Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of The Union Sugar Estates Company Limited and its subsidiaries for the year ended December 31, 2022, the contents of which are listed below.

This report was approved by the Board of Directors on March 27, 2023.

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

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CORPORATE INFORMATION

Directors:	Date Appointed:
Gérard GARRIOCH - *Chairman*	*May 13, 2011*
Thierry MERVEN - *Group Chief Executive Officer*	*May 13, 2011*
Patrice DOGER DE SPEVILLE	*May 13, 2011*
Jacques MARRIER D'UNIENVILLE	*May 13, 2011*
Jean-Marc ULCOQ	*December 12, 2012*
Jacques HAREL	*August 7, 2018 (resigned on June 30, 2022)*
Marc HEIN	*October 1, 2021*
Anabelle SAMOUILHAN	*December 2, 2022*

Senior Management Team:	Position:
Thierry MERVEN	*Group Chief Executive Officer*
Ashwin FOOGOOA	*Group Chief Financial Officer*
Christel CHAN YAM FONG	*Group Finance Manager*
Christina LEVALLOIS	*Group Human Resources Manager*
Christophe CURÉ	*Group Property Manager*
Pierre-Philippe LENFERNA	*Chief Operating Officer - Agriculture (as from July 1, 2022)*
Pierre Yves MONGELARD	*Group Agricultural Manager (up to November 30, 2022)*
Kareen THEODORE-COTRY	*Group Agronomist & Diversification Manager (up to March 16, 2022)*
Jacques-Edgar BÉGA	*Field Manager (as from April 1, 2022)*
Arnaud GUIBERT	*Administrative Manager, The Union Sugar Estates Company Limited*

Registered Office:
Union Ducray
Rivière des Anguilles
Republic of Mauritius
Tel : (230) 626 2248
Fax : (230) 625 2541
Website : www.cbvl.mu

Company Secretary:
Navitas Corporate Services Ltd
Navitas House
Robinson Road
Floréal
Republic of Mauritius

Internal Auditors:
BDO Financial Services Ltd
10, Frère Felix de Valois Street
Port Louis
Republic of Mauritius

Corporate Office:
Riche en Eau
St Hubert
Tel : (230) 633 7310
Fax : (230) 633 5244
Republic of Mauritius

Legal Advisers:
Me. Patrice Doger de Spéville
5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
Republic of Mauritius

Me. André Robert
8, Georges Guibert Street
Port Louis
Republic of Mauritius

Notary:
Me. Didier Maigrot
1st Floor, Labama House
Sir William Newton Street
Port Louis
Republic of Mauritius

External Auditors:
Deloitte
7th Floor, Standard Chartered Tower
19 Cybercity, M2 Ebene
Republic of Mauritius

BANKERS:
SBM Bank (Mauritius) Ltd
SBM Tower
1, Queen Elizabeth II Avenue
Port Louis
Republic of Mauritius

The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Republic of Mauritius

Share Registry:
MCB Registry and Securities Ltd
Raymond Lamusse Building
Sir William Newton Street
Port Louis
Republic of Mauritius

CHAIRMAN'S STATEMENT

Dear Shareholder,

Please find hereafter, on behalf of the Board of Directors, the audited Financial Statements of The Union Sugar Estates Company Limited (USE) and its subsidiaries for the year ended 31 December 2022.

During the year under review, the total revenue from the agro segment remained stable. Total sugar revenue inclusive of gain arising from changes in fair value of standing cane valuation and SIFB compensation decreased by Rs 18.6m as compared to last year. This has been compensated by diversification activities which recorded a rise of Rs 18.3m in revenue. Proceeds from sugar and its by-products surged by Rs 15.9m mainly due to an increase in estimated price of sugar from Rs 14,903*/tonne for crop 2021 to Rs 22,026*/tonne for crop 2022. The improved performance in sugar proceeds was hampered by a negative variance in standing crop valuation of Rs 26.7m. Furthermore, the Group has not received any SIFB compensation this year as compared to an amount of Rs 7.8m received in year 2021.

Crop 2022 has been a very bad harvest with a sugar yield of 8.11 tonnes per hectare as compared to 9.36 tonnes per hectare recorded for crop 2021. Cane production across the island has been disappointing, but fortunately sugar extraction mitigated the decline in sugar production.

Revenue from diversification activities has been encouraging especially for potatoes and vegetables. Improvement in yield and prices have resulted in an increase in turnover of Rs 11.8m for potatoes and Rs 4.4m for vegetables.

It is to be noted that all activities in the agro segment were severely impacted by soaring prices of their imported inputs due to the adverse effect of Covid-19 and war in Ukraine. Thus, the financial performance of the segment suffered from this situation.

For the year under review, the Group realised a profit on disposal of land amounting to Rs 42m. On 16th August 2022, the Group has increased its investment in Société Union Saint Aubin and now holds a majority stake in the Société. The above transaction resulted in a combined gain of Rs 28m recorded in the Group's statement of profit or loss in year 2022.

Overall, the Group recorded an operating profit of Rs 0.5m in 2022 compared to a profit of Rs 32.7m for the preceding year whilst net profit stood at Rs 71.0m in 2022 and Rs 84.9m in 2021.

A dividend of Rs 1.587 per share was declared on 29th December 2022 and paid on 21st February 2023.

The future of the sugar sector in Mauritius remains challenging on account of volatility in sugar prices and the escalating rate of inflation. We expect to obtain a slightly higher sugar price for crop 2023 amid concerns over lower global availabilities, following declining production prospects from major sugar producing countries. The depreciation of the Mauritian rupee is also assumed to contribute towards a higher sugar price in 2023. Furthermore, with the anticipated drop in cost of freight, we foresee a stabilisation in the cost of supplies for the next financial year.

I also wish to point out that the objective of disposing of non-core assets is still high on our agenda. This will allow us to generate funds for future investments and developments.

I wish to express my sincere thanks to the shareholders for their continued trust and to the Group Chief Executive Officer, the management team and all the staff for their commitment and hard work.

Finally, I wish to express my appreciation to my fellow directors for their support and contribution during the year.

Gérard GARRIOCH
Chairman

May 15, 2023

* Prices mentioned above were the estimates used in the financial statements 2022.

REPORT OF THE GROUP CHIEF EXECUTIVE OFFICER

Dear Shareholder,

I am pleased to report on the activities of the Group for the financial year ended 31st December 2022.

GROUP FINANCIAL HIGHLIGHTS

	2022 Rs'm	2021 Rs'm	2020 Rs'm	2019 Rs'm	2018 Rs'm
Revenue	182.8	188.1	135.9	149.5	492.1
Operating profit/(loss)	0.5	32.7	(49.3)	(17.0)	(21.0)
Profit/(loss) before tax	73.8	92.2	(16.0)	(10.5)	(178.0)
Earnings/(loss) per share (Rs) *	3.75	4.49	0.70	(2.89)	(6.66)
Stated capital	1.89	1.89	1.89	18.9	18.9
Total equity	1,746.7	1,661.3	1,562.5	2,405.4	1,560.5
Equity attributable to owners of the Company	1,721.0	1,661.3	1,562.5	2,289.6	1,542.0
Total assets	2,339.0	2,214.4	2,232.5	5,097.2	3,397.1
Net asset per share (Rs)	91.1	87.9	82.7	121.1	81.6

* For continuing and discontinued operations

REVIEW BY BUSINESS UNITS

The Union Sugar Estates Company Limited

Total revenue for the Company for year 2022 (Rs 184.7m) was at par with 2021 (Rs 184.9m). It is to be noted that total sugar cane revenue decreased by Rs 18.6m while other operating income showed an upturn of Rs 18.3m.

Sugar proceeds improved by Rs 15.9m and were positively impacted mainly by a rise in the price of sugar. Sugar price increased from Rs 14,903*/tonne in 2021 to Rs 22,026*/tonne for this year's crop. However, the price of molasses decreased from Rs 4,707*/tonne in 2021 to Rs 4,096*/tonne for year 2022. On the other hand, the price of bagasse has remained stable at Rs 3,300*/tonne of sugar. The company did not receive any compensation from SIFB this year whereas Rs 7.8m was recorded in 2021. Total sugar revenue was negatively impacted by a variance of Rs 26.7m arising from standing cane valuation, but was compensated by the positive effect of the surge in the price of sugar.

* Prices mentioned above were the estimates used in the financial statements 2022.

Production for crop 2022 was very disappointing for USE as well as for the whole island, mostly because of the unfavourable climate which prevailed. Cane yield stood at 77.9 tonnes per ha. compared to the 94.1 tonnes per ha. for year 2021. Fortunately, the extraction rate was better than last year and partly compensated for the poor cane production. Overall sugar accruing dropped by 9.7% compared to crop 2021 despite an amelioration of 4% in the area harvested.

Sugar Price Statistics for the last 5 years were as follows:

	2022 (est.)	2021	2020	2019	2018
Sugar price (Rs/Tonne)	22,026	16,765	14,062	11,383	8,685

Crop statistics for the last 5 years were as follows:

	2022	2021	2020	2019	2018
Area Harvested (Hectares)	665	639	691	756	912
Cane Tonnage (Tonnes)	51,848	60,146	55,567	78,284	77,219
Cane Yield (Tonnes/Hectares)	77.9	94.1	80.4	103.6	84.6
Extraction rate (%Sugar/Cane)	10.42	9.94	10.22	9.48	10.30
Sugar accruing (Tonnes)	4,212	4,665	4,429	5,786	6,202
Sugar Yield (Tonnes/Hectares)	8.11	9.36	8.22	9.82	8.71

Agricultural income for year 2022 amounted to Rs 53.7m and showed a growth of Rs 16.6m compared to Rs 37.1m recorded in 2021 mainly due to a boost in potatoes and vegetables turnover.

In 2022, the cultivation of potatoes was carried out on 61.5 hectares and 1,493 tonnes were harvested. This year's crop showed satisfactory results in terms of both price and production. The average selling price of potatoes escalated by 22.5% whilst production also climbed by 16%, which resulted in a growth of Rs 11.8m in turnover as compared to last year.

Harvest results of potatoes for the last 5 years were as follows:

	2022	2021	2020	2019	2018
Area harvested (Hectares)	61.5	54.5	51.3	70.3	57.3
Area harvested mechanically (Hectares)	37.4	40.6	37.0	46.4	22.0
Tonnage (Tonnes)	1,493	1,285	1,141	1,647	1,513
Average yield (Tonnes/Hectares)	24.3	23.6	22.2	23.4	26.4

The sale of vegetables increased by Rs 4.4m and showed a marked improvement over the past years. Increases in prices were noted across the whole range of our products.

The operating results of the company have been negatively impacted in 2022 due to a sharp increase in operating costs whilst total revenue remained at par with last year. Covid-19 and war in Ukraine have caused the cost of supplies and services to shoot up very significantly for the year under review and accounted largely for the results.

Land and property development

The Group is further expanding its activities in land and real estate development and aims to unlock value from the prime land that it owns with the following morcellement projects:

- **Combo**
  The Morcellement agricole de Combo consists of 203 lots over 234 arpents. The development is a one-of-its-kind project in Mauritius, located next to the Avalon golf estate with a bird's eye view of the south of the island. The plots are relatively flat as they have been mechanized for the cultivation of sugar cane. The morcellement permit has been received in April 2022.

- **Terracine**
  The Lotissement de Terracine is a medium-class residential development which consists of 137 plots over 18 arpents with construction guidelines. Infrastructural works have been completed in November 2022, and the morcellement permit is expected to be received during the year 2023.

  The Morcellement agricole de Terracine consists of 140 lots over 80 arpents. The project is opposite to the Lotissement de Teracine and close to Souillac. The Morcellement Permit has been obtained in March 2022.

REPORT OF THE GROUP CHIEF EXECUTIVE OFFICER

Société Union Saint Aubin

On 16th August 2022, the Company acquired an additional stake of 16.04% in Société Union Saint Aubin ("SUSA") for an amount of Rs 3.330m, thus bringing its total shareholding from 44.50% to 60.54%. SUSA is now considered as a subsidiary of the Company and the above transaction resulted in a gain on disposal of associate and subsequent acquisition of subsidiary of Rs 28m in the Group's statement of profit or loss.

OUTLOOK

On the revenue front, it is anticipated that the sugar industry of Mauritius is most likely to obtain slightly better sugar prices for the next crop. Sugar prices on both the European and world market are on a stable trend and the depreciation of the Mauritian rupee should positively impact its revenue. However, the consequences of the covid-19 pandemic on the supply chain and the war in Ukraine have caused a spiralling effect on inflation during 2022. The effect on the cost of production seems to show some sign of stabilisation but nevertheless remains a matter of concern.

The sales of vegetables are expected to increase in the future with the acquisition of two new greenhouses at USE. Regarding real estate, we noted that there is a high demand for land, and we expect the same trend to continue for the next financial year.

ACKNOWLEDGEMENT

I wish to express my sincere thanks to the chairman Mr Gérard Garrioch for his continued trust and fruitful collaboration. My appreciation is also extended to the board members for their support and guidance throughout the year, to the management team and all employees for their hard work, dedication and contribution to the achievements of the Group.

Thierry MERVEN
Group Chief Executive Officer

May 15, 2023

The Board of Directors of The Union Sugar Estates Company Limited ('USE' or the 'Company') is pleased to present the Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group" for the year ended December 31, 2022.

NATURE OF BUSINESS

The main activity of the Company is growing and cultivation of sugar cane and other agricultural products.

DIRECTORS

The Directors of the Company for the year under review are:
Gérard GARRIOCH - *Chairman*
Thierry MERVEN - *Group Chief Executive Officer*
Patrice DOGER DE SPEVILLE
Jacques MARRIER D'UNIENVILLE
Jean-Marc ULCOQ
Jacques HAREL *(resigned on June 30, 2022)*
Marc HEIN
Anabelle SAMOUILHAN *(appointed as from December 2, 2022)*

The list of Directors of the subsidiaries is disclosed on page 29.

DIRECTORS' SERVICE CONTRACT

As at December 31, 2022, there is no service contract between the Company and any of its Directors.

CONTRACTS OF SIGNIFICANCE

There were no contracts of significance subsisting during the year to which the Company or its subsidiaries was a party and in which a director was materially interested either directly or indirectly.

DIRECTORS' SHARE INTERESTS

The Directors' direct and indirect interests in the stated capital of the Company or its subsidiaries are detailed in the Corporate Governance Report.

STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2022 (SECTION 221 OF THE MAURITIUS COMPANIES ACT 2001)

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received or due and receivable from the Company and its subsidiaries were as follows:

	From the Company		From Subsidiaries	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors				
Thierry Merven	**150**	140	**-**	-
Non-Executive Directors				
Gérard GARRIOCH	**155**	145	**-**	-
Patrice DOGER DE SPEVILLE	**165**	155	**-**	-
Jacques MARRIER D'UNIENVILLE	**160**	155	**-**	-
Jean-Marc ULCOQ	**170**	160	**-**	-
Jacques HAREL *(resigned on June 30, 2022*)	**70**	120	**-**	-
Marc HEIN	**130**	35	**-**	-
Anabelle SAMOUILHAN *(appointed as from December 2, 2022)*	**8**	-	**-**	-
	1,008	910	**-**	-

DONATIONS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non - political donations	**-**	5	**-**	5

AUDITORS' FEES

The fees paid to the auditors, Deloitte, for audit and other services were:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees	**880**	840	**880**	840

No other services were provided by the auditors.

Approved by the Board of Directors on March 27, 2023 and signed on its behalf by:

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

Name of Public Interest Entity ('PIE') **:** The Union Sugar Estates Company Limited ('the Company' or 'USE')

Reporting period **:** Year ended December 31, 2022

On behalf of the Board of Directors of USE, we confirm that, to the best of our knowledge, the Company has partially complied with its obligations and requirements under the Code of Corporate Governance for Mauritius (2016) (the 'Code').

The areas of non-compliance are as follows

- Principle 1:
  - Board Charter
    The Board Charter has already been finalised and the said document has been approved by the Directors in the Board meeting scheduled in March 2023.

- Principle 2:
  - Independent Director
    The Board is of view that Directors who have served more than nine years since their appointment still bring to the Company a valuable contribution in terms of experience, professionalism, integrity, and objectivity. The Company expects to appoint the independent Director before the end of the next 2 financial years.

- Principle 3:
  - Succession Planning
    The Board is aware of the importance of succession planning for the Company and is satisfied that a senior executive can be replaced at reasonably short notice, as evidenced, following the retirement of Mr. Pierre Yves MONGELARD, Mr. Pierre-Philippe LENFERNA has been appointed as the Chief Operating Officer (Agriculture) as from July 1st 2022. Furthermore, the succession planning policy has been approved by the Directors in the Board meeting scheduled in March 2023.

- Principle 4:
  - Board Evaluation
    The Board Evaluation questionnaire has been reviewed and the said document has been approved by the Directors in the Board meeting scheduled in March 2023. Furthermore, a proper Board evaluation will be carried out as from the next financial year.

  - Information, Information Technology and Information Security
    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.

- Principle 5:
  - Whistle-blowing procedures
    The formal whistle-blowing policy consists of responsible and effective procedures for disclosure or reporting of misconduct and impropriety so that appropriate actions are taken. The Whistle-blowing policy has already been finalised and the said document has been approved by the Directors in the Board meeting scheduled in March 2023.

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

March 27, 2023

COMPANY PROFILE

The Company, incorporated on July 4, 1913 in the Republic of Mauritius, is a Public Interest Entity as defined by the Financial Reporting Act 2004.

Initially set up as a sugar cane miller-planter, USE is listed on the Development Enterprise Market ('DEM') of the Stock Exchange of Mauritius Ltd since August 4, 2006.

As at December 31, 2022, the stated capital of the Company was Rs1,890,000/- divided into 18,900,000 ordinary shares of no par value.

Principle 1: Governance Structure

The Board and Management of USE reiterate their commitment to sustain high standards of Corporate Governance in order to maximise long-term value of all Shareholders and Stakeholders at large. Furthermore, it endorses the highest standards of business integrity and professionalism to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

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.

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Company, which are laid down in the following:
- USE's Constitution;
- the Terms of Reference of the Board Committees;
- the National Code of Corporate Governance for Mauritius (2016);
- the Mauritius Companies Act 2001;
- the Securities Act 2005; and
- the DEM Rules of The Stock Exchange of Mauritius.

The Directors and Management of USE also recognise the need to adapt and improve the principles and practices in light of their experience, regulatory requirements and investor expectations.

The Board Charter has already been finalised and the said document has been approved by the Directors in the Board meeting scheduled in March 2023.

Moreover, a Group Code of Ethics has been adopted by the Board of Directors to ensure that policies, procedures and controls are in place for the business to be conducted honestly, fairly and ethically.

The Code of Ethics includes the principles, norms and standards that the Group wants to promote and integrate within its corporate culture in the conduct of its activities, including internal relations, interaction and dealings with external stakeholders.

Additionally, every person holding a senior governance position within the Company has a job contract and is fully aware of his/her key responsibilities.

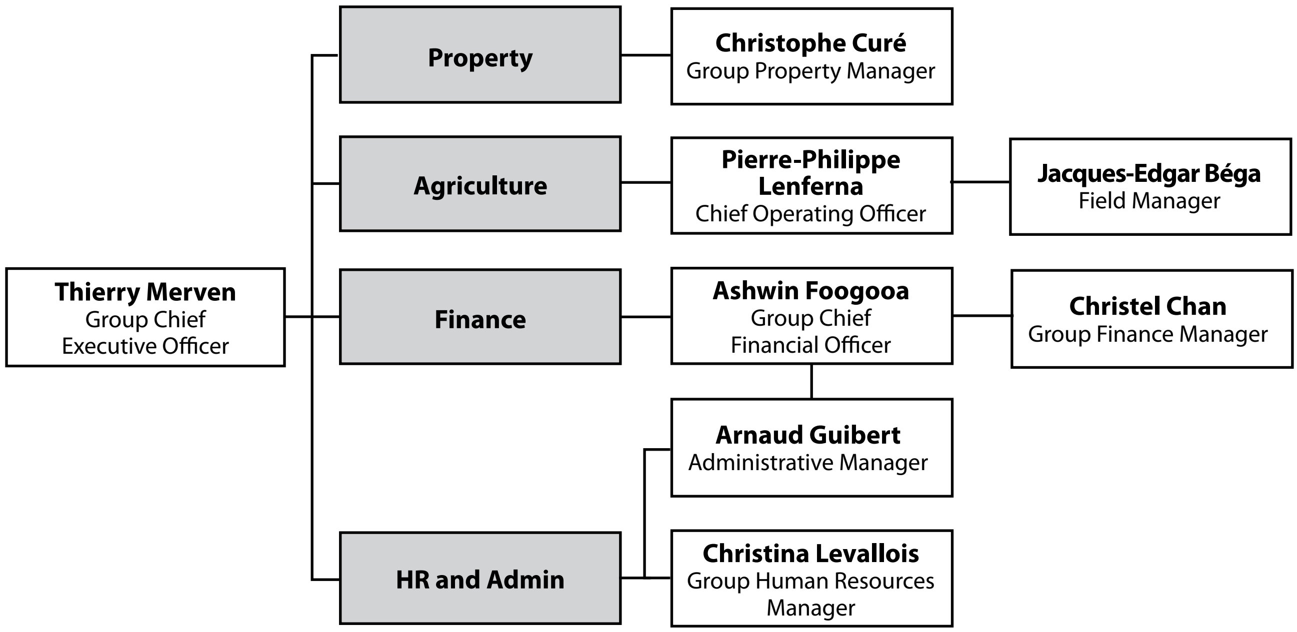
CONSTITUTION

USE's Constitution is in conformity with the provisions of the Mauritius Companies Act 2001 and the DEM Rules of The Stock Exchange of Mauritius.

