laSentinelle
Pour devancer demain

LA SENTINELLE LTD AND ITS SUBSIDIARIES

POUR DEVANCER DEMAIN

ANNUAL REPORT 2022

YEAR ENDED JUNE 30, 2022

Multimedia group specialist in media,
Printing & Packaging, Distribution & Logistics

MEDIAS

PRINTING & PACKAGING

DISTRIBUTION & LOGISTICS

LA SENTINELLE LTD AND ITS SUBSIDIARIES

ANNUAL REPORT

YEAR ENDED JUNE 30, 2022

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DIRECTORS & MANAGEMENT

BOARD OF DIRECTORS

PHILIPPE ALAIN **FORGET**
JEAN MICHEL CARLO **FELIX**
JACQUES PIERRE **FORGET**
MARIE ANTOINE JEAN DENIS **ITHIER**
JEAN NOEL **HUMBERT**
ELMER LOÏC **FORGET** (alternate Director to
Messrs. Philippe Alain FORGET and Jacques Pierre FORGET)

MANAGEMENT

Marie Antoine Jean Denis **ITHIER**
Chief Executive Officer

Areff **SALAUROO**
Chief Operating Officer
(as from September 14, 2021)

Sajid **BOLAKY**
Group Finance Manager
(as from April 18, 2022)

Nadarajen **SIVARAMEN**
Group Publications Manager

Vincent **VIBERT**
Group Marketing and Strategies Manager
(up to July 16, 2021)

Ejaz **GOBINDRAM**
Group Production and Technical Manager
(up to August 31, 2021)

Clifford **COLIMALAY**
Group Publishing Manager
(up to August 31, 2021)

Jack Edward **DACRUZ**
Group Finance Manager
(up to September 24, 2021)

DIRECTORS & MANAGEMENT

COMPANY SECRETARY

Navitas Corporate Services Ltd

AUDITORS

Ernst & Young

BANKERS

The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd
Absa Bank (Mauritius) Limited

REGISTERED OFFICE

Rue des Oursins, Baie du Tombeau
Republic of Mauritius
Tel. : 206 8200 - Fax : 247 1061
Email : corporate@lasentinelle.mu

RAPPORT DU PRÉSIDENT

Chers coactionnaires,

Nous avons terminé l'année financière au 30 juin 2022 en nette amélioration par rapport aux deux années précédentes, même s'il est clair que le résultat final n'est pas encore à notre satisfaction et qu'il nous faudra souquer dur dans le futur pour retrouver ne serait-ce que le temps perdu.

Car ces trois dernières années sont loin d'avoir été de tout repos, comme vous le savez déjà !

Une mise en perspective du parcours de votre compagnie est peut-être, ici, utile ?

Après une première décade compliquée suivant ses débuts en 1963, votre compagnie, mise sur pied avec un capital social de seulement Rs 1 million – capital que le conseil d'administration n'a d'ailleurs jamais demandé aux actionnaires d'augmenter depuis – a connu un parcours de développement et de profitabilité continu sur presque 50 ans d'affilée !

Son bilan de juin 1990, 27 ans après ses premiers balbutiements, montre des fonds propres de Rs 17.1 millions, un chiffre d'affaires de Rs 30 millions et un profit modeste de Rs 3.3 millions. La séquence de dividendes représentant 100 % du capital souscrit est alors, en 1990, déjà entamée.

Cinq ans plus tard, soit en 1995, au retour de Jean Claude de l'Estrac au bercail, votre conseil d'administration décide de commencer la diversification des sources de revenus de la compagnie, dans le sillage du rapport du consultant Mohamad Vayid. Ce seront les débuts de l'imprimerie commerciale. Suivront la structuration de Caractère Ltd en 2002 et le lancement de Radio One la même année. Cinq Plus est rachetée en 2003. Notre actionnariat dans L'Express de Madagascar se concrétisera en 2004. Eye Catch et l'Express Property (devenue depuis Mediatiz) rejoignent La Sentinelle Ltd en 2008 et les profits nets du reste du groupe dominent ceux de l'express pour la première fois, cette année-là ….

Les activités du groupe se diversifieront davantage avec l'acquisition de Business Publications Ltd en 2011 et nous ajouterons de nouvelles lignes de métier d'imprimerie commerciale en rachetant les équipements et les autres actifs de MSM Ltd, qui, lui, fait faillite en 2014.

Le chiffre d'affaire global de votre compagnie qui est de Rs 180 millions en 2000, passe à Rs 543 millions en 2010 et s'affiche à Rs 1.2 milliard au 30 juin 2019, la dernière année d'avant la pandémie. Les dividendes auront, entretemps, progressé matériellement et régulièrement pour atteindre même les 1000 % de la valeur faciale en 2017. A la fin de l'année financière 2018-2019, dernière année non impactée par la pandémie, les fonds propres de la compagnie s'acheminaient vers les Rs 500 millions et les revenus de la presse écrite, qui avaient, seuls, assuré le démarrage de La Sentinelle Ltd, 56 ans plus tôt, ne représentait plus, alors, que le quart du chiffre d'affaire du groupe.

Tous les investissements ne sont évidemment pas toujours positifs, malheureusement. Le Mag, un magazine hebdomadaire d'investigation ne trouva pas grâce publicitairement et nous valut, sous rien de moins que l'Official Secrets Act, trois arrestations scélérates de la part d'un commissaire de police dénoncé, entre autres, pour les fausses médailles militaires qu'il s'octroyait. Showbizz fut une tentative de valorisation du marketing aux caisses de sortie de grandes surfaces. Une webpress reconditionnée connaissait des problèmes de production puis voyait son marché disparaître avec la pandémie. Planète Eco qui avait l'ambition de produire des sacs d'emballage biodégradables tant pour les marchés réunionnais que mauricien perdait pied durant la pandémie et accumulait des pertes grandissantes, avant de fermer ses portes.

L'investissement le plus récent dans des équipements assurant la production d'emballages cartonnés de '*food grade*' semble plein de promesses alors que pour réduire la pollution de l'environnement sous de nouvelles législations, les producteurs doivent abandonner leurs emballages '*single use* ' en plastique.

Nous clôturons l'année financière au 30 juin 2022 ayant réduit les pertes à Rs 15.8 millions après les reculs financiers horribles de 2020 (– Rs 184 millions) et de 2021 (– Rs 140 millions). Le chiffre d'affaire qui avait baissé dramatiquement à Rs 775 millions en 2021 (– 36 % versus la dernière année normale de 2019 et – 24 % par rapport à 2020) a été rétabli à Rs 1.05 milliard au 30 juin 2022. L'équipe de gestion intervient continuellement sur tous les tableaux : principalement sur les coûts d'opération, les prix de vente et la productivité pour un retour de la profitabilité et d'un début de rétablissement des fonds propres dès l'année en cours. Sauf cataclysmes additionnels au niveau de l'érosion de la roupie, du coût des matières premières et du fret, ou de nouvelles perturbations à la chaîne de production ou aux comportements des marchés, entre autres ; l'année financière en cours devrait renouer avec une certaine normalité.

L'année dernière, je vous écrivais que nous avions des raisons d'espérer. Maintenant, nous y sommes. Presque.

Philippe A Forget

LA SENTINELLE LTD AND ITS SUBSIDIARIES

ANNUAL
REPORT

YEAR ENDED JUNE 30, 2022

Multimedia group specialist in media,
Printing & Packaging, Distribution & Logistics

MEDIAS

PRINTING
& PACKAGING

DISTRIBUTION
& LOGISTICS

The Board of Directors of LA SENTINELLE LTD (the “Company” or “LSL”) is pleased to present the Annual Report of the Company and its subsidiaries for the financial year ended June 30, 2022.

NATURE OF BUSINESS

The principal activities of the Group consist of publishing newspapers and specialized magazines, designing commercial packaging, sales of prime advertising space and providing printing and freight forwarding services. The Group also proposes news in visual and audio format.

RESULTS AND DIVIDENDS

The statements of comprehensive income for the financial year ended June 30, 2022 are shown on page 8.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Turnover	**1,051,949,345**	774,719,852	**164,174,247**	165,284,125
Loss for the year	**(13,817,801)**	(140,306,655)	**(62,719,225)**	(43,054,920)

During the year under review, no dividend was declared for the year ended June 30, 2022 (2021: Nil).

DIRECTORS	DATE APPOINTED
The Directors of the Company as of June 30, 2022 were:	
Mr. Philippe Alain FORGET *(Non-Executive Chairman)*	December 14, 1982
Mr. Jacques Pierre FORGET	October 21, 1988
Mr. Marie Antoine Jean Denis ITHIER	December 9, 2011
Mr. Jean Michel Carlo FELIX	March 6, 2013
Mr. Jean Noël HUMBERT	December 8, 2017
Mr. Elmer Loic FORGET (alternate Director to both Messrs. Philippe Alain FORGET and Jacques Pierre FORGET)	February 23, 2018

The Directors of the subsidiaries have been disclosed on page 2(u).

DIRECTORS’ SERVICE CONTRACT

Mr. Marie Antoine Jean Denis ITHIER, Director of the Company, has a service contract with the Company with no expiry terms.

Mr. Nadarajen SIVARAMEN, Director of a subsidiary company (LSL Digital Ltd), has a service contract with the Company with no expiry terms.

Mr. Elmer Loic FORGET, Director of subsidiary companies, has a service contract with LSL Digital Ltd with no expiry terms.

Messrs. Désiré Thierry Marino MARTIN and Guiliano Clarel Jean Marie MICHAUD, Directors of MC Easy Freight Co. Ltd, have a service contract with the said subsidiary company with no expiry terms.

Mr. Patrick OLIVER, Director of Caractère Reunion, has a service contract with Caractère Limitée with no expiry terms.

DIRECTORS’ SHARE INTERESTS

The Directors’ direct and indirect interests in the stated capital of the Company or its subsidiaries are detailed on page 2(l).

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received by the Directors from the Company and its subsidiaries were as follows:

	2022	2021
	Rs.	Rs.
Executive Director		
Marie Antoine Jean Denis ITHIER	**4,254,342**	3,345,760
Non-Executive Directors		
Philippe Alain FORGET	**1,300,000**	1,705,320
Jacques Pierre FORGET	**-**	-
Independent Non-Executive Directors		
Jean Michel Carlo FELIX	**-**	-
Jean Noël HUMBERT	**-**	-
	5,554,342	5,051,080

None of the Directors received any remuneration and benefits from the subsidiaries of the Company.

DONATIONS (INCLUDING CSR)

Donations made during the financial year by the Company and its subsidiaries are as follows:

	2022	2021
	Rs.	Rs.
La Sentinelle Ltd	**62,480**	64,000
5-Plus Ltd	**10,000**	3,000
MC Easy Freight Co Ltd	**27,000**	-
Mediatiz Ltd	**10,000**	10,000
	109,480	77,000

During the year under review, neither the Company nor its subsidiaries made any political contribution.

AUDITORS' FEES

The fees paid to the external auditor, Ernst & Young, for the audit and other services were:

	2022		2021	
	Audit	**Other Services**	Audit	Other Services
	Rs.	**Rs.**	Rs.	Rs.
La Sentinelle Ltd	**1,653,375**	**227,375**	1,517,500	225,000
Caractère Limitée	**593,250**	**107,250**	565,000	97,000
MC Easy Freight Co Ltd	**580,125**	**90,750**	552,500	80,000
Business Publications Ltd	**365,925**	**101,750**	348,500	111,500
5-Plus Limited	**206,640**	**101,750**	196,800	107,500
Mediatiz Ltd	**73,185**	**20,500**	69,700	14,000
Health Publications Ltd	**-**	**10,000**	-	11,000
Eye-Catch Limited	**-**	**10,000**	-	10,000
LSL Digital Ltd	**-**	**10,000**	-	5,000
Graphic Press Limited	**-**	**10,000**	-	5,000
La Sentinelle Training Centre Ltd	**-**	**10,000**	-	5,000
One Advertising Limited	**-**	**10,000**	-	5,000
	3,472,500	**709,375**	3,250,000	676,000

The fees for other services are in respect of accounting, taxation and consultancy services.

Approved by the Board of Directors on December 14 **……………………………….., 2022** and signed on its behalf by:

……………………………………..
Philippe Alain FORGET
Non-Executive Chairman

……………………………………..
Marie Antoine Jean Denis ITHIER
Executive Director

GROUP STRUCTURE

The detailed group structure of the Group as at June 30, 2022 is as per below:

- La Sentinelle Ltd
  - 5-Plus Ltd 100%
  - Business Publications Ltd 100%
  - Caractère Madagascar SARLU 100% **
  - Caractère Reunion 100%
    - My Events IO 65%**
  - Caractère Limitee 100%
  - Eye Catch Ltd 100%
  - Flying Freaks Ltd 51% **
  - Graphic Press Limited 100% ***
  - Health Publications Ltd 66.6% **
  - Impress Print 50%
  - LSL Digital Ltd 100% **
  - LSL Training Centre Ltd 100%
  - MC Easy Freight Co. Ltd 60%
    - MC Easy Freight * Madagascar SARL 100%
  - Mediatiz Ltd 100%
  - One Advertising Ltd 76.8% **
  - Planète Eco Ltée 50%***
  - Showbizz Entertainment Ltd 50%*

* in process of winding up
** have ceased trading activities
*** in liquidation

STATEMENT OF COMPLIANCE
(Section 75(3) of The Financial Reporting Act 2004)

Name of the Public Interest Entity: LA SENTINELLE LTD ("LSL")

Reporting Period: June 30, 2022

On behalf of the Board of Directors of LSL, we confirm that, to the best of our knowledge, the Company is applying with all the obligations and requirements of the National Code of Corporate Governance for Mauritius (2016) (the 'Code'), save for the following:

a) Principle 2: Board Diversity

The reasons for non-compliance are provided in this Report.

……………………………………..
Philippe Alain FORGET
Non-Executive Chairman

……………………………………..
Marie Antoine Jean Denis ITHIER
Executive Director

December 14
………………………………., **2022**

PRINCIPLE 1: Governance Structure

COMPLIANCE WITH THE NATIONAL CODE OF CORPORATE GOVERNANCE FOR MAURITIUS (2016)

La Sentinelle Ltd (the "Company" or "LSL"), a company incorporated in the Republic of Mauritius, is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Board of Directors and management of the Company are committed to the highest standards of business integrity, transparency and professionalism to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

The Board of Directors (the "Board") assumes full responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Besides, the Board is collectively responsible for the long term success, reputation and governance of the Company. The Board also determines the Company's mission, vision, values and strategy.

During the year under review, this report describes, amongst others, the main corporate governance framework and compliance requirements of the Company which are laid down in the following:

- LSL's Constitution;
- LSL's Board Charter;
- LSL's Audit & Risk Committee Charter;
- the Companies Act 2001;
- the Financial Reporting Act 2004;
- the Securities Act 2005;
- the Disclosures required under the National Code of Corporate Governance for Mauritius (2016) ("the Code").

Following the recent amendments brought to Section 86 of the Securities Act 2005, the Company has been deregistered as a reporting issuer effective as from December 21, 2021.

LSL has adopted a Board Charter that provides for the terms of reference for the Board and describes how the Board operates, as suggested in the generic guidance of the Code.

Moreover, the Group is committed to ethical practices in the conduct of its business. The Group has a 'Code de Déontologie' for its editorial staff as well as an Ethics Policy for all the employees at large. Besides, the Ethics Policy is available on the website of the Company whereas the Code of Code de Déontologie is available upon request in writing to the Company Secretary.

The Group has also a Complaints Committee constituted of independent external members to address editorial complaints received from the public.

Additionally, LSL has ensured that a written job description/position statement for each senior governance position, a written description of the major accountabilities within the organisation, as well as the organisational chart have been formalised. These documents are published on the website of the Company.

COMPANY'S CONSTITUTION

LSL's Constitution is in conformity with the provisions of the Companies Act 2001 and there are no clauses of the Constitution deemed material enough for special disclosure.

A copy of LSL's Constitution is available upon request in writing to the Company Secretary.

PRINCIPLE 2: The Structure of the Board and its Committees

BOARD STRUCTURE

LSL is led by an effective unitary Board which is the favoured structure for companies in Mauritius.

During the year under review, the Board is composed of five (5) members under the Chairmanship of Mr. Philippe Alain FORGET as follows:

- One (1) Executive Director;
- Two (2) Non-Executive Directors; and
- Two (2) Independent Non-Executive Directors.

The notion of independent directors is based on the criteria provided under the Generic Guidance of the Code.

BOARD SIZE

The LSL's Constitution specifies that the Board of Directors shall consist of not less than five (5) and not more than eight (8) Directors.

As per the provisions of LSL's Constitution, Directors are appointed from time to time by ordinary resolutions of the Shareholders. Besides, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as addition to the existing Directors.

Furthermore, each Director may offer himself/herself for re-election at each Annual Meeting of Shareholders of the Company.

BOARD COMPOSITION

As at June 30, 2022, the Board of LSL was composed as follows:

Directors	*Categories*
Philippe Alain FORGET	Non-Executive Chairman
Jacques Pierre FORGET	Non-Executive Director
Marie Antoine Jean Denis ITHIER	Executive Director
Jean Michel Carlo FELIX	Independent Non-Executive Director
Jean Noël HUMBERT	Independent Non-Executive Director

The Board is of the view that its present composition is adequately balanced and the size is appropriate for the current scope and the nature of the Group's operations. The current Directors have the range of skills, expertise and experience to carry out their duties properly. The Board is however still undertaking the necessary steps for the appointment of an additional female Non-Executive Director.

All the Directors are residents and citizens of Mauritius.

The names of all Directors, their profiles and their categorisation as well as their directorship details in other listed companies are set out in the Profiles of the Directors' section of this report.

PRINCIPLE 2: The Structure of the Board and its Committees (Continued)

BOARD DIVERSITY

The Board Members of LSL are of the same gender and are all ordinarily residents of Mauritius.

LSL believes in promoting Gender Equality and hence, the Company has already taken the steps, which have not been successful yet, for the appointment of a female candidate as a Non-Executive Director of the Company.

LSL is also an equal opportunity employer which has a non-discrimination policy that covers its senior governance positions and includes diverse professional backgrounds with a broad mix of skills and competencies.

Notwithstanding the fact that a woman non-executive director will be appointed to the Board at the earliest, LSL believes that the current Directors possess the appropriate expertise and knowledge to discharge their duties and responsibilities effectively and to meet the Company's business requirements.

BOARD OF DIRECTORS

The Board of Directors is LSL's ultimate decision-making entity and exercises leadership, entrepreneurship, integrity and sound judgement in directing the Company so as to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

It is ultimately accountable and responsible for the performance and affairs of the Company namely, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

Besides, it is also the Board's responsibility to provide effective corporate governance and to be the focal point of the corporate governance system.

Other roles of the Board of Directors are, *inter alia*:

- To define the Company's strategic goals and objectives and to ensure that necessary resources are in place to achieve the set goals;
- To keep proper accounting records, and ensure that a true and fair set of financial statements are prepared;
- To review management performance;
- To review and approve the system of internal controls, compliance with appropriate laws and regulations including the Code; and
- To ensure communication with the shareholders and relevant stakeholders (internal & external) openly and promptly with substance prevailing over form.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Members of the Board of Directors believe that it is in the interest of the Company that Mr. Philippe FORGET, acts as Non-Executive Chairman of the Board of Directors.

The titles, functions and roles of the Non-Executive Chairman of the Board of Directors and Chief Executive Officer are kept separate as per the Code.

In his role as Chairman of LSL, Mr. Philippe FORGET is responsible for leading the Board and ascertaining its effectiveness. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions.

On the other hand, Mr. Marie Antoine Jean Denis ITHIER in his capacity as Chief Executive Officer of LSL is responsible for the executive management of the LSL's operations and for developing the long-term strategy and vision of the Company.

PRINCIPLE 2: The Structure of the Board and its Committees (Continued)

BOARD MEETINGS

The Board meetings are held once each quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all Directors then entitled to receive notice.

The Board meetings are conducted in accordance with the Company's Constitution and the Companies Act 2001 and are convened by giving appropriate notice to the Directors.

Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the Directors to enable them to deliberate in a focused and informed manner at Board meetings. To address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the Directors have the right to request independent professional advice at the expense of LSL.

A quorum of four (4) Directors is currently required for a Board Meeting of LSL and in case of equality of votes, the Chairman has a casting vote.

During the year under review, the Board met one (1) time. Decisions were also taken by way of resolutions in writing, agreed and signed by all Directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Company Secretary.

BOARD COMMITTEES

The Code provides that Board committees are a mechanism to assist the Board of Directors in discharging its duties and responsibilities through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board.

As such, an Audit & Risk Committee has been set up to oversee the financial reporting process, internal control policies, internal audit function, external audit performance and risk management system of the Company. The said Committee operates within a defined Charter and independently of the Board.

The Board of Directors reviews the composition and assesses the terms of reference of the above-mentioned Committee on an annual basis to ensure that same are being applied correctly and that the said terms of reference are still compliant with the various regulations.

The Board Charter is reviewed on an annual basis, unless there is a change in any law that requires the Board to reassess the Charter.

Audit & Risk Committee

The composition of the Audit & Risk Committee has remained unchanged during the year under review.

At the date of this report, the membership of the said Committee is as follows:

Members	*Categories*
Jean Michel Carlo FELIX (Chairman)	Independent Non-Executive Director
Jacques Pierre FORGET	Non-Executive Director
Jean Noël HUMBERT	Independent Non-Executive Director
In attendance (when deemed appropriate)	
Philippe Alain FORGET	Non-Executive Chairman
Marie Antoine Jean Denis ITHIER	Executive Director
Ernst & Young	External Auditors – Independent Service Provider

PRINCIPLE 2: The Structure of the Board and its Committees (Continued)

BOARD COMMITTEES (CONTINUED)

Audit & Risk Committee (Continued)

The Audit & Risk Committee operates under the terms of reference approved by the Board.

The main functions of the Audit & Risk Committee are as follows:

- reviewing the effectiveness of the Group's internal control and reporting systems;
- monitoring the effectiveness of the internal audit function;
- overseeing the financial reporting procedures in line with the relevant accounting standards;
- recommending the Board of Directors on the appointment of external auditors, reviewing their scope of work and their remuneration;
- monitoring the effectiveness and independence of external auditors;
- recommendation of the condensed unaudited quarterly financial statements; and
- maintaining the integrity of the financial statements.

During the year under review, the Audit & Risk Committee has met once.

Ernst & Young have been re-appointed as external auditors at the Annual Meeting of the Company held on December 30, 2021.

Upon recommendation of the Board, the re-appointment of Ernst & Young will be recommended for approval at the forthcoming Annual Meeting of shareholders.

The Audit & Risk Committee confirms that it has fulfilled its responsibilities for the year under review, in accordance with its Terms of Reference.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Attendance at Board and Committee meetings for the year under review is as follows:

Directors	*Categories*	*Board Meetings*	*Audit & Risk Committee Meetings*
Philippe Alain FORGET	Non-Executive Chairman	1/1	1/1*
Jacques Pierre FORGET	Non-Executive Director	1/1	1/1
Marie Antoine Jean Denis ITHIER	Executive Director	1/1	1/1*
Jean Michel Carlo FELIX	Independent Non-Executive Director	1/1	1/1
Jean Noël HUMBERT	Independent Non-Executive Director	1/1	1/1
In attendance			
Ernst & Young	External Auditors	-	1/1*

** In attendance – not a member*

PRINCIPLE 3: Director's Appointment Procedures

The Board assumes responsibilities for appointment, induction of new directors and succession planning of Directors.

PROFILES OF THE DIRECTORS

The names of the Directors, their categories and their profiles as well as their details in listed companies are provided hereafter.

Philippe Alain FORGET – *Non-Executive Chairman*

Philippe A. Forget holds a First Class (Honours) BSc in Computational & Statistical Analysis from the University of Liverpool as well as an MSc (with distinction) in Management and operational Research from Imperial College, London. He was an Executive Director at the Mauritius Commercial Bank Ltd between 2005 and March 2013 and a Director of Rogers and Company Limited from September 2015 to February 2018. In addition, he is a Director at Clavis Primary School, Le Bocage International School and Ruth Residence, an old people's residence, since their very inception. He is also a member of Special Educational Needs Society (SENS) which takes care of and supports children with special needs, namely dyslexic children.

Directorship in other companies: 5-Plus Ltd; Business Publications Ltd; Caractère Limitée; Eye Catch Ltd; Graphic Press Ltd; Health Publications Ltd; LSL Training Centre Ltd; Mc Easy Freight Co Ltd; Mediatiz Ltd; Planète Eco Ltée; Clavis Primary School; Le Bocage International School; Ruth Residence

Jean Michel Carlo FELIX – *Independent Non-Executive Director*

Jean Michel Carlo Felix is a fellow of the Association of Chartered Certified Accountants (ACCA), a Certified Internal Auditor (CIA) from the Institute of Internal Auditors (IIA) as well as a Risk and Information Systems Control specialist CRISC (qualification from the Information Systems Audit and Control Association). He has more than 25 years of audit, advisory and consulting experience in African, Middle East, Asian and European countries, having also held multiple senior positions in a leading local group operating in the financial sector. As at date, he spearheads a locally based international consulting company.

Directorship in other companies: 5-Plus Ltd; Business Publications Ltd; Caractère Limitée; Eye Catch Ltd; Graphic Press Ltd; LSL Training Centre Ltd

Jacques Pierre FORGET – *Non-Executive Director*

Jacques Forget holds a combined diploma in sugar cane agronomy and sugar technology with distinction from the University of Mauritius. He worked 37 years in the Mauritian Sugar Industry. During the last 14 years, he managed the Medine Sugar Estate and its associated companies. From 2006 until his retirement in 2011, he was appointed as a managing director of Medine Ltd.

