ANNUAL REPORT 2021

Les Moulins de la Concorde

CONTENTS

Les Moulins de la Concorde produces high-quality, fresh flour adapted to the needs of the Nation. Operating as a trusted partner for its stakeholders, LMLC ensures a continuous supply of flour thus contributing to national food security.

MISSION

DIRECTORATE

BOARD OF DIRECTORS (AT JUNE 30, 2021)

Hansraj **Ruhee (Chairman)**(Deceased on 21.06.2021)
Cédric **de Spéville**
Michel **de Spéville, C.B.E.**(Alternate Noel Eynaud)
Pierre **Dinan**
Eric **Espitalier-Noël**
Anwar **Joonas**
Deonanan **Makoond**
Jean-Pierre **Montocchio**
Su Lin **Ong** (As from 29.12.2020)
Mushtaq **Oosman** (As from 29.12.2020)
Pierre-Yves **Pougnet**
Aruna Devi **Bunwaree Ramsaha** (Alternate Benoit Barbeau)
Petrus **van Niekerk**

SECRETARY

Eclosia Secretarial Services Ltd

GENERAL MANAGER

Julien Vitry-Audibert

AUDITORS

Pricewaterhousecoopers

BANKERS

The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Limited
Absa (Mauritius) Limited

REGISTERED OFFICE AND FACTORY

Registered Office: Eclosia Group Headquarters, Gentilly, Moka
Office and Factory: Cargo Peninsula, Quay D, Port Louis, 11610

CHAIRMAN'S REVIEW

Day after day....

...constantly maintaining quality standard

CHAIRMAN'S REVIEW

I am pleased to forward to you, on behalf of the Board of Directors, the audited financial statements of the Company (LMLC) and of the Group, together with an overview of the Company's main activities for the financial year under review.

OVERVIEW

2020 / 2021 was in many ways a particular year due to the Covid 19 pandemic conditions prevailing throughout the year. Day after day, notwithstanding all difficulties induced by the prevailing situation of the pandemic, LMLC, with its storage capacity of 40,000 tons of wheat, was able to produce flour and supply the country to the expected levels, thus contributing to the national food security of Mauritius.

The operations resumed slowly after the 2020 first lockdown, as many activities were at a standstill. The operations were nearly back to normal when the second wave affected the country in March 2021.

The challenge was again to guarantee an uninterrupted supply of flour while protecting our employees and stakeholders. The Company operated until June 2021 at a reduced cruise speed, based on a shift system, to minimise the number of people on site, hence keeping the flourmill operational with standby teams.

The vaccination program for our employees started as soon as inoculation was made available to companies considered as essential services. At the end of June 2021, the vaccination rate among our employees was 96%.

Despite the critical environment, the hands-on operational approach, particularly with regards to the supply chain resulted in the Group posting a good performance, with a total revenue of Rs 2.1 billion, an operational profit of Rs 227.8 million and a profit after tax of Rs 177.3 million, in line with last year's results. The slightly improved profit for the current year reflects the gains attributable to costs reduction, USD appreciation and the reversal of the impairment booked in the financial year 30 June 2020.

SALES

No tender could be organised in 2020 due to the Covid circumstances. The State Trading Corporation contracted 48,000 tons of flour to LMLC up to the end of December 2020. This contract was further extended for the calendar year 2021 for 94,000 tons.

Four main types of wheat flour are supplied to STC: white wheat flour for French-style bread, Asian- type flour for farathas and chapatis and two types of brown flour intended at brown bread and chapatis. The volume delivered compared to last year was almost the same for each type of flour.

Despite the high consumption of home-made or ready-made flour-based products during the lockdown, we noted that local consumption of flour is globally on a descending trend, further accentuated this year by the lower demand due to Mauritius borders being closed and the tourism industry being at a standstill.

During the year, LMLC retail brands "Blédor" and "Les Moulins" reached sales of 5,126 tons, lower than the exceptional peak of 6,884 tons of 2020 that was mostly linked to panic buying that occurred during the first lockdown. Sales were slower during the first months of the financial year, due to high stocks at the consumer's end. The effect of 2021 lockdown on sales was toned down compared to 2020, as the supermarkets and bakeries never stopped operating, despite the special conditions imposed on them.

Blédor launched its new bags in January 2021, with a social media communication campaign. Some of the reference names were changed for a better comprehension by the final users.

The sales of bran aimed at the local animal feed market, remained high throughout the year with a total consumption of more than 26,000 Tons. The animal husbandry sector thus benefited from continuous supply of fresh bran at a competitive price.

EXPORTS

Flour exports to the regional markets did not get the boost expected and stayed at 11,148 tons compared to 11,435 tons of 2021, mainly on the account of adverse logistic conditions and the pandemic.

The competition remains fierce in Madagascar, especially from millers from Turkey and Egypt, but also from the local mill. Despite the difficult sanitary conditions prevailing there, LMLC remains close to the bakers through its local structure, l'Atelier de la Concorde.

OPERATIONS

As LMLC focuses on the regular supply of quality flour, it continuously applies the highest-level standards of operation within a network of internationally accredited management systems: ISO9001:2015 (quality management), OHSAS18001:2007 (health and safety management); ISO14001:2015 (environmental management); HACCP (food safety management) and ISO-IEC17025:2017 (laboratory analysis management). The management systems in place are continuously assessed through regular reviews by LMLC, Eclosia and external auditor's teams. All systems were audited by their respective external bodies during the year and all certifications and accreditations were maintained.

LMLC pursued the improvement of its production and control systems, with the final and successful implementation of its new SCADA, Mercury, which allows additional checkpoints throughout the production. The new system was delivered and commissioned by Bühler, which required foreign consultants to come to Mauritius whilst abiding to the strict quarantine rules and conditions.

AFTER SALES SERVICE AND TRAINING

There are about 212 bakeries operating in Mauritius and Rodrigues. The team of bakery specialists resumed their visits in December 2020, after the first lockdown, which were again interrupted in March 2021 and have not yet started again, for sanitary reasons.

Overseas visits were all cancelled during the year, as the borders remained closed.

The training activities were also badly impacted by the sanitary conditions. The NC3 Award course in bakery training stopped in March and could only resume after June 2021 for vaccinated students and teachers. Initially scheduled in May 2021, the national exams took place in October 2021. The 2019/20 students performed well, as there was a 100% pass, with five distinctions and three credits.

Training sessions for the general public were also suspended and have not yet resumed in order to limit the risk of Covid 19 contamination.

PUBLIC OUTREACH

Covid- 19 restrictions prevented the organisation of the Fête du Pain for the second year in a row. To keep the event alive, LMLC organised virtual activities on the theme *"N'en perdez pas une miette"*. It was made through communication on national television, radio and mainly social media, to promote the "savoir-faire" of the local bakers and their various products. Virtual competitions also took place within the members of the Mauritius Chefs Association. Charity actions were conducted with the support of the NGO Foodwise.

The Company had a good media coverage on national television, in particular in September 2020 in the Business Connect program by the Mauritius Chamber of Commerce and Industry and Chef, "Dis Moi" series with Vatel in March 2021.

The Made in Moris certification remains of high significance to LMLC and was renewed during the year. LMLC cooperated with this organisation during la Fête du Pain to promote other local members from the agro-industry sector.

EMPLOYEES

The Company operated during the national lockdown, except for two days that were necessary for the obtention of the WAPs.

Teams were split in two and operated 12 hour shifts to allow for standby teams to reduce the risk of COVID contamination on the premises.

The administrative personnel were moreover encouraged to take advantage of Work From Home facilities.

All Arts Culture and Sports activities were suspended after the 2021 lockdown.

Nevertheless, while operating in difficult conditions, the result of the Employees Engagement Survey carried out during the year showed a favourable evolution of many criteria. Focus groups were organized to discuss about the results and to agree on a road map on the points that need to be improved.

SOCIAL CONTRIBUTION

The Company contributed a total of Rs 2,095,847 towards "Fondation Solidarité"of the Eclosia Group, which supports the CSR projects assisting the vulnerable groups of our society. The same amount was remitted directly to the MRA as per law.

The CSR projects led by LMLC were impacted by the sanitary conditions. Only one CSR bakery training for non-profit organisations was carried out, the rest being cancelled.

The "Pain d'Epices Artisanal au miel de Rodrigues", Mézon Rodrigues suffers from the long travel ban as it is geared towards visitors in Rodrigues - mostly appreciated by tourists from Réunion Island, who are prevented from travel since March 2020.

The Company has been providing for years financial support to needy students of St François Xavier RCA school on a gender equal basis during their secondary studies. More than 50 beneficiaries have already graduated.

The Company supported many events organised by social groups during the year and helped in challenging circumstances such as the national lockdown with approximately 10 tons of flour. The Company also contributed up to 30.5 tons of flour to associations during the year, mainly during the Maha Shivaratree festival.

The protection of the Environment is among our top priorities and the Company thus contributed to several collective actions, such as cleaning activities post Wakashio oil spill and a waste collect program in the port.

LMLC set a paperless orientation in its daily operations and has invited its shareholders to opt for the electronic version of the annual report instead of printed copies. This has allowed to reduce the number of printed copies by one third and saved more than one thousand printed copies for the 2019/20 annual report.

CONCORDIA INVESTMENTS LTD (CIL) – SUBSIDIARY

The investments that LMLC held in various companies in Mauritius via its subsidiary CIL performed much better this year. Part of the impairment that was made in Tropical Paradise Co Ltd last year was reversed and with the opening of borders and lifting of travel restrictions, we expect the hospitality industry to gradually recover.

At 30 June 2021 the valuation of portfolio of companies represented Rs 352.7 million compared to Rs 300.9 million in June 2020.

The Company posted a profit before tax of Rs 7 million at 30 June 2021 compared to a loss of Rs 39.2 million last year.

ACKNOWLEDGMENTS

I wish to take this opportunity to pay tribute to three cornerstones of the development of LMLC since inception, that left us during the year.

Mr. Armand Maudave de Mézières, the first General Manager of the Company, who passed away on 24th March, 2021. As General Manager of the Company from inception in 1989 to 1999, he set many orientations that are still priorities to LMLC, such as human development through extensive training of employees and flour users, technical support to bakers, quality management systems. The annual Fête du Pain which he first launched in 1990 has become through the years a reference event for the sectors associated to wheat flour.

Mr. André Béga joined LMLC during the construction of the mill as Head Miller and moved to Production and then appointed as Technical Manager up to 2010, when he finally decided to move to Africa. He aimed at recruiting, building and training a fully local team of Mauritian millers.

Mr. Hansraj Ruhee, the Chairman of LMLC, served the Board of LMLC from May 1988 until his demise in June 2021. He was a valued member of the Corporate Governance Committee and of the Audit Committee, which he served as Chairman up to November 2013, when he was elected Chairman of the Company.

Among other appointments, Hansraj was also an independent Director of Mauritius Oil Refineries Ltd, of the Ramphul group of companies and acted as President of the Mauritius Chamber of Agriculture and the Mauritius Sugar Syndicate.

He took at heart the progress of LMLC, always participating in the Company's activities and chairing boards with wisdom and professionalism, always with a gentleman attitude. He actively contributed to the progress of our Company.

I extend on behalf of the Board our sympathies to the families of the deceased.

My heartfelt thanks to the Board Members for their valuable contribution.

I seize the opportunity to express my gratefulness to my fellow Directors for their guidance and support during an exceptionally difficult year, in particular those who, in addition to their duties on the Board participated in the Board sub-committees.

I also acknowledge the commitment of Management and the Company's personnel at large, whose efforts, resilience, and dedication in such a difficult year allowed the Company to sustain its activities, performance and development.

Mushtaq Oosman
Chairman

STATUTORY DISCLOSURES

JUNE 30, 2021

The Directors have pleasure in submitting the Annual Report of Les Moulins de la Concorde Ltée together with the audited financial statements for the year ended June 30, 2021.

PRINCIPAL ACTIVITIES

The principal activity of LMLC is the milling of wheat. The main products obtained, wheat flour and wheat bran are sold on the local market and exported to the Indian Ocean Islands and other countries. The Company also sells various types of wheat flour in small packs.

The principal activities of its subsidiary companies are as follows:

1. Concordia Investments Ltd - holding of investment.
2. Amigel Ltd - producer of unbaked frozen products.

The consolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2021 is set out on page 63.

DIRECTORATE AT JUNE 30, 2021

Les Moulins de la Concorde Ltée - The Company

Hansraj Ruhee (Chairman) - *Deceased on: 21/06/2021*
Cédric de Spéville
Michel de Spéville, C.B.E. (Alternate Noël Eynaud)
Pierre Dinan
Eric Espitalier-Noël
Anwar Joonas
Deonanan Makoond
Jean-Pierre Montocchio
Pierre-Yves Pougnet
Petrus van Niekerk
Aruna Devi Bunwaree Ramsaha
(Alternate Benoit Barbeau)
Su Lin Ong - *Appointed on: 29/12/2020*
Mushtaq Oosman - *Appointed on: 29/12/2020*

Concordia Investments Ltd - Subsidiary

Cédric de Spéville (Chairman)
Pierre-Yves Pougnet
Gérard Boullé
Petrus van Niekerk

Amigel Ltd - Subsidiary

Gérard Boullé (Chairman)
Cédric de Spéville
Michel de Spéville, C.B.E.
Anwar Joonas
Hansraj Ruhee - *Deceased on: 21/06/2021*
Mélanie Giraud

DIRECTORS' REMUNERATION

There was no contract of significance subsisting during the period to which the Company or one of its subsidiaries is a party and in which a Director is or was materially interested, either directly or indirectly.

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company and its subsidiaries were as follows:

Directors of Les Moulins de la Concorde Ltée	2021 Rs000's	2020 Rs000's
Executive Directors		
Full-Time	-	-
Part-Time	-	-
Non-executive Directors		
Full-Time	-	-
Part-Time ((14) (2020: 12))	**2,283**	2,105
	2,283	2,105

Directors of subsidiaries	2021 Rs000's	2020 Rs000's
Executive Directors		
Full-Time	-	-
Part-Time	-	-
Non-executive Directors		
Full-Time	-	-
Part-Time ((6) (2020: 6))	-	-
	-	-

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company and of the subsidiaries has service contracts with the Company or with any of its subsidiaries.

DONATIONS

	THE GROUP		THE COMPANY	
	2021 **Rs'000s**	2020 Rs'000s	**2021** **Rs'000s**	2020 Rs'000s
Charitable donations	**841**	1,316	**841**	1,316
Political donations	**-**	1,200	**-**	1,200
	841	2,516	**841**	2,516

AUDITOR'S FEES

The fees paid / payable to the auditors for audit services were:

	THE GROUP		THE COMPANY	
	2021 **Rs'000s**	2020 Rs'000s	**2021** **Rs'000s**	2020 Rs'000s
PwC Mauritius	**1,125**	1,050	**1,025**	950

The auditors did not receive any fees for other services for the years ended 2021 and 2020.

DIVIDENDS

Dividends of Rs 37.8M (2020: Rs 37.8M) on ordinary shares and Rs 6M (2020: Rs 6M) on preference shares have been declared in respect of the current year. Out of the Rs 6M dividends, Rs 3.9M were recognised as finance costs.

Approved by the Board of Directors on 27 September 2021 and signed on its behalf by:

Mushtaq Oosman
Chairman

Cédric de Spéville
Director

Day after day....

... stronger team spirit

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Les Moulins de la Concorde Ltée ("LMLC") is a Public Interest Entity quoted on the Development Enterprise Market (DEM) of the Stock Exchange of Mauritius.

The Board of Directors is fully aware of the principles of good governance and guidelines of the "National Code of Corporate Governance for Mauritius (2016)" ("the Code") and ensures that the principles are followed and applied throughout the Company. The Corporate Governance Report hereby explains how the principles are applied at LMLC.

The Statement of Directors Responsibilities and Statement of Compliance are on pages 49 and 50 respectively.

The annual report of Les Moulins de la Concorde Ltée is published in full on the Company's website **www.lesmoulinsdelaconcorde.com.**

GROUP STRUCTURE

The Group Structure of Les Moulins de la Concorde Ltée at June 30, 2021 was as follows:

CUSTOS NMI (PTY) LTD 28.49%

LIVESTOCK FEED LIMITED 29.13%

MANAGEMENT & DEVELOPMENT COMPANY LTD 18.29%

MAURITIUS PORTS AUTHORITY 8.33%

OTHERS 15.76%

Les Moulins de la Concorde Ltée

AMIGEL LTD 100%

CONCORDIA INVESTMENTS LTD 100%

INDIGO HOTELS & RESORTS LTD 28.67%

The ultimate beneficial owners of LMLC are Mr Michel de Spéville and SFG Trust.

Day after day...

... keeping the deadlines

Shareholders holding more than 5% of the Company

The shareholders holding more than 5% of the Company at June 30, 2021 were:

No.	Shareholders	Ordinary	%
1	Livestock Feed Limited	3,146,178	29.13
2	Custos NMI (Pty) Ltd	3,076,964	28.49
3	Management and Development Company Limited	1,976,286	18.29
4	Mauritius Ports Authority	900,000	8.33

Distribution of Shareholding at June 30, 2021

The Company had 1,994 ordinary shareholders as at June 30, 2021, distributed as follows:

No. of Shares	No. of Shareholders	No. of Shares owned	% Shareholding
0 - 500	1,422	249,927	2.32
501 - 1000	287	195,080	1.81
1 001 - 5000	230	469,191	4.34
5 001 - 10 000	28	207,768	1.92
10 001 - 100 000	23	578,606	5.36
100 001 – 1,000 000	1	900,000	8.33
above 1,000,000	3	8,199,428	75.92
	1,994	10,800,000	100.00

Common Directors on Shareholder Companies and Subsidiaries

The table below indicates the Directors common to the shareholder companies having more than 5% holding in Les Moulins de la Concorde Ltée and Directors common to the subsidiaries of the Company:

	SHAREHOLDERS HAVING MORE THAN 5%					SUBSIDIARIES OF LMLC	
DIRECTORS	LMLC	LFL	MADCO	CUSTOS	MPA	CIL	AMIGEL LTD
Hansraj Ruhee (Chairman and Director up to 21.06.2021)	√	-	-	-	-	-	√
Cédric de Spéville	√	√	√	-	-	√	√
Michel de Spéville, C.B.E.	√	√	√	-	-	-	√
Pierre Dinan	√	√	-	-	-	-	-
Eric Espitalier-Noël	√	√	√	-	-	-	-
Anwar Joonas	√	-	-	-	-	-	√
Deonanan Makoond	√	-	-	-	-	-	-
Jean-Pierre Montocchio	√	-	-	-	-	-	-
Su Lin Ong (as from 29.12.2020)	√	-	-	-	-	-	-
Mushtaq Oosman (as from 29.12.2020)	√	-	-	-	-	-	-
Pierre-Yves Pougnet	√	√	√	-	-	√	-
Aruna Devi Bunwaree Ramsaha	√	-	-	-	-	-	-
Petrus van Niekerk	√	-	-	√	-	√	-
Alternate Directors							
Noël Eynaud (alternate to Mr. Michel de Spéville)	√	√	-	-	-	-	-
Benoit Barbeau (alternate to Mrs. Aruna Devi Bunwaree Ramsaha)	√	-	-	-	-	-	-
Directors on subsidiaries of Lmlc							
Gérard Boullé	-	√	-	-	-	√	√
Mélanie Giraud	-	-	-	-	-	-	√

LMLC:	Les Moulins de la Concorde Ltée
LFL:	Livestock Feed Limited
MADCO:	Management and Development Company Limited
MPA:	Mauritius Ports Authority
CIL:	Concordia Investments Ltd
CUSTOS:	Custos NMI (Pty) Ltd

CONSTITUTION OF THE COMPANY

The Constitution of the Company is in line with the Mauritian Companies Act 2001.

Shareholders have a pre-emptive right on all new shares issued by the Company up to the extent of their respective holding in the shares of the Company.

Preference shareholders have the right to "a fixed cumulative preferential dividend at the rate of 13% per annum on the capital for the time being paid up on the said preference shares held by them respectively, and all balance, if any, left over out of the profits of each year available for dividend and which the Board may have decided to distribute by way of dividend shall be distributed amongst the holders of both the ordinary and preference shares 'pari passu' per share, the holders of the preference shares being entitled to a maximum dividend of 20%".

The holders of the said preference shares shall be entitled, in a winding up, to repayment of capital, in priority to the ordinary shares, but shall have no other rights in respect of dividend or capital.

The shares of the Company are traded on the Development and Enterprise Market and are free from any restrictions on ownership.

There is no share option plan in place at the Company.

GOVERNANCE STRUCTURE

The Board

The Board, as the governing body, fully understands its role, responsibility and authority in setting the direction, the management and control of the Company as well as its responsibility in meeting all legal and regulatory requirements.

The Board has adopted governance structures and procedures, which conform to the Company's internal policies as well as current legislations.

With effect as from 1 July 2020, Mr Julien Vitry Audibert was appointed General Manager of the Company in the place of Mr Philippe La Hausse de Lalouvière, who retired at 30 June 2020.

After a selection process led the the Corporate Governance Committee and with the recommendation of the Board, the shareholders appointed, at its annual meeting held on 29 December 2020, Mrs Su Lin Ong and Mr Mushtaq Oosman as Directors, and they both met the criteria of independent director as per section 2 of the Companies Act.