There are no clauses of the Constitution deemed material enough for special disclosure.

A copy of USE's Constitution can be obtained upon request in writing to the Company Secretary at its registered office c/o Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.

SENIOR MANAGEMENT ORGANISATIONAL CHART



<u>Principle 2: The Structure of the Board and its Committees</u>

BOARD STRUCTURE

USE is led by an effective unitary Board which is the favoured structure for companies in Mauritius.
The Board of USE consists of one (1) Executive, five (5) Non-Executives and one (1) 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 Constitution of USE provides that the Board of Directors shall consist of not less than six (6) and no more than nine (9) directors. All the Directors are re-elected by separate resolutions at every Annual Meeting of Shareholders of the Company.

BOARD COMPOSITION

On December 2, 2022, the Board appointed Ms. Anabelle SAMOUILHAN as Independent Director of the Company. The profile of Ms. Anabelle SAMOUILHAN is set out on page 19.

During the year 2022, the Board of USE was composed as follows:

Name of Directors	Category
Gérard GARRIOCH *(Chairman & Chairman of the Corporate Governance Committee)*	Non-Executive Chairman of the Board
Thierry MERVEN *(Group Chief Executive Officer)*	Executive Director
Patrice DOGER DE SPEVILLE	Non-Executive Director
Jacques MARRIER D'UNIENVILLE	Non-Executive Director
Jean-Marc ULCOQ *(Chairman of the Audit & Risk Committee)*	Non-Executive Director
Jacques HAREL *(resigned on June 30, 2022)*	Non-Executive Director
Marc HEIN	Non-Executive Director
Ms. Anabelle SAMOUILHAN *(appointed as from December 2, 2022)*	Independent Non-Executive Director

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

The Board is of view that Directors who have served more than nine years since their appointment still bring to the Company a valuable contribution in terms of experience, professionalism, integrity, and objectivity. The Company expects to appoint the independent Directors before the end of the next 2 financial years.

The names of the Directors, their profiles and their categorisation as well as their directorship details are set out in the Directors' Profiles section of this report. In this respect, the Board has decided to only disclose the directorships in listed companies and the list of directorship for unlisted companies will be available upon request.

BOARD DIVERSITY

The Directors of USE are all ordinarily residents of Mauritius.

USE 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.

USE believes that, based on its size, 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 USE's ultimate decision-making entity and exercises leadership, entrepreneurship, integrity and sound judgement in directing the Company to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

The Board also ensures that the activities of the Company comply with all legal and regulatory requirements as well as its Constitution from which the Board derives its authority to act.

BOARD OF DIRECTORS (CONT'D)

All Directors are aware of the key discussions and decisions of the committees as the Chairman of each committee provides a summary to all the Directors at the Board meeting following the relevant committee meetings.

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

The role of the Board of Directors is, *inter alia*:

a) To provide entrepreneurial leadership to the Company within a framework of prudent and effective risk management;
b) To determine the Company's vision, strategy and values;
c) To monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
d) To make sure that the necessary financial and human resources are in place for the Company to meet its objectives;
e) To ensure that the Company complies with all laws, regulations and codes of best business practice;
f) To keep proper accounting records, ensure that a true and fair set of financial statements are prepared.

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

As a cornerstone of Corporate Governance, during the year under review, the duties and responsibilities of the Chairman and Group Chief Executive Officer are kept separate to ensure proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

In his role as Chairman, Mr. Gérard GARRIOCH, is responsible for leading the Board and for ascertaining its effectiveness whereas the Group Chief Executive Officer, Mr. Thierry MERVEN, has the day-to-day management responsibility of the operations, implementing the strategies and policies approved by the Board.

BOARD MEETINGS

The Board meetings are normally held at least 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.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius 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 make focused and informed deliberations 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 Company's expense.

A quorum of a majority of the Directors is currently required for a Board Meeting of USE and in case of equality of votes, the Chairman has a casting vote.

For the year under review, the Board met three (3) times and decisions were also taken by way of resolutions in writing, agreed and signed by all Directors.

The Directors may ask for any explanations or production of additional information and, more generally, submit to the Chairman any request for information or access to information which might appear to be appropriate to him. As per the Constitution of the Company, a majority of Directors is currently required to constitute a Board meeting.

BOARD MEETINGS (CONT'D)

All Directors have a duty to declare conflicts of interest before proceeding with any transaction. As such, a Director who had declared his interest shall not vote on any matter relating to transaction or proposed transaction in which he is interested but shall be counted in the quorum present for the same purpose of that decision. The Company Secretary takes note of any conflict of interest declared by a Director and same is recorded in the minutes 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

In line with the Code, and in order to facilitate effective management, the Board has constituted an Audit & Risk Committee as well as a Corporate Governance Committee. These two (2) Committees operate within defined Terms of Reference and independently to the Board.

The Chairman of each Board Committees report on the proceedings of the Committees at each Board meeting of the Company and the Committees regularly recommend actions to the Board. The Company Secretary acts as secretary to the Board Committees.

The Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

The Board of USE believes that the members of its two (2) above-mentioned Committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties.

The Board of Directors assesses the Terms of Reference of the two (2) Board Committees on a regular basis to ensure that same are being applied correctly and that the said Terms of Reference are still compliant with the various regulations.

Audit & Risk Committee

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

Members	Category
Jean-Marc ULCOQ - *Chairman*	Non-Executive Director
Patrice DOGER DE SPEVILLE	Non-Executive Director
Jacques MARRIER D'UNIENVILLE	Non-Executive Director
Ms. Anabelle SAMOUILHAN *(as from December 14, 2022)*	Independent Non-Executive Director
In attendance (when deemed appropriate)	
Thierry MERVEN	Group Chief Executive Officer
Ashwin FOOGOOA	Group Chief Financial Officer
Christel CHAN YAM FONG	Group Finance Manager
Arnaud GUIBERT	Administrative Manager
BDO Financial Services Ltd	Internal Auditors – Independent Service Provider
Deloitte	External Auditors – Independent Service Provider

The Audit & Risk Committee operates under the Terms of Reference approved by the Board.

The Committee meets at least once each quarter and reports on its activities to the Board. A quorum of two (2) members is currently required for a Audit & Risk Committee meeting.

Audit & Risk Committee (cont'd)

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.

The Audit & Risk Committee met four (4) times for the year under review.

Deloitte had been re-appointed as external auditors of the Company following the Annual Meeting of Shareholders held on the September 27, 2022.

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

The Company Secretary acts as Secretary of the Audit & Risk Committee to ensure proper recording of the proceedings of the meetings.

Corporate Governance Committee

The composition of the Corporate Governance 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	Category
Gérard GARRIOCH - *Chairman*	Non-Executive Chairman of the Board
Thierry MERVEN	Executive Director
In attendance (when deemed appropriate)	
Ashwin FOOGOOA	Group Chief Financial Officer
Christel CHAN YAM FONG	Group Finance Manager

The Corporate Governance Committee operates under the Terms of Reference approved by the Board and a quorum of two (2) members is currently required for a meeting of the said Committee.

The main functions of the Corporate Governance Committee are as follows:
- Providing guidance to the Board on all corporate governance provisions to be adopted so that the Board remains effective and follows prevailing corporate governance principles;
- Reviewing the Corporate Governance Report to be published in USE's Annual Report and ensuring that the reporting requirements are in accordance with the principles of the Code of Corporate Governance;
- Recommending to the Board of Directors the adoption of policies and best practices as appropriate;
- *In its role as Nomination Committee,* reviewing the structure, size and composition of the Board, identifying and recommending to the Board possible appointees as Directors, making recommendations to the Board on matters relating to appointment or re-appointment of Directors and succession plans for Directors whilst assessing the independence of the Independent Non-Executive Directors; and
- *In its role as Remuneration Committee,* determining and developing the Company's and Group's general policy on executive and senior management remuneration and making recommendations to the Board on all the essential components of remuneration whilst determining the adequate remuneration to be paid to Directors and senior management.

Corporate Governance Committee (cont'd)

The Corporate Governance Committee met once (1) during the year under review.

The Corporate Governance Committee confirms that it has fulfilled its responsibilities for the year under review in accordance with its Terms of Reference.

Even though the Code's aspiration is that the Corporate Governance Committee be chaired by an Independent Non-Executive Director, the Chairman of the Board of Directors of USE, namely Mr. Gérard GARRIOCH, has been appointed as Chairman of the said Committee in view of his extensive experience and knowledge and in order to provide continuity in the application of best practices.

The Company Secretary acts as Secretary of the Corporate Governance Committee to ensure proper recording of the proceedings of the meetings.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

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

Name of Directors	Category	Board Meetings	Audit & Risk Committee Meetings	Corporate Governance Committee Meetings
Gérard GARRIOCH *(Chairman of the Board & Chairman of the Corporate Governance Committee)*	NECB	3 out of 3	N/A	1 out of 1
Thierry MERVEN *(Group Chief Executive Officer)*	ED	3 out of 3	4 out of 4*	1 out of 1
Patrice DOGER DE SPEVILLE	NED	3 out of 3	4 out of 4	N/A
Jacques MARRIER D'UNIENVILLE	NED	3 out of 3	3 out of 4	N/A
Jean-Marc ULCOQ *(Chairman of the Audit & Risk Committee)*	NED	3 out of 3	4 out of 4	N/A
Jacques HAREL *(resigned on June 30, 2022)*	NED	2 out of 2	N/A	N/A
Marc HEIN	NED	3 out of 3	N/A	N/A
Ms. Anabelle SAMOUILHAN *(as from December 2, 2022)*	INED	N/A	N/A	N/A
In attendance				
Ashwin FOOGOOA	N/A	3 out of 3	3 out of 4	1 out of 1
Christel CHAN YAM FONG	N/A	3 out of 3	4 out of 4	1 out of 1
Arnaud GUIBERT	N/A	3 out of 3	4 out of 4	N/A

** In attendance – not a member*

ED: Executive Director
INED: Independent Non-Executive Director
NECB: Non-Executive Chairman of the Board
NED: Non-Executive Director

Principle 3: Directors' Appointment Procedures

DIRECTORS' PROFILES

The names of all Directors, their profile and their categorisation as well as their Directorship details in listed companies are provided thereafter.

Gérard GARRIOCH, *Non-Executive Director*
(Chairman and Chairman of the Corporate Governance Committee)
Mr. Gérard Garrioch, born in 1955, is the holder of a Master in Business Administration with Distinction from the University of Surrey, UK and a BSc (1st Class Honours) Biochemistry, from the University of Bath, UK. He has worked for 36 years for the Cernol Group of which he was a shareholder and the Executive Chairman since 2005 until he retired in August 2017. He is also a Director of ENL Commercial Limited and was the President of the Association of Mauritian Manufacturers, President of the Mauritius Employers Federation and Chairman of the Joint Economic Council. He was also a member of the National Economic and Social Council and Human Resource Development Council. He is the Chairman of Compagnie de Beau Vallon Ltée since June 2011 and also the Chairman of ENL Commercial Limited.

Other directorships in listed companies:
- *Southern Cross Tourist Company Limited*

Thierry MERVEN, *Executive Director*
(Group Chief Executive Officer)
Mr. Thierry Merven, born in 1962, holds a "Maîtrise en Aménagement du Territoire" and a "Diplôme d'Études Supérieures Spécialisées (DESS) en Aménagement et Développement Local" from l'Institut d'Aménagement Régional d'Aix-en-Provence (France). He is currently the Group Chief Executive Officer of Compagnie de Beau Vallon Ltée, The Union Sugar Estates Company Limited and Southern Cross Tourist Company Limited which comprise of sugar estates and agricultural diversification, property development activities and hospitality. He joined the sugar sector in 2004 as General Manager of Compagnie de Beau Vallon Ltée which manages Riche en Eau S.E. He started his career in France where he practised between 1987 and 1996 as a Town Planner, Developer and Environmental Specialist. Upon his return to Mauritius in 1996, he successively held office as Manager of Société de Traitement et d'Assainissement des Mascareignes Ltée (STAM) and of IBL Environment Ltd. He was the President of the Mauritius Chamber of Agriculture between 2008 and 2011 and the Chairperson of the Sugar Industry Pension Fund (SIPF) between 2017 and 2022. He is a Board member of several sugar-sector institutions and companies involved in agricultural production, sugar, hospitality and property development.

Other directorships in listed companies:
- *Southern Cross Tourist Company Limited*

Patrice DOGER DE SPEVILLE, *Non-Executive Director*
Mr. Patrice Doger de Spéville, born in 1956, graduated in Law at the Council of Legal Education School of Law of London, UK and is also the holder of a French "Licence & Maitrise en Droit". He was called to the Mauritian Bar in 1978 and, is a member of the Middle Temple. He was the President of the Mauritius Bar Council, was elevated to the rank of Senior Counsel in June 2010 and is currently in charge of the local "New Bar Chronicle". He is a litigation lawyer and is the legal advisor to various banking, financial, insurance, industrial, hotels and commercial institutions.

Other directorships in listed companies:
- *Southern Cross Tourist Company Limited*

DIRECTORS' PROFILES (CONT'D)

Jacques MARRIER D'UNIENVILLE G.O.S.K, *Non-Executive Director*
Mr. Jacques Marrier d'Unienville, born in 1968, holds a Bachelor's degree in Commerce. Prior to joining Société Usinière du Sud (SUDS) as Chief Executive Officer in 2005, he was the Managing Director of Société de Traitement et d'Assainissement des Mascareignes. He has held office as Chief Executive Officer of MTMD (now Omnicane Limited) as from April 1, 2007. He is the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited, Omnicane Milling Operations Limited, Omnicane Logistics Operations Limited, Airport Hotel Ltd and is a director of Real Good Food plc, Southern Cross Tourist Company Limited and The Union Sugar Estates Company Limited. He is a board member of several sugar sector institutions in Mauritius and was the President of the Mauritius Sugar Producers' Association in 2005, 2006, 2009, 2010 and 2015. He was the President of the Mauritius Sugar Syndicate in 2012.

Other directorships in listed companies:
- *Omnicane Limited*
- *Southern Cross Tourist Company Limited*

Jean-Marc ULCOQ, *Non-Executive Director*
(Chairman of the Audit & Risk Committee)
Mr. Jean-Marc Ulcoq, born in 1952, has developed throughout the past 18 years a strong and proven international expertise in managing both at the operational / financial sides as well as at directorship level of many companies including listed companies in Mauritius, and of international operations for instance in South Africa, Madagascar, Mayotte and Reunion Island. He is a fellow of Chartered Association of Certified Accountants (UK), fellow member of the Mauritius Institute of Directors, member of the Committee setting up Corporate Governance Conventions in Mauritius and in the Audit and Accounting – Task Force. Mr. Ulcoq is also a Director of SBM Madagascar SA, subsidiary of SBM Holdings Ltd, and he is the Chairman of its Audit Committee. He also chairs the Audit & Risk Committee of several companies in Mauritius.

Other directorships in listed companies:
- *Compagnie des Villages De Vacances De L'Isle De France Limitée (COVIFRA)*
- *Southern Cross Tourist Company Limited*

Jacques HAREL, *Non-Executive Director (resigned on June 30, 2022)*

Mr. Jacques Harel, born in 1969, holds a Bachelor of Arts in Business Studies from the University of Westminster, London and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He has worked several years for De Chazal du Mée, Chartered Accountants, gaining expertise in various economic sectors. He is the Chief Executive Officer of BIRGER since April 2007, a technology company operating in the Indian Ocean region and Africa.

Other directorship in listed companies:
- *Southern Cross Tourist Company Limited*

Marc HEIN, *Non-Executive Director*

Mr Marc HEIN SC, G.O.S.K was born in 1956 and is the holder of an LLB (Honours) from the University of Wales and of a Licence en Droit from Aix-en-Provence University. He was called to the Bar in London at Gray's Inn in 1979 and has practiced law in Mauritius ever since. He is a previous Member of Parliament. He was Chairman of the Mauritius Bar Council, of the National Economic and Social Council and of the Financial Services Commission. He also served on the board of Air Mauritius Ltd. and of Omnicane Co. Ltd. He is the founder and Chairman of Juristconsult Chambers, a business law firm affiliated to the DLA Piper Africa group. He has been active in the Global Business sector for a long period holding various positions and now specialises in business law notably in corporate, commercial, financial, tax and international law. He has a long experience of the boardroom and of the rights and duties of a director.

Other directorships in listed companies:
- *Southern Cross Tourist Company Limited*

DIRECTORS' PROFILES (CONT'D)

Anabelle SAMOUILHAN, *Independent Non-Executive Director (as from December 2, 2022)*

Ms. Anabelle Samouilhan, born in 1982 holds a Bachelor of Commerce (Accounting and Finance) from Curtin University, Western Australia, and is a member of the Association of Chartered Certified Accountants (ACCA). She started as an auditor with BDO & CO before joining IBL Ltd (ex GML) as accountant in 2013. Since then, she occupied several functions within IBL Group, in the Merger & Acquisition as well as in the financial operations of multiple businesses, until she joined IBL Ltd (HealthActiv) as Head of Finance in 2021.

Other directorships in listed companies:
- *Southern Cross Tourist Company Limited*

PROFILES OF THE SENIOR MANAGEMENT TEAM

Thierry MERVEN, *Group Chief Executive Officer*

The profile of Mr. Thierry Merven is available in the Directors' Profiles above.

Ashwin FOOGOOA, *Group Chief Financial Officer*
Mr. Foogooa is a Fellow of the Institute of Chartered Accountants in England and Wales and an economics graduate from Cambridge University, UK. He has previously been in banking in Mauritius, namely as Project Finance Team Leader at The Mauritius Commercial Bank Ltd and as Chief Risk Officer at the SBM Bank (Mauritius) Ltd. His banking experience has involved both relationship management with corporates as well as structured financing for projects and trade. Prior to his return to Mauritius, Mr Foogooa held finance roles at the Big 4 Accountancy Firms as well as listed blue chip companies such as General Electric Company and BP plc. He is also a State of Mauritius Scholar and a consistent prize-winner at his accountancy exams.

Christel CHAN, *Group Finance Manager*
Mrs. Chan is a Fellow Member of the Association of Chartered Certified Accountants and holds a Diploma in IFRS and a BSc (Hons) in Management. She has previously worked as a Senior Supervisor and Accountant at PCA Ltd, now known as Swan Pensions Ltd, with a portfolio of clients' funds under administration. She started her career in auditing and business advisory services at Ernst & Young and gained exposure in the hospitality, textile, insurance and media sectors. She joined Compagnie de Beau Vallon Limitée as Group Financial Accountant in September 2008 and was promoted as Group Finance Manager in February 2019.

Christina LEVALLOIS, *Group Human Resources Manager*
Mrs. Levallois holds an MBA from IAE Paris/Université Paris-Dauphine and also a French « Licence en Administration Économique et Sociale » from Université Robert Schuman of Strasbourg. Mrs Levallois, who has 19 years of working experience in the field of human resources management, has been the Personnel Manager of Preskil Island Resort before being appointed Group Human Resources Coordinator in 2007. She is also in charge of the Human Resources Department of Compagnie De Beau Vallon Limitée since January 2013.

Christophe CURÉ, *Group Property Manager*
Mr. Curé is Group Property Manager of Compagnie de Beau Vallon Ltée since 2016. He holds a Bachelor of Civil Engineering from the Georgia Institute of Technology in Atlanta and has 24 years of working experience in the construction and property management fields. Mr. Curé began his career in Atlanta before returning to Mauritius to work at Bouygues TP first, then Holcim. In 2007, he became Executive Director in a growing company where he has been responsible for the realization of many real estate projects including the conception of a Smart City. Moreover, Mr Curé has been elected twice as the President of the Mauritius Golf Federation, from 2013 to 2020. He also acted as President of the African Golf Confederation from 2019 to 2022.

PROFILES OF THE SENIOR MANAGEMENT TEAM (CONT'D)

Pierre-Philippe LENFERNA, *Chief Operating Officer - Agriculture (as from July 1, 2022)*

Mr. Pierre-Philippe Lenferna holds a Master of Business Administration with Distinction from Heriot-Watt University in UK and a Diploma in Marketing Management from the Institute of Marketing Management South Africa. He also completed the General Management Program from ESSEC Business School. Pierre-Philippe worked for TBL Quality Brands Ltd from 1998 to 2011 as Commercial Manager. He then joined Medine Group in 2012 where he led the marketing, landscaping and nursery departments of the Agriculture Cluster. He was promoted to the position of Head of Agrinnovation in 2020 and played an active role in the implementation of new agricultural projects. Pierre-Philippe joined the Group as Chief Operating Officer Agriculture in 2022 and he also holds the same position at The Union Sugar Estates Company Limited.

Pierre Yves MONGELARD, *Group Agricultural Manager (up to November 30, 2022)*
Mr. Mongelard joined the sugar sector in 1976 and accounts for more than eighteen years' experience at managerial level. Mr. Mongelard holds a diploma of proficiency in Tropical Horticulture from the Rotary Farm School and a certificate in Supervisory Management Studies of the UK Institute for Supervision and Management. He is currently the Agricultural Manager and the Head of Garage and Transport of both Compagnie de Beau Vallon Limitée and The Union Sugar Estates Company Limited.

