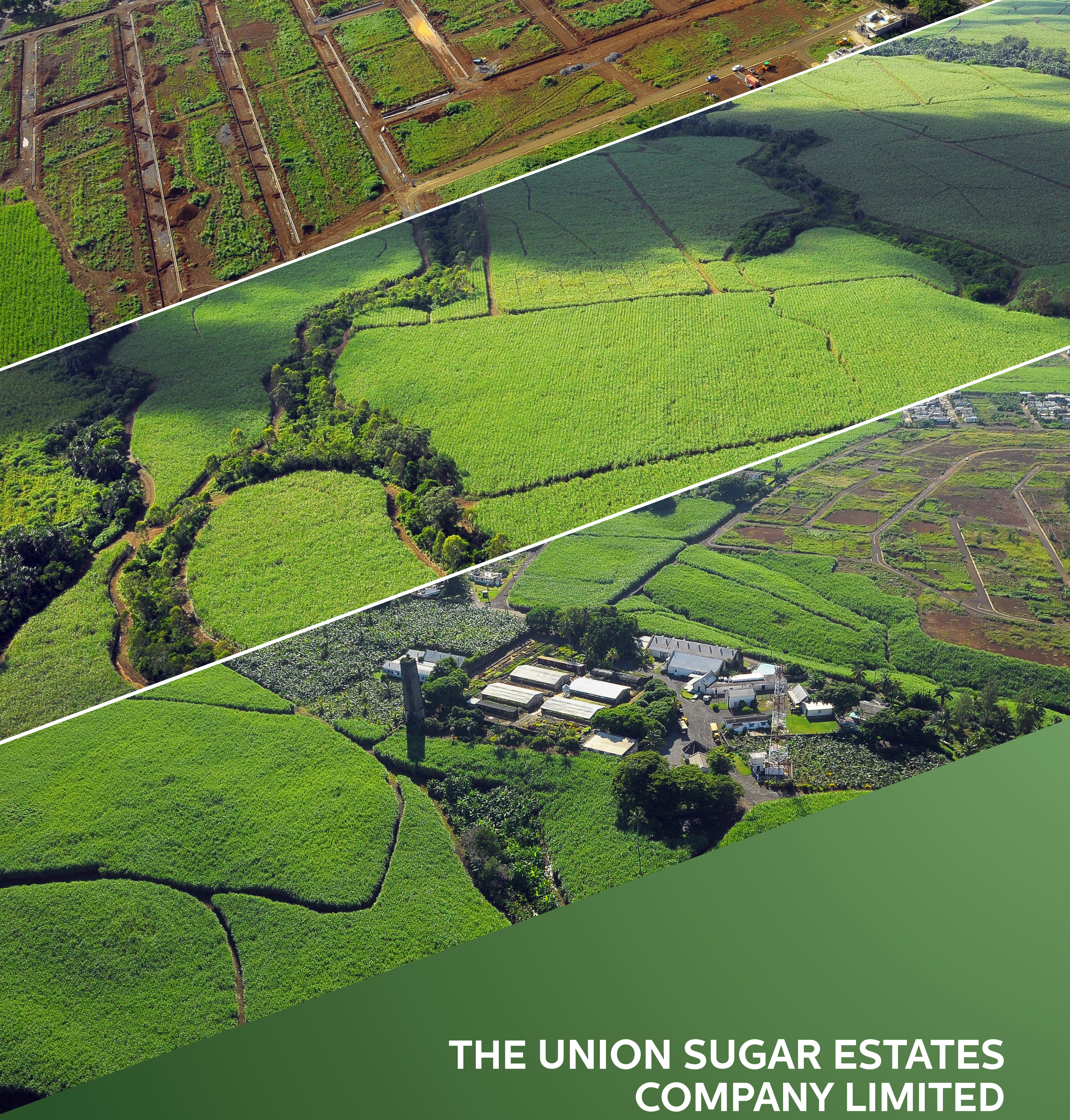

THE UNION SUGAR ESTATES COMPANY LIMITED

and its subsidiaries

Annual Report 2023

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, 2023, the contents of which are listed below.

This report was approved by the Board of Directors on 29 March, 2024.