Hence, at 30 June 2021, the Board was comprised of two Independent Directors and ten Non-Executive Directors and two Non-Executive Alternate Directors.

During the year under review, our esteemed Chairperson and Non-Executive Director, Mr Hansraj Ruhee passed away on 21 June 2021. The Board of Directors has subsequently appointed Mr Mushtaq Oosman, an Independent Non-Executive Director, as Chairperson as from 1 July 2021.

The Board acknowledges that gender and diversity are recommended by the Code in the board composition, nonetheless expertise and skills are regarded as prerequisites for appointing a Director. To fill in the seat left vacant after the demise of Mr Hansraj Ruhee, the Board appointed on 2 August 2021, Mrs Heba Capdevila El-Idrissi Jangeerkhan, as Independent Non-Executive Director.

GOVERNANCE STRUCTURE(CONT'D)

The Chairperson heads the Board and is not involved in the day-to-day management of the Company. The Chairperson meets the General Manager on a regular basis to discuss matters pertaining to the Company and devotes sufficient time to his duties and responsibilities towards the Company.

Although there are no executive Directors sitting on the Board, it is the Board's view that:

(i) the active participation of the General Manager at all Board meetings and the participation of senior executives to sub-committees of the Board meet with the spirit of good governance;

(ii) the Board is of an appropriate size and meets the Company's business requirements;

(iii) its Directors have the requisite skills, experience and knowledge to contribute effectively to the Company.

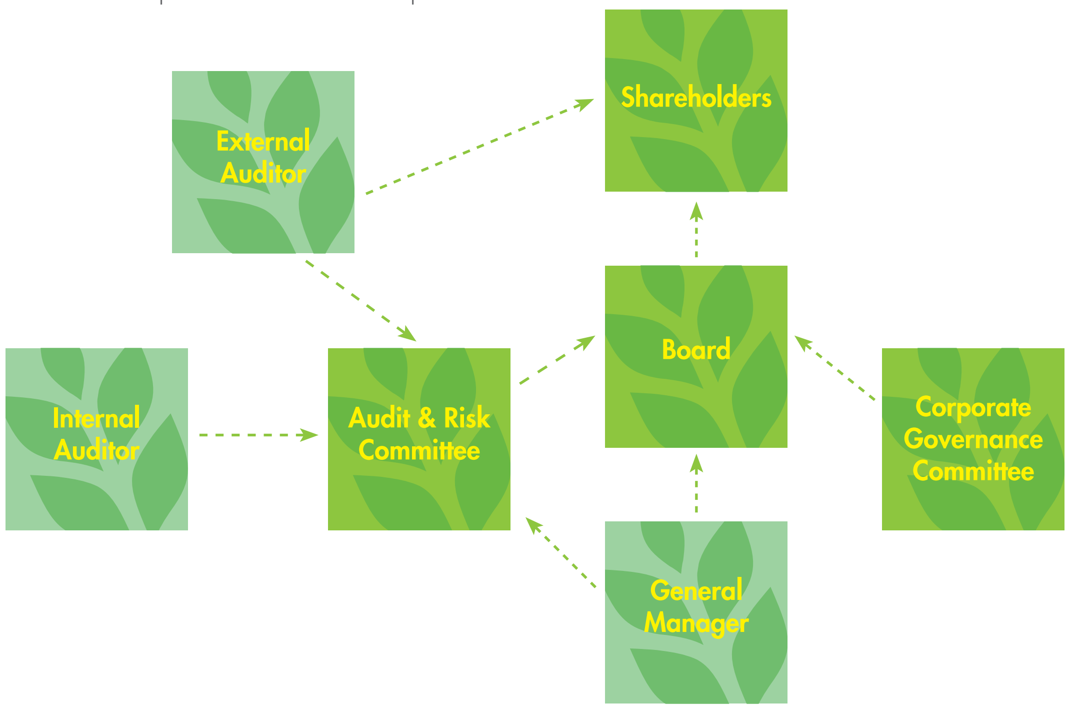
The existing Board Charter is aligned with the provisions of the National Code of Corporate Governance.

The job descriptions of the Chairperson of the Board and the Secretary are also available on the Company's website. The responsibilities of each Chairperson of the committees of the Board are fully described in the terms of reference, which are also published on the Company's website.

Statement of Accountabilities

The Board has approved the statement of accountabilities. The Chairpersons of the Audit and Risk Committee and Corporate Governance Committee report to the Board on the deliberations of their respective Committees, and as and when necessary, make recommendations to the Board.

The General Manager, who attends board meetings, reports on the operations and management of the Company to the Board. The accountabilities within the Company are disclosed on page 33 of the Corporate Governance Report.



BOARD COMMITTEES

Corporate Governance Committee

The Corporate Governance Committee for the financial year ended June 30, 2021 comprised of the following members:

Position	Name	Status
Chairperson	Mr Pierre Dinan	Non-Executive
Member	Mr Pierre-Yves Pougnet	Non-Executive
Member	Mr Hansraj Ruhee (deceased on 21.06.2021)	Non-Executive
Member	Mr Jean Pierre Montocchio	Non-Executive
Member	Mr Mushtaq Oosman (as from 25.01.2021)	Independent
Secretary	Eclosia Secretarial Services Ltd	

During the year, the General Manager was invited to attend the meeting of the Corporate Governance Committee.

The terms of reference of the Committee are in summary:

- to make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate principles and practices; and
- to ensure that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance.

The Terms of Reference of the Corporate Governance Committee were approved by the Board in 2019.

The Committee met three times during the year and continued the established programme of monitoring governance performance within the Company, leading the board evaluation exercise, addressing the composition of the board and the nomination of new directors, and ensuring the Company's compliance with existing legislations and policies.

Remuneration and Nomination

The Corporate Governance Committee assumes the tasks of remuneration and nomination committee and makes recommendations to the Board with regard to: (a) Directors and Committee Members' fees and (b) the nomination of Directors.

Audit and Risk Committee

The members of the Audit and Risk Committee at June 30, 2021 were:

Position	Name	Status
Chairperson	Mrs Su Lin Ong (Chairperson as from 11.02.2021)	Independent
Member	Mr Pierre Dinan (Chairperson up to 11.02.2021)	Non-Executive
Member	Mr Mushtaq Oosman (25.01.2021 up to 01.07.2021)	Independent
Member	Mr Pierre-Yves Pougnet	Non-Executive
Member	Mr Anwar Joonas	Non-Executive
Member	Mr Noël Eynaud	Non-Executive
Secretary	Eclosia Secretarial Services Ltd	

BOARD COMMITTEES (CONT'D)

The composition of the Audit and Risk Committee is equally constituted of two independent Directors and four non-executive Directors. The Board considers that the composition of this Committee strikes the right balance of knowledge and expertise and, as a collective body, they can scrutinise rigorously the relevant areas under their responsibility. The Board is satisfied that under the Chairmanship of an independent member, the Audit and Risk Committee is discharging its responsibilities effectively and efficiently.

The Committee met five times during the year. Careful consideration was devoted to the reports of internal auditors and the external auditor as well as the risk management framework.

The terms of reference of the Audit and Risk Committee encompassed the fully owned subsidiaries of LMLC.

The terms of reference are published on the Company's website.

The Company's results after each quarter were meticulously analysed and the performance of the enterprise scrutinised by the Committee.

The audit findings reports of both the external auditors as well as the internal audit team were received by the Committee and Management actions towards implementation of the recommendations made were closely followed and monitored to ensure satisfactory closure.

The Committee fulfilled the following duties during the year:

(i) Review the abridged unaudited quarterly statements and the audited financial statements;
(ii) Receive the report of the findings of the internal auditors for IT, finance and administration and that the risks outlined have been addressed by Management;
(iii) Receive the report of the Head of Governance, Risk and Compliance on the different audits carried out at LMLC and receive assurance that the findings of the audit reports have been addressed by Management;
(iv) Review the risk register of the Company and receive Management assurance that adequate controls were in place to monitor the risks;
(v) Meet with the external auditors and Management on the findings raised in the Management Letter.

THE DIRECTORS

Except for Mr Petrus van Niekerk who is a resident of South Africa, all the other Directors of the Company are residents of Mauritius.

Directors	Non-Executive	Independent	Direct Shareholding in LMLC %		Indirect Shareholding in LMLC %		Number of other Directorships in Listed Companies
			Ord	Pref	Ord	Pref	
Hansraj Ruhee (Chairman up to 21.06.21)	√	-	0.0382	0.0393	0.0111	0.0327	1
Cédric de Spéville	√	-	-	-	0.2700	-	3
Michel de Spéville, C.B.E	√	-	0.0022	0.0087	21.100	-	2
Pierre Dinan	√	-	-	-	-	-	1
Eric Espitalier-Noël	√	-	-	-	1.3278	-	6
Anwar Joonas	√	-	0.0303	0.0703	-	-	-
Deonanan Makoond	√	-	-	-	-	-	-
Jean-Pierre Montocchio	√	-	-	-	-	-	6
Su Lin Ong (as from 29.12.20)	-	√	-	-	-	-	2
Mushtaq Oosman (as from 29.12.20)	-	√	-	-	-	-	4
Pierre-Yves Pougnet	√	-	0.0710	0.0233	-	-	3
Aruna Devi Bunwaree Ramsaha	√	-	-	-	-	-	-
Petrus van Niekerk	√	-	-	-	28.4904	0.7810	-

ALTERNATE DIRECTORS

Noël Eynaud (alternate to Mr. Michel de Spéville)	√	-	-	-	0.0396	0.4833	2
Benoit Barbeau (alternate to Mrs. Aruna Devi Bunwaree Ramsaha)	√	-	-	-	-	-	-

The Directors confirm that they have followed the principles set out in the DEM Rules on restrictions on dealings by the Directors.

None of the Directors have traded in the shares of the Company during the year under review.

Directors' Profile

Hansraj Ruhee (Chairman and Director up to 21.06.2021)

Diploma in Business Administration. Executive Director of Ramphul Ltd. He was appointed Director of Les Moulins de La Concorde Ltée on March 3, 2006. Mr Ruhee was also an independent Director of the Mauritius Oil Refineries Ltd and was a member of its Audit and Corporate Governance Committees. He was also the Chairman of its Ethics committee. Mr. Ruhee served as President of The Mauritius Chamber of Agriculture and the Mauritius Sugar Syndicate. Mr. Ruhee was Chairman of Les Moulins de la Concorde Ltée from November 2013 until his demise on 21 June 2021.

Cédric de Spéville

Born in 1979, Cédric de Spéville holds a Master in Economics from the Sorbonne University in Paris in 2001, an MSc in Accounting and Finance from the London School of Economics in 2003 and obtained a Master in Business Administration from Columbia Business School (New York) in 2007. He has been a Consultant for COFINTER in Paris from 2002 to 2003 and joined Eclosia Group in 2003. In February 2009, he was appointed Group Chief Operating Officer and Chief Executive Officer in January 2013. He is Director on various companies of the Eclosia Group, and is a past President of the Mauritius Chamber of Commerce and Industry (2011- 2013) and of Business Mauritius (2017-2019). He was appointed to the Board of Les Moulins de la Concorde Ltée on April 22, 2009.
Other Directorships: Livestock Feed Limited, Tropical Paradise Co. Ltd and Mauritius Freeport Development Co Ltd.

Michel de Spéville, C.B.E.

Founder President of the Eclosia Group. Founder and Senator of the "Jeune Chambre Economique de l'Ile Maurice". Elevated to the rank of "Commander of the Order of the British Empire" (C.B.E). Honorary Citizen of Moka-Flacq District of Mauritius. "Honorary Fellow Agribusiness", University of Mauritius. Elevated to the rank of "Chevalier de l'Ordre de Mérite de Madagascar". Elevated to the rank of "Chevalier de la Légion d'honneur de France". Chairman and member of the Board of various companies of the Eclosia Group. Former President of the Mauritius Chamber of Commerce & Industry and former President of "L'Institut de la Francophonie pour l'Entrepreneuriat" (IFE). Other Directorships: Livestock Feed Limited and Tropical Paradise Co. Ltd.

Pierre Dinan

BSc. (Econ), FCA (Fellow of the Institute of Chartered Accountants in England and Wales), was a Senior Partner at De Chazal du Mée (DCDM) for 20 years until he retired in June 2004. He was also a Director of Multiconsult, a global business management services Company, for twelve years until 2004. He acts presently as a Company Director for a number of public companies in the manufacturing and financial services sectors respectively. He is a past independent member of the Monetary Policy Committee set up under the Bank of Mauritius Act. Mr. Dinan was the founder Chairman of the Mauritius Institute of Directors. He was appointed to the Board of Les Moulins de la Concorde Ltée on February 4, 2009 and is the Chairman of the Corporate Governance Committee. Mr Dinan is a member of the Audit and Risk Committee and has chaired this Committee up to February 2021.
Other Directorship: Livestock Feed Limited

Eric Espitalier-Noël

Holds a Bachelor's degree in Social Sciences and an MBA. He previously worked with De Chazal du Mée & Co, Chartered Accountants in Mauritius. He joined the ENL Group in 1986 and is currently the Chief Executive Officer of ENL Commercial Limited. Mr Espitalier-Noel has an extensive experience in the commercial and hospitality sectors being a board member of various companies evolving in those sectors. He was first appointed to the Board of Les Moulins de la Concorde Ltée in 2006.
Other Directorships: Automatic Systems Ltd, Moka City Ltd, ENL Limited, Livestock Feed Limited, Rogers and Company Limited and Tropical Paradise Co. Ltd (alternate Director).

Anwar Joonas

Holder of B. Com., Executive Chairman of Joonas & Co Ltd and Managing Director of Galvabond Ltd. He was appointed to the Board of Les Moulins de La Concorde Ltée on January 18, 1993 as alternate Director to Mr. Mohammed Issack Joonas and appointed Director on April 22, 2009. Mr. A. Joonas also sits on the Board of Lafarge (Mauritius) Cement Ltd, Chairman of Business Mauritius CSR Fund, Member of the Court of University of Mauritius, Member of the Aapravasi Ghat Consultative Council. Former President of the Mauritius Employers Federation. Charter Member & Past President of the Rotary Club of Quatre Bornes. Former Council Member of the MCCI. Former Member JEC (Joint Economic Council).

Deonanan Makoond

Holder of MSC, Tourism Planning & B.A (Hons) in Economics. Mr Raj Makoond is the Program Director of Eclosia Group. He was the Chief Executive Officer of Business Mauritius, the coordinating body of the Mauritius private sector. (2016-2018). Prior to joining Business Mauritius, he was Director of the Joint Economic Council (1994-2015), Deputy Secretary-General of the Mauritius Chamber of Commerce & Industry (1991-1994) and Senior Economist at the Ministry of Economic Planning & Development (1975-1991).
He chairs the University of Technology of Mauritius (UTM). He is a member of the Economic Commission of Business Mauritius and chairs the Financial Services Sub-Committee.
He co-chaired the implementation of rescue plans in the context of the financial crisis and European crisis. Mr. Makoond was a Director of the European Centre for Development Policy Management (ECDPM), a Dutch Foundation based in Maastricht and specializing in matters regarding ACP-EU trade relations. He was appointed to the Board of Les Moulins de la Concorde Ltée on May 3, 2007.

Jean-Pierre Montocchio

Born in 1963, he was appointed notary public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee. He is a director of a number of listed companies in Mauritius.

Other Directorships: Fincorp Investment Ltd (Chairman), New Mauritius Hotels Ltd, Rogers Co. Ltd (Chairman), ENL Limited, Semaris Ltd and Happy World Property Ltd.

THE DIRECTORS(CONT'D)

Su Lin Ong (as from 29.12.20)

Born in 1960, Mrs Su Lin Ong is holder of a BA (Hons) Economics from UK, Fellow of the Institute of Chartered Accountants in England and Wales and Fellow of the Mauritius Institute of Directors.

Su Lin has 37 years of professional experience in Audit and Advisory. She trained as a Chartered Accountant in London with Deloitte, Haskins & Sells where she worked for 8 years before joining Coopers & Lybrand (which subsequently became PwC) in Mauritius as a Partner in the Consulting Division. She has also been a Partner in DCDM Consulting (local partner of Accenture), specialising in digitalisation and systems integration and a Director at KPMG Advisory Services, specialising in internal audit and risk management. She was the Chairperson of the CSR committee and is a past President of the Society of Chartered Accountants in Mauritius. Throughout her career, she has worked with major local and international companies across industries. Since November 2019, she sits as an Independent Non-Executive Director on several Boards in Mauritius.

Other Directorships: Tropical Paradise Co Ltd and Mauritius Oil Refineries Ltd.

Mushtaq Oosman (as from 29.12.20)

Fellow of the Institute of Chartered Accountants in England and Wales, Mushtaq Oosman has over 30 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. He trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (part of the team of Price Waterhouse in 1988 in Mauritius), serving as a partner from 1991. Primarily as an Assurance Partner, he was also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a governance board. He retired from PwC in 2015 and has formed his own Insolvency Practice.

Other Directorships: ENL Limited, The Mauritius Union Assurance CY Ltd, Automatic Systems Ltd, United Docks Ltd.

Pierre-Yves Pougnet

Pierre Yves Pougnet, an accountant by profession, was appointed to the Board of Les Moulins de la Concorde Ltée on November 22, 1987. He is also a member of both the Corporate Governance Committee and the Audit and Risk Committee. Pierre-Yves Pougnet started his career with an audit firm. In 1975, he joined the Eclosia Group where he occupied executive functions, amongst which, Managing Director of Panagora Marketing and subsequently Managing Director of Avipro Ltd (ex-Food and Allied Industries Ltd). He was the Vice Chairman of the Eclosia Group when he retired in 2015.

Other Directorships: P.O.L.I.C.Y. Limited, Tropical Paradise Co. Ltd and Livestock Feed Limited.

Aruna Devi Bunwaree Ramsaha

Deputy Director-General of the Mauritius Ports Authority, Mrs. Bunwaree Ramsaha is a Fellow of the Chartered Association of Certified Accountants (FCCA) and is holder of an MBA. Mrs. Bunwaree Ramsaha also sits on the board of Froid des Mascareignes and Transfroid Ltée and is an alternate Director on the board of Mauritius Cargo Community Services Ltd.

Petrus Johannes van Niekerk

Founder and Director of a Group of grain milling and feed manufacturing companies operating in southern Africa. He was appointed to the Board of Les Moulins de La Concorde Ltée on December 2, 1987.

Alternate Directors

Noël Eynaud (Alternate to Michel de Spéville)

Accountant by profession, Noël Eynaud is a Director of Management and Development Company Limited. He was appointed to the Board of Les Moulins de La Concorde Ltée on June 30, 1993 and is a member of the Audit and Risk Committee. Mr. Eynaud is an alternate Director on the Board of Livestock Feed Limited and Tropical Paradise Co Ltd.

Benoit Barbeau (Alternate to Aruna Devi Bunwaree Ramsaha)

Captain Barbeau is Port Master at the Mauritius Ports Authority since 2009. He holds a Masters in Business Administration in Maritime and Logistic Management from University of Tasmania. He acts as alternate to Mrs Bunwaree Ramsaha on the Board of Les Moulins de la Concorde Ltée since the 10th November 2015.

Directors' appointment procedures

Directors are elected to serve on the Board at the Annual Meeting of Shareholders. However, should a casual vacancy arise, the Board has the authority to appoint a Director to hold office until the next Annual Meeting.

The Constitution of the Company provides an annual rotation of Directors whereby one-third of the Directors longest in office shall retire and offer themselves for re-election at the annual meeting of shareholders. Consequently, every Director has a three-year term of office on the Board.

Messrs Michel de Spéville, Pierre-Yves Pougnet, Petrus van Niekerk and Noël Eynaud (alternate of Mr Michel de Spéville), who are above 70 years of age, will retire at the annual meeting to be held on December 8, 2021.

These Directors will offer themselves for re-election at the annual meeting in accordance with Section 138 (6) of the Companies Act.

Messrs Cédric de Spéville, Jean Pierre Montocchio and Aruna Devi Bunwaree Ramsaha, who will complete their three-year term of office at the annual meeting, will also retire and will offer themselves for re-election at the annual meeting.

A procedure for the appointment of Directors has been adopted and serves as a guidance for the appointment of Directors on the Board of the Company. The Corporate Governance Committee, in its role as Nomination Committee, leads the process and screens candidates based on the requirements of the position, the skills and expertise needed.

Once a candidate is selected, the Corporate Governance Committee makes its recommendation to the Board, who will decide whether to propose to the shareholders the appointment of the selected candidate.

A letter outlining the terms of his appointment is remitted to each Director who has been re-elected at the Annual Meeting.

Board information

Relevant board information are provided to the Board members in a timely manner to give them adequate time to study the documents provided on the matters that will be discussed at the meetings and make appropriate decisions.

Where necessary and subject to the formal approval of the Chairperson, Directors may have access to independent professional advice at the Company's expense to enable them to discharge their responsibilities.

A Directors' and Officers' Liability cover is in place for Directors and senior officers of the Company.

Board Evaluation

The performance of the Board is evaluated every two years and is led by the Corporate Governance Committee and the Company Secretary.

A board evaluation exercise will be held during the next financial year. Suggestions received from Directors to improve governance and performance of the Board have been taken into account and have satisfactorily improved the functioning of the Board and its governance.