Jacques-Edgar BÉGA, *Field Manager (as from April 1, 2022)*

Jacques-Edgar Béga holds a BSc (Hons) in Agriculture with specialisation in Crop Production from the University of Mauritius and an MBA from the University of Heriot-Watt (Edinburgh Business School) in Scotland. He has over 20 years of experience in the agricultural sector. He began his career at Medine Ltd in 2001 in the production of cane as well as fruits and vegetables. In 2007, he joined Compagnie de Beau Vallon Ltée where he is currently the Field Manager. He also holds the same position at The Union Sugar Estates Company Limited.

Kareen THEODORE-COTRY, *Group Agronomist & Diversification Manager (up to March 16, 2022)*
Mrs. Theodore-Cotry holds a B.Sc (Hons) Agriculture with specialisation in Agricultural Biotechnology and a M.Sc Crop Science with specialisation in Plant Biotechnology. She accounts more than fifteen years' experience in the development and production of fruits and vegetables as Diversification Manager and was responsible of the field production (sustainable agriculture), processing (HACCP certified packhouse) and sales of 4,500 tons of fruits and vegetables at Medine Ltd. She joined Compagnie de Beau Vallon Limitée in July 2018 and act as Group Agronomist and Diversification Manager.

Arnaud GUIBERT, *Administrative Manager, The Union Sugar Estates Company Limited*
Mr. Guibert joined USE in 1990 as Assistant Accountant and was awarded a Diploma in Management from the University of Mauritius in 1996. He was promoted to the post of Accountant in 1998 and has been appointed Administrative Manager in October 2013.

GROUP COMPANY SECRETARY

The Group has a service agreement with Navitas Corporate Services Ltd for the provision of company secretarial services.

All Directors have direct access to the advice and services of the Company Secretary who 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 Group Company Secretary assists the Chairman, the Board and Board Committees in implementing and strengthening good governance practices and processes with a view to enhance long-term stakeholders' value.

GROUP COMPANY SECRETARY (CONT'D)

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 Corporate Governance Committee and the Chairman of the said Committee oversees the selection process.

The Corporate Governance Committee makes recommendation to the Board either to fill a casual vacancy or as an addition to the existing Directors and ensures that the total number of Directors shall not at any time exceed nine (9) Directors as stipulated in the Constitution of the Company.

The re-election of all the Directors is tabled at each Annual Meeting of Shareholders of USE.

DIRECTOR'S INDUCTION

USE has an informal induction to introduce newly appointed Director to the Company's and the Group's businesses as well as the Senior Executives.

The informal induction provided to the newly appointed Director depends on the past experience of the said Director and same tries to compensate the fields in which the new Director lack to fully understand the business and operations of USE.

The induction program meets the specific needs of both the Company and the newly appointed Director and enables the latter to be acquainted and develop a good understanding of the Group.

PROFESSIONAL DEVELOPMENT

Directors and employees of the Company are encouraged to follow continuous professional development courses/ trainings to keep up to date with industry, legal and regulatory developments.

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

SUCCESSION PLANNING

The Board is aware of the importance of succession planning for the Company and is satisfied that a senior executive can be replaced at reasonably short notice, as evidenced, following the retirement of Mr. Pierre Yves MONGELARD, Mr. Pierre-Philippe LENFERNA has been appointed as the Chief Operating Officer (Agriculture) as from July 1st 2022. Furthermore, the succession planning policy has been approved by the Directors in the Board meeting scheduled in March 2023.

Principle 4: Directors Duties, Remuneration and Performance

LEGAL DUTIES

The Directors of USE are aware of their legal duties and responsibilities as listed in the Mauritius Companies Act 2001.

The Directors further confirm that they exercise their duties with a degree of care, skill and diligence.

CODE OF ETHICS

A Group Code of Ethics has been adopted by the Board to ensure that policies, procedures and controls are in place for the business to be conducted honestly, fairly and ethically. The effectiveness and efficiency of the Group Code of Ethics are reviewed regularly by the Board of Directors to ensure that same is applied at all levels.

The Code of Ethics includes the principles, norms and standards that the Group wants to promote and integrate within its corporate culture in the conduct of its activities, including internal relations, interaction and dealings with external stakeholders.

Furthermore, the Group and its employees must, at all times, comply with all applicable laws and regulations.

The Group will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Group does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Group's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of hierarchy.

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 conflict of interest 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.

As per USE'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 but shall be counted in the quorum present for the purpose of that decision.

RELATED PARTY TRANSACTIONS

Please refer to Note 42 of the Financial Statements.

Conflict of interest and related party transactions, if any, are conducted in accordance with Group Code of Ethics.

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 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 USE 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 Company's expense in cases where the directors judge it necessary.

DIRECTORS' AND OFFICERS' IMDEMNITY AND INSURANCE

A Directors' and Officers' liability insurance have been taken at the level of the holding entity.

BOARD EVALUATION AND DEVELOPMENT

During the year under review, no Board evaluation has been carried out. The Directors forming part of the Board of the Company, especially those who are members of Board committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

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, Non-Executive 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. These Directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

The Board Evaluation questionnaire has been reviewed and the said document has been approved by the Directors in the Board meeting scheduled in March 2023. Furthermore, a proper Board evaluation will be carried out as from the next financial year.

REMUNERATION

STATEMENT OF REMUNERATION PHILOSOPHY

The Board of Directors has delegated to the Corporate Governance Committee the responsibility of determining the adequate remuneration to be paid to the Chairman of the Board, the Independent Non-Executive Directors, the Non-Executive Directors, the Executive Director and the Management staff.

USE's underlying philosophy is to set remuneration at an appropriate level to attract, motivate and retain high calibre personnel and directors and to reward them in accordance with their individual as well as collective contribution towards the achievement of the Company's objectives and performance. Remuneration is set by taking into account market conditions, individual performance and company performance.

BOARD AND BOARD COMMITTEES' FEES

Directors are remunerated with a fixed fee per annum together with an attendance fee for each meeting.

The Chairman of each Board Committee receives a higher fixed fee per annum. Such fees are in line with market practices.

For the remuneration and benefits received, or due and receivable, by the individual Directors from the Company and its subsidiaries as at December 31, 2022 please refer to page 8 of the Statutory Disclosures.

The Non-Executive Directors of the Company have not received remuneration in the form of share option or bonus associated with the performance of the Company.

DIRECTORS' DEALING IN THE SHARES OF USE

The Directors of USE are aware of their responsibilities to disclose any acquisition or disposal of the Company's shares in accordance with the Securities Act 2005 and the DEM Rules of the Stock Exchange of Mauritius Ltd.

In accordance with the DEM Rules, Directors are strictly prohibited to deal in the shares of the Company during close periods.

DIRECTORS' TRANSACTIONS IN USE SHARES DURING THE YEAR

Name of Director	Number of Shares acquired	Number of Shares sold
Mr. Marc HEIN	5,000	-

No other Director dealt in the shares of USE during the year under review.

INTEREST OF DIRECTORS IN THE SHARES OF THE COMPANY

Written records of the interests of the Directors and their closely related parties in shares of USE are kept in a Register of Directors' Interests.

Accordingly, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, this should be reported to the Company in writing. The Company Secretary then ensures that the Register of Interests is updated accordingly

INTEREST OF DIRECTORS IN THE SHARES OF THE COMPANY (CONT'D)

The direct and indirect interests of the Directors and of the Senior Management Team who hold shares in USE are disclosed in the table below:

Name of Directors	Direct Interest		Indirect Interest
	No. of shares	%	%
Gérard GARRIOCH *(Chairman)*	-	-	-
Thierry MERVEN *(Group Chief Executive Officer)*	-	-	-
Jacques MARRIER D'UNIENVILLE	-	-	-
Patrice DOGER DE SPEVILLE	-	-	-
Jean-Marc ULCOQ	-	-	-
Jacques HAREL *(resigned on June 30, 2022)*	-	-	-
Marc HEIN	2,157,773	11.42%	-
Anabelle SAMOUILHAN *(as from December 2, 2022)*	-	-	-

Name of Members of Senior Management	Direct Interest		Indirect Interest
	No. of shares	%	%
Ashwin FOOGOOA	-	-	-
Christel CHAN YAM FONG	-	-	-
Christina LEVALLOIS	-	-	-
Christophe CURE	-	-	-
Pierre-Philippe LENFERNA	-	-	-
Arnaud GUIBERT	-	-	-

Principle 5: Risk Governance and Internal Control

The Board of USE assumes its responsibilities in maintaining an effective system for risk governance and ensures that the Company develops and executes a comprehensive and robust system of risk management.

The Directors are committed to a strong risk management culture. The Group Chief Executive Officer has the main responsibility of risk management and works with the Senior Management team to effectively perform his duties.

INTERNAL AUDIT

Internal Audit is responsible for the independent review of the Group's risk management and control environment. Its objective is to provide reliable, valued and timely assurance to the Board, the Group Audit & Risk Committee, and Executive Management over the effectiveness of controls, mitigating current and evolving high risks and in so doing enhancing the controls culture and adding value within the Group's activities.

In particular, Internal Audit assists Executive Management by carrying out independent assessment and appraisals of the effectiveness of the internal control environment and makes value added recommendations for improvement, and supports the Group's strategies, objectives and business management policies.

The Group Audit & Risk Committee approves the Internal Audit's programme and resources, reviews and discusses major audit findings together with management responses and evaluates the effectiveness of Internal Audit.

INTERNAL AUDIT (CONT'D)

The Group Audit & Risk Committee has re-appointed BDO Financial Services Ltd in June 2021 to act as internal auditors for a period of 3 years.

The audit assignments carried out by BDO Financial Services Ltd for the year under review were:

- Garage Process Review; and
- Inventory Management Review.

The Internal Audit report for the Garage Process Review was presented at the Audit & Risk Committee of August 2022. The Internal audit report on the Inventory Management Review will be presented at the next Audit & Risk Committee scheduled in March 2023. A number of recommendations have been made and agreed by management to strengthen the existing controls.

The Group Audit & Risk Committee and the Directors oversee risk management. The Board aims that risks faced are effectively identified, assessed, monitored and managed at acceptable levels in order to improve the risk-return profile of its shareholders.

In that respect, USE has put in place an organisational structure with clear lines of responsibilities to mitigate risks.

Some of the most important risks to which the Company is exposed are listed hereunder:

Financial risks - These risks (including currency risks, interest rate risks and price risks) are reported on pages 59 to 63 of the Financial Statements.

Operational risks - These risks are defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events.

The cane industry has been subject to various challenges over the past years and has witnessed an increased volatility in the sugar price, a reduction in the area available for cane cultivation as well as a scarcity of a skilled labour force associated with an increasing cost of operations. This has called for a change in the way our sugar activity is conducted in order to improve efficiency and ensure sustainability of operations.

The Mauritius Sugar Syndicate, which is the sole authorised body to market and sell sugar for the account of all producers in the industry, ensures that the best price is obtained on our behalf following negotiations effected for the sale of the bulk sugar production of the island. In order to mitigate the risks associated with the dismantling of the sugar quota regime in year 2017, consultations and discussions have started in order to bring more value creation through the production of additional special sugars as well as diversification towards more remunerative markets such as countries forming part of the SADC and COMESA bloc.

The Company has implemented a mechanisation program over the last decades which has attained 100 percent of the total area under cane cultivation since year 2020. This has contributed in mitigating the adverse effects associated with the non-availability of a skilled labour force as well as with a rising costs of operations. The company is committed to be at the forefront of mechanisation through investment in new technologically advanced machinery and equipment which will increase efficiency of operations and reduce costs.

Risks associated with sugar production - The risks associated with sugar production can be classified under risks related to abiotic factors (drought, cyclones, fires and floods) and risks related to biotic factors (pests and diseases). The risks associated with abiotic factors are covered by insurance. Good production-management systems mitigate the risks associated with biotic factors.

INTERNAL AUDIT (CONT'D)

Legal & Regulatory risks - These risks arise out of the inability to comply with policies, laws and regulatory requirements. USE regularly seeks legal advice to mitigate these risks and to better safeguard its interests. USE also ensures that adequate insurance covers are contracted for to cover the risk associated with our operations. In that respect, regular consultations are carried out with our insurance broker to mitigate the risks associated with inadequate or inappropriate cover.

Strategic risks and Business risks – These risks arise due to inappropriate business decisions or inadequate future business strategies in relation to the operating environment. The risks are usually caused by inflexible cost structures, changes in the business environment, Government or international regulatory decisions.

It is to be noted that important business decisions are being discussed during Board meetings which enables to mitigate the risk of inappropriate decisions. Furthermore, from time to time the Board may also take the services of external consultants to seek outside independent views.

WHISTLE-BLOWING POLICY

The formal whistle-blowing policy consists of responsible and effective procedures for disclosure or reporting of misconduct and impropriety so that appropriate actions are taken. The Whistle-blowing policy has already been finalised and the said document has been approved by the Directors in the Board meeting scheduled in March 2023.

Principle 6: Reporting with Integrity

The Directors of USE affirm their responsibilities for preparing the Annual Report and Financial Statements of the Company.

The Board also considers that the Annual Report and Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards and, taken as a whole, are fair, balanced, understandable and provide the information necessary for shareholders and other key stakeholders to assess the USE's position, performance and outlook.

Please refer to the Statement of Directors' Responsibilities found on page 33 of the Annual Report.

ENVIRONMENT, HEALTH AND SAFETY POLICY

USE abides by the Occupational Safety and Health Act 2005 general rules and regulations governing health, safety and environmental issues.

The Group is committed to minimising any adverse effect of its operations on the environment and on the health and safety of its employees and the community in which it operates.

USE is currently looking into ways of reducing carbon emission in order to be in line with international standards (among which sugar cane burning has been reduced in line with the EU requirements).

SOCIAL ISSUES AND CORPORATE SOCIAL RESPONSIBILITY ("CSR")

USE recognises its social responsibility within the community and is committed to contributing to its welfare by undertaking various projects.

For the year under review, the CSR contribution was made at Group level through USE's subsidiaries and amounted to Rs. 3,945 (2021: Rs. 13,108).

CHARITABLE & POLITICAL CONTRIBUTIONS

Donations made by the Company were as follows: -

Category	2022 Rs	2021 Rs
Charitable	-	5,000
Non-Charitable	-	-

No political contribution has been made for the year under review.

Principle 7: Audit

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

EXTERNAL AUDIT

Deloitte has been re-appointed as the external auditors of the Company at the Annual Meeting of Shareholders held on September 27, 2022.

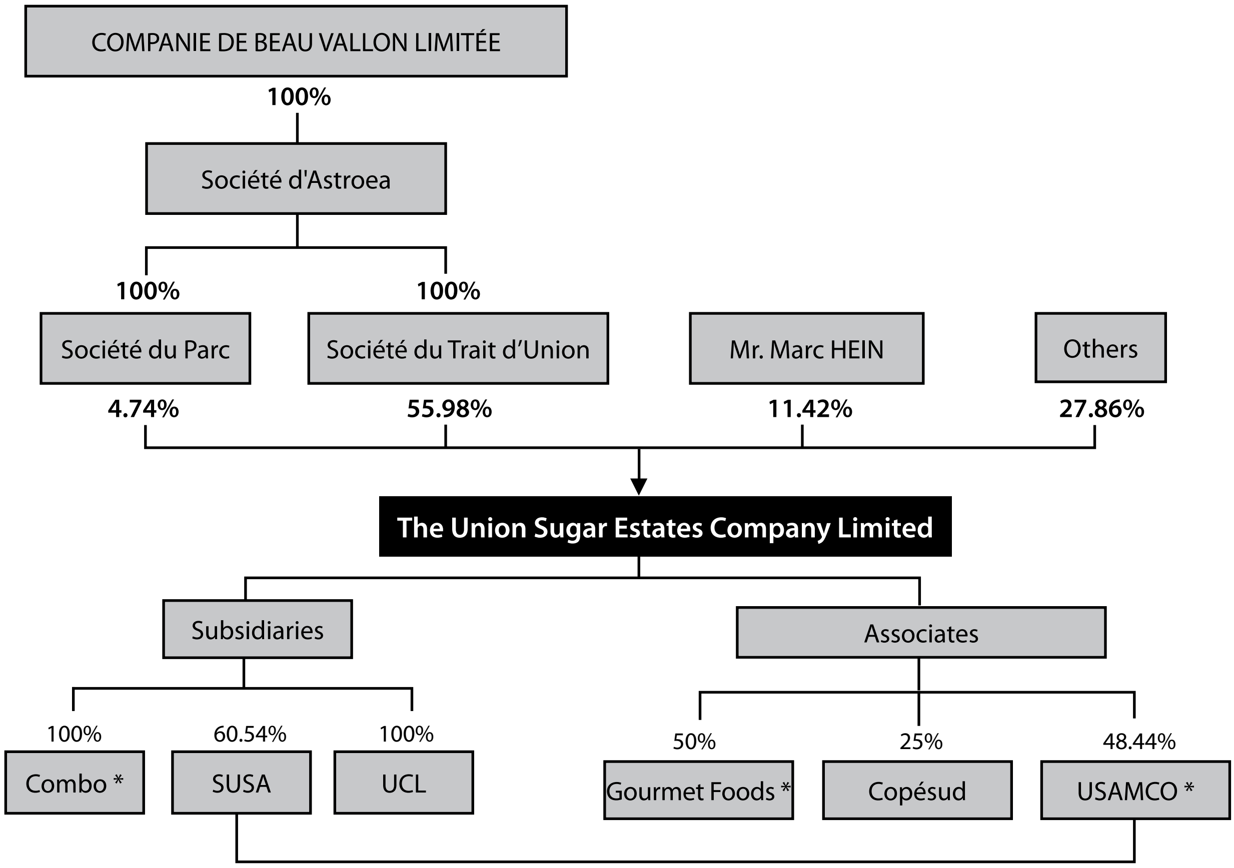
The Audit & Risk Committee has assessed the effectiveness of the external audit process and has discussed critical policies, judgements and estimates with the external auditors. The Audit & Risk Committee has met the external auditors in the presence of management as and when required.

The Audit & Risk Committee has discussed the significant audit issues in relation to the financial statements and these have been disclosed as Key Audit Matters on page 34.

The audit fees of Deloitte Mauritius for the financial year ended December 31, 2022 amounted to Rs 880,000 for the Company and no non-audit services were carried out by Deloitte during the year under review.

Principle 8: Relations with Shareholders and Other Key Stakeholders

HOLDING STRUCTURE AT DECEMBER 31, 2022



* In process of removal

Abbreviations:

Combo	: Combo Property Company Limited	SUSA	: Société Union St Aubin
Copésud	: Copésud (Mauritius) Ltée	UCL	: Union Corporate Limited
Gourmet Foods	: Gourmet Foods Ltd	USAMCO	: Union St. Aubin Milling Company Limited

DIRECTORS IN SUBSIDIARIES/COMMON DIRECTORS

The names of the Directors in subsidiaries /common Directors are as follows:

Name of Directors	Combo	UCL	SUSA
Gérard GARRIOCH *(Chairman and Chairman of the Corporate Governance Committee)*	√	√	√
Thierry MERVEN *(Group Chief Executive Officer)*	√	√	√
Patrice DOGER DE SPEVILLE		√	√
Jacques MARRIER D'UNIENVILLE		√	√

SUBSTANTIAL SHAREHOLDERS

The stated capital of the Company as at December 31, 2022 was Rs1,890,000/- divided into 18,900,000 ordinary shares of no par value each.

As at December 31, 2022, USE had 210 Shareholders on its share registry and the following Shareholders held more than 5% of its share capital, namely:

Name of shareholders	No. of ordinary shares	Percentage Holding
Société du Trait d'Union	10,580,918	55.98%
Mr Marc Hein	2,157,773	11.42%

COMMUNICATION WITH SHAREHOLDERS AND STAKEHOLDERS

The Board of Directors places great importance on transparency and optimal disclosure to Shareholders and hence ensures that Shareholders are kept informed on matters affecting the Group.

Shareholders are invited to attend the Company's Annual Meeting, which remains the ideal forum for discussions with the Directors and the Management team. The Annual Report, including the Notice of the Annual Meeting of Shareholders, is sent to each Shareholder of the Company.

DIVIDEND POLICY

The Board of Directors of USE has on December 29, 2022 given a notice that the Company has declared a final Dividend of Rs1.587 per share for shareholders registered at the close of business of January 19, 2023, in respect of its financial year ending December 31, 2022.

The dividend has been paid on February 21, 2023.

In this respect, a Certificate of Solvency was signed by all Directors in accordance with the requirements of the Mauritius Companies Act 2001.

SHAREHOLDERS' AGREEMENT

To the best knowledge of the Company, there has been no such agreement with any of its Shareholders for the year under review.

SHARE REGISTRY AND TRANSFER OFFICE

USE's Share Registry and Transfer Office are administrated by MCB Registry & Securities Limited.

Shareholders may contact MCB Registry & Securities Limited for any services like change of name, change of address, share transfers, dividends, etc.

