Chartered Accountants (since 2001)
- Member of the Mauritius Institute of Professional Accountants

QUALIFICATIONS

- Paris Dauphine University - Maîtrise d'Économie Appliquée
- Licensed stockbroker with the Stock Exchange of Mauritius

QUALIFICATIONS

- Master of Arts – St Catherine's College, University of Cambridge
- Associate of the Institute of Chartered Accountants in England and Wales

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

The Chairman of the Board is Mr. Hector Espitalier-Noël who does not have any executive responsibilities. Mr. Thierry Sauzier appointed on 24 November 2021, is the Chief Executive Officer, has executive responsibilities and oversees the day-to-day management of the Company. The function and role of the Chairman and Chief Executive Officer are separate and are available on the website of the Company at <https://agria.mu/>.

The attendance of the directors of the board meetings held during the period 1st July 2022 to 30th June 2023 is shown in Table 2 below.

Directors	BM 29.08.22	BM 13.10.22	BM 28.03.23	BM 06.06.23
Mr. ESPITALIER-NOËL Hector	/	/	/	/
Mr. ESPITALIER-NOËL Eric	/	/	/	/
Mr. ESPITALIER-NOËL Philippe	/	/	/	/
Mr. HAREL Jerome	/	/	/	X
Mr. HART DE KEATING Christopher	/	X	X	/
Mr. LENOIR Jean Pierre	/	/	/	/
Mr. MONTOCCHIO Thierry	/	/	/	/
Mr. SAUZIER Thierry	/	/	/	/
Mrs. RADHAKEESON Aruna (resigned on 30.08.22)	/	/	/	/
Mr. SEEYAVE Pauline (appointed on 31.08.22)	N/A	/	/	/

BM: Board Meeting

/: present

X: absent and excused

The Company has not constituted a risk and audit committee nor a governance committee as risk, audit and governance matters are overseen at the level of the Board of the Company as well as at the level of the board committees of Rogers.

The Company Secretaries of the Company are Ms. Sharon Ah Lin and Heena Anauth-Oodunt. Their profiles will be made available on the website.

3. PRINCIPLE 3 - DIRECTOR APPOINTMENT PROCEDURES

The Board assumes the responsibilities for succession planning and for the appointment and induction of new directors to the Board.

The Corporate Governance Committee of Rogers, acting in its capacity as Nomination Committee, recommends the appointment of directors for approval by the Board or shareholders where applicable. Details of the nomination and appointment process are available on the website of the Company (<https://agria.mu/>).

The terms and conditions of the appointment of the Non-Executive directors are available on the website of the Company (<https://agria.mu/>).

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

All directors stand for re-election at the Annual Meeting of Shareholders of the Company.

All new directors, upon joining the Board, attended and participated in an induction and orientation process. They have also received a comprehensive induction pack from the Company Secretaries.

Directors are further encouraged to attend courses to refresh their knowledge and to keep abreast of latest developments relating to their duties, responsibilities, powers and potential liabilities.

4. PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE**Legal duties**

All directors are familiar with their legal duties. They are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise. A director may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties. The Board will regularly monitor and evaluate compliance with the Rogers' Code of Ethics.

Conflict of interest

Upon being elected to the Board, directors are requested to declare their interest in the Company. Such interest is recorded in an interest register which can be consulted on the website of the Company.

Where any director is conflicted by virtue of a particular transaction, the director declares his/her interests and does not take part in decision-making. The Company Secretaries maintains a conflict of interest register and updates the register as and when required. The interest register is available for consultation to shareholders upon request to the Company Secretaries.

Given that the Company is a not listed on any stock exchange, the directors of the Company cannot deal directly in the shares of the Company.

Related party transactions

Related party transactions are adequately addressed through proper monitoring, approval and disclosure. Related party transactions are disclosed under Note 29 of the audited financial statements for the year ended 30 June 2023.

Information, information technology and information security policy

The Company is a registered controller with the Data Protection Office. In keeping with Data Protection Act 2017, the Company has endeavoured to reinforce the safety and security measures in place to protect personal data it collects, stores and processes. It has thus adopted the following documents, which are available on the website of the Company:

- A Data Protection Policy, which summarises the principles which will be applied by the Company when processing data;
- A Data Protection Notice, which explains in detail to data subjects the purpose for and manner in which the Company processes data, as well as the rights of data subjects relating to the data processed; and
- An Information, Security and Technology Policy which sets out the IT safeguards which have been put in place to ensure security of data.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

The Company has also adopted a Data Protection Compliance Manual, which describes the comprehensive approach of the Company to personal data protection. Regular audits will be carried out to ensure compliance with the said Manual.

Based on its operations, the Company evaluates the need for IT hardware and software to enable a secure, cost effective and efficient management processes. These expenditures are evaluated on a case-to-case basis with specific relation to the operation for which the expenditure is considered.

Board evaluation

No board evaluation and the independent director evaluation were carried out for the financial year end under review. It is earmarked that such exercise will be carried out in the next financial year to allow new directors understand the board dynamics of the Company. Furthermore, the individual director evaluation is yet to be finalised as appropriate timing and suitable technique to conduct same, remains to be agreed.

Directors' remuneration

All Non-Executive directors are entitled to a director fee, consisting of a fixed yearly fee and an attendance fee. The Chairman of the Board is paid a higher monthly fee. The Corporate Governance Committee of Rogers, acting in its capacity as remuneration committee, reviews the remuneration of directors regularly. The remuneration of the directors for the financial year under review is set out in Table 3 below.

Table 3: Remuneration of directors for the financial year 2022/2023

Name of Directors	Attendance to BMs	Remuneration for the year ended 30 June 2023
Mr. ESPITALIER-NOËL Hector	4 on 4	56,250
Mr. ESPITALIER-NOËL Eric	4 on 4	39,375
Mr. ESPITALIER-NOËL Philippe	4 on 4	Nil
Mr. HAREL Jerome	5 on 6	39,375
Mr. HART DE KEATING Christopher	6 on 6	33,750
Mr. LENOIR Jean Pierre	6 on 6	39,375
Mr. MONTOCCHIO Thierry	6 on 6	Nil
Mr. SAUZIER Thierry Raymond	4 on 4	Nil
Mrs. RADHAKEESON Aruna (resigned on 30.08.2022)	5 on 6	Nil
Mrs. SEEYAVE Pauline (appointed on 31.08.22)	3 on 4	30,000

The Company has not put in place any long-term incentive plan, share options or bonuses schemes associated with the organisational performance.

A directors' and officers' liability insurance policy has been subscribed to and renewed by Rogers. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of Rogers Group. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

5. PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

The board of directors is responsible for the governance of risks of the Company and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board is committed to continuously maintain adequate control procedures with a view to safeguarding the assets and reputation of the Company. Areas with high residual risks are continuously assessed and reviewed with the assistance of the internal audit department.

Management is accountable to the Board for the design, implementation and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the three lines model: (i) People, Process and Technology, (ii) Management and Oversight and (iii) Internal Audit. Statutory auditors provide external assurance on an annual basis.

The external service providers include the External Auditors who provide additional assurance in terms of compliance with legislative and regulatory requirements. They also satisfy requests by management and the governing body to complement internal sources of assurance.

The Risk Management and Audit Committee ('RMAC') of the parent company (Rogers and Company Ltd- 'Rogers') and the Board monitor the effectiveness of risk management and internal control systems. The RMAC and the Board perform an oversight role to ensure that risks are managed effectively. Significant issues including financial risks, critical policies, judgements and estimates are reviewed and discussed at RMAC level with the external auditors. The appropriate financial reporting procedures are in place and are operating.

The monitoring of the effectiveness of risk management and internal control systems includes:

- A clear system of delegated authorities from the Board to management with certain important matters remaining with the Board;
- Regular review of results against budgets with executive directors and management, including areas of business risk;
- Review of the strategic plans to identify risks to the achievement of objectives and, where appropriate any relevant mitigating actions; and
- Legal and compliance risks which are addressed through specific policies and training including ethics and data protection laws.

Risk Management Process

The risk management process is clearly defined, well-established and embedded in the day-to-day activities.

Identification, analysis and evaluation of risks

Risks are identified, analysed and evaluated in light of the probability of occurrence and their likely impact as follows:

- Through regular management meetings whereby emerging/new and other operational and compliance risks are identified as well as activities and processes that gave rise to the risks;
- During audits carried out by internal and external auditors or appointed specialist consultants;
- Financial and strategic risks are identified at time of preparation of the annual budget and strategic plans; and
- Self-assessment exercise performed by management.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

The existing group malpractice reporting policy sets out the process whereby information relating to questionable practices within the group is disclosed in good faith by employees. Employees are encouraged to raise such questionable practices to their direct reporting manager or Group Chief Human Resources Executive at Rogers. The latter will consequently report to the Group CEO who will approve any required investigations.