Directorship in other companies: 5-Plus Ltd; Business Publications Ltd; Caractère Limitée; Eye Catch Ltd; Graphic Press Ltd, LSL Training Centre Ltd; Vox Pop Ltd

Marie Antoine Jean Denis ITHIER – *Executive Director*

Denis Ithier holds a BA (Admin) from the University of Mauritius. He started his career in teaching, then shifted to Sales and Marketing in 1986. He joined La Sentinelle Ltd in 1990 as Marketing Manager. From 1995 to 2007, he was the Commercial Manager for the Group. He has also exercised as the General Manager of the Prey Group in Madagascar. He then returned to La Sentinelle Group as Chief Operating Officer in 2009 and was promoted to Chief Executive Officer in 2010.

Directorship in other companies: 5-Plus Ltd; Business Publications Ltd; Caractère Limitée; Eye Catch Ltd; Flying Freaks Ltd; Graphic Press Ltd; Health Publications Ltd; LSL Digital Ltd; LSL Training Centre Ltd; Mc Easy Freight Co Ltd; Mediatiz Ltd; One Advertising Ltd; Planète Eco Ltée; Vox Pop Ltd

PRINCIPLE 3: Director's Appointment Procedures (Continued)

PROFILES OF THE DIRECTORS (CONTINUED)

Jean Noël HUMBERT - *Independent Non-Executive Director*

Jean Noël Humbert has a wide experience in the agri-business sector, having occupied executive positions within the Eclosia Group and worked closely with the business community in Mauritius in his previous capacities as General Secretary of the Mauritius Chamber of Agriculture (1997-2005) and Chief Executive Officer of the Mauritius Sugar Syndicate (2005-2015). He has also acted as President of the National Productivity and Competitiveness Council. He is the holder of an Honours Degree in Agriculture and a Diploma in Agriculture & Sugar Technology.

Directorship in other companies: 5-Plus Ltd, Caractère Limitée; Aquarium Management Services Ltd; Eclosia Corporate Services Ltd; Eclosia Secretarial Services Ltd; ENL Limited; Livestock Feed Ltd; Maurilait Production Ltée; New Maurifoods Ltd; Oceanarium (Mauritius) Ltd.

PROFILES OF THE SENIOR MANAGEMENT TEAM

Ariff SALAUROO - *Chief Operating Officer – as from September 14, 2021*

Ariff Salauroo holds an MBA and a PGD in Quality Management. He is a Chartered Fellow of the Chartered Institute of Personnel & Development (CIPD, UK) and other Professional Associations, as well as a Fellowship from Indian Institute of Quality Management (IIQM) and the Institute of Leadership and Management (U.K). He started his career as Group H.R Director for Mauri-Garments which was taken over by CIEL and Coats Viyella, U.K. He then joined Air Mauritius before exercising as Group HR Director for the State Investment Corporation (SIC). He joined the Group in September 2007.

Nadarajen (Nad) SIVARAMEN – *Group Publications Manager*

Nad Sivaramen holds a master's degree in Communication Studies from the University of Reunion/Paris-Sorbonne. He also trained at the "Ecole des métiers de l'Information" in Paris and has done graduate-level research at Harvard on the militarisation of the Indian Ocean during the post-Cold-War period. He was the 2006 recipient for the best news story in Africa from Radio France International/Reporters without Borders/International Organisation of "La Francophonie". Nad was the editor in chief of "l'Express-Dimanche" (2005-2008), then left for the United States where he worked as a researcher in Human Security for private and US government organizations. Nad came back to La Sentinelle in April 2013 as Director of Publications.

Jack Edward DACRUZ – *Group Finance Manager – up to September 24, 2021*

Jack Edward Dacruz is a Chartered Certified Accountant and holds a Master degree in Risk Management from Monash University, Australia. He has many years of experience in various sectors. He started his careers in England. He then joined a big four audit firm in Mauritius before being head of finance of the IT business unit of a leading group of companies. His career then led him to Australia where he worked for the professional body for General Practitioners. Once back in Mauritius he joined one of the telecommunication operators. He then joined a high-end international telecommunication operator that owns and operates a submarine cable along eastern and southern coasts of Africa. He is a fellow member of the Association of Chartered Certified Accountant (UK), member of the Mauritius Institute of Professional Accountants and member of the Mauritius Institute of Directors. He joined the Group in April 2015.

Clifford COLIMALAY - *Group Publishing Manager – up to August 31, 2021*

Clifford Colimalay is the holder of a 'Licence en Lettres' from Reunion University. He has also had various training opportunities with the '*Centre Africain de Formation à l'Edition et à la Diffusion*' Tunisia. He started his career as language teacher, then joined Editions de l'Ocean Indien as Publishing Officer and was finally promoted as Senior Manager Publishing and Printing. He was the Planning Manager of Circus Advertising in 1999. He then joined the Group as Manager of Graphic Press in May 2001. He was the Group Publishing Manager since 2010.

Ejaz GOBINDRAM - *Group Production and Technical Manager – up to August 31, 2021*

Ejaz Gobindram holds a BTS in Electro-Technic, a Diploma in Management Studies and an MBA. He has 15 years of experience in the electro technical field and 10 years' experience in engineering project management. He joined the Group in October 2002 as a Technician, was promoted in 2005 as Assistant Technical Manager. In 2008, he was promoted as Group Production and Technical Manager. He also holds a Project Leadership Certification.

PRINCIPLE 3: Director's Appointment Procedures (Continued)

PROFILES OF THE SENIOR MANAGEMENT TEAM (CONTINUED)

Mohamed Sajid Bolaky - ***Group Finance Manager – as from April 2022***

Mohamed Sajid Bolaky holds an MBA from the Heriot Watt University, UK and is also a Fellow Member (FCCA) of the Association of Chartered Certified Accountants, UK. He has a vast experience in diverse sectors like Auditing, Distribution, Textile & Manufacturing, Real Estate, Global Business and Consultancy and Advisory. He started his career as Internal Auditor before moving to the Textile & Manufacturing Sector where he spent 20 years, evolving from Accountant position to Chief Financial Officer. He is a member of the Mauritius Institute of Professional Accountant (MIPA) and also a Fellow Member of the Mauritius Institute of Directors (MIoD). He joined the Group in April 2022.

Vincent VIBERT - ***Group Marketing and Strategies Manager – up to July 16, 2021***

Vincent Vibert holds a master's degree in communication at the International Institute of Communication in Paris, and he began his advertising career at Euros RSCG France. Seven years later, he joined the Master group at Reunion and took on the deputy general management of the Facto Saatchi agency and launched the digital agency Adplay in Reunion and Mauritius. Later, he joined Circus Advertising as director of the digital division La Ola. In 2018 he joined Mediatiz as Managing Director and promoted as Group Marketing and Strategies Manager in 2019.

GROUP COMPANY SECRETARY

Navitas Corporate Services Ltd provides a wide range of corporate secretarial, administration and advisory services to domestic clients ranging from small stand-alone to large conglomerates listed on the Stock Exchange of Mauritius.

All the Directors of LSL have access to the advice and services of the Company Secretary which is responsible for providing detailed guidance to the Chairman and the Directors as to their fiduciary duties, responsibilities and powers. The Company Secretary also ensures that the Company is at all times complying with its Constitution, Terms of Reference, applicable laws, rules and regulations.

Moreover, the Company Secretary assists the Chairman and the Board in implementing and strengthening good governance practices and processes with a view to enhance long-term stakeholders' value. The Company Secretary also administers, attends and prepares minutes of all Board meetings, Board Committee meetings and Shareholders' meetings.

The Company Secretary is also the primary channel of communication between the Company and its shareholders as well as the regulatory bodies.

APPOINTMENT AND RE-ELECTION

The responsibility of selecting a new Director forms part of the responsibility of the Board and the re-election of all the Directors is tabled at each Annual Meeting of Shareholders of LSL.

DIRECTOR'S INDUCTION

On appointment to the Board, the Chairman ensures that necessary information is disseminated to the new Director with respect to the business, products and services and how the Company operates. The Chairman also attends to any queries which may arise and the Company Secretary helps in the process by providing appropriate advices with regards to the Directors' duties and other legal responsibilities. Furthermore, the new Director is invited to meet members of the management team in order to rapidly acquire a comprehensive view of the Company's current operations practices, acceptable risks level and medium and long term strategy. They are also made aware of their fiduciary duties and responsibilities.

PRINCIPLE 3: Director’s Appointment Procedures (Continued)

PROFESSIONAL DEVELOPMENT

LSL ensures that the necessary resources for developing and updating its Directors’ knowledge and capabilities are provided as and when required.

The Board reviews regularly the professional development and ongoing education of all Directors for improved Board performance.

SUCCESSION PLANNING

The Board of Directors believes that suitable plans are in place for the orderly succession of appointments to the Board and to senior management positions in order to maintain an appropriate balance of knowledge, skills and experience within the organisation and on the Board.

PRINCIPLE 4: Directors Duties, Remuneration and Performance

LEGAL DUTIES

The Directors of LSL are aware of their legal duties and responsibilities as listed in the Companies Act 2001.
The Directors further confirm that they exercise their duties with a degree of care, skill and diligence.

CODE OF ETHICS

The Group is firmly committed to public enlightenment, freedom of the press, equality, justice, professionalism, meritocracy and democracy and as such has set up a ‘*Code de Déontologie*’ for its editorial staff as well as an Ethics Policy for all the employees at large. The Group also has a Complaints Committee constituted of independent external members to address editorial complaints received from the public.

The Board regularly monitors and evaluates compliance with its ‘*Code de Déontologie*’ and its Ethics Policy and in its endeavour to promote safety for its employees, the Group has also set up a Health and Safety Policy, a Gender Policy and an Equal Opportunities Policy Statement.

CONFLICT OF INTEREST

The Board of Directors strictly believes that a Director should make his best effort to avoid conflict of interest or situation where others might reasonably perceive such a conflict.

However, should any conflicts of interests arise, it is crucial for Directors to disclose them and the Interest Register is updated accordingly. The Interest Register is available for consultation by the shareholders upon written request to the Company Secretary.

It is the responsibility of each director to ensure that any conflicts of interests be recorded in the Interest Register, which is maintained by the Company Secretary.

As per LSL’s Constitution, a Director who has declared his interest shall not vote on any matter relating to transaction or proposed transaction in which he is interested and shall not be counted in the quorum present for the purpose of that decision.

PRINCIPLE 4: Directors Duties, Remuneration and Performance (Continued)

RELATED PARTY TRANSACTIONS

Related party transactions are outlined in Note 32 to the Financial Statements.

Conflict of interest and related party transactions, if any, are conducted in accordance with LSL's Ethics policy.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The Board is responsible to oversee information governance within the Company and ensures that the performance of information and information technology (IT) systems lead to business benefits and create value.

The Group emphasises on the confidentiality, integrity, availability and protection of information, backed by an adapted information and information technology (IT) system.

The Board has decided to delegate to Management the implementation of a framework on information, information technology and information security governance.

The Board will also ensure that the information security policy be regularly reviewed and monitored and that sufficient resources be allocated in the annual budget towards the IT expenditure.

BOARD INFORMATION

The Chairman, with the assistance of the Company Secretary, ensures that Directors receive all information necessary for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

The Board members of LSL ensure that matters relating to the Company, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to anyone without the authority of the Board.

Besides as already mentioned above, the Directors have the right to request independent professional advice at the expense of the Company in cases where the directors judge it necessary.

DIRECTORS' AND OFFICERS' INDEMNITY AND INSURANCE

LSL has subscribed to a liability insurance policy for the Directors and Officers.

BOARD EVALUATION AND DEVELOPMENT

The Chairman ensures that the performance of the Directors is evaluated on a regular basis to ascertain that each Director continues to contribute effectively and demonstrate commitment to the role, including dedication of time to Board and Committee meetings and any other duties.

The Annual Meeting of Shareholders is also considered as part of the evaluation process.

The Directors forming part of the Board of the Company have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

PRINCIPLE 4: Directors Duties, Remuneration and Performance (Continued)

BOARD EVALUATION AND DEVELOPMENT (CONTINUED)

The Board of the Company is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Furthermore, the Directors are chosen for their business experience and their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board. The Directors of LSL are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

STATEMENT OF REMUNERATION PHILOSOPHY

The remuneration philosophy of the Company is focused on setting an appropriate level of remuneration for the Directors as well as Senior Managers and staff in order to encourage optimal performance and contribution towards the realisation of the Company's objectives.

The Board of Directors is ultimately responsible for determining and bring up to date the Executive Directors' salaries (and any fringe benefit and annual bonuses) as well as the Non-Executive Directors' attendance fee. The Human Resource department has the delegated authority to determine, in conjunction with the Chief Executive Officer, the senior managers' and staff remunerations and benefits in line with prevailing market conditions.

INTERESTS OF DIRECTORS AND OFFICERS IN THE SHARES OF THE COMPANY

The table below gives the direct and indirect interests of the directors in the shares of the Company as at June 30, 2022:

Directors	*Direct Interest (%)*	*Indirect Interest (%)*
Philippe Alain FORGET *(Non-Executive Chairman)*	18.09	-
Jacques Pierre FORGET	0.20	-
Marie Antoine Jean Denis ITHIER (*CEO*)	0.34	-
Jean Michel Carlo FELIX	0.39	-
Jean Noël HUMBERT	0.20	-
Elmer Loic FORGET *(Alternate Director to both Philippe Alain FORGET and Jacques Pierre FORGET)*	0.20	-
Senior Management Team		
Ariff SALAUROO (*COO*)	0.07	-
Nadarajen SIVARAMEN	0.10	-

None of the Directors and Officers had any direct interest in the equity of subsidiaries of LSL.

SHARE DEALINGS BY DIRECTORS AND OFFICERS OF THE COMPANY

During the year under review, none of the Directors and Officers of the Company has dealt in the shares of LSL.

PRINCIPLE 5: Risk Governance and Internal Control

The Board has overall responsibility for risk management and internal control.

INTERNAL CONTROL

The Directors are responsible for ensuring that the whole systems of controls, financial and otherwise, in place is sufficient and appropriate to enable the Group to carry on business in an orderly and efficient manner, ensure adherence to management policies, safeguard assets and secure as far as possible the completeness and accuracy of records.

The system of internal controls can provide only a reasonable and not an absolute assurance against material misstatement or loss. It is the responsibility of Management to ensure that the internal control system is implemented and operated effectively.

FINANCIAL RISKS

The financial risks of the Group are those linked to liquidity, interest rates, foreign currency exchange rates, credit, capital structure and profitability. The financial risks are further outlined in Note 3 to the Financial Statements.

The Group is also exposed to the fluctuation in the price of paper but it reduces this risk through close monitoring of the market prices and competitive bidding. It also ensures an efficient stock management.

The Group is addressing the risk of increased competition in the market by diversifying and adding value to its products.

OPERATIONAL RISKS

The Group has a comprehensive insurance cover for all its assets against material damage, loss of profit and public liability. It has reliable suppliers which can restore the operations with least disruption in the event of unforeseen disasters.

BUSINESS CONTINUITY PLAN

For critical operations, the Group has established maintenance contracts with service providers. The Group has assessed its business continuation and disaster capabilities strategy. The Business Continuity Plan has been approved by the Board and it was put to the test during the last lockdown. The Group functioned properly during the lockdown. The Group is committed to always review and update its Continuity Plan.

WHISTLE-BLOWING PROCEDURES

The Board is committed to its Whistle Blowing Policy which has set out La Sentinelle Group's written, formal whistle-blowing policy, consisting of responsible and effective procedures for disclosure or reporting of misconduct and impropriety so that appropriate actions are taken. It is intended to encourage employees and other relevant stakeholders to report unethical or illegal conduct of employees, management, and other stakeholders to appropriate parties in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of any kind.

PRINCIPLE 5: Risk Governance and Internal Control (Continued)

WHISTLE-BLOWING PROCEDURES (CONTINUED)

The specific objectives of the policy are to:

- Encourage veracious reporting of alleged malpractices/misconduct.
- Provide a means for discreet and confidential channel for reporting without fear of reprisal.
- Ensure consistent and timely response to reported improprieties and awareness by whistle-blowers of their options and rights.
- Ensure appropriate oversight by the Board of Directors.
- Serve as a means of preventing and deterring misconduct.
- Protect the rights of the Group and that of its stakeholders.
- Instill a culture of openness, accountability and integrity.

PRINCIPLE 6: Reporting with Integrity

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The Directors affirm their responsibilities for preparing the Annual Report and Financial Statements of LSL that fairly present the state of affairs of the Company and the results of its operations. The accounts adhere to International Financial Reporting Standards (IFRS), International Auditing Standards (IAS), the Companies Act 2001 and the Financial Reporting Act 2004.The annual report can be viewed on the organisation's website.

The Statement of Directors' Responsibilities is found on page 3(i) of the Annual Report.

ORGANISATIONAL OVERVIEW

LSL Group employs some 541 people locally. It was originally created in 1963 as a newspaper company. It has expanded its operations which now includes designing, printing, publishing of specialised magazines, freight forwarding and distribution, among others. It has completed business in Mauritius, Reunion Island, Madagascar, Nepal, India, Turkey and Egypt. The Board gives strategic direction to the various business units. The Board also monitors executive management's effectiveness in implementing strategic decisions.

LSL has built its brand on the established « Précis, Sûr et Fiable » values that have filtered down deeply in the Group. As the daily newspaper, L'express remains the flagship of the Group, these values have been deep-rooted in the different units. Other important values such as ethics, transparency, accountability, equality and freedom have naturally found their way into its businesses. LSL is rightly and generally viewed as promoting business ethics, democracy and fairness.

EXTERNAL ENVIRONMENT

LSL operates in a highly competitive environment. To this effect, it is pursuing a strategy of vertical integration, MC Easy Freight Co Ltd, as one of their subsidiary and latest acquisition, is evidence of that. However, the Group believes in fair competition and has always built its comparative advantage by favoring differentiation. It is significantly affected by changes in the political, economic, social, technological, legal and environmental issues, not only locally, but also internationally. The Board regularly scans its external environment to assess its strategies and to propose actions that would ensure business success and sustainable results.

PRINCIPLE 6: Reporting with Integrity (Continued)

BUSINESS MODEL

The Group has always been inspired by value-creation. Its model is one that transforms inputs, through efficient activities, into outputs that aim to assist the Group in the realisation of its strategic objectives. The Board is conscious that it has to propose models that ensure the successful operation of its business units by constantly identifying sources of revenue, the intended customer base, quality products and services, as well as financing capacity. The Board also has the duty to discontinue non profitable business/line if corrective measures failed and/or if a greater good is not furthered. The Directors are concerned about the Group's capability to create, deliver and capture value.

RISKS

The Board is constantly scanning its internal and external environment to identify risks that could affect the businesses. It considers that an effective risk management process is an important activity in ensuring business continuity and sustained results. The Board considers the relative importance of different sources of risks and prioritise risks that would affect the Group's ability to create value.

The Group has identified the following risks that are affecting its businesses:

i) Price of raw materials as it depends on volatile markets. A warehouse has been built to purchase raw materials in bulk and in advance to secure competitive prices.

ii) Market-size as it operates in a highly competitive market. New markets are being explored in the Indian Ocean region.

iii) Production capacity for voluminous production. Production is now partly delocalized and countries like Turkey and Egypt are offering additional production capacity.

iv) Technological advances modifying consumer preferences. Investments in digital platforms are on-going.

v) Investments for state-of-the-art technology to improve quality and customer responsiveness.

vi) Non-payment risks in new and less well-known markets.

KEY PERFORMANCE INDICATORS

The Board of Directors has consistently been relying on financial and non-financial performance indicators. The readership and circulation of its publications are closely monitored. The share of markets in which it operates are constantly scanned. The wastes that are generated and the capacity to recycle the wastes are recorded. One of the Key Performance Indicators that the Board closely monitors is profitability.

This is compared to past figures and projections are made for the future. Equally important are gross profit margin, net profit margin, operating cash flow, gearing ratio, return on equity and variances with regards to planned budget v/s actual budget. The Board has also agreed with Departmental Managers for KPI's for each function in the Group and these are also closely monitored. The Directors consider the KPI's to be quantifiable measures that are used to measure the judiciousness of its strategies and to determine how well the Group's goals are met.

PRINCIPLE 6: Reporting with Integrity (Continued)

ENVIRONMENTAL ISSUES

LSL focuses on three main areas namely energy efficiency, waste management and chemicals used for production processes and maintenance.

Energy consumption is one of the main criteria driving the selection of new equipment. The air-conditioning system for the new building in use since 2019, offices and factory is of VRF (Variable Refrigerant Flow) type which uses electronic drive technology to adapt the energy consumption to the demand for cooling.

The use of LED lighting has also been extended to all areas of the building. A SCADA (Supervisory Control And Data Acquisition) system is has been installed to monitor energy consumption and minimize loss in CEB transformers.

Solid waste is managed at source by placing orders for paper and boards in customized formats to minimize production wastes. Recycled papers are also used as far as possible depending on availability and costs. Handling of solid waste is done by a specialist company which separates different categories of waste for recycling purposes.

All the new equipment are fitted with latest technology for print quality control using automation which regulates and optimizes the use of chemicals. The preventive maintenance policy also ensures that equipment are kept within tolerance for good performance. We are also progressively switching to eco-friendly chemicals and lubricating products manufactured from vegetal ingredients.

The paper used by Caractère Limitée, a subsidiary of LSL, is certified by the Forest Stewardship Council (F.S.C), Chain of Custody Certification-for forest protection, eco-friendly and responsible papers used as well as the Programme for the Endorsement of Forest Certification (P.E.F.C), promoting sustainable forest management.

HEALTH AND SAFETY ISSUES

LSL Group prides itself to be a caring employer that values the health and safety of its employees and has the best practices in ensuring their health, safety and security. Since quite a while, the Group has enforced a programme that improves the work environment, prevents injuries and illnesses, identifies safety risks and hazards, averts accidents and promotes good and safe work practices. This system is part of the overall business operations of the Group and the values of health and safety are upheld by all and everyone.

Each year, a Health and Safety Audit is carried out to clearly identify and eliminate risks and hazards. LSL Group supports a culture of safety. And this is reflected in the yearly audits, and more specifically in this year's audits, where evidence is shown that the system is being continually improved. Also, the Health and Safety log-book shows only a work-related accident, being one accident reported for slippery floors.

With a view to enhance and demonstrate its commitment to a safer workplace, each year a Health and Safety Week is organised to sensitize everyone on the importance and responsibilities for promoting fitness and good health.
The Group has designed and implemented a strategy for the prevention of workplace accidents, injuries and illnesses.

This is the prime focus of the Health and Safety Committee that has, as its members, representatives from all departments and units under the chairmanship of the Group Human Resource Director, and has a pioneering approach to pre-empt, track and manage emerging health, safety and security challenges.

The COVID-19 Pandemic has put our Business Continuity Plan under spotlight. The Group's approach has been Control and Prevention. Effective measures were taken to protect all employees and visitors from exposure to and protection from infection with SARS-COV-2.

PRINCIPLE 6: Reporting with Integrity (Continued)

HEALTH AND SAFETY ISSUES (CONTINUED)

Access to the work site is tightly controlled as per WHO guidelines. Work practices have been reviewed and adapted to prevent specific exposure risks and we have motivated our employees to be fully vaccinated with a view to create the inoculated workplace. Communication has played a vital role in our effectiveness to control and prevent. All the measures introduced are being maintained until further notice.

Besides, As Caractère Limitée, one of the subsidiaries of LSL, is producing safe food packaging and is YUM, BRC, ISO 9001:2014, P.F.C. and P.E.F.C. certified, measures were already in place well before the pandemic Covid-19.

Covid-19 Preparedness

The following measures have been and are still in place:

(i) Sanitary protocols for the staff and guests of the group

All visitors entering LSL's premises have to comply with hygiene procedures at the entrance as per the Covid-19 protocol for working and guidelines, as follows:

- Visitors need to wash and sanitize their hands at the main gate of LSL's premises;
- Gloves and protective masks are delivered at the main gate to all visitors; and
- LSL's premises have been equipped with sufficient hand sanitizers at different locations for regular use.

Furthermore, all the premises are sanitized with appropriate products on a daily basis.

(ii) Procedures in place to detect and isolate any Covid-19 cases by client

A special procedure and isolation room has been established and a team has been designated to deal with the captioned situation.

(iii) Covid-19 protocol in place

The following guidelines were followed, namely:

- Body Temperature (using Forehead Non-Contact Infrared Thermometer) were taken and recorded on arrival, at mid-day and before leaving the LSL premises.
- Body temperature had to be below 37.5º;
- Employees with temperature above 37.5º were not allowed access. Those with temperature above acceptable level on leaving in the afternoon were asked not to attend work on the following day;
- Employees had to wear masks and gloves at all times;
- Employees had to maintain social distancing (1.5 meters) at all times;
- Disinfection was carried out every hour;
- Those using their bicycle or motorcycle were not allowed to carry passengers; and
- In cars, only one driver and one passenger were allowed.

PRINCIPLE 6: Reporting with Integrity (Continued)

SOCIAL ISSUES

LSL Group recognises the importance of all its stakeholders in its business model. It is committed to use the power of business to address and solve social and environmental problems; and prides itself of being a responsible business.

The Group is committed to ethics and social issues. It has always promoted fairness and equity in employment and has eliminated all types of discrimination at the workplace. Also, it has been supporting sports activities, charitable causes and educational institutions. La Sentinelle has always demonstrated a sense of purpose in all its activities. The common good has always prevailed for the advancement of our society.

LSL Group has always and will always have a role to play in promoting societal, ethical and moral values. It regards its relationship to society as important as its relationship to its customers, investors and employees. It is firmly believed that LSL Group has a great positive impact on society.