Induction and orientation

A formal induction plan is in place and an induction pack is remitted to a newly appointed Director and comprises among others the Board Charter, Directors' Code of Ethics, minutes of last three board meetings prior to the Director's appointment, the financial statements, the mission statement of the Company, and relevant legislations which shall enable him/her to understand the duties and obligations of being a Director.

The responsibility of the induction process lies with the Chairperson and the latter delegates to the General Manager and the Management staff to accompany newly appointed Directors in their introduction to the Company and its business operations.

Professional development

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

In performing their role, the Company secretaries of Eclosia Secretarial Services Ltd, undertake a minimum of 21 hours training and skills development annually as part of their qualifying as Chartered Secretaries of the Institute of Chartered Secretaries and Administrators of United Kingdom. The Company secretaries are also members of the Mauritius Institute of Directors and the ICSA Mauritius Branch.

Succession planning

A succession plan has been set up for the senior management positions whose expertise in the milling operations are fundamental to the running of the mill. The succession plan has been set up to maintain continuity and sustainability of the enterprise.

The identification of new directors, in order to keep a balance of skills and expertise at the level of the Board, is the responsibility of the Corporate Governance Committee, which reviews the composition of the Board on a regular basis.

DIRECTORS' DUTIES

Directors' duties

Directors are aware of their legal duties which have been communicated to them through the induction pack. The duties of Directors are also outlined in their letter of appointment as well as in the Board Charter.

All Directors are aware of their duty to make a formal declaration of their interests to the Company as required under the Securities Act and they do notify the Company in the event of any change in their interests.

A calendar of closed periods is communicated to the Directors at the start of every financial year and Directors are kept updated on the close periods during the course of the year.

Code of ethics

All employees of the Company formally adhere to the Code of Ethics of LMLC, which Code upholds the strong moral values, which are an integral part of the LMLC Group's spirit.

The Directors are guided by the Director's Code of Ethics, which has been adopted by the Board and is published on the Company's website. The Board regularly monitors and evaluates compliance with its code of ethics.

Conflicts of interest

The Company Secretary maintains an interest register for the Members of the Board and senior officers of the Company and it is available for consultation by shareholders upon written request to the Company Secretary.

Directors and senior officers have the responsibility to notify of any change in their declaration of interests to the Company Secretary who will ensure that the interest register is kept updated.

The Company's Constitution provides that a Director who has an interest in a transaction shall declare forthwith to the Company his interest and he shall not participate in the vote on the transaction.

Whenever a Director finds himself in a state of conflict or potential conflict of interest pertaining to a transaction to be put for decision before the Board, the Director shall retire from the meeting when the matter is brought for discussion and shall not participate in the discussions nor vote on the matter.

The Board Charter guides Directors in situations where they find themselves in a state of conflict or potential conflict or they are a related party in a transaction with the Company.

DIRECTORS' REMUNERATION

The remuneration for Members of the Board, Audit and Risk and Corporate Governance Committees at June 30, 2021 were as follows:

Type of meeting	Chairperson		Directors	
	Annual Retainer Rs	Meeting Fee Rs	Annual Retainer Rs	Meeting Fee Rs
Board	100,000	10,000	80,000	10,000
Audit and Risk	70,000	10,000	50,000	10,000
Corporate Governance	50,000	10,000	35,000	10,000

The attendance of the Directors and Committee Members and their remuneration for the financial year ended June 30, 2021 were as follows:

No	Directors	Board Attendance Out of 5 Meetings held	Board Fees Rs.	Audit and Risk Committee Attendance Out of 5 Meetings held	Audit and Risk Committee Fees Rs.	Corporate Governance Committee Attendance Out of 3 Meetings held	Corporate Governance Committee Fees Rs.
1	Hansraj Ruhee	2/5	120,000	-	-	3/3	65,000
2	Cédric de Spéville	5/5	130,000	-	-	-	-
3	Michel de Spéville, CBE	5/5	130,000	-	-	-	-
4	Pierre Dinan	5/5	130,000	5/5	111,667	3/3	80,000
5	Eric Espitalier-Noël	2/5	100,000	-	-	-	-
6	Anwar Joonas	4/5	120,000	4/5	90,000	-	-
7	Deonanan Makoond	5/5	130,000	-	-	-	-
8	Jean-Pierre Montocchio	4/5	120,000	-	-	2/3	55,000
9	Su Lin Ong	2/5	60,000	2/5	53,333	-	-
10	Mushtaq Oosman	3/5	70,000	2/5	45,000	0/0	17,500
11	Pierre-Yves Pougnet	5/5	130,000	5/5	100,000	3/3	65,000
12	Petrus van Niekerk	5/5	130,000	-	-	-	-
13	Aruna Devi Bunwaree Ramsaha	5/5	130,000	-	-	-	-
Alternate Director							
1	Noël Eynaud	0/5	-	5/5	100,000	-	-
2	Benoit Barbeau	0/5	-	-	-	-	-

No fee was paid to the Directors sitting on the subsidiary companies Concordia Investments Ltd and Amigel Ltd, the latter having stopped its operations.

The Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

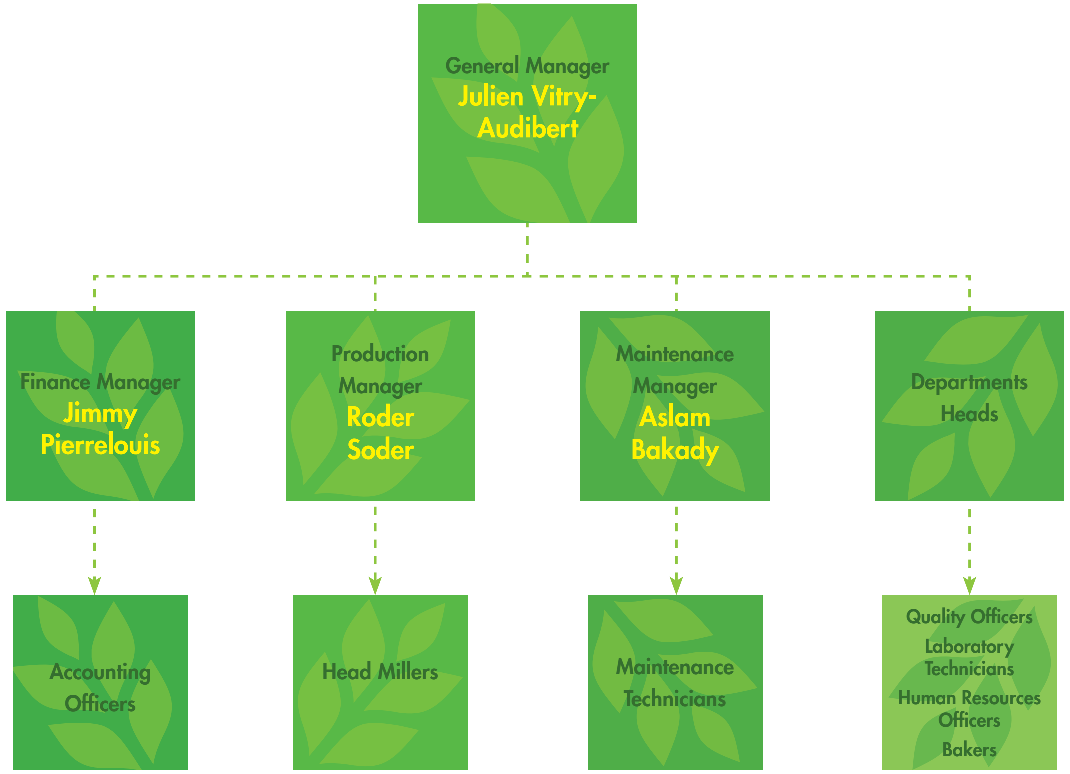
STATEMENT OF REMUNERATION PHILOSOPHY

The Company's philosophy concerning remuneration is to offer a competitive package that will attract, retain and motivate Directors and employees of the highest caliber and recognize value-added performance, whilst taking into account its own financial position.

In that respect, the remuneration offered to each category of jobs within the Company has been benchmarked and aligned with the current market rate.

The Directors' fees are also benchmarked on market norms and reviewed on a regular basis by the Board upon recommendation of the Corporate Governance Committee.

THE ORGANISATIONAL STRUCTURE



The members of the senior management team do not hold shares in the Company and are not entitled nor granted any special right to subscribe to shares of the Company.

SENIOR MANAGEMENT TEAM

Managers	Title	Description
Julien Vitry Audibert	General Manager	Mr Julien Vitry Audibert succeeded to the management of the Company as from 1 July 2020. Mr. Julien Vitry-Audibert is holder of a "DUT - Techniques de Commercialisation" obtained from the IUT of Aix en Provence and a Master of Science from "Ecole Supérieure de Commerce (CERAM)" of Sophia Antipolis, France. He was, since 2011, the Chief Executive Officer of Freight and Transit Company Limited (FTL). Mr Vitry-Audibert is a Director on the board of FTL.
Jimmy Pierrelouis	Finance Manager	Employed by Les Moulins de la Concorde Ltée since May 2014. Mr Pierrelouis holds a Bachelor's degree in Accounting and Finance from the University of Mauritius and is a Fellow Member of the Association of Chartered Certified Accountants. He has more than 10 years of broad ranging experience across various industries: tobacco, petroleum, audit, printing & stationery; both locally and in Africa.
Robert Soder	Production Manager	Employed by Les Moulins de la Concorde Ltée since October 2008. He has worked for the Eclosia Group as Production Manager at New Maurifoods Limited for five years. Before this, he was Production and Operations Manager in two milling operations in Nigeria and in Haiti. He is a Qualified miller since 1987 and holds a Diploma as milling technologist since 1993 from Swiss Milling school.
Aslam Bakady	Maintenance Manager	Employed by les Moulins de la Concorde Ltée since August 2015. Mr. Bakady holds a Bachelor of Engineering in Computer Engineering. He worked as Maintenance Manager at Denim des Iles Ltd before joining LMLC.

CORPORATE GOVERNANCE REPORT (CONTINUED)

THE COMPANY SECRETARY

Eclosia Secretarial Services Ltd is a corporate body which holds the functions of Company Secretary. The secretarial work is undertaken by qualified chartered company secretaries who are members of the Institute of Chartered Secretaries and Administrators (ICSA) of United Kingdom.

Board members have access to the company secretaries of Eclosia Secretarial Services Ltd who are assigned the task of guiding the Board in the application and implementation of the principles of the Code of Corporate Governance as well as ensuring that the Board is aware of the statutory and regulatory requirements. The Board is satisfied that Eclosia Secretarial Services Ltd, through its representatives, fulfils satisfactorily its responsibilities towards the Board and the Company.

The role and duties of the Company Secretary are outlined in its terms of reference.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The Eclosia Group IT Executive Council ("the GIT"), supported by three sub-committees, is responsible to provide the necessary directions with regards to strategy, infrastructure and operations management in relation to information, communications and technology systems within the Eclosia Group including LMLC.

An Information Technology Policies and Procedures ("ITPP") manual has been mandated by the GIT to provide guiding principles applicable to the management of IT related processes across Group Companies in order to:

- Establish responsibility and accountability for the use and maintenance of IT resources of Eclosia.
- Encourage management and staff to maintain an appropriate level of awareness, knowledge and skill to allow them to leverage IT resources in delivering quality service to the clients.
- Minimise the impact of IT incidents on service delivery.
- Protect the business information and any client information within its custody by safeguarding their confidentiality and integrity by maintaining their availability.

The ITPP manual is reviewed annually by a sub-committee to accommodate process changes and adapt to new technologies.

Independently, the Group IT Auditor reports to the Audit and Risk Committee of each Group Company about the level of compliance to the ITPP.

An End User IT Security Policy is remitted to all new recruits and must be adhered to by all employees together with the cybersecurity awareness and eLearning programme.

The new Microsoft D365 Enterprise Resource Planning (ERP) System aimed at improving business operations and the decision-making process is fully operational.

The new ERP system functions well and allows enhanced financial and cost controls. With time, it is envisaged that milling performance and supply chain operations will improve as a result of the system's configuration.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE (CONT'D)

The existing IT control operating system in the mill (SCADA) has been replaced this year by the high-performance Buhler Mercury MES software. Its integration with the D365 ERP will be considered in 2021-2022.

There are defined restrictions placed over the rights of access to information.

All significant expenditure on information technology are approved by the Board.

RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance

The Board has entrusted to the Audit and Risk Committee the responsibility to ensure that Management identifies and manages all inherent risks on a regular basis and amongst other initiatives, by continually updating the Risk Register.

Management conducted its reviews of the domains of finance, production, operations, human resources, food quality, information technology, environment, security and communication risks during the year. Mitigating actions were evaluated and new measures proposed, where appropriate. The risk appetite fixed by the Board was maintained at the level of Rs 20 Million.

Key Risks facing LMLC

(a) Strategic and Business Risks

Strategic risks inherent to the Company in the flour market, are twofold :

- A single large client, the State Trading Corporation which has an annual flour requirement of some two thirds of the production output of the enterprise. The tender process by which the STC procures its needs is being thoroughly assessed as any change may increase the risks in a number of critical ways.
- The export market is subject to fierce international competition. Both factors are mitigated in various ways but remain a constant preoccupation of the management.

(b) Legal & Commercial Risks

Dumped flour on all markets for flour is a reality. The existing legislation in Mauritius against dumping is no guarantor of an environment free of dumping. Nonetheless, the Company monitors competition continuously and takes action to counter this phenomenon when should it occur.

(c) Information Technology Risks

Access by internet or direct physical intervention creates a certain vulnerability of the mill operating system. The Litecos Scada was changed this year to Mercury which is more stable and offers a better safety as well as additional point of controls. LMLC maintains and closely monitors service contracts with service providers inside and outside of Mauritius to ensure smooth running of the IT system.

(d) Human Resource Risks

The scarcity of technical staff in milling in Mauritius has engendered procedures of training the key milling personnel, to ensure sustained technical performance. A succession plan has been prepared for key positions and the talents were identified. They will be trained over the years to become future leaders in their field. High-level training at flour mills in Switzerland allows technicians to keep abreast of developments in milling. A management contract with NMI Group Services (Pty) Ltd which regularly performed audits during the past year, also mitigates this risk.

(e) Black Swan Risks

Unforeseen risks can occur for which plans cannot be prepared. The Coronavirus pandemic international shutdown was such an event. Notwithstanding the exceptional nature of the closing of national borders and restrictions on movement of people in Mauritius, the Company continued uninterrupted production throughout the entire period and its business continued without mishap.

(f) Health, Safety and Environmental Risks

There are inherent safety risks in LMLC's industrial activity but these are mitigated by the highly automated process, and the new SCADA, which reduces such risks to the minimum. The impact of LMLC's production activities on the wider environment are quite limited, the major one being the use of plastic packaging for many of the flour and bran products. Paper packaging can replace the use of plastic materials but at a higher cost. This option is currently being evaluated.

(g) Financial Risks

Time-lapse differences between the purchase of raw materials and the sale of products give rise to risks of exchange rate fluctuations in the financials of the Company.

However, trading in the same currency for purchases and sales in either euros, dollars or rupees creates a natural hedging and minimises those risks.

Risk Management at LMLC

The Audit and Risk Committee was satisfied that the measures to effectively mitigate or counter risks had been identified and appropriate action plans were in place.

Every year a special Audit and Risk Committee meeting is held to assess the risks of the Company and to evaluate the Company's risks management process to ensure that it is monitored and is effective. This exercise was again carried out during the past year with the support of the Governance, Risk and Compliance (GRC) section of Eclosia Corporate Services Ltd. All financial and non-financial risks are analysed and the conclusion was that the risk management process was appropriate and was well conducted.

- Business Continuity

The Business Continuity Plan (BCP) to recover business operations in the aftermath of a materialized risk and to ensure the sustainability of operations was in place at LMLC. An annual disaster simulation was conducted during the past year to test the effectiveness of the BCP and it was audited by an external consultant. The result was satisfactory.

- Insurance cover

Management adjusted its insurance cover to meet the changes in plant and equipment values , and prices of materials and services. Competitive rates were negotiated through the services of a broker with many years of experience and satisfactory cover was maintained for the year.

- Fraud Policy

Clear guidelines on financial policies and procedures are in place to minimise the risk of fraud. These procedures are closely monitored by the internal audit services of the Company.

- Whistleblowing

At LMLC, all attempts are made to promote an environment of honesty and transparency. Employees are empowered to whistle-blow in case of need. They are at all levels sensitized on procedures for whistleblowing through a clear and confidential communication system.

Access to bypass LMLC Management and directly approach the Chairman of the Board or Eclosia Head Office is also provided to all employees.

No issues in this regard were reported during the year.

Internal Control

In addition to the review of the Company's risks by the Audit and Risk committee, it also reviews the internal control system in place at the Company and suggests improvements where necessary.

The Board has entrusted the responsibility to report on the effectiveness of internal control to the Audit and Risk Committee.

Management of the Company follows a formalised set of policies and procedures in the fields of Human Resources, Finance, IT and industrial production. The principle of continuous improvement is at the base of all procedures. Compliance is ensured through a comprehensive series of audits performed by auditors external to the Company which include:

- Internal audits of all operations,
- External audits of infrastructure, operational and financial aspects,
- Information technology audits,
- Client audits from a limited number of long-standing clients to assure them of process and product quality standards.
- Food safety, environmental impact, management systems and health and safety systems (as detailed below),
- Technical audits by milling engineers and millers concerning yields, efficiencies and machine performance,

The "Eclosia Way" series of audits that compare the Company management to norms established by the Eclosia Group. The system encourages adherence to core values as well as initiatives for improvement and evaluation against operational benchmarks.

LMLC continued to successfully maintain the five internationally recognised management systems already in place:

- Quality Management (ISO 9001:2015),
- Environmental Management (ISO 14001),
- Food Safety Management (HACCP),
- Occupational Health and Safety Assessment Services (OHSAS).
- Testing and calibration norm (ISO 17025)

These systems are accredited by external consultants, some from overseas, who perform annual audits of the systems in place. Some of the audits were conducted off-site by video-conference, on account of Covid-19 travel restrictions.

These systems set out policies to ensure food safety, customer care and satisfaction, reliability and consistency in production, environment friendly processes, safe and healthy working conditions, laboratory analysis of raw materials and finished products, teamwork and employee involvement.

During the year, all control systems and accreditation systems were again satisfactorily monitored, and accreditation obtained.

AUDIT

Internal Auditors

The internal audit service is contracted to Eclosia Corporate Services Ltd, which has a team of qualified professionals with extensive experience in auditing, fraud examination, risk management, food safety, industrial efficiencies, information systems security and governance.

The Internal Audit team has an independent appraisal function that reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks.

The Internal Audit Manager reports to the Chairman of the Audit and Risk Committee who in turn brings to the Board any material issues requiring special attention of the Directors.

The Board, with the assistance of the Audit and Risk Committee and the Internal Auditor, monitors the effectiveness of internal controls. Regular and surprise audits were performed by the Internal Auditors and the findings and recommendations and Management responses, were reported to the Committee.

Weaknesses identified by the Internal Auditors during their reviews were brought to the attention of Management and the Audit & Risk Committee formally by way of risk rated structured reports. These comprise the results of the current review together with updates on the corrective actions taken by Management to improve control systems and procedures. The purpose, authority and responsibility of the Internal Auditors are formally defined in their charter.

The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents as well as inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organisation.

The objectives of the reviews performed by the Internal Audit function are to give assurance on the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations as well as on the reliability of financial reporting. The areas covered by the internal audit function during the year under review include stock management, adherence to the policies and procedures, creditors, value added tax, purchases and weighbridge process.

The Group Internal Audit Manager and the Group IT Auditor meet with the Chairperson of the Audit and Risk Committee once a year without the presence of management.

Audit reviews and consultancy services were also carried out in other specific areas of expertise such as on the security of the premises and the assets of the Company by the Group Head of Security, on food safety by the Group Quality Systems Business Partner.

External Auditors

The external auditors, PricewaterhouseCoopers (PwC), were appointed at the annual meeting held in 2019. They were contracted for the annual financial audit, which was conducted in a serious and stringent manner. All internal audit reports were taken into consideration and the legal requirements on Company practices were closely evaluated.

External auditors are currently being reconducted to their functions at the annual meeting upon recommendation from the Audit and Risk Committee.

The Audit and Risk Committee reviews the audit plan and fees of the external auditor prior to the yearly audits.