Robert Marie André BONIEUX
Chairperson

Imalambaal KICHENIN
Director

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CORPORATE INFORMATION

Directors:	**Date Appointed:**
Robert Marie André BONIEUX	*31/10/2023*
Jacques Philippe Henri MARRIER D'UNIENVILLE	*13/05/2011*
Raymond Marie Marc HEIN	*01/10/2021*
Jean Lindberg CHARLES	*31/10/2023*
Roland Louis HEIN D'EMMEREZ DE CHARMOY	*31/10/2023*
Imalambaal KICHENIN	*31/10/2023*
Aboo Swaleh RAMJANE *(resigned on 28/03/2024)*	*31/10/2023*
Sarah Emilie OLIVER	*15/11/2023*
Muhammad Shadman Elias HAJI ADAM	*20/03/2024*
Mohamed Javed ABOOBAKAR	*28/03/2024*
Gerrard GARRIOCH *(resigned on 31/10/2023)*	*13/05/2011*
Thierry MERVEN *(resigned on 31/10/2023)*	*13/05/2011*
Patrice DOGER DE SPEVILLE *(resigned on 31/10/2023)*	*13/05/2011*
Jean-Marc ULCOQ *(resigned on 31/10/2023)*	*12/12/2012*
Anabelle SAMOUILHAN *(resigned on 31/10/2023)*	*02/12/2022*

SENIOR MANAGEMENT TEAM

Arnaud GUIBERT – *Manager (As from 01 January, 2024)*
Jean- Marc MONTOCCHIO – Agricultural Manager
Olivier Desvaux de Marigny – *Head of Property Development (As from 01 March, 2024)*
Patrick MAYER – *Agricultural and Diversification Manager*
Benoit NOKIAH – *Garage Manager*
Pierre-Philippe LENFERNA – *Chief Operating Officer - Agriculture (up to 31 October, 2023)*

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

Company Secretary:
Omnicane Management & Consultancy Limited
Omnicane House
2nd Floor, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien 51521,
Republic of Mauritius
Tel: (230) 660 0600
(Navitas Corporate Services Ltd resigned as Company Secretary on 31 October, 2023.)

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

Corporate Office:
As from 01 November, 2023:
Union Ducray
Riviere des Anguilles,
Republic of Mauritius

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

Me. Patrice Doger de Spéville
5th Floor, Chancery House
Lislet Geoffroy Street
Port Louis
Republic of Mauritius
(Resigned on 31 October, 2023)

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

External Auditors:
Deloitte
7th - 8th Floor, Standard Chartered Tower
19 - 21, Bank Street, Cybercity,
Ebène,
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

CHAIRPERSON'S REPORT

Dear Shareholder,

It gives me great pleasure to share with you my first Chairperson's Report of The Union Sugar Estates Limited ('USE' or the 'Company').

As you probably know, a consortium of investors, of which I form part of, acquired the 60.7% stake of USE from Compagnie de Beau Vallon Limitée ('CBVL') through a special purpose vehicle called Cecile Holding Limited ('CHL'). That transaction took place on the DEM on 31 October, 2023.

A new Board of Directors was nominated, essentially investors in CHL, in replacement of the previous Board. The majority of the former Board resigned except for Raymond Marie Marc Hein and Jacques Philippe Henri Marrier d'Unienville as they are both investors in CHL, directly for Marc Hein and as representative of Omnicane Limited for Jacques Marrier d'Unienville. The new Board met for the first time on 7 November, 2023. At that first meeting, sub committees were nominated and a number of administrative matters were dealt with. I was also confirmed as Chairperson of USE. It is truly an honour to have been asked to assume this role and I hope to be able to steer the Board and the Company to an exciting future.

We have, since our nominations, met on 4 occasions as we take stock of the Company, met with management, assessed what is already in place and issues that need to be tackled. To support the Board, we have nominated members of the Corporate Governance sub-committee and of the Audit & Risk Committee. Additionally, we have created a Land Development Committee to more closely follow our property development strategy. Along with this stock taking, we are also fine-tuning our strategy and development plans through discussions with potential partners and service providers.

We have also reviewed our Board Charter, Policies and Guidelines to add more flexibility around who can act and be part of these sub-committees. We are a relatively small 8-member board and too many restrictions would have made the nominations more difficult.

Amongst our early decisions was the empowerment of USE staff. Arnaud Guibert, our former Administration Manager was nominated as Manager of USE as from 01 January, 2024. Arnaud is a long term employee of USE and knows the Company well. He shall be the leader of USE's traditional agro activities. We also recruited Olivier Desvaux de Marigny as Head of Property Development. Olivier joined us on a part time basis on 01 March, 2024 and will be joining us on a full time basis as from 15 July, 2024. Olivier has some 15 years of property development experience and his youth, energy and expertise will be great assets to USE.