SUSTAINABILITY REPORT

La Sentinelle Group has constructed an additional building of 40,000 sq.ft. to cater for its increasing space requirements. It is noted that all manufacturing activities for one of its subsidiaries, namely Caractère Limitée, relating to Flexography and Lithography, have been centralised at Riche Terre. An Environmental Assessment has been conducted and the facilities do not have any risk affecting the environment. The treatment of waste water is closely monitored and the water available throughout the facility is tested on a regular basis at recognised laboratories to ensure that it is safe and free of coliform. The chemicals that are used in the buildings are also tested to ensure that they do not cause harm.

A social impact of the business has also been conducted and it confirms that La Sentinelle Group is very concerned about the communities around the head-office. Regular cleanliness campaigns are conducted to keep the region clean and the employees of the Group also plant flowers along the roads adjacent to the building. The Group also supports local activities, such as football tournaments, fund-raising activities and social events, among others.

La Sentinelle Group recognises the fact that the sustainability challenges of today are unprecedented and the interdependence of economic, social and environmental factors.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

La Sentinelle Group has confirmed its commitment to corporate social responsibility through various CSR initiatives. Many projects have been funded by La Sentinelle Ltd and its subsidiaries. The major projects funded are in the educational fields. In fact, many schools in the vicinity of the Head-Office have benefited CSR funds to help improve their building and teaching equipment. Also, the Group's employees have been very active in promoting a new concept of EMPLOYEES' SOCIAL RESPONSIBILITY where they have contributed in two projects *''ELAN de SOLIDARITE''* and *''NOEL DE L'ESPOIR''* and have distributed food to needy people in Baie du Tombeau, Roche Bois, Cité La Cure, Canal Dayot, and to some homes for elderly people.

CHARITABLE & POLITICAL CONTRIBUTIONS

Charitable and non-charitable contributions amounted to **Rs. 109,480** (2021: Rs. 77,000).

Besides, it has and will always be the board policy not to contribute to any political donation.

PRINCIPLE 7: Audit

The role of the Audit & Risk Committee is defined under Principle 2.

EXTERNAL AUDIT

For the last years, Ernst & Young ("EY") have been the external auditors of the Company and subsidiary companies. EY were re-appointed as the external auditors of the Company during the Annual Meeting of Shareholders held on December 30, 2021 for the ensuing year.

The Board is aware that the external audit contract should be put out to tender at least every seven (7) years and that the audit partner is rotated every five (5) years.

The Audit & Risk Committee monitors the effectiveness and the independence of the external auditors before making a recommendation to the Board for their appointment and re-appointment. The evaluation involves an assessment of the qualifications and performance of the auditor and the auditors' independence, objectivity and professional scepticism. To further ensure that there is no threat to the objectivity and independence of external auditors in the conduct of the audit, the Audit Committee approves any non-audit services by them.

PRINCIPLE 8: Relations with Shareholders and other Key Stakeholders

RESPONSIVENESS TO SHAREHOLDERS AND STAKEHOLDERS CONCERNS

The key stakeholders of the Group are as follows:

- Shareholders
- Employees
- Customers
- Suppliers
- Financing institutions
- Regulatory authorities
- Communities

The Board ensures that all Directors are made aware of the concerns of shareholders and key stakeholders. The views and concerns of the shareholders and stakeholders are given due consideration when the Board discusses strategy and governance. LSL frequently enters into dialogue with its key stakeholders on a variety of topics, including the organisational position, performance and outlook. The Directors are encouraged to have face-to-face contact with key stakeholders.

Shareholders

The Company holds an annual meeting of the shareholders and all the shareholders are requested to vote for the approval of the accounts, approval of dividend, appointment/ re-appointment of directors, etc.

PRINCIPLE 8: Relations with Shareholders and other Key Stakeholders (Continued)

RESPONSIVENESS TO SHAREHOLDERS AND STAKEHOLDERS CONCERNS (CONTINUED)

Employees

Directors always have a listening ear for employees and are committed to promote sound industrial relations and best practices in human resource management. The Company maintains a constant dialogue with its employees through departmental meetings on a frequent basis. Training needs of employees are regularly assessed and addressed. However, employment stability and capacity to pay remain to a large extent dependent on the macroeconomic environment and market conditions.

Customers and suppliers

The Company works closely with its suppliers so as to have an effective relationship that would ensure that suppliers adopt best management practices. Debtors and creditors are offered opportunities to suggest ways of improving the services to them.

Financing institutions

Regular communication with financial institutions in general is actively pursued and usually take place through meetings and presentations. The annual report, which provides good information flow on the business and its performance, is provided to them.

Regulatory authorities

Relationship with the regulators is critical to the success of the Group to ensure that global best practices will full transparency are maintained.

Communities

LSL pays great attention to the communities where it operates. By nature of its businesses, LSL has an impact on the local communities and society as a whole. The Group constantly displays information to the attention of the public.

PRINCIPLE 8: Relations with Shareholders and other Key Stakeholders (Continued)

DIRECTORS OF SUBSIDIARIES / COMMON DIRECTORS

The Directors of the subsidiaries / common Directors as at June 30, 2022 were as follows:

Directors	*CL*	*GPL*	*5-Plus*	*ECL*	*BPL*	*FF*	*OAL*	*ML*	*SEL*	*LSTC*	*LSLD*	*CR*	*HP*	*MCEF*
Philippe Alain FORGET	✓	✓	✓	✓	✓			✓		✓			✓	✓
Jacques Pierre FORGET	✓	✓	✓	✓	✓					✓				
Marie Antoine Jean Denis ITHIER	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Jean Michel Carlo FELIX	✓	✓	✓	✓	✓					✓				
Jean Noel HUMBERT	✓		✓											
Dr. Sidharth SHARMA									✓					
Van Man (Ah Van) SIN KWOK WONG									✓					
Nadarajen SIVARAMEN											✓			
Elmer Loic FORGET						✓					✓			
Patrick OLIVER												✓		
Elza Beatrice RAMBERT													✓	
Marie Desiré Pierre DINAN														✓
Desire Thierry Marino MARTIN														✓
Guiliano Clarel Jean Marie MICHAUD														✓
Manveesh SEENAUTH						✓								
Ariff SALAUROO														✓

Abbreviations:

CL : Caractère Limitée
GPL : Graphic Press Limited
5-Plus : 5-Plus Ltd
ECL : Eye-Catch Ltd
BPL : Business Publications Ltd
FF : Flying Freaks Ltd
OAL : One Advertising Ltd
ML : Mediatiz Ltd
SEL : Showbizz Entertainment Ltd
LSTC : LSL Training Centre Ltd
LSLD : LSL Digital Ltd
CR : Caractère Réunion
HP : Health Publications Ltd
MCEF : MC Easy Freight Co. Ltd

- Ariff SALAUROO has been appointed as Director of MC EASY FREIGHT CO. LTD on September 24, 2021.

PRINCIPLE 8: Relations with Shareholders and other Key Stakeholders (Continued)

STATED CAPITAL

As at June 30, 2022, the stated capital of the Company was Rs.1,023,340/- divided as follows:

(i) 600 Promoter A shares of Rs. 1,000/- each;
(ii) 3,200 Ordinary B shares of Rs. 100/- each; and
(iii) 10,334 Ordinary C shares of Rs. 10/- each.

SUBSTANTIAL SHAREHOLDERS

The Shareholders holding more than 5% of the voting rights of the stated capital of the Company as at June 30, 2022 were as follows:

Name of Shareholders	*% Shareholding*
Philippe Alain FORGET	18.09
LSL Shares held in Treasury	12.13
BCM Properties & Investments Co. Ltd	5.72

DIVIDEND POLICY

Payment of dividends varies currently around 25% of profits after tax subject to satisfaction of the solvency test and is subject to the profitability of the Company, its cash flows and capital expenditure requirements and is approved by the Board of Directors.

Dividends are normally declared and paid once yearly. Directors ensure that the Company satisfies the solvency test for each declaration of dividend and a certificate of compliance with the solvency test is signed by all Directors when a dividend is declared by the Board.

During the year under review, no dividend has been declared to the Shareholders of the Company.

SHAREHOLDERS’ AGREEMENTS

The current Shareholders’ Agreements are as follows:

Company Name	*Percentage holding held by LSL*
Impress Print Ltd	50%
Planète Eco Ltd	50%
Mc Easy Freight Co Ltd	60%
Heath Publications Ltd	66.6%
Showbizz Entertainment Ltd	50%

Impress Print Ltd - La Sentinelle Ltd and the other shareholder shall be entitled to appoint three (3) Directors as long as they each hold fifty percent (50%) of the Stated Capital of the company. The Chairman of the Board of Directors shall be appointed by mutual agreement between the Shareholders and the Chairmanship shall rotate every two (2) years at the discretion of the Shareholders. The Chairman does not have a casting vote.

Mc Easy Freight Co Ltd - La Sentinelle Ltd, as long as it holds at least sixty percent (60%) of the shares, has the right to appoint three (3) Directors and the other shareholders shall be entitled to appoint one (1) Director each as long as they each hold at least forty percent (40%) of the stated capital of the company. The Board may jointly appoint one (1) further Director as an independent director. The Board will normally be chaired by a Director of La Sentinelle Ltd, who will hold, in case of necessity, a casting vote.

Planète Eco Ltd - La Sentinelle Ltd and the other shareholder shall be entitled to nominate a Chairperson for a period of 2 years. During his chairmanship, the General Director, elected unanimously by the Shareholders, shall hold office for a period of 2 years. Should the Chairman resign from his duties before the 2 years have lapsed, the General Director, shall resign from his duties as well. The Chairman shall also not hold office for 2 consecutive mandates.

PRINCIPLE 8: Relations with Shareholders and other Key Stakeholders (Continued)

SHAREHOLDERS' AGREEMENTS (CONTINUED)

Health Publications Ltd – La Sentinelle Ltd and the other shareholder shall be entitled to appoint three (3) Directors of which two (2) representatives of La Sentinelle Ltd are authorised on the Board. The Chairman of the Board will be nominated by La Sentinelle Ltd and will have a casting vote.

Showbizz Entertainment Ltd – La Sentinelle Ltd and the other shareholder shall be entitled to appoint three (3) Directors on the Board. The Chairman of the Board will be nominated by La Sentinelle Ltd and shall have a casting vote.

EMPLOYEE SHARE OPTION PLAN

At a Special Meeting of shareholders of LSL held on December 13, 2013, the Class C shareholders unanimously approved the setting up of an Employee Share Scheme ("Scheme") through the issue of 5,000 Class C Ordinary Shares. These new 5,000 Class C Ordinary Shares were placed under the control of the Board and the rules of the Scheme were defined on January 30, 2015. As a result of same, the said shares were issued and allotted to the subscribing employees as per the aforementioned rules.

The main rationale with respect to above is to renew the bond of interest between employees and the Company and thus at least partly align the thinking of employees to those of shareholders.

THIRD PARTY MANAGEMENT AGREEMENT

LSL provides to its subsidiaries and associated companies a range of management, administrative, financial, marketing and communication services.

SHAREHOLDERS RELATIONS AND COMMUNICATION

The Board of Directors ensures that the shareholders are informed about all material developments of the Company and communicates with its shareholders through the annual report, publication of unaudited quarterly and audited abridged financial statements, press releases and the annual meeting.

Shareholders are strongly encouraged to attend the Company's Annual Meeting, which provides an opportunity for them to raise and discuss matters with the Board relating to the Company's performance and also to keep abreast of the overall strategy and goals.

The Chairman, Chief Executive Officer and other Board Members assist the Annual Meeting and invite shareholders to raise questions on different aspects of the Company's activities and directions the business will take in the future.

The Annual Report, including the Notice of the Annual Meeting of Shareholders, is sent to each shareholder of the Company at least twenty- one (21) days before the meeting.

CALENDAR OF IMPORTANT EVENTS

Months	Events
December 2022	Annual Meeting of Shareholders

* *Subject to the approval of the Board of Directors*

……………………………….. ……………………………………..

Philippe Alain FORGET
Non-Executive Chairman

Marie Antoine Jean Denis ITHIER
Executive Director

December 14
……………………………………, **2022**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Financial Statements in accordance with International Financial Reporting Standards ('IFRS') for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company.

The Directors confirm that, in preparing the financial statements, they have to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that IFRS have been adhered to, subject to any material departures being disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business; and
- ensure compliance with the Code of Corporate Governance (the 'Code') and provide reasons in case of non-compliance with any requirements of the Code.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2001, IFRS and the Financial Reporting Act 2004.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors hereby confirm that they have complied with the above requirements.

Approved by the Board of Directors on ….December 14…, **2022** and signed on its behalf by:

…………………………………..	…………………………………..
Philippe Alain FORGET	**Marie Antoine Jean Denis ITHIER**
Non-Executive Chairman	***Executive Director***

Pursuant to Section 166 (d) of the Companies Act 2001

We, Navitas Corporate Services Ltd, 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.

……………………………………
Navitas Corporate Services Ltd
Company Secretary

December 14
……………………………., **2022**

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LA SENTINELLE LTD AND ITS SUBSIDIARIES

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of La Sentinelle Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 91 which comprise the consolidated and separate statements of financial position as at June 30, 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

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

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "La Sentinelle Ltd and its subsidiaries Audited Annual Financial Statements for the year ended June 30, 2022", which includes the Annual Report, Corporate Governance Report, Statement of Directors' responsibilities and Certificate from the Company secretary as required by the Companies Act 2001. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LA SENTINELLE LTD AND ITS SUBSIDIARIES

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other Information (Continued)

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, 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 the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LA SENTINELLE LTD AND ITS SUBSIDIARIES

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG	ANDRE LAI WAN LOONG, F.C.A.
Ebène, Mauritius	Licensed by FRC

Date: 14 December 2022

LA SENTINELLE LTD AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
ASSETS		**Rs.**	Rs.	**Rs.**	Rs.
Non-current assets					
Property, plant and equipment	4	**460,303,747**	491,577,392	**315,770,379**	327,102,543
Right-of-use assets	5	**24,868,004**	31,356,546	**5,299,292**	10,539,902
Investment properties	6	**49,050,000**	5,550,000	**49,050,000**	5,550,000
Intangible assets	7	**85,322,596**	92,603,699	**5,766,937**	10,707,650
Investment in subsidiaries	8	**-**	-	**133,686,762**	128,732,567
Investment in associates	9	**-**	-	**-**	-
Investment in joint ventures	10	**7,285,872**	14,047,401	**17,328,307**	22,345,807
Financial assets at fair value through other comprehensive income	11	**14,888,028**	11,224,486	**14,888,028**	11,224,486
Long term receivables	32	**2,500,000**	2,500,000	**3,500,000**	2,500,000
Deferred tax assets	12(a)	**15,232,828**	16,408,281	**-**	-
		659,451,075	665,267,805	**545,289,705**	518,702,955
Current assets					
Income tax receivables	12(b)	**2,300,440**	2,668,660	**1,472,954**	1,883,416
Inventories	13	**165,164,042**	150,170,250	**10,444,296**	10,827,906
Trade and other receivables	14	**183,234,865**	169,439,754	**122,961,063**	177,370,131
Cash and cash equivalents	15	**29,703,501**	23,667,261	**7,972,256**	4,857,847
		380,402,848	345,945,925	**142,850,569**	194,939,300
Assets held for sale	16	**5,470,000**	76,050,000	**-**	76,050,000
		385,872,848	421,995,925	**142,850,569**	270,989,300
TOTAL ASSETS		**1,045,323,923**	1,087,263,730	**688,140,274**	789,692,255
EQUITY AND LIABILITIES					
Equity					
Issued capital	17	**1,023,340**	1,023,340	**1,023,340**	1,023,340
Other reserves		**124,890,988**	117,863,159	**132,241,633**	128,578,091
Retained earnings		**1,504,438**	40,398,172	**100,913,267**	177,680,242
Treasury shares		**(3,070,000)**	(3,070,000)	**(3,070,000)**	(3,070,000)
Equity attributable to owners of the parent		**124,348,766**	156,214,671	**231,108,240**	304,211,673
Non-controlling interests		**(26,899,049)**	(23,704,606)	**-**	-
Total equity		**97,449,717**	132,510,065	**231,108,240**	304,211,673
Non-current liabilities					
Interest-bearing loans and borrowings	18	**317,292,107**	343,842,051	**187,178,569**	184,740,773
Government grant	19	**-**	76,800	**-**	-
Employee benefit liabilities	20	**76,009,593**	56,162,174	**31,946,000**	28,143,000
Deferred tax liabilities	12(a)	**3,985,014**	11,769,896	**3,580,564**	11,366,332
Lease liabilities	5 (b)	**11,728,132**	9,060,970	**3,505,013**	7,893,319
		409,014,846	420,911,891	**226,210,146**	232,143,424
Current liabilities					
Trade and other payables	21	**188,584,421**	139,284,056	**100,861,421**	92,758,868
Provision for restructuring costs	28	**-**	19,070,436	**-**	18,469,361
Interest-bearing loans and borrowings	18	**342,395,340**	363,761,366	**125,505,572**	135,841,041
Government grant	19	**76,800**	307,200	**-**	-
Lease liabilities	5 (b)	**6,050,818**	11,001,660	**4,454,895**	6,267,888
Income tax liabilities	12(b)	**1,751,981**	417,056	**-**	-
		538,859,360	533,841,774	**230,821,888**	253,337,158
Total liabilities		**947,874,206**	954,753,665	**457,032,034**	485,480,582
TOTAL EQUITY AND LIABILITIES		**1,045,323,923**	1,087,263,730	**688,140,274**	789,692,255

These financial statements have been approved by the board of directors on ……December 14, 2022……

……………………………………..
Philippe Alain FORGET
Non-Executive Chairman

……………………………………..
Marie Antoine Jean Denis ITHIER
Executive Director

The notes set out on pages 12 to 91 form part of these financial statements.

Auditor's report on pages 4 to 6.

	Notes	THE GROUP 2022 Rs.	THE GROUP 2021 Rs.	THE COMPANY 2022 Rs.	THE COMPANY 2021 Rs.
Revenue from contract with customers	24	**1,051,949,345**	774,719,852	**164,174,247**	165,284,125
Cost of sales		**(817,654,279)**	(615,403,860)	**(131,777,786)**	(138,075,343)
Gross profit		**234,295,066**	159,315,992	**32,396,461**	27,208,782
Other income	25	**33,240,025**	34,061,385	**49,784,573**	82,149,777
Selling and distribution costs		**(55,974,573)**	(57,704,267)	**(25,616,859)**	(26,222,948)
Administrative expenses		**(183,959,697)**	(234,848,579)	**(81,793,843)**	(102,383,542)
Operating profit/(loss)	22	**27,600,821**	(99,175,469)	**(25,229,668)**	(19,247,931)
Finance income	26	**228,092**	562,759	**201,665**	562,759
Finance costs	27	**(36,247,976)**	(32,858,390)	**(14,527,644)**	(14,909,225)
Expected credit loss allowances	14	**(5,005,651)**	6,705,024	**(28,072,096)**	5,506,670
Share of profit of associates	9(a)	**-**	-	**-**	-
Share of loss of joint venture	10 (a)	**(1,744,029)**	(8,189,907)	**-**	-
Restructuring costs	28	**-**	(19,070,436)	**-**	(18,469,361)
Loss before tax		**(15,168,743)**	(152,026,419)	**(67,627,743)**	(46,557,088)
Income tax credit	12(c)	**1,350,942**	11,719,764	**4,908,518**	3,502,168
Loss for the year		**(13,817,801)**	(140,306,655)	**(62,719,225)**	(43,054,920)
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Retranslation of foreign operations		**3,364,287**	(2,234,935)	**-**	-
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**3,364,287**	(2,234,935)	**-**	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement of defined benefit obligations	20 (a)(iii) & (b)(i)	**(33,328,000)**	17,520,000	**(16,925,000)**	6,401,000
Income tax effect on re-measurement of defined benefit obligations	12 (i)	**5,057,624**	(2,841,995)	**2,877,250**	(1,088,170)
Revaluation of land and buildings	4 (a)	**-**	16,374,195	**-**	16,374,195
Income tax effect on re-measurement of revaluation of land and buildings	12 (i)	**-**	(1,814,588)	**-**	(1,814,588)
Fair value gain on financial assets at FVOCI	11	**3,663,542**	1,003,710	**3,663,542**	1,003,710
Net other comprehensive (loss)/ income not to be reclassified to profit or loss in subsequent periods		**(24,606,834)**	30,241,322	**(10,384,208)**	20,876,147
Other comprehensive (loss)/income for the year		**(21,242,547)**	28,006,387	**(10,384,208)**	20,876,147
Total comprehensive loss for the year		**(35,060,348)**	(112,300,268)	**(73,103,433)**	(22,178,773)
Loss attributable to:					
Owners of the parent		**(17,126,128)**	(136,096,867)		
Non-controlling interests		**3,308,327**	(4,209,788)		
		(13,817,801)	(140,306,655)		
Total comprehensive loss attributable to:					
Owners of the parent		**(31,865,905)**	(108,599,498)		
Non-controlling interests		**(3,194,443)**	(3,700,770)		
		(35,060,348)	(112,300,268)		

The notes set out on pages 12 to 91 form part of these financial statements.
Auditor's report on pages 4 to 6.

THE GROUP

	Attributable to equity holders of the parent									
				Other reserves						
	Issued capital (Note 17)	Share premium (Note 17)	Treasury shares (Note 17)	Fair value reserves (Note 17)	Revaluation reserves (Note 17)	Foreign currency translation reserves (Note 17)	Retained earnings	Total	Non - controlling interests	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 01, 2020	1,023,340	3,728,070	(3,070,000)	2,213,351	107,073,353	(8,479,997)	162,326,052	264,814,169	(20,003,836)	244,810,333
Loss for the year	-	-	-	-			(136,096,867)	(136,096,867)	(4,209,788)	(140,306,655)
Other comprehensive income/(loss) for the year	-	-	-	1,003,710	14,559,607	(2,234,935)	14,168,987	27,497,369	509,018	28,006,387
Total comprehensive income/(loss) for the year	-	-	-	1,003,710	14,559,607	(2,234,935)	(121,927,880)	(108,599,498)	(3,700,770)	(112,300,268)
At June 30, 2021	**1,023,340**	**3,728,070**	**(3,070,000)**	**3,217,061**	**121,632,960**	**(10,714,932)**	**40,398,172**	**156,214,671**	**(23,704,606)**	**132,510,065**
At July 01, 2021	1,023,340	3,728,070	(3,070,000)	3,217,061	121,632,960	(10,714,932)	40,398,172	156,214,671	(23,704,606)	132,510,065
Loss for the year	-	-	-	-	-	-	(17,126,128)	(17,126,128)	3,308,327	(13,817,801)
Transfer to revaluation reserve										
Other comprehensive income/(loss) for the year	-	-	-	3,663,542	-	3,364,287	(21,767,606)	(14,739,777)	(6,502,770)	(21,242,547)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**3,663,542**	**-**	**3,364,287**	**(38,893,734)**	**(31,865,905)**	**(3,194,443)**	**(35,060,348)**
At June 30, 2022	**1,023,340**	**3,728,070**	**(3,070,000)**	**6,880,603**	**121,632,960**	**(7,350,645)**	**1,504,438**	**124,348,766**	**(26,899,049)**	**97,449,717**

The notes set out on pages 12 to 91 form part of these financial statements.
Auditor's report on pages 4 to 6.

THE COMPANY

				Other reserves			
	Issued capital (Note 17)	Share premium (Note 17)	Treasury shares (Note 17)	Fair value reserves (Note 17)	Revaluation reserves (Note 17)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 01, 2020	1,023,340	3,728,070	(3,070,000)	2,213,351	107,073,353	215,422,332	326,390,446
Loss for the year	-	-	-	-	-	(43,054,920)	(43,054,920)
Other comprehensive income for the year	-	-	-	1,003,710	14,559,607	5,312,830	20,876,147
Total comprehensive income/(loss) for the year	-	-	-	1,003,710	14,559,607	(37,742,090)	(22,178,773)
At June 30, 2021	**1,023,340**	**3,728,070**	**(3,070,000)**	**3,217,061**	**121,632,960**	**177,680,242**	**304,211,673**
At July 01, 2021	1,023,340	3,728,070	(3,070,000)	3,217,061	121,632,960	177,680,242	304,211,673
Loss for the year	-	-	-	-	-	(62,719,225)	(62,719,225)
Other comprehensive income/(loss) for the year	-	-	-	3,663,542	-	(14,047,750)	(10,384,208)
Total comprehensive income/(loss) for the year	-	-	-	3,663,542	-	(76,766,975)	(73,103,433)
At June 30, 2022	**1,023,340**	**3,728,070**	**(3,070,000)**	**6,880,603**	**121,632,960**	**100,913,267**	**231,108,240**

The notes set out on pages 12 to 91 form part of these financial statements.
Auditor's report on pages 4 to 6.