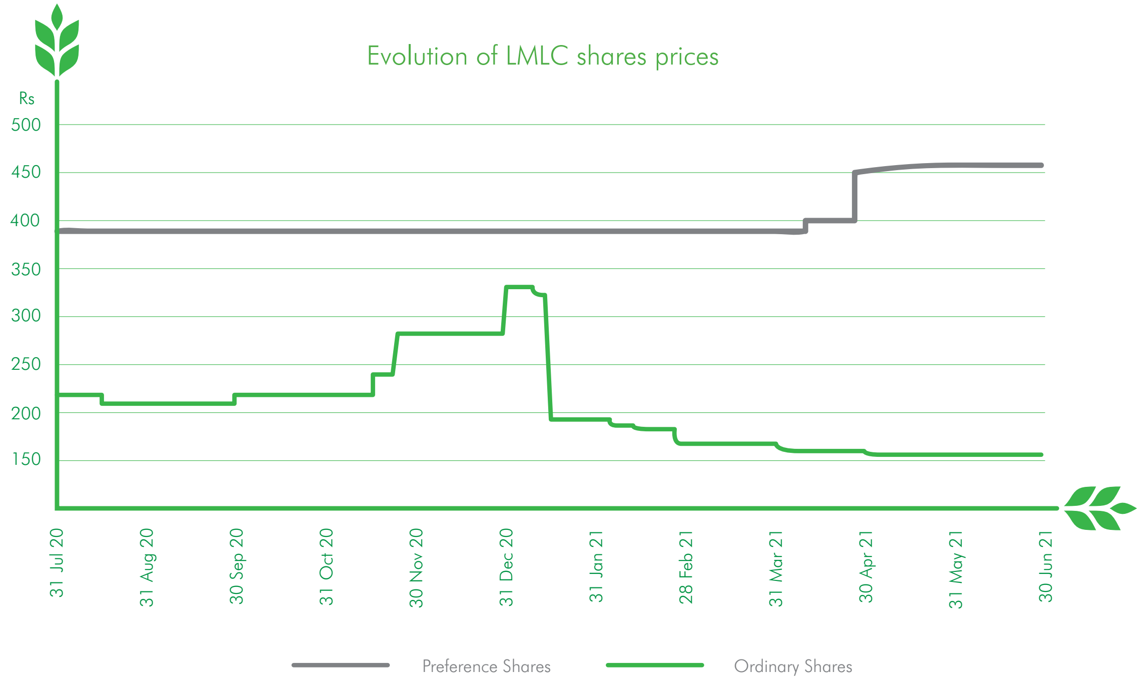
The Audit and Risk Committee meets once a year with the external auditors to review the Company's financial statements, management and representation letters and to assess the effectiveness of the external audit process. The external auditor also has the opportunity to meet the members of the Audit and Risk Committee without management presence.

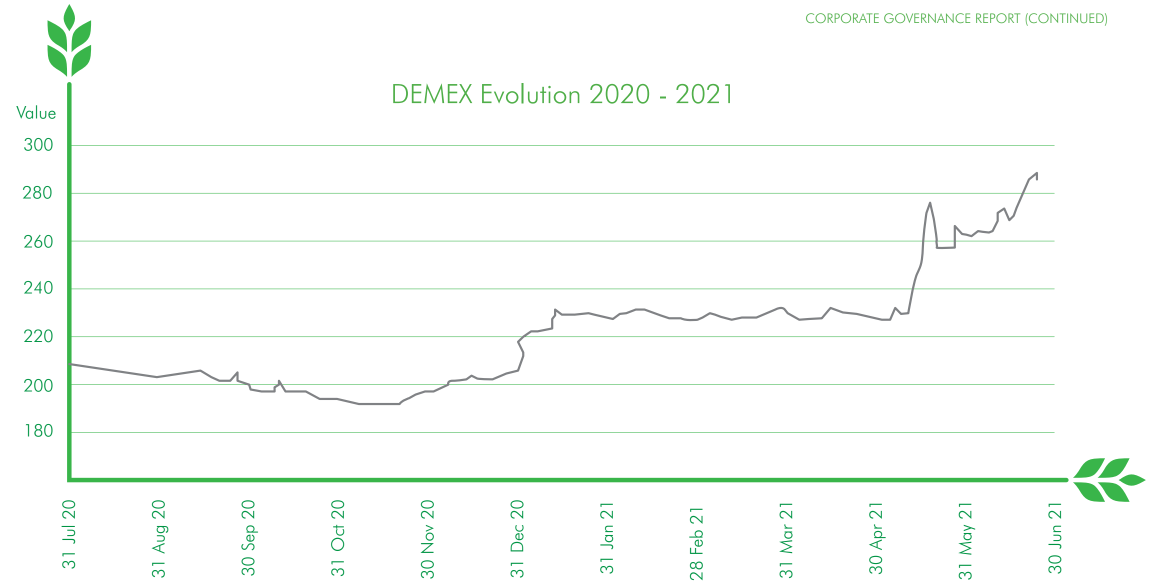
Both Management and the Audit and Risk Committee recognized that the services of PricewaterhouseCoopers during the year have been satisfactory.

The Audit and Risk Committee ensures that the external auditors apply appropriate safeguards, such as different engagement partners and segregated teams, when non audit services are provided by the external auditors.

Tax computation and tax compliance services were outsourced to a specialized Business Unit of PwC, for a fee of Rs 102,500.

SHARE PRICE INFORMATION





DIVIDEND POLICY

The Company's policy is to pay dividend based on its current profitability and the liquidity requirements to ensure, as far as possible, a relatively consistent return to shareholders.

The dividend paid for the financial year under review is Rs. 3.50 per ordinary share and Rs.20.00 per preference share (2019/2020 Rs7.00 per ordinary share prior to the bonus issue and Rs20.00 per preference share)

RELATED PARTY TRANSACTIONS

Related party transactions are made at arm's length and in the normal course of business.

Related party transactions between the Company or any of its subsidiaries or associates and a Director, controlling shareholder or companies owned or controlled by a Director or controlling shareholder are disclosed in the note 31 to the financial statements on pages 134 and 135.

MANAGEMENT AGREEMENTS

LMLC has a management contract with Management and Development Company Limited (MADCO) since its inception. LMLC has no management contracts with its subsidiary companies.

MADCO is actively involved in the monitoring of the performance and strategic development of the companies of the Eclosia Group. As a result, LMLC benefits from a cohesive sharing of enterprise management culture, values and ethics. MADCO also participates in important exercises of raw material procurement, personnel recruitment and management as well as determining major capital expenditure.

LMLC has a technical management agreement with NMI Group Services (Pty) Ltd, an associate Company of Credo LM (Pty) Ltd. In terms of the contract, the company benefits from the vast technical experience in the domain of milling of the NMI Group in the Southern African region. Audits of mass reconciliation for the entire wheat milling process are conducted every year as well as monitoring of the plant and machinery maintenance process and mill upkeep. The Company also provides technical and strategic input and support for development projects at LMLC.

ANNUAL SHAREHOLDERS' EVENTS

Annual Meeting

The Annual Meeting of the Company will be held on December 8, 2021. Shareholders are given sufficient notice to attend the Annual Meeting where they have the opportunity to interact with the Members of the Board, Management and the external auditor.

The Chairman's Review in the Annual Report gives an overview on the Company's financial position, its performance and outlook.

A review of the performance from the closure of the financial year to the date of the holding of the Annual Meeting and the outlook for the year is presented by the General Manager during the Annual Meeting.

The Company also published quarterly review on its results and performance in the media and on its website and is made available to shareholders upon request.

Annual Shareholders' Events

The calendar of the annual events of the Company are as follows:

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

DONATIONS

	COMPANY	
	2021	2020
	Rs'000	Rs'000
Charitable Donations	**841**	1,316
Political Donation	**Nil**	1,200

RELATIONS WITH KEY STAKEHOLDERS

LMLC's employees are given the opportunity to express themselves and interact with management, whenever necessary. As part of the Communication Structure employees are given, through regular management, departmental meetings, the monthly company briefing, the "Conseil d'Entreprise", the opportunity to interact with management and participate in the development of the Company.

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

(a) Suppliers

The Company keeps a register of suppliers for all procured products and services. The suppliers are evaluated regularly on the quality of product delivered and the services supplied. The evaluation exercise allows the Company to determine preferred suppliers.

Except for freight and wheat, the Company adopts a policy of competitive bidding between the preferred suppliers of all products costing more than Rs 1 million annually, to ensure that it gets the best quality/price product. Potential suppliers, who are not on the preferred suppliers list, are invited to quote during all sourcing exercises.

(b) Employees

The satisfaction level of employees is evaluated every two years through an engagement survey. The result of this survey is analysed in focus groups consisting of representatives of employees and an improvement plan is thereafter put in action. A new survey exercise was carried out in 2020/2021 which recorded a high level of participation with 92% of the employees responding against 84% in the previous exercise. There has been an improvement on all drivers compared to the previous survey. A focus group was set up and two meetings were held with the employees of different departments to discuss on the improvements to be made and to agree on a road map for the coming two years. Regular meetings were held with the Food and Beverages Industry Employees Union during the year to finalise a collective agreement and discussions are ongoing with the Union.

(c) Clients

Meetings are held on a regular basis with the State Trading Corporation as well as other major clients of LMLC's products, both in Mauritius and overseas. These client-supplier meetings review all issues of concern, including product quality, service level and price. They are a source of building strong and positive relations. In the case of major clients, who also distribute LMLC products, these meetings are on a monthly basis. However, in many cases, contact is made on a daily or weekly basis. The changed market conditions due to the Covid-19 shutdown resulted in intense client-contact for that period.

(d) Flour Consumers

The Company has a comprehensive programme of visits to flour consumers, which allows in-depth knowledge of consumer needs to be addressed. Such consumers include bakers, confectioners, chefs and producers of faratha and other products.

PUBLIC OUTREACH

The "Fournée des Moulins" training centre at the mill site continued its operations up to February 2021, when they were interrupted for sanitary reasons. More than 450 trainees received courses, many of whom were employed in the baking sector. New or improved baking techniques were imparted to candidates, thus contributing to the progress and development of the baking sector in Mauritius.

The structured training diploma course was continued with 9 students enrolled for 2020/2021. The course is at a NC3-level and includes theoretical training at the training centre at LMLC, as well as practical training which takes place at the Centre to cater for sanitary precautions. This diploma course helps to build local capacity and professionalism in the bakery sector.

The training calendar was further upset with the national confinement and exams were held in October 2021. The results of the previous batch were released in May, with a 100% pass. Five students received distinctions and all the rest credit. Nearly half of them were already in employment in August.

The team of baking and food-technology technicians employed by the Company continued providing their technical services to bakers and other flour users in Mauritius and Rodrigues. These services are greatly appreciated by local entrepreneurs and clients.

Technical-commercial visits to bakers in the region were suspended during the year, as borders remained closed.

However, the training centre in Antananarivo, l'Atelier de la Concorde, continued to facilitate contact and provide services to bakers in Madagascar mainly through product testing and baker training.

The Company pursued its digital communication, with an attractive Blédor Facebook page. The annual "Fête du Pain" had to be cancelled for the second year in a row due to the pandemic. Nevertheless, LMLC chose to celebrate it through communication on television, social media and radio – in association with Made in Moris. Traditional activities had to be redesigned. Hence, bakery products were distributed to organisations with the help of FoodWise and professional competitions held with the support of the Mauritius Chef Association became virtual. The theme this year was "N'en perdez pas une miette".

SOCIAL POLICIES & ACTIVITIES

Corporate Social Responsibility

The Company contributed Rs2.9 million to the "Fondation Solidarité" of the Eclosia Group.

The "Fondation Solidarité" was set up in 1999 by Eclosia Group as a special purpose vehicle to direct and coordinate collective support actions in poverty alleviation and community development in Mauritius. The "Foundation" is managed and monitored on a regular and professional basis.

LMLC directly supports Mezon Rodrigues, the «Pain d'Epices artisanal au miel de Rodrigues» project. It consists in providing baking, quality control and marketing assistance to local producers to add value to the renowned honey produced locally. The project heavily suffered the sanitary conditions and isolation of the island, in the absence of travelers. The action plan devised to give the gingerbread a new boost was again prevented by the long lasting inaccessibility of the island since the beginning of 2021.

LMLC also provides baking training sessions at the Company's Training Centre, as part of its CSR plan. However, their number was very limited due to sanitary precautions to be applied.

Other social actions include support to projects concerning nutrition and national health.

Non CSR solidarity actions are also carried out, such as the grant of secondary school bursaries to students of St François Xavier RCA School. A total of 49 scholars, with 12 current beneficiaries, have received bursaries which provide financial assistance for education.

The Company sponsored social, cultural and sporting projects. LMLC also donates flour and semolina to organisations concerned with unprivileged groups or the celebration of religious festivals like Maha Shivratree.

Ethics

The Company's Code of Ethics, which presents the objectives and ethical policies of the Company, is actively promoted amongst employees through sensitisation and awareness programmes.

Top and middle management were particularly targeted through sensitisation programmes as crucial stakeholders of the code within the Company.

Training sessions on fraud and violence prevention were conducted among employees during the year.

Environment

The Environmental Management System, certified to ISO 14001:2015 standards by Anglo Japanese American Registrars Mauritius Ltd, ensures that the Company reduces its environmental impact and improves its environmental performance through more efficient use of resources and reduction of waste.

The important environmental aspects on which LMLC is emphasizing are:

- the reduction in the use of plastic for a long-term strategic changes in packing
- continuous investment in energy-efficient motors in order to reduce electricity consumption

LMLC is also contributing to the Port Area Environment Committee through the maintenance of "green areas" on its site and in the surroundings as well as through the cleaning of the harbour areas with other port's companies.

Health & Safety

In view of demonstrating its commitment to its employees' health and well-being and to continuous safety improvement, the Company is certified OHSAS 18001:2007 (Occupational Health and Safety Accreditation System) by Anglo Japanese American Registrars Mauritius Ltd.

The implementation of this Health and Safety Management System helps the Company to pave a way towards fewer workplace injuries and illnesses through a proactive approach to hazard identification and risk assessment which in turn leads to improved its organisational health and safety. Attention is paid to emergency response procedures that are tested at established frequency through drills.

An experienced Health and Safety Officer ensures compliance with existing legal requirements in this area and facilitates the functioning of an active health and safety committee at LMLC. All conditions within the Company, which affect the health and safety of employees, are monitored by a qualified technician on site. No emergency incidents occurred during the year.

Food Safety and Quality

LMLC continues to operate with the established control measures, procedures and practices which are based on the requirements of the internationally recognized standards: ISO 9001:2015 (Quality Management System) and HACCP (Food Safety Management System).

The certified management systems in-place are continually improved through regular reviews performed by LMLC team to :

- consistently provide trustworthy products and services that meet customer and applicable statutory and regulatory requirements;
- ensure the involvement and continuously develop the competence of its employees, which subsequently improves the performance of the Company;
- enhance customer satisfaction.

STATUTORY DISCLOSURES

The direct and indirect interests of the Directors of the Company are already disclosed in the Directors' profile (see page 25).

The senior officers (General Manager, Finance Manager and Company Secretary) do not hold shares in the Company.

Employees have not been granted the option to subscribe for equity or debt securities of the Company.

Service Contracts

There are no service contracts with the Directors of the Company.

The Company has a service contract for IT services with Eclosia Technology Services Ltd ("ETS"), a wholly owned subsidiary of Management and Development Company Limited ("MADCO")). The Company has a distribution contract with Panagora Marketing Company Limited for the distribution of flour in small packs. Both ETS and Panagora Marketing Company Limited form part of the Eclosia Group.

In addition, flour mixes and improvers are sold to Cascadelle Distribution et Cie Ltée through a service agreement for retail distribution.

The Company has contracted Eclosia Secretarial Services Co Ltd (a wholly owned subsidiary of MADCO) to provide corporate secretarial services to the Company and its subsidiaries.

The Company contracts out many operational activities such as Security, Machinery and Electrical maintenance, transport and pest control to local service providers.

All transactions carried out in terms of the above contracts are in normal course of business and at arm's length.

Contract of significance with substantial shareholders

The Company has a formal management contract with MADCO whereby the Company pays a fee based on its annual gross turnover.

The Company has a formal technical management contract with NMI Group Services (Pty) Ltd whereby the Company pays a fee based on its annual gross turnover.

Contract of significance with Directors

There is no contract of significance with the Directors.

SUMMARY OF RESULTS, ASSETS AND LIABILITIES

	GROUP	
	2021	2020
	Rs 000's	Rs 000's
Results – Net Profit after tax	**177,302**	137,421
Current Assets	**963,996**	852,448
Non-current Assets	**1,633,161**	1,458,811
Non-current Assets classified as held for sale	**533**	601
Total Assets	**2,597,690**	2,311,860

	GROUP	
	2021	2020
	Rs 000's	Rs 000's
Capital and reserves	**1,899,267**	1,576,260
Current liabilities	**350,852**	418,317
Non-current liabilities	**347,571**	317,230
Liabilities directly associated with non-current assets classified as held for sale	**-**	63
Total equity and liabilities	**2,597,690**	2,311,860

Eclosia Secretarial Services Ltd
SECRETARY

27 September 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for:

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

The report of the external auditors confirming that the financial statements are fairly presented is on page 54.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risks management have been maintained;
(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
(iii) International Financial Reporting standards have been adhered to. Any departure in fair presentation has been disclosed, explained and quantified;
(iv) the Code of Corporate Governance has been complied and explanations have been provided on how the principles of the Code were applied.

INTERNAL CONTROL

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

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

RISK MANAGEMENT

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

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

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the organisations' position, performance and outlook.

Mushtaq Oosman
Chairman

Cédric de Spéville
Director

27 September 2021

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity:	**LES MOULINS DE LA CONCORDE LTEE**
Reporting Period:	**JULY 1, 2020 TO JUNE 30, 2021**

We, the Directors of LES MOULINS DE LA CONCORDE LTEE, confirm that to the best of our knowledge that, throughout the financial year ended June 30, 2021, LES MOULINS DE LA CONCORDE LTEE has complied with all the principles set out in the Corporate Governance Code for Mauritius of 2016 except that no Executive Directors have been appointed to the Board. The Board is of the view that the participation of the General Manager at all board meetings and the participation of senior executives in sub-committees of the board meets the spirit of the National Code of Corporate Governance.

LES MOULINS DE LA CONCORDE LTEE has applied all of the principles set out in the Code and explanations as to how these principles have been applied are provided in the Corporate Governance Report of the Company at June 30, 2021.

Mushtaq Oosman	**Cédric de Spéville**
Chairman	Director

27 September 2021

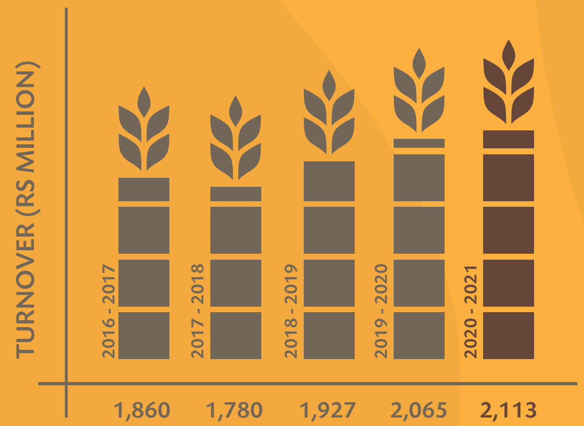
SECRETARY'S CERTIFICATE - JUNE 30, 2021

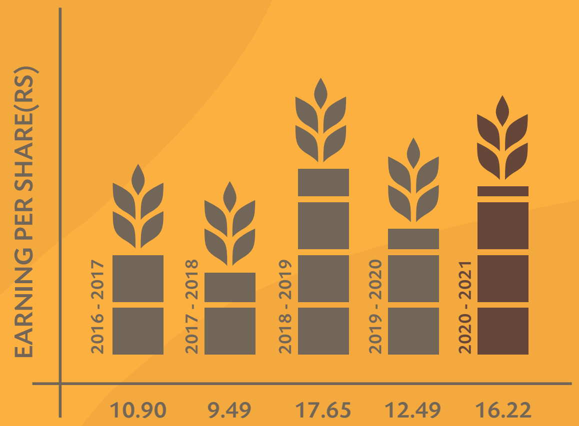
We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

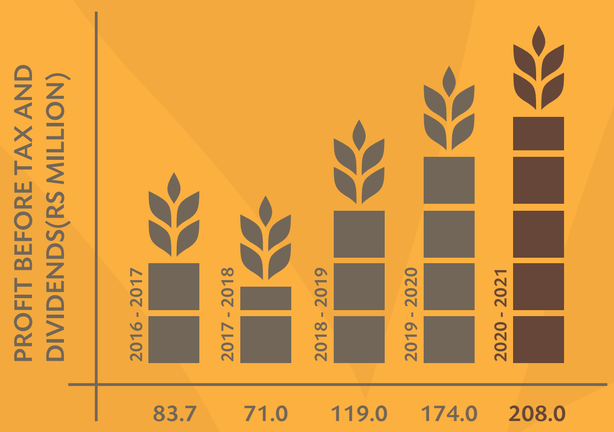
ECLOSIA SECRETARIAL SERVICES LTD
SECRETARY

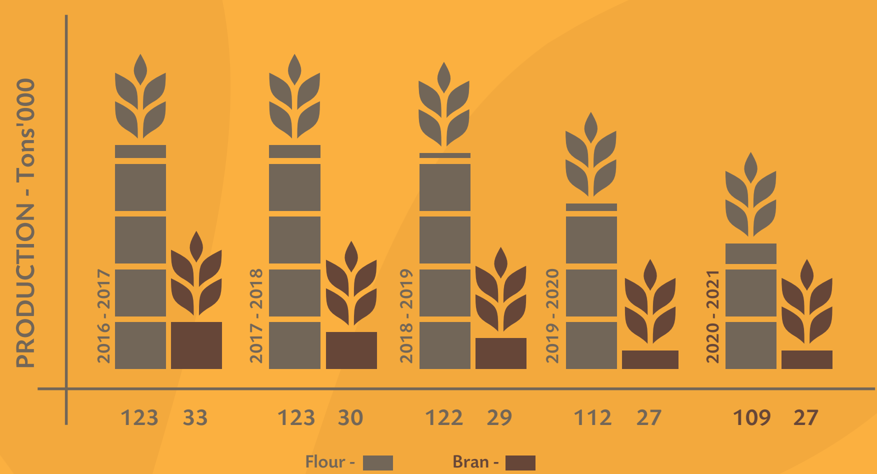
27 September 2021

FINANCIAL HIGHLIGHTS









Day after day...