SHAREHOLDING PROFILE

The share ownership and category of Shareholders at December 31, 2022 were as follows:

Number of Shareholders	Size of shareholding	Number of Shares Held	% Holding
115	1 - 500 shares	12,765	0.07
29	501 - 1,000 shares	21,902	0.12
28	1,001 - 5,000 shares	76,165	0.40
5	5,001 - 10,000 shares	30,783	0.16
11	10,001 - 50,000 shares	242,040	1.28
2	50,001 - 100,000 shares	117,036	0.62
13	100,001 - 250,000 shares	2,625,167	13.89
2	250,001 - 500,000 shares	712,220	3.77
5	Over 500,001 shares	15,061,922	79.69
210		**18,900,000**	**100.00**

Number of Shareholders	Category of Shareholding	Number of Shares Held	% Holding
177	Individuals	6,839,571	36.19
8	Investment and Trust Companies	44,906	0.24
2	Pensions and Provident funds	226,000	1.19
23	Other Corporate Bodies	11,789,523	62.38
210		**18,900,000**	**100.00**

SHARES IN PUBLIC HANDS

In accordance with the DEM Rules of the Stock Exchange of Mauritius Ltd, at least 10% of the shareholding of USE is in the hands of the public.

EMPLOYEE SHARE OPTION PLAN

The Group has no Employee Share Option Plan.

THIRD PARTY MANAGEMENT AGREEMENT

The Group had no third party management agreement as at December 31, 2022.

SHARE PRICE INFORMATION

The market value per ordinary share was Rs.18 as at December 30, 2022 as compared to Rs.34.55 as at December 31, 2021.

WEBSITE

In order to be compliant with the requirements of the Code, USE will be using the website of its main shareholder, namely Compagnie de Beau Vallon Limitée (www.cbvl.mu), to communicate with its shareholders and stakeholders.

TIME TABLE OF IMPORTANT EVENTS

March 2023	Publication of Abridged Audited Financial Statements for the year ended December 31, 2022
May 2023	Publication of first quarter results to March 31, 2023
June 2023	Annual Meeting of Shareholders
August 2023	Publication of half year results to June 30, 2023
November 2023	Publication of third quarter results to September 30, 2023

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

March 27, 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED DECEMBER 31, 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 Mauritius 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 March 27, 2023 and signed on its behalf by:

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

COMPANY SECRETARY'S CERTIFICATE

In our capacity as Company Secretary, we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended December 31, 2022, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Navitas Corporate Services Ltd
Company Secretary

Registered office:
Navitas House, Robinson Road, Floréal
Republic of Mauritius

March 27, 2023

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The Union Sugar Estates Company Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 38 to 110, which comprise the consolidated and separate statements of financial position as at 31 December 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 31 December 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 (IFRSs) and comply with the requirements of the Mauritius 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 in accordance with the International Ethics Standard Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Recoverability of loan receivable from related company	
As disclosed in Note 17, other financial assets at amortised cost amounting to Rs406M for the Group and Rs416M for the Company includes an amount of Rs388M as loan receivable from related company at 31 December 2022. The Group and the Company have assessed the recoverability of the loan receivable from related company and no impairment loss has been recognised during the year. Management has made this assessment based on the cash flow forecasts of the related company. Recoverability of loan receivable from related company remains a matter of significance in our audit due to the level of judgement involved, the magnitude of the loan receivable as well as uncertainties inherent in estimating the recoverable amount. Due to the significance of the balance involved and the nature of judgements and assumptions used in the preparation of the cash flow forecasts, we considered this as a key audit matter.	We evaluated management's assessment of the recoverability of the loan receivable from related party. We challenged management on the key judgements and assumptions used in preparing the cash flow forecasts. We involved our internal experts to independently validate the assumptions used. We performed sensitivity test on significant inputs to assess range of acceptable results. We also assessed the appropriateness and completeness of the related disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Statutory disclosures, Statement of compliance, Corporate governance report, Statement of directors' responsibilities and the Company's secretary certificate, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Other information (cont'd)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (cont'd)

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity, has failed to satisfactorily explain the reasons for non-compliance with the requirements of the Code with respect to Principle 1, 2 and 3 as described in the statement of compliance.

Use of this report

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

Deloitte

Deloitte
Chartered Accountants

R. Srinivasa Sa

R. Srinivasa Sankar, FCA
Licensed by FRC

28 March, 2023

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022

	Notes	THE GROUP 31 Dec 2022	THE GROUP 31 Dec 2021	THE COMPANY 31 Dec 2022	THE COMPANY 31 Dec 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**1,466,106**	1,486,801	**1,466,108**	1,486,176
Right-of-use assets	6	**6,834**	5,317	**6,410**	4,467
Investment property	8	**61,576**	132,800	**13,746**	132,800
Investments in subsidiary companies	9	**-**	-	**6,508**	1,051
Investments in associates	10	**8,871**	18,247	**9,339**	11,466
Financial assets at fair value through other comprehensive income	11	**1,415**	1,703	**1,415**	1,703
Other financial assets at amortised cost	17	**358,000**	358,000	**358,000**	358,000
Deferred tax assets	12	**3,099**	8,102	**3,099**	8,178
Retirement benefit asset	27	**237**	-	**-**	-
		1,906,138	2,010,970	**1,864,625**	2,003,841
Current assets					
Inventories	13	**3,495**	3,039	**3,495**	3,039
Land development inventory	14	**245,732**	-	**245,732**	-
Consumable biological assets	15	**57,150**	55,100	**57,150**	55,100
Trade receivables	16	**41,638**	43,536	**41,638**	43,536
Other financial assets at amortised cost	17	**48,472**	16,785	**57,643**	19,016
Other current assets	18	**6,521**	7,054	**5,672**	6,517
Current tax assets	19(a)	**109**	195	**80**	57
Cash and cash equivalents	41(d)	**1,952**	2,326	**1,709**	2,084
		405,069	128,035	**413,119**	129,349
Assets classified as held for sale	20	**27,792**	75,386	**27,792**	75,386
Total current assets		**432,861**	203,421	**440,911**	204,735
Total assets		**2,338,999**	2,214,391	**2,305,536**	2,208,576
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	24	**1,890**	1,890	**1,890**	1,890
Revaluation and other reserves	25	**1,580,257**	1,603,549	**1,583,740**	1,611,217
Retained earnings		**138,845**	55,822	**106,725**	53,833
Equity attributable to owners of the Company		**1,720,992**	1,661,261	**1,692,355**	1,666,940
Non-controlling interests		**25,729**	-	**-**	-
Total equity		**1,746,721**	1,661,261	**1,692,355**	1,666,940
LIABILITIES					
Non-current liabilities					
Borrowings	26	**234,470**	291,369	**234,470**	291,369
Lease liabilities	7	**3,837**	2,555	**3,595**	1,904
Deferred tax liabilities	12	**76**	-	**-**	-
Retirement benefit obligations	27	**37,461**	61,751	**37,461**	55,171
		275,844	355,675	**275,526**	348,444
Current liabilities					
Trade and other payables	28	**207,932**	120,255	**229,575**	116,529
Borrowings	26	**76,936**	45,615	**76,936**	45,615
Lease liabilities	7	**1,572**	1,534	**1,150**	997
Dividends payable	40	**29,994**	30,051	**29,994**	30,051
		316,434	197,455	**337,655**	193,192
Total liabilities		**592,278**	553,130	**613,181**	541,636
Total equity and liabilities		**2,338,999**	2,214,391	**2,305,536**	2,208,576

These financial statements have been approved for issue by the Board of Directors on March 27, 2023.

Gérard GARRIOCH
Chairman

Thierry MERVEN
Group Chief Executive Officer

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

STATEMENTS OF PROFIT OR LOSS
YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP 2022 Rs'000	THE GROUP 2021 Rs'000	THE COMPANY 2022 Rs'000	THE COMPANY 2021 Rs'000
Continuing operations					
Revenue					
Sugar proceeds	29	**121,605**	105,714	**121,605**	105,714
SIFB compensation	30	**-**	7,805	**-**	7,805
Other operating income	31	**61,164**	74,562	**61,024**	42,677
		182,769	188,081	**182,629**	156,196
Gain arising from changes in fair value of consumable biological assets	15	**2,050**	28,700	**2,050**	28,700
		184,819	216,781	**184,679**	184,896
Employee benefit expense	32	**33,964**	70,750	**36,596**	37,410
Supplies and services	33	**129,316**	91,302	**129,178**	92,428
Depreciation and amortisation	34	**9,459**	9,938	**9,033**	8,882
SIFB premium		**11,585**	2,808	**11,585**	2,808
		184,324	174,798	**186,392**	141,528
Impairment of bearer plants	5	**-**	9,262	**-**	9,262
Operating profit/(loss)		**495**	32,721	**(1,713)**	34,106
Other income	35	**26,793**	15,233	**25,562**	15,048
Share of result of associates	10	**(1,178)**	684	**-**	-
(Loss)/gain on disposal of investments in subsidiary	22	**-**	(4,677)	**-**	3,000
Gain on deemed disposal of associate	38	**20,685**	-	**-**	-
Gain on bargain purchase on acquisition of subsidiary	23	**7,084**	-	**-**	-
Profit on disposal of land	37	**41,866**	69,241	**41,866**	69,241
		95,745	113,202	**65,715**	121,395
Finance costs	36	**(21,937)**	(20,989)	**(22,158)**	(20,884)
Profit before taxation	38	**73,808**	92,213	**43,557**	100,511
Taxation	19(b)	**(2,844)**	(5,091)	**(2,844)**	(5,367)
Profit from continuing operations		**70,964**	87,122	**40,713**	95,144
Discontinued operations:					
Loss from discontinued operations	21(a)	**-**	(2,258)	**-**	-
Profit for the year		**70,964**	84,864	**40,713**	95,144

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2022

		THE GROUP		THE COMPANY	
	Notes	**2022**	2021	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**70,964**	84,864	**40,713**	95,144
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Changes in fair value of equity instruments at fair value through other comprehensive income	11(i)	**(288)**	(328)	**(288)**	(328)
Remeasurement of post employment benefit obligations	27	**21,404**	52,073	**17,219**	37,474
Income tax relating to components of other comprehensive income	12(b)	**(2,927)**	(10,254)	**(2,927)**	(6,469)
Other comprehensive income for the year, net of tax		**18,189**	41,491	**14,004**	30,677
Total comprehensive income for the year		**89,153**	126,355	**54,717**	125,821
Results attributable to:					
Owners of the Company		**70,844**	84,864	**40,713**	95,144
Non-controlling interests		**120**	-	**-**	-
		70,964	84,864	**40,713**	95,144
Total comprehensive income attributable to:					
Owners of the Company		**89,033**	126,355	**54,717**	125,821
Non-controlling interests		**120**	-	**-**	-
		89,153	126,355	**54,717**	125,821
Earnings per share					
- Continuing operations	39 Rs.	**3.75**	4.61		
- Continuing and discontinued operations	39 Rs.	**3.75**	4.49		

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

(a) THE GROUP	Stated capital Rs'000	Revaluation and other reserves Rs'000	Retained earnings Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
	Attributable to owners of the parent					
Balance at January 1, 2022	1,890	1,603,549	55,822	1,661,261	-	1,661,261
Profit for the year	-	-	70,844	70,844	120	70,964
Other comprehensive income for the year	-	18,189	-	18,189	-	18,189
Total comprehensive income for the year	-	18,189	70,844	89,033	120	89,153
Revaluation surplus released on land disposed	-	(38,100)	38,100	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(3,381)	4,073	692	-	692
Dividends payable (note 40)	-	-	(29,994)	(29,994)	-	(29,994)
Acquisition of subsidiary (note 23)	-	-	-	-	25,609	25,609
Balance at December 31, 2022	**1,890**	**1,580,257**	**138,845**	**1,720,992**	**25,729**	**1,746,721**
Balance at January 1, 2021	1,890	1,684,557	(123,931)	1,562,516	-	1,562,516
Profit for the year	-	-	84,864	84,864	-	84,864
Other comprehensive income for the year	-	41,491	-	41,491	-	41,491
Total comprehensive income for the year	-	41,491	84,864	126,355	-	126,355
Deconsolidation adjustments	-	(7,308)	7,133	(175)	-	(175)
Revaluation surplus released on land disposed	-	(102,419)	102,419	-	-	-
Revaluation surplus released on ROU assets disposed, net of deferred tax	-	(7,835)	9,440	1,605	-	1,605
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(4,937)	5,948	1,011	-	1,011
Dividends payable (note 40)	-	-	(30,051)	(30,051)	-	(30,051)
Balance at December 31, 2021	**1,890**	**1,603,549**	**55,822**	**1,661,261**	-	**1,661,261**

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

(b) THE COMPANY

	Stated capital Rs'000	Revaluation and other reserves Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at January 1, 2022	1,890	1,611,217	53,833	1,666,940
Profit for the year	-	-	40,713	40,713
Other comprehensive income for the year	-	14,004	-	14,004
Total comprehensive income for the year	-	14,004	40,713	54,717
Revaluation surplus released on land disposed	-	(38,100)	38,100	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(3,381)	4,073	692
Dividends payable (note 40)	-	-	(29,994)	(29,994)
Balance at December 31, 2022	**1,890**	**1,583,740**	**106,725**	**1,692,355**
Balance at January 1, 2021	1,890	1,695,731	(129,067)	1,568,554
Profit for the year	-	-	95,144	95,144
Other comprehensive income for the year	-	30,677	-	30,677
Total comprehensive income for the year	-	30,677	95,144	125,821
Revaluation surplus released on land disposed	-	(102,419)	102,419	-
Revaluation surplus released on ROU assets disposed, net of deferred tax	-	(7,835)	9,440	1,605
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(4,937)	5,948	1,011
Dividends payable (note 40)	-	-	(30,051)	(30,051)
Balance at December 31, 2021	**1,890**	**1,611,217**	**53,833**	**1,666,940**

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash flows from operating activities					
Cash generated from/(used) in operations	41(a)	**117,414**	(12,515)	**118,376**	(23,693)
Interest received		**24,464**	12,494	**24,464**	12,494
Interest paid		**(21,606)**	(20,460)	**(21,885)**	(20,460)
Tax refunded	19(a)	**195**	54	**62**	54
Tax paid	19(a)	**(109)**	(281)	**(85)**	(60)
Net cash generated from/(used) in operating activities		**120,358**	(20,708)	**120,932**	(31,665)
Cash flows from investing activities					
Purchase of property, plant and equipment	41(b)	**(15,387)**	(14,843)	**(15,387)**	(14,821)
Expenditure incurred on assets classified as held for sale	20	**(6)**	-	**(6)**	-
Expenditure incurred on investment property	8	**(88,270)**	(6,140)	**(88,270)**	(6,140)
Expenditure incurred on land development inventory	14	**(1,195)**	(2,042)	**(1,195)**	(2,042)
Proceeds from disposal of assets classified as land development inventory		**-**	11,635	**-**	11,635
Proceeds from disposal of assets classified as assets held for sale		**80,039**	176,694	**80,039**	176,694
Purchase of right of use assets		**-**	(50)	**-**	(50)
Purchase of securities in subsidiary	23	**(3,165)**	-	**(3,330)**	-
Disposal of subsidiary, net of cash disposed		**-**	18,832	**-**	-
Loan to related company		**-**	(118,056)	**-**	(118,056)
Net cashflows from intercompany advances		**(36,766)**	(22,268)	**(36,766)**	(12,249)
Proceeds from disposal of property, plant and equipment		**1,952**	3,399	**959**	3,202
Proceeds from disposal of investment in subsidiary		**-**	-	**-**	19,000
Dividends received		**14**	6	**14**	6
Net cash (used in)/generated from investing activities		**(62,784)**	47,167	**(63,942)**	57,179
Cash flows from financing activities					
Dividends paid		**(30,051)**	-	**(30,051)**	-
Payments on borrowings		**(39,891)**	(7,500)	**(39,891)**	(7,500)
Principal paid on lease liabilities		**(1,987)**	(2,579)	**(1,463)**	(1,789)
Interest paid on lease liabilities		**(332)**	(262)	**(273)**	(157)
Net cash used in financing activities		**(72,261)**	(10,341)	**(71,678)**	(9,446)
(Decrease)/increase in cash and cash equivalents		**(14,687)**	16,118	**(14,688)**	16,068
Movement in cash and cash equivalents					
At January 1,		**(2,783)**	(18,901)	**(3,025)**	(19,093)
(Decrease)/increase		**(14,687)**	16,118	**(14,688)**	16,068
At December 31,	41(e)	**(17,470)**	(2,783)	**(17,713)**	(3,025)

The notes on pages 44 to 110 form an integral part of these financial statements.
Independent auditor's report on page 34 to 37.

1. GENERAL INFORMATION

The Union Sugar Estates Company Limited (the 'Company') is a public company incorporated and domiciled in Mauritius. The principal activity of the Company is growing and cultivation of sugar cane. The address of its registered office is Union Ducray, Rivière des Anguilles, Mauritius.

The Board of Directors considers Société du Trait d'Union, domiciled in Mauritius, as the immediate holding entity and Compagnie de Beau Vallon Ltée, domiciled in Mauritius, as the ultimate holding company of The Union Sugar Estates Company Limited.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements include the consolidated financial statements of the Company and its subsidiary companies (The Group) and the separate financial statements of the Company (The Company). The financial statements are presented in Mauritian Rupee and all values are rounded to the nearest thousand (Rs.000), except when otherwise indicated.

2.1 Basis of preparation

The financial statements of The Union Sugar Estates Company Limited and its subsidiaries comply with the Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that:

(i) freehold land and buildings are carried at revalued amount;
(ii) investment property is stated at fair value;
(iii) financial assets at fair value through other comprehensive income are stated at fair value; and
(iv) consumable biological assets are stated at fair value.

New and amended IFRS Standards that are effective for the current year

The following relevant revised Standards have been applied in these financial statements but their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 16 Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous.
IFRS 3 Business Combinations - Amendments updating a reference to the Conceptual Framework .
IFRS 9 Financial Instruments - Amendments resulting from Annual improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities)
IFRS 16 Leases - Amendments to extend the exemption from assessing whether a COVID-19 related rent concession is a lease modification

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Relevant new and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective January 1, 2023)
IAS 1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
IAS 1	Presentation of financial statements - Amendments regarding the classification of debt with covenants (effective 1 January 2024)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective January 1, 2023)
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective January 1, 2023)
IAS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 1 January 2024)

The directors anticipate that these amendments will be applied in future years and will have no material impact on the financial statements of the company in the year of initial application.

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

2.2 Property, plant and equipment

Land held for use in the production or supply of goods or for administration purposes are stated at their fair value based on periodic valuations carried out by independent valuers. All other property, plant and equipment are initially stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

Depreciation is calculated on the straight-line method to write off their cost to their residual values over their estimated useful lives. It is applied at the following rates:

	Years
Freehold buildings	4 - 15
Motor vehicles	5 - 6
Agricultural equipment	5 - 10
Furniture, fixtures and fittings	5 - 10
Plant and equipment	3 - 15
Bearer plants	7
Others	5 - 10

Land is not depreciated.

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

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.3 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, representing open-market value determined periodically by independent valuers. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. Investment property consist of freehold land and buildings.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.4 Investment in subsidiaries

Separate financial statements of the Company
In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investment in subsidiaries (cont'd)

Consolidated financial statements

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 de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

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

Disposal of subsidiaries

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investments in associates

Separate financial statements of the Company
In the separate financial statements of the Company, investments in associates are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements
An associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held for sale. Investment in associates are initially recognised at cost as adjusted by post acquisition charges in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

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

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

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

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

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

Dilution gains and losses arising in investments are recognised in profit or loss.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may take the following irrecoverable election/designation at initial recognition of financial asset:

- the Group may irrecoverably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrecoverably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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

(i) Amortised cost

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

(i) Amortised cost (cont'd)

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

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

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

(ii) Fair value through other comprehensive income

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

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

(iii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables, if applicable.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) the financial instrument has a low risk of default;
(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

(iv) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

(i) Financial liabilities include the following items:

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

(b) Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(ii) *Derecognition*

A financial liability is derecognized 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 recognized in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Biological assets

Consumable biological assets are stated at their fair value.

Standing canes are measured at their fair value. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

2.8 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset; and
(c) The Group has the right to direct use of the asset.

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

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

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Leases (cont'd)

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

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

Subsequent to initial measurement, right-of-use assets recognised on leasehold land are stated at their fair value, based on periodic valuations, by external independent valuers, less subsequent amortisation. Any accumulated amortisation at the date of the revaluation is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets.

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

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Leases (cont'd)

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

2.9 Borrowings costs

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

Other borrowing costs are expensed.

2.10 Current and deferred income tax

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

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

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

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

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

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined under the weighted average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.12 Share capital

Ordinary shares are classified as equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

2.14 Retirement benefit obligations

(a) Defined benefit plans

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

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

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

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

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

(b) Unfunded plan

Artisans and labourers of sugar companies are entitled to a gratuity on death or retirement, based on years of service. This item is not funded. The benefits accruing under this item are calculated by an actuary and have been accounted for in the financial statements.

(c) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(d) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(e) State plan

State plan and contributions to Contribution Sociale Generalisee are expensed in profit or loss in the period in which they fall due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Foreign currencies

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using Mauritian Rupees, the currency of the primary economic environment in which the entities operate ("functional currency"). The consolidated financial statements are presented in Mauritian Rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

2.17 Impairment of non-financial assets

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

2.18 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer.

Sugar, molasses and bagasse proceeds are recognised based on the total production of the crop year. There is limited judgement needed in identifying the point control passes: once crop has been harvested and processed into sugar, molasses and bagasse and delivered to the Mauritius Sugar Syndicate, the Company will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Allocating amounts to performance obligations
Sugar prices are based on forecasts received from the Mauritius Sugar Syndicate. Any differences between the recommended prices and the final prices are reflected in profit or loss of the period in which they are established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (cont'd)

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

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.
- Rental income from investment property is recognised in profit or loss on a straight line basis over the period of the agreement.