Treatment, monitoring and reporting

- Management devise appropriate mitigating strategies in light of the business model and set their risk appetite. Options available are discussed, evaluated and consequently, the Business Risk Register is updated and reviewed. Implementation of remedial actions is performed and monitored.
- Legal and regulatory compliance risks which are addressed through specific policies and training including ethics and data protection laws; and
- Principal risks are reported by management to the CEO of Case Noyale, to the RMAC and the board of directors.

There were no material shortcomings in the design and effectiveness of internal controls, governance and risk management reported during the year.

Principal Risks

The principal risks and their corresponding mitigating actions identified were as follows:

Risks	Descriptions and context	Strategic responses and mitigating actions
Strategic		
Economic and market	Business activities linked with tourism and leisure may be impacted by several factors, such as high inflation, competition and global economic recession.	- Consolidating profitable activities, such as Chamarel 7 Coloured Earth - Launching of a 15-years' property development programme.
Financial		
Credit	Inability to meet financial obligations.	Negotiations with banks and other providers of finance.
Operational		
Pandemic/ Epidemic	New pandemic may result in travel restrictions leading to less tourists.	- Crisis committee and protocols are in place. - Target local clients.
Climate Change and Environment	Man-made environmental disasters and environmental risk such as global warming, torrential rains, flash floods and extreme cyclones impacting tourism and leisure activities.	- Sustainability charter put in place. - Dedicated team for sustainability, while working on several measures / projects such as recycling, green waste management and replantation of endemic plants.
Talent Engagement	- Loss of key personnel and lack of succession plan for key staffs. - Lack of motivation. - Lack of adequate / missing skills in business and capability gaps in current teams.	- Performance evaluation reviews performed at all levels of staff. - Introduction of agile work practices and recognition programs. - Identification of critical positions and development of in-house candidates for leadership.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

Compliance		
Legal and regulatory compliance	•	Changes to laws and regulations not communicated and training not provided.
	•	Failure to comply with internal policies and operating procedures manual.
	•	Inadequate compliance and risk culture.
	•	Compliance with Remuneration Orders for Livestock and Sugar Industry and all relevant regulations.
	•	Communication of new laws and regulations.

6. PRINCIPLE 6 - REPORTING WITH INTEGRITY

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation. The accounts adhere to IFRS, IAS and the Companies Act.

Having taken all the matters considered and brought to its attention during the year under review, the Board is satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable.

The full annual report will be uploaded on the website of the Company (<https://agriam.mu/>).

PRINCIPLE 7 - AUDIT**Internal Audit**

Internal audit function which is outsourced to the Rogers, reports directly to the RMAC and ensures adherence of processes and controls to the Rogers Guidelines & Policies Manual. One of the responsibilities of the internal audit function is to confirm to the RMAC the effective operation of our internal control system. For this purpose, the Head of Internal Audit makes quarterly presentations to the RMAC and meets regularly with the Chairman of the Committee without the presence of management. The internal audit team also reports to the board of directors following audits carried out.

Audit plan and department

Internal audit plan is prepared using a risk-based approach which includes the changes in risk profiles and emerging risks. The plan is set for three years and is reviewed and approved by the RMAC on an annual basis to incorporate the changing risk landscape. There were no audits carried out during the financial year under review. An internal audit is planned for next financial year 2024.

Audit reports and recommendations are prepared following each audit and appropriate measures are then taken to ensure that all recommendations are implemented. Status reports on management's implementation of internal audit recommendations are provided to the RMAC on a quarterly basis. Members of the internal audit team are qualified or partly qualified accountants. The structure and qualifications of the key members of the Risk & Audit Department is detailed on the Rogers website.

External Audit**Appointment**

BDO was re-elected as external auditors on 19 April 2023 for the current financial year. BDO has been re-elected as external auditor since more than 5 years.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

Effectiveness

External audit process, planning, observations, recommendations, and accounting principles are evaluated and discussed with the Risk Management and Audit Committee.

Non-audit services

For the year under review, there were no non-audit services rendered by the external auditor, BDO.

External Audit**Appointment**

BDO was re-elected as external auditors on 19 April 2023 for the current financial year.

BDO has been re-elected as external auditor of the Company since more than 6 years.

Effectiveness

External audit process, planning, observations, recommendations, and accounting principles are evaluated and discussed with the Risk Management and Audit Committee.

Non-audit services

For the year under review, there were no non-audit services rendered by the external auditor, BDO.

7. PRINCIPLE 8 - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Company is a subsidiary of Rogers. Communication with the shareholders and other stakeholders is done mainly through the Audited Financial Statements, Meeting of Shareholders, meetings with investors and the website. The relevant stakeholders have, as and when required, been involved in a dialogue regarding the Company's position, performance and outlook.

The Company's transition from the sugar industry into agri-business and real estate in a competitive context underscores the importance of sustainability in its current business model. To guide its sustainability efforts, the Company has adopted the Rogers' group sustainability framework, focusing on two main pillars: environmental and social actions.

In the financial year 2022/23, The Company implemented various sustainability projects in Bel Ombre. This initiative promotes environmentally friendly farming practices while supporting local communities.

On the social pillar, the Company has demonstrated its commitment by providing facilities for the operation of an NGO (Caritas) and a social enterprise (Fey Palmis) in Bel Ombre. By offering infrastructure support, the Company contributes to community development and welfare, aligning with its social responsibility objectives.

Furthermore, the Company has made strategic decisions to select partners based on environmental and social criteria for operations on its land. For instance, the Company hosts the glass recycling cooperative Plankton in Bel Ombre, supporting circular economy initiatives and environmental sustainability. Additionally, the Company collaborates closely with its sister company, Rogers Hospitality Operations Ltd, in Chamarel and Bel Ombre, leveraging synergies to enhance sustainability practices across operations.

CORPORATE GOVERNANCE REPORT - YEAR ENDED JUNE 30, 2023

The Company recognises that sustainability is not only essential for its business success but also for the well-being of its stakeholders and the environment. The Company actively shares its commitment to sustainability with its staff, board of directors, and external stakeholders, fostering a culture of responsibility and accountability. The Company acknowledges the transformative potential of sustainable practices in the years to come, signaling its dedication to long-term environmental and social stewardship.

The substantial shareholders of the Company as at 30 June 2023 were Societe Belcase, South West Tourism Development Company Limited, holding 20.59% and 52.34% respectively of the stated capital of the Company.

Annual Meeting of Shareholders is held annually, in compliance with the Companies Act 2001 and its Memorandum and articles of association. Moreover, the notice and proxy of such meeting are sent in accordance with the Companies Act 2001 and its Memorandum and articles of association and subsequently published on the website at (<https://agria.mu/>).

In line with Principle 8 of the Code, the voting result(s) of any Annual/Special Meeting of Shareholders of the Company will be made available on the website of the Company (<https://agria.mu/>).

The Company has no formal dividend policy. Payment of dividend is subject to its profitability, its foreseeable investment, capital expenditure and working capital requirements. There was no dividend declared and paid during financial year under review.

8. OTHER MATTERS

Pursuant to the Financial Intelligence and Anti Money Laundering Act 2002 ('FIAMLA') and the guidelines issued thereto, the Company is categorised as a "real estate agent" and is required to implement an AML/CFT framework which includes:

- (i) the appointment of key officers;
- (ii) (ii) the development of policies and internal control procedures;
- (iii) (iii) procuring training programs; and
- (iv) (iv) being subject to audit and review.

The Company has appointed a Money Laundering Reporting Officer, Compliance Officer and Deputy Money Laundering Officer. Their position statements are available on the website of the Company. In the same vein, the Company has approved a compliance manual, prepared to comply with the requirements of the FIAMLA.

9. COMPLIANCE STATEMENT

Throughout the year ended June 30, 2023, to the best of the Board's knowledge, the Company has applied all the principles of the Code and explained how these principles have been applied.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year, the results of its operations and the cash flows for the year and which comply with International Financial Reporting Standard (IFRS), International Accounting Standards and the Companies Act;
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

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

The Directors report that:

- (i) adequate accounting records and an effective system of internal control and risk management have been maintained while an internal audit function has been established;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified in the interest of fair presentation; and
- (iv) the National Code of Corporate Governance for Mauritius (2016) has been adhered to in all material aspects.