... a choice of quality specialised flours

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Les Moulins de la Concorde (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 30 June 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

Les Moulins de la Concorde Ltée consolidated and separate financial statements set out on pages 60 to 137 comprise:

- the consolidated and separate statements of financial position as at 30 June 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)
Key Audit Matters(cont'd)

Key audit matter	How our audit addressed the key audit matter
The Group *Valuation of unquoted investments held at fair value through other comprehensive income.* The Group holds unquoted investments held at fair value through other comprehensive income amounting to Rs 168 million at 30 June 2021. As stated in notes 4 and 10 in the financial statements, this is an area of most significance because management makes significant judgement due to the complexity of the techniques and assumptions used in valuing the unquoted investments given limited external evidence and unobservable market data available to support the Group's valuations.	For unobservable inputs we obtained the models, we assessed the assumptions and the data used against market information and industry norms. Our valuation experts performed an independent valuation of the unquoted investments, in order to assess whether management's valuations were within a reasonable range of outcomes in the context of the inherent uncertainties. We also involved our valuation experts to review and compare the methodologies used in the context of the relevant investments held.

Key audit matter	How our audit addressed the key audit matter
The Company *Accounting treatment for retirement benefit obligations* At 30 June 2021, the Company/Group had a net retirement benefit liability of Rs 72.5M, an increase of Rs 8.2M from the previous year. This is mainly due to the increase in the present value of pension obligations and a fall in the fair value of the assets in which the pension fund has invested. The valuation of the retirement benefit obligation, which is carried out by external actuaries engaged by management, is dependent on market conditions and key assumptions made, relating to investment markets, discount rates, salary increases, inflation expectations and life expectancy assumptions. These assumptions are complex in nature and requires the exercise of significant management judgement with the support of the external actuary.	We assessed the competence, capabilities and objectivity of the external actuaries. We obtained the pension valuation reports, assessed the assumptions used and the methods used to derive the discount rate. We compared the discount rate and inflation rates, together with the expected rates of return on plan assets used in the valuation of the pension obligation by the external actuaries, to independent benchmarks. We compared the assumptions around salary increases and mortality rates to national and industry averages. We further tested the membership data used in the valuation of the pension obligations, including joiners' and leavers' data, to assess whether the basis of the valuation is appropriate.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Other Information

The directors are responsible for the other information. The other information comprises the annual report, the corporate governance report, the statement of directors' responsibilities, the statement of compliance and the secretary's certificate, which we obtained prior to the date of this auditor's report and the chairman's review report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the chairman's review report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

In addition to the responsibilities described above and our work undertaken in the course of the audit, the Mauritian Financial Reporting Act 2004 requires us to report certain matters as described below.

Corporate Governance Report

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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements(cont'd)

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 to you on the following matters. We confirm that:

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Les Moulins de la Concorde Ltée

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Report on Other Legal and Regulatory Requirements (cont'd)

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
27 September 2021

Robert Coutet,
Licensed by FRC

FINANCIAL STATEMENTS

Day after day....

...Life goes on

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP		THE COMPANY	
		30 June 2021 Rs000's	30 June 2020 Rs000's	**30 June 2021 Rs000's**	30 June 2020 Rs000's
ASSETS					
Non-current assets					
Property, plant and equipment	5	**946,633**	837,414	**946,633**	837,414
Right-of-use assets	6	**71,752**	76,264	**71,752**	76,264
Intangible assets	7	**64,049**	56,210	**64,049**	56,210
Investments in subsidiary companies	8	**-**	-	**334,406**	309,467
Investment in associate	9	**210,888**	212,911	**-**	-
Financial assets at fair value through other comprehensive income	10	**339,839**	276,012	**102,388**	87,267
		1,633,161	1,458,811	**1,519,228**	1,366,622
Current assets					
Inventories	11	**668,943**	658,694	**668,943**	658,694
Trade receivables	12	**146,418**	112,908	**146,418**	112,890
Other receivables	13	**19,559**	25,395	**21,666**	24,335
Cash and cash equivalents	30(b)	**129,076**	55,451	**126,150**	55,269
		963,996	852,448	**963,177**	851,188
Non-current asset classified as held-for-sale	14(d)	**533**	601	**-**	-
Total assets		**2,597,690**	2,311,860	**2,482,405**	2,217,810
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	15	**1,080,000**	540,000	**1,080,000**	540,000
Revaluation and other reserves	16	**353,093**	236,017	**220,110**	157,053
Retained earnings		**466,174**	800,243	**484,082**	777,910
Total equity		**1,899,267**	1,576,260	**1,784,192**	1,474,963
LIABILITIES					
Non-current liabilities					
Borrowings	17	**30,000**	30,000	**30,000**	30,000
Retirement benefit obligations	18	**72,529**	64,343	**72,529**	64,343
Deferred tax liabilities	19	**172,208**	147,390	**172,208**	147,390
Lease liabilities	6	**72,834**	75,497	**72,834**	75,497
		347,571	317,230	**347,571**	317,230
Current liabilities					
Trade and other payables	20	**70,928**	52,290	**70,750**	52,158
Dividends payable	22	**43,182**	43,130	**43,182**	43,130
Current tax liabilities	21(a)	**8,233**	23,024	**8,201**	22,966
Borrowings	17	**225,846**	297,142	**225,846**	304,642
Lease liabilities	6	**2,663**	2,721	**2,663**	2,721
		350,852	418,307	**350,642**	425,617
Liabilities directly associated with non-current assets classified as held for sale	14(e)	**-**	63	**-**	-
Total liabilities		**698,423**	735,600	**698,213**	742,847
Total equity and liabilities		**2,597,690**	2,311,860	**2,482,405**	2,217,810

These financial statements have been approved for issue by the Board of Directors on September 27, 2021

Mushtaq Oosman
Chairman

Cédric de Spéville
Director

The notes on pages 67 to 137 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs000's	2020 Rs000's	**2021 Rs000's**	2020 Rs000's
Continuing operations					
Revenue	2.12, 24	**2,112,941**	2,064,828	**2,108,812**	2,060,689
Cost of sales	25	**(1,744,333)**	(1,703,755)	**(1,744,333)**	(1,703,755)
Gross profit		**368,608**	361,073	**364,479**	356,934
Other income	26	**6,025**	6,657	**6,025**	6,651
Selling and distribution costs	25	**(32,432)**	(34,744)	**(32,432)**	(34,744)
Administrative expenses	25	**(114,325)**	(114,046)	**(113,983)**	(113,749)
Operating profit before write off of receivables and reversal of impairment / (impairment) of investment in subsidiary	23	**227,876**	218,940	**224,089**	215,092
Reversal of impairment / (impairment) of investment in subsidiary	28	**-**	-	**24,939**	(24,939)
Finance Income	27(a)	**14,599**	12,084	**14,558**	12,069
Finance Costs	27(b)	**(15,140)**	(23,572)	**(15,261)**	(23,911)
Share of (loss) / profit of associate	9	**(19,214)**	(13,437)	**-**	-
Impairment of notional goodwill on associate	28	**-**	(20,286)	**-**	-
Profit before taxation		**208,121**	173,729	**248,325**	178,311
Income tax expense	21(b)	**(25,869)**	(32,589)	**(25,841)**	(32,571)
Corporate social responsibility tax	21(b)	**(4,944)**	(4,113)	**(4,941)**	(4,106)
Profit for the year from continuing operations		**177,308**	137,027	**217,543**	141,634
Discontinued operations					
Post tax (loss) / profit from discontinued operations	14(b)	**(6)**	394	**-**	-
Profit for the year		**177,302**	137,421	**217,543**	141,634
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on revaluation of property, plant and equipment		**147,069**	-	**147,069**	-
Deferred tax on revaluation of property, plant and equipment		**(25,002)**	-	**(25,002)**	-
Remeasurements of defined benefit obligations		**(6,750)**	(12,448)	**(6,750)**	(12,448)
Deferred tax relating to remeasurements of defined benefit obligations		**1,148**	2,116	**1,148**	2,116
Items that may be reclassified subsequently to profit or loss:					
Changes in fair value of equity instruments at FVOCI		**51,949**	(285)	**15,121**	(3,103)
Share of other comprehensive income of associate		**17,191**	(13,616)	**-**	-
Other comprehensive income for the year, net of tax		**185,605**	(24,233)	**131,586**	(13,435)
Total comprehensive income for the year		**362,907**	113,188	**349,129**	128,199
Profit attributable to:					
Owners of the parent		**177,302**	137,421	**217,543**	141,634
Total comprehensive income attributable to:					
Owners of the parent		**362,907**	113,188	**349,129**	128,199
Earnings per share from continuing operations					
Earnings per share (Rs/cs)	29	**16.22**	12.49	**19.95**	12.92
Earnings per share from discontinued operations					
Earnings per share (Rs/cs)	29	**-**	0.04	**-**	-

The notes on pages 67 to 137 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2021

THE GROUP	Notes	Share capital Rs000's	Revaluation and other reserves Rs000's	Retained earnings Rs000's	Total Rs000's
		Attributable to equity holders of the Company			
Balance at July 1, 2020		**540,000**	**236,017**	**800,243**	**1,576,260**
Bonus issue		**540,000**	**(65,000)**	**(475,000)**	-
Profit for the year		-	-	**177,302**	**177,302**
Other comprehensive income for the year		-	**185,605**	-	**185,605**
Total comprehensive income for the year		-	**185,605**	**177,302**	**362,907**
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	**(3,529)**	**3,529**	-
Dividends - 2021	22	-	-	**(39,900)**	**(39,900)**
Balance at June 30, 2021		**1,080,000**	**353,093**	**466,174**	**1,899,267**
Balance at July 1, 2019 (restated)		540,000	262,670	700,302	1,502,972
Profit for the year		-	-	137,421	137,421
Other comprehensive income for the year		-	(24,233)	-	(24,233)
Total comprehensive income for the year		-	(24,233)	137,421	113,188
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,529)	3,529	-
Release upon disposal of investment		-	1,109	(1,109)	-
Dividends - 2020	22	-	-	(39,900)	(39,900)
Balance at June 30, 2020		540,000	236,017	800,243	1,576,260

The notes on pages 67 to 137 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2021

THE COMPANY	Notes	Share capital Rs000's	Revaluation and other reserves Rs000's	Retained earnings Rs000's	Total Rs000's
Balance at July 1, 2020		**540,000**	**157,053**	**777,910**	**1,474,963**
Bonus issue		**540,000**	**(65,000)**	**(475,000)**	-
Profit for the year		-	-	**217,543**	**217,543**
Other comprehensive income for the year		-	**131,586**	-	**131,586**
Total comprehensive income for the year		-	**131,586**	**217,543**	**349,129**
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	**(3,529)**	**3,529**	-
Dividends - 2021	22	-	-	**(39,900)**	**(39,900)**
Balance at June 30, 2021		**1,080,000**	**220,110**	**484,082**	**1,784,192**
Balance at July 1, 2019 (restated)		540,000	174,017	672,647	1,386,664
Profit for the year		-	-	141,634	141,634
Other comprehensive income for the year		-	(13,435)	-	(13,435)
Total comprehensive income for the year		-	(13,435)	141,634	128,199
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,529)	3,529	-
Dividends - 2020	22	-	-	(39,900)	(39,900)
Balance at June 30, 2020		540,000	157,053	777,910	1,474,963

The notes on pages 67 to 137 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP 2021 Rs000's	THE GROUP 2020 Rs000's	THE COMPANY 2021 Rs000's	THE COMPANY 2020 Rs000's
Cash from/(used in) operating activities					
Cash generated from operations	30(a)	**287,043**	131,528	**280,031**	133,529
Interest received		**41**	257	**-**	242
Interest paid		**(15,140)**	(19,672)	**(15,261)**	(20,011)
Tax paid	21(a)	**(44,640)**	(21,829)	**(44,583)**	(21,778)
Net cash from operating activities		**227,304**	90,284	**220,187**	91,982
Cash from/(used in) investing activities					
Purchase of property, plant and equipment	5	**(36,937)**	(52,806)	**(36,937)**	(52,806)
Acquisition of intangible assets	7	**(2,673)**	(9,876)	**(2,673)**	(9,876)
Proceeds from sale of property, plant and equipment		**110**	-	**110**	-
Proceeds from sale of financial assets		**-**	2,487	**-**	-
Purchase of investment in financial assets	10	**(11,878)**	(13,491)	**-**	-
Net cash used in investing activities		**(51,378)**	(73,686)	**(39,500)**	(62,682)
Cash from/(used in) financing activities					
Payment of medium-term borrowings		**(608,500)**	(869,000)	**(632,500)**	(869,000)
Proceeds from medium-term borrowings		**525,000**	1,082,000	**541,500**	1,089,500
Dividends paid to company's shareholders		**(39,848)**	(2,681)	**(39,848)**	(2,681)
IFRS 16 lease principal repayments		**(2,721)**	(2,815)	**(2,721)**	(2,815)
Net cash (used in)/from financing activities		**(126,069)**	207,504	**(133,569)**	215,004
Net cash flows from discontinued operations	14(c)	**5**	7,020	**-**	-
Net increase in cash and cash equivalents		**49,862**	231,122	**47,118**	244,304
Movement in cash and cash equivalents					
At July 1,		**(23,191)**	(256,268)	**(23,373)**	(269,632)
Increase in cash and cash equivalents		**49,862**	231,122	**47,118**	244,304
Effects of foreign exchange rate changes		**11,559**	1,955	**11,559**	1,955
At June 30,	30(b)	**38,230**	(23,191)	**35,304**	(23,373)

The notes on pages 67 to 137 form an integral part of these financial statements.

Notes to the FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

1. GENERAL INFORMATION

Les Moulins de la Concorde Ltée is a public limited company incorporated and domiciled in Mauritius. The address of its registered office is Eclosia Group Headquarters, Gentilly, Moka and its principal place of business is at Cargo Peninsula, Quay D, Port Louis.

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 Les Moulins de la Concorde Ltée comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs000's), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) buildings, flour mill equipment and sundry equipment are carried at revalued amounts;
(ii) financial assets held at fair value through other comprehensive income and
(iii) relevant financial assets and financial liabilities are stated at fair value.
(iv) financial assets and liabilities at amortised cost

Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Group has applied all of the new and revised Standards Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB which are relevant to its operations and effective for accounting periods beginning on 1 July 2020.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Application of new and revised International Financial Reporting Standards (IFRSs)(cont'd)

New and Revised Standards applied with no material effect on the financial statements

The following relevant revised Standard have been applied in these financial statements. Their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IFRS 3 Business combinations
- Amendments clarifying the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 9	Financial Instruments	Amendments regarding interest rate benchmark reform (IBOR)
IAS 39	Financial Instruments: Recognition and Measurement	
IFRS 7	Financial Instruments: Disclosure	

IFRS 16 Leases
- Amendments providing lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

Annual improvements (including minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture').

Relevant new and revised Standards in issue 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, 2021 or later periods, but which the Group has not early adopted.

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

IAS 1 Presentation of financial statements
- Amendments regarding the classification of liabilities (effective 1 January 2023)

IAS 1, Practice Statement 2, IAS 8
- Narrow scope amendments aiming to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies (effective 1 January 2023)

IFRS 3 Business combinations
- Amendments updating a reference to the Conceptual framework (effective 1 January 2022)

IFRS 16 Leases
- Amendments regarding COVID-19 related rent concessions - Extension of the practical expedient (effective 1 April 2021)

IFRS 4 Insurance contracts
- Amendments regarding the change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument (effective 1 January 2023)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Application of new and revised International Financial Reporting Standards (IFRSs)(cont'd)

Relevant new and revised Standards in issue not yet effective (cont'd)

IFRS 17 Insurance contracts (effective 1 January 2023)

IFRS 7	Financial Instruments	The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one (effective 1 January 2021)
IFRS 4	Insurance contracts	
IFRS 16	Leases	

IFRS 16 Property, plant and equipment
- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)

IAS 37 Provisions, contingent liabilities and contingent assets
- Amendments specifying which costs a company includes when assessing whether a contract will be loss-making (effective 1 January 2022)

IAS 12 Deferred tax related to assets and liabilities arising from a single transaction
- Amendments requiring companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductable temporary differences (effective 1 January 2023).

Where relevant, the Group 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 Group's/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

Buildings, flour mill equipment and sundry equipment, held for use in the production of goods or for administrative purposes are stated at their fair value, based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings, flour mill and sundry equipment. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

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

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

	Annual rates
Buildings	2% - 10%
Flour mill equipment	3.7% - 9%
Sundry equipment	4% - 20%
Office furniture and equipment	20% or 100%
Bakery equipment	15%
Motor vehicles	20%

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

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

Gains and losses on 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 amounts included in revaluation surplus are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.3 Intangible assets

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

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group/Company and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

2.4 Principles of consolidation and equity accounting
(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group has power over the entity and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(ii) Associates
Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Principles of consolidation and equity accounting (cont'd)

(ii) Associates (cont'd)

rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the below policy.

(iv) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Principles of consolidation and equity accounting (cont'd)

(v) Changes in ownership interests (cont'd)

their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

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

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

2.5 Financial assets

The Group/Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

The Company/group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- equity investments that are held for trading;
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI; and
- derivative financial instruments not designated as hedging instruments.

(ii) Amortised cost

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.5 Financial assets (cont'd)
(ii) Amortised cost (cont'd)

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the 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 cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

From time to time, the Company/Group 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 comprehensive income (operating profit).

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

(iii) Fair value through other comprehensive income
The Company/Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company/Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company/Group considers this measurement to be the most representative of the business model for these assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.5 Financial assets (cont'd)
(iii) Fair value through other comprehensive income (cont'd)

They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The Company/Group has debt securities whose objective is achieved by both holding these securities in order to collect contractual cash flows and having the intention to sell the debt securities before maturity. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified to profit or loss.

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

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(iv) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

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

- Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Share capital

Ordinary shares

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

Preference share capital

Preference share capital is classified as debt or equity based on its contractual terms. The part that is non-redeemable or redeemable only at the Company's option and any discretionary dividends are treated as equity. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders. The terms of the preference shares includes a mandatory fixed cumulative dividend of 13%, meeting the definition of a liability under the requirements of IAS 32. Interest of 13%, representing the effective interest rate is accounted for as finance cost in the statement of profit or loss and other comprehensive income.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.9 Retirement benefit obligations

(a) Defined benefit plans

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

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

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

The Group/Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Retirement benefit obligations (cont'd)

(a) Defined benefit plans (cont'd)

obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

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

(b) Defined contribution plans

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

(c) 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 Employment Rights Act 2008 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

2.10 Current and deferred income tax

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

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

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

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

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

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

2.11 Foreign currencies
(a) Functional and presentation currency
Items included in the financial statements of the Company and each of its subsidiaries are measured in Mauritian rupees, the currency of the primary economic environment in which the entity operates using ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

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

Foreign exchange gains and losses are presented in profit or loss within 'finance income or finance cost.'

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

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

Translation differences on non-monetary items, such as equities are classified as financial assets at fair value through other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.11 Foreign currencies (cont'd)

(c) Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and
(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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

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

Allocating amounts to performance obligations
For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Dividend distribution

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

2.14 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

2.15 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.16 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria describe above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Events or circumstances may extend the period to complete the sale beyond one year if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

2.17 Lease

At initial recognition of a new lease, the lease liability is recognised as the present value of future payments, discounted using the incremental borrowing rate (unless the interest implicit to the lease is available for use). A corresponding right-of-use asset is recognised on initial recognition and is measured at an amount equal to the lease liability, adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Lease (cont'd)

Subsequently the Company/Group accounts for lease payments by allocating it between finance costs and the lease liability. The finance cost is charged to profit or loss over the lease period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

Initial direct costs are excluded for the measurement of the right-of-use asset.

The group leases land and warehouse, operating equipment and motor vehicles. Rental contracts are typically made for fixed periods of 12 months to 20 years but may have extension options. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

In applying IFRS 16, the Group/Company may use the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts;
- Accounting for operating leases with a remaining lease term of less than 12 months as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group/Company do not have any low value assets or short term leases.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Lease (cont'd)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The weighted average incremental borrowing rate applied to the lease liabilities are:
Land and warehouse and equipment – 6%
Motor vehicles – 7.25%

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Lease (cont'd)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group does not engage in variable lease payments.

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable by the Group.

2.18 Other Income

Other Income includes dividends, interests and freight rebates. Other Income is recognised when it is probable that the economic benefits will flow to the Group/Company and the amount can be measured realiably. It should be recognised as follows:

- Interests: using the effective interest method
- Dividends: when the shareholder's rights to receive payment is established
- Freight rebates: accrual basis when the terms and conditions are met

2.19 Operating profit before write off of receivables and reversal of impairment / (impairment) of investment in subsidiary

Operating profit before impairment of goodwill, reversal of impairment / (impairment) of investment in subsidiary and write-off of receivables is stated after adding to operating profit, the write-off of receivables in previous year.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Operating profit before write off of receivables and reversal of impairment / (impairment) of investment in subsidiary (cont'd)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

2.20 Business Combinations

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.21 Earnings per share

Earnings per share is calculated by dividing:

- the net profit attributable to ordinary shareholders (being the difference between profit attributable to equity holders and preference share dividends)
- by the weighted average number of ordinary shares in issue during the financial year.