(c) Agricultural income is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer.

(d) Management fee income
Revenue from management services is recognised when the subsidiary satisfies the performance obligation by transferring control of the promised services to the other party. Control is transferred at a point in time.

2.19 Segment reporting

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

2.20 Sale of land

The profit arising on sale of land is recognised in profit and loss on the date the deed of sale is signed and the corresponding debtor accounted in the Statements of Financial Position. All other prepayments collected in respect of sale of land are credited to "Deposit from clients" in the Statements of Financial Position.

2.21 Land development inventory

Land development inventory consists of cost of land and related expenditure incurred on conversion of land to saleable condition. Land development inventory is measured at the lower of cost or net realisable value.

2.22 Assets classified as held for sale

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

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

2.23 Land conversion rights

Land conversion rights obtained under Voluntary Retirement Scheme as per the provision of the Sugar Industry Efficiency Act (SIE Act)

Expenditure incurred under the sugar reform in line with the provisions of the Sugar Industry Efficiency (SIE) Act is recognised at cost and is amortised over a period of five years. The Company has fully amortised the asset as future economic benefits are not expected to flow to the Company.

3. FINANCIAL RISK MANAGEMENT

3.1 Capital Risk Management

The Group's objectives when managing capital are:

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, and revaluation and other reserves) other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt.

During 2022, the Group's strategy, which was unchanged from 2021, was to maintain the debt-to-adjusted capital ratio at the lowest level in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratios at December 31, 2022 and at December 31, 2021 were as follows:

The debt-to-capital ratios at December 31, 2022 and December 31, 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Borrowings (note 26)	**311,406**	336,984	**311,406**	336,984
Lease liabilities (note 7)	**5,409**	4,089	**4,745**	2,901
Total debt	**316,815**	341,073	**316,151**	339,885
Less: Cash and Cash equivalents (note 41(d))	**(1,952)**	(2,326)	**(1,709)**	(2,084)
Net debt	**314,863**	338,747	**314,442**	337,801
Total equity	**1,746,721**	1,661,261	**1,692,355**	1,666,940
Debt-to-capital ratio	**18%**	20%	**19%**	20%

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

3.2 Financial Risk Factors

The Group's activities expose it to a variety of financial risk factors, including:
(a) market risk;
(b) credit risk;
(c) liquidity risk; and
(d) cash flow and fair value interest rate risk.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial Risk Factors (cont'd)

Risk management is carried out by treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investment of excess liquidity.

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

(a) Market risk

(i) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
At fair value through other comprehensive income				
Investment in financial assets	**1,415**	1,703	**1,415**	1,703
At amortised cost				
Trade receivables	**41,638**	43,536	**41,638**	43,536
Cash and Cash equivalents	**1,952**	2,326	**1,709**	2,084
Other financial assets	**406,472**	374,785	**415,643**	377,016
Other current assets	**4,451**	5,574	**3,658**	5,037
	455,928	427,924	**464,063**	429,376

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial liabilities				
At amortised cost				
Trade and other payables	**71,289**	105,846	**92,932**	**102,155**
Borrowings	**311,406**	336,984	**311,406**	**336,984**
Lease liabilities	**5,409**	4,089	**4,745**	**2,901**
Dividends payable	**29,994**	30,051	**29,994**	**30,051**
	418,098	476,970	**439,077**	**472,091**

(ii) Currency risk

The Group and the company are not exposed to currency risk as all assets and liabilities as at 31 December 2022 and 2021 are denominated in Mauritian Rupee.

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the statements of financial position as financial assets at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Sensitivity analysis

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

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

	Impact on equity			
	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
	+/-5%	+/-5%	**+/-5%**	+/-5%
Financial assets at fair value through other comprehensive income	**71**	85	**71**	85

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial Risk Factors (cont'd)

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted.

The Company has only one debtor which is in respect of sugar proceed receivable from the Mauritius Sugar Syndicate.

The Company manages the receivables from related parties through considering the purpose of advances and their financial position and forecasted cash flows.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial assets. Prudent liquidity risk management implies maintaining sufficient cash in hand, marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

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

THE GROUP	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022				
Borrowings	**76,936**	**234,470**	**-**	**311,406**
Lease liabilities	**1,572**	**3,837**	**-**	**5,409**
Trade and other payables	**71,289**	**-**	**-**	**71,289**
Dividends payable	**29,994**	**-**	**-**	**29,994**
	179,791	**238,307**	**-**	**418,098**
At December 31, 2021				
Borrowings	45,615	184,167	107,202	336,984
Lease liabilities	1,534	2,555	-	4,089
Trade and other payables	105,846	-	-	105,846
Dividends payable	30,051	-	-	30,051
	183,046	186,722	107,202	476,970

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial Risk Factors (cont'd)

(c) ***Liquidity risk (cont'd)***

THE COMPANY	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022				
Borrowings	**76,936**	**234,470**	**-**	**311,406**
Lease liabilities	**1,150**	**3,595**	**-**	**4,745**
Trade and other payables	**92,932**	**-**	**-**	**92,932**
Dividends payable	**29,994**	**-**	**-**	**29,994**
	201,012	**238,065**	**-**	**439,077**
At December 31, 2021				
Borrowings	45,615	184,167	107,202	336,984
Lease liabilities	997	1,904	-	2,901
Trade and other payables	102,155	-	-	102,155
Dividends payable	30,051	-	-	30,051
	178,818	186,071	107,202	472,091

(d) ***Cash flow and fair value interest rate risk***

As the Group has interest-bearing assets, the Group's income and operating cash flows are affected by changes in market interest rates. The Group's interest-rate risk arises from other financial assets at amortised cost ("OFAAC") and borrowings which are issued at variable rates and expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's other financial assets at amortised cost and borrowings as shown in the financial statements are exposed to interest rate risks as it lends and borrows mainly at variable rates.

The Group's operating cash flows are exposed to interest risk as it lends at variable rates. At December 31, 2022, if interest rates on Rupee denominated OFAAC had been 50 basis points higher/lower with all variables held constant, post-tax loss for the year would have decreased/increased by Rs. 2.093 million (2021: Rs.1.468 million) for the Group and Company mainly as a result of higher/lower interest rate expense on floating rate OFAAC.

The Group's operating cash flows are exposed to interest risk as it borrows at variable rates. At December 31, 2022, if interest rates on Rupee denominated borrowings had been 50 basis points higher/lower with all variables held constant, post-tax profit for the year would have decreased/increased by Rs.1.965 million (2021: Rs.2.026 million) for the Group and Company mainly as a result of higher/lower interest rate expense on floating rate borrowings.

The Group manages its interest rate risk by close market monitoring.

3.3 Fair value estimation

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

If fair value is based on unobservable inputs, it is classified as Level 3.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3.4 Biological assets

The Group is exposed to fluctuations in the price of sugar and the incidence of exchange rate. This risk affects both the crop proceeds and the fair value of biological assets. The risk is not hedged.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

4.1 Critical accounting estimates and assumptions

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

(a) Impairment of financial assets

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

(b) Biological assets

Consumable biological assets - Standing canes

The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets.

(c) Depreciation policies

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

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(d) Asset lives and residual values

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

(e) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 27.

(f) Revaluation of property and investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group has engaged independent valuation specialists to determine fair value at June 30, 2019. The Directors are of the opinion that the fair value at December 31, 2022 is not materially different to the last valuation performed by the valuation specialists.

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

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

(h) Impairment of non-financial assets

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

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

Cash flows which are utilised in these assessments are extracted from the budget which is updated annually.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Freehold land and buildings	Motor vehicles	Agricultural equipment	Furniture, fixtures and fittings	Plant and equipment	Bearer plants	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION								
At January 1, 2022								
- cost	4,593	26,397	57,562	5,119	2,600	57,750	1,958	155,979
- valuation	1,486,094	-	-	-	-	-	-	1,486,094
	1,490,687	26,397	57,562	5,119	2,600	57,750	1,958	1,642,073
Additions	938	-	6,620	201	-	7,559	69	15,387
Assets scrapped	-	(1,090)	-	(94)	-	-	-	(1,184)
Transfers from right-of-use assets (note 6)	-	2,656	-	-	-	-	-	2,656
Transferred to assets classified as held for sale (note 20)	(27,786)	-	-	-	-	-	-	(27,786)
Disposals	-	(2,487)	-	(2,928)	(2,600)	-	-	(8,015)
At December 31, 2022								
- cost	**5,531**	**25,476**	**64,182**	**2,298**	**-**	**65,309**	**2,027**	**164,823**
- valuation	**1,458,308**	**-**	**-**	**-**	**-**	**-**	**-**	**1,458,308**
	1,463,839	**25,476**	**64,182**	**2,298**	**-**	**65,309**	**2,027**	**1,623,131**
DEPRECIATION								
At January 1, 2022	13,147	25,654	50,332	4,219	2,600	57,750	1,569	155,271
Charge for the year	4,992	459	2,001	116	-	-	101	7,669
Assets scrapped	-	(1,090)	-	(94)	-	-	-	(1,184)
Transfers from right-of-use assets (note 6)	-	2,656	-	-	-	-	-	2,656
Disposals	-	(2,487)	-	(2,300)	(2,600)	-	-	(7,387)
At December 31, 2022	**18,139**	**25,192**	**52,333**	**1,941**	**-**	**57,750**	**1,670**	**157,025**
NET BOOK VALUE								
At December 31, 2022	**1,445,700**	**284**	**11,849**	**357**	**-**	**7,559**	**357**	**1,466,106**

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

(b) THE GROUP	Freehold land and buildings Rs'000	Motor vehicles Rs'000	Agricultural equipment Rs'000	Furniture, fixtures and fittings Rs'000	Plant and equipment Rs'000	Bearer plants Rs'000	Others Rs'000	Total Rs'000
COST/VALUATION								
At January 1, 2021								
- cost	-	32,568	59,619	5,212	2,600	62,905	2,683	165,587
- valuation	1,665,372	-	-	-	-	-	-	1,665,372
	1,665,372	32,568	59,619	5,212	2,600	62,905	2,683	1,830,959
Additions	2,060	231	3,140	135	-	9,262	15	14,843
Reclassification	2,533	-	(2,533)	-	-	-	-	-
Assets scrapped	-	-	(1,115)	(228)	-	(14,417)	(740)	(16,500)
Transfers from right-of-use assets (note 6)	-	3,389	2,510	-	-	-	-	5,899
Transferred to assets classified as held for sale (note 20)	(66,363)	-	-	-	-	-	-	(66,363)
Transferred to investment property (note 8)	(112,915)	-	-	-	-	-	-	(112,915)
Disposals	-	(9,791)	(4,059)	-	-	-	-	(13,850)
At December 31, 2021								
- cost	**4,593**	**26,397**	**57,562**	**5,119**	**2,600**	**57,750**	**1,958**	**155,979**
- valuation	**1,486,094**	**-**	**-**	**-**	**-**	**-**	**-**	**1,486,094**
	1,490,687	**26,397**	**57,562**	**5,119**	**2,600**	**57,750**	**1,958**	**1,642,073**
DEPRECIATION								
At January 1, 2021	7,370	32,015	52,647	3,999	2,600	62,905	2,191	163,727
Charge for the year	4,931	242	1,573	448	-	-	118	7,312
Reclassification	846	-	(846)					-
Impairment losses	-	-	-	-	-	9,262	-	9,262
Transfers from right-of-use assets (note 6)	-	3,184	1,381	-	-	-	-	4,565
Assets scrapped	-	-	(1,115)	(228)		(14,417)	(740)	(16,500)
Disposals	-	(9,787)	(3,308)	-	-	-	-	(13,095)
At December 31, 2021	**13,147**	**25,654**	**50,332**	**4,219**	**2,600**	**57,750**	**1,569**	**155,271**
NET BOOK VALUE								
At December 31, 2021	**1,477,540**	**743**	**7,230**	**900**	**-**	**-**	**389**	**1,486,801**

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

(c) THE COMPANY	Freehold land and buildings Rs'000	Motor vehicles Rs'000	Agricultural equipment Rs'000	Furniture, fixtures and fittings Rs'000	Bearer plants Rs'000	Others Rs'000	Total Rs'000
COST/VALUATION							
At January 1, 2022							
- cost	4,593	21,337	57,564	2,194	57,750	1,967	145,405
- valuation	1,486,094	-	-	-	-	-	1,486,094
	1,490,687	21,337	57,564	2,194	57,750	1,967	1,631,499
Additions	938	-	6,620	201	7,559	69	15,387
Transferred to assets classified as held for sale (note 20)	(27,786)	-	-	-	-	-	(27,786)
Assets scrapped	-	(1,090)	-	(94)	-	-	(1,184)
Transfer from right-of-use assets (note 6)	-	1,093	-	-	-	-	1,093
Disposals	-	(2,487)	-	-	-	-	(2,487)
At December 31, 2022							
- cost	**5,531**	**18,853**	**64,184**	**2,301**	**65,309**	**2,036**	**158,214**
- valuation	**1,458,308**	**-**	**-**	**-**	**-**	**-**	**1,458,308**
	1,463,839	**18,853**	**64,184**	**2,301**	**65,309**	**2,036**	**1,616,522**
DEPRECIATION							
At January 1, 2022	13,147	20,594	50,334	1,922	57,750	1,576	145,323
Charge for the year	4,992	459	2,001	116	-	101	7,669
Assets scrapped	-	(1,090)	-	(94)	-	-	(1,184)
Transfer from right-of-use assets (note 6)	-	1,093	-	-	-	-	1,093
Disposals	-	(2,487)	-	-	-	-	(2,487)
At December 31, 2022	**18,139**	**18,569**	**52,335**	**1,944**	**57,750**	**1,677**	**150,414**
NET BOOK VALUE							
At December 31, 2022	**1,445,700**	**284**	**11,849**	**357**	**7,559**	**359**	**1,466,108**

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

(d) THE COMPANY	Freehold land and buildings	Motor vehicles	Agricultural equipment	Furniture, fixtures and fittings	Bearer plants	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION							
At January 1, 2021							
- cost	-	27,645	59,620	2,309	62,905	2,692	155,171
- valuation	1,665,372	-	-	-	-	-	1,665,372
	1,665,372	27,645	59,620	2,309	62,905	2,692	1,820,543
Additions	2,060	231	3,140	113	9,262	15	14,821
Reclassification	2,533	-	(2,533)	-	-	-	-
Transferred to assets classified as held for sale (note 20)	(66,363)	-	-	-	-	-	(66,363)
Transferred to investment property (note 8)	(112,915)	-	-	-	-	-	(112,915)
Assets scrapped	-	-	(1,115)	(228)	(14,417)	(740)	(16,500)
Transfer from right-of-use assets (note 6)	-	2,460	2,510	-	-	-	4,970
Disposals	-	(8,999)	(4,058)	-	-	-	(13,057)
At December 31, 2021							
- cost	**4,593**	**21,337**	**57,564**	**2,194**	**57,750**	**1,967**	**145,405**
- valuation	**1,486,094**	**-**	**-**	**-**	**-**	**-**	**1,486,094**
	1,490,687	**21,337**	**57,564**	**2,194**	**57,750**	**1,967**	**1,631,499**
DEPRECIATION							
At January 1, 2021	7,370	27,091	52,649	2,021	62,905	2,198	154,234
Charge for the year	4,931	243	1,573	129	-	118	6,994
Reclassification	846	-	(846)	-	-	-	-
Impairment losses	-	-	-	-	9,262	-	9,262
Assets scrapped	-	-	(1,115)	(228)	(14,417)	(740)	(16,500)
Transfer from right-of-use assets (note 6)	-	2,255	1,381	-	-	-	3,636
Disposals	-	(8,995)	(3,308)	-	-	-	(12,303)
At December 31, 2021	**13,147**	**20,594**	**50,334**	**1,922**	**57,750**	**1,576**	**145,323**
NET BOOK VALUE							
At December 31, 2021	**1,477,540**	**743**	**7,230**	**272**	**-**	**391**	**1,486,176**

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

(e) Land and building was revalued on June 30, 2019 by Noor Dilmohamed & Associates, an Independent Certified Practising Valuer. Valuations were made on the basis of its open market value. The book value of land had been adjusted to the revalued amount and the resultant surplus amounting to Rs.316.278 million for the Group and Company, have been credited to revaluation surplus in shareholders' equity. The Directors are of the opinion that the fair value at December 31, 2022 is not materially different to the last valuation performed by the valuation specialists.

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy are as follows:

	THE GROUP	THE COMPANY
December 31, 2022	Rs'000	Rs'000
Freehold land and buildings - Level 2	**1,445,700**	**1,445,700**
December 31, 2021		
Freehold land and buildings - Level 2	1,477,540	1,477,540

There were no transfers between levels during the year.

(i) *Freehold land and roads*
The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per arpent.

Significant unobservable valuation input:	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At December 31, 2022		
Price per arpent	**522**	**522**
At December 31, 2021		
Price per arpent	522	522

The reconciliation of revalued amounts of land and roads using significant unobservable inputs are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**1,426,013**	1,606,272	**1,426,013**	1,606,272
Transfer to assets classified as held for sale (note 20)	**(27,786)**	(66,363)	**(27,786)**	(66,363)
Transfer to investment property (note 8)	**-**	(112,915)	**-**	(112,915)
Depreciation	**(981)**	(981)	**(981)**	(981)
At December 31,	**1,397,246**	1,426,013	**1,397,246**	1,426,013

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

(f) If land, roads and buildings were stated on the historical cost basis, the amount would be as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Land and roads				
Cost	**11,543**	10,647	**11,543**	10,647
Accumulated depreciation	**(4,058)**	(3,810)	**(4,058)**	(3,810)
Net book value	**7,485**	6,837	**7,485**	6,837
Buildings				
Cost	**29,337**	26,804	**29,337**	26,804
Reclassification	**-**	2,533	**-**	2,533
Accumulated depreciation	**(19,407)**	(17,891)	**(19,407)**	(17,891)
Reclassification	**-**	(846)	**-**	(846)
Net book value	**9,930**	10,600	**9,930**	10,600

(g) Depreciation charge for the year can be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation (note 34):				
- Continuing operations	**7,669**	7,312	**7,669**	6,994

(h) The directors have assessed that there is no impairment loss to be recognised at year end.

(i) The Group has pledged all its assets under property, plant and equipment to secure general banking facilities granted to the Group.

6. RIGHT-OF-USE ASSETS

	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000
THE GROUP			
COST/VALUATION			
At January 1, 2022	3,784	7,514	11,298
Transfer to property, plant and equipment (note 5)	-	(2,656)	(2,656)
Additions	-	3,307	3,307
At December 31, 2022	**3,784**	**8,165**	**11,949**
DEPRECIATION			
At January 1, 2022	1,703	4,278	5,981
Charge for the year	378	1,412	1,790
Transfer to property, plant and equipment (note 5)	-	(2,656)	(2,656)
At December 31, 2022	**2,081**	**3,034**	**5,115**
NET BOOK VALUE			
At December 31, 2022	**1,703**	**5,131**	**6,834**

6. RIGHT-OF-USE ASSETS (CONT'D)

THE GROUP

	Leasehold land	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION				
At January 1, 2021	15,000	6,294	8,171	29,465
Transfer to property, plant and equipment (note 5)	-	(2,510)	(3,389)	(5,899)
Additions	-	-	2,732	2,732
Disposal	(15,000)	-	-	(15,000)
At December 31, 2021	**-**	**3,784**	**7,514**	**11,298**
DEPRECIATION				
At January 1, 2021	450	2,455	5,640	8,545
Charge for the year	175	629	1,822	2,626
Transfer to property, plant and equipment (note 5)	-	(1,381)	(3,184)	(4,565)
Disposal	(625)	-	-	(625)
At December 31, 2021	**-**	**1,703**	**4,278**	**5,981**
NET BOOK VALUE				
At December 31, 2021	**-**	**2,081**	**3,236**	**5,317**

THE COMPANY

	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000
COST/VALUATION			
At January 1, 2022	3,784	3,826	7,610
Additions	-	3,307	3,307
Transfer to property, plant and equipment (note 5)	-	(1,093)	(1,093)
At December 31, 2022	**3,784**	**6,040**	**9,824**
DEPRECIATION			
At January 1, 2022	1,703	1,440	3,143
Charge for the year	378	986	1,364
Transfer to property, plant and equipment (note 5)	-	(1,093)	(1,093)
At December 31, 2022	**2,081**	**1,333**	**3,414**
NET BOOK VALUE			
At December 31, 2022	**1,703**	**4,707**	**6,410**

6. RIGHT-OF-USE ASSETS (CONT'D)

THE COMPANY	Leasehold land	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION				
At January 1, 2021	15,000	6,294	3,554	24,848
Additions	-	-	2,732	2,732
Transfer to property, plant and equipment (note 5)	-	(2,510)	(2,460)	(4,970)
Disposals	(15,000)	-	-	(15,000)
At December 31, 2021	**-**	**3,784**	**3,826**	**7,610**
DEPRECIATION				
At January 1, 2021	450	2,455	2,611	5,516
Charge for the year	175	629	1,084	1,888
Transfer to property, plant and equipment (note 5)	-	(1,381)	(2,255)	(3,636)
Disposals	(625)	-	-	(625)
At December 31, 2021	**-**	**1,703**	**1,440**	**3,143**
NET BOOK VALUE				
At December 31, 2021	**-**	**2,081**	**2,386**	**4,467**

(a)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total cash outflows for leases	**2,319**	2,841	**1,736**	1,944

(b) The Group leases several assets including agricultural equipment and motor vehicles. The average lease term is 5 years (2021: 5 years).