SECRETARY'S CERTIFICATE

UNDER SECTION 166(d) OF THE COMPANIES ACT 2001

In my capacity as Company Secretary of Case Noyale Limitee (the "Company"), I hereby confirm that, to the best of my knowledge and belief, save for the filing of the audited financial statements of the Company for the year ended 30 June 2023, the Company has filed with the Registrar of Companies, for the year ended 30 June 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.



Company Secretary

Date: April 1, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Case Noyale Limitée

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Case Noyale Limitée (the "Company"), set out on pages 5 to 51 which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). 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.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Case Noyale Limitée (Continued)

Other Information (continued)**Responsibilities of Directors for the Financial Statements**

In preparing the financial statements, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Case Noyale Limitée (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.

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, 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



Port Louis,
Mauritius

Shabnam Peerbocus, FCA
Licensed by FRC

Date: April 1, 2024

	Notes	2023 Rs'000	2022 Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,089,218	1,106,293
Right-Of-Use Assets	5A	4,744	1,376
Investment properties	6	162,820	154,344
Financial Assets at amortised costs	7	50,090	-
		1,306,872	1,262,013
Current assets			
Inventories	8	7,804	5,992
Consumable biological assets	9	18,494	13,363
Trade receivables	10(a)	3,314	1,410
Prepayments and other receivables	10(b)	2,844	1,163
Financial Assets at amortised costs	7	59,000	-
Amounts receivable from group companies	11	67,358	34,338
Cash and cash equivalents	28(c)	2,055	14
		160,869	56,280
Total assets		1,467,741	1,318,293
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	7	7
Revaluation and other reserves		196,910	199,899
Retained earnings		1,125,812	1,036,973
Total equity		1,322,729	1,236,879
LIABILITIES			
Non-current liabilities			
Lease liability	5B	3,746	1,098
Borrowings	15	81,653	37,917
Deferred tax liabilities	16	7,782	8,253
Retirement benefit obligations	17	301	233
		93,482	47,501
Current liabilities			
Trade and other payables	18	9,744	3,290
Amounts payable to group companies	19	2,080	3,655
Dividends payable	20	7,397	6,905
Contract liabilities	21(b)	2,830	1,749
Borrowings	15	7,000	7,000
Current tax liability	12.	12,483	-
Bank overdraft*	15(a) / 28(c)	8,877	10,999
Lease liability	5B	1,119	315
		51,530	33,913
Total liabilities		145,012	81,414
Total equity and liabilities		1,467,741	1,318,293

These financial statements were approved by the Board of Directors and authorised for issue on: April 1, 2024

DIRECTORS

The notes on pages 9 to 51 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 4(b).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	Notes	2023 Rs'000	2022 Rs'000
Revenue	2.13 /21	185,851	76,787
Expenses			
Operating and administrative expenses	22	(81,424)	(55,507)
Increase/(decrease) in fair value of consumable biological assets	9(d)	5,131	(6,361)
Increase in fair value of investment properties	6	517	-
Depreciation & amortisation	5&5A	(6,985)	(8,066)
		(82,761)	(69,934)
Profit before finance income		103,090	6,853
Finance income	24	3,921	1,322
Other income	25	2,857	1,445
(Impairment)/reversal of impairment losses on financial assets	10(a)(i)	(4,281)	217
Finance costs	26	(4,739)	(3,291)
Profit before taxation	27	100,848	6,546
Income tax expense	12.	(12,008)	(1,610)
		88,839	4,936
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss :</i>			
Remeasurement of retirement benefit obligations	17	29	245
Deferred tax relating to retirement benefit obligations	16	(4)	(42)
Loss on revaluation of freehold land and buildings	5	(3,014)	-
Other comprehensive income for the year, net of tax		(2,989)	203
Total comprehensive income for the year		85,850	5,139

The notes on pages 9 to 51 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 4(b).

STATEMENT OF CHANGES IN EQUITY - FOR THE YEAR ENDED JUNE 30, 2023

	Notes	Share capital Rs'000	Revaluation and other reserves Rs'000	Retained earnings Rs'000	Total Rs'000
At July 1, 2022		<u>7</u>	<u>199,899</u>	<u>1,036,973</u>	<u>1,236,879</u>
Profit for the year		-	-	88,839	88,839
Other comprehensive income for the year	14	-	(2,989)	-	(2,989)
Total comprehensive income/(loss)		-	(2,989)	88,839	85,850
At June 30, 2023		<u>7</u>	<u>196,910</u>	<u>1,125,812</u>	<u>1,322,729</u>
At July 1, 2021		<u>7</u>	<u>199,696</u>	<u>1,032,037</u>	<u>1,231,740</u>
Profit for the year		-	-	4,936	4,936
Other comprehensive income for the year	14	-	203	-	203
Total comprehensive income/(loss)		-	203	4,936	5,139
At June 30, 2022		<u>7</u>	<u>199,899</u>	<u>1,036,973</u>	<u>1,236,879</u>

The notes on pages 9 to 51 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 4(b).

STATEMENT OF CASH FLOWS - FOR THE YEAR ENDED JUNE 30, 2023

	<u>Notes</u>	<u>2023</u> <u>Rs'000</u>	<u>2022</u> <u>Rs'000</u>
Cash flows from operating activities			
Cash generated from operations	28(a)	75,079	25,774
Interest paid	26	(4,516)	(3,205)
Interest expense on lease liabilities	26	(216)	(86)
Tax paid	12.	-	-
Net cash generated from operating activities		<u>70,347</u>	<u>22,483</u>
Cash flows used in investing activities			
Purchase of property, plant and equipment	5	(5,402)	(5,529)
Sale of plant, property and equipment	5	<u>5,315</u>	<u>-</u>
Net cash used in investing activities		<u>(87)</u>	<u>(5,529)</u>
Cash flows used in financing activities			
Proceeds from long term borrowings	28(b)	50,736	-
Payment of long term borrowings	28(b)	(7,000)	(7,000)
Loan to sister company	7	(109,090)	-
Finance lease capital repayments	5A	(743)	(272)
Net cash used in financing activities		<u>(66,097)</u>	<u>(7,272)</u>
Increase in cash and cash equivalents		<u>4,163</u>	<u>9,682</u>
Movement in cash and cash equivalents			
At July 1,		(10,985)	(20,667)
Increase		<u>4,163</u>	<u>9,682</u>
At June 30,	28(c)	<u>(6,822)</u>	<u>(10,985)</u>

The notes on pages 9 to 51 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 4(b).

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

1. GENERAL INFORMATION

Case Noyale Limitée 'the Company' is a limited liability company incorporated and domiciled in Mauritius. It is engaged in the cultivation of agricultural products, leisure activities and property development. The address of its registered office is John Kennedy Street, Rogers House, Port Louis.

The immediate holding company is South West Tourism Development Company Limited and the ultimate controlling party is Société Caredas. Both entities are incorporated in Mauritius.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Case Noyale Limitée (the "Company") comply with Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). Where necessary, comparative figures have been amended to conform with changes in current year.

The financial statements are that of an individual entity and are presented in Mauritian Rupees ("MUR"), and are rounded to the nearest MUR.

The financial statements have been prepared under the going concern principle using the historical cost convention, except that:

- (i) Land and building under property, plant and equipment and Investment properties are stated at fair value.
- (ii) Consumable biological assets are stated at fair value.

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 01, 2022.

Standards, Amendments to published Standards and Interpretations effective in the reporting period**IFRS 1 First-time Adoption of International Financial Reporting Standards**

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)****Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)****IFRS 3 *Business Combinations***

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

IFRS 9 *Financial Instruments*

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

IAS 16 *Property, Plant and Equipment*

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

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*

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

IAS 41 *Agriculture*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)****Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)**

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

Effective date January 1, 2023**IFRS 17 Insurance contracts**

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

IAS 1 Presentation of Financial Statements

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

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

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

IAS 12 Income Taxes

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)**

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

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.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: 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.

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

IFRS 10 Consolidated Financial Statements:

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

IAS 28 Investments in Associates and Joint Ventures:

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)**

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

2.2 Property, plant and equipment

Land and buildings, held for cultivation of agricultural products and administrative purposes, are stated at revalued amount based on periodic, but at least every 3 years valuations, by external independent valuers, less subsequent accumulated depreciation, (excluding land) and any accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated at revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and any 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 Company and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in other comprehensive income. However, the increase 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. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity. All other decreases are charged to the profit or loss.