2.22 Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's/Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's/Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Group's/Company's financial performance. A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Price risk

The Group/Company is exposed to equity securities price risk because of investments held by Group/Company and classified as fair value through other comprehensive income (FVOCI). The Group/Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group/Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group/Company.

The majority of the Group's equity investments are publicly traded on the Stock Exchange.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's/Company's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	IMPACT ON EQUITY			
	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	**2021 Rs000's**	2020 Rs000's
Fair value through other comprehensive income (FVOCI) (note 10)				
Fair value increase/(decrease) by 5%	**16,992**	13,801	**5,119**	4,363

(ii) Currency risk

The Group/Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Swiss franc (CHF) and the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group/Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. As the currency exposure to the net assets of the Group's/Company's foreign operations are not significant, no hedging transactions have been entered into to manage the risk.

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(a) Market risk (cont'd)
(ii) Currency risk (cont'd)

CURRENCY PROFILE

THE GROUP	2021						
			Equivalent in Rs000's				Rs000's
	USD	EUR	ZAR	CHF	AUD	MUR	TOTAL
Financial assets							
Financial assets at FVOCI (note 10)	-	-	-	-	-	339,839	339,839
Trade receivables (note 12)	81,187	25,679	-	-	-	39,552	146,418
Other receivables (note 13)	-	2,350	-	-	-	5,077	7,427
Cash and cash equivalents (note 30(b))	121,181	4,655	11	172	-	3,057	129,076
Financial liabilities							
Trade and other payables (note 20)	4,655	4,201	5,887	-	76	56,109	70,928
Dividends payable (note 22)	-	-	-	-	-	43,182	43,182
Borrowings (note 17)	-	-	-	-	-	255,846	255,846
Lease liabilities (note 6)	-	-	-	-	-	75,497	75,497

	2020						
			Equivalent in Rs000's				Rs000's
	USD	EUR	ZAR	CHF	AUD	MUR	TOTAL
Financial assets							
Financial assets at FVOCI (note 10)	-	-	-	-	-	276,012	276,012
Trade receivables (note 12)	60,074	29,562	-	-	-	23,272	112,908
Other receivables (note 13)	-	-	-	-	-	8,035	8,035
Cash and cash equivalents (note 30(b))	14,137	35,931	-	-	-	5,383	55,451
Financial liabilities							
Trade and other payables (note 20)	797	4,405	706	1,610	-	44,772	52,290
Dividends payable (note 22)	-	-	-	-	-	43,130	43,130
Borrowings (note 17)	34,648	-	-	-	-	292,494	327,142
Lease liabilities (note 6)	-	-	-	-		78,218	78,218

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(a) Market risk (cont'd)
(ii) Currency risk (cont'd)

CURRENCY PROFILE

THE COMPANY	2021						
			Equivalent in Rs000's				Rs000's
	USD	EUR	ZAR	CHF	AUD	MUR	TOTAL
Financial assets							
Financial assets at FVOCI (note 10)	-	-	-	-	-	102,388	102,388
Trade receivables (note 12)	81,187	25,679	-	-	-	39,552	146,418
Other receivables (note 13)	-	2,350	-	-	-	7,184	9,534
Cash and cash equivalents (note 30(b))	121,181	4,655	11	172	-	131	126,150
Financial liabilities							
Trade and other payables (note 20)	4,655	4,201	5,887	-	76	55,931	70,750
Dividends payable (note 22)	-	-	-	-	-	43,182	43,182
Borrowings (note 17)	-	-	-	-	-	255,846	255,846
Lease liabilities (note 6)	-	-	-	-	-	75,497	75,497

	2020						
			Equivalent in Rs000's				Rs000's
	USD	EUR	ZAR	CHF	AUD	MUR	TOTAL
Financial assets							
Financial assets at FVOCI (note 10)	-	-	-	-	-	87,267	87,267
Trade receivables (note 12)	60,074	29,562	-	-	-	23,254	112,890
Other receivables (note 13)	-	-	-	-	-	6,975	6,975
Cash and cash equivalents (note 30(b))	14,137	35,931	-	-	-	5,201	55,269
Financial liabilities							
Trade and other payables (note 20)	797	4,405	706	1,610	-	44,640	52,158
Dividends payable (note 22)	-	-	-	-	-	43,130	43,130
Borrowings (note 17)	34,648	-	-	-	-	299,994	334,642
Lease liabilities (note 6)	-	-	-	-	-	78,218	78,218

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(a) Market risk (cont'd)
(ii) Currency risk (cont'd)

CURRENCY PROFILE

If the rupee had weakened/strengthened by 5% against the USD, EUR, ZAR, CHF and AUD with all other variables held constant, post tax profit and equity would have changed as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Impact of ± 5% movement:		
Post-tax profit and equity	11,021	4,877

(iii) Cash flow and fair value interest rate risk

The Group's/Company's interest-rate risk arises from bank borrowings. At June 30, 2021 if interest rate on rupee-denominated borrowings had been 10 basis points higher/lower with all the other variables held constant, post-tax profit for the year would have been Rs000's 325 (2020: Rs000's 298) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

All of the Group's/Company's borrowings are exposed to interest rate changes as there are no fixed rate borrowings. All of the Group's/Company's borrowings are short terms and based on variable rates.

(b) Credit risk

Credit and counterparty risk refers to the effects on future cash flows and earnings of receivables defaulting of their obligations. Such risk arises primarily from cash and cash equivalents, contractrual cash flows of investments held at FVOCI and trade receivables.

These exposures are managed through prudent credit exposure limits, constantly measuring current credit exposures, estimating maximum potential credit exposures that may arise over the duration of a transaction, and responding quickly when corrective action that needs to be taken.

For cash and cash equivalents the credit risk is managed by the Group by way of trading with only reputable banks and financial institutions. Unless otherwise indicated, the maximum exposure to credit risk is the carrying amount of cash and cash equivalents.

The Group's/Company's assets are predominately unsecured investments in listed and unlisted companies. The Group/Company considers the overall risk exposure of the investments, as a whole, therefore significant changes in a particular sector or unexpected increases in interest rates could increase the credit risk inherent in the investment. This risk is mitigated through portfolio diversification and active management. The maximum exposure to credit risk is the carrying amount of the investments.

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(b) Credit risk (cont'd)

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

The Company has exposure to credit risk attributable to its trade receivables relating to sale of flour and bran. The amounts presented in the statement of financial position are net of allowances for doubtful debts estimated by management based on prior experience and the current economic environment. The Company has policies in place to ensure that sales of products and services are made to clients with an appropriate credit history. Credit limits are also set as per Group policy. The Company has recourse to credit insurance for its foreign customers.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets as disclosed below:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs000's	Rs000's	Rs000's	R s000's
Financial assets				
Financial assets at FVOCI (note 10)	339,839	276,012	102,388	87,267
Trade receivables (note 12)	146,418	112,908	146,418	112,890
Other receivables (note 13)	7,427	8,035	9,534	6,975
Cash and cash equivalents (note 30(b))	129,076	55,451	126,150	55,269
	622,760	452,406	384,490	262,401

There was no collateral held as security with regards to the above financial assets.

The table below shows the credit risk concentration at the reporting date:

	2021	2020
	%	%
Counterparties:		
Four major counterparties	84	84
Others	16	16
	100	100

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit market positions. The Group/Company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's/Company's liquidity reserve on the basis of expected cash flow.

Forecasted liquidity reserve as of June 30, 2022 is as follows:

	THE GROUP 2022 Rs000's	THE COMPANY 2022 Rs000's
Opening balance	38,230	35,303
Cash absorbed from operating activities	2,390,404	2,386,276
Cash used in operating activities	(2,247,292)	(2,246,949)
Cash used in investing activities	(105,209)	(105,209)
Cash used in financing activities	(39,379)	(39,379)
Closing balance	36,754	30,042

Management does not foresee any major liquidity risk over the next two years for the Group.

3. FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)
(c) Liquidity risk (cont'd)

The table below analyses the Group's/Company's non-derivative financial liabilities and net-financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year Rs000's	Between 1 and 2 years Rs000's	Between 2 and 3 years Rs000's	Over 3 years Rs000's
THE GROUP				
At June 30, 2021				
Bank and other borrowings	**225,846**	**-**	**-**	**30,000**
Trade and other payables	**70,928**	**-**	**-**	**-**
Dividends payable	**43,182**	**-**	**-**	**-**
Lease liabilities	**7,122**	**6,909**	**5,451**	**163,578**
	347,078	**6,909**	**5,451**	**193,578**
At June 30, 2020				
Bank and other borrowings	297,142	-	-	30,000
Trade and other payables	52,290	-	-	-
Dividends payable	43,130	-	-	-
Lease liabilities	7,656	7,122	6,909	169,029
	400,218	7,122	6,909	199,029
THE COMPANY				
At June 30, 2021				
Bank and other borrowings	**255,846**	**-**	**-**	**30,000**
Trade and other payables	**70,750**	**-**	**-**	**-**
Dividends payable	**43,182**	**-**	**-**	**-**
Lease liabilities	**7,122**	**6,909**	**5,451**	**163,578**
	376,900	**6,909**	**5,451**	**193,578**
At June 30, 2020				
Bank and other borrowings	304,642	-	-	30,000
Trade and other payables	52,158	-	-	-
Dividends payable	43,130	-	-	-
Lease liabilities	7,656	7,122	6,909	169,029
	407,586	7,122	6,909	199,029

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimates

The Group/Company designate the majority of its investments at FVOCI as the Group/Company is managed on a fair value basis, with any resultant gain or loss recognised in other comprehensive income as part of changes in fair value of equity instruments at FVOCI. Fair value is determined in accordance with IFRS 13. Statement of financial position items carried at fair value include investments in equity instruments.

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

For unquoted investments the Group/Company applies a number of methodologies to determine and assess the reasonableness of the fair value which may include the following:
- Earnings multiple
- Net asset value;
- Dividend valuation;
- Discounted cash flow
- Price to book multiple

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

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

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

Refer to note 10 for the inputs, assumptions used in the valuation techniques and the fair value hierarchy of the Group's/Company's investments measured at fair value.

3.3 Capital risk management

The Group's/Company's objectives when managing capital are to safeguard the Group's/Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk managements (cont'd)

The Group/Company sets the amount of capital in proportion to risk. The Group/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 Group/Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group/Company monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt to equity. Net debt is calculated as total debts (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e share capital, non-controlling interest, retained earnings and revaluation surplus).

The debt-to-equity ratios at June 30, 2021 and 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Total debt (note 17)	**255,846**	327,142	**255,846**	334,642
Less: cash at bank and in hand (note 30(b))	**(129,076)**	(55,451)	**(126,150)**	(55,269)
	126,770	271,691	**129,696**	279,373
Total equity	**1,899,267**	1,576,260	**1,784,192**	1,474,963
Debt-to-equity ratio	**7%**	17%	**7%**	19%

The debt-to-equity ratio has decreased in 2021 compared to 2020 through ongoing management and control of cash resources.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group/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) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company/group uses judgement in making these assumptions and

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Impairment of financial assets (cont'd)

selecting the inputs to the impairment calculation, based on the Company's/group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Pension benefits

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

The Group/Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group/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 obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 18.

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

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

(d) Limitation of sensitivity analysis

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Impairment of assets

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

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(f) Spare parts

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

Given the specificity and complexity of the group's production process, the directors have determined that spare parts worth Rs 200,000 or more should be capitalised as plant and equipment and depreciated accordingly.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP AND THE COMPANY - 2021

	Buildings	Flour Mill Equipment	Sundry Equipment	Office Furniture and Equipment	Computers	Motor Vehicles	Assets in Progress	Total
	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's
COST OR VALUATION								
At July 1, 2020	**806,547**	**922,670**	**113,882**	**10,876**	**8,406**	**4,801**	**34,888**	**1,902,070**
Additions	**1,232**	**17,121**	**2,255**	**291**	**6,403**	**-**	**9,635**	**36,937**
Disposals	**-**	**-**	**-**	**-**	**-**	**(2,919)**	**-**	**(2,919)**
Assets written off	**-**	**(15,801)**	**(142)**	**(444)**	**(436)**	**-**	**-**	**(16,823)**
Revaluation surplus	**54,620**	**195,371**	**2,640**	**-**	**-**	**-**	**-**	**252,631**
Transfer to intangible assets (note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**(15,835)**	**(15,835)**
Transfers	**-**	**23,793**	**-**	**-**	**-**	**-**	**(23,793)**	**-**
At June 30, 2021	**862,399**	**1,143,154**	**118,635**	**10,723**	**14,373**	**1,882**	**4,895**	**2,156,061**
DEPRECIATION								
At July 1, 2020	**363,510**	**612,198**	**67,780**	**10,167**	**6,200**	**4,801**	**-**	**1,064,656**
Charge for the year	**20,413**	**30,070**	**5,514**	**422**	**1,678**	**-**	**-**	**58,097**
Disposal adjustments	**-**	**(14,946)**	**(142)**	**(443)**	**(436)**	**(2,919)**	**-**	**(18,886)**
Revaluation adjustments	**-**	**104,511**	**1,050**	**-**	**-**	**-**	**-**	**105,561**
At June 30, 2021	**383,923**	**731,833**	**74,202**	**10,146**	**7,442**	**1,882**	**-**	**1,209,428**
NET BOOK VALUE								
At June 30, 2021	**478,476**	**411,321**	**44,433**	**577**	**6,931**	**-**	**4,895**	**946,633**

5. PROPERTY, PLANT AND EQUIPMENT

(b) THE GROUP AND THE COMPANY - 2020

	Buildings	Flour Mill Equipment	Sundry Equipment	Office Furniture and Equipment	Computers	Motor Vehicles	Assets in Progress	Total
	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's	Rs000's
COST OR VALUATION								
At July 1, 2019	801,796	903,355	111,907	18,496	-	6,901	61,874	1,904,329
Reclassification	-	-	-	(7,587)	7,587	-	-	-
Reclassification to Intangible Assets	-	-	-	(803)	-	-	-	(803)
	801,796	903,355	111,907	10,106	7,587	6,901	61,874	1,903,526
Additions	-	-	702	-	1,173	-	51,130	53,005
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	(199)	-	-	-	-	-	(199)
Assets written off	-	(2,751)	(1,342)	(78)	(503)	(2,100)	-	(6,774)
Transfer to intangible assets	-	-	-	-	-	-	(47,488)	(47,488)
Transfers	4,751	22,265	2,615	848	149	-	(30,628)	-
At June 30, 2020	806,547	922,670	113,882	10,876	8,406	4,801	34,888	1,902,070
DEPRECIATION								
At July 1, 2019	343,280	586,103	63,426	15,714	-	6,306	-	1,014,829
Reclassification	-	-	-	(5,438)	5,438	-	-	-
Reclassification to Intangible Assets	-	-	-	(803)	-	-	-	(803)
	343,280	586,103	63,426	9,473	5,438	6,306	-	1,014,026
Charge for the year	20,230	28,282	5,727	757	1,268	420	-	56,684
Disposal adjustments	-	(2,187)	(1,373)	(63)	(506)	(1,925)	-	(6,054)
Adjustments for assets written off	-	-	-	-	-	-	-	-
At June 30, 2020	363,510	612,198	67,780	10,167	6,200	4,801	-	1,064,656
NET BOOK VALUE								
At June 30, 2020	443,037	310,472	46,102	709	2,206	-	34,888	837,414

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

(c) It is the group policy to revalue the buildings, flour mill equipment and sundry equipment of the Company every three years. Revaluations are done more frequently if there is any indication that the carrying amount differs materially from its fair value. The Company's assets were revalued on a depreciated replacement cost basis as follows:

- Buildings on June 30, 2021 - by Mr Vincent d'Unienville BSc, ARICS of V. d'Unienville & Associates Co Ltd, Chartered Quantity Surveyors.
- Flour mill and sundry equipment on June 30, 2021 - by Buhler (Pty) Ltd, a professional supplier of milling plants throughout Africa.

Only a sub-class of flour mill and sundry equipment, namely ''core equipment'' meeting specific criteria, have been revalued at June 30, 2021.

All the buildings, flour mill and sundry equipment are categorised under Level 2.

The revaluation surplus net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity.

The basis of the valuation was to determine the Current Estimated Replacement Cost of all buildings, structures, flour mill and sundry equipment as well as their estimated Depreciated Replacement Cost, that is, current estimated cost discounted to date of construction or purchase. It is to be noted that the Depreciated Cost took into account depreciation factor, i.e. age and conditions of buildings, flour mill and sundry equipment and obsolescence that may affect the value of the said assets.

For buildings and structures, the basis of the evaluation of the Current Value was based on a cost per m^2 basis derived from other projects of similar nature at current market rates and prices, as well as first principle estimates for elements such as silos, piling, and other uncommon elements of construction.

For flour mill and sundry equipment, the basis of the evaluation was based on new replacement costs received from Buhler (Pty) Ltd adjusted to reflect the current useful economic life of the assets which is reviewed by Management, if needs be, on a regular basis.

(d) If the buildings, flour mill and sundry equipment were stated on the historical cost basis, the amounts would be as follows:

THE GROUP AND THE COMPANY	Buildings Rs000's	Flour mill equipment Rs000's	Sundry equipment Rs000's
At June 30, 2021	**184,838**	**307,263**	**45,400**
At June 30, 2020	188,433	285,752	46,382

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

(e) Depreciation expense charged is allocated in profit or loss as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Cost of sales	**49,961**	47,842
Administrative expenses	**2,384**	2,866
Selling and distribution costs	**5,752**	5,976
	58,097	56,684

(f) Bank borrowings are secured by floating charges over all the assets of the Company, including property, plant and equipment (note 17)

6. LEASES

(i) Amounts recognised in the statement of financial position
The statement of financial position shows the following amounts relating to leases:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
RIGHT-OF-USE ASSETS		
Land and warehouse	**67,476**	69,523
Operating Equipment	**3,793**	5,953
Motor Vehicles	**483**	788
	71,752	76,264

There were no additions to right-of-use assets during the year.

LEASE LIABILITIES		
- Current	**2,663**	2,721
- Non Current	**72,834**	75,497
	75,497	78,218

6. LEASES (CONT'D)

(ii) Amounts recognised in the statement of profit or loss
The statement of profit or loss shows the following amounts relating to leases:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
DEPRECIATION CHARGE ON RIGHT-OF-USE ASSETS		
Land and warehouse	**2,048**	2,048
Operating Equipment	**2,160**	2,416
Motor Vehicles	**305**	305
	4,513	4,769
Interest Expense	**4,626**	4,798

The total cash outflow for leases in 2021 was Rs000's 7,347 (2020: Rs000's 7,612)

7. INTANGIBLE ASSETS

(a) THE GROUP AND THE COMPANY	Computer Software Rs000's
COST	
At July 1, 2019	11,425
Transfer from assets in progress (note 5)	47,488
Addition	9,876
Assets written off	(3,315)
Adjustment	(2)
Transfer from property, plant and equipment	803
At June 30, 2020	66,275
Transfer from assets in progress (note 5)	15,835
Addition	2,673
Assets written off	(5,204)
At June 30, 2021	**79,579**
AMORTISATION	
At July 1, 2019	5,946
Amortisation charge	6,633
Assets written off	(3,315)
Adjustment	(2)
Transfer from property, plant and equipment (note 5)	803
At June 30, 2020	10,065
Amortisation charge	10,554
Assets written off	(5,089)
At June 30, 2021	**15,530**
NET BOOK VALUE	
At June 30, 2021	**64,049**
At June 30, 2020	56,210

7. INTANGIBLE ASSETS (CONT'D)

(b)Amortisation has been charged to profit or loss as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Cost of sales	**2,244**	1,641
Administrative expenses	**8,310**	4,992
	10,554	6,633

There are no intangible assets with restricted title and/or pledged as security for liabilities.

8. INVESTMENTS IN SUBSIDIARY COMPANIES - COST

	2021	2020
	Rs000's	Rs000's
At July 1,	**309,467**	334,406
Reversal of impairment loss / (impairment loss) (note 28)	**24,939**	(24,939)
At June 30,	**334,406**	309,467

The list of the Company's subsidiaries is as follows:

Name	Class of shares held	Year end	Stated capital Rs'000	Proportion of ownership interest	Place of business	Country of incorporation	Main business
2021 & 2020							
Concordia Investments Ltd	Ordinary	June 30	333,568	100%	Eclosia Group Head-quarters, Gentilly, Moka	Mauritius	Investment holding
Amigel Ltd	Ordinary	June 30	45,000	100%	Cargo Peninsula, Quay D, Port Louis	Mauritius	Producer of unbaked frozen products (ceased operations)

9. INVESTMENT IN ASSOCIATE

(a) The results of the following associated company have been included in the consolidated financial statements:

	2021 & 2020	
	% holding	Year end
Indigo Hotels & Resorts Limited	**28.67**	**June 30**

	THE GROUP	
	2021	2020
	Rs000's	Rs000's
At July 1,	**212,911**	239,964
Share of (loss) / profit for the year	**(19,214)**	(13,437)
Other equity movements	**17,191**	(12,443)
Effects of adjustment in associate	**-**	(1,173)
	210,888	212,911

Other equity movements comprise of movement in actuarial reserve, revaluation surplus and fair value reserve.