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		Rs.	Rs.	**Rs.**	Rs.
Operating activities					
Net cash flows generated from/(used in) operating activities	29(a)	**18,224,674**	10,324,381	**(6,981,130)**	12,477,919
Income tax refund/ (paid)	12(b)	**1,502,282**	(1,819,853)	**410,462**	(1,028,514)
		19,726,956	8,504,528	**(6,570,668)**	11,449,405
Investing activities					
Proceeds from sale of property, plant and equipment		**22,235,093**	19,117,605	**2,606,370**	651,534
Proceeds from sale of assets held for sale		**32,070,000**	-	**32,070,000**	-
Purchase of property, plant and equipment	4(a)	**(22,579,537)**	(10,247,968)	**(4,982,763)**	(6,802,659)
Purchase of intangible assets	7 (a)	**(1,237,636)**	(2,960,113)	**(517,836)**	(1,424,073)
Dividends received	25	**5,200,000**	7,880,000	**5,200,000**	30,000,000
Net cash flows generated from investing activities		**35,687,920**	13,789,524	**34,375,771**	22,424,802
Financing activities					
Payment of lease liabilities	30	**(6,410,954)**	(9,382,345)	**(6,326,736)**	(6,084,885)
Proceeds from borrowings	30	**130,998,232**	63,910,837	**44,543,210**	54,217,080
Repayment of borrowings	30	**(194,570,576)**	(11,352,486)	**(50,378,807)**	(36,484,059)
Dividend paid to non-controlling interest		**-**	(696,000)	**-**	-
Advanced of funds from factoring company*		**28,276,887**	-	**-**	-
Interest paid		**(35,319,226)**	(31,541,045)	**(14,263,833)**	(14,616,239)
Net cash flows (used in)/ generated from financing activities		**(77,025,637)**	10,938,961	**(26,426,166)**	(2,968,103)
		(21,610,761)	33,233,013	**1,378,937**	30,906,104
Movement in cash and cash equivalents					
Cash and cash equivalents at July 01,		**(151,182,666)**	(180,742,215)	**(77,027,623)**	(105,679,402)
(Decrease)/ increase in cash and cash equivalents		**(21,610,761)**	33,233,013	**1,378,937**	30,906,104
Net foreign exchange differences		**11,990,627**	(3,673,464)	**3,797,548**	(2,254,325)
Cash and cash equivalents at June 30,	15	**(160,802,800)**	(151,182,666)	**(71,851,138)**	(77,027,623)

** One of the subsidiaries of the Group has entered into a non-recourse factoring arrangement during the year and received advanced funds of Rs 28m and this is considered as part of financing activities*

The notes set out on pages 12 to 91 form part of these financial statements.
Auditor's report on pages 4 to 6.

1 CORPORATE INFORMATION AND ACTIVITIES

La Sentinelle Ltd (the "Company") is a public company incorporated and domiciled in Mauritius. Its registered office is situated at Rue des Oursins, Baie du Tombeau, Mauritius. The main activities of the Company are that of publishing newspapers, advertising and printing services.

La Sentinelle Ltd as a group has investments in subsidiaries, associates and joint ventures. The principal activities of the Group consist of publishing newspapers and specialized magazines, designing commercial packaging, sales of prime advertising space, land, distribution and logistics and providing printing services. The Group also proposes news in visual and audio format.

The financial statements of La Sentinelle Ltd and its subsidiaries (together referred as the 'Group') for the year ended June 30, 2022 were authorised for issue by the Board of Directors on the date stamped on page 7. The consolidated financial statements will be submitted to the shareholders for approval at the shareholders special meeting.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for:

- land and buildings, classified as property, plant and equipment, which are carried at revalued amounts,
- investment properties which are carried at fair value,
- investment at fair value through other comprehensive income

The financial statements are presented in Mauritian rupees ("Rs"), and are rounded to nearest Rs, except where otherwise indicated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30, 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.3.1 New and revised IFRSs applied on the financial statements

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.3.1 New and revised IFRSs applied on the financial statements (Cont'd)

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

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

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

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

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

These amendments had no impact on the financial statements and performance of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

2.3.2 New and revised IFRSs and IFRICs in issue but not yet effective

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

IAS 1	Amendment to Classification of Liabilities as Current or Non-current (effective 1 January 2023)
IAS 8	Amendment to Definitions of Accounting estimates (effective 1 January 2023)
IAS 12	Amendment to Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
IAS 1 and IFRS Practice Statement 2	Amendment to Disclosure of Accounting policies (effective 1 January 2023)
IFRS 10 and IAS 28	Amendment to Sale or contribution of Assets between an investor and its Associate or Joint Venture (In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.)
IFRS 17	Insurance Contracts - Original issue (effective 1 January 2023)
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023) (effective 1 January 2023)

The Group is still assessing the potential impact of those standards and amendments to existing standards on its financial statements. No new and amended standards and interpretations are expected to have a significant impact on the financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Going concern assessment

The Group is in the business of publishing newspapers and specialized magazines, sales of prime advertising space, providing printing services, designing and manufacturing commercial packaging, and logistics and distribution. The Group also proposes news in visual and audio format.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Judgements (Continued)

Going concern assessment (Cont'd)

At 30 June 2022, the Group and the Company had net current liabilities of **Rs 158.5m** (2021: Rs 187.9m) and **Rs 88.0m** (2021: Rs 58.4m), excluding assets held for sale, respectively and had made losses after tax of **Rs 13.8m** (2021: Rs 140.3m) and **Rs 62.7m** (2021: Rs 43.0m) respectively for the year ended 30 June 2022. Whilst the performance of the Group has improved and reported better performance during the year, the losses for the Company are explained by impairment of non-performing subsidiaries and joint ventures in terms of investments and receivables of Rs 32.6.m and provision for vacation leave (introduced this year) of Rs 2.1m. Losses prior to these one-off impairment and provision would have been Rs 28.0m (2021: Rs 43.0m).

Consequently, as at 30 June 2022 and up to the date of this report, the directors have assessed the Group's and the Company's ability to continue as a going concern for the foreseeable future and have embarked on several significant measures which have been taken into accounts in the approved budgets and forecasts. When making such assessments, the directors have taken into consideration the existing and longer-term effects of the pandemic on the Group's and the impacts of the Ukraine-Russia war as described in Note 34. The measures being implemented by the directors are as follows:

- **Revenue enhancement**
  - Increase in prices of newspapers and advertising deals;
  - Additional rental income from investment property;
  - L'Express.mu will include a paywall which is currently under trial, with the aim to provide exclusive and shorter content, videos, podcasts and blogs to the users
  - Introduction of new eco-friendly products with investment already made;

- **Costs reduction**
  - Continue restructuration of operations, in line with current level of business, resulting in important reduction in overheads;
  - Change from broadsheet to tabloid format that will reap significant reduction in direct costs and other related costs;
  - Adopt a phased approach to digitalization, thus dropping direct costs and boosting advertising revenue especially on package deals;
  - Renegotiate payments terms with main suppliers and banking facilities;
  - Maintain hybrid ways of working thus resulting in bringing down transports, motor vehicles running expenses and other associated costs.

Management is confident that the above mentioned action points will improve operating cash flows and EBITDA in order to meet its commitments and obligations. Hence, together with existing banking facilities totaling Rs 199m, management is satisfied that the Group and the Company have the adequate resources to continue in business for the foreseeable future and be able to discharge its liabilities including the mandatory repayments of the existing banking facilities and other loans as disclosed in Note 18.

Additionally, the Company does not have any commitment to finance subsidiaries, associates or joint ventures. Therefore, management has considered the forecasts up to December 2023 and other information available up to this date and has concluded that there is sufficient facilities (as per Note 18) and resources within the Company to cover the operating, financing and investing activities of the Company.

Furthermore, the directors are not aware of any other material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Judgements (Continued)

Leases

Determining the lease term of contracts with renewal and termination options –Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group and the Company have one lease as part of the management fees contract agreement that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvement or significant customisation to the leased asset).

The Group and the Company included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (12 months). The Group and the Company typically exercise its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised.

Assets held for sale

In 2019, the Board of Directors announced its decision to dispose L'Express Madagascar S.A.R.L which is an associate, an investment property and a land. The Board considered the associate, the investment property and the land to meet the criteria to be classified as held for sale at that date for the following reasons:

- L'Express Madagascar S.A.R.L, the investment property and the land are available for immediate sale and can be sold to the buyer in its current condition.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.
- There are interested parties and efforts to sell these assets have started.

Refer to Note 16.

Determination of joint control in Impress Print Ltd

The Company and Le Mauricien Ltd both hold 50% of the total share capital of Impress Print Ltd, the joint arrangement between both parties is structured through a separate vehicle and the Group will not be liable to settle the debts of Impress Print Ltd. As part of the joint arrangement, all investment, financing and governance decision are mutually agreed. Since the Group and Le Mauricien Ltd have joint control and rights to the net assets of Impress Print Ltd and decisions about the relevant activities require the unanimous consent of both parties, the directors believe that the type of joint arrangement between the parties is a joint venture arrangement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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.

Employee benefit obligations

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature, such estimates are subject to significant uncertainty. Further details are given in note 20.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine any impairment of goodwill are further explained in Note 7.

Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates such as credit rating. Further details in are contained in note 5(b).

Leases - Valuation of lease liabilities and right of use assets

The Group and Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group and Company have the option, under some of its leases to lease the assets for additional terms of three to five years. The Group and Company apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. The Group and Company included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e. three to five years).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Estimates and assumptions (Continued)

Wage Assistance Scheme

In light of the COVID-19 pandemic, Wage Assistance Scheme ("WAS") was introduced by the Government of Mauritius in March 2020 to assist local companies during the lock down period in the payment of salaries to employees. The scheme was extended after the lockdown period and did not have any pre-conditions attached to it. Hence, the Group and the Company had recourse to the WAS in these periods **Nil in 2022** (2021: Rs **6,593,709**) and **Nil in 2022** (2021: Rs 2,552,953). In May 2020, the Government introduced a levy through the COVID-19 (Miscellaneous Provisions) Act that would apply to all companies that have a chargeable income during the year the WAS received.

The levy payable was the lower of the total amount received under the WAS or 15% of the chargeable income for the relevant year. The chargeable income for the purposes of the levy excludes tax losses brought forward from previous years. The levy for a company having an accounting period ending between 01 January 2021 and 30 April 2021 shall be payable in respect of the year of assessment commencing on 01 July 2021. A company is exempted from the payment of the levy if it is not liable to any income tax in the years of assessment 2020-2021 and 2021-2022. Depending on the income tax computations and projections of the entities within the Group, amount received under WAS accounted as other income in the statement of comprehensive Income or as amount payable to the Mauritius Revenue Authority in the statement of financial position as applicable.

Revaluation of land and buildings under property, plant and equipment and investment properties

The Group and the Company measure land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Revaluation of land and buildings was last performed on June 30, 2021 by independent valuers and reviewed annually by directors. The valuation is based on the definition of the open market value, which is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. It is the group policy to revalue its land and buildings on a regular basis As at June 30, 2022 management has assessed that the fair value of the investment properties is equal to the carrying amount. Further details in respect of land and buildings are contained in Note 4 (b).

Deferred tax assets

In relation to Note 12 in the note to the financial statements, deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Provision for expected credit losses (ECL) of trade and other receivables

The Group and the Company apply a simplified approach in calculating ECLs on the trade receivables. Therefore, the Group and the Company do not track changes in credit risks, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due of customers.

The provision matrix is initially based on the Company's and the Group's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward looking information if any material impact in the future. At the reporting date, the historical observed default rates are updated taking into consideration the impact of Covid-19 and changes in the forward- looking estimates are analysed. Further details in respect are contained in Notes 3 (d) and 2.5 (l).

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs incurred are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Foreign currencies

The Group's consolidated financial statements are presented in Mauritian Rupees (Rs.), which is also the Parent's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items are treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currencies (Continued)

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustment to the carrying amount of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(c) Property, plant and equipment

Except for land and buildings which are measured at fair value, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, the cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenances costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of the revaluation. Valuations are performed frequently (every three years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Residual value is the estimated amount that the Group and the Company would currently obtain from disposal of the asset after deducting the estimated cost of disposal and if the asset was already at the age and in condition expected at the end of its useful life.

The principal annual rates used are:

	%
Buildings	2.5
Plant, machinery and equipment	10
Furniture and fittings	10
Motor vehicles	20
Computer equipment	20 – 33.3

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

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

The Group and the Company as a lessee.

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease

payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

The Group and the Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

Investment properties are measured initial at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer applying a valuation model recommended by the International valuation Standards Committee. This is performed on a frequent basis (every three years).

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of asset is recognized in profit or loss in the period of derecognition.

In determining the amount of consideration from the derecognition of investment property the Group and the Company consider the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and related expenditures are reflected in profit or loss in the period in which the expenditure is incurred.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Intangible assets (Cont'd)

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. The useful economic life of the intangible assets with finite lives has been assessed as follows:

	%
Brand	5
Customer list	10
Marketing rights	10
Computer software	20-33.3

(h) Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Investment in associates and joint ventures

An associate is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Investment in associates and joint ventures (Cont'd)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the profit or loss outside operating profit and represents profit or loss after tax

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(j) Non-current assets held for sale and discontinued operations

The Group and the Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Non-current assets held for sale and discontinued operations (Cont'd)

The Group and the Company classify non-current asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations Or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in Note 16. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

(k) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group CGU to which individual assets are allocated. These budgets and forecasts calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of non-financial assets (Cont'd)

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to OCI. For such properties the impairment is also recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company make an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to that carrying amount does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment, annually as at June 30 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at June 30, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

(l) Financial instruments

i) Financial assets

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (Cont'd)

i) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost include trade and other receivables, and cash and short term deposits.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (Cont'd)

i) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets designated at fair value through OCI (equity instruments) (Cont'd)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Equity instruments that are not traded in an active market and cannot be reliably measured at fair value are measured at cost. Cost is deemed to be an appropriate estimate of fair value if recent information is not available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Indicators that cost is representative of fair value include limited change in the performance of the investee compared with budget, plans or milestones, limited change in the market for the investee's products, global economy, economic environment in which the entity operates amongst others.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. The Company classifies the amount receivable from the factoring company as financial assets at fair value through profit or loss. Currently, the amount receivable has been included in 'Other receivables' under Note 14.

Derecognition

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

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

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

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (Cont'd)

i) Financial assets (Cont'd)

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 2.5
- Trade receivables and other receivables Note 14

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables including trade receivables with subsidiaries and with related parties, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and Company have established a provision matrix that is based on its historical credit loss experience. In the current year, forward looking information has not had a material impact on the assessment of ECL

For the other receivables principally on staff loans, ECLS are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal (days past due) or external (qualitative information on the clients capacity to service their debts) information indicates that the Group and Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows (clients are liquidated).

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (Cont'd)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and Company's financial liabilities include trade and other payables, lease liabilities, interest-bearing loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group and Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 18.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

iii) Offsetting of financial instruments

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (Cont'd)

iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's and the Company's directors determine the policies and procedures for both recurring fair value measurement, such as financial assets at FVOCI, investment properties and for non-recurring measurements such as assets held for sale. External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is determined annually by directors.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	-	purchase cost and other related charges on a weighted average cost basis;
Work in progress and Finished goods	-	Finished goods are based on the weighted average cost of inventory. The costs include cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs; and
Goods in transit	-	actual costs incurred as per invoices.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(n) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and in hand.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consists of cash at bank and in hand, net of bank overdrafts as they are considered an integral part of the Group's cash management.

(o) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration. If reissued, is recognised in the share premium.

(p) Employee benefits

The benefits of employees of the Group and the Company fall under two different types of arrangements:

- A defined benefit scheme in the form of deferred annuity contract held with Swan Life Ltd.

- An unfunded retirement gratuities scheme as per the Workers' Rights Act 2019. In accordance with the Workers' Rights Act 2019, employees are entitled to retirement benefit obligation which works as a defined benefit obligation pension plan. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent periods. However, the Group may transfer those amount recognised in other comprehensive income within equity.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee benefits (Cont'd)

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group and the Company recognise related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The rate used for discounting was determined by reference to yield at the end of the reporting period from corporate bonds. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in the statement of comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest expense or income.

The Group and the Company also operate a defined contribution pension plan which is administered by Swan Life. Payments are recognised as an expense when the employees have rendered service entitled them to the contribution. The assets which are held separately from the Group and the Company are administered by an independent fund administrator.

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

(q) Revenue recognition

Revenue from contracts with customers

The Group is involved in publishing newspapers and specialized magazines, designing commercial packaging, sales of prime advertising space, land, distribution and logistics and providing printing services. The Group also proposes news in visual and audio format. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements, except for the sub-agent freight forwarding services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and title has passed at which time the following conditions are satisfied:
a) The Group and the Company have transferred to the buyer the significant risks and rewards of the ownership of the goods;
b) The Group and the Company retained neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
e) The cost incurred or to be incurred in respect of the transactions can be measured reliably.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Revenue recognition (Cont'd)

Revenue from contracts with customers (Cont'd)

Sale of goods (Commercial packaging and printing materials)

Revenue from sale of commercial packaging products and printing materials is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group and the Company consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of Newspapers and magazines, the Group and the Company consider the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer. None of the factors mentioned before had a material impact on the revenue recognised for the sale of goods.

Rendering of freight forward services

The Group and the Company have determined whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. it is acting as a principal) or to arrange for those services to be provided by other party (i.e. it is acting as an agent). Main factors considered are control over fulfilling the promise to provide the specified service and discretion over establishing the pricing as well as the ability to direct the party to provide the service to the customer on the entity's behalf. The revenue contracts in relation to freight forwarding include factors indicating that the Group and the Company act as either principal or agent depending on nature of promise and revenue and has been recognised as either gross or net wherever applicable. A non-significant amount is considered as agent.

Rendering of other services (sale of advertising and 'petites annonces')

Revenue from rendering of services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and value added taxes. The Group and the Company have concluded that it is principal in all of its revenue arrangement since it is the primary obligator in all revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue for the sale of advertising and 'petites annonces' is recognised upon delivery of the service. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

(r) Interest income

Interest income is recognised as interest accrued (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms and is included in other income as per Note 25.

(t) Dividend income

Dividends are recognised when the Group's and the Company's right to receive the payment is established, which is when the shareholders approve the dividend.

(u) Management fee income

Management fee income is recognised when the Group's and the Company's right to receive the payment is established.

(v) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Taxes (Cont'd)

Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added taxes except:

- where the value added taxes incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable

- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Corporate Social Responsibility

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

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Current versus non-current classification

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

(x) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's and the Company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company and the Group.

(y) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group and the Company receive non-monetary grants, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

(z) Comparative figures

Where necessary, prior year figures have been reclassified to conform with current year presentation.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial liabilities comprise interest bearing loans and borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's and Company's operations. The Group and the Company have various financial assets such as trade and other receivables, financial assets at FVOCI and cash and bank balances which arise directly from its operations.

The main risks arising from the Group's and the Company's financial instruments are interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's and the Company's policy is to manage its interest cost using a mix of fixed and variable rate debts.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's and Company's profit /(loss) before tax is affected through the impact on floating rate borrowings as follows:

	THE GROUP		THE COMPANY	
Increase/decrease in basis points	**2022**	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
+50	**(3,638,330)**	(3,538,017)	**(1,603,220)**	(1,602,909)
-25	**1,819,165**	1,769,009	**801,610**	801,455

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company have transactional currency exposures. Such exposure arises from sales or purchases by the Group and the Company in currencies other than the unit of its functional currency. Revenue is generated mainly in Rs except for its export business which is in Euro. Some expenditures are incurred in US Dollars, Euro and Great Britain Pound (GBP).

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

(b) Foreign currency risk (Continued)

The currency profile of the Group's and the Company's financial assets and liabilities is summarised as follows:

	THE GROUP			
	Financial assets 2022	**Financial liabilities 2022**	Financial assets 2021	Financial liabilities 2021
	Rs	**Rs**	Rs	Rs
Mauritian Rupee (Rs)	**182,286,519**	**654,604,682**	123,026,572	627,712,211
EURO (EUR)	**20,061,758**	**154,441,733**	20,785,885	198,903,169
United States Dollar (USD)	**8,930,797**	**56,428,236**	26,863,629	36,486,884
Great Britain Pound (GBP)	**-**	**31,907**	1,010	-
Malagasy Ariary (MGA)	**667**	**544,260**	440,044	553,423
South African Rand (ZAR)	**-**	**-**	-	158,524
	211,279,741	**866,050,818**	171,117,140	863,814,211

	THE COMPANY			
	Financial assets 2022	**Financial liabilities 2022**	Financial assets 2021	Financial liabilities 2021
	Rs	**Rs**	Rs	Rs
Mauritian Rupee (Rs)	**139,586,824**	**399,196,210**	192,061,543	427,503,846
EURO (EUR)	**1,971,994**	**7,782,127**	114,902	5,876,981
United States Dollar (USD)	**3,372,437**	**10,040,331**	62,621	12,590,422
Great Britain Pound (GBP)	**-**	**31,907**	676	-
	144,931,255	**417,050,575**	192,239,742	445,971,249

Tax Deducted at Source of **Rs 703,796** (2021: Rs 1,739,616), VAT recoverable of **Rs 13,104,492** (2021: Rs 29,365,483) and prepayments of Rs **5,238,365** (2021: Rs 4,609,262) for the Group and prepayments of **Rs 4,390,092** (2021: Rs 2,679,694) and Tax Deducted at Source of **nil** (2021: Rs 1,033,028) for the Company have been excluded from the above table as they are not considered to be financial assets.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro and USD exchange rates, with all other variables held constant, for the Group and the Company. The Group's and the Company's exposure to foreign currency changes for all other currencies is not material.

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
	Increase in rates	**Effect on profit before tax**		**Effect on profit before tax**	
	%	**Rs**	Rs	**Rs**	Rs
EURO	5%	**(6,718,999)**	(8,905,864)	**(290,507)**	(288,104)
USD	5%	**(2,374,872)**	(481,163)	**(333,395)**	(626,390)

A decrease of 5% in the rate will have the same but opposite effect on the profit before tax.

(c) Equity price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Group and the Company are exposed to equity price risk because of quoted investments held by the Group and the Company classified as financial assets at fair value through other comprehensive income in the statement of financial position .

The Group and the Company manage the equity risk through regular monitoring of share prices. The Board of directors reviews and approves all equity investment decisions.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

(c) Equity price risk (Continued)

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date. Its effect on equity for the year would have been as follows:

	THE GROUP		THE COMPANY	
Increase/decrease in basis points	**2022**	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
+50	**46,422**	33,122	**51,440**	56,122
-25	**(23,211)**	(16,561)	**(25,720)**	(28,061)

(d) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is managed on a Group basis and arises principally from the Group's and the Company's operating activities (primary trade receivables).

Trade receivables

The Group and the Company trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and credit insurance.

Since the Group trades only with recognised third parties, there is no requirement for collateral.

For trade receivables, an analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In addition, the Group considers individual debtors for specific impairment when it becomes aware of the debtors' inability to meet the financial obligation or when the trade receivable is referred to attorneys. Receivables are written off when there is no reasonable expectation of recovery.

The Group and the Company considered the impact of COVID-19 on its trade receivables and concluded that the impact was not significant. The Group segmented its trade receivables balances into categories pertaining to the different industries. Where the Group and Company considered there to be an increase in credit risks, they made adjustments to the receivable balances of these respective trade debtors to reflect the situation.

The Group and the Company have no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of the trade receivables in the consolidated and separate statements of financial position.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2022 and June 30, 2021 respectively and the corresponding historical credit losses experienced within this period. As at year end, 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 of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The changes in the loss rate are reflective of the history of defaults.

During the year, the Group has entered into a non-recourse factoring arrangement with MCB Factors Ltd. In cases of default of debtors such as cash flows problems or receivership, the maximum credit exposure for the Group is 10% of receivables.

At June 30, 2022 the credit risk exposure on the Group's and Company's trade receivables (non-group receivable) was as follows:

			Past due but not impaired			
THE GROUP	**Total**	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**
2022	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Expected credit loss rate	**30.38%**	**0.00%**	**7.11%**	**14.06%**	**17.11%**	**59.63%**
Estimated total gross carrying amount at default	**173,446,219**	**-**	**62,498,508**	**28,694,628**	**11,362,062**	**70,891,021**
Expected credit loss	**(52,692,891)**	**-**	**(4,442,117)**	**(4,034,465)**	**(1,944,049)**	**(42,272,260)**
	120,753,328	**-**	**58,056,391**	**24,660,163**	**9,418,013**	**28,618,761**

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)
(d) Credit risk (Continued)

Trade receivables (Continued)

THE GROUP

	Total	Current	Past due but not impaired			
			<30 days	30-60 days	61-90 days	>90 days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2021						
Expected credit loss rate	32.83%	1.39%	0.76%	0.46%	0.85%	49.68%
Estimated total gross carrying amount at default	145,256,858	19,731,401	16,803,649	10,920,758	2,770,272	95,030,778
Expected credit loss	(47,687,240)	(275,078)	(128,358)	(49,875)	(23,659)	(47,210,270)
	97,569,618	19,456,323	16,675,291	10,870,883	2,746,613	47,820,508

THE COMPANY

	Total	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
2022						
Expected credit loss rate	**38.19%**	**0.00%**	**3.44%**	**1.74%**	**2.56%**	**35.27%**
Estimated total gross carrying	**17,974,762**	**-**	**2,372,982**	**1,222,136**	**330,835**	**14,048,809**
Expected credit loss	**(5,066,852)**	**-**	**(81,677)**	**(21,265)**	**(8,469)**	**(4,955,441)**
	12,907,910	**-**	**2,291,305**	**1,200,871**	**322,366**	**9,093,368**

THE COMPANY

	Total	Current	<30 days	30-60 days	61-90 days	>90 days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2021						
Expected credit loss rate	48.24%	1.77%	2.94%	6.65%	0.00%	95.54%
Estimated total gross carrying	21,614,070	8,142,350	2,561,331	243,775	-	10,666,614
Expected credit loss	(10,426,095)	(143,925)	(75,353)	(16,205)	-	(10,190,612)
	11,187,975	7,998,425	2,485,978	227,570	-	476,002

Refer to note 14(iv) for the movement in allowance for impairment in respect of trade receivables and intercompany trade receivables during the year.