Depreciation is calculated on the straight-line method to write off the cost or revalued amounts of the assets, with the exception of land, to their residual values over their estimated useful lives as follows:

- Buildings	7 - 50 years
- Agricultural equipment	5 - 50 years
- Transport equipment	5 - 10 years
- Other equipment	3 - 10 years
- Bearer plants	20 years

Bearer plants have been estimated based on the cost of preparation of land and planting of coffee tree.

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Property, plant and equipment (cont'd)**

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

The carrying amount of an item of property, plant and equipment is derecognised: (a) on disposal; or (b) when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amount included in revaluation surplus are transferred to retained earnings. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

2.3 Investment properties

Owned investment properties are recognised as an asset when: (a) it is probable that the future economic benefits that are associated with the investment properties will flow to the entity; and (b) the cost of the investment properties can be measured reliably.

Investment properties comprise of land and buildings. Investment properties, held to earn rentals and not occupied by the Company, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value determined annually by external valuers. Changes in fair values are included in profit or loss.

The Company transfers a property to, or from, investment property when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. For a transfer from property, plant and equipment to investment property the company applies IAS 16, up to the date of change in use. The company treats any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value in the same way as revaluations in accordance with IAS 16.

An investment property is derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

2.4 Financial instruments**(a) Initial Recognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(b) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Financial assets**

The Company classifies its financial assets at amortised cost.

*Amortised cost***(i) Initial and Subsequent Measurement**

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

(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. The expected credit loss rates are based on the payment profiles of sales of the 24 months before June 30, and the corresponding historical credit losses experienced within this period. The historical losses are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the employment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on the expected changes in these factors. 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 within profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers 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 resulting difference to the carrying value is recognised in the statement of profit or loss (operating profit).

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Financial assets (cont'd)****(ii) Impairment (cont'd)**

The Company's financial assets measured at amortised cost comprise trade receivables and amount receivable from group companies and cash and cash equivalents in the statement of financial

Cash and cash equivalents includes cash in hand and bank overdrafts.

(a) Definition of default

The Company 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 Company, in full (without taking into account any collateral held by the Company).

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

(b) 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 company, for economic or contractual reasons relating to the client's financial difficulty, having granted to the client a concession(s) that the company 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.

(b) Write-off policy

The Company 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 Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Financial assets (cont'd)****(iii) De-recognition**

The Company 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 Company 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 (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.5 Financial liabilities

The Company classifies its financial liabilities as per business model test and contractual cashflows of the liability. The Company's accounting policy for each category is as follows:

- Borrowings which 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 as well as any interest payable while the liability is outstanding.
- Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.
- Trade payables and other short-term liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- The Company obtain deposits from customers which are used towards payment for the sales of goods. Such deposits are treated as financial liabilities in accordance with IFRS 9. They are initially recognised at fair value and subsequently measured at amortised cost.

The Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs representing interest charge payable on bank loan and on amount payable to related party, are expensed.

2.7 Share capital

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.

2.8 Consumable biological assets

Consumable biological assets comprise palm plants and deer farming and are stated at their fair values less estimated point of sale costs. The fair value of palm plants is the present value of expected net cash flows discounted at the relevant market determined pre-tax rate and the fair value of deer is the estimated weight valued at estimated market price less estimated point of sale costs.

Changes in fair value of biological assets are recognised in the statement of profit or loss. Labour and field maintenance costs are expensed as incurred.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 LeasesThe Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.10 Leases (cont'd)**The Company as a lessee (cont'd)

The Company 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 Company obtains substantially all the economic benefits from use of the asset, and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company 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 Company has the right to direct use of the asset, the Company 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 Company 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 Company applies other applicable IFRSs rather than IFRS 16.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.10 Leases (cont'd)**The Company as a lessee (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

When the Company 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.

The Company did not make any such adjustments during the periods presented.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.10 Leases (cont'd)**The Company as a lessee (cont'd)

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company 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.

Payments associated with short-term leases and all leases of low-value assets such as IT equipments are recognised on a straight-line basis as an expense in profit or loss.

Right of use assets comprise of Motor Vehicles.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.10 Leases (cont'd)**The Company as Lessor

The Company enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

2.11 Current and deferred income tax

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

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.11 Current and deferred income tax (cont'd)**

Deferred tax is not recognised for:

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility ("CSR")

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

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

Value added tax ("VAT")

The Company is subject to a value added tax ("VAT") of 15%. The amount of "VAT" liability is determined by applying the applicable tax rate to the invoiced amount provided (output "VAT") less "VAT" paid on purchases made with the relevant supporting invoices (input "VAT"). The Company reports revenue net of value added tax for all the periods presented in the statement profit or loss and other comprehensive income.

(ii) Other revenues earned by the Company are recognised on the following basis:

- Interest income - calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently became 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).
- Other income are recognised on an accrual basis unless collectibility is in doubt where it is then recognised on a cash basis.
- Rental income - on a straight-line basis over the lease term, based on the substance of the agreements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.12 Retirement benefit obligations***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's Right Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

2.13 Revenue recognition

- (i) Revenue from sale of agricultural products and other goods.

Performance obligation and timing of recognition

The Company sells agricultural and other goods with revenue recognised at a point in time when the control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once delivery to the clients has occurred, the Company no longer has physical possession, usually will have a right to payment 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. The Company does not have contracts which include significant financing component.

Allocation of performance obligation

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.

Contract assets

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

Contract liabilities

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

- (ii) Revenue from ticketing fees.

Revenue from ticketing fees, included in revenue is recognised over time as the tickets are sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reliably estimated.

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 date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the provision, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.15 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk.

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

Categories of financial instruments

	2023	2022
	Rs'000	Rs'000
<i>Financial assets – at amortised cost</i>		
Trade receivables	3,314	1,410
Financial assets at amortised costs	109,090	-
Amounts receivable from group companies	67,358	34,338
Cash and cash equivalents	2,055	14
	181,817	35,762
	2023	2022
	Rs'000	Rs'000
<i>Financial liabilities – at amortised cost</i>		
Bank borrowings (inclusive of interest payable)	88,653	50,923
Bank overdraft	8,877	10,999
Trade payables	3,617	2,955
Amounts payable to group companies	2,080	3,655
Lease liabilities (Gross)	5,436	1,596
Dividend	7,397	6,905
	116,059	77,034

Prepayments of Rs. 2,844,000 (2022: Rs.1,163,024) are not included in the financial assets. Accruals of Rs 6,127,326 (2022:Rs. 334,574) are excluded from financial liabilities.

(a) **Market risk**(i) **Cash flow interest rate risk**

The Company has a current account receivable and a long term loan receivable from Agria Limited, a related company, bearing an interest rate of 6.75% (2022 : 4.25%). The Company also has long-term borrowings.

The Company's interest-rate risk arises from long term borrowings, on current accounts receivable and long term loan receivable from Agria Limited as they bear variable rate of interest and expose the Company to cash flow interest rate risk.

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets bearing interest rate are exposed to interest rate risk.

At June 30, 2023, if interest rates on borrowings, current account receivable and long term loan receivable had been 100 basis points higher/lower with all other variables held constant, post tax profit for the year would have been Rs.270,109 (2022: Rs. 268,751.) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)(i) Cash flow interest rate risk (cont'd)

<u>Borrowings</u>	Carrying amounts at June 30, Rs'000	Interest rate %	Impact on post-tax profit Rs'000
<u>2023</u>			
Bank overdraft	8,877	6.75%	74
Borrowings	88,653	6.75%	736
Total borrowing	97,530		809
Current account receivable	(20,983)	6.75%	(174)
Financial Assets at amortised costs	(109,090)	6.75%	(905)
Net	(32,544)		(270)
<u>2022</u>			
Bank overdraft	10,999	4.50%	91
Borrowings	44,917	4.50%	373
	55,916		464
Current account receivable	(23,536)	4.25%	(195)
Net	32,380		269

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from cash and cash equivalents as well as exposure to customers, including outstanding receivables.

For banks, only parties with good reputation are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company's credit risk is primarily attributable to its trade receivables and amount receivable from group companies and the amounts presented on the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment. An amount of Rs.21m is due by Agria Limited on which an interest rate of 6.75% is claimed. There is no agreed terms of repayments.

(c) Liquidity risk

Liquidity risk is the risk that 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 implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date.