(b) (i) Indigo Hotels & Resorts Limited is a limited liability company incorporated and domiciled in Mauritius. Its main activity is to provide management services to hotels within the Eclosia Group. Its place of business is at Eclosia Group Headquarters, Gentilly, Moka.
(ii) The associated company is accounted for using the equity method.
(iii) The associated company is a private company and there is no quoted market price available for its shares.
(iv) The financial year end date of Indigo Hotels & Resorts Limited is 30 June.

(c) Summarised financial information

Summarised financial information in respect of the associate (Indigo Hotels & Resorts Limited) is set out below:

	Current assets Rs000's	Non-current assets Rs000's	Current liabilities Rs000's	Non-current liabilities Rs000's	Revenue Rs000's	Post-tax profit Rs000's	Other comprehensive income for the year Rs000's	Total Rs000's
2021	**184,723**	**2,668,122**	**352,918**	**1,008,870**	**237,540**	**(132,524)**	**57,190**	**(75,334)**
2020	242,234	2,551,917	296,493	969,489	656,632	(74,655)	(39,213)	(113,868)

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

9. INVESTMENT IN ASSOCIATE (CONT'D)

(d) Reconciliation of summarised financial information

	2021	2020
	Rs000's	Rs000's
Opening net assets at July 1,	**1,528,169**	1,732,822
(Loss) / Profit for the year	**(132,524)**	(74,655)
Other comprehensive income for the year	**20,638**	(39,213)
Other equity movements	**3,774**	-
Revaluation surplus	**70,999**	(8,562)
Effects of changes in associate's opening balances	**-**	(82,223)
Closing net assets at June 30,	**1,491,056**	1,528,169
Less non-controlling interest in the subsidiaries of the associate	**(755,487)**	(785,542)
	735,569	742,627
Interest in associate	**210,888**	212,911

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
At July 1,	**276,012**	265,288	**87,267**	90,370
Additions	**11,878**	13,491	**-**	-
Disposals	**-**	(2,482)	**-**	-
Change in fair value recognised in other comprehensive income	**51,949**	(285)	**15,121**	(3,103)
At June 30,	**339,839**	276,012	**102,388**	87,267

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Quoted:				
Equity securities - [Mauritius]	**171,956**	158,037	**102,388**	87,267
Unquoted:				
Equity securities - [Mauritius]	**167,883**	117,975	**-**	-
	339,839	276,012	**102,388**	87,267

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

(iii) Financial assets measured at fair value through other comprehensive income include the Company's/Group's strategic equity investments not held for trading and debt securities held to collect and sell. The Company/Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. In 2017, the Company/Group had designated the investments as available-for-sale where management intended to hold them for the medium to long-term.

(iv) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on net asset valuation.

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

	Fair Value	THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs000's	Rs000's	**Rs000's**	Rs000's
Quoted:					
Livestock Feed Ltd	1	**102,388**	87,267	**102,388**	87,267
MCB Group	1	**6,043**	5,224	**-**	-
Mauritius Freeport Development Co Ltd	1	**63,525**	65,546	**-**	-
Unquoted:					
Premier Logistics Co Ltd	3	**44,000**	22,000	**-**	-
Premier Education Co Ltd	3	**62,000**	45,970	**-**	-
Société Aquarius		**61,878**	50,000	**-**	-
Mer Rouge Trading Ltd	3	**5**	5	**-**	-
		339,839	276,012	**102,388**	87,267

The quoted investments are classified as level 1 while the unquoted investments are classified as level 3 of the fair value hierarchy.

On January 13, 2021, Livestock Feed Ltd made a bonus issue of two ordinary shares for every one share held.

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

(vi) Valuation inputs and relationships to fair value:
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of the Group:

THE GROUP

Description	Fair Value 2021 Rs000's	Fair Value 2020 Rs000's	Valuation Technique	Unobservable Inputs	Relationship of unobservable inputs to fair value	Sensitivity Analysis
Premier Logistics Co. Ltd.	44,000	22,000	Earnings Multiple	Price / Earnings multiple (P/E) & Discount for lack of marketability	The higher the P/E, the higher will be the fair value of the investment and vice versa. The higher the discount, the lower the fair value of the investment and vice versa.	A 10% increase in the P/E, the fair value will increase by Rs 1.3M (2020: Rs 2.2M) A 10% increase in discount, the fair value will decrease by Rs 1.1M (2020: Rs 0.3M)
Premier Education Co Ltd	62,000	45,970	Earnings Multiple	Price / Earnings multiple (P/E) & Discount for lack of marketability	The higher the P/E, the higher will be the fair value of the investment and vice versa. The higher the discount, the lower the fair value of the investment and vice versa.	A 10% increase in the P/E, the fair value will increase by Rs 2.5M (2020: Rs 5.1M) A 10% increase in discount, the fair value will decrease by Rs 1.7M (2020: Rs 0.7M)
Mer Rouge Trading Ltd	5	5	Discounted cash flow	Expected cash inflows	The higher the expected cash flows, the higher the fair value and vice versa	A 10% increase in expected cash flows will increase the fair value by Rs 500 (2020: Rs 500)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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

Société Aquarius

The above investment is still in progress as at 30 June 2021 and the capital injected approximates its fair value at reporting date. The Group made an additional investment of Rs 11.9 M during the year in the company.

(vii) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Mauritian rupee	**339,839**	276,012	**102,388**	87,267

11. INVENTORIES

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
(a)		
Raw materials	**156,769**	233,146
Raw materials in transit	**409,591**	325,215
Finished goods	**23,580**	21,961
Spare parts / Consumables	**79,003**	78,372
	668,943	658,694

(b) The cost of inventories recognised as expense and included in operating expenses amounted to Rs000's 1,548,452 (2020: Rs000's 1,501,689) for the Group and the Company.

(c) The bank borrowings are secured by floating charges on the assets of the Group including inventories (note 17).

12. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Trade receivables	**146,418**	112,908	**146,418**	112,890

The carrying amounts of trade receivables approximate their fair value.

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

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

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2021 or July 1, 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

No provision has been booked for loss allowance of Rs000's 88 (2020: Rs000's 83) on trade receivables since the amount is immaterial.

12. TRADE RECEIVABLES (CONT'D)

(ii) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs000's	Rs000's	Rs000's	Rs000's
Rupee	**39,552**	23,272	**39,552**	23,254
US Dollar	**81,187**	60,074	**81,187**	60,074
Euro	**25,679**	29,562	**25,679**	29,562
	146,418	112,908	**146,418**	112,890

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

(iv) In 2021, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

13. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs000's	Rs000's	Rs000's	Rs000's
Prepayments and deposits	**8,840**	12,609	**8,840**	12,609
VAT receivable	**3,292**	4,751	**3,292**	4,751
Other receivables	**4,379**	5,715	**4,208**	4,609
Receivable from related companies	**3,048**	2,320	**5,326**	2,366
	19,559	25,395	**21,666**	24,335

The carrying amounts of other receivables approximate their fair value.

14. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) On December 31, 2018, one of the subsidiaries of the Group, Amigel Ltd ceased its operations. Amigel Ltd entered into a process of disposing all its plant and equipment.

(b) An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets is as follows:

	2021	2020
	Rs000's	Rs000's
Expenses	**(6)**	-
Other Income	**-**	394
(Loss) / Profit for the year from discontinued operations	**(6)**	394

14. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

	2021	2020
	Rs000's	Rs000's
(c) Operating cash flows	**(528)**	6,879
Financing cash flows	**533**	141
Total cash flows	**5**	7,020

(d) **Non-current assets classified as held for sale**

	2021	2020
	Rs000's	Rs000's
Other current asset	**533**	601

The amount of Rs000' 533 consists of cash at bank.

(e) Liabilities directly associated with non-current assets classified as held for sale:

	2021	2020
	Rs000's	Rs000's
Trade and other payables	**-**	63

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using an internal valuation, and is therefore within Level 3 of the fair value hierarchy.

15. SHARE CAPITAL

		THE GROUP AND THE COMPANY
		2021 & 2020
Ordinary shares (issued and fully paid)		
Shares of Rs100. each		
At July 01, 2020	Rs000's	540,000
Bonus issue	Rs000's	540,000
At June 30, 2021	**Rs000's**	**1,080,000**
Number of shares		
At July 01, 2020	000's	5,400
Bonus issue	000's	5,400
At June 30, 2021	**000's**	**10,800**

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

On January 18, 2021, the Company made a bonus issue of 5,400,000 shares of Rs. 100 each, representing one ordinary share for every one share held. The bonus issue was made from revaluation surplus and retained earnings.

16. REVALUATION AND OTHER RESERVES

(a) THE GROUP	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Translation reserve Rs000's	Reserve of associates Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
(i) 2021						
At July 1, 2020	**105,536**	**90,799**	**51,984**	**17,865**	**(30,167)**	**236,017**
Bonus Issue	(65,000)	-	-	-	-	(65,000)
Gains on revaluation of property, plant and equipment	147,069	-	-	-	-	147,069
Income tax on revaluation of property, plant and equipment	(25,002)	-	-	-	-	(25,002)
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,529)	-	-	-	-	(3,529)
Remeasurements of defined benefit obligations	-	-	-	-	(6,750)	(6,750)
Income tax relating to components of other comprehensive income	-	-	-	-	1,148	1,148
Changes in fair value of equity instruments at FVOCI	-	51,949	-	-	-	51,949
Share of other comprehensive income of associate	-	-	-	17,191	-	17,191
At June 30, 2021	**159,074**	**142,748**	**51,984**	**35,056**	**(35,769)**	**353,093**

16. REVALUATION AND OTHER RESERVES (CONT'D)

(a) THE GROUP	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Translation reserve Rs000's	Reserve of associates Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
(ii) 2020						
At July 1, 2019	109,065	89,975	51,984	31,481	(19,835)	262,670
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,529)	-	-	-	-	(3,529)
Remeasurements of defined benefit obligations	-	-	-	-	(12,448)	(12,448)
Income tax relating to components of other comprehensive income	-	-	-	-	2,116	2,116
Changes in fair value of equity instruments at FVOCI	-	(285)	-	-	-	(285)
Release upon disposal of investment in financial assets	-	1,109	-	-	-	1,109
Share of other comprehensive income of associate	-	-	-	(13,616)	-	(13,616)
At June 30, 2020	105,536	90,799	51,984	17,865	(30,167)	236,017

Revaluation surplus

The revaluation surplus arises on revaluation of property, plant and equipment.

Financial assets at FVOCI reserve

Gains/losses arising on financial assets at fair value through other comprehensive income.

Available-for-sale fair value reserve

Available-for-sale fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Translation reserve

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

Actuarial losses reserve

The actuarial losses reserve represents the cumulative remeasurements of defined benefit obligation recognised.

16. REVALUATION AND OTHER RESERVES (CONT'D)

(b) THE COMPANY	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
(i) 2021				
At July 1, 2020	**107,014**	**79,616**	**(29,577)**	**157,053**
Bonus Issue	**(65,000)**			**(65,000)**
Gains on revaluation of property, plant and equipment	**147,069**			**147,069**
Income tax on revaluation of property, plant and equipment	**(25,002)**			**(25,002)**
Transfer of excess depreciation on revaluation of property, plant and equipment	**(3,529)**	**-**	**-**	**(3,529)**
Remeasurements of defined benefit obligations	**-**	**-**	**(6,750)**	**(6,750)**
Income tax relating to measurements of defined benefit obligations	**-**	**-**	**1,148**	**1,148**
Changes in fair value of equity instruments at fair value through other comprehensive income		**15,121**	**-**	**15,121**
At June 30, 2021	**160,552**	**94,737**	**(35,179)**	**220,110**

	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
(ii) 2020				
At July 1, 2019	110,543	82,719	(19,245)	174,017
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,529)	-	-	(3,529)
Remeasurements of defined benefit obligations	-	-	(12,448)	(12,448)
Income tax relating to measurements of defined benefit obligations	-	-	2,116	2,116
Changes in fair value of equity instruments at fair value through other comprehensive income	-	(3,103)	-	(3,103)
At June 30, 2020	107,014	79,616	(29,577)	157,053

17. BORROWINGS

	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	**2021 Rs000's**	2020 Rs000's
Current				
Bank overdrafts	**90,846**	78,642	**90,846**	78,642
Loan from related companies	**135,000**	218,500	**135,000**	226,000
	225,846	297,142	**225,846**	304,642
Non current				
Preference shares	**30,000**	30,000	**30,000**	30,000

(a) The bank borrowings are secured by floating charges over all the assets of the Group/Company, including property, plant and equipment and inventories (notes 5 and 11).

(b) The loan from related companies are unsecured and bears interest up to 1.85% per annum.

(c) The effective interest rates of the loans at the reporting date were as follows:

THE GROUP AND THE COMPANY	2021			2020		
	Rs. %	**USD %**	**EUR %**	Rs. %	USD %	EUR %
Bank overdrafts	**2.15% - 4.10%**	**1.59% - 3.59%**	**3.50%**	4.10%	1.68% - 3.68%	3.50%
Bank loan	**-**	**-**	**-**	4.10%	-	-
Loan from related parties	**1.85%**	**-**	**-**	**1.85%**	-	-

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

(e) The holders of the preference shares are entitled to a fixed cumulative dividend of 13% per annum in preference to the holders of ordinary shares which is considered as a finance cost. Any amount paid over and above the 13% is considered as dividend.

The 13% cumulative preference shares meets the definition of a liability under the requirements of IAS 32, because the instrument includes a contractual obligation to deliver cash to the holder.

Any balance the Board decides to distribute by way of dividends shall be distributed "pari-passu" per share amongst the ordinary and preference shareholders, the latter being entitled to a maximum dividend of 20%.

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

(f) The carrying amounts of borrowings are not materially different from their fair value.

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Amounts recognised in the statement of financial position		
Defined pension benefits (note 18(a)(ii))	53,203	44,761
Other post retirement benefits (note 18(b)(i))	19,326	19,582
	72,529	64,343
Analysed as follows:		
Non-current liabilities	**72,529**	64,343

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Amount charged to profit or loss:		
- Defined pension benefits (note 18(a)(vii))	**3,412**	828
- Other post retirement benefits (note 18(b)(ii))	**1,434**	1,779
- Benefits paid	**(3,412)**	(112)
	1,434	2,495
Amount charged/(credited) to other comprehensive income		
- Defined pension benefits (note 18(a)(ix))	**7,763**	7,101
- Other post retirement benefits (note 18(b))	**(1,013)**	5,347
	6,750	12,448

(a) Pension schemes

(i) The Group/Company contributes and operates a defined benefit pension. The plan is a defined benefit arrangement, with benefits based on final salary. It provides for pension at retirement and a benefit on death or disablement in service before retirement.

The assets of the fund are independently administered by The Swan Life Ltd which carries out a full valuation of the plan every year.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations was carried out at June 30, 2021. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Present value of funded obligations (note 18(a)(iv))	**74,256**	91,255
Fair value of plan assets (note 18(a)(v))	**(21,053)**	(46,494)
Liability in the statement of financial position	**53,203**	44,761

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
At July 1,	**44,761**	36,832
Charged to profit or loss	**3,412**	3,174
Charged to other comprehensive income	**7,763**	7,101
Contributions paid	**(2,733)**	(2,346)
At June 30,	**53,203**	44,761

(iv) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
At July 1,	**91,255**	88,631
Current service cost	**1,847**	1,220
Interest cost	**1,843**	3,034
Contributions by plan participants	**782**	321
Actuarial losses	**16,481**	5,209
Benefits paid	**(37,952)**	(7,160)
At June 30,	**74,256**	91,255

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
At July 1,	**46,494**	51,799
Expected return on plan assets	**635**	1,675
Actuarial losses / (gains)	**3,529**	(1,893)
Scheme expenses	**-**	(264)
Cost of insuring risk benefits	**(357)**	(331)
Employer contributions	**2,735**	2,346
Employee contributions	**782**	322
Transfer from Group Company	**5,189**	-
Benefits paid	**(37,954)**	(7,160)
At June 30,	**21,053**	46,494

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Cash and cash equivalents	**1,037**	3,924
Equity investments categorised by industry type:		
- Financial	**1,349**	3,013
- Commerce	**385**	1,046
- Industry	**268**	595
- Investment	**811**	1,641
- Leisure & Hotel	**185**	446
- Property	**44**	107
- Sugar	**17**	33
- Transport	**3**	9
Debt instruments (categorised by type of issuers, credit quality, geography)		
- BBB	**2,808**	9,066
- Not rated	**6,323**	13,345
Investment funds	**7,823**	13,269
	21,053	46,494

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Current service cost	**1,847**	1,220
Interest cost	**1,208**	1,359
Scheme expenses	**-**	264
Cost of insuring risk benefits	**357**	331
Net periodic pension cost per IAS 19	**3,412**	3,174
Employer's contribution	**(2,735)**	(2,346)
Total included in employee benefit expense	**677**	828

(viii) The actual return on plan assets are as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Actual return on plan assets	**4,164**	(217)

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Remeasurements on the defined benefit liability:		
(Gains) / Losses on pension scheme assets	**(3,529)**	1,893
Liability experience losses	**16,248**	710
Actuarial losses arising from changes in assumptions underlying the present value of the scheme	**233**	4,498
Transfer from Group Company	**(5,189)**	-
	7,763	7,101

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

(x) The assets in the plan and the expected rate of return are as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Cash and cash equivalents	**842**	3,905
Fixed income	**9,685**	22,409
Local Equities	**2,947**	6,881
Overseas Equities	**7,579**	13,299
Total Market value of assets	**21,053**	46,494

(xi) The weighted average duration of the liabilities as at June 30, 2021 is 6 years.

(xii) Sensitivity analysis on defined pension benefit obligations at end of the reporting date:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Increase in Defined Benefit Obligation due to 1% decrease in discount rate	**1,417**	2,455
Decrease in Defined Benefit Obligation due to 1% increase in discount rate	**9,707**	2,288
Increase in the Defined Benefit Obligation due to 1% increase in Future Long-term Salary assumption	**1,453**	2,343
Decrease in the Defined Benefit Obligation due to 1% decrease in Future Long-term Salary assumption	**9,735**	2,222

(xiii) Expected contributions to post-employment benefit plans for the year ending June 30, 2022 are Rs000's 1,790.

(xiv) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2021	2020
	%	%
Discount rate	**3.1%**	2.0%
Future salary increases	**2.0%**	2.0%

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits

Other post retirement benefits comprise of gratuity on retirement payable under the Employees Rights Act 2008.

(i)The amounts recognised in the statement of financial position are as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Present value of unfunded obligations - Deficit	**19,326**	19,582

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
At July 1,	**19,582**	12,568
Charged to profit or loss	**1,434**	1,779
(Credited) / Charged to other comprehensive income	**(1,013)**	5,347
Benefits paid	**(677)**	(112)
At June 30,	**19,326**	19,582

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Current service cost	**771**	732
Past service cost	**88**	345
Service cost	**859**	1,077
Net interest cost	**575**	702
Net periodic pension cost per IAS 19	**1,434**	1,779
Benefits paid	**(677)**	(112)
Total included in employee benefit expense	**757**	1,667

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Remeasurement on the defined benefit liability:		
Losses / (gains) on pension scheme assets	**155**	4,404
Liability experience losses / (gains)	**(550)**	(326)
Actuarial losses / (gains) arising from changes in assumptions	**(618)**	1,269
	(1,013)	5,347

(v) Amounts for the current period are as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Present value of defined benefit obligations	**19,326**	19,582
Experience gains / (losses) on plan liabilities	**1,258**	(531)

(vi) The principal actuarial assumptions used for the accounting purposes were:

	THE GROUP AND THE COMPANY	
	2021	2020
	%	%
Discount rate	**3.4% - 4.9%**	2.8% - 3.8%
Future salary increases	**2.0%**	2.0%

(vii) The weighted average duration of the liabilities as at June 30, 2021 is between 11-15 years.

Notes to the FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(viii) Sensitivity analysis on other post retirement benefit obligations at end of the reporting date:

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Increase in Defined Benefit Obligation due to 1% decrease in discount rate	**20,540**	27,874
Decrease in Defined Benefit Obligation due to 1% increase in discount rate	**16,212**	15,352
Increase in the Defined Benefit Obligation due to 1% increase in Future Long-term Salary assumption	**20,536**	19,682
Decrease in the Defined Benefit Obligation due to 1% decrease in Future Long-term Salary assumption	**16,260**	15,416

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

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

The sensitivity analysis may not be representative of the actual change in the post retirement 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 periods.

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

The other post retirement benefit plans exposes the Group/Company to actuarial risks, such as interest rate, salary increase, mortality, longevity, withdrawal and liquidity risks.

- Interest rate – this is the risk that yields on Government Bonds and Treasury Bills decrease, leading to an increase in the provision required to be set aside for the benefits.

- Salary increase – the risk is that actual salary increases are higher than assumed, thereby leading to a shortfall in benefit provisions already set aside.

- Mortality – higher than expected death will expose the company to having to effect pay-outs that were not expected.

- Longevity – employees living longer than expected will expose the employer to the risk that more employees make it to retirement to claim their benefits while the provisions assume that fewer employees will live till retirement.

- Withdrawal risk – lower than expected withdrawal will have the same impact as longevity risk.