Loans and advances to staff and intercompany loans

The Company manages its credit risk with regards to loans to subsidiaries by actively monitoring the operations and financial performance of its subsidiaries. Loan to staff are repaid directly through payroll limiting the credit risk of the Group and the Company. The impairment assessment done for this category of financial assets resulted in a non significant amount and therefore has not been disclosed separately.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)
(d) Credit risk (Continued)

Cash and cash equivalents

With respect to cash and cash equivalents, the Group's and the Company's exposure to credit risk arises from the default of the counter party with a maximum exposure equal to the carrying value of the instrument of **Rs 29,703,501** (2021: Rs 23,667,261) for Group and **Rs 7,972,256** (2021: Rs 4,857,847) for Company. Cash at banks are held with reputable financial institutions.

Definition of default

The Group and the Company consider a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases above the borrower becomes 90 days past due on its contract payments.

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities due to shortage of funds.

The Group and the Company monitor the risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and other financial assets), the maturity of its financial obligations and projected cash flows from operations. Moreover, the Group and the Company have access to various types of funding like leasing and loans.

The performance has resulted in a net loss **Rs 13.8 m** (2021: loss of Rs 140.3m) for the Group, a net loss of **Rs 62.7 m** (2021: loss of Rs 43.1m) for the Company, net cash outflows of **Rs 21.4m** (2021: inflows of Rs 33.2m) for the Group and net cash inflows of **Rs 1.6m** (2021: inflows of Rs 30.9 m) for the Company for the financial year end.

As a result the Group and the Company are monitoring the cash-flows tightly. The Group and the Company have capitalised on the different financial assistance schemes put in place by the government to manage its cash-flows. New loans, with moratorium on interest and capital payments, have been obtained from the banks. In case of any unforeseen shortfall in liquidity in the near future the Group and the Company will consider the realisation of the non-performing assets to settle the current liabilities.

Management has determined that the above actions are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

The following table summarises the maturity profile of the Group's and Company's financial liabilities at June 30, based on the contractual undiscounted payment.

THE GROUP

At June 30, 2022	On demand	0 to 3 Months	3 to 12 Months	1 to 5 years	Above 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	190,506,301	31,458,435	125,353,004	280,340,788	42,266,306	669,924,834
Lease liabilities	-	1,785,665	6,715,995	12,560,970	-	21,062,630
Trade and other payables	58,597,519	48,386,587	81,600,315	-	-	188,584,421
	249,103,820	81,630,687	213,669,314	292,901,758	42,266,306	879,571,885

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk (Continued)

THE GROUP

At June 30, 2021	On demand	0 to 3 Months	3 to 12 Months	1 to 5 years	Above 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	174,849,927	31,458,435	147,353,004	265,340,788	88,901,263	707,903,417
Lease liabilities	-	1,785,665	9,215,995	9,060,970	-	20,062,630
Trade and other payables	58,507,719	48,386,587	51,460,186	-	-	158,354,492
	233,357,646	81,630,687	208,029,185	274,401,758	88,901,263	886,320,539

THE COMPANY

At June 30, 2022	**On demand**	**0 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Above 5 years**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Interest-bearing loans and borrowings	**79,823,394**	**30,257,107**	**17,425,071**	**158,348,935**	**37,653,028**	**323,507,535**
Lease liabilities	**-**	**1,079,687**	**5,375,208**	**3,905,013**	**-**	**10,359,908**
Trade and other payables	**100,861,421**	**-**	**-**	**-**	**-**	**100,861,421**
	180,684,815	**31,336,794**	**22,800,279**	**162,253,948**	**37,653,028**	**434,728,864**

At June 30, 2021	On demand	0 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	81,885,470	25,502,088	28,453,483	117,353,139	67,387,634	320,581,814
Lease liabilities	-	1,554,207	4,794,580	7,812,420	-	14,161,207
Trade and other payables	54,298,918	25,294,198	13,165,752	-	-	92,758,868
	136,184,388	52,350,493	46,413,815	125,165,559	67,387,634	427,501,889

Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group and the Company manage the capital structure and make adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment or return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended June 30, 2022 and 2021.

The Group and the Company are not subject to any externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio which is interest bearing loans and borrowings divided by equity and interest-bearing loans and borrowings. Capital comprises of equity attributable to the equity holders of the parent.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Interest bearing loans and borrowings	**677,466,397**	727,666,047	**320,644,049**	334,743,021
Equity and interest bearing loans and borrowings	**774,916,114**	860,176,112	**551,752,289**	638,954,694
Gearing ratio	**0.87**	0.85	**0.58**	0.52

4. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Freehold land and buildings	Plant, machinery and equipment	Furniture and fittings	Motor vehicles	Computer equipment	Assets in progress *	Total
COST OR VALUATION	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At June 30, 2020	327,284,669	410,077,885	115,721,518	10,278,353	82,504,565	357,715	946,224,700
Additions	5,171,065	2,682,500	694,799	805,469	656,635	237,500	10,247,968
Disposals	-	-	(2,860,408)	(3,929,315)	(110,309)	-	(6,900,032)
Transfer to assets held for sale (note 16)	(22,800,000)	-	-	-	-	-	(22,800,000)
Impairment loss (note 4(d)) **	-	(12,800,000)	-	-	-	-	(12,800,000)
Write off	-	-	-	-	-	(172,745)	(172,745)
Revaluation	16,374,195	-	-	-	-	-	16,374,195
At June 30, 2021	**326,029,929**	**399,960,385**	**113,555,909**	**7,154,507**	**83,050,891**	**422,470**	**930,174,086**
Additions	**397,197**	**2,016,711**	**1,286,422**	**789,449**	**2,581,335**	**15,508,423**	**22,579,537**
Transfer to assets held for sale (note 16)	**-**	**(9,058,776)**	**-**	**-**	**-**	**-**	**(9,058,776)**
Disposals	**-**	**(10,734,934)**	**(86,209)**	**(7,028,080)**	**(2,454,223)**		**(20,303,446)**
Transfer from right-of-use assets (note 5)	**-**	**-**	**-**	**8,693,854**	**-**	**-**	**8,693,854**
Impairment loss (note 4(d)) **	**-**	**(10,530,000)**	**-**	**-**	**-**	**-**	**(10,530,000)**
Write off	**-**	**-**	**-**	**-**	**-**	**(16,075)**	**(16,075)**
Transfers ***	**-**	**-**	**237,500**	**-**	**168,142**	**(405,642)**	**-**
At June 30, 2022	**326,427,126**	**371,653,386**	**114,993,622**	**9,609,730**	**83,346,145**	**15,509,176**	**921,539,185**
DEPRECIATION AND IMPAIRMENT							
At June 30, 2020	12,420,855	221,266,407	82,965,299	8,820,762	74,257,944	371	399,731,633
Charge for the year	6,109,769	29,746,026	6,368,342	2,119,711	5,015,121	-	49,358,969
Disposals	-	-	(1,372,052)	(3,926,423)	(78,961)	-	(5,377,436)
Impairment loss (note 4(d)) **	-	(5,116,472)	-	-	-	-	(5,116,472)
At June 30, 2021	**18,530,624**	**245,895,961**	**87,961,589**	**7,014,050**	**79,194,104**	**371**	**438,596,694**
Transfer from right-of-use assets (note 5)	**-**	**-**	**-**	**8,161,603**	**-**	**-**	**8,161,603**
Charge for the year	**6,905,710**	**19,408,108**	**6,025,127**	**476,079**	**3,393,703**	**-**	**36,208,727**
Disposals	**-**	**(6,534,934)**	**(72,023)**	**(6,288,045)**	**(2,393,612)**	**-**	**(15,288,614)**
Transfer to assets held for sale (note 16)	**-**	**(3,128,839)**	**-**	**-**	**-**	**-**	**(3,128,839)**
Impairment loss (note 4(d)) **	**-**	**(3,314,133)**	**-**	**-**	**-**	**-**	**(3,314,133)**
At June 30, 2022	**25,436,334**	**252,326,163**	**93,914,693**	**9,363,687**	**80,194,195**	**371**	**461,235,438**
NET CARRYING AMOUNT							
At June 30, 2022	**300,990,792**	**119,327,223**	**21,078,929**	**246,043**	**3,151,950**	**15,508,805**	**460,303,747**
At June 30, 2021	307,499,305	154,064,424	25,594,320	140,457	3,856,787	422,099	491,577,392
				(Note 1)			

* *Assets in progress relate to assets purchased but not yet available for use.*

** *The net impairment in respect of plant and machinery as disclosed in Note 22 has been calculated as follows: Cost of Rs 10,530,000 minus depreciation charge Rs 2,854,196 = Rs 7,675,804 (2021: Cost of Rs 12,800,000 minus depreciation charge Rs 5,116,272 = Rs 7,683,528).*
Also, there was impairment loss of Rs 459,937 on assets transferred to held for sale as it was carried at the lower of the carrying amount and fair value less costs to sell. A net amount of Rs 5,470,000 was transferred to asset held for sale. Refer to Note 16.

*** *The transfer relates to asset ready to be used, hence transfer to the different categories.*

Note 1 *In FY21 financial statements, part of the disposal amount for furniture and fittings of Rs 280,914 was included under motor vehicles thus resulting to a negative NBV of Rs 140,457 for motor vehicles. The figures have been amended in FY22 to show the correct NBV for motor vehicles as at 1 July 21. The net impact on the NBV as at 1 July 2021 is Nil.*

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) THE COMPANY

	Freehold land and buildings	Plant, machinery and equipment	Furniture and fittings	Motor vehicles	Computer equipment	Assets in progress *	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION							
At July 01, 2020	290,907,300	210,712,907	87,015,214	3,102,066	56,238,790	357,294	648,333,571
Additions	5,171,062	7,122	522,746	548,478	315,751	237,500	6,802,659
Disposal	-	-	(177,945)	(734,149)	(80,609)	-	(992,703)
Transfer to assets held for sale (Note 16)	(22,800,000)	-	-	-	-	-	(22,800,000)
Revaluation	16,374,195	-	-	-	-	-	16,374,195
Write off	-	-	-	-	-	(172,745)	(172,745)
At June 30, 2021	**289,652,557**	**210,720,029**	**87,360,015**	**2,916,395**	**56,473,932**	**422,049**	**647,544,977**
Additions	**397,197**	**747,498**	**1,196,913**	**782,800**	**1,858,355**	**-**	**4,982,763**
Disposal	**-**	**(6,534,934)**	**(69,109)**	**(6,231,174)**	**(589,917)**	**-**	**(13,425,134)**
Transfer**	**-**	**-**	**237,500**	**-**	**168,142**	**(405,642)**	**-**
Write off	**-**	**-**	**-**	**-**	**-**	**(16,407)**	**(16,407)**
Transfer from right-of-use assets (Note 5)	**-**	**-**	**-**	**8,017,752**	**-**	**-**	**8,017,752**
At June 30, 2022	**290,049,754**	**204,932,593**	**88,725,319**	**5,485,773**	**57,910,512**	**-**	**647,103,951**
DEPRECIATION							
At July 01, 2020	9,066,126	176,392,268	64,398,943	2,816,763	51,688,858	-	304,362,958
Charge for the year	5,236,201	3,744,342	4,435,074	433,976	2,932,697	-	16,782,290
Disposal	-	-	(123,007)	(530,546)	(49,261)	-	(702,814)
At June 30, 2021	**14,302,327**	**180,136,610**	**68,711,010**	**2,720,193**	**54,572,294**	**-**	**320,442,434**
Charge for the year	**6,032,142**	**3,808,093**	**4,295,384**	**355,060**	**1,932,250**	**-**	**16,422,929**
Transfer from right of use asset	**-**	**-**	**-**	**7,382,557**	**-**	**-**	**7,382,557**
Disposal	**-**	**(6,534,934)**	**(60,999)**	**(5,736,651)**	**(581,764)**	**-**	**(12,914,348)**
At June 30, 2022	**20,334,469**	**177,409,769**	**72,945,395**	**4,721,159**	**55,922,780**	**-**	**331,333,572**
NET CARRYING AMOUNT							
At June 30, 2022	**269,715,285**	**27,522,824**	**15,779,924**	**764,614**	**1,987,732**	**-**	**315,770,379**
At June 30, 2021	275,350,230	30,583,419	18,649,005	196,202	1,901,638	422,049	327,102,543

* *Assets in progress relate to assets purchased but not yet available for use.*

** *The transfers for 2022 relate to cost reclassified to different class of assets as per the table above.*

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) External valuers are involved for valuation of land and building and any involvement of external valuers is determined annually by the directors. External valuers are normally appointed every three years. The directors decide, after discussions with the external valuer, which valuation techniques and inputs to use for each case. At each reporting date, the directors assess the values of the land and buildings which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents including the contracts. The directors also compare the change in the value of the Group's and the Company's land and buildings with relevant external sources to determine whether the change is reasonable. The last independent valuation of these land and buildings was performed as at June 30, 2021 by Broll Indian Ocean Limited, a specialist in valuing these types of assets. For the quantitative disclosure for the land and buildings under revaluation model are disclosed in the note 31.

The revalued land and buildings consist of manufacturing and office buildings. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property.

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Cost	**246,271,526**	245,874,329	**241,671,244**	241,274,047
Accumulated depreciation	**(41,778,694)**	(34,872,984)	**(40,078,794)**	(34,046,652)
Net carrying amounts	**204,492,832**	211,001,345	**201,592,450**	207,227,395

(c) Property, plant and equipment are included in assets given as collateral for bank borrowings (see note 18).

(d) In financial year 30 June 2021, the management approved not to go ahead with the activity relating to the publication of school books and, the plant located at Riche Terre amounting to Rs 63,840,434 at cost be partially impaired. The recoverable amount was based on the fair value less cost to sell. In determining the fair value, the physical conditions of the plant was considered and current negotiation with potential buyers have been considered. The final price agreed with the buyer was Rs 4 m (2021: estimated price Rs. 19.2 m). The impairment has been included under administrative expenses. The machine was sold subsequent to year end.

The recoverable amount was determined based on the expected value to be received upon disposal of the machinery as approved by senior management and is classified in level 3 of the fair value hierarchy.

The Group's does not have a specific valuation process in place for determining the recoverable amount of the machinery and this is undertaken on an ad hoc basis. It is the Group's technical manager who makes an assessment of the physical conditions of the plant, taking into consideration the prevailing market value and potential buyers in formulating the recoverable amount. Management makes its assessment against relevant external sources to determine reasonableness of the recoverable amount and the recoverable amount is subsequently ratified by management. The Group’s management approves the policies and procedures in place for determining the recoverable amount.

5. (a) RIGHT OF USE ASSETS

FOR THE YEAR ENDED JUNE 30, 2022

THE GROUP

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Motor vehicles	Computer equipment	Plant and equipment	Computer Software	Office space	Premises	Other fixed assets	Total
COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs**	**Rs**	**Rs**	**Rs**
At July 01, 2021	34,162,157	8,654,055	16,429,140	566,744	2,117,134	1,860,228	263,930	64,053,388
Transfer to property, plant and equipment (Note 4(a))	(8,693,854)	-	-	-	-	-	-	(8,693,854)
Termination of lease released to profit or loss (Note 25)	-	-	-	-	(554,764)	-	-	(554,764)
Additions	-	-	-	-	4,001,470	267,281	-	4,268,751
At June 30, 2022	**25,468,303**	**8,654,055**	**16,429,140**	**566,744**	**5,563,840**	**2,127,509**	**263,930**	**59,073,521**
DEPRECIATION								
At July 01, 2021	19,211,295	6,821,082	4,507,809	-	1,486,043	406,683	263,930	32,696,842
Transfer to property, plant and equipment (Note 4(a))	(8,161,603)	-	-	-	-	-	-	(8,161,603)
Termination of lease released to profit or loss (Note 25)	-	-	-	-	(420,276)	-	-	(420,276)
Charge for the year	5,265,709	1,186,257	2,563,615	-	844,736	230,237	-	10,090,554
At June 30, 2022	**16,315,401**	**8,007,339**	**7,071,424**	**-**	**1,910,503**	**636,920**	**263,930**	**34,205,517**
NET BOOK VALUE								
At June 30, 2022	**9,152,902**	**646,716**	**9,357,716**	**566,744**	**3,653,337**	**1,490,589**	**-**	**24,868,004**

THE COMPANY

	Motor vehicles	Computer equipment	Computer Software	Office space	Premises	Total
COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs**
At July 01, 2021	21,714,366	6,106,413	566,744	941,652	1,510,905	30,840,080
Additions	-	-	-	-	267,281	267,281
Transfer to property, plant and equipment (Note 4(a))	(8,017,752)	-	-	-	-	(8,017,752)
Termination of lease released to profit or loss (Note 25)	-	-	-	(554,764)	-	(554,764)
At June 30, 2022	**13,696,614**	**6,106,413**	**566,744**	**386,888**	**1,778,186**	**22,534,845**
DEPRECIATION						
At July 01, 2021	15,197,851	4,273,440	-	513,231	315,656	20,300,178
Transfer to property, plant and equipment (Note 4(a))	(7,382,557)	-	-	-	-	(7,382,557)
Charge for the year	3,129,913	1,186,257	-	191,801	230,237	4,738,208
Termination of lease released to profit or loss (Note 25)	-	-	-	(420,276)	-	(420,276)
At June 30, 2022	**10,945,207**	**5,459,697**	**-**	**284,756**	**545,893**	**17,235,553**
NET BOOK VALUE						
At June 30, 2022	**2,751,407**	**646,716**	**566,744**	**102,132**	**1,232,293**	**5,299,292**

5. (a) RIGHT OF USE ASSETS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

THE GROUP

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Motor vehicles	Computer equipment	Plant and equipment	Computer Software	Office space	Premises	Other fixed assets	Total
	Rs.	Rs.	Rs.	Rs.	Rs	Rs	Rs	Rs
COST								
At July 01, 2020	25,813,517	3,558,770	16,429,140	566,744	2,117,134	572,782	263,930	49,322,017
Transfer from property, plant and equipment (Note 4(a))	1,685,797	-	-	-	-	-	-	1,685,797
Additions	6,662,843	5,095,285	-	-	-	1,416,409	-	13,174,537
Termination of lease released to profit or loss (Note 25)	-	-	-	-	-	(128,963)	-	(128,963)
At June 30, 2021	34,162,157	8,654,055	16,429,140	566,744	2,117,134	1,860,228	263,930	64,053,388
DEPRECIATION								
At July 01, 2020	6,764,729	539,541	4,507,809	-	768,740	177,527	243,628	13,001,974
Charge for the year	12,446,566	6,281,541	-	-	717,303	229,156	20,302	19,694,868
At June 30, 2021	19,211,295	6,821,082	4,507,809	-	1,486,043	406,683	263,930	32,696,842
NET BOOK VALUE								
At June 30, 2021	14,950,862	1,832,973	11,921,331	566,744	631,091	1,453,545	-	31,356,546

THE COMPANY

	Motor vehicles	Computer equipment	Computer Software	Office space	Premises	Total
COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs
At July 01, 2020	15,338,410	1,011,128	566,744	941,652	223,459	18,081,393
Additions	6,375,956	5,095,285	-	-	1,416,409	12,887,650
Termination of lease released to profit or loss (Note 25)	-	-	-	-	(128,963)	(128,963)
At June 30, 2021	21,714,366	6,106,413	566,744	941,652	1,510,905	30,840,080
DEPRECIATION						
At July 01, 2020	4,323,947	(2,008,101)	-	282,334	86,500	2,684,680
Charge for the year	10,873,904	6,281,541	-	230,897	229,156	17,615,498
At June 30, 2021	15,197,851	4,273,440	-	513,231	315,656	20,300,178
NET BOOK VALUE						
At June 30, 2021	6,516,515	1,832,973	566,744	428,421	1,195,249	10,539,902

5. (b) LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At July 1,	**20,062,630**	28,161,329	**14,161,207**	18,966,864
Additions	**4,260,962**	1,411,941	**267,281**	1,411,940
Accretion of interest (Note 27)	**4,107,506**	1,786,558	**70,432**	1,196,605
Payments	**(10,518,460)**	(11,168,903)	**(6,397,168)**	(7,281,489)
Termination of lease released to profit or loss (Note 25)	**(141,844)**	(132,713)	**(141,844)**	(132,713)
Foreign exchange difference	**1,715**	4,418	**-**	-
Modification of Lease	**6,441**	-	**-**	-
At June 30,	**17,778,950**	20,062,630	**7,959,908**	14,161,207
Analysed as:				
Current	**6,050,818**	11,001,660	**4,454,895**	6,267,888
Non current	**11,728,132**	9,060,970	**3,505,013**	7,893,319
	17,778,950	20,062,630	**7,959,908**	14,161,207

(i) **The following are the amounts recognised in profit or loss:**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Depreciation expense of right-of-use assets (Notes 5(a) & 22)	**10,090,554**	19,694,868	**4,738,208**	17,615,498
Interest expense on lease liabilities (included in finance cost) (Note 27)	**4,107,506**	1,786,558	**70,432**	1,196,605
Expense relating to short term leases and leases of low-value assets (Note 22)	**786,486**	228,242	**786,486**	228,242
Total amount recognised in profit or loss	**14,984,546**	21,709,668	**5,595,126**	19,040,345

The Group and Company had total cash flows for leases of **Rs 6,410,954** (2021: Rs 9,382,345) and **Rs 6,326,735** (2021: Rs 6,084,885) respectively. These include cash flows related to low value and short term leases not included within the lease liabilities.

(ii) **The Company as a lessor**

The Company has entered into operating leases for its investment properties consisting of office buildings. These leases have terms between 2 and 5 years. Future minimum rentals receivables under non-cancellable operating leases as at June 30, 2022 are as follows:

	THE COMPANY	
	2022	2021
	Rs	Rs
Within one year	**19,026,938**	59,266,106
After one year but not more than five year	**86,108,907**	-
	105,135,845	59,266,106

5. (b) LEASE LIABILITIES (CONTINUED)

(iii) **Nature of leasing activities (in the capacity as lessee)**
The Group and the Company have lease contracts for motor vehicles, office space and plant and equipment. The Group leases motor vehicles and office space and the leases comprise only fixed payments over the lease terms.

(iv) **Leases terms**
Leases of plant and machinery generally have lease terms of 5 years, while motor vehicles generally have lease terms between 3 and 5 years. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At July 1,	**5,550,000**	5,500,000	**5,550,000**	5,500,000
Transfer from assets held for sale (Note 16)	**43,500,000**	-	**43,500,000**	-
Fair value gain	**-**	50,000	**-**	50,000
At June 30,	**49,050,000**	5,550,000	**49,050,000**	5,550,000

The Group's and the Company's investment properties consist of office buildings. Management determined that the investment properties consist of one class of asset based on the nature, characteristic and risk of each property.

External valuers are involved for valuation of the investment properties and any involvement of external valuers is determined annually by the directors. External valuers are normally appointed every three years. The directors decide, after discussions with the external valuer, which valuation techniques and inputs to use for each case. At each reporting date, the directors assess the values of the investment properties which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents including the contracts. The directors also compare the change in the value of the Group's and the Company's Properties with relevant external sources to determine whether the change is reasonable. The last independent valuation of these land and buildings was performed as at June 30, 2021 by Broll Indian Ocean Limited, a specialist in valuing these types of assets. A director's valuation (internal assessment) was performed for land and buildings classified as investment property during the year and management has concluded that the fair value approximates the carrying amount. For the quantitative disclosure for the land and buildings under revaluation model are disclosed in the note 31.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Rental income derived from investment properties	**666,774**	-	**18,135,894**	19,495,350
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	**-**	-	**(732,397)**	(305,978)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	**-**	-	**(291,431)**	(235,937)
Profit arising from investment properties carried at fair value	**666,774**	-	**17,112,066**	18,953,435

The Group has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

7. INTANGIBLE ASSETS

(a) THE GROUP

	Goodwill	Marketing rights	Other intangibles	Computer software	Assets in progress *	Brand/ Masthead	Customers list	Total
Cost	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 01, 2020	74,742,593	2,400,000	2,498,466	91,452,100	3,696,169	25,130,000	10,740,000	210,659,328
Additions	-	-	205,320	2,402,366	352,427	-	-	2,960,113
At June 30, 2021	**74,742,593**	**2,400,000**	**2,703,786**	**93,854,466**	**4,048,596**	**25,130,000**	**10,740,000**	**213,619,441**
Additions	**-**	**-**	**-**	**1,201,636**	**36,000**	**-**	**-**	**1,237,636**
At June 30, 2022	**74,742,593**	**2,400,000**	**2,703,786**	**95,056,102**	**4,084,596**	**25,130,000**	**10,740,000**	**214,857,077**
Amortisation and impairment								
At July 01, 2020	13,213,851	2,400,000	-	75,432,291	-	8,005,750	9,487,000	108,538,892
Charge for the year	-	-	-	10,146,350	-	1,256,500	1,074,000	12,476,850
At June 30, 2021	**13,213,851**	**2,400,000**	**-**	**85,578,641**	**-**	**9,262,250**	**10,561,000**	**121,015,742**
Charge for the year	**-**	**-**	**-**	**7,083,239**	**-**	**1,256,500**	**179,000**	**8,518,739**
At June 30, 2022	**13,213,851**	**2,400,000**	**-**	**92,661,880**	**-**	**10,518,750**	**10,740,000**	**129,534,481**
NET CARRYING AMOUNT								
At June 30, 2022	**61,528,742**	**-**	**2,703,786**	**2,394,222**	**4,084,596**	**14,611,250**	**-**	**85,322,596**
At June 30, 2021	61,528,742	-	2,703,786	8,275,825	4,048,596	15,867,750	179,000	92,603,699

** Assets in progress relate to the costs incurred for enhancing software. However the work has not yet been completed and hence not available for use.*

7. INTANGIBLE ASSETS (CONTINUED)

Goodwill represents the excess of the consideration transferred over the fair value of identifiable net assets of 5-Plus Ltd, Business Publications Ltd and Mc Easy Freight Co Ltd as at the date of acquisition. In accordance with IAS 36, goodwill acquired has been assessed for impairment based on the cash generating units. The recoverable amounts have been determined based on a value in use calculation using cash flow assumptions and financial budgets approved by management. The key assumptions for preparing the cash flow forecasts are based on management past experience of the industry and the ability of the cash generating units to at least maintain their market shares.