Our key strategy is to bring value to USE's real estate, whilst remaining for the most, an agricultural Company. We are progressing towards making the Souillac/Union area into a credible destination where property owners can live, work and play. This is a real challenge in an area that today is not well serviced transport wise and has few facilities in respect of education, shopping and leisure activities.

Nevertheless, the M5 motorway is coming, the A9 road is being upgraded, Super U is planning a mall in nearby Rivière des Anguilles, we are close to 3 golf courses and nearby are the famous Rochester Falls and southern cliffs. These assets need to be complemented with USE's branded products and partnerships promoted to create the identity we are looking for: a rural green region that yet has much to offer to its residents.

The housing market in Souillac is in demand and as the nearest landowner, we intend to service this demand with ongoing developments.

At the forthcoming Shareholders' Meetings, we shall not only be conducting business related to the Annual Meeting of Shareholders but also voting on the amalgamation of Cecile Holding Limited with The Union Sugar Estates Company Limited. This is a critical event in USE's history. The amalgamation will result in immediate cash being injected in the Company, its unsecured loan at call to CBVL being recovered whilst additional debt will also result from the amalgamation. Our strategy of bringing value to USE's land will not only take care of the additional debt but provide for dividends to all Shareholders. I urge you to read the Amalgamation Proposal carefully and yes, to vote for the proposal!

The operations of USE are covered in the Management's report and I will not run into more details here. I would however like to thank Arnaud Guibert and the Agro team comprising of Jean-Marc Montocchio and Patrick Mayer, together with their staff and workers, who have been challenged by the flash floods that hit USE late last year and in early 2024, not forgetting the damage of cyclone Belal to our diversification activities. They are fully invested in fixing what was damaged.

I hope all Shareholders will vote for the merger, demonstrating faith in the new Board, our new strategy and how value will be created.

The future is exciting!

Yours faithfully,

Robert Marie André Bonieux
Chairperson

29 March, 2024

REPORT OF THE MANAGER

Dear Shareholder,

I am pleased to report on the activities of the Group for the financial year ended 31st December 2023.

GROUP FINANCIAL HIGHLIGHTS

	2023 Rs'm	2022 restated Rs'm	2021 restated Rs'm	2020 restated Rs'm	2019 restated Rs'm
Revenue	311.8	184.8	188.1	135.9	149.5
Operating profit/(loss)	130.1	0.5	32.7	(49.3)	(17.0)
Profit/(loss) before tax	373.0	73.8	92.2	(16.0)	(10.5)
Earnings/(loss) per share (Rs) *	16.33	3.75	4.61	(0.42)	(0.64)
Stated capital	1.89	1.89	1.89	1.89	18.9
Total equity	3,749.0	1,804.6	1,719.2	1,562.5	2,405.4
Equity attributable to owners of the Company	3,659.9	1,778.9	1,719.2	1,562.5	2,289.6
Total assets	4,210.1	2,396.9	2,272.3	2,232.5	5,097.2
Net asset per share (Rs)	193.6	94.1	91.0	82.7	121.1

* For continuing operations only.

REVIEW BY BUSINESS UNITS

Total revenue for the Company for year 2023 (Rs 311.5m) increased by Rs 126.8m when compared to 2022 (Rs 184.7m). This was caused mainly by higher revenues from land development (Rs 128.3m). It is to be noted that total sugar cane revenue increased by Rs 21.7m while other operating income showed a downturn of Rs 23.2m.

Sugar proceeds improved by Rs 24.5m and were positively impacted mainly by a rise in the price of sugar. Sugar price increased from Rs 22,026*/tonne in 2022 to Rs 26,493*/tonne for this year's crop. Moreover, the price of molasses also increased from Rs 4,096*/tonne in 2022 to Rs 4,833*/tonne for year 2023. On the other hand, the price of bagasse has remained stable at Rs 3,300*/tonne of sugar. This year there was a fire in the cane fields over an extent of 20 hectares before milling operations started on the island so that all the canes were totally lost. A claim has been sent to our insurers and an amount of Rs 2.4m has been provided. Total sugar revenue was negatively impacted by a variance of Rs 11.8m arising from standing cane valuation, but was compensated by the positive effect of the increase in the price of sugar.