The Group has options to purchase agricultural equipment and motor vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

Approximately 45% of the leases for agricultural equipment and motor vehicles have expired in the current financial year.

7. LEASE LIABILITIES

(a) THE GROUP

	Motor vehicles	Total
	Rs'000	Rs'000
At January 1, 2022	4,089	4,089
Additions	3,307	3,307
Interest expense	332	332
Lease payments	(2,319)	(2,319)
At December 31, 2022	**5,409**	**5,409**
Current		1,572
Non current		3,837
		5,409

7. LEASE LIABILITIES (CONT'D)

(a) THE GROUP

	Leasehold land	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	5,602	759	3,227	9,588
Additions	-	-	2,682	2,682
Interest expense	266	56	206	528
Disposal	(5,868)	-	-	(5,868)
Lease payments	-	(815)	(2,026)	(2,841)
At December 31, 2021	**-**	**-**	**4,089**	**4,089**
Current				1,534
Non current				2,555
				4,089

(b) THE COMPANY

	Motor vehicles	Total
	Rs'000	Rs'000
At January 1, 2022	2,901	2,901
Additions	3,307	3,307
Interest expense	273	273
Lease payments	(1,736)	(1,736)
At December 31, 2022	**4,745**	**4,745**
Current		1,150
Non current		3,595
		4,745

	Leasehold land	Agricultural equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	5,601	759	1,248	7,608
Additions	-	-	2,682	2,682
Interest expense	267	56	100	423
Disposal	(5,868)	-	-	(5,868)
Lease payments	-	(815)	(1,129)	(1,944)
At December 31, 2021	**-**	**-**	**2,901**	**2,901**
Current				997
Non current				1,904
				2,901

(c) There are no extension and termination options included in the property and equipment leases across the Group.

(d) The Group did not provide residual value guarantees in relation to equipment leases.

7. LEASE LIABILITIES (CONT'D)

(e) Interest expense

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense (included in finance costs)	**332**	528	**273**	423
	332	528	**273**	423

The total cash outflows for leases in 2022 was Rs.2.319 million (2021: Rs.2.841 million) and Rs.1.736 million (2021: Rs.1.944 million) for the Group and the Company respectively.

(f) Depreciation charge for the year can be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation (note 34)				
- Continuing operations	**1,790**	2,626	**1,364**	1,888

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Maturity Analysis	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Year 1	**1,853**	1,690	**1,381**	1,098
Year 2	**1,589**	1,078	**1,365**	627
Year 3	**1,365**	831	**1,365**	607
Year 4	**1,032**	607	**1,032**	607
Year 5	**126**	275	**126**	275
Onwards	**-**	-	**-**	-
	5,965	4,481	**5,269**	3,214
Less: Unearned interest	**(556)**	(392)	**(524)**	(313)
	5,409	4,089	**4,745**	2,901

8. INVESTMENT PROPERTY

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Fair value	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At January 1	**132,800**	13,745	**132,800**	13,745
Transfer from property, plant and equipment (note 5)	**-**	112,915	**-**	112,915
Acquisition of subsidiary (note 23)	**47,830**	-	**-**	-
Expenditure incurred during the year	**88,270**	6,140	**88,270**	6,140
Transfer to land development inventory (note 14)	**(207,324)**	-	**(207,324)**	-
At December 31,	**61,576**	132,800	**13,746**	132,800

(a) The investment property was valued by Noor Dilmohamed & Associates, an Independent Certified Practising Valuer on June 30, 2019 on the basis of its open market value. The directors have assessed that the fair value as at 31 December 2022 still approximates its fair value as at 30 June 2019.

8. INVESTMENT PROPERTY (CONT'D)

Details of the Group's investment property and information about the fair value hierarchy are as follows:

	THE GROUP	THE COMPANY
	Level 2	**Level 2**
	Rs'000	**Rs'000**
December 31, 2022		
Land and building	**61,576**	**13,746**
December 31, 2021		
Land and building	132,800	132,800

There were no transfers between levels during the year.

(b) The Group has pledged all its investment property to secure general banking facilities granted to the Group.

(c) The following amounts have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**1,072**	888	**932**	888

(d) Leasing arrangements - Lessor

The investment property are leased to tenants under leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the property.

Minimum lease payments receivable on leases of investment properties are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within 1 year	**1,126**	932	**979**	932

(e) Valuation techniques and key inputs

2022	Valuation technique	Significant input(s)	+/-5% Sensitivity
			Rs'000
Commercial property unit located in Souillac	Comparative method	Rs 7.737m per arpent	687
Agricultural land for development	Comparative method	Rs 0.463m per arpent	2,392

2021	Valuation technique	Significant input(s)	+/-5% Sensitivity
			Rs'000
Commercial property unit located in Souillac	Comparative method	Rs 7.737m per arpent	687
Agricultural land for development	Comparative method	Rs 0.463m per arpent	5,953

9. INVESTMENTS IN SUBSIDIARY COMPANIES

THE COMPANY	2022		2021	
	Unquoted	**Total**	Unquoted	Total
	Rs'000	**Rs'000**	Rs'000	Rs'000
(a) **Cost less impairment**				
At January 1,	**1,051**	**1,051**	1,041	1,041
Transfer from investments in associates (note 10)	**2,127**	**2,127**	-	-
Additions (note 23)	**3,330**	**3,330**	-	-
Adjustment	**-**	**-**	10	10
At December 31,	**6,508**	**6,508**	1,051	1,051

The Directors have assesed the recoverable amount of the investments and are of the opinon that the carrying amount has not suffered further impairment.

(b) The subsidiaries of The Union Sugar Estates Company Limited are as follows:

Name	Class of shares held	Year end	Stated capital	Proportion of direct ownership interest 2022	Proportion of direct ownership interest 2021	Proportion of indirect ownership interest 2022	Proportion of indirect ownership interest 2021	Country of incorporation and operation	Main business
			Rs'000	**% Holding**	% Holding	**% Holding**	% Holding		
Combo Property Company Ltd	Ordinary shares	December 31,	1	**100**	100	**-**	-	Mauritius	Investment company
Société Alef	Share of interest	December 31,	150	**100**	100	**-**	-	Mauritius	Dormant
Union Corporate Limited	Ordinary shares	December 31,	1,050	**100**	100	**-**	-	Mauritius	Management company
Société Union Saint Aubin	Ordinary shares	December 31,	33,542	**60.54**	-	**-**	-	Mauritius	Rental of properties

(c) Combo Property Company Ltd is in the process of winding up.

(d) On August 16, 2022, the Company acquired an additional 16.04% shares in Societé Union Saint Aubin (SUSA) for Rs 3.330 millions, bringing its actual shareholding from 44.50% to 60.54% and SUSA is considered as a subsidiary as from the date of acquisition.

(e) **Subsidiaries with material non-controlling interests**

Details for subsidiaries that have non-controlling interests that are material to the entity:

Name	Profit allocated to non-controlling interests during the year 2022	Accumulated non-controlling interests at December 31, 2022
	Rs'000	Rs'000
Société Union Saint Aubin	**120**	**25,729**

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) **Summarised financial information on subsidiaries with material non-controlling interests**

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity attributable to the owners of the Company	Non-controliing interest	Revenue
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022							
Société Union Saint Aubin	18,594	47,830	1,214	-	39,481	25,729	419

Name		Profit attributable to		Other Comprehensive Income attributable to		Total comprehensive Income attributable to	
	Expenses (including tax)	Owners of the Company	Non-controlling interest	Owners of the Company	Non-controlling interest	Owners of the Company	Non-controlling interest
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022							
Société Union Saint Aubin	114	185	120	-	-	185	120

10. INVESTMENTS IN ASSOCIATES

	2022	2021
THE GROUP - UNQUOTED	**Rs'000**	Rs'000
Group's share of net assets		
At January 1,	**18,247**	17,563
Deemed disposal during the year (note 23)	**(8,198)**	-
Share of result of associates	**(1,178)**	684
At December 31,	**8,871**	18,247

	2022	2021
	Rs'000	Rs'000
THE COMPANY		
Unquoted - cost		
At January 1,	**11,466**	11,466
Transfer to investments in subsidiaries (note 9(a))	**(2,127)**	-
At December 31,	**9,339**	11,466

On August 16, 2022, the Company acquired an additional 16.04% shares in Société Union Saint Aubin (SUSA) thereby obtaining control over the entity.

The Directors have assesed the recoverable amount of the investments and are of the opinon that the carrying amount has not suffered further impairment.

10. INVESTMENTS IN ASSOCIATES (CONT'D)

The summarised financial information in respect of the Group's associates is set out below:

Name	Year end	Nature of business	Country of incorporation and operation	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	Proportion of ownership interest Direct	Indirect
				Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	%
2022											
Union St Aubin Milling Co. Ltd **	**December 31,**	**Dormant**	**Mauritius**	**7**	**-**	**392**	**-**	**-**	**(11)**	**-**	**48.4**
Copésud (Mauritius) Ltée	**December 31,**	**Sales of potatoes**	**Mauritius**	**83,547**	**16,787**	**61,387**	**3,082**	**112,290**	**2,383**	**25**	**-**
Gourmet Foods Ltd *	**June 30,**	**Production of foie-gras**	**Mauritius**	**223**	**-**	**24,035**	**-**	**-**	**9**	**50**	**-**
				83,777	**16,787**	**85,814**	**3,082**	**112,290**	**2,381**		
2021											
Société Union Saint Aubin	December 31,	Dormant	Mauritius	18,033	1,398	1,236	-	709	338	44.5	-
Union St Aubin Milling Co. Ltd **	December 31,	Dormant	Mauritius	9	-	384	-	-	(59)	-	35.6
Copésud (Mauritius) Ltée (restated)	December 31,	Sales of potatoes	Mauritius	27,703	19,509	9,677	4,053	95,973	2,275	25	-
Gourmet Foods Ltd*	June 30,	Production of foie-gras	Mauritius	17,694	-	41,515	-	48	(12,597)	50	-
				63,439	20,907	52,812	4,053	96,730	(10,043)		

* As at 31 December 2020, Gourmet Foods Ltd ceased all its activities and is now a dormant company.
For the purposes of applying the equity method of accounting, the management accounts of Gourmet Foods Ltd for the year ended December 31, have been used.

All of the above associates are accounted for using the equity method.

Results for the year and accumulated losses not recognised were as follows:

	Results of the year		Accumulated losses	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Gourmet Foods Ltd *	**5**	(6,299)	**(22,608)**	(22,613)
Union St Aubin Milling Co. Ltd **	**(5)**	(21)	**(108,334)**	(108,329)
	-	(6,320)	**(130,942)**	(130,942)

** Union St Aubin Milling Co. Ltd is in the process of winding up.

10. INVESTMENTS IN ASSOCIATES (CONT'D)

Reconciliation of summarised financial position

On August 16, 2022, the Company acquired an additional 16.04% shares in Société Union Saint Aubin (SUSA) for Rs 3,329,933/- thereby obtaining control over the entity. Summarised financial information of the associates that are material to the Group, based on their IFRS Financial statements and reconciliation with the carrying amount of the investment recognised in the Group's financial statements are set out below:

	Union St-Aubin Milling Co Ltd	Copésud (Mauritius) Ltée	Total
	Rs'000	Rs'000	Rs'000
2022			
Operating net assets/(liabilities)	**(275)**	**39,693**	**39,418**
Profit for the year	**-**	**2,383**	**2,383**
Other adjustments	**-**	**(6,200)**	**(6,200)**
Closing net (liabilities)/assets	**(275)**	**35,876**	**35,601**
Ownership interest (%)	**35.60**	**25.00**	**-**
Carrying value	**(98)**	**8,969**	**8,871**

	Société Union Saint Aubin	Union St-Aubin Milling Co Ltd	Copésud (Mauritius) Ltée	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2021				
Operating net assets/(liabilities)	18,698	(275)	37,356	55,779
Profit/(loss) for the year				
- Continuing operations	338	-	2,337	2,675
Other adjustments	(113)	-	-	(113)
Closing net assets/(liabilities)	18,923	(275)	39,693	58,341
Ownership interest (%)	44.50	35.60	25.00	-
Carrying value	8,422	(98)	9,923	18,247

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**1,703**	2,031	**1,703**	2,031
Change in fair value recognised in other comprehensive income	**(288)**	(328)	**(288)**	(328)
At December 31,	**1,415**	1,703	**1,415**	1,703

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

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Quoted:				
Promotion and Development Ltd	**3**	3	**3**	3
Lux Island Resorts Ltd	**8**	7	**8**	7
Alteo Limited	**-**	1	**-**	1
BlueLife Limited	**3**	2	**3**	2
CIEL Limited	**70**	69	**70**	69
IBL Ltd	**7**	7	**7**	7
Innodis Ltd	**3**	4	**3**	4
ENL Land Limited	**3**	3	**3**	3
The United Basalts Products Ltd	**13**	18	**13**	18
The Bee Equity Partners Ltd	**16**	9	**16**	9
MCB Group Limited	**16**	16	**16**	16
MFD Group Ltd	**-**	-	**-**	-
Medine Ltd	**2**	2	**2**	2
Miwa Sugar Limited (value in USD $ 12.90)	**1**	-	**1**	-
Livestock Feed Limited (Ordinary)	**2**	2	**2**	2
New Mauritius Hotels Limited (Ordinary)	**1**	1	**1**	1
Tropical Paradise Co Ltd (Preference)	**850**	1,031	**850**	1,031
United Investments Ltd	**253**	350	**253**	350
Hotelest Limited	**79**	71	**79**	71
Excelsior United Development Companies Limited	**78**	100	**78**	100
Unquoted:				
Ecocentre Limitee (Preference)	**1**	1	**1**	1
The Raphael Fishing Company Limited	**5**	5	**5**	5
Les Lycees Associes Ltee (Preference)	**1**	1	**1**	1
	1,415	1,703	**1,415**	1,703

(iii) Financial assets measured at fair value through other comprehensive income consist of the Group's 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 fair value through profit or loss because the investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the investments.

(iv) The fair value of quoted securities is based on published market prices.

(v) Quoted investments are categorised under level 1 and unquoted investments under level 3.

12. DEFERRED TAX

(a) Deferred taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred taxes relate to the same fiscal authority on the same entity.

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net deferred tax assets	**3,099**	8,102	3,099	8,178
Net deferred tax liabilities	**(76)**	-	**-**	-
	3,023	8,102	3,099	8,178

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**10,805**	15,298	10,881	15,374
Deferred tax liabilities	**(7,782)**	(7,196)	(7,782)	(7,196)
	3,023	8,102	3,099	8,178

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1	**8,102**	20,831	**8,178**	17,398
(Charged)/credited to profit or loss (note 19(b))				
- Continuing operations	**(2,844)**	(5,091)	**(2,844)**	(5,367)
(Charged)/credited to other comprehensive income	**(2,927)**	(10,254)	**(2,927)**	(6,469)
Credited directly to equity	**692**	2,616	**692**	2,616
At December 31,	**3,023**	8,102	**3,099**	8,178

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

(i) Deferred tax liabilities

	THE GROUP				
	Investment Property	Bearer biological assets	Revaluation of assets	Right-of-use assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	**338**	**-**	**9,508**	**2,474**	**12,320**
Charged/(credited) to profit or loss	(35)	-	(1,604)	-	(1,639)
Credited to other comprehensive income	-	-		(2,474)	(2,474)
Credited directly to equity	-	-	(1,011)	-	(1,011)
At December 31, 2021	**303**	**-**	**6,893**	**-**	**7,196**
Credited to profit or loss	(7)	1,285		-	1,278
Credited directly to equity	-	-	(692)	-	(692)
At December 31, 2022	**296**	**1,285**	**6,201**	**-**	**7,782**

12. DEFERRED TAX (CONT'D)

(ii) Deferred tax assets

	THE GROUP				
	Accelerated tax depreciation	Retirement benefit obligations	Provision for bad debts	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	**12,891**	**19,230**	**77**	**953**	**33,151**
Credited/(charged) to profit or loss	(7,049)	403	-	(84)	(6,730)
Debited to other comprehensive income	-	(10,254)	-	-	(10,254)
Debited directly to equity	-	-	-	(869)	(869)
At December 31, 2021	**5,842**	**9,379**	**77**	**-**	**15,298**
Charged to profit or loss	(1,482)	(84)	-	-	(1,566)
Debited to other comprehensive income	-	(2,927)	-	-	(2,927)
At December 31, 2022	**4,360**	**6,368**	**77**	**-**	**10,805**

(iii) Deferred tax liabilities

	THE COMPANY			
	Investment Property	Bearer biological assets	Revaluation of assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	**338**	**-**	**9,508**	**9,846**
Credited to profit or loss	(35)	-	(1,604)	(1,639)
Credited directly to equity	-	-	(1,011)	(1,011)
At December 31, 2021	**303**	**-**	**6,893**	**7,196**
(Credited)/charged to profit or loss	(7)	1,285	-	1,278
Credited directly to equity	-	-	(692)	(692)
At December 31, 2022	**296**	**1,285**	**6,201**	**7,782**

(iv) Deferred tax assets

	THE COMPANY				
	Provision for bad debts	Accelerated tax depreciation	Retirement benefit obligations	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	**77**	**12,967**	**15,721**	**953**	**29,718**
(Charged)/credited to profit or loss	-	(7,049)	127	(84)	(7,006)
Debited to other comprehensive income	-	-	(6,469)	-	(6,469)
Credit direct to equity	-	-	-	(869)	(869)
At December 31, 2021	**77**	**5,918**	**9,379**	**-**	**15,374**
Charged to profit or loss	-	(1,482)	(84)	-	(1,566)
Debited to other comprehensive income	-		(2,927)	-	(2,927)
At December 31, 2022	**77**	**4,436**	**6,368**	**-**	**10,881**

12. DEFERRED TAX (CONT'D)

(d) Unused tax losses at the end of the reporting date that were available for offset against future profits were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Unused tax losses	**109,680**	180,479	**109,680**	180,479

No deferred tax asset has been recognised in respect of the above tax losses due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

The tax losses are available for set off against taxable profits of the Group and the Company as follows:

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
Up to year ending		
31 December 2022	**-**	63,200
31 December 2023	**30,136**	36,697
31 December 2024	**12,286**	12,286
31 December 2025	**59,727**	59,727
Indefinitely	**7,531**	8,569
	109,680	180,479

13. INVENTORIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Spare parts and fuel	**625**	634	**625**	634
Maintenance and consumables	**2,870**	2,405	**2,870**	2,405
	3,495	3,039	**3,495**	3,039

The cost of inventories recognised as expense and included in supplies and services amounted to Rs.15.421 million (2021: Rs.11.237 million) for the Group and the Company.

Loans and bank overdrafts are secured on the assets of the Group and the Company including inventories, amounting to Rs.3.495 million (2021: Rs.3.039 million) for the Group and the Company.

14. LAND DEVELOPMENT INVENTORY

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
Land infrastructural development costs		
At January 1,	**-**	6,817
Assets transferred from investment property (note 8)	**207,324**	-
Assets transferred from assets classified as held for sale (note 20)	**37,213**	-
Expenditure incurred during the year	**1,195**	2,042
Disposals	**-**	(8,859)
At December 31,	**245,732**	-

Land development inventory consists of cost of land and related expenditure incurred on conversion of land to saleable condition. Land development inventory is measured at the lower of cost or net realisable value.

15. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Standing cane at fair value	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At January 1,	**55,100**	26,400	**55,100**	26,400
Gain arising from changes in fair value	**2,050**	28,700	**2,050**	28,700
At December 31,	**57,150**	55,100	**57,150**	55,100
Number of hectares under plantation at December 31,				
Standing cane	**795**	857	**795**	857

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

At December 31, 2022, the most significant unobservable inputs used for the valuation are as follows:

Valuation technique - Discounted Cash flow

	Unobservable inputs			Effect on fair value	
Key unobservable input	**2022**	2021	Sensitivity	**2022**	2021
				Rs'000	Rs'000
Sugar cane yield - tons of sugar cane harvested per hectare	94.3	101.0	+5%	5,700	5,100
Extraction rate - % sugar produced to sugar cane crushed	10.00%	9.80%	+0.25%	2,650	2,350
Price of sugar per ton (Rs)	22,626	16,989	+5%	4,650	3,850
Discount rate	11.12%	7.80%	+1%	(750)	(850)

Climate-related risks

The Group's and the Company's sugarcane plantations are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events. Periods of drought and associated high temperatures may increase the risk of sugarcane fires and insect outbreaks. In addition to their effects on sugarcane yields, extreme weather events may also increase the cost of operations. The Group and the Company have extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the cover of the Group's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

At the Group, 100 % of the harvesting is done mechanically using specialised industrial equipment. Traditionally, the cane was burnt before harvesting to remove leaves and other wastes which could impede milling. However, as a means to reduce herbicides, sugarcane are greenharvested, thus recycling nitrogen in the plant, keeping the humidity in the soil and avoiding the growth of weeds.

16. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables - net	**41,638**	43,536	**41,638**	43,536

Loss allowance on trade receivables

The Group and the Company did not recognise any loss allowance on trade receivables during the reporting period as the directors consider the amount due from the Mauritius Sugar Syndicate (MSS) to be fully recoverable given that the final settlement of the sugar proceeds usually happens more than 90 days from invoice date and does not constitute a significant increase in credit risk or an event of default.

17. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivable from related parties (note 42)	**406,472**	374,785	**415,643**	377,016
Analysed as follows:				
- Non-current assets	**358,000**	358,000	**358,000**	358,000
- Current assets	**48,472**	16,785	**57,643**	19,016
	406,472	374,785	**415,643**	377,016

(a) *Fair values of financial assets at amortised cost*

The carrying amount of receivable from related parties is considered to be the same as their fair value.

(b) *Loss allowance and risk exposure*

Financial assets at amortised cost did not include any loss allowance at December 31, 2022 as based on the Group's and Company's impairment assessment for financial asset at amortised cost, the impairment loss is not material.

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

(c) Loan receivable from the ultimate holding company under non-current assets is unsecured and during the year, the rate of interest ranged from 5.25% to 7.90% (PLR+1%). The interest is payable at the end of each financial year and the loan will not be recalled within the next 12 months as from the reporting date. Unpaid interest will be added to the outstanding capital balance on the 1st day of next financial year.

18. OTHER CURRENT ASSETS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
VAT receivable	**2,070**	1,480	**2,014**	1,480
Other receivables	**4,451**	5,574	**3,658**	5,037
	6,521	7,054	**5,672**	6,517

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

19. TAXATION

(a) Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**195**	(32)	**57**	51
Current tax on the adjusted profit for the year at 15% (2021: 15%)	**-**	-	**-**	-
Tax refunded during the year	**(195)**	(54)	**(62)**	(54)
Tax paid during the year	**109**	281	**85**	60
At December 31,	**109**	195	**80**	57
Analysed as follows:				
- Current tax assets	**109**	195	**80**	57
- Current tax liabilities	**-**	-	**-**	-
	109	195	**80**	57

(b) Amounts recognised in the statement of profit or loss:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year at 15% (2021: 15%)	**-**	-	**-**	-
Deferred taxes (note 12(b))	**2,844**	5,091	**2,844**	5,367
Charge for the year	**2,844**	5,091	**2,844**	5,367

(c) Amounts recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred taxes (note 12(b))	**2,927**	10,254	**2,927**	6,469
Charge for the year	**2,927**	10,254	**2,927**	6,469

(d **Tax reconciliation**

The tax on the Group's and the Company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**73,808**	92,213	**43,557**	100,511
Tax calculated at a rate of 15% (2021: 15%)	**11,071**	13,832	**6,533**	15,077
Income not subject to tax	**(13,143)**	(17,559)	**(8,605)**	(18,490)
Expenses not deductible for tax purposes	**3,056**	4,951	**3,056**	4,637
Tax losses on which no deferred tax were recognised	**(984)**	(1,224)	**(984)**	(1,224)
Deferred tax	**2,844**	5,091	**2,844**	5,367
Tax charge	**2,844**	5,091	**2,843**	5,367

20. ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Land				
At January 1,	**75,386**	111,556	**75,386**	111,556
Expenditure incurred during the year	**6**	-	**6**	-
Assets transferred from property, plant and equipment (note 5)	**27,786**	66,363	**27,786**	66,363
Assets transferred to land development inventory (note 14) *	**(37,213)**	-	**(37,213)**	-
Disposals	**(38,173)**	(102,533)	**(38,173)**	(102,533)
At December 31,	**27,792**	75,386	**27,792**	75,386
Disposal of subsidiary				
At January 1,	**-**	32,642	**-**	-
Disposals	**-**	(32,642)	**-**	-
At December 31,	**-**	-	**-**	-
Investment				
At January 1,	**-**	-	**-**	16,000
Disposals	**-**	-	**-**	(16,000)
At December 31,	**-**	-	**-**	-
	27,792	75,386	**27,792**	75,386

* The land was previously being saleable as it is. However, during the year, some necessary infrastructure works were identified, hence, it no longer met the criteria for asset held for sale and it had be to reclassified to land development inventory.

21. DISCONTINUED OPERATIONS

On December 29, 2020, the Group entered into a bilateral agreement to dispose of its wholly owned subsidiary, Les Lodges d'Union Ltée (LLU). The transaction was completed on July 30, 2021.

(a) The results of the discontinued operations of LLU, which have been included in the profit/(loss) for the year, were as follows:

	LLU	THE GROUP
	2021	2021
	Rs'000	Rs'000
Revenue	1,266	1,266
Employee benefit expense	(813)	(813)
Supplies and services	(1,876)	(1,876)
Depreciation and amortisation	(968)	(968)
Other income	133	133
	(2,258)	(2,258)
Taxation	-	-
Loss from discontinued operations	(2,258)	(2,258)

21. DISCONTINUED OPERATIONS (CONT'D)

(b) Summary of cash flow information:

	LLU	THE GROUP
	2021	2021
	Rs'000	Rs'000
Operating cash flows	(319)	(319)
Investing cash flows	(71,000)	(71,000)
Financing cash flows	70,999	70,999
Net (decrease)/increase in cash and cash equivalents	(320)	(320)
At January 1,	488	488
At date of disposal/transfer to held for sale	168	168

(c) At December 31, 2020, all the assets and liabilities of LLU have been transferred to held for sale, which were as follows:

	2020
	Rs'000
Property, plant and equipment	28,104
Inventories	150
Trade and other receivables	3,899
Cash and bank balances	489
Total assets classified as held for sale (Note 20)	32,642
Trade and other payables	3,347
Deferred tax liabilities	1,688
Retirement benefit obligations	2,083
Total liabilities associated with assets classified as held for sale	7,118
Net asset disposed	25,524

22. DISPOSAL OF SUBSIDIARIES

As referred to in note 21, the Group has disposed of its interests in Les Lodges d'Union Ltée on 30 July 2021 for a net consideration of Rs 19 million.

The net assets of Les Lodges d'Union Ltée at the date of disposal were as follows:

	30 July 2021
	Rs'000
Non-current assets	
Property, plant and equipment	80,841
Rights-of-use assets	17,000
Current assets	
Inventories	77
Trade and other receivables	501
Cash and bank balances	168
Current liabilities	
Trade and other payables	(121)
Non-current liabilities	
Borrowings	(71,000)
Deferred tax liabilities	(1,688)
Retirement benefit obligations	(2,101)
Net assets disposed of subsidiary	23,677
Loss on disposal	(4,677)
Total consideration	**19,000**
Satisfied by:	
Cash and cash equivalents	**19,000**
Net cash inflow arising on disposal:	
Consideration received in cash and cash equivalents	19,000
Less: Cash and cash equivalents disposed of	(168)
	18,832

23. BUSINESS COMBINATIONS

Acquisition of subsidiary

On August 16, 2022, the Company acquired an additional 16.04% shares in Societé Union Saint Aubin (SUSA) for Rs 3.330 millions bringing its shareholding in the company to 60.54% thereby obtaining control over the entity. This transaction qualifies as a business combination as defined in IFRS3. SUSA was acquired to gain control over the development of adjacent land at Union Ducary next to the Company's land.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	16 August 2022
	Rs'000
Assets	
Investment properties	47,830
Other financial assets at amortised cost	17,966
Other current assets	362
Cash and bank balances	165
	66,323

23. BUSINESS COMBINATIONS (CONT'D)

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

		16 August 2022
		Rs'000
Liabilities		
Trade and other payables		1,417
Fair value of net assets acquired		**64,906**
Fair value of non-controlling interests of subsidiary acquired		25,609
Consideration paid in cash		3,330
Fair value of previously held interests		28,883
Less : Fair value of net assets acquired		(64,906)
Gain on bargain purchase on acquisition of subsidiary		(7,084)
		Rs'000
Cash flow		
Consideration paid		3,330
Less : Cash and cash equivalents acquired from subsidiary		(165)
Net cash outflow on acquisition		3,165
Share of net assets acquired		
- Owners of the parent	60.54%	39,297
- Non-controlling interests	39.46%	25,609
		64,906
Acquisition related costs (included in supplies and services (note 33))		416

A gain has resulted following the fair value adjustment on the assets of the subsidiary acquired on August 16, 2022.

The valuation methodology used was the Open Market Value Approach based on available information, deeds, survey location plans and current status of buildings:

Freehold Land has been valued at Rs 3,500,000 per arpent.
Buildings that are in good state have been valued at Rs 6,000 per m^2.
Freehold land leased has been valued at Rs 625,000 per arpent.

The non-controlling interests (39.46% ownership interest in Société Union Saint Aubin (SUSA)) recognised at the acquisition date was measured at the proportionate share of SUSA's identifiable net assets.

Contribution of SUSA to revenue and profit for the period between the date of acquisition and the reporting date and if the acquisition of SUSA had been completed on the first day of the financial year are as follows:

	17 Aug 2022 to 31 Dec 2022	Year 2022
	Rs'000	Rs'000
Total income	419	879
Net profit	305	533

24. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	Number of ordinary shares	**Amount**	Number of ordinary shares	Amount
	2022		2021	
		Rs'000		Rs'000
At January 1, and December 31	**18,900,000**	**1,890**	18,900,000	1,890

The total authorised number of ordinary share is 25,000,000 (2021: 25,000,000 shares) with no par value (2021: no par value). All issued shares are fully paid. The Company has one class of shares and each share carries a right to vote and a right to dividend.

25. OTHER RESERVES

THE GROUP	Revaluation reserve on property, plant and equipment Rs'000	Revaluation reserve on right-of-use assets Rs'000	Financial assets at FVOCI reserve Rs'000	Actuarial losses Rs'000	Total Rs'000
At January 1, 2022	1,640,913	-	(1,343)	(36,021)	1,603,549
Total comprehensive income for the year	-	-	(288)	18,477	18,189
Revaluation surplus released on land disposals	(38,100)	-	-	-	(38,100)
Revaluation surplus released on acc.depreciation of buildings/roads	(3,381)	-	-	-	(3,381)
At December 31, 2022	**1,599,432**	**-**	**(1,631)**	**(17,544)**	**1,580,257**
Analysed as follows:					
- The holding company	1,599,438	-	(1,726)	(13,972)	1,583,740
- Subsidiary companies	(6)	-	95	(3,572)	(3,483)
	1,599,432	**-**	**(1,631)**	**(17,544)**	**1,580,257**
At January 1, 2021	1,756,624	7,835	(1,015)	(78,887)	1,684,557
Total comprehensive income for the year	-	-	(328)	41,819	41,491
Revaluation surplus released on land disposals	(102,419)	-	-	-	(102,419)
Revaluation surplus released of ROU Assets net of deferred tax	-	(7,835)	-	-	(7,835)
Revaluation surplus released on acc.depreciation of buildings/roads	(4,937)	-	-	-	(4,937)
Deconsolidation adjustments	(8,355)	-	-	1,047	(7,308)
At December 31, 2021	**1,640,913**	**-**	**(1,343)**	**(36,021)**	**1,603,549**
Analysed as follows:					
- The holding company	1,640,919	-	(1,438)	(28,264)	1,611,217
- Subsidiary companies	(6)	-	95	(7,757)	(7,668)
	1,640,913	**-**	**(1,343)**	**(36,021)**	**1,603,549**

25. OTHER RESERVES (CONT'D)

THE COMPANY	Revaluation surplus on property, plant and equipment	Revaluation surplus on right-of-use assets	Financial assets at FVOCI reserve	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022	1,640,919	-	(1,438)	(28,264)	1,611,217
Total comprehensive income for the year	-	-	(288)	14,292	14,004
Revaluation surplus released on acc.depreciation of buildings/roads	(3,381)	-	-	-	(3,381)
Revaluation surplus released on land disposals	(38,100)	-	-	-	(38,100)
At December 31, 2022	**1,599,438**	**-**	**(1,726)**	**(13,972)**	**1,583,740**
At January 1, 2021	1,748,275	7,835	(1,110)	(59,269)	1,695,731
Total comprehensive income for the year	-	-	(328)	31,005	30,677
Revaluation surplus released on acc.depreciation of buildings/roads	(4,937)	-	-	-	(4,937)
Revaluation surplus released of ROU Assets net of deferred tax	-	(7,835)	-	-	(7,835)
Revaluation surplus released on land disposals	(102,419)	-	-	-	(102,419)
At December 31, 2021	**1,640,919**	**-**	**(1,438)**	**(28,264)**	**1,611,217**

Revaluation reserve

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

Financial assets at FVOCI reserve

Financial assets at FVOCI reserve comprises gains/losses arising on financial assets at fair value through other comprehensive income.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligations recognised.

26. BORROWINGS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans	**234,470**	291,369	**234,470**	291,369
	234,470	291,369	**234,470**	291,369
Current				
Bank overdrafts	**19,422**	5,109	**19,422**	5,109
Bank loans	**57,514**	40,506	**57,514**	40,506
	76,936	45,615	**76,936**	45,615
Total borrowings	**311,406**	336,984	**311,406**	336,984

(a) (i) The bank borrowings are secured by floating charges on the assets of the Group and the Company including property, plant and equipment, investment property and inventories (notes 5, 8 and 13). During the year, the rate of interest on these bank borrowings ranged from 5.25%. to 7.90% (PLR+1%) (2021: 5.25%).

26. BORROWINGS (CONT'D)

(ii) *Bank loans covenant*
Gearing: Debt to equity ratio not exceeding 2:1 to be maintained over the whole tenor of the bank loans. The Group and the Company have complied with the gearing covenant as at year end.

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

	6 months or less	7 - 12 months	1 - 5 years	Over 5 years	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022					
Total borrowings	**47,701**	**29,235**	**234,470**	**-**	**311,406**
At December 31, 2021					
Total borrowings	13,627	31,988	184,167	107,202	336,984
THE COMPANY					
At December 31, 2022					
Total borrowings	**47,701**	**29,235**	**234,470**	**-**	**311,406**
At December 31, 2021					
Total borrowings	13,627	31,988	184,167	107,202	336,984

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before five years	**234,470**	184,167	**234,470**	184,167
After five years	**-**	107,202	**-**	107,202
	234,470	291,369	**234,470**	291,369

Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before five years				
- Bank loans	**234,470**	184,167	**234,470**	184,167
	234,470	184,167	**234,470**	184,167

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
After five years				
- Bank loans	**-**	107,202	**-**	107,202
	-	107,202	**-**	107,202

(d) The carrying amounts of non-current borrowings are not materially different from their fair values.

(e) The carrying amounts of short term borrowings approximate their fair values.

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

27. RETIREMENT BENEFIT OBLIGATIONS

Amount recognised in the statements of financial position as non-current (asset)/liabilities:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit asset	**(237)**	-	**-**	-
Retirement benefit obligations	**37,461**	61,751	**37,461**	55,171
	37,224	61,751	**37,461**	55,171
Defined pension benefits (note 27 (a)(ii))	**23,130**	45,505	**23,367**	41,047
Other post retirement benefits (note 27(b)(i))	**14,094**	16,246	**14,094**	14,124
	37,224	61,751	**37,461**	55,171
Amount charged to profit or loss:				
Defined pension benefits (note 27 (a) (vii))	**722**	3,831	**1,239**	3,007
Other post retirement benefits (note 27(b)(v))	**1,023**	1,006	**3,074**	791
	1,745	4,837	**4,313**	3,798
Amount charged to other comprehensive income:				
Defined pension benefits (note 27 (a)(viii))	**(20,390)**	(52,028)	**(16,276)**	(37,410)
Other post retirement benefits (note 27(b)(vi))	**(1,014)**	(45)	**(943)**	(64)
	(21,404)	(52,073)	**(17,219)**	(37,474)

(a) **Defined pension benefits**

(i) The Group operates a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for 5 years. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The assets of the fund are held independently and administered by the Sugar Industry Pension Fund and a superannuation fund.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2022 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of defined benefit obligations	**136,780**	178,058	**106,396**	132,630
Fair value of plan assets	**(113,650)**	(132,553)	**(83,029)**	(91,583)
Liability in the statements of financial position	**23,130**	45,505	**23,367**	41,047

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**45,505**	96,572	**41,047**	77,936
Charged to profit or loss	**722**	3,831	**1,239**	3,007
Charged to other comprehensive income	**(20,390)**	(52,028)	**(16,276)**	(37,410)
Employer contributions	**(2,707)**	(2,870)	**(2,643)**	(2,486)
At December 31,	**23,130**	45,505	**23,367**	41,047

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**178,058**	222,033	**132,630**	160,146
Interest expense	**7,320**	5,824	**5,633**	4,061
Current service cost	**990**	1,656	**990**	1,365
Past service cost	**(2,153)**	(349)	**(1,461)**	(349)
Employee contributions	**338**	421	**319**	303
Other benefits paid	**(17,707)**	(7,212)	**(7,854)**	(5,046)
Liability experience gain	**1,492**	(6,908)	**1,321**	(1,743)
Liability gain due to change in demographic assumptions	**(4,864)**	-	**(4,864)**	-
Liability gain due to change in financial assumptions	**(26,694)**	(37,407)	**(20,318)**	(26,107)
At December 31,	**136,780**	178,058	**106,396**	132,630

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**132,553**	125,461	**91,583**	82,210
Interest income	**5,806**	3,300	**3,923**	2,070
Employer contributions	**2,707**	2,870	**2,643**	2,486
Employee contributions	**338**	421	**319**	303
Benefits paid	**(17,707)**	(7,212)	**(7,854)**	(5,046)
Return on plan assets excluding interest income	**(10,755)**	15,619	**(7,585)**	9,560
Change in effect of asset ceiling	**708**	(7,906)	**-**	-
At December 31,	**113,650**	132,553	**83,029**	91,583

(vi) Reconciliation of the effect of asset ceiling

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Opening balance	**7,906**	-	**-**	-
Amount recognised in profit or loss	**371**	-	**-**	-
Amount recognised in other comprehensive income	**(1,079)**	7,906	**-**	-
Closing balance	**7,198**	7,906	**-**	-

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**990**	1,656	**990**	1,365
Past service cost	**(2,153)**	(349)	**(1,461)**	(349)
Net interest on net defined benefit liability	**1,885**	2,524	**1,710**	1,991
Total included in "employee benefit expense" (note 32)	**722**	3,831	**1,239**	3,007
Actual return on plan assets	**(4,949)**	18,919	**(3,662)**	11,630

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Return on plan assets above interest income	**10,755**	(15,619)	**7,585**	(9,560)
Change in effect of asset ceiling	**(1,079)**	7,906	**-**	-
Liability experience loss/(gain)	**1,492**	(6,908)	**1,321**	(1,743)
Liability gain due to change in demographic assumptions	**(4,864)**	-	**(4,864)**	-
Liability gain due to change in financial assumptions	**(26,694)**	(37,407)	**(20,318)**	(26,107)
Total included in other comprehensive income	**(20,390)**	(52,028)	**(16,276)**	(37,410)

(ix) The allocation of plan assets at the end of the reporting period for each category, is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Equity - overseas quoted	**27,175**	37,133	**19,424**	24,849
Equity - local quoted	**30,652**	33,142	**22,250**	22,737
Debt - overseas quoted	**11,264**	13,261	**7,800**	8,894
Debt - local quoted	**12,625**	14,567	**9,748**	10,656
Debt - local unquoted	**4,434**	5,315	**2,762**	3,134
Property - local	**21,807**	-	**16,838**	-
Investment funds	**-**	23,837	**-**	17,438
Cash and other	**5,693**	5,298	**4,207**	3,875
Total	**113,650**	132,553	**83,029**	91,583

(x) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**6.2-6.5%**	4.4-4.7%	**6.2%**	4.4%
Future salary increases	**3-5.3%**	2.6-3.0%	**3-5.3%**	2.6-3.0%
Future pension increases	**0.0%**	0.0%	**0.0%**	0.0%
Average retirement age	**60/65**	60	**60/65**	60

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	Increase	**Decrease**	**Increase**	**Decrease**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
December 31, 2022				
Discount rate (1% movement)	**13,850**	**11,738**	**10,565**	**8,972**
December 31, 2021				
Discount rate (1% movement)	22,306	18,237	14,903	12,371

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

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

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

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

(xii) The defined benefit pension plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The plan liability is calculated using a discount rate determined by reference to government bonds yield ; 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 rate 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

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.

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

(xiv) Expected contributions to post-employment benefit plans for the year ending December 31, 2023 are Rs. 2.749 millions for the Group and Company.

(xv) The weighted average duration of the defined benefit obligation is between 10 and 15 years at the end of the reporting period.

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) **Other post retirement benefits**

The liability relates to employees who are entitled to Retirement Gratuities payable under The Workers' Rights Act 2019. The latter provides for a lump sum at retirement based on final salary and years of service. Prior to implementation of the Portable Retirement Gratuity Fund (PRGF), these benefits were unfunded as at 31 December 2019. Moreover, employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity). As from January 2022, the Group has started to contribute to PRGF.

It also includes SIPF Defined Contribution Pension Fund which is administered by MUA as from July 1, 2022.