Other intangibles represent digital films and photos with an indefinite useful life.

(a) THE COMPANY

	Computer software	Other intangibles	Assets in progress	Total
COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 01, 2020	76,622,976	1,026,703	3,322,166	80,971,845
Additions	1,083,646	-	340,427	1,424,073
At June 30, 2021	**77,706,622**	**1,026,703**	**3,662,593**	**82,395,918**
Additions	**517,836**	**-**	**-**	**517,836**
At June 30, 2022	**78,224,458**	**1,026,703**	**3,662,593**	**82,913,754**
AMORTISATION				
At July 01, 2020	63,304,588	-	-	63,304,588
Charge for the year	8,383,680	-	-	8,383,680
At June 30, 2021	**71,688,268**	**-**	**-**	**71,688,268**
Transfer to right of use	**-**	**-**	**-**	**-**
Charge for the year	**5,458,549**	**-**	**-**	**5,458,549**
At June 30, 2022	**77,146,817**	**-**	**-**	**77,146,817**
NET CARRYING AMOUNT				
At June 30, 2022	**1,077,641**	**1,026,703**	**3,662,593**	**5,766,937**
At June 30, 2021	6,018,354	1,026,703	3,662,593	10,707,650

(b) Impairment testing of goodwill

Goodwill represents the surplus of consideration transferred over the fair value of the assets acquired at the date of acquisition. Goodwill has been assessed as having an indefinite life and has been allocated to the following cash generating unit for impairment testing.

Carrying amount of goodwill:	**2022**	2021
	Rs.	Rs.
5-Plus Ltd	**36,418,459**	36,418,459
Business Publications Ltd	**9,796,993**	9,796,993
Mc Easy Freight Co Ltd	**15,313,290**	15,313,290
	61,528,742	61,528,742

The recoverable amount of 5-Plus Ltd, Business Publications Ltd and Mc Easy Freight Co Ltd have been determined based on value in use. These calculations use cash flows projections based on financial budgets approved by senior management covering a five year period. This discount rate applied to the cash flows projection is **5.5% (**2021: 4.6%) for 5-Plus Ltd and Business Publications Ltd and **5.5%** (2021: 4.6%) for Mc Easy Freight Co Ltd. The Group performed its annual impairment test as at June 30, 2022. The recoverable amount exceeds carrying amount and therefore no impairment for goodwill has been recognised.

7. INTANGIBLE ASSETS (CONTINUED)

(c) Key assumptions used in value in use calculation

The calculation of value in use of the cash generating unit is most sensitive to the following assumptions:

Operating profit margin

Operating profit margin are based on average value achieved in the year preceding the start of budget period.

Discount rate

Discount rate reflect management's estimate of the risks specific to the unit. In determining appropriate discount rate, regard has been given to the equity factor of the cash generating unit.

Growth rate estimates

Rates are based on management's best estimates of the industry's growth rate, which is at 2% for 2022 and 2021.

(d) Sensitivity to changes in assumptions

With regards to the assessment of the value in use of 5-Plus Ltd, Business Publications Ltd and Mc Easy Freight Co Ltd cash generating unit, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amount.

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2022	2021
(a) Equity shares	**Rs.**	Rs.
At July 01, (net)	**118,632,567**	118,639,233
Impairment	**(1,045,805)**	(6,666)
At June 30,	**117,586,762**	118,632,567
(b) Interest in subsidiary		
At July 1,	**10,100,000**	10,100,000
Additions	**6,000,000**	-
At June 30,	**16,100,000**	10,100,000
Total	**133,686,762**	128,732,567

The interest in subsidiary relates to a shareholder loan provided to Mc Easy Freight Co Ltd. The loan bears no interest and has no repayment term. Management considers this amount as part of its long term investment in the investee.

8. INTEREST IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of investee company	Principal activities	Class of shares held	Country of incorporation	Nominal value of investments Direct Holding	Nominal value of investments Indirect Holding	Direct Holding 2022	Direct Holding 2021	Indirect Holding 2022	Indirect Holding 2021
				Rs'000	Rs'000	%	%	%	%
Graphic Press Limited	Dormant	Ordinary	Mauritius	500	-	**100**	100	-	-
Caractère Limitée	Printing and packaging	Ordinary	Mauritius	20,000	-	**100**	100	-	-
5-Plus Ltd	Publishing, editing and advertising	Ordinary	Mauritius	34,703	-	**100**	100	-	-
Eye-Catch Limited	Billboard advertising	Ordinary	Mauritius	100	-	**100**	100	-	-
Business Publications Ltd	Publishing, editing and advertising	Ordinary	Mauritius	40,000	-	**100**	100	-	-
One Advertising Limited	Dormant	Ordinary	Mauritius	5,475	-	**77**	77	-	-
Showbizz Entertainment Ltd	Dormant	Ordinary	Mauritius	6,000	-	**50**	50	-	-
La Sentinelle Training Centre Ltd	Dormant	Ordinary	Mauritius	50	-	**100**	100	-	-
LSL Digital Ltd	Dormant	Ordinary	Mauritius	100	-	**100**	100	-	-
Mediatiz Ltd	Real estate advertising	Ordinary	Mauritius	16,100	-	**100**	100	-	-
Caractère Reunion	Publishing of journals and periodical	Ordinary	Reunion	41	-	**100**	100	-	-
Health Publications Ltd	Publishing and editing	Ordinary	Mauritius	7	-	**67**	67	-	-
Mc Easy Freight Co Ltd	Freight company	Ordinary	Mauritius	6,733	-	**60**	60	-	-
Caractère Madagascar	Printing and packaging	Ordinary	Madagascar	11	-	**100**	100	-	-
Mc Easy Freight Madagascar	Freight company	Ordinary	Madagascar	-	23	-	-	**60**	60
Exprimatur Ltd	Printing	Ordinary	Mauritius	-	-	-	-	-	100
				129,820	23				

Reporting dates of the subsidiaries

The subsidiaries have the same reporting date as the holding company and operate on the local market except for Caractère Reunion and Caractère Madagascar which operate on foreign markets.

The investment in Caractere Madagascar and LSL Digital were impaired during the year as the directors considered the investment to be no more viable. One Advertising Limited was impaired by Rs 934,000 during the year.

Exprimatur Ltd was dissolved during financial year ended June 30, 2022.

	2022	2021
	Rs'000	Rs'000
Nominal value of investment at 30 June		
Impairment of the investment in subsidiaries with direct holding	**129,820**	129,820
One Advertising Limited-partially impaired since June 2009 and in June 2022	**5,474**	4,540
Showbizz Entertainment Ltd- Impaired since June 2010	**6,000**	6,000
Eye Catch - Impaired	**100**	100
Graphic Press Investment -impaired since June 2019	**500**	500
Caractere Reunion- Impaired during since 2020	**41**	41
Health Publications Ltd- Impaired during June 2021	**7**	7
Caractere Madagascar- Impaired	**11**	-
LSL Digital- Impaired	**100**	-
	12,233	11,188
Carrying amount as at June 30	**117,587**	118,632

8. INTEREST IN SUBSIDIARIES (CONTINUED)

(c) **Summarised financial information of the subsidiaries with material non-controlling interests:**

Proportion of equity interest held by non-controlling interests:

Name of company	**Country of incorporation**	**Status**	**2022**	2021
One Advertising Limited	Mauritius	Dormant	**23%**	23%
Showbizz Entertainment Ltd	Mauritius	In liquidation	**50%**	50%
Health Publications Ltd	Mauritius	Ceased operations	**33%**	33%
Mc Easy Freight Co Ltd	Mauritius	Active	**40%**	40%

	2022	2021
	Rs	Rs
Accumulated balances of material non-controlling interest:		
One Advertising Limited	**(157,171)**	(149,904)
Showbizz Entertainment Ltd	**-**	-
Health Publications Ltd	**(1,773,926)**	(1,465,759)
Mc Easy Freight Co Ltd	**(292,966)**	(3,111,913)
(Loss)/profit allocated to material non-controlling interest:		
One Advertising Limited	**(7,267)**	(5,167)
Showbizz Entertainment	**-**	-
Health Publications Ltd	**(308,167)**	29,993
Mc Easy Freight Co Ltd	**2,818,947**	2,200,324

8. INTEREST IN SUBSIDIARIES (CONTINUED)

(c) **Summarised financial information of subsidiaries with material non-controlling interests (Continued):**

The summarised financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss:

	One Advertising Limited		Showbizz Entertainment Ltd		Health Publications Ltd		Mc Easy Freight Co Ltd	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs
(Loss)/profit before tax	**(31,598)**	(22,465)	**-**	-	**(933,840)**	981,843	**8,303,493**	(17,543,206)
Income tax expense	**-**	-	**-**	-	**-**	59,592	**-**	-
(Loss)/profit after tax	**(31,598)**	(22,465)	**-**	-	**(933,840)**	1,041,435	**8,303,493**	(17,543,206)
Other comprehensive income/(loss)	**-**	-	**-**	-	**-**	578,510	**(2,447,000)**	1,138,148
Total comprehensive (loss)/income	**(31,598)**	(22,465)	**-**	-	**(933,840)**	1,619,945	**5,856,493**	(16,405,058)

Summarised statement of financial position:

	One Advertising Limited		Showbizz Entertainment Ltd		Health Publications Ltd		Mc Easy Freight Co Ltd	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs
Non-current assets	**-**	-	**-**	-	**11,333**	12,933	**35,905,570**	34,933,963
Current assets	**1,707,281**	1,570,864	**-**	-	**2,186**	884,602	**94,000,426**	62,490,387
Non-current liabilities	**-**	-	**-**	-	**-**	-	**(28,010,840)**	(10,318,265)
Current liabilities	**-**	(527,986)	**-**	-	**(5,288,166)**	(5,238,342)	**(112,106,424)**	(102,554,707)
Net assets/(liabilities)	**1,707,281**	1,042,878	**-**	-	**(5,274,647)**	(4,340,807)	**(10,211,268)**	(15,448,622)

8. INTEREST IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information of subsidiaries with material non-controlling interests (Continued):

Summarised cash flows information for year ended June 30:

	One Advertising Limited		Showbizz Entertainment		Health Publications Ltd		Mc Easy Freight Ltd	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs
Operating	**(2,537)**	525,550	**-**	-	**(2,373)**	(309,332)	**22,423,675**	299,810
Financing	**-**	696,000	**-**	-	**-**	-	**3,725,559**	1,443,103
Investing	**-**	-	**-**	-	**-**	-	**34,774,639**	(666,158)
Net increase /(decrease) in cash and cash equivalents	**(2,537)**	1,221,550	**-**	-	**(2,373)**	(309,332)	**60,923,873**	1,076,755

9. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
(a) At July 01 and June 30,	**-**	-	**-**	-

(b) The results of the following associates have been included in the consolidated financial statements.

	Types of shares	Country of incorporation	Principal activity	Nominal values of investment	Proportion of ownership interest and voting rights held by the Group	
					2022	2021
				Rs.	%	%
Flying Freaks Ltd	Ordinary	Mauritius	Media	**204,000**	**51**	51

Management has assessed that the Group does not have control over Flying Freaks despite having 51% shares and has classified the investment as an associate . The Group does not have control over the operations of the investee and has only one director out of 3 on the board of Flying Freaks Ltd.

As at June 30, 2021 and 2022, the carrying value of Flying Freaks Ltd has been restricted to Nil in accordance with IAS 28 as the latter was in a net liabilities position.

10. INTEREST IN JOINT VENTURES

(a) The movement in interest in joint ventures is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
At July 01,	**14,047,401**	22,237,308	**22,345,807**	22,345,807
Written off	**(5,017,500)**	-	**(5,017,500)**	-
Share of loss (Note 29(a))	**(1,744,029)**	(8,189,907)	**-**	-
At June 30,	**7,285,872**	14,047,401	**17,328,307**	22,345,807

At June 30, 2022, Planete Eco Ltd has been written off as the Company was not profitable and has entered into winding up procedures.

(b) Details of the joint ventures are as follows:

	Types of shares	Country of incorporation	Principal activity	Value of investment	Proportion of ownership interest and voting rights held by the Group 2022	2021
				Rs.	%	%
Impress Print Ltd	Ordinary	Mauritius	Printing services	**17,328,307**	**50**	50
Planete Eco Ltd	Ordinary	Mauritius	Manufacturing of Bio Bags	**-**	**-**	50

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

(c) Summarised financial information in respect of the Group's material joint ventures:

	THE GROUP	
	2022	2021
	Rs	Rs
Current assets	**12,268,997**	15,238,373
Non-current assets	**63,387,071**	66,532,514
Current liabilities	**13,237,673**	21,290,024
Non- current liabilities	**47,846,651**	32,386,062
Revenue	**33,877,124**	31,586,551
Loss for the year	**(3,488,058)**	(16,379,813)
Other comprehensive income	**-**	-
Total comprehensive income	**(3,488,058)**	(16,379,813)

10. INTEREST IN JOINT VENTURES (CONTINUED)

(c) Summarised financial information in respect of the Group's material joint ventures (Continued):

	THE GROUP	
	2022	2021
	Rs	Rs
(i) The above loss for the year includes the following:		
Depreciation	**2,423,019**	1,749,093
Interest expense	**826,008**	1,257,648

(ii) Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements :

	THE GROUP	
	2022	2021
	Rs	Rs
Net assets of the joint ventures	**14,571,744**	28,094,801
Proportion of the Group's ownership interest in the joint ventures	**50%**	50%
Carrying amount of the Group's interest in the joint ventures	**7,285,872**	14,047,401

As at June 30, 2022, the joint ventures have no contingent liabilities and no capital commitments (2021: Rs Nil).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

THE GROUP AND THE COMPANY

			Total	
	Quoted (i)	**Unquoted (ii)**	**2022**	2021
	Rs.	**Rs.**	**Rs.**	Rs.
(a) At July 01,	**6,624,486**	**4,600,000**	**11,224,486**	10,220,776
Fair value adjustments *	**3,663,542**	**-**	**3,663,542**	1,003,710
At June 30,	**10,288,028**	**4,600,000**	**14,888,028**	11,224,486

(i) Quoted financial assets at fair value through other comprehensive income represent investment in equity shares whose fair value is determined by reference to published price quotations in an active market.

(ii) Unquoted financial assets at fair value through other comprehensive income represent investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured and are therefore measured at cost. In 2021 and 2022, the directors have considered cost to be an approximate of fair value.

(iii) Financial assets measured at fair value through other comprehensive income include the Group’s strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit and loss because this is considered to be more appropriate for these strategic investments.

* *There is no tax effect on fair value adjustment.*

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

THE GROUP AND THE COMPANY (CONTINUED)

(b) Details of those companies incorporated in the Republic of Mauritius, in which the Company holds 10% interest or more are set out below:

2022	**Types of shares held**	**Nominal value of investment 2022**	**Percentage holding 2022**
		Rs.	**%**
EM Vision Ltd	**Ordinary**	**4,500,000**	**10.00**
Footfive Co Ltd	**Ordinary**	**2,000,000**	**16.67**

2021	Types of shares held	Nominal value of investment 2021	Percentage holding 2021
		Rs.	%
EM Vision Ltd	Ordinary	4,500,000	10.00
Footfive Co Ltd	Ordinary	2,000,000	16.67

12. TAXATION

(a) Deferred taxation

	THE GROUP	
	2022	2021
	Rs.	Rs.
Deferred tax assets		
At July 01,	**16,408,281**	10,629,414
(Credit)/Charge for the year to profit or loss	**(1,987,279)**	5,547,468
Charge/(credit) for the year to OCI	**1,861,669**	(1,500,185)
(Over)/Under provision	**(1,049,843)**	1,731,584
At June 30,	**15,232,828**	16,408,281

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Deferred tax liabilities				
At July 01,	**11,769,896**	13,351,212	**11,366,332**	11,965,742
Over provision in previous years	**(1,309,343)**	(3,165,959)	**(583,303)**	(2,482,074)
Charge for the year to profit or loss	**(3,279,584)**	(1,571,755)	**(4,325,215)**	(1,020,094)
(Credit)/ charge for the year to OCI	**(3,195,955)**	3,156,398	**(2,877,250)**	2,902,758
At June 30,	**3,985,014**	11,769,896	**3,580,564**	11,366,332
Net deferred tax (assets)/ liabilities	**(11,247,814)**	(4,638,385)	**3,580,564**	11,366,332

12. TAXATION (CONTINUED)

(a) Deferred taxation (continued)

Deferred tax assets and liabilities are attributable to the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Deferred income tax liabilities				
Accelerated capital allowances	**(25,333,046)**	(43,517,293)	**(18,257,329)**	(19,912,955)
Deferred income tax assets				
Provisions and tax losses	**36,580,860**	48,155,678	**14,676,765**	8,546,623
Net deferred tax assets/(liabilities)	**11,247,814**	4,638,385	**(3,580,564)**	(11,366,332)

(b) Income tax (receivables)/ liabilities

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
At July 01,	**(2,251,604)**	5,321,540	**(1,883,416)**	(854,902)
Refund/(paid) during the year	**2,177,481**	(672,984)	**1,028,514**	-
Over provision of income tax	**(1,743,017)**	(1,105,971)	**-**	-
Income tax expense/(credit)	**1,825,380**	(4,655,325)	**-**	-
Tax Deducted at Source (TDS) paid	**(675,199)**	(1,146,869)	**(618,052)**	(1,028,514)
CSR	**118,500**	8,005	**-**	-
At June 30,	**(548,459)**	(2,251,604)	**(1,472,954)**	(1,883,416)
Income tax receivables	**(2,300,440)**	(2,668,660)	**(1,472,954)**	(1,883,416)
Income tax liabilities	**1,751,981**	417,056	**-**	-
Net amount at June 30,	**(548,459)**	(2,251,604)	**(1,472,954)**	(1,883,416)

(c) Income tax charge/ (credit)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Current income tax charge/(credit)	**1,825,380**	(4,655,325)	**-**	-
Over provision of income tax in previous year	**(1,743,017)**	(1,105,971)	**-**	-
CSR provision	**118,500**	8,005	**-**	-
Deferred tax charge	**(1,292,305)**	(1,068,930)	**(4,325,215)**	(1,020,094)
Over provision of deferred tax asset in previous year	**(259,500)**	(4,897,543)	**(583,303)**	(2,482,074)
Income tax charge credit	**(1,350,942)**	(11,719,764)	**(4,908,518)**	(3,502,168)

12. TAXATION (CONTINUED)

(i) Deferred tax item included in other comprehensive income during the year:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Remeasurement gain on actuarial losses	**5,057,624**	2,841,995	**2,877,250**	1,088,170
Remeasurement of revaluation of land and buildings	**-**	1,814,588	**-**	1,814,588
	5,057,624	4,656,583	**2,877,250**	2,902,758

(d) The tax on loss before tax differs from the theoretical amount that would arise using the basic corporate tax rate as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Tax reconciliation	**Rs.**	Rs.	**Rs.**	Rs.
Loss before tax	**(15,168,743)**	(152,026,419)	**(67,627,743)**	(46,557,088)
Tax at the rate of 3% - 15%	**(2,609,284)**	(22,784,326)	**(10,144,161)**	(6,983,563)
Corporate social responsibility (2%)	**(299,523)**	(3,060,165)	**(1,352,555)**	(931,142)
Over provision of deferred tax asset in previous year	**(259,500)**	(4,897,543)	**(583,303)**	(2,482,074)
Over provision of income tax in previous year	**-**	(1,105,971)	**-**	-
Other deductibles	**-**	(686,494)	**-**	-
Non-allowable expenses	**1,316,596**	22,508,339	**1,825,671**	9,727,105
Non-taxable income	**(537,866)**	(6,440,510)	**(259,341)**	(5,580,895)
Exempt income *	**1,038,635**	-	**(911,426)**	-
Utilisation of tax losses brought forward	**-**	4,746,906	**6,516,597**	2,748,401
Tax credit	**(1,350,942)**	(11,719,764)	**(4,908,518)**	(3,502,168)

** Exempt income consist of dividend income from Mauritian entities, while non-allowable expenses relate mainly to entertainment expenses and interest on certain loans.*

The unused tax losses that arose in the Group and the Company that are available for offsetting against future profits of the companies/company in which they arise are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Tax losses	**281,542,270**	276,649,616	**191,865,212**	153,532,287

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in the Company and the subsidiaries that have been loss -making for some time and there are no tax planning opportunities or other evidence of recoverability in the near future. There are no tax consequences attached to the payment of dividends by the Group to its shareholders in prior year.

13. INVENTORIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Raw materials	**145,805,629**	120,063,346	**10,444,296**	10,827,906
Goods in transit	**5,621,068**	4,645,393	**-**	-
Finished goods	**8,203,823**	12,260,146	**-**	-
Work in progress	**5,533,522**	13,201,438	**-**	-
	165,164,042	150,170,250	**10,444,296**	10,827,906

Inventories as well as other assets of the Company have been pledged as security for bank loans and overdrafts taken by the Group (see note 18). The value of inventory recognised in cost of sales have been disclosed in note 22.

During the year, there were no amount written down on inventories for the Group and the Company (2021: Rs.5,315,224 for the Group and Rs. nil for the Company).

14. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables (Note 14 (i))	**120,753,328**	97,569,618	**12,907,910**	11,187,975
Other receivables (Note 14 *(ii)*)	**55,457,750**	58,781,270	**11,184,526**	33,977,718
Trade receivables from subsidiaries (Note 14(iii))	**-**	-	**89,043,898**	123,415,906
Trade receivables from other related companies (Note 14 (iii))	**7,023,787**	13,088,866	**9,824,729**	8,788,532
	183,234,865	169,439,754	**122,961,063**	177,370,131

Analysed as:

(i) Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms;

(ii) Other receivables are non-interest bearing and have an average term of 3 months. These relate mainly to prepayments, advances to staffs and VAT recoverable.
Breakdown is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Tax deducted at source (TDS)	**703,796**	1,739,616	**-**	1,033,028
Prepayments	**5,238,365**	4,609,262	**4,390,092**	2,679,694
VAT recoverable	**13,104,492**	29,365,483	**-**	-
Advances to employees	**6,043,186**	10,252,160	**5,231,160**	9,067,881
Dividend receivable	**-**	-	**-**	21,120,000
Advance payment to suppliers	**9,822,870**	7,572,641	**-**	-
Others*	**20,545,041**	5,242,108	**1,563,274**	77,115
	55,457,750	58,781,270	**11,184,526**	33,977,718

** Others relate to sundry receivables and receivable from MCB factors.*

(iii) The receivables from other related companies represent balances with related parties, other than subsidiaries. The balances are repayable on demand. For terms and conditions relating to related party receivables, refer to Note 32.

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(iv) Movement in the provision for impairment of receivables were as follows:

THE GROUP	Trade and other receivables
	Rs.
At June 30, 2020	54,392,264
Charge for the year	8,896,878
Write off (Note (ii))	(8,298,697)
Reversal for the year (Note (i))	(7,303,205)
At June 30, 2021	**47,687,240**
Charge for the year	**14,382,878**
Reversal for the year (Note (i))	**(9,377,227)**
At June 30, 2022	**52,692,891**

THE COMPANY	Intercompany trade receivables	Trade receivables	Total
	Rs.	Rs.	Rs.
At July 01, 2020	25,487,337	9,846,151	35,333,488
Charge for the year	-	2,411,044	2,411,044
Reversal for the year (Note (i))	(6,086,614)	(1,831,100)	(7,917,714)
At June 30, 2021	**19,400,723**	**10,426,095**	**29,826,818**
Charge for the year	**33,431,339**	**2,400,000**	**35,831,339**
Reversal for the year (Note (i))	**(7,759,243)**	-	**(7,759,243)**
At June 30, 2022	**45,072,819**	**12,826,095**	**57,898,914**

(i) The reversal arose due to overprovision made in prior years and recoverability of trade balances for which provision was made in prior years

(ii) The expected credit losses on related party arose as the entities have ceased operations or are considered as dormant.

15. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Cash at banks and in hand	**29,703,501**	23,667,261	**7,972,256**	4,857,847
Bank overdrafts (Note 18)	**(190,506,301)**	(174,849,927)	**(79,823,394)**	(81,885,470)
	(160,802,800)	(151,182,666)	**(71,851,138)**	(77,027,623)

16. ASSETS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At July 01,	**76,050,000**	55,550,000	**76,050,000**	55,550,000
Transfer to investment properties (Note 6)	**(43,500,000)**	-	**(43,500,000)**	-
Transfer from property, plant and equipment (Note 4 (a))	**5,470,000**	22,800,000	**-**	22,800,000
Disposal during the year	**(32,550,000)**	-	**(32,550,000)**	
Losses during the year	**-**	(2,300,000)	**-**	(2,300,000)
At June 30,	**5,470,000**	76,050,000	**-**	76,050,000

(a) Last year, the directors of the Group and Company decided to sell the land and building which was originally acquired for Rs 21,028,479. The directors of the Group and the Company also committed to a plan to sell the investment in L'Express de Madagascar S.A.R.L, an associate. There are interested parties and efforts to sell these assets have started in prior year. Due to the prevailing Covid situation in Mauritius which resulted in a second lockdown in March 2021, the sale of the land and building has been delayed and occurred in financial year June 30, 2022. Also, the disposal of L'Express Madagascar S.A.R.L was made during the year.

As at June 30, 2021 and as part of its strategy to generate cash inflows, management had decided to sell a plot of bare land in Riche Terre which was acquired for Rs 18m. Management was committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan had been initiated during year ended June 30, 2021. The sale of the land was completed in November 2021.