* Prices mentioned above were the estimates used in the financial statements 2023.

Production for crop 2023 was an average one for USE as well as for the southern region. Cane yield stood at 93.6 tonnes per ha. compared to the 77.9 tonnes per ha. for year 2022 which was a particularly bad year. The good cane yield was however mitigated by the lower extraction rate. Overall sugar accruing was at par with crop 2022 despite a decrease of 10% in the area harvested. As mentioned above, an area of 20 ha. was not harvested because of fire.

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

	2023 (est.)	2022	2021	2020	2019
Sugar price (Rs/Tonne)	26,493	25,554	16,765	14,062	11,383

Crop statistics for the last 5 years were as follows:

	2023	2022	2021	2020	2019
Area Harvested (Hectares)	598	665	639	691	756
Cane Tonnage (Tonnes)	55,942	51,848	60,146	55,567	78,284
Cane Yield (Tonnes/Ha)	93.6	77.9	94.1	80.4	103.6
Extraction rate (%Sugar/Cane)	9.61	10.42	9.94	10.22	9.48
Sugar accruing (Tonnes)	4,193	4,212	4,665	4,429	5,786
Sugar Yield (Tonnes/Ha)	8.99	8.11	9.36	8.22	9.82

Agricultural income for year 2023 amounted to Rs 30.5m and showed a decline of Rs 23.2m compared to Rs 53.7m recorded in 2022 mainly due to a drastic decline in revenues from potatoes.

In 2023, the cultivation of potatoes was carried out on 60.0 hectares and 530 tonnes were harvested. This year's crop was very poor following a surge of bacterial wilt in the fields. Average yield declined by as much as 64%. Fortunately, the average selling price increased by 10.4% and mitigated the loss in production. This resulted in a drop of Rs 23.1m in turnover as compared to last year. Overall this activity posted a loss of Rs 9.3m for the year under review.

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

	2023	2022	2021	2020	2019
Area harvested (Ha)	60.0	61.5	54.5	51.3	70.3
Area harvested mechanically (Ha)	9.4	37.4	40.6	37.0	46.4
Tonnage (Tonnes)	530	1,493	1,285	1,141	1,647
Average yield (Tonnes/Ha)	8.8	24.3	23.6	22.2	23.4

The sale of vegetables decreased by Rs 0.8m compared to last year. The high prices prevailing in 2022 across the whole range of our products retreated in 2023.

The operating results of the agro segment of the company have improved by Rs 4m from a loss of Rs 2.7m in 2022 to a profit of Rs 1.3m this year. The sharp increases in operating costs noted in 2022 have not subsided but the results were compensated by an increase in sugar prices and accounted for the results.

Land and property development

With the expansion of its activities in land and real estate development, the Group has invested in the following morcellement projects which are all in saleable condition, except for the Lotissement de Terracine. It is expected that all the projects' sales should be completed during 2024:

- **Combo**
  The Morcellement Agricole de Combo consists of 203 plots 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 had been mechanized for the cultivation of sugar cane. The morcellement permit was received in April, 2022. Sales of 77% of the plots have been completed at the end of the year and almost all the remaining plots have been reserved. We expect that in early 2024 all the plots shall have been sold, transfers of titles completed and sales proceeds banked.

- **Terracine**
  The Lotissement de Terracine is a medium-class residential development which consists of 137 plots over 18 arpents with construction guidelines. Infrastructural works were completed in November, 2022 but the supply of water has been delaying the obtention of the morcellement permit. Nevertheless, the morcellement permit is expected to be received mid-2024. All plots have been reserved and appropriate deposits paid.

  The Morcellement Agricole de Terracine consists of 140 plots over 80 arpents. The project is opposite to the Lotissement de Teracine and close to Souillac. Of the total plots, 84 plots are reserved for our ex-employees who have opted for an early retirement and the remaining 56 plots are available for sale. The Morcellement Permit was obtained in March, 2022. Sales have been good with contracts signed for 88% of saleable plots. The remaining plots should be sold during the first half of 2024.

Société Union Saint Aubin

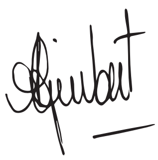
Following the acquisition of a majority stake in the Société in 2022, the Group will be in a better position to implement projects that would unlock value from its land assets.