- Liquidity risk – this risk arises if the employer's actual net cashflows are not sufficient to pay for the gratuity benefit when it becomes due

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

19. DEFERRED TAX LIABILITIES

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

(a) 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 statements of financial position:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Deferred tax assets	**(25,163)**	(24,234)	**(25,163)**	(24,234)
Deferred tax liabilities	**197,371**	171,624	**197,371**	171,624
	172,208	147,390	**172,208**	147,390
Disclosed as follows:				
Deferred tax liabilities	**172,208**	147,390	**172,208**	147,390
	172,208	147,390	**172,208**	147,390

(b) The movement on the deferred income tax is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
At July 1,	**147,390**	145,732	**147,390**	145,729
Charged to other comprehensive income	**23,854**	(2,116)	**23,854**	(2,116)
(Credited) / charged to profit or loss (note 21(b))	**964**	3,774	**964**	3,777
At June 30,	**172,208**	147,390	**172,208**	147,390

19. DEFERRED TAX LIABILITIES (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity is as follows:

(i) Deferred tax assets

THE GROUP AND THE COMPANY	Retirement Benefit Obligations Rs000's	Leases Rs000's	Total Rs000's
At June 30, 2019	8,398	-	8,398
Charged to other comprehensive income	2,116	-	2,116
Credited to profit or loss	424	13,296	13,720
At June 30, 2020	10,938	13,296	24,234
Charged to other comprehensive income	1,148	-	1,148
Credited / (charged) to profit or loss	243	(462)	(219)
At June 30, 2021	**12,329**	**12,834**	**25,163**

(ii) Deferred tax liabilities

THE GROUP	Accelerated tax depreciation Rs000's	Revaluation of assets Rs000's	Leases Rs000's	Total Rs000's
At June 30, 2019	73,784	80,346	-	154,130
Charged / (credited) to profit or loss	5,253	(724)	12,965	17,494
At June 30, 2020	79,037	79,622	12,965	171,624
Charged to other comprehensive income	-	25,002	-	25,002
Charged / (credited) to profit or loss	2,235	(723)	(767)	745
At June 30, 2021	**81,272**	**103,901**	**12,198**	**197,371**

19. DEFERRED TAX LIABILITIES (CONT'D)

(ii) Deferred tax liabilities (cont'd)

THE COMPANY	Accelerated tax depreciation Rs000's	Revaluation of assets Rs000's	Leases Rs000's	Total Rs000's
At June 30, 2019	73,781	80,346	-	154,127
Charged / (credited) to profit or loss	5,256	(724)	12,965	17,497
At June 30, 2020	79,037	79,622	12,965	171,624
Charged to other comprehensive income	-	25,002	-	25,002
Charged / (credited) to profit or loss	2,235	(723)	(767)	745
At June 30, 2021	**81,272**	**103,901**	**12,198**	**197,371**

(d) Where a Company is engaged in the export of goods, it is liable to income tax at the rate of 3% on the chargeable income attributable to that export.

20. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	**2021 Rs000's**	2020 Rs000's
Trade payables	**31,574**	13,196	**31,574**	13,196
Accrued expenses	**14,827**	15,042	**14,698**	14,932
Amounts due to related parties	**14,607**	14,142	**14,558**	14,127
Other payables	**6,020**	6,010	**6,020**	6,003
Interest payable on preference shares	**3,900**	3,900	**3,900**	3,900
	70,928	52,290	**70,750**	52,158

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

21. TAXATION

	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	**2021 Rs000's**	2020 Rs000's
(a) Statement of financial position				
At July 1,	**23,024**	11,925	**22,966**	11,844
Current income tax on the adjusted profit for the year at 3%/15% (2020: 3%/15%)	**24,293**	28,852	**24,270**	28,802
Corporate social responsibility tax	**4,944**	4,113	**4,941**	4,106
Less: paid during the year	**(44,640)**	(21,829)	**(44,583)**	(21,778)
Underprovision / (overprovision)	**612**	(37)	**607**	(8)
At June 30,	**8,233**	23,024	**8,201**	22,966

The Group is taxed at the normal rate of 15% and for exports at the rate of 3% as per current legislation.

21. TAXATION (CONT'D)

(b) Statement of profit or loss and other comprehensive income

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Current income tax on the adjusted profit for the year at 3%/15% (2020: 3%/15%)	**24,293**	28,852	**24,270**	28,802
Corporate social responsibility tax	**4,944**	4,113	**4,941**	4,106
Movement in deferred taxation (note 19)	**964**	3,774	**964**	3,777
Underprovision / (overprovision)	**612**	(37)	**607**	(8)
	30,813	36,702	**30,782**	36,677

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Profit before taxation	**208,121**	173,729	**248,325**	178,311
Tax calculated at 3%/15% (2020: 3%/15%)	**31,768**	26,892	**31,176**	26,185
Corporate social responsibility tax	**4,944**	4,113	**4,941**	4,106
Income not subject to tax	**(9,821)**	(12,888)	**(9,202)**	(12,183)
Expenses not deductible for tax purposes	**12,602**	14,848	**12,552**	14,800
Deferred taxation (note 19(b))	**964**	3,774	**964**	3,777
Investment tax credit for the year	**(10,256)**	-	**(10,256)**	-
Underprovision / (overprovision)	**612**	(37)	**607**	(8)
Tax charge	**30,813**	36,702	**30,782**	36,677

22. DIVIDENDS PAYABLE

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Statement of financial position		
At July 1,	**43,130**	5,911
Dividend declared	**39,900**	39,900
Dividend paid	**(39,848)**	(2,681)
At June 30,	**43,182**	43,130

23. OPERATING PROFIT BEFORE WRITE OFF OF RECEIVABLES AND REVERSAL OF IMPAIRMENT / (IMPAIRMENT) OF INVESTMENT IN SUBSIDIARY

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Operating profit is arrived at after:				
Charging:				
(Profit) / Loss on disposal of financial assets through OCI	-	(6)	-	-
Depreciation on property, plant and equipment (note 5)	**58,097**	56,684	**58,097**	56,684
Depreciation on rights-of-use assets (note 6)	**4,513**	4,769	**4,513**	4,769
Amortisation of intangible assets (note 7)	**10,554**	6,633	**10,554**	6,633
Employee benefit expense (note 23(a))	**93,086**	95,630	**93,086**	95,630

(a) Employee benefit expense

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Wages and salaries	**82,500**	84,251
Social security costs	**5,887**	7,179
Pension cost:		
- Defined benefit obligation	**1,434**	2,495
- Defined contribution plan	**3,265**	1,705
	93,086	95,630

24. REVENUE

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Revenue from the sale of goods	**2,108,812**	2,060,689	**2,108,812**	2,060,689
Others	**4,129**	4,139	**-**	-
	2,112,941	2,064,828	**2,108,812**	2,060,689

Disaggregation of revenue from contracts with customers

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Timing of revenue recognition				
At a point in time	**2,112,941**	2,064,828	**2,108,812**	2,060,689

25. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Depreciation (note 5)	**58,097**	56,684	**58,097**	56,684
Depreciation on rights-of-use assets (note 6)	**4,513**	4,769	**4,513**	4,769
Amortisation of intangible assets (note 7)	**10,554**	6,633	**10,554**	6,633
Employee benefit expense (note 23(a))	**93,086**	95,630	**93,086**	95,630
Cost of inventories recognised as expense (note 11(b))	**1,548,452**	1,501,689	**1,548,452**	1,501,689
Direct expenses (electricity, water, diesel and consumables)	**39,333**	40,006	**39,333**	40,006
Export expenses	**17,349**	20,234	**17,349**	20,234
Repairs and maintenance	**22,045**	25,585	**22,045**	25,585
Advertising costs	**9,195**	8,792	**9,195**	8,792
Management fees	**29,523**	28,850	**29,523**	28,850
Other expenses	**58,943**	63,673	**58,601**	63,376
Total cost of sales, selling and distribution, and administrative expenses	**1,891,090**	1,852,545	**1,890,748**	1,852,248
Represented by:				
Cost of sales	**1,744,333**	1,703,755	**1,744,333**	1,703,755
Selling and distribution costs	**32,432**	34,744	**32,432**	34,744
Administrative expenses	**114,325**	114,046	**113,983**	113,749
	1,891,090	1,852,545	**1,890,748**	1,852,248

26. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Dividend income (DEM Quoted)	**2,327**	2,327	**2,327**	2,327
Sundry income	**3,698**	4,330	**3,698**	4,324
	6,025	6,657	**6,025**	6,651

27. FINANCE INCOME / (COSTS)

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
(a) Finance income				
- Foreign exchange gain	**14,558**	11,827	**14,558**	11,827
- Interest income	**41**	257	**-**	242
	14,599	12,084	**14,558**	12,069
(b) Finance costs				
- Loan	**-**	(229)	**-**	(229)
- Bank overdrafts	**(2,871)**	(9,594)	**(2,871)**	(9,594)
- Related party loan	**(3,743)**	(5,051)	**(3,864)**	(5,390)
- Interest on preference shares	**(3,900)**	(3,900)	**(3,900)**	(3,900)
- Rights-of-use assets	**(4,626)**	(4,798)	**(4,626)**	(4,798)
	(15,140)	(23,572)	**(15,261)**	(23,911)

28. NET IMPAIRMENT OF GOODWILL, INVESTMENT AND WRITE OFF OF RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Impairment of goodwill in Indigo Hotel and Resorts Ltd	**-**	(20,286)	**-**	-
Impairment of investment in Concordia Investments Ltd	**-**	-	**-**	(24,939)
Reversal of impairment of investment in Concordia Investments Ltd	**-**	-	**24,939**	-
	-	(20,286)	**24,939**	(24,939)

As at 30 June 2021, the directors have compared the recoverable value of investment held in subsidiary with the carrying value of the investment. As a result, the last year's impairment of Rs000's 24,939 has been reversed as the recoverable value exceeded the carrying value of the investment.

The recoverable amount of the investment in subsidiary has been based on the fair values of the underlying investments. The key assumptions and sensitivities of the financial assets at fair value through other comprehensive income has been detailed in Note 10. On the other hand, the recoverable amount of the investment in associate was based on the following unobservable inputs and market price:

28. NET IMPAIRMENT OF GOODWILL, INVESTMENT AND WRITE OFF OF RECEIVABLES (CONT'D)

Description	2021 Rs000's	Valuation Technique	Unobservable Inputs	Relationship of unobservable inputs to fair value	Sensitivity Analysis
	36,458	Discounted cashflow	Expected cashflows	The higher the expected cash flows, the higher the fair value and vice versa.	A 10% increase in the expected cashflows, will increase the fair value by Rs 3.6M.
Indigo Hotel and Resorts Ltd					
	19,720	Price/book value	Price/book value (P/BV) and Discount for lack of marketability	The higher theP/ BV, the higher will be the fair value and vice versa.	A 10% increase in the P/BV, the fair value will increase by Rs 2.0M. A 10% increase in discount, the fair value will decrease by Rs 2.5M.

29. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
From continuing operations					
Profit attributable to equity holders	Rs000's	**177,308**	137,027	**217,543**	141,634
Less: preference share dividends	Rs000's	**(2,100)**	(2,100)	**(2,100)**	(2,100)
Net profit attributable to ordinary shareholders	Rs000's	**175,208**	134,927	**215,443**	139,534
Number of ordinary shares					
- in issue	000's	**10,800**	5,400	**10,800**	5,400
- adjusted for bonus issue	000's	**10,800**	10,800	**10,800**	10,800
Earnings per share	Rs.	**16.22**	12.49	**19.95**	12.92
From discontinued operations					
(Loss)/Profit attributable to equity holders	Rs000's	**(6)**	394	**-**	-
Number of ordinary shares					
- in issue	000's	**10,800**	5,400	**10,800**	5,400
- adjusted for bonus issue	000's	**10,800**	10,800	**10,800**	10,800
Earnings per share	Rs.	**-**	**0.04**	**-**	**-**

30. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	2021 Rs000's	2020 Rs000's
(a) Cash generated from/ (absorbed by) operations				
Profit before taxation	**208,121**	173,729	**248,325**	178,311
Adjustments for:				
(Loss) / Profit on discontinued operations	**(6)**	394	**-**	-
Depreciation on property, plant and equipment (note 5)	**58,097**	56,684	**58,097**	56,684
Depreciation on rights-of-use assets (note 6)	**4,513**	4,769	**4,513**	4,769
Amortisation of intangible assets (note 7)	**10,554**	6,633	**10,554**	6,633
Assets written off (note 5, 7)	**861**	720	**861**	720
(Profit) / Loss on disposal of financial assets through OCI	**-**	(6)	**-**	-
Impairment of goodwill	**-**	20,286	**-**	-
(Reversal of impairment) / impairment of investment in subsidiary	**-**	-	**(24,939)**	24,939
Provision for retirement benefit obligations (note 18)	**1,434**	2,495	**1,434**	2,495
Interest income	**(41)**	(257)	**-**	(242)
Interest expense (note 27)	**15,140**	23,572	**15,261**	23,911
Net foreign exchange (gain)/loss	**(11,559)**	(1,955)	**(11,559)**	(1,955)
Share of loss of associate	**19,214**	13,438	**-**	-
Changes in working capital				
- inventories	**(10,249)**	(166,341)	**(10,249)**	(166,341)
- trade and other receivables	**(27,674)**	21,213	**(30,859)**	27,556
- trade and other payables	**18,638**	(23,846)	**18,592**	(23,951)
Cash generated from operations	**287,043**	131,528	**280,031**	133,529

(b) Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of the statements of cash flows:

	THE GROUP		THE COMPANY	
	2021 Rs000's	2020 Rs000's	2021 Rs000's	2020 Rs000's
Cash in hand and at bank	**129,076**	55,451	**126,150**	55,269
Bank overdrafts (note 17)	**(90,846)**	(78,642)	**(90,846)**	(78,642)
	38,230	(23,191)	**35,304**	(23,373)

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

(c) Net debt reconciliation

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Cash in hand and at bank	**129,076**	55,451	**126,150**	55,269
Borrowings (including overdraft)	**(255,846)**	(327,142)	**(255,846)**	(334,642)
Lease liabilities	**(75,497)**	(78,218)	**(75,497)**	(78,218)
Net debt	**(202,267)**	(349,909)	**(205,193)**	(357,591)

THE GROUP	Borrowings	Leases	Cash/Cash Equivalent	Total
	Rs000's	Rs000's	Rs000's	Rs000's
Net debt as at July 1, 2019	(35,500)	-	(256,268)	(291,768)
- New leases	-	(81,033)	-	(81,033)
- Cash flows				
Payment of medium-term borrowings	869,000	-	-	869,000
Proceeds from medium-term borrowings	(1,082,000)	-	-	(1,082,000)
IFRS 16 lease principal repayments	-	2,815	-	2,815
Increase in cash and cash equivalents	-	-	231,122	231,122
- Foreign exchange adjustment	-	-	1,955	1,955
Net debt as at June 30, 2020	(248,500)	(78,218)	(23,191)	(349,909)
- Cash flows				
Payment of medium-term borrowings	608,500	-	-	608,500
Proceeds from medium-term borrowings	(525,000)	-	-	(525,000)
IFRS 16 lease principal repayments	-	2,721	-	2,721
Increase in cash and cash equivalents	-	-	49,862	49,862
- Foreign exchange adjustment	-	-	11,559	11,559
Net debt as at June 30, 2021	**(165,000)**	**(75,497)**	**38,230**	**(202,267)**

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

(c) Net debt reconciliation (cont'd)

THE COMPANY	Borrowings	Leases	Cash/Bank overdraft	Total
	Rs000's	Rs000's	Rs000's	Rs000's
Net debt as at July 1, 2019	(35,500)	-	(265,144)	(300,644)
- New leases	-	(81,033)	-	(81,033)
- Cash flows				
Payment of medium-term borrowings	869,000	-	-	869,000
Proceeds from medium-term borrowings	(1,089,500)	-	-	(1,089,500)
IFRS 16 lease principal repayments	-	2,815	-	2,815
Increase in cash and cash equivalents	-	-	244,304	244,304
- Foreign exchange adjustment	-	-	(2,533)	(2,533)
Net debt as at June 30, 2020	(256,000)	(78,218)	(23,373)	(357,591)
- Cash flows				
Payment of medium-term borrowings	632,500	-	-	632,500
Proceeds from medium-term borrowings	(541,500)	-	-	(541,500)
IFRS 16 lease principal repayments	-	2,721	-	2,721
Increase in cash and cash equivalents	-	-	47,118	47,118
- Foreign exchange adjustment	-	-	11,559	11,559
Net debt as at June 30, 2021	**(165,000)**	**(75,497)**	**35,304**	**(205,193)**

31. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Purchase of goods and services Rs000's	Sale of goods and services Rs000's	Loans payable Rs000's	Amount owed to related companies Rs000's	Loans receivable Rs000's	Amount owed by related companies Rs000's
(i) 2021						
Majority shareholders	**10,710**	**121,777**	**-**	**860**	**-**	**19,452**
Minority shareholders	**24,767**	**-**	**75,500**	**6,297**	**-**	**-**
Enterprise with common directors	**59,561**	**111,495**	**59,500**	**7,450**	**-**	**8,582**
	95,038	**233,272**	**135,000**	**14,607**	**-**	**28,034**
(ii) 2020						
Majority shareholders	10,434	108,337	-	706	-	13,736
Minority shareholders	26,854	-	91,500	6,404	-	-
Enterprise with common directors	57,054	136,842	127,000	7,032	-	5,233
	94,342	245,179	218,500	14,142	-	18,969

(b) THE COMPANY	Purchase of goods and services Rs000's	Sale of goods and services Rs000's	Loans payable Rs000's	Amount owed to related companies Rs000's	Loans receivable Rs000's	Amount owed by related companies Rs000's
(i) 2021						
Majority shareholders	**10,710**	**121,777**	**-**	**860**	**-**	**19,452**
Minority shareholders	**24,767**	**-**	**75,500**	**6,297**	**-**	**-**
Subsidiary companies	**-**	**-**	**-**	**-**	**3,000**	**-**
Enterprise with common directors	**59,334**	**111,495**	**59,500**	**7,401**	**-**	**8,582**
	94,811	**233,272**	**135,000**	**14,558**	**3,000**	**28,034**
(ii) 2020						
Majority shareholders	10,434	108,337	-	706	-	13,736
Minority shareholders	26,854	-	91,500	6,404	-	-
Subsidiary companies	-	-	7,500	46	-	-
Enterprise with common directors	57,054	136,842	127,000	6,971	-	5,233
	94,342	245,179	226,000	14,127	-	18,969

31. RELATED PARTY TRANSACTIONS (CONT'D)

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

The sales to and purchases from related parties are made at normal prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

There has been no guarantees provided or received for any related party receivables or payables.

(d) For the year ended 2021, the Group/Company has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which they operate.

(e) Key management personnel remuneration

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs000's	Rs000's
Salaries and short-term employee benefits	**12,606**	15,868

32. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting year but not yet incurred equals to Rs 17M.

(b) Operating lease commitments - where the company is the lessee

The Company leases land under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

33. SEGMENT INFORMATION

(a) Les Moulins de la Concorde Ltée's reportable segments, which are those reported to the Board, are the operating businesses overseen by management teams responsible for their performance. All reportable segments derive their revenue from a single business activity, which is the milling of wheat and its main products, wheat flour and wheat bran.

33. SEGMENT INFORMATION (CONT'D)

(b) **Segment results**	**THE GROUP**	
	2021	2020
	Rs000's	Rs000's
Total segment revenue	**2,112,941**	2,064,828
Operating profit before write off of receivables and reversal of impairment / (impairment) of investment in subsidiary	**227,876**	218,940
Impairment of goodwill	**-**	(20,286)
Finance income	**14,599**	12,084
Finance costs	**(15,140)**	(23,572)
Share of (loss)/ profit of associate	**(19,214)**	(13,437)
Profit before taxation	**208,121**	173,729
Income tax expense	**(30,813)**	(36,702)
Profit for the year	**177,308**	137,027

(c) **Geographical information**	Revenue		Non-current assets	
	2021	2020	**2021**	2020
	Rs000's	Rs000's	**Rs000's**	Rs000's
Mauritius	**1,930,911**	1,890,121	**1,633,161**	1,458,811
Comores	**38,541**	41,281	**-**	-
Madagascar	**17,242**	19,030	**-**	-
Mayotte	**69,377**	51,395	**-**	-
Reunion	**33,296**	32,105	**-**	-
Seychelles	**20,096**	30,896	**-**	-
Vietnam	**3,478**	-	**-**	-
	2,112,941	2,064,828	**1,633,161**	1,458,811

(d) Revenue from a single customer of Les Moulins de la Concorde Ltée represents approximately Rs000's 1,617,399 (2020: Rs000's 1,551,715) of the Group's total revenue.

The Company actively monitors and maintains a good working relationship with the single customer. There has been no disruption in the supply chain and the delivery of goods which has been running smoothly over the years.

(e) Impact of Covid-19 pandemic

During the financial year, no major impact directly resulting from COVID-19 was noted for the Company as the business model is a resilient one. The Company has been able to fully service its local and international clients despite the lockdown in Mauritius. There has been no such drop in the transactional level of activity till date.

34. CONTINGENT LIABILITIES

Bank Guarantees

At June 30, 2021, the Group/Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Group had given guarantees in the ordinary course of business, totalling to Rs000's 85,417 (2020: Rs000's 80,335).

35. SUBSEQUENT EVENTS

There were no subsequent events after the reporting period.

Notes

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Les Moulins de la Concorde

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