	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
At June 30, 2023					
Bank borrowings (including future interest)	7,000	10,699	40,026	30,927	88,653
Lease liabilities (Gross)	1,366	1,366	2,704	-	5,436
Bank overdrafts	8,877	-	-	-	8,877
Trade and other payables	9,744	-	-	-	9,744
Amounts payable to group compar	2,080	-	-	-	2,080
Contract liabilities	2,830	-	-	-	2,830
Dividend	7,397	-	-	-	7,397
	39,294	12,066	42,730	30,927	125,017

	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
At June 30, 2022					
Bank borrowings(including future interest)	8,707	7,739	22,381	12,096	50,923
Lease liabilities (Gross)	391	391	814	-	1,596
Bank overdraft	10,999	-	-	-	10,999
Trade and other payables	3,290	-	-	-	3,290
Amounts payable to group compar	3,655	-	-	-	3,655
Contract liabilities	1,749	-	-	-	1,749
Dividend	6,905	-	-	-	6,905
	35,696	8,130	23,196	12,096	79,118

3.2 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt to capital. Net debt is calculated as total debts (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (that is share capital, retained earnings and revaluation reserves).

During 2023, the Company's strategy, which was unchanged from 2022, was to monitor the debt to capital ratio in order to secure access to finance at a reasonable cost.

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

	2023	2022
	Rs'000	Rs'000
Total debt (Note 15)	97,530	55,916
Lease liability	4,865	1,413
Cash and cash equivalent	(2,055)	(14)
	<u>100,340</u>	<u>57,315</u>
Total equity	<u>1,322,729</u>	<u>1,236,879</u>
Debt-to-capital ratio	<u>0.08:1</u>	<u>0.05:1</u>

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.

4.1 Critical accounting estimates and assumptions

The Company 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.

(a) Biological assets

The fair value of consumable biological assets has been arrived at by discounting the present value of expected net cash flows from palms at the relevant market price. The expected cash flows have been computed by estimating the expected palm harvest for the next 5 years based on palms plantation in previous years after allowing for a 25% loss. The harvesting costs and other direct expenses are based on the yearly budget.

The expected cash flow for deer is based on the estimated weight of meat to be sold from the estimate herd of deer and the estimated selling price less 15% shares for hunters.

The fair value measurements for palms have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

(b) 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 Company determines the appropriate discount rate at the end of each year. This is the interest rate 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 Company 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 liability.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.1 Critical accounting estimates and assumptions (cont'd)****(b) Pension benefits (cont'd)**

Other key assumptions for pension obligations are based in past on current market conditions. Additional information is disclosed in Note 17

(c) Revaluation of property, plant and equipment and investment properties

The Company carries land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income and profit or loss for property, plant and equipment and investment property respectively. The Company engaged independent valuation specialists to determine fair value at June 30, 2023. A revaluation was reformed as at June 30, 2023 by the same valuer on the same basis.

(d) Depreciation policies

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 Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best 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.

(e) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life 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 asset 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.

(f) 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 how the company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the company's view of possible near-term market changes that cannot be predicted with any certainty.

(g) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT

2023**COST OR VALUATION**

	Freehold land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Transport equipment Rs'000	Other equipment Rs'000	Bearer plant Rs'000	Assets-in progress Rs'000	Total Rs'000
At July 01, 2022	1,065,105	49,013	3,577	2,158	35,355	14,637	12,632	1,182,478
Additions		240	27		4,717	248	171	5,402
Transfer to investment properties (note 6)	(7,960)	-	-	-	-	-	-	(7,960)
Disposals	-	-	-	-	(5,344)	(8,576)	-	(13,920)
Revaluation adjustment	(1,945)	(1,070)	-	-	-	-	-	(3,015)
At June 30, 2023	1,055,200	48,183	3,604	2,158	34,728	6,309	12,803	1,162,985

DEPRECIATION

At July 01, 2022	-	34,058	2,915	1,561	27,312	10,339	-	76,185
Charge for the year	-	2,509	174	239	2,928	307	-	6,158
Disposals	-	-	-	-	-	(8,576)	-	(8,576)
At June 30, 2023	-	36,567	3,089	1,800	30,240	2,070	-	73,767

CARRYING AMOUNT

At June 30, 2023	1,055,200	11,616	514	359	4,488	4,239	12,803	1,089,218
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(a) The Company carries land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Land and buildings were revalued at June 30, 2023 by Mr. F Ricardo Ramiah-Isabel - Certified Practising Valuer, an independent property valuer. The revaluation surplus, net of deferred tax was credited in shareholders' equity. The open market value of the land was carried at using the sales comparison method and the building valuation was carried at using Depreciated Replacement Cost.

(b) Bank borrowings are secured on property, plant and equipment, investment property and inventories.

(c) Bearer biological assets represents plantation expenditure for coffee that have an expected live cycle approximately 20 years. Such biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

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

2022**COST OR VALUATION**

	Freehold land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Transport equipment Rs'000	Other equipment Rs'000	Bearer plant Rs'000	Assets-in progress Rs'000	Total Rs'000
At July 01, 2021	1,127,045	49,013	3,577	2,877	34,270	14,637	8,189	1,239,607
Additions	-	-	-	-	1,086	-	4,443	5,529
Transfer to investment properties (note 6)	(61,940)	-	-	-	-	-	-	(61,940)
Disposals	-	-	-	(718)	-	-	-	(718)
At June 30, 2022	1,065,105	49,013	3,577	2,158	35,355	14,637	12,632	1,182,478

DEPRECIATION

At July 01, 2021	-	29,510	2,741	2,020	24,842	10,032	-	69,145
Charge for the year	-	4,548	174	259	2,470	307	-	7,758
Disposals	-	-	-	(718)	-	-	-	(718)
At June 30, 2022	-	34,058	2,915	1,561	27,312	10,339	-	76,185

CARRYING AMOUNT

At June 30, 2022	1,065,105	14,955	662	598	8,043	4,298	12,632	1,106,293
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NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

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

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2023	2022
	Rs'000	Rs'000
Cost	1,034,305	1,034,305
Accumulated depreciation	(73,162)	(70,653)
Net book value	961,143	963,652

Information about fair value measurements using significant unobservable inputs.

Level 3	Unobservable input	Range of unobservable inputs
Land	Price per Arpent	Rs.100,000 to Rs.10,000,000
Building	Price per square metre	Rs.2,000 to Rs.50,600

Valuation technique	Significant unobservable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Land: Sales Comparison method: The model considers adequate market evidences of sales for agricultural properties, more specifically those under sugarcane cultivation in different localities of the island.		Expected growth in prices of agricultural properties Future developments in the Chamarel and Case Noyale region.	The estimated fair value would increase (decrease) if: expected growth in prices of agricultural properties were higher (lower), future developments occur (do not occur)
Building improvements: Depreciated Replacement Cost (DRC): The DRC is arrived at by using the current construction costs of similar buildings based on our experience and knowledge of the construction sector and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level and quality of maintenance.		Expected price increase in construction materials Expected growth in interest rates	The estimated fair value would increase (decrease) if: expected price of construction materials increase (decrease) interest rates increase (decrease)

5A RIGHT-OF-USE

	2023	2022
	Rs'000	Rs'000
COST		
At July 1	1,685	-
Additions	4,195	1,685
At June 30	5,880	1,685
DEPRECIATION		
At July 1	309	-
Charge for the year	827	309
At June 30	1,136	309
CARRYING AMOUNT		
At 30 June	4,744	1,376

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

5B LEASE LIABILITY	2023	2022
Motor vehicle	Rs'000	Rs'000
At July 1,	1,413	-
Addition	4,195	1,685
Interest expense	216	86
Lease payments	(959)	(358)
At July 2023	4,865	1,413
Analysed as :		
Current	1,119	315
non- current	3,746	1,098
	4,865	1,413
(a) Gross maturity of lease		
The maturity analysis of the gross lease liability is as follows		
Not later than one month	114	33
Later than one month and not later than three months	228	65
Later than three months and not later than one year	1,025	293
Later than one year and not later than five years	4,070	1,205
	5,436	1,596
(b) Nature of leasing activities (in capacity of a lessee)		
The company has leased vehicles for use in business activities.		
(c) Residual value guarantees		
At the end of the reporting period, no expected residual values are expected to be payable as part of the lease liability.		
(d) Interest expense	2023	2022
	Rs'000	Rs'000
Interest expense (included in finance cost) (note 26)	216	86
The total cash outflow for leases in 2023 was Rs 959,857.		
(e) Lease payments		
The lease payments are fixed.		
6. INVESTMENT PROPERTIES	2023	2022
	Rs'000	Rs'000
FAIR VALUE		
Land		
At July 1	61,940	-
Transfer from property, plant and equipment (note 5)	7,960	61,940
As at June, 30	69,900	61,940
	2023	2022
	Rs'000	Rs'000
Building		
At July 1	92,404	92,404
Fair value adjustment	517	-
As at June, 30	92,920	92,404
TOTAL		
As at June, 30		
Land	69,900	61,940
Building	92,920	92,404
	162,820	154,344

The investment properties were revalued at June 30, 2023 by external, independent property valuers, Mr Marie F. Ricardo Ramiah-Isabel, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTY (CONT'D)

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Bank borrowings are secured on investment properties.