OUTLOOK

On the revenue front, it is anticipated that the sugar industry of Mauritius is heading for lower sugar prices for the next crop. Sugar prices on both the European and world markets are on the high side and are expected to drop in the future, although the depreciation of the Mauritian rupee should impact positively on its revenue and negatively on operating costs. In February, 2024, cyclone Belal passed near our island particularly affecting its southern part. The consequences on sugar cane are difficult to estimate but our sugar production shall certainly be lower than what it could have been. In our sheltered farming department, vegetables production took a hit both in terms of lost production and infrastructural damages.

ACKNOWLEDGEMENT

I wish to express my sincere thanks 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.



Arnaud Guibert
Manager

29 March, 2024

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, for the year ended 31 December, 2023.

NATURE OF BUSINESS

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

The Company's subsidiaries were dormant during the year.

DIRECTORS

The Directors of the Company for the year under review are disclosed under the section of Corporate Information on Page 2.

DIRECTORS' SERVICE CONTRACT

As at 31 December, 2023, there was 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 on Page 25.

DIRECTORS' REMUNERATION AND BENEFITS

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

As from 01 November, 2023:

	From the Company	
	2023	2022
	Rs	Rs
Robert Marie André BONIEUX *(Chairperson)*	**94,583**	-
Jacques Philippe Henri MARRIER D'UNIENVILLE	**148,750***	160,000
Raymond Marie Marc HEIN	**166,666***	130,000
Jean Lindberg CHARLES *(appointed on 31/10/2023)*	**70,834**	-
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(appointed on 31/10/2023)*	**52,917**	-
Imalambaal KICHENIN *(appointed on 31/10/2023)*	**66,667**	-
Aboo Swaleh RAMJANE *(appointed on 31/10/2023 and resigned on 28/03/2024)*	**72,500**	-
Sarah Emilie OLIVER *(appointed on 15/11/2023)*	**52,917**	-
Muhammad Shadman Elias HAJI ADAM *(appointed on 20/03/2024)*	**-**	-
Mohamed Javed ABOOBAKAR *(appointed on 28/03/2024)*	**-**	-

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

Until 31 October, 2023:

	From the Company	
	2023	2022
	Rs	Rs
Gérard GARRIOCH *(resigned on 31/10/2023)*	**105,000**	155,000
Patrice DOGER DE SPEVILLE *(resigned on 31/10/2023)*	**106.250**	165,000
Jacques Philippe Henri MARRIER D'UNIENVILLE	**148,750***	160,000
Jean-Marc ULCOQ *(resigned on 31/10/2023)*	**100,000**	170,000
Raymond Marie Marc HEIN	**166,666***	130,000
Anabelle SAMOUILHAN *(resigned on 31/10/2023)*	**106,250**	8,000
Thierry Merven *(resigned on 31/10/2023)*	**101,250**	150,000

**Indicates total remuneration for the whole year*

On 20 December, 2023, the new Board voted on the remuneration of Directors to be effective as from 01 November, 2023. The fees disclosed above represent 2 months of these annual fees and these respective amounts have been provided in the 2023 financial statements.

AUDITORS' FEES

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees	**1,245,000**	880,000	**1,245,000**	880,000

The non-audit fees performed by Deloitte for the financial year end 2023 amounted to MUR 110,000.

Approved by the Board of Directors on 29 March, 2024 and signed on its behalf by:

Robert Marie André BONIEUX
Chairperson

Imalambaal KICHENIN
Director

STATEMENT OF COMPLIANCE

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

Reporting period **:** Year ended December 31, 2023

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

- Principle 1:
  - Statement of Accountabilities:
    As at 31 December, 2023, the Company's Statement of Accountabilities was stated in the Board Charter, Policy Statements and Guidelines prepared for and approved by the Board. These documents are shared to all Directors as part of their induction, and; where relevant, also shared with the employees of the Company. Henceforth, they will also be published on the Company's website.

- Principle 2:
  - The Structure of the Board and its Committees:
    The Board does not believe in the nomination of Management Executives on to the Board and prefers its shareholders, as well as a number of independent persons, to be the Directors of the Company. The Board believes that it is more effective without executives as its members, even if Management Executives are invited to attend Board meetings.

- Principle 3:
  - Director's Appointment Procedures:
    The Company carries out an informal yet robust induction program whereby the financial statements, Constitution, Board Charter and minutes of meeting are circulated to the Directors. Furthermore, a tour of the estate is conducted for the Directors. This induction program will be formalised in 2024.