The asset of Rs.43.5 m has been transferred from assets held for sale to investment properties (note 6) as management is no longer committed to sell the asset and is no longer actively looking for a buyer.

(b) Non-recurring fair value measurements

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification resulting to a recognition of a write-down of Rs. nil (2021: Rs Nil) for the Group and Rs nil (2021: Rs. Nil) for the Company as administrative expenses in the statement of comprehensive income.

17. ISSUED CAPITAL AND RESERVES

	2022 and 2021	
THE GROUP AND THE COMPANY	**Number of**	
Authorised, issued and fully paid	**shares**	**Rs.**
Promoters' shares of Rs. 1,000 each	**600**	**600,000**
Ordinary shares of Rs. 100 each	**3,200**	**320,000**
Ordinary shares of Rs. 10 each	**10,334**	**103,340**
	14,134	**1,023,340**

Nature and purpose of reserves

The nature and purpose of reserves as stated in the statements of changes in equity are as follows:

Fair value reserves

This reserve records fair value changes on financial assets at fair value through other comprehensive income. Items which are included in other comprehensive income and not to be reclassified to profit or loss include re-measurement of defined benefit obligations and its income tax effect, revaluation of land and buildings and its income tax effect and fair value gain on FVOCI.

Revaluation reserves

The asset revaluation reserve is used to record increases in the revalued amount of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Foreign currency translation reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign associate and subsidiaries.

Treasury shares

Following the share buy back that occurred in 2015 for a consideration of Rs 3,070,000, the Company now holds 3,603 shares (22 Promoters shares of Rs 1,000,737 Ordinary shares of Rs 100 and 2,844 Ordinary shares of Rs 10) of its own shares as treasury shares.

Rights attached to the different class of shares

Promoters' shares of Rs. 1,000 each

These shares confers to the holder the right to vote at meetings of shareholders and on poll to cast 100 votes for each share held as well as pre-emptive rights to subscribe for all new issue of shares.

Ordinary shares of Rs. 100 each

These shares confers to the holder the right to vote at the meetings of shareholders and on poll to cast 10 votes for each share held.

Ordinary shares of Rs. 10 each

These shares confers to the holder the right to vote at the meetings of shareholders and on poll to cast 1 vote for each share held.

Share Premium

Share premium is a reserve that cannot be distributed. The premium is the difference between the par value of the ordinary share and the price.

18. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2022	2021*	**2022**	2021*
Current	**Rs.**	Rs.	**Rs.**	Rs.
Bank overdrafts (Note (a))	**190,506,301**	174,849,927	**79,823,394**	81,885,470
Import loans (Note (b))	**94,031,105**	115,435,406	**22,571,572**	17,539,761
Bank loan(Note (c))	**57,857,934**	73,476,033	**23,110,606**	36,415,810
Total current	**342,395,340**	363,761,366	**125,505,572**	135,841,041
Non-current				
Bank loan (Note (c))	**307,143,774**	333,443,718	**187,178,569**	184,740,773
Other loans	**10,148,333**	10,398,333	-	-
Total non-current	**317,292,107**	343,842,051	**187,178,569**	184,740,773

* *In FY 2021, the details for lease liabilities amounting to Rs 20,062,630 (Current: Rs 11,001,660 and Non-current: Rs 9,060,970) for the Group and Rs 14,161,207 (Current: Rs 6,267,888 and Non-current: Rs 7,893,319) for the Company were included as part of interest bearing loans and borrowings. The lease liabilities have been shown on the face of the statement of the financial position for FY 2022 as a separate disclosure can be found under Note 5(b). This was done to enhance the understanding of the users of the financial statements.*

In FY21, other loans of Rs 20,498,333 were included under the description 'Import loans- Non current' which was not appropriate. The description has been amended for FY22 to read as 'Other loans'. Also, there was a reclassification from non-current other loans of Rs 10,100,000 to current import loans. This reclassification has nil impact on the total interest bearing loans and borrowings.

(a) Bank overdrafts are secured by the floating charges on the assets of the Group and the Company and bear interest at the rate of **5 %** per annum (2021: 4.6%);

(b) Import loans are short term loans used to pay foreign suppliers. Import loans are secured by the floating charges on the assets of the Group and the Company and bear interest at the rates of **3.190%-5.000%** per annum (2021: 3% - 4.6% per annum) and **3.190%-5.000%** per annum (2021: 3.190% - 4.600% per annum).

(c) Bank loans can be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Within one year	**58,296,684**	73,476,033	**23,110,606**	36,415,810
After one year and before five years	**189,567,493**	161,033,428	**133,525,541**	117,353,139
After five years	**117,137,531**	172,410,290	**53,653,028**	67,387,634
	365,001,708	406,919,751	**210,289,175**	221,156,583

18. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

		THE GROUP		THE COMPANY	
	Maturity	**2022**	2021	**2022**	2021
		Rs.	Rs.	**Rs.**	Rs.
MUR 65,000,000 bank loan	July 2024	**3,870,433**	4,866,812	**3,870,433**	4,866,812
MUR 16,900,000 bank loan	July 2024	**5,161,764**	5,610,456	**5,161,764**	5,610,456
MUR 16,000,000 bank loan	July 2024	**5,299,622**	5,720,319	**5,299,622**	5,720,319
MUR 75,000,000 bank loan	May 2030	**55,070,801**	57,931,445	**55,072,643**	57,931,445
MUR 14,000,000 bank loan	July 2024	**-**	6,397,888	**-**	6,397,888
MUR 17,100,000 bank loan	February 2025	**7,315,897**	9,834,750	**7,316,212**	9,834,750
MUR 16,000,000 bank loan	July 2025	**7,808,991**	10,299,290	**7,809,321**	10,299,290
MUR 8,000,000 bank loan	July 2024	**4,870,878**	4,965,566	**4,870,878**	4,965,566
MUR 6,000,000 bank loan	December 2023	**1,983,855**	3,235,151	**-**	-
EURO 1,500,000 bank loan	January 2026	**41,283,956**	49,771,845	**-**	-
MUR 45,000,000 bank loan	June 2035	**41,032,596**	42,174,980	**41,032,596**	42,174,980
MUR 25,000,000 bank loan	January 2028	**20,593,949**	22,460,285	**20,593,949**	22,460,285
MUR 8,000,000 bank loan	March 2027	**5,726,912**	6,780,048	**5,726,912**	6,780,048
EURO 125,000 bank loan	November 2027	**4,534,845**	5,876,981	**4,534,845**	5,876,981
MUR 2,000,000 bank loan	February 2023	**639,204**	833,333	**-**	-
EURO 1,400,000 bank loan	January 2026	**47,731,891**	64,531,981	**-**	-
EURO 930,000 bank loan	February 2026	**29,804,469**	40,259,155	**-**	-
MUR 15,000,000 bank loan	February 2026	**11,355,645**	14,131,703	**-**	-
MUR 6,500,000 bank loan	July 2024	**-**	6,237,763	**-**	6,237,763
MUR 32,000,000 bank loan	August 2024	**27,000,000**	32,000,000	**27,000,000**	32,000,000
MUR 13,000,000 bank loan	September 2024	**5,916,000**	13,000,000	**-**	-
MUR 16,000,000 bank loan	June 2025	**16,000,000**	-	**-**	-
MUR 22,000,000 bank loan	August 2024	**22,000,000**	-	**22,000,000**	-
		365,001,708	406,919,751	**210,289,175**	221,156,583

Security on bank loans are as follows:

(i) MUR 65,000,000 bank loan

The loan is secured by way of floating charges of Rs. 73m on the Company's assets. The loan bears interest at the rate of PLR + margin of 1% per annum.

(ii) MUR 16,900,000 bank loan

The loan is secured by way of floating charges on all assets of the Company totalling Rs 20,000,000. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(iii) MUR 16,000,000 bank loan

The loan is secured by way of floating charges on all assets of the Company totalling Rs 16,000,000. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

18. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Security on bank loans (Continued)

(iv) MUR 75,000,000 bank loan

The loan is secured by way of floating charges of Rs 75,000,000 on all assets of the Company. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(v) MUR 14,000,000 bank loan

The loan is secured by way of floating charges on all assets of La Sentinelle Ltd as well as a fixed charge on the fixed property acquired. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(vi) MUR 17,100,000 bank loan

The loan is secured by way of existing floating charges of Rs 75,000,000 on all assets of the Company. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(vii) MUR 16,000,000 bank loan

The loan is secured by way of existing floating charges of Rs 88,000,000 on all assets of the Company. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(viii) MUR 8,000,000 bank loan

The loan is secured by way of existing floating charges of Rs 53,000,000 on all assets of the Company. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(ix) MUR 6,000,000 bank loan

The loan is secured by way of floating charges of Rs 6,000,000 on all assets of Caractere Limitee. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(x) EURO 1,500,000 bank loan

The loan is secured by way of floating charges of Euro 1,500,000 on all the assets of Caractere Limitee. The loan bears interest at the rate of Libor 3 months + margin of 4.5% per annum.

(xi) MUR 45,000,000 bank loan

The loan is secured by way of floating charges on all assets for Rs 45,000,000 and fixed charged of Rs 100,000. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(xii) MUR 25,000,000 bank loan

The loan is secured by the way of floating charge on all assets for Rs 53,000,000. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(xiii) MUR 8,000,000 bank loan

The loan is secured by an existing fixed charges inscribed on the property. The loan bears interest at the rate of PLR + margin of 0.5% per annum.

(xiv) EURO 125,000 bank loan

The loan is secured by way of floating charges of on all assets for Rs 160,000,000. The loan bears interest at the rate of Euribor + margin of 4% per annum.

18. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Security on bank loans (Continued)

(xv) MUR 2,000,000 bank loan

The loan is secured by way of existing floating charges on all assets of MC Easy Freight Co. Ltd. The loan bears interest at the rate of PLR + margin of 0.35%.

(xvi) EURO 1,400,000 bank loan and EURO 930,000

The loan of Euro 1,400,000 and Euro 930,000 are secured by way of floating charges of on all assets for Rs 130,000,000.

(xvii) MUR 15,000,000 bank loan

The loan is secured by the way of floating charge on all assets for Rs 15,000,000. The loan bears interest at the rate of PLR+ margin of 0.5% per annum.

(xviii) MUR 6,500,000 bank loan

The loan of MUR 6,500,000 are secured by way of floating charges of on assets for Rs 21,600,000.

(xix) MUR 32,000,000 bank loan

The loan is secured by the way of floating charge on all assets for Rs 32,000,000. The loan bears interest at the rate of PLR+ margin of 0.5% per annum.

(xx) MUR 13,000,000 bank loan

The loan is secured by the way of floating charge on all assets for Rs 13,000,000. The loan bears interest at the rate of PLR+ margin of 0.5% per annum.

(xxi) MUR 16,000,000 bank loan

The loan is secured by floating charge of on all assets of the asset of the Borrower and fixed interest rate of 1.5% per annum.

(xxii) MUR 22,000,000 bank loan

The loan is secured by the way of floating charge for MUR 22,000,000 on all the Borrower's assets. The loan bears interest at the rate of PLR+ margin of 0.5% per annum.

19. GOVERNMENT GRANT

	THE GROUP	
	2022	2021
	Rs	Rs
At July 01,	**384,000**	691,200
Released to statement of comprehensive income	**(307,200)**	(307,200)
At June 30,	**76,800**	384,000
Current	**76,800**	307,200
Non-current	**-**	76,800
	76,800	384,000

Grant has been received for the purchase of an item of plant and machinery. There are no unfulfilled conditions or contingencies attached to this grant.

20. EMPLOYEE BENEFIT LIABILITIES

The benefits of employees of the Group and the Company fall under two different types of arrangements:

(i) A defined benefit scheme which is funded. The plan assets are held independently by the Swan life Ltd.

(ii) An unfunded retirement gratuities scheme as per the Workers Rights Act 2019.

The liabilities in respect of the two schemes above are analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Funded obligations (note a)	**20,692,000**	12,891,000	**-**	-
Unfunded obligations (note b)	**55,317,593**	43,271,174	**31,946,000**	28,143,000
	76,009,593	56,162,174	**31,946,000**	28,143,000

(a) Funded obligations

The amounts recognised in the statements of financial position in respect of funded obligations are as follows:

	THE GROUP	
	2022	2021
	Rs	Rs
Present value of funded obligations	**28,463,000**	22,219,000
Fair value of plan assets	**(7,771,000)**	(9,328,000)
Benefit liability	**20,692,000**	12,891,000

20. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) Funded obligations (Continued)

(i) Movement in present value of funded obligations:

	THE GROUP	
	2022	2021
	Rs	Rs
At July 01,	**22,219,000**	22,416,000
Amount recognised in profit or loss:		
Interest cost	**1,047,000**	625,000
Current service cost	**970,000**	1,183,000
Amount recognised in other comprehensive income ('OCI'):		
Remeasurement recognised in OCI- (losses)/gains	**4,227,000**	(2,005,000)
At June 30,	**28,463,000**	22,219,000

(ii) Movement in fair value of plan assets:

	THE GROUP	
	2022	2021
	Rs	Rs
At July 01,	**9,328,000**	8,379,000
Amount recognised in profit or loss:		
Return on plan assets	**424,000**	243,000
Contributions to plan assets	**835,000**	805,000
Amount recognised in other comprehensive income:		
Remeasurement recognised in OCI- losses	**(2,816,000)**	(99,000)
At June 30,	**7,771,000**	9,328,000

(iii) Movement in liability recognised in statement of financial position:

	THE GROUP	
	2022	2021
	Rs	Rs
At July 01	**12,891,000**	14,037,000
Net current cost recognised in profit or loss	**1,593,000**	1,565,000
Net actuarial losses/(gains) recognised in OCI	**7,043,000**	(1,906,000)
Contributions to plan assets	**(835,000)**	(805,000)
At June 30,	**20,692,000**	12,891,000

20. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) Funded obligations (Continued)

(iv) The main categories of plan assets are as follows:

	THE GROUP	
	2022	2021
	%	%
Deferred annuity policies	**100**	100

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

	THE GROUP	
	2022	2021
	%	%
Discount rate	**4.90%**	5.00%
Future salary increases	**2.30%**	0.50%
Annual proportion of employees leaving service	**5% up to age 40, nil thereafter**	
Actuarial table for employee mortality	**A1967/70(2) Ultimate**	

A quantitative sensitivity analysis for significant assumption as at June 30 is shown as follows below:

Assumptions		**Discount rate**		**Future salary increase**	
Sensitivity level		**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
		Rs	**Rs**	**Rs**	**Rs**
Impact on defined benefit obligations	**2022**	**(1,878,000)**	**2,118,000**	**2,450,000**	**(2,212,000)**
Impact on defined benefit obligations	2021	(1,367,000)	1,545,000	1,877,000	(1,686,000)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The expected contribution to be paid to the defined benefit plan obligations in future years is **Rs 839,000** (2021: Rs 807,000).

The average duration of the defined benefit plan obligations at the end of the reporting period is **7 years** (2021: 14 years).

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. Management assessment of the expected returns is based on historical returns trends and analysts predictions of the market for the asset in the next twelve months.

(b) Unfunded obligations

The amounts recognised in the statements of financial position in respect of unfunded obligations are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Present value of unfunded obligation	**55,317,593**	43,271,174	**31,946,000**	28,143,000

20. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Unfunded obligations (continued)

(i) Movement in the liability recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
At July 01	**43,271,174**	58,070,706	**28,143,000**	34,854,000
Benefits paid	**(18,493,000)**	(4,052,000)	**(15,531,000)**	(2,262,000)
Amount recognised in profit or loss:				
Past service cost	**(112,000)**	(184,000)	**(112,000)**	(771,000)
Interest cost	**1,708,000**	1,644,468	**1,024,000**	944,000
Current service cost	**2,658,419**	3,406,000	**1,497,000**	1,779,000
Amount recognised in other comprehensive income:				
Actuarial losses/(gains) recognised in OCI	**26,285,000**	(15,614,000)	**16,925,000**	(6,401,000)
At June 30,	**55,317,593**	43,271,174	**31,946,000**	28,143,000

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**4.9%**	5.0%	**4.9%**	5.0%
Future salary increase	**2.3%**	0.5%	**2.3%**	0.5%
Annual proportion of employees leaving service	**5% up to age 40, nil thereafter**		**5% up to age 40, nil thereafter**	
Actuarial table for employee mortality	**A1967/70(2)**		**A1967/70(2)**	

The Group does not expect any contribution to be paid in 2022 (2021: Rs Nil) in respect of unfunded obligations.

The average duration of the unfunded obligations at the reporting period is 12 years.

A quantitative sensitivity analysis for significant assumptions as at June 30, is shown below :

<u>**THE GROUP:**</u>

Assumptions		**Discount rate**		**Future salary increase**	
Sensitivity level		**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
		Rs	**Rs**	**Rs**	**Rs**
Impact on unfunded obligations	**2022**	**(3,446,000)**	**4,013,000**	**4,311,000**	**(3,754,000)**
Impact on unfunded obligations	2021	(4,621,000)	5,753,000	6,270,000	(5,105,000)

20. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Unfunded obligations (continued)

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

THE COMPANY:

Assumptions		Discount rate		Future salary increase	
Sensitivity level		1% increase	1% decrease	1% increase	1% decrease
		Rs	Rs	Rs	Rs
Impact on unfunded obligations	**2022**	**(3,446,000)**	**4,013,000**	**4,311,000**	**(3,754,000)**
Impact on unfunded obligations	2021	(2,624,000)	3,210,000	3,544,000	(2,935,000)

(c) The pension plan exposes the Group to normal risks associated with defined benefit plans such as investment, interest, longevity and salary risks. The risks have been described below:

Investment risk (where the plan is funded): The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk (where the plan is funded and an annuity is paid over life expectancy): The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

(d) There has been no plan amendment, curtailment or settlement during the year.

21. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Trade payables *(note i)*	**103,527,304**	74,030,937	**25,958,715**	20,778,353
Other payables *(note ii)*	**77,188,378**	57,927,036	**44,798,290**	36,150,958
Payables to subsidiaries	**-**	-	**22,734,621**	28,966,444
Payables to other related companies (*note iii*)	**7,868,739**	7,326,083	**7,369,795**	6,863,113
	188,584,421	139,284,056	**100,861,421**	92,758,868

note i Trade payables are non-interest bearing and have an average term of 30 to 90 days;

note ii Other payables are non- interest bearing and have an average term of 3 months. These relate to accruals, VAT payable etc.

note iii The payables to other related companies are balances with related parties other than subsidiaries. For terms and conditions relating to related party payables, refer to Note 32.

22. OPERATING PROFIT/(LOSS)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Included in cost of sales				
Cost of inventories recognised as expense	**230,002,345**	240,304,588	**37,912,024**	43,824,822
Depreciation of property, plant and equipment	**19,408,108**	22,705,522	**4,839,811**	4,854,755
Amortisation of intangible assets (note 7(a))	**503,468**	603,468	**-**	-
Employee benefit expenses (note 23)	**146,652,325**	154,555,762	**63,664,855**	71,371,670
Included in selling and distribution costs				
Depreciation of property, plant and equipment	**155,809**	155,809	**-**	-
Employee benefit expenses (note 23)	**35,377,493**	34,593,528	**15,967,925**	14,592,638
Expense relating to short term leases and leases of low-value assets (note 5 (b) (i))	**786,486**	228,242	**786,486**	228,242
Included in administrative expenses				
Depreciation of property, plant and equipment	**16,644,810**	26,497,638	**11,583,118**	11,927,535
Amortisation of intangible assets (Note 7(a))	**8,015,271**	11,873,382	**5,458,549**	8,383,680
Loss on disposal of assets held for sale	**480,000**	-	**480,000**	-
Depreciation expense of right-of-use assets (note 5(a))	**10,090,554**	19,694,868	**4,738,208**	17,615,498
Employee benefit expenses (note 23)	**87,058,561**	107,271,041	**33,120,903**	52,919,898
Impairment of plant and equipment (Note 4 (a))	**7,675,804**	7,683,528	**-**	-
Impairment of investment in subsidiaries (Note 8(a))	**-**	-	**1,045,805**	
Impairment of investment in joint ventures (Note 10 (a))	**5,017,500**	-	**5,017,500**	-

23. EMPLOYEE BENEFIT EXPENSES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Wages, salaries and other costs	**248,275,206**	258,287,820	**100,824,649**	110,966,240
Defined contribution costs	**10,294,453**	12,164,281	**6,171,188**	6,649,057
Social security costs	**3,029,501**	3,401,202	**1,718,295**	2,090,384
Vacation leave	**4,976,317**	-	**2,162,639**	-
Termination benefits	**2,512,902**	22,567,028	**1,876,912**	19,178,525
	269,088,379	296,420,331	**112,753,683**	138,884,206

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Sales of goods	**434,876,824**	451,254,540	**79,565,359**	75,558,596
Rendering of services	**617,072,521**	323,465,312	**84,608,888**	89,725,529
	1,051,949,345	774,719,852	**164,174,247**	165,284,125

Disaggregation of revenue	**2022**	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Sales of goods				
Packaging and commercial printing	**210,791,616**	331,268,850	**-**	-
Sales of Newspapers & Magazines	**208,843,407**	115,033,882	**47,614,433**	49,959,095
Sales of paper and other goods	**15,241,801**	4,951,808	**31,950,926**	25,599,501
	434,876,824	451,254,540	**79,565,359**	75,558,596
Rendering of services				
Advertising	**200,233,754**	159,798,205	**84,608,888**	89,725,529
Freight forward and logistics	**416,838,767**	163,667,107	**-**	-
	617,072,521	323,465,312	**84,608,888**	89,725,529

The Group's and the Company's revenue is recognised at a point in time.

25. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021*
	Rs.	Rs.	**Rs.**	Rs.
Profit on disposal plant and equipment	**5,717,253**	365,197	**2,095,584**	734,079
Gain on termination of lease (notes 5(a) and 5(b))	**7,356**	3,750	**7,356**	3,750
Management fees (Note 1 below)	**-**	440,207	**20,620,686**	26,708,327
Rental income	**666,774**	243,000	**18,120,894**	19,597,950
Amount received under WAS	**942,601**	6,593,709	**-**	2,552,953
Sundry income	**2,100,084**	3,083,231	**144,170**	1,120,709
Dividend income	**5,200,000**	7,880,000	**5,200,000**	30,000,000
Foreign exchange differences	**18,605,957**	15,452,291	**3,595,883**	1,432,009
	33,240,025	34,061,385	**49,784,573**	82,149,777

The Group and the Company applied for the Government Wage Assistance Scheme (‘WAS’) in FY20. The WAS is an economic measure by the Government of Mauritius to provide a wage subsidy to employers as a response to the Covid-19 pandemic and to ensure that all employees are duly paid their salary. The WAS has been recognised as other income in prior year as no payments were to be made to the tax authorities.

For financial year 2022, the foreign exchange differences arose mainly on revaluation of USD bank balances.

Note 1:
The Company provides to its subsidiaries and associated companies a range of management, administrative, financial, marketing and communication services and these are being referred to as 'management fees'. The amount of Rs 26,268,120 for management fees was previously accounted for under administrative expenses and has been reclassified to ‘Other income’ as it best reflects the category to which the management fees income relate to. The reclassification has nil effect on the statement of profit or loss and other comprehensive income as of 30 June 2021.

26. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Interest income using EIR	**228,092**	562,759	**201,665**	562,759

27. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Interest on bank and other loans	**20,402,651**	21,764,654	**10,499,092**	9,743,529
Interest on bank overdrafts	**10,809,069**	7,989,833	**3,694,309**	3,676,105
Interest expense on lease liability (Note 5(b))	**4,107,506**	1,786,558	**70,432**	1,196,605
Bank fees	**928,750**	1,317,345	**263,811**	292,986
	36,247,976	32,858,390	**14,527,644**	14,909,225

28. RESTRUCTURING COSTS

Following the outbreak of Covid and the second lockdown in March 2021 and the ensuing quarantine of employees of the Group, which has impacted on the business operations, management has taken bold cost cutting measures. These measures focused on efficiency of financial resources, human capital and operations with a view to achieve improved results in all areas of the business of the Group. A detailed formal plan was made by management in May 2021 and presented to the Board of Directors describing the business unit concerned, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented.

The Group initiated its restructuring programme as from May 2021 in pursuit of efficiency across the business entities. The restructuring costs was redundancy related and strategic decision was also made to terminate some contracts of key management personnel to enhance capacity of other business units to be profitable in the coming years. As at June 30, 2021, the Group had provisioned for Rs 19m and the Company has Rs 18.4m of restructuring costs relating to continuing operations, which was effected during year ended 30 June, 2022.