Information about fair value measurements using significant unobservable inputs and 5% higher/lower in price are:.

Level 3	Unobservable input	Range of unobservable inputs	Sensitivity of 5%
Land	Price per Arpent	Rs.10,000,000	Rs 500,000
Building	Price per square metre	Rs.3,570 to Rs.64,500	Rs 178 to Rs 3,225

Valuation technique	Significant unobservable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Land: Sales Comparison method: The model considers adequate market evidences of sales for agricultural properties, more specifically those under sugarcane cultivation in different localities of the		Expected growth in prices of agricultural properties Future	The estimated fair value would increase (decrease) if: expected growth in prices of agricultural properties were higher (lower) future
Building improvements: Depreciated Replacement Cost (DRC): The DRC is arrived at by using the current construction costs of similar buildings based on our experience and knowledge of the construction sector and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level and quality of maintenance.		Expected price increase in construction materials Expected growth in interest rates	The estimated fair value would increase (decrease) if: expected price of construction materials increase (decrease) interest rates increase (decrease)

Nature of activities on the investment properties

- (i) The restaurants are rented out to Cap d'Abondance, a related company.
(ii) The land in the coastal zone is no longer use for agricultural or administrative purpose. The land is kept for capital appreciation.

The following amounts have been recognised in profit or loss:

	2023	2022
	Rs'000	Rs'000
Rental income	10,983	2,769

All operating expenses related to the leased properties are borne by the lessees.

Operating lease arrangements are disclosed in note 3.

7. FINANCIAL ASSETS AT AMORTISED COST

The below summarises the loans receivable from Agria Limited, a fellow subsidiary (note 29).

Purpose	Maturity	Interest	2023	2022
			Rs'000	Rs'000
Working capital	2024	MCB PLR	59,000	-
Private access road	2033	MCB PLR	50,090	-
			109,090	-

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

7. FINANCIAL ASSETS AT AMORTISED COSTS (CONTINUED)

<u>Disclosed as:</u>	<u>2023</u>	<u>2022</u>
	<u>Rs'000</u>	<u>Rs'000</u>
Non-current assets	50,090	-
Current assets	59,000	-
	<u>109,090</u>	<u>-</u>

8. INVENTORIES

	<u>2023</u>	<u>2022</u>
	<u>Rs'000</u>	<u>Rs'000</u>
Coffee	<u>7,804</u>	<u>5,992</u>

- (a) The cost of inventories recognised as expense in supplies and services amounted to Rs. 3,084,839 (2022: Rs.4,040,271).

9. CONSUMABLE BIOLOGICAL ASSETS

	<u>Palm trees</u>	<u>Deer</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Balance at July 01, 2022	2,471	10,892	13,363
Movement in fair value	998	4,132	5,131
Balance as at June 30, 2023	<u>3,469</u>	<u>15,024</u>	<u>18,494</u>
Balance at July 01, 2021	7,552	12,172	19,724
Movement in fair value	(5,081)	(1,280)	(6,361)
Balance as at June 30, 2022	<u>2,471</u>	<u>10,892</u>	<u>13,363</u>

- (a) Consumable biological assets are stated at their fair values. These include deer and palm plants.

- (b) The physical quantities of other consumable biological assets are as follows:

	<u>2023</u>	<u>2022</u>
Palm trees	9,220	12,279
Deer	<u>2,149</u>	<u>2,034</u>

- (c) *Fair value hierarchy*

The fair value measurements for the deers and palm trees have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

- (d) *Movement in consumable biological assets*

The following table shows a breakdown of the total gains (losses) recognised in respect of Level 3 fair values.

	<u>2023</u>	<u>2022</u>
	<u>Rs'000</u>	<u>Rs'000</u>
Change in fair value (unrealised)	<u>5,131</u>	<u>(6,361)</u>

- (e) *Valuation techniques and significant unobservable inputs*

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

9. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

(e) Valuation techniques and significant unobservable inputs (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Palms	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by Palm over the next 5 years.	Estimated average price of palms- Rs. 472 per palm tree (2022: Rs. 325)	The estimated fair value would increase (decrease) if: Expected selling price were higher/ (lower) Costs were lower/ (higher).
Deer	Net Realisable Value	Average weight of deer- 45 kg and 35 kg for local breed (2022: 45 kg and 35 kg for local breed) Average price of deer per Kg- Rs. 235 (2022: Rs. 180)	The estimated fair value would increase (decrease) if: Expected weight per deer were higher/ (lower) Selling price higher/(lower)

(f) Risk associated with the Group's agricultural activities

The Company is exposed to the following risks associated with its agricultural activities namely deer farming and palm trees.

(g) Demand and supply risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of deer farming and palm trees. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(h) Climate and other risk

The Company's palm trees plantations and deer farming are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Company also insured against natural disasters such as forest fires, floods and cyclones.

10(a) TRADE RECEIVABLES

	2023 Rs'000	2022 Rs'000
Trade receivables - non-group	8,187	2,001
Less: provision for impairment	(4,873)	(591)
Trade receivables - net	<u>3,314</u>	<u>1,410</u>

(i) Impairment of trade receivables

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

The average credit period is 30 days. No interest is charged on trade receivables whose credit period is exceeded.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

10(a) TRADE RECEIVABLES (CONTINUED)

(i) *Impairment of trade receivables (continued)*

The expected loss rates are based on the payment profiles of customers over a period of 48 months before June 30, 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at June 30, 2023 and July 01, 2022 was determined as follows for non-group trade receivables:

	Current Rs'000	More than 30 days past due Rs'000	More than 60 days past due Rs'000	More than 90 days past due Rs'000	Total Rs'000
At June 30, 2023					
Expected loss rate	7%	12%	20%	85%	53%
Gross carrying amount - Trade receivable	2,453	675	429	4,630	8,187
Specific loss allowance	-	-	-	(571)	(571)
Loss allowance	(178)	(79)	(87)	(3,958)	(4,302)
	Current Rs'000	More than 30 days past due Rs'000	More than 60 days past due Rs'000	More than 90 days past due Rs'000	Total Rs'000
At June 30, 2022					
Expected loss rate	1%	9%	15%	97%	30%
Gross carrying amount - Trade receivable	1,096	188	156	561	2,001
Loss allowance	8	17	23	544	591

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

	Trade receivables	
	2023	2022
	Rs'000	Rs'000
Loss allowance as at July 01	591	808
Loss allowance/(reversal) recognised in profit or loss during the year	4,281	(217)
At June 30	4,873	591

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

10(a) **TRADE RECEIVABLES (CONT'D)**(i) *Impairment of trade receivables (cont'd)*

Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

(ii) The carrying amounts of the Company's trade receivables are denominated in Mauritian Rupees.

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

10(b) **PREPAYMENTS AND OTHER RECEIVABLES**

	2023	2022
	Rs'000	Rs'000
Other receivables	2,844	1,163

Other receivables include TDS recoverable, prepayments and deposits.

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

The carrying amounts of the financial assets at amortised cost are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

11. **AMOUNTS RECEIVABLE FROM GROUP COMPANIES**

	2023	2022
	Rs'000	Rs'000
<u>Financial assets at amortised cost</u>		
Fellow subsidiaries (note 29)		
<u>Non-trade</u>		
Agria Limited	20,983	23,536
<u>Trade</u>		
Agria Limited	17,106	5,535
Cap D'Abondance	28,620	4,931
Others	649	336
	46,375	10,802
Total	67,358	34,338

The amount of Rs.20.8m due by Agria Limited is unsecured, bears an interest rate of 6.75% (2022: 4.25%) and repayable on demand.

The Company applies IFRS 9 as disclosed in note 10(a) to measure expected credit losses. In assessing the credit risk of the related company, the company analyses the working capital, historical trend of repayment, cash flows of the party liable for repayment and also taking into consideration support from the intermediate holding company, Rogers & Co Ltd. The intermediate holding company has sufficient liquid assets (without restriction) after considering the priority payments to repay the amounts on behalf of the related entities either in the form of capital contribution or loan to the related entities. Thus, the probability of default is negligible.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

12. TAXATION

Income tax is calculated at the rate of 15% (2022:15%) on the profit of the Company as adjusted for income tax purposes.