(i) The amount recognised in the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**14,515**	16,246	**14,515**	14,124
Value of portable retirement gratuity fund assets	**(421)**	-	**(421)**	-
Liability in the statements of financial position	**14,094**	16,246	**14,094**	14,124

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**16,246**	16,547	**14,124**	14,543
Charge to profit or loss	**1,023**	1,006	**3,074**	791
Credit to other comprehensive income	**(1,014)**	(45)	**(943)**	(64)
Benefits paid	**(2,161)**	(1,262)	**(2,161)**	(1,146)
At December 31,	**14,094**	16,246	**14,094**	14,124

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**16,246**	16,547	**14,124**	14,543
Current service cost	**621**	588	**621**	429
Interest expense	**681**	418	**679**	362
Past service cost	**(270)**	-	**1,783**	-
Benefits paid	**(1,740)**	(1,262)	**(1,740)**	(1,146)
Liability experience gain	**504**	(49)	**575**	(80)
Liability gain due to change in demographic assumptions	**(1,056)**	-	**(1,056)**	-
Liability (gain)/loss due to change in financial assumptions	**(471)**	4	**(471)**	16
At December 31,	**14,515**	16,246	**14,515**	14,124

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(iv) Change in fair value of portable retirement gratuity fund assets:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**-**	-	**-**	-
Interest income	**9**	-	**9**	-
Employer contributions	**2,161**	-	**2,161**	-
Benefits paid	**(1,740)**	-	**(1,740)**	-
Return on plan assets excluding interest income	**(9)**	-	**(9)**	-
At December 31,	**421**	-	**421**	-

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**621**	588	**621**	429
Past service cost	**(270)**	-	**1,783**	-
Net interest on net defined benefit liability	**672**	418	**670**	362
Total included in "employee benefit expense" note (32)	**1,023**	1,006	**3,074**	791

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Return on plan assets above				
Interest income	**9**	-	**9**	-
Liability experience (gain)/loss	**504**	(49)	**575**	(80)
Liability gain due to change in demographic assumptions	**(1,056)**	-	**(1,056)**	-
Liability (gain)/loss due to change in financial assumptions	**(471)**	4	**(471)**	16
Total included in other comprehensive income	**(1,014)**	(45)	**(943)**	(64)

(vii) Principal actuarial assumptions at end of period:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**6.2-6.5%**	4.4-4.7%	**6.2%**	4.4%
Future salary increases	**4.3%-5.3%**	2.6-3%	**4.3%-5.3%**	2.6-3%
Average retirement age	**60/65 years**	60 years	**60/65 years**	60 years

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

	THE GROUP		THE COMPANY	
	Increase	**Decrease**	**Increase**	**Decrease**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
<u>**December 31, 2022**</u>				
Discount rate (1% movement)	**1,216**	**1,056**	**1,216**	**1,056**
<u>December 31, 2021</u>				
Discount rate (1% movement)	1,269	1,086	729	655

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

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

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

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

(ix) Expected contributions to other retirement benefits for the year ending December 31, 2023 are Rs.0.634 million for the Group and Company.

(x) The weighted average duration of the other retirement benefits is between 5 and 27 years at the end of the reporting period.

28. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**12,397**	14,556	**10,931**	10,498
SIFB premium	**8,250**	2,807	**8,250**	2,807
Amounts due to related parties (note 42)	**8,993**	55,867	**32,279**	56,244
Deposits from clients	**136,643**	13,150	**136,643**	13,150
Accrued expenses	**41,649**	32,616	**41,472**	32,606
Covid-19 levy	**-**	1,259	**-**	1,224
	207,932	120,255	**229,575**	116,529

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

29. SUGAR PROCEEDS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sugar:				
- Current year crop	**92,775**	69,516	**92,775**	69,516
- Previous year crop	**8,686**	8,394	**8,686**	8,394
Molasses:				
- Current year crop	**7,714**	11,142	**7,714**	11,142
- Previous year crop	**(1,470)**	1,297	**(1,470)**	1,297
Bagasse:				
- Current year crop	**13,900**	15,393	**13,900**	15,393
- Previous year crop	**-**	(28)	**-**	(28)
	121,605	105,714	**121,605**	105,714

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Timing of revenue recognition:				
At a point in time	**121,605**	105,714	**121,605**	105,714

30. SIFB COMPENSATION

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Compensation from the SIFB	**-**	7,805	**-**	7,805

31. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Agricultural income	**53,712**	37,070	**53,712**	37,070
Management fees	**-**	31,885	**-**	-
Rental income	**1,072**	888	**932**	888
Other operating income	**6,380**	4,719	**6,380**	4,719
	61,164	74,562	**61,024**	42,677

32. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Continuing operations:				
- The Union Sugar Estates Company Limited	**36,596**	37,410	**36,596**	37,410
- Other subsidiary companies	**(2,632)**	33,340	**-**	-
	33,964	70,750	**36,596**	37,410
Discontinued operations:				
- Other subsidiary companies (note 21(a))	**-**	813	**-**	-
	33,964	71,563	**36,596**	37,410
Employee benefit expense can be analysed as follows:				
Wages and salaries	**25,300**	55,608	**25,364**	24,268
Social security costs	**967**	2,718	**967**	944
Retirement benefit obligations (note 27)	**1,745**	4,837	**4,313**	3,798
	28,012	63,163	**30,644**	29,010
Termination benefits	**5,952**	8,400	**5,952**	8,400
	33,964	71,563	**36,596**	37,410

33. SUPPLIES AND SERVICES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials and other consumables used	**15,421**	11,237	**15,421**	11,237
Cultivation expenses	**62,369**	44,992	**62,369**	44,992
Electricity and water	**901**	1,526	**901**	860
Repairs and maintenance expenses	**8,825**	2,313	**8,825**	2,271
Transport expenses	**11,106**	9,761	**11,106**	9,593
Management fees	**20,512**	9,102	**20,422**	16,687
Entertainment	**80**	30	**80**	30
Printing and stationary	**177**	277	**177**	215
Telephone and postage	**220**	431	**220**	215
Bank charges	**179**	60	**173**	46
Motor vehicle running expenses	**2,182**	3,889	**2,182**	1,674
Professional fees	**1,873**	2,756	**1,771**	1,251
Others	**5,471**	4,928	**5,531**	3,357
	129,316	91,302	**129,178**	92,428

34. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation charge for the year:				
- Depreciation on property, plant and equipment (note 5 (g))	**7,669**	7,312	**7,669**	6,994
- Depreciation on right-of-use assets (note 6)	**1,790**	2,626	**1,364**	1,888
	9,459	9,938	**9,033**	8,882

35. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**24,464**	12,494	**24,464**	12,494
Dividend income	**14**	6	**14**	6
Others	**991**	89	**125**	100
Profit on disposal of property, plant and equipment	**1,324**	2,644	**959**	2,448
	26,793	15,233	**25,562**	15,048

36. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense:				
- bank and other loans repayable by instalments	**18,595**	17,636	**18,595**	17,636
- bank overdrafts	**682**	441	**682**	441
- leases	**332**	528	**273**	423
- current accounts	**2,263**	2,383	**2,543**	2,383
- others	**65**	1	**65**	1
	21,937	20,989	**22,158**	20,884

37. PROFIT ON DISPOSAL OF LAND

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit on disposal of:				
- Morcellement land	**-**	2,596	**-**	2,596
- Land under assets held for sale	**41,866**	66,645	**41,866**	66,645
	41,866	69,241	**41,866**	69,241

38. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation is arrived at after				
Crediting:				
Profit on disposal of property, plant and equipment	**1,324**	2,644	**959**	2,448
Dividends from equity investments held at FVOCI	**14**	6	**14**	6
And charging:				
Depreciation on property, plant and equipment	**7,669**	7,312	**7,669**	6,994
Depreciation on right-of-use assets	**1,790**	2,626	**1,364**	1,888
Impairment losses:				
- Bearer plants	**-**	9,262	**-**	9,262
Employee benefit expense	**33,964**	71,563	**36,596**	37,410
Gain on deemed disposal of associate (note 10)	**20,685**	-	**-**	-

Following the acquisition of Societé Union Saint Aubin as subsidiary on August 16, 2022, the Group derecognised its existing 44.5% shareholding as investment in associate and recognised a gain on deemed disposal.

39. EARNINGS PER SHARE

	THE GROUP	
	2022	2021
Profit attributable to equity holders of the Company	**Rs'000**	Rs'000
- Continuing operations	**70,964**	87,122
- Continuing and discontinued operations	**70,964**	84,864
Number of ordinary shares in issue	**18,900,000**	18,900,000
Earnings per share	**Rs**	Rs
- Continuing operations	**3.75**	4.61
- Continuing and discontinued operations	**3.75**	4.49

40. DIVIDENDS PER SHARE

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
Amounts recognised as distributions to equity holders in the year :		
Final dividend for the year ended December 31, 2022 of Rs 1.587 (2021: Rs.1.59) per share	**29,994**	30,051

41. NOTES TO THE STATEMENTS OF CASH FLOWS

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	**Cash generated from/(used in) operations**				
	Profit before taxation	**73,808**	89,956	**43,557**	100,511
	Adjustments:				
	Share of result of associates	**1,178**	(684)	**-**	-
	Impairment of bearer plants	**-**	9,262	**-**	9,262
	Depreciation on property, plant and equipment	**7,669**	7,312	**7,669**	6,994
	Depreciation of right-of-use assets	**1,790**	2,626	**1,364**	1,888
	Retirement benefit obligations	**(3,124)**	705	**(492)**	166
	Profit on sale of land development inventory	**(41,866)**	(69,241)	**(41,866)**	(69,241)
	Profit on disposal of property, plant and equipment	**(1,324)**	(2,644)	**(959)**	(2,448)
	Profit on disposal of investment	**-**	-	**-**	(3,000)
	Loss on disposal of subsidiary	**-**	4,677	**-**	-
	Gain on bargain purchase on acquisition of subsidiary	**(7,084)**	-	**-**	-
	Gain on deemed disposal of associate	**(20,685)**	-	**-**	-
	Dividend income	**(14)**	(6)	**(14)**	(6)
	Interest income	**(24,464)**	(12,494)	**(24,464)**	(12,494)
	Interest expense	**21,937**	20,989	**22,158**	20,884
		7,821	50,458	**6,953**	52,516
	Changes in working capital:				
	- inventories	**(456)**	302	**(456)**	302
	- trade receivables	**1,898**	(17,209)	**1,898**	(17,209)
	- other financial assets at amortised cost	**23,045**	12,836	**(1,861)**	21,552
	- other current assets	**895**	1,482	**845**	3,181
	- trade and other payables	**86,261**	(33,531)	**113,047**	(55,335)
	- consumable biological assets	**(2,050)**	(28,700)	**(2,050)**	(28,700)
	- assets classified as held for sale	**-**	1,846	**-**	-
	Cash generated from/(used in) operations	**117,414**	(12,515)	**118,376**	(23,693)

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
(b)	**Non-cash transactions**				
	Total acquisition of property, plant and equipment	**15,387**	14,843	**15,387**	14,821
	Total acquisition of right-of-use assets	**3,307**	2,732	**3,307**	2,732
	Less: financed by lease	**(3,307)**	(2,682)	**(3,307)**	(2,682)
	Amount paid	**15,387**	14,893	**15,387**	14,871

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

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

THE GROUP

			Non-cash changes		
	2021	Cash flows	Additions	Interest	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
Long term borrowings	331,875	(39,891)	-	-	291,984
Lease liabilities	4,089	(2,319)	3,307	332	5,409
	335,964	**(42,210)**	**3,307**	**332**	**297,393**
Long term borrowings					
- Continuing operations	331,875	(39,891)	-	-	291,984
	331,875	**(39,891)**	**-**	**-**	**291,984**
Lease liabilities					
- Continuing operations	4,089	(2,319)	3,307	332	5,409
	4,089	**(2,319)**	**3,307**	**332**	**5,409**

			Non-cash changes			
	2020	Cash flows	Additions	Deconsolidation adjustment	Interest	2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021						
Long term borrowings	339,375	(7,500)	-	-	-	331,875
Lease liabilities	9,588	(2,841)	2,682	(5,868)	528	4,089
	348,963	**(10,341)**	**2,682**	**(5,868)**	**528**	**335,964**
Long term borrowings						
- Continuing operations	339,375	(7,500)		-	-	331,875
	339,375	**(7,500)**	**-**	**-**	**-**	**331,875**
Lease liabilities						
- Continuing operations	9,588	(2,841)	2,682	-	528	9,957
- Discontinued operations	-	-		(5,868)	-	(5,868)
	9,588	**(2,841)**	**2,682**	**(5,868)**	**528**	**4,089**

THE COMPANY

			Non-cash changes			
	2021	Cash flows	Additions	Interest	Disposals	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022						
Long term borrowings	331,875	(39,891)	-	-	-	291,984
Lease liabilities	2,901	(1,736)	3,307	273	-	4,745
	334,776	**(41,627)**	**3,307**	**273**	**-**	**296,729**

			Non-cash changes			
	2020	Cash flows	Additions	Interest	Disposals	2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021						
Long term borrowings	339,375	(7,500)	-	-	-	331,875
Lease liabilities	7,608	(1,944)	2,682	423	(5,868)	2,901
	346,983	**(9,444)**	**2,682**	**423**	**(5,868)**	**334,776**

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

(d) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**1,952**	2,326	**1,709**	2,084

While cash and cash equivalents are also subject to the credit loss requirements of IFRS 9, the risk has been assessed as low at reporting date as these are held with reputable financial banking institutions.

(e) Cash and cash equivalents and bank overdrafts include the following for the purpose of the statements of cash flows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**1,952**	2,326	**1,709**	2,084
Bank overdrafts (note 26)	**(19,422)**	(5,109)	**(19,422)**	(5,109)
	(17,470)	(2,783)	**(17,713)**	(3,025)

42. RELATED PARTY TRANSACTIONS

THE GROUP	Purchase of goods or services	Sale of goods or services	Management fees received	Management fees paid	Finance income	Finance costs	Share of (loss)/ profit	Loan to/ Amount owed by related parties	Amount owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022									
Trading transactions									
Ultimate holding company	**1,752**	**3,243**	**-**	**20,352**	**24,447**	**-**	**-**	**389,751**	**-**
Enterprise with common directors	**-**	**960**	**-**	**-**	**-**	**1,934**	**-**	**812**	**7**
Associates	**8,978**	**21,693**	**-**	**-**	**-**	**329**	**(1,178)**	**15,909**	**8,986**
	10,730	**25,896**	**-**	**20,352**	**24,447**	**2,263**	**(1,178)**	**406,472**	**8,993**
2021									
Trading transactions									
Ultimate holding company	3,379	648	14,217	9,102	12,482	-	-	363,185	-
Enterprise with common directors	-	-	17,428	-	-	1,999	-	1,367	31,008
Associates	7,334	18,410	240	-	-	384	684	10,233	24,859
	10,713	19,058	31,885	9,102	12,482	2,383	684	374,785	55,867

42. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY	Purchase of goods or services	Sale of goods or services	Management fees paid	Finance income	Finance costs	Share of profit	Loan to/ Amount owed by related parties	Amount owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022								
Trading transactions								
Ultimate holding company	**1,752**	**1,591**	**20,112**	**24,447**	**-**	**-**	**389,997**	**4,320**
Enterprise with common directors	**-**	**960**	**-**	**-**	**1,934**	**-**	**152**	**7**
Subsidiary companies	**-**	**-**	**310**	**-**	**125**	**-**	**9,585**	**18,966**
Associates	**8,978**	**21,693**	**-**	**-**	**484**	**124**	**15,909**	**8,986**
	10,730	**24,244**	**20,422**	**24,447**	**2,543**	**124**	**415,643**	**32,279**
2021								
Trading transactions								
Ultimate holding company	929	648	2,780	12,482	-	-	358,441	276
Enterprise with common directors	-	30	-	-	1,999	-	208	31,008
Subsidiary companies	-	-	13,907	-	-	-	1,410	71
Associates	7,334	18,410	-	-	384	99	16,957	24,889
	8,263	19,088	16,687	12,482	2,383	99	377,016	56,244

There was no provision for loss allowance in respect of amounts owed by related parties for the year 2022 (2021: Nil).

There was no reversal of impairment losses in investment on associates during the year (2021 :Nil).

The amounts outstanding from related parties are unsecured and will be settled in cash.

The ultimate holding company, Cie de Beau Vallon Limitée, is currently working on providing a guarantee to the Company for the related party loan receivable.

Key management personnel compensation, including directors remuneration and benefits

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short-term employee benefits	**3,098**	16,526	**3,098**	2,967
Post-employment benefits	**383**	1,662	**383**	373
	3,481	18,188	**3,481**	3,340

43. SEGMENTAL INFORMATION

The Union Sugar Estates Group reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as individual units.

The Union Group has two segments categorised as Agro and Others :

- Agro: Planter of sugar cane for production of sugar and by-products of sugar namely molasses & bagasse and production of fruits and vegetables.

- Others: other activities include rental of assets and sale of land.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Union Sugar Estates Group evaluates performance on the basis of profit or loss from operations before tax expense. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

43. SEGMENTAL INFORMATION (CONT'D)

2022	**Agro Rs'000**	**Others Rs'000**	**Total Rs'000**
Total segment revenues	**181,697**	**1,072**	**182,769**
Inter-segment revenues	**-**	**-**	**-**
Revenues from external customers	**181,697**	**1,072**	**182,769**
Segment (loss)/profit	**(2,646)**	**3,141**	**495**
Unallocated corporate expenses	**-**	**-**	**-**
Operating (loss)/profit	**(2,646)**	**3,141**	**495**
Other income (note 35)	**25,460**	**1,333**	**26,793**
Finance costs (note 36)	**(21,879)**	**(58)**	**(21,937)**
Share of result of associates (note 10)	**(802)**	**(376)**	**(1,178)**
Gain on deemed disposal of associate	**20,685**	**-**	**20,685**
Gain on bargain purchase on acquisition of subsidiary	**7,084**	**-**	**7,084**
Profit on disposal of land	**-**	**41,866**	**41,866**
Profit before taxation	**27,902**	**45,906**	**73,808**
Taxation	**(2,844)**	**-**	**(2,844)**
Profit for the year	**25,058**	**45,906**	**70,964**

2021	**Agro Rs'000**	**Others Rs'000**	**Total Rs'000**
Total segment revenues	155,308	47,486	202,794
Inter-segment revenues	-	(14,713)	(14,713)
Revenues from external customers	155,308	32,773	188,081
Segment profit/(loss)	47,434	(14,713)	32,721
Unallocated corporate expenses	-	-	-
Operating profit/(loss)	47,434	(14,713)	32,721
Other income (note 35)	14,948	285	15,233
Finance costs (note 36)	(20,884)	(105)	(20,989)
Share of result of associates (note 10)	684	-	684
Loss on disposal of investments in subsidiary	(4,677)	-	(4,677)
Profit on disposal of land	-	69,241	69,241
Profit before taxation	37,505	54,708	92,213
Taxation	(5,367)	276	(5,091)
Profit from continuing operations	32,138	54,984	87,122
Loss from discontinued operations	-	(2,258)	(2,258)
Profit for the year	32,138	52,726	84,864

2022	**Agro Rs'000**	**Others Rs'000**	**Total Rs'000**
Interest revenue	**24,464**	**-**	**24,464**
Interest expense	**21,879**	**58**	**21,937**
Addition to non-current assets (other than financial instruments & deferred tax assets)	**106,963**	**47,831**	**154,794**
Depreciation of property plant and equipment	**7,669**	**-**	**7,669**
Depreciation of right-of-use assets	**1,365**	**425**	**1,790**
Segment assets	**2,284,064**	**54,935**	**2,338,999**
Associates	**8,871**	**-**	**8,871**
Segment liabilities	**588,393**	**3,885**	**592,278**

43. SEGMENTAL INFORMATION (CONT'D)

	Agro	Others	Total
	Rs'000	Rs'000	Rs'000
2021			
Interest revenue	12,494	-	12,494
Interest expense	20,884	105	20,989
Addition to non-current assets (other than financial instruments & deferred tax assets)	150,128	22	150,150
Depreciation of property plant and equipment	6,994	318	7,312
Depreciation of right-of-use assets	1,888	738	2,626
Impairment losses of bearer plants	9,262	-	9,262
Segment assets	2,210,862	3,528	2,214,390
Associates	18,247	-	18,247
Segment liabilities	545,852	(629)	545,223

44. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Capital expenditure:				
Contracted for but not provided in the financial statements	**38,771**	78,591	**38,771**	78,591
Approved by the Directors but not contracted for	**4,216**	63,498	**4,216**	63,498
	42,987	142,089	**42,987**	142,089

The expenditure for property, plant and equipment and future projects will be financed by cash generated by the Group activities and from available banking facilities.

45. CONTINGENCIES

At December 31, 2022, the Group and the Company have contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Group and the Company have given guarantees in the ordinary course of business as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Guarantees given to third parties	**214,632**	220,132	**214,632**	220,132
Guarantees given to related parties	**225,000**	225,000	**225,000**	225,000

The ultimate holding company, Cie de Beau Vallon Limitée, is currently working on providing a guarantee to the bank, which the Company has given on behalf of one of its related party, previously a subsidiary company.

46. WAR IN UKRAINE

The effects of the war between Russia and Ukraine and related events are expected to have an impact on the global economy and are generally considered to be non-adjusting events. The impact does not affect the financial position as at December 31, 2022 nor the financial performance for the year ended December 31, 2022.

Multiple jurisdictions have imposed economic sanctions on Russia while public and private companies have announced taken actions to curtail business activities with Russia and its allies. The war is increasingly affecting economic and global financial markets and aggravating ongoing economic issues such as inflation and disruption in the global supply-chain.

These events have triggered volatility and abnormally big changes in commodity prices, foreign currency exchange rates and interest rates. Sub-Saharan Africa is expected to witness sharp rises in price for natural resources and agricultural commodities (e.g fertilisers). Key assumptions and judgements made by management on forecasting cashflows and budgets amongst others will be adversely affected.

The Board has determined that it may be too early to assess the war's broad implications and will be monitoring the developments and the likely impact on operations closely.

NOTES