As of November 2021, all termination costs have been paid to the redundant employees and no further payments are expected to be made.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Termination costs	**-**	19,070,436	**-**	18,469,361

29. STATEMENT OF CASH FLOWS

	Notes	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
(a) Operating activities		**Rs.**	Rs.	**Rs.**	Rs.
Loss before tax		**(15,168,743)**	(152,026,419)	**(67,627,743)**	(46,557,088)
Adjustment for non-cash items:					
Depreciation of property, plant and equipment	4 (a)	**36,208,727**	49,358,969	**16,422,929**	16,782,290
Asset written off	4 (a)	**16,075**	-	**16,407**	-
Amortisation of intangible assets	7 (a)	**8,518,739**	12,476,850	**5,458,549**	8,383,680
Depreciation of right of use assets	5 (a)	**10,090,554**	19,694,868	**4,738,208**	17,615,498
Decrease in fair value of investment properties	6	**-**	2,250,000	**-**	2,250,000
Impairment of property, plant and equipment	4 (a)	**7,215,867**	7,683,528	**-**	-
Impairment of joint venture	10 (a)	**5,017,500**	-	**5,017,500**	-
Impairment of subsidiaries	8 (a)	**-**	-	**1,045,805**	6,666
Interest income	26	**(228,092)**	(562,759)	**(201,665)**	(562,759)
Interest expense	27	**35,319,226**	31,541,045	**14,263,833**	14,616,239
Release of government grant	19	**(307,200)**	(307,200)	**-**	-
Net foreign exchange differences		**(18,605,957)**	(25,169,023)	**(3,595,883)**	(1,432,009)
Profit on disposal of property, plant and equipment	25	**(5,717,253)**	(365,197)	**(2,095,584)**	(734,079)
Loss on disposal of asset held for sale		**480,000**	-	**480,000**	-
Gain on termination of lease	25	**(7,356)**	(3,750)	**(7,356)**	(3,750)
Provision for impairment of trade receivables	14	**5,005,651**	(6,705,024)	**(5,359,243)**	579,944
Impairment of intercompany balances	14	**-**	-	**25,672,096**	(6,086,614)
Dividend income	25	**(5,200,000)**	(7,880,000)	**(5,200,000)**	(30,000,000)
Employee benefit liabilities	20	**5,012,419**	5,626,468	**2,409,000**	1,952,000
Share of loss in joint ventures	10 (a)	**1,744,029**	8,189,907	**-**	-
Movements in pensions	20a(ii), 20 b(i)	**(19,328,000)**	(4,857,000)	**(15,531,000)**	(2,262,000)
Movement in provision for restructuring costs	28	**(19,070,436)**	19,070,436	**(18,469,361)**	18,469,361
Working capital adjustments:					
Increase in inventories		**(14,993,792)**	17,132,493	**383,610**	6,145,960
(Increase)/decrease in trade and other receivables		**(47,077,649)**	77,680,300	**27,096,215**	21,343,394
(Decrease)/ increase in trade and other payables		**49,300,365**	(42,504,111)	**8,102,553**	(8,028,814)
Net cash flows generated from/(used in) operating activities		**18,224,674**	10,324,381	**(6,981,130)**	12,477,919

(b) Non-cash transactions

Part of the acquisition of property, plant and equipment was financed by the following finance leases:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Total acquisition cost (note 4 (a) and 5(a))	**26,848,288**	23,422,505	**17,870,413**	19,690,309
Financed by cash	**(23,948,603)**	(23,422,505)	**(17,603,132)**	(19,690,309)
Non-cash additions to right-of-use of assets	**2,899,685**	-	**267,281**	-

30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

THE GROUP	**July 1, 2021**	**Cash flows**	**Foreign exchange movement**	**Additions**	**June 30, 2022**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Interest bearing loans and borrowings					
2022					
Bank loans	**406,919,751**	**(101,461,251)**	**-**	**59,543,208**	**365,001,708**
Import loans and other loans	**125,833,739**	**(93,109,325)**	**-**	**71,455,024**	**104,179,438**
Lease liabilities	**20,062,630**	**(6,410,954)**	**1,715**	**4,125,559**	**17,778,950**
Total liabilities from financing activities	**552,816,120**	**(200,981,530)**	**1,715**	**135,123,791**	**486,960,096**

	July 1, 2020	Cash flows	Foreign exchange movement	New leases	June 30, 2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings					
2021					
Bank loans	408,959,025	(2,039,274)	-	-	406,919,751
Import loans and other loans	71,236,114	54,597,625	-	-	125,833,739
Lease liabilities	28,161,329	(9,382,345)	4,418	1,279,228	20,062,630
Total liabilities from financing activities	508,356,468	43,176,006	4,418	1,279,228	552,816,120

THE COMPANY	**July 1, 2021**	**Cash flows**	**Termination of lease**	**Additions**	**June 30, 2022**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Interest bearing loans and borrowings					
2022					
Bank loans	**221,156,583**	**(55,410,618)**	**-**	**44,543,210**	**210,289,175**
Import loans and other loans	**17,539,761**	**5,031,811**	**-**	**-**	**22,571,572**
Lease liabilities	**14,161,207**	**(6,326,736)**	**(141,844)**	**267,281**	**7,959,908**
Total liabilities from financing activities	**252,857,551**	**(56,705,543)**	**(141,844)**	**44,810,491**	**240,820,655**

	July 1, 2020	**Cash flows**	**Termination of lease**	**New leases**	**June 30, 2021**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Interest bearing loans and borrowings					
2021					
Bank loans	205,450,322	15,706,261	-	-	221,156,583
Import loans and other loans	15,513,001	2,026,760	-	-	17,539,761
Lease liabilities	18,966,864	(6,084,885)	(132,713)	1,411,941	14,161,207
Total liabilities from financing activities	239,930,187	11,648,136	(132,713)	1,411,941	252,857,551

31. FAIR VALUE MEASUREMENTS

The Group's and the Company's financial assets and liabilities include investments at fair value through OCI, trade and other receivables, cash and short term deposits, interest bearing loans and borrowings and trade and other payables. Except where otherwise stated, the carrying amounts of these assets and liabilities approximate their fair values.

(a) *Fair value of the Group's and the Company's assets and liabilities that are measured at fair value on a recurring basis*

Some of the Group and Company's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these assets and liabilities are determined (in particular the valuation technique(s) and the inputs used).

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observation market data (unobservable inputs).

	THE GROUP AND THE COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**
June 30, 2022				
Financial assets at fair value through other comprehensive income	**10,288,028**	-	**4,600,000**	**14,888,028**

	THE GROUP AND THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
June 30, 2021				
Financial assets at fair value through other comprehensive income	6,624,486	-	4,600,000	11,224,486

During the year there were no transfers between Level 1 and Level 2 fair value measurements.

	Fair value as at		**Fair Value Hierarchy**	**Valuation technique(s) and key input(s)**
	June 30, 2022	June 30, 2021		
	Rs	Rs		
THE GROUP AND THE COMPANY				
Financial assets at FVOCI				
Investment:				
Quoted securities:				
Leisure and hotels	**10,288,028**	6,624,486	Level 1	Quoted Market Value
Unquoted - others	**4,600,000**	4,600,000	Level 3	At cost
	14,888,028	11,224,486		
Investment properties / Assets Held for sale				
Office and Parking slots	-	5,550,000	Level 2	Sales comparison approach
Land	-	36,700,000	Level 2	Sales comparison approach
Building	-	29,600,000	Level 3	Depreciated replacement cost

During the year there were no transfers between Level 1 and Level 2 fair value measurements.

31. FAIR VALUE MEASUREMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	June 30, 2022	June 30, 2021		
	Rs	Rs		
THE GROUP				
Property, plant and equipment:				
Land	**55,000,000**	55,000,000	Level 2	Sales comparison approach and Depreciated replacement cost
Building	**245,990,792**	220,350,000	Level 3	Sales comparison approach and Depreciated replacement cost
THE COMPANY				
Property, plant and equipment:				
Land	**55,000,000**	55,000,000	Level 2	Sales comparison approach
Building	**214,715,285**	220,350,000	Level 3	Depreciated replacement cost

During the year there were no transfers between Level 1 and Level 2 fair value measurements.

THE GROUP AND THE COMPANY

The Group and the Company have assessed that the highest and best use of its properties do not differ from their current use.

The land was valued using the sales comparison method , that is, the fair value is determined on the basis of adjusted market value relying on sales of other properties in the nearby location, while the buildings were valued using the depreciated replacement cost.

Below are the significant unobservable valuation inputs for both the Group and the Company:

Property, plant and equipment:	**Significant unobservable inputs**	**Sensitivity**
Freehold land	Sales comparison	Rs 1,089- Rs 1,956 per m2
Buildings	Depreciation	+5%/-5%
		Rs (2,800,000)/2,700,000
Investment properties		
Freehold land	Sales comparison	Rs 76,000- Rs 84,000 per m2
Buildings	Depreciation	+5%/-5%
		Rs (1,000,000)/1,200,000

Significant increase/(decrease) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

31. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Fair value of the Group's and Company's assets and liabilities that are not measured at fair value on a recurring basis (but fair values are required).

THE GROUP

	2022		2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	Rs.	**Rs.**	Rs.	Rs.
Financial liabilities:				
Interest-bearing loans and borrowings	**659,687,447**	**659,687,447**	727,666,047	727,666,047

	Fair value hierarchy as at June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Financial liabilities:				
Interest-bearing loans and borrowings	-	**659,687,447**	-	**659,687,447**

	Fair value hierarchy as at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
Financial liabilities:				
Interest-bearing loans and borrowings	-	727,666,047	-	727,666,047

THE COMPANY

	2022		2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	Rs.	**Rs.**	Rs.	Rs.
Financial assets:				
Loan to subsidiary	**16,100,000**	**16,100,000**	10,100,000	10,100,000
Financial liabilities:				
Interest-bearing loans and borrowings	**312,684,141**	**312,684,141**	334,743,021	334,743,021

	Fair value hierarchy as at June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Financial assets:				
Loan to subsidiary	-	**16,100,000**	-	**16,100,000**
Financial liabilities:				
Interest-bearing loans and borrowings	-	**312,684,141**	-	**312,684,141**

	Fair value hierarchy as at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
Financial assets:				
Loan to subsidiary	-	10,100,000	-	10,100,000
Financial liabilities:				
Interest-bearing loans and borrowings	-	334,743,021	-	334,743,021

Valuation technique used is the present value of future cash flows, with discount rate being at market rate.

32. RELATED PARTY DISCLOSURES

THE GROUP

During the year ended June 30, 2022 and June 30, 2021, the Group transacted with related parties. The details of the nature, volume of transactions and the balances with the entities were as follows:

	Volume of transactions			Balance as at year end	
	Sales	**Purchases**	**Management fees and expenses recharge**	**Amounts receivable from**	**Amounts payable to**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
June 30, 2022					
Other related parties					
Art Media Communication	-	-	-	-	(113,056)
Aviation Plus Ltd	-	-	-	21,413	
Loan to Directors of McEasy Freight Co Ltd (Short term)	-	-	-	3,419,011	
Loan to Directors of subsidiary (Short term)	-	-	-	612,500	-
Loan to Directors of subsidiary (Long term)	-	-	-	2,500,000	
Loan from director	-	-	-	-	(4,500,000)
Entity over which the Group has joint control	-	-	-		
Impress Print Ltd	-	13,801,385	-	2,930,134	(3,252,743)
Planet Eco Ltee	-	-	-	40,729	(2,940)

	Volume of transactions			Balance as at year end	
	Sales	Purchases	Management fees and expenses recharge	Amounts receivable from	Amounts payable to
	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2021					
Entities over which the Group has significant influence					
L'Express de Madagascar S.A.R.L	-	-	-	4,848,363	-
Other related parties					
Loan to Directors of subsidiary (Short term)	-	-	-	765,385	-
Loan to Directors of subsidiary (Long term)	-	-	-	2,500,000	-
Loan from director				-	(2,800,000)
Entity over which the Group has joint control					
Impress Print Ltd	9,997	11,084,015	-	55,474	(4,526,083)
Planet Eco Ltee	-	-	-	4,919,644	-

32. RELATED PARTY DISCLOSURES (CONTINUED)

THE COMPANY

During the year ended June 30, 2022, the Company transacted with related parties. The details of the nature, volume of transactions and the

	Volume of transactions			Balance as at year end	
	Sales / Other income	Purchases	Management fees and expenses recharge	Amounts receivable from	Amounts payable to
June 30, 2022	Rs.	Rs.	Rs.		Rs.
Subsidiaries companies					
Caractère Limitée	**22,982,864**	**2,267,542**	**24,291,517**	**90,768,457**	**-**
5-Plus Ltd	**10,759,848**	**54,700**	**7,766,202**	**-**	**(11,345,404)**
Business Publications Ltd	**952,250**	**529,744**	**7,008,737**	**-**	**(4,046,813)**
Mediatiz Ltd	**625,650**	**600,000**	**1,468,088**	**-**	**(115,000)**
LSL Digital	**-**	**-**	**-**	**-**	**(7,197,369)**
Mc Easy Freight Co Ltd	**-**	**68,201**	**1,032,570**	**3,987,670**	**-**
Caractère Reunion	**-**	**-**	**-**	**-**	**(32,977)**
Other related parties					
Loan to Directors of subsidiary (Short term)	**-**	**-**	**-**	**612,500**	**-**
Loan to Directors of subsidiary (Long term)	**-**	**-**	**-**	**2,500,000**	**-**
Loan to subsidiary (Long term)	**-**	**-**	**-**	**1,000,000**	**-**
Loan from director	**-**	**-**	**-**	**-**	**(4,500,000)**
Entity over which the Group has joint control					
Impress Print Ltd	**-**	**13,801,385**	**-**	**-**	**(2,866,853)**

32. RELATED PARTY DISCLOSURES (CONTINUED)

THE COMPANY

During the year ended June 30, 2021, the Company transacted with related parties. The details of the nature, volume of transactions and the balances with the entities were as follows:

	Volume of transactions			Balance as at year end	
	Sales / Other income	Purchases	Management fees and expenses recharge	Amounts receivable from	Amounts payable to
June 30, 2021	Rs.	Rs.	Rs.		Rs.
Subsidiaries companies					
Graphic Press Limited	-	-		-	(6,912,266)
Caractère Limitée	12,033,784	7,865,708	50,520,259	104,065,582	-
5-Plus Ltd	11,664,212	18,342	9,372,318	-	(21,166,055)
One Advertising Limited	-	-	-	240,521	-
Eye Catch Ltd	-	-	-	880,621	-
Business Publications Ltd	453,327	340,674	9,367,141	-	(802,219)
Mediatiz Ltd	693,155	24,211	2,008,824	295,870	-
LSL Digital Ltd	-	-	-	15,188,425	-
La Sentinelle Training Center Ltd	-	-	-	-	(50,000)
Mc Easy Freight Co Ltd	-	56,421	913,105	2,744,887	-
Mc Easy Freight Co Ltd-Long term	-	-	-	10,100,000	-
Caractère Reunion	-	-	-	-	(35,903)
Entities over which the Group has significant influence					
L'Express de Madagascar S.A.R.L	-	-	-	3,265,013	-
Other related parties					
Loan to Directors of subsidiary (Short term)	-	-	-	612,500	-
Loan to Directors of subsidiary (Long term)	-	-	-	2,500,000	-
Loan from director	-	-	-	-	(2,800,000)
Entity over which the Group has joint control					
Planete Eco	-	-	-	4,911,019	-
Impress Print Ltd	9,997	11,084,015	-	-	(4,063,114)

32. RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel	THE GROUP AND THE COMPANY	
	2022	2021
	Rs.	Rs.
Short-term benefits	**23,952,815**	18,809,964
Defined contribution plan	**2,185,756**	1,849,758
	26,138,571	20,659,722

Terms and conditions of transactions with related parties:

All sales and purchases within the Group are made at commercial rates with a varying discount.

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. For the year ended June 30, 2022, there was an additional provision which has been recognised in relation to impairment of related party of **Rs. 33,431,339** (2021: Rs Nil) and reversal of **Rs 7,759,243** (2021: Rs 6,086,614). Refer to Note 14 with respect to intercompany trade receivables. This assessment is undertaken each financial year through examining the financial position of each related party and the market in which the related party operates. The impairment assessment done for loans and advances to staff and intercompany loans resulted in a non significant amount and therefore has not been disclosed separately.

The loan from Directors are interest free, unsecured and repayable as agreed with the parties.

33. COMMITMENTS AND CONTINGENCIES

Capital commitments	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs.	Rs.	**Rs.**	Rs.
Capital expenditure contracted for at reporting date but not recognised in the financial statements:				
Equipment	**-**	-	**-**	-
Plant and Machinery	**-**	-	**-**	-
Building	**-**	-	**-**	-

Contingent liabilities

There are currently a number of lawsuits that have been filed against the Group for diverse reasons, namely defamation/damaged claims against newspapers. The outcome of these claims is dependent upon the court decisions and cannot be reasonably assessed. For those claims, where the Directors, following legal advice, believe that the outcome will not be in favour of the Group, no liabilities were made as at June 30, 2022 (2021: Rs Nil).

As at 30 June 2022, the Group has bank guarantees of **Rs 60,234,863** (2021: Rs 557,555).

34. IMPACT OF WAR IN UKRAINE AND RUSSIA

In the wake of Russia's military operation in Ukraine, many of the world's leading paper, printing, and packaging companies have been deeply impacted by a sudden refusal to deal with Russian firms, drawing the ire of the industrial community.

On the whole, the military incursion is severing key supply chains – already in disarray from the outstretched impact of the COVID-19 pandemic – and setting global companies on a scramble to comply with an ever-growing set of sanctions.

The Ukrainian war has had a devastating effect on global supply chains, causing energy costs to significantly increase. This has been particularly difficult on the print industry as energy costs contribute to a significant part of the cost of all print consumables production.

Furthermore, the state of transportation routes connecting China with Europe is another casualty of the Russian invasion. Surging gas prices are increasing freight costs for all modes of transportation. The train route connecting the regions, which became highly competitive during the height of COVID-19, is now stalled.

Newsprint Paper

Hence, the Group adopted a very cautious approach with the supply of newsprint paper and CtP plates – for the offset, Web and Flexo printing segment. By spreading the risk over time and sourcing from various paper supplier and manufacturing location (North America, China), taking into account the product order cycle and price, we have been able to secure order with delivery in a timely manner to mitigate the impact of the war.

It should be noted that close to 700 000 tonnes of paper and board are exported by Russia to the EU. Italy (23%), Germany (19%) and Poland (8%) account for 50% of the Russian exports to the EU. Around two-thirds are packaging grades, with containerboard representing 43% of all exports. Therefore, print consumables orders from the EU is practically impossible these days as they have to compensate for the shortfall from Russia and Ukraine to cater for their own market.

Sanctions already in place are primarily targeting individuals and various financial institutions in Russia. So, any restriction on the trade of goods could substantially affect the paper industry from Russia and the Group will have to remain vigilant as the situation could evolve in many ways and restrictions on wood and wood-based products could be included in the sanctions by either EU or Russia. Thus, adding additional pressure on paper and pulp factories in other parts of the world, with possible price increase and extended lead time.

CTP Thermal Plates

Most Thermal plate manufacturers relates to possible shortages of aluminium as a result of the ongoing conflict in Ukraine and sanctions applied to Russia and from sharply rising costs through supply chain difficulties, including a rise in its wage bill.

The volatile currency fluctuations in the country haven't helped either and we have had to negotiate fiercely with our local plate suppliers to benefit from a competitive and sustainable price over time.

Based on international projections however, all the players in the graphic arts industry believe that the price of Thermal plates is bound to go down as most key plate player's manufacturing plants are now located in China with shipping prices expected to go down exponentially.

34. IMPACT OF WAR IN UKRAINE AND RUSSIA (CONTINUED)

Potential Suppliers views/concerns:

1. ***Demand versus supply***
USA, Europe and some other countries announced sanctions for (virgin) paper/board ex Russia. Along with that also most international shipping lines refuse to transport any goods from Russia. This only leaves India, Middle and Far East as potential markets for paper from Russia driving prices in these markets down because of over-supply.
At the same time there is lack of supply from Russia especially in Europe driving demand from other sources and as a result also price up.

2. ***Energy costs***
As an answer to sanctions, Russia has reduced and almost stopped supply of oil and gas to Europe.

In Europe there is only Norway and UK with significant oil/gas exploration but this is not even covering 20% of total

Paper production requires high input of energy and this industry is therefore very vulnerable and facing heavy increase of costs. During past 6 months some paper products have doubled in price just because of the extra costs for energy. Until July/August paper mills have been able to cover these costs because there was still high demand in Europe and customers paid 'any' price just to get hold of paper but demand situation in Europe has gone down during past 2 months. Usually mills would reduce their prices to keep collecting orders but with current high energy costs they don't have room to move.

Some mills in Europe are shutting down production for early maintenance, some are taking out shifts but others non-integrated mills are on the brink of surviving. As an example, one of Germany's biggest supplier of toilet paper (Hakle) has declared bankruptcy earlier this month.

3. ***EUR/USD exchange rate***

Since February the EUR/USD exchange rate moved from 1.15 to 0.96 which makes exports from Europe 20% more expensive, adding extra pressure for European producers who are depending on export.

Especially in Europe the current situation will make business difficult and very expensive, even more so if Russia totally stops supply of gas and oil because it will take years for mills to move to alternative power.

Apart from Europe the rest of the world is not facing such extremely high energy costs and together with improving freight rates paper from outside Europe will become more and more competitive.

Only mills offering specialty paper which is not produced outside Europe will be able to push through high prices and still keep good order intake but it is expected that many other European producers, especially small non-integrated mills will either shut down, move to production of special grades or be taken over by big international groups with better cost structure. In case of longer

On a lot of products, we have already started sourcing from alternative suppliers outside Europe but for some it is difficult to find a workable replacement.

The invasion of Ukraine has had a significant impact on the mobility of people and goods. Impacts from the conflict are forcing companies to recalibrate and, in some cases, wholly reconsider their long-standing supply chain and partner ecosystem

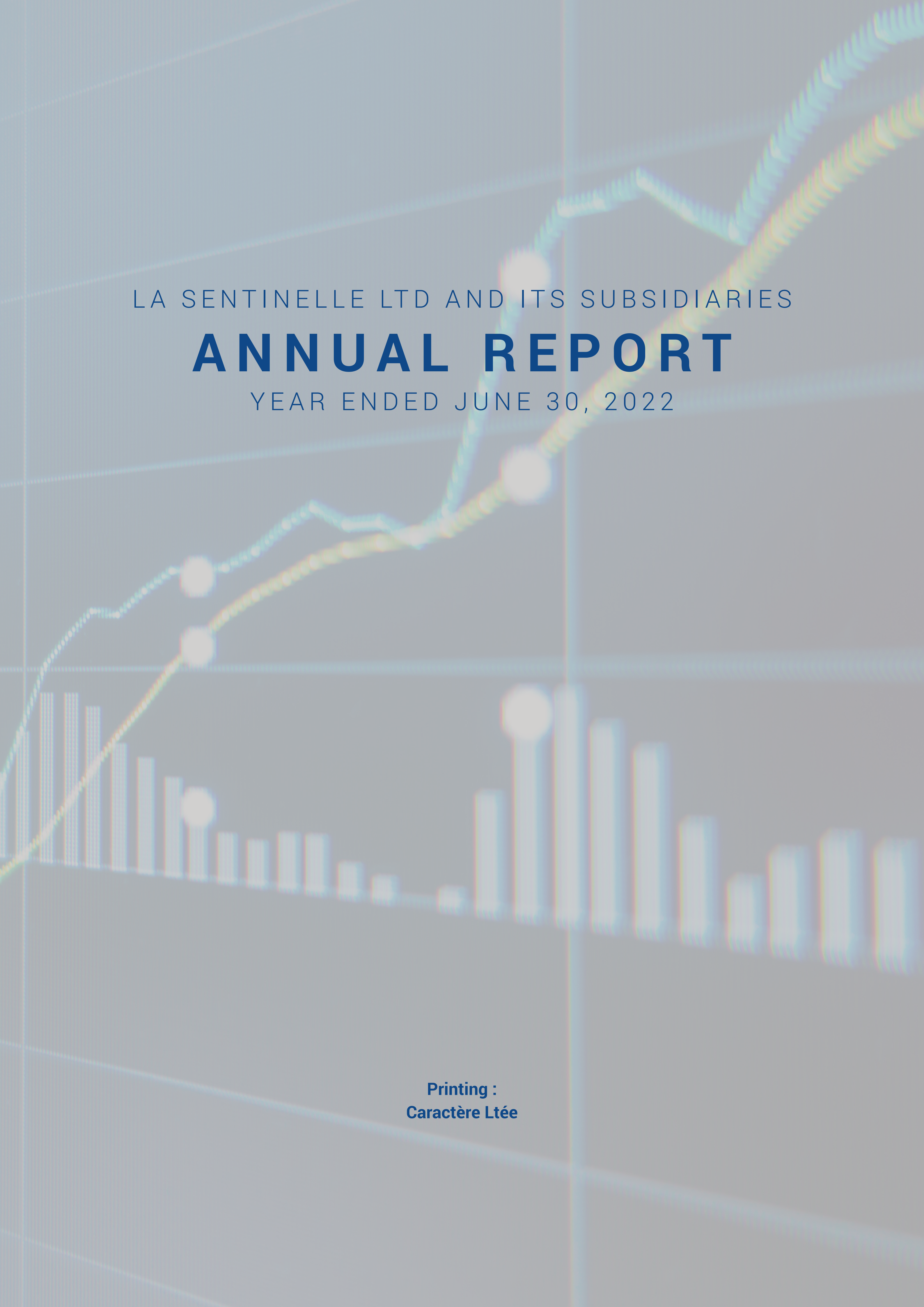
U.N. Assistant Secretary-General Ahunna Eziakonwa says inflation and trade disruption have put countries in a "very precarious situation."

Accept that this is the new normal
In a world order that is still in constant motion, planning is the only way forward for the Group. Therefore, the Group's best-in-class agile competencies are the key to maintaining growth in ambiguous times. Unfortunately, the Group cannot plan for every eventuality. Few businesses anticipated the pandemic or this war. It's challenging, but businesses like that of the Group must strive to become nimble companies that take advantage of opportunities and change course as necessary.

35. EVENTS AFTER THE REPORTING DATE

Subsequent to year end, the Group acquired a new machinery for Caractere Limitee for Rs. 3.4 m to cater for production of containers for dairy products in September 2022. The event did not result in any adjustments to the figures as at reporting date.

There were no other material events after the reporting date to the date that these financial statements were authorised for issue that warrant adjustments or disclosures in the financial statements for the year ended 30 June 2022.



LA SENTINELLE LTD AND ITS SUBSIDIARIES

ANNUAL REPORT

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