	2023 Rs'000	2022 Rs'000
(a) Statement of financial position		
At July 1	-	(149)
Underprovision	-	149
Current tax on adjusted profit for the year 15% (2022: 15%)	12,483	-
Tax paid	-	-
At June 30	12,483	-
(b) Statement of profit or loss		
Current tax on the adjusted profit for the year at 15% (2022: 15%)	12,484	-
Underprovision	-	149
Deferred tax (note 16)	(475)	1,461
	12,008	1,610

- (c) The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2023 Rs'000	2022 Rs'000
Profit before tax	100,848	6,545
Tax calculated at 15% (2022: 15%)	17,144	1,113
Income not subject to tax	(1,447)	(1,204)
Expenses not deductible for tax purposes	1,987	1,343
Unused tax losses	(5,201)	(1,252)
Tax liability	12,483	-

Tax losses of Rs. nil (2022 - Rs.30,246,884) are available for set off against future taxable income as at 30 June 2023.

13. SHARE CAPITAL

	Authorised, issued and fully paid 2023 & 2022 Rs'000
33,300 Ordinary shares of Rs.'0.20 each	7

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

14. OTHER COMPREHENSIVE INCOME

Other
reserves
Rs'000

2023**Items that will not be reclassified to profit or loss**

Remeasurement of defined benefits obligations	29
Loss on revaluation of land and buildings	(3,014)
Deferred tax relating to retirement benefit obligations	(4)
	<u>(2,989)</u>

2022**Items that will not be reclassified to profit or loss**

Remeasurement of defined benefits obligations	245
Deferred tax relating to retirement benefit obligations	(42)
	<u>203</u>

15. BORROWINGS

	2023 Rs'000	2022 Rs'000
<u>Non-current</u>		
Bank loan	<u>81,653</u>	<u>37,917</u>
<u>Current</u>		
Bank loan	<u>7,000</u>	<u>7,000</u>
TOTAL	<u>88,653</u>	<u>44,917</u>

- (a) The borrowings include secured liabilities (bank loan amounting to Rs.88,652,560 (2022:Rs. 44,916,667). The bank borrowings are secured by floating charges on the assets of the Company including inventories and property, plant and equipment.

The effective interest rates at the end of reporting date were as follows:

	2023 %	2022 %
Bank loan	<u>6.75</u>	<u>4.25</u>

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

	Rs'000
At June 30, 2023	
Total borrowings	<u>88,653</u>
At June 30, 2022	
Total borrowings	<u>44,917</u>

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

15. BORROWINGS (CONT'D)

(c) The maturity of borrowings is as follows :

	2023 Rs'000	2022 Rs'000
After one year and before two years	10,700	7,000
After two years and before five years	40,026	21,000
After 5 years	30,927	9,917
	<u>81,653</u>	<u>37,917</u>

(c) The maturity of borrowings inclusive of future interest payable are as follows :

	2023 Rs'000	2022 Rs'000
Not later than one month	1,092	745
Later than one month and not later than three months	2,157	1,459
Later than three months and not later than one year	9,536	6,504
Later than one year and not later than five years	66,399	30,120
Later than 5 years	35,236	12,096
	<u>114,420</u>	<u>50,924</u>

(d) The carrying amounts of the Company's borrowings are denominated in Mauritian Rupees.

(e) The carrying amount of borrowings are not materially different from the fair value.

15A BANK OVERDRAFT

	2023 Rs'000	2022 Rs'000
Bank overdrafts	<u>8,877</u>	<u>10,999</u>

The exposure of the Company's bank overdraft to interest-rate changes and the contractual repricing dates are as follows:

	6 months or less Rs'000
At June 30, 2023	
Total bank overdraft	<u>8,877</u>
At June 30, 2022	
Total bank overdraft	<u>10,999</u>

The bank overdraft, denominated in Mauritian Rupees, is secured by a floating charge on the assets of the Company including inventories and property, plant and equipment. The rate of interest was 6.75% (2022 - 4.25%)

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

16. DEFERRED TAX LIABILITIES

Deferred income tax is calculated on all temporary differences under the liability method at 17% (2022:17%). This rate includes the 2% Corporate Social Responsibility contribution imposed by the Government.

The movement on the deferred income tax account is as follows:

	2023 Rs'000	2022 Rs'000
At July 1,	8,253	6,750
Charged to OCI	5	42
Charged/(credited) to profit or loss (note 12)	(475)	1,461
At June 30,	7,782	8,253

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

	At July 01, 2022 Rs'000	Charged to other comprehensive income Rs'000	Charged to profit or loss Rs'000	At June 30, 2023 Rs'000
2023				
Deferred tax assets				
Tax losses	4,721	-	(4,721)	-
Retirement benefit obligations	40	(5)	16	51
	4,761	(5)	(4,705)	51
Deferred tax liability				
Assets revaluation	6,988	-	(6,988)	-
Accelerated tax depreciation	6,025	-	1,808	7,833
	13,013	-	(5,180)	7,833
Net deferred income tax liability	(8,253)	(5)	475	(7,782)

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

16. DEFERRED TAX LIABILITIES (CONT'D)				
	At July 01, 2021	Charged to other comprehensive income	Debited to profit or loss	At June 30, 2022
<u>2022</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Deferred tax assets				
Tax losses	6,394	-	(1,673)	4,721
Retirement benefit obligations	58	(42)	23	40
	6,452	(42)	(1,649)	4,761
Deferred tax liability				
Assets revaluation	6,988	-		6,988
Accelerated tax depreciation	6,213	-	(188)	6,025
	13,201	-	(188)	13,013
Net deferred income tax liability	(6,750)	(42)	(1,461)	(8,253)
17. RETIREMENT BENEFIT OBLIGATIONS				
		2023	2022	
		Rs'000	Rs'000	
<u>Non current liabilities</u>				
Amounts recognised on the statement of financial position:				
Other post retirement benefits		300	233	
Amounts charged to profit or loss:				
- Other post retirement benefits		96	138	
Amounts credited/(charged) to other comprehensive income:				
- Other post retirement benefits		29	245	
(a) Post retirement benefits				
Post retirement benefit relate to pension benefits and retirement and death gratuities for artisan and labourers and employees not covered under any pension plan and who are entitled to retirement and death gratuities under the Workers Rights Act 2019.				
Prior to the implementation of the Portable Retirement Gratuity Fund, these benefits are unfunded as at 31 December 2021.				
(i) Retirement benefit obligations have been provided for based on the report from Swan Actuarial Services Ltd.				
(ii) Movement in the liability recognised on the statement of financial position:				
		2023	2022	
		Rs'000	Rs'000	
At July 1,		233	340	
Total expenses charged to profit or loss		96	138	
Actuarial gains recognised in other comprehensive income		(29)	(245)	
At June 30,		300	233	

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Post retirement benefits (cont'd)

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

	2023 Rs'000	2022 Rs'000
Current service cost	84	122
Interest cost	12	16
Total included in employee benefit expense	96	138

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

	2023 Rs'000	2022 Rs'000
Liability expense (gain)/loss	(18)	59
Liability (gain)/loss due to change in financial assets	(11)	(304)
	(29)	(245)

(v) The amounts recognised on the statement of financial position are as follows:

	2023 Rs'000	2023 Rs'000
Present value of funded obligations		
At July 1,	234	341
Current service cost	84	122
Interest expense	12	16
Liability experience loss/(gain)	(18)	59
Remeasurements:		
- financial assumptions	(11)	(304)
At June 30,	301	234

(vi) Expected contribution to post-employment benefit plans for the year ending June 30, 2023 is nil (2022: Rs'000 nil).

(vii) The principal actuarial assumptions used were as follows:

	2023 Rs'000	2022 Rs'000
Discount rate	5.70%	5.30%
Future salary increases	3.00%	3.00%

(viii) Sensitivity analysis on defined benefit obligations at end of reporting date:

	Other post retirement benefits	
	2023 Rs'000	2022 Rs'000
- Increase due to 1% decrease in discount rate	67	48
- Decrease due to 1% increase in discount rate	55	37

An increase/decrease in 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Post retirement benefits (cont'd)**

- (viii) The sensitivity above have been based on a method that extrapolates the impact on net defined obligation, as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The weighted average duration of the defined benefit obligations is 13 years.

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average years of service of the employees is 2.5 years.

18. **TRADE AND OTHER PAYABLES**

	2023	2022
	Rs'000	Rs'000
Trade payables	3,617	2,955
Other payables	6,127	335
	9,744	3,290

The Company manages its financial risk management and ensures all payables are paid within the credit timeframe.

The carrying amounts of trade and other payables approximate their fair values.

19. **AMOUNTS PAYABLE TO GROUP COMPANIES**

	2023	2022
	Rs'000	Rs'000
Payable to related parties	2,080	3,655

The carrying amounts of payables to group companies approximate their fair values.

The amount due from related parties is unsecured, interest free and is repayable on demand.

20. **DIVIDENDS PAYABLE**

	2023	2022
	Rs'000	Rs'000
At July 1 & June 30	7,397	6,905

The Directors has not declared any dividend during the year under review and the previous year.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

21. REVENUE

	2023 Rs'000	2022 Rs'000
Sales of goods and services		
- Livestock	24,739	17,862
- Agricultural products	11,147	9,021
- Ticketing fees Seven Coloured Earth	138,448	44,521
Revenue from contracts with Customers (note 2.13)	174,335	71,404
Rental income	11,516	5,383
	185,851	76,787
(a) Disaggregation of revenue from contracts with customers	2023	2022
Timing of revenue recognition	Rs'000	Rs'000
At a point in time	174,335	71,404
Over time	11,516	5,383
	185,851	76,787
(b) Liabilities related to contracts with customers	Contract Liabilities 2023 Rs'000	Contract Liabilities 2022 Rs'000
At July 01,	(1,749)	(2,144)
Amounts included in contract liabilities that was not recognised as revenue during the period	2,338	2,144
Cash received in advance of performance or amount due and not recognised as revenue during the period	(3,419)	(1,749)
At June 30,	(2,830)	(1,749)

Contract liabilities arise from payments received in advance from customers for the next hunting season.

- (c) The Company's rental and other income mainly relates to the following:

Restaurant and shops

The Company has leased the restaurant and shops to Cap d'Abondance. The Company receives a basic rental fee, which has a fixed and a variable element based on the profit and turnover of the operations.

22. EXPENSES BY NATURE

	2023 Rs'000	2022 Rs'000
Directors fees	113	113
Employee benefit expenses (note 23)	20,932	13,723
Costs of inventories recognised as expenses	3,085	4,040
Other supplies and services	53,863	36,991
Management fees	3,432	640
	81,424	55,507

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

23. EMPLOYEE BENEFIT EXPENSES

	2023 Rs'000	2022 Rs'000
Wages and salaries	17,619	11,678
Pension costs and other post-retirement benefit	1,955	1,363
Social security costs	1,358	683
	<u>20,932</u>	<u>13,723</u>

24. FINANCE INCOME

	2023 Rs'000	2022 Rs'000
<i>Interest receivable:</i>		
-Amounts due from fellow subsidiary	3,921	1,322

- (a) Total interest income on financial assets that are measured at amortised cost for the year was Rs. 3,921,099 (2022: Rs.1,322,380).

25. OTHER INCOME

	2023 Rs'000	2022 Rs'000
Guarantee fee from fellow subsidiary	2,754	1,267
Others	103	177
	<u>2,857</u>	<u>1,445</u>

26. FINANCE COSTS

	2023 Rs'000	2022 Rs'000
<i>Interest expense:</i>		
- Bank overdrafts	718	1,180
- Bank and other loans	3,798	2,025
	<u>4,516</u>	<u>3,205</u>
Interest expense on lease liabilities	216	86
Net foreign exchange loss	6	-
	<u>4,739</u>	<u>3,291</u>

27. PROFIT BEFORE TAXATION

	2023 Rs'000	2022 Rs'000
Profit before taxation is arrived at after:		
Crediting:		
Increase. in fair value of consumable biological assets (note 9(d))	5,131	-
Increase in fair value of investment properties (note 6)	517	-
Finance income (note 24)	3,921	1,322
Other income (note 25)	2,857	1,445
Reversal of impairment losses on financial assets (note 10(a)(i))	-	217
	<u>-</u>	<u>-</u>
and charging:		
Decrease in fair value of consumable biological assets (note 9(d))	-	(6,361)
Depreciation and amortisation (note 5&5A)	(6,985)	(8,066)
Impairment losses on financial assets (note 10(a)(i))	(4,281)	-
Finance costs (note 26)	(4,739)	(3,291)

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

28. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2023 Rs'000	2022 Rs'000
(a) Cash generated from operations			
Profit before taxation		100,848	6,546
Depreciation on Property, Plant and Equipment	5	6,158	7,758
Loss on disposal of Property, Plant and Equipment		29	-
Fair value gain on Investment Property	6	(517)	-
Amortisation of Right-of-use assets	5A	827	309
Provision for retirement benefit obligations	17	97	138
Impairment /(reversal of loss allowances)	10(a)	4,281	(217)
Interest income	24	(3,921)	(1,322)
Interest expense	26	4,739	3,291
Changes in working capital:			
- consumable biological assets		(5,131)	6,360
- inventories		(1,812)	1,660
- trade and other receivables and group receivables		(36,605)	5,237
- amounts payable to group companies		(1,083)	(2,433)
- trade and other payables and contract liabilities		7,168	(1,552)
Cash generated from operations		75,079	25,774

(b) Reconciliation of liabilities arising from financing activities

	At July 1, 2022 Rs'000	Non-cash flows Rs'000	Interest charge Rs'000	Cash flows Rs'000	At June 30, 2023 Rs'000
Long term borrowings	44,917	-	3,606	40,130	88,653
Lease	1,413	4,195	216	(959)	4,865
	46,329	4,195	3,822	39,171	93,518
	At July 1, 2021 Rs'000	Non-cash flows Rs'000	Interest charge Rs'000	Cash flows Rs'000	At June 30, 2022 Rs'000
Long term borrowings	51,917	-	-	(7,000)	44,917
Lease	-	1,685	86	(358)	1,413
	51,917	1,685	86	(7,358)	46,329

(c) Cash and cash equivalents	Notes	2023 Rs'000	2022 Rs'000
Cash in hand and at bank		2,055	14
Bank overdraft	15A	(8,877)	(10,999)
		(6,822)	(10,985)

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

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

29. RELATED PARTY TRANSACTIONS

	Interest income	Guarantee fees received	Rental income	Management fees	Sales of tickets	Current account receivable	Loan receivable	Loan payable	Amounts due from related parties	Amounts due to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) 2023										
Trading transactions										
Intermediate holding company	-	-	-	819	-	20,983	-	-	46,375	2,080
Fellow subsidiaries	3,921	2,754	10,983	-	138,448	-	109,090	-	-	-
(i) 2022										
Trading transactions										
Intermediate holding company	-	-	-	640	-	23,536	-	-	10,801	3,655
Fellow subsidiaries	1,322	1,267	5,383	-	44,521	-	-	5,266	-	-

Terms and conditions of transactions with related parties

The above transactions have been made on normal commercial terms and in normal course of business. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash except for amounts receivable from Agria Limited in which an interest of 4.25% p.a is charged. There is no other guarantee provided or received for any related party receivables or payables except as disclosed in Note 29. For the year ended June 30, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. All related party transactions are at arm length.

30. CONTINGENCIES

Contingent liabilities

At June 30, 2023, the company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Company has provided a security on all its assets for a bank loan contracted by Agria Limited, a related company for an amount of Rs. 235m.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED JUNE 30, 2023

31. OPERATING LEASE ARRANGEMENTS

The Company as a lessor

Disclosure required by IFRS 16

Operating leases, in which the Company is the lessor, relate to investment properties owned by the Company with lease terms of between 1 to 10 years, renewable for successive ten year period, on such term as may be agreed by the Parties. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Company, as they relate to property which is located in a location with a constant increase in value over the last years. The Company did not identify any indications that this situation will change.

Maturity analysis of operating lease payments:

	2023	2022
	Rs'000	Rs'000
Year 1	8,352	8,345
Year 2	8,770	8,763
Year 3	9,208	9,201
Year 4	9,669	9,661
Year 5	-	10,144
Year 6 and onwards	-	-
	35,999	46,114

The following table presents the amounts reported in profit or loss.

32. EVENTS AFTER REPORTING PERIOD

On the 17th August 2023, the Company declared a dividend of Rs.750 per share totalling dividends payable of Rs. 24.9m.

There have been no other material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended June 30, 2023.