- Principle 5:
  - Risk Governance and Internal Control
    The Whistle-blowing policy was revised and approved by the new Board in February, 2024 and it was circulated to Senior Management and employees on 27 March, 2024.

Robert Marie André BONIEUX
Chairperson

Imalambaal KICHENIN
Director

29 March, 2024

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 today involved in sugarcane planting and agricultural activities. USE is listed on the Development Enterprise Market ('DEM') of the Stock Exchange of Mauritius Ltd since August 4, 2006.

As at 31 December, 2023, the stated capital of the Company was Rs 1,890,000/- 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 was finalised by the previous Board and the said document was approved by the Directors in the Board meeting held on 27 March, 2023. The new board of Directors has reviewed this document and has approved a new Board Charter on 20 February, 2024.

Moreover, a Group Code of Ethics was adopted by the previous Board of Directors to ensure that policies, procedures and controls are in place for the business to be conducted honestly, fairly and ethically. The new board of Directors has reviewed this document and has approved a new Code of Ethics on 20 February, 2024. The new Code has been circulated to Management in March, 2024.

The Code of Ethics includes the principles, norms and standards that the Company 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

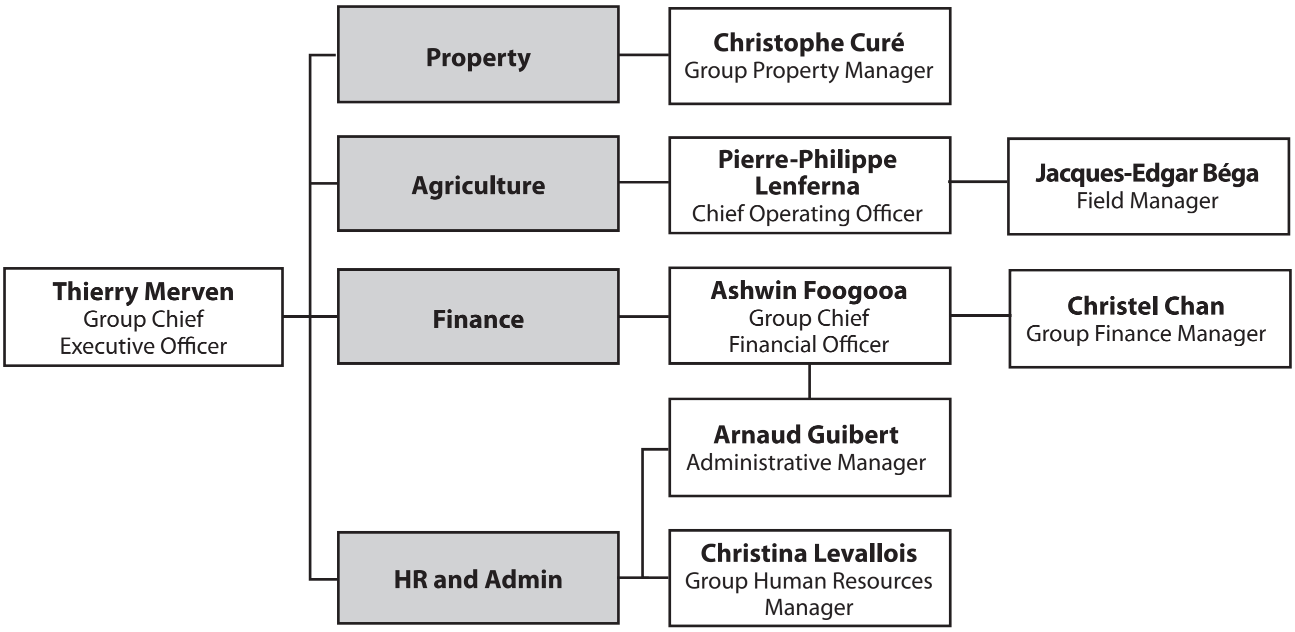
USE's Constitution is in conformity with the provisions of the Mauritius Companies Act 2001 and the DEM Rules of the Stock Exchange of Mauritius.

There are no clauses of the Constitution deemed material enough for special disclosure. Directors who are interested in a transaction entered into by the Company may attend a meeting of Directors, at which a matter relating to the transaction arises and shall be included among the Directors present for the purpose of quorum, but shall not be allowed to vote on that matter on end and, if he/she does vote, his/her vote shall not be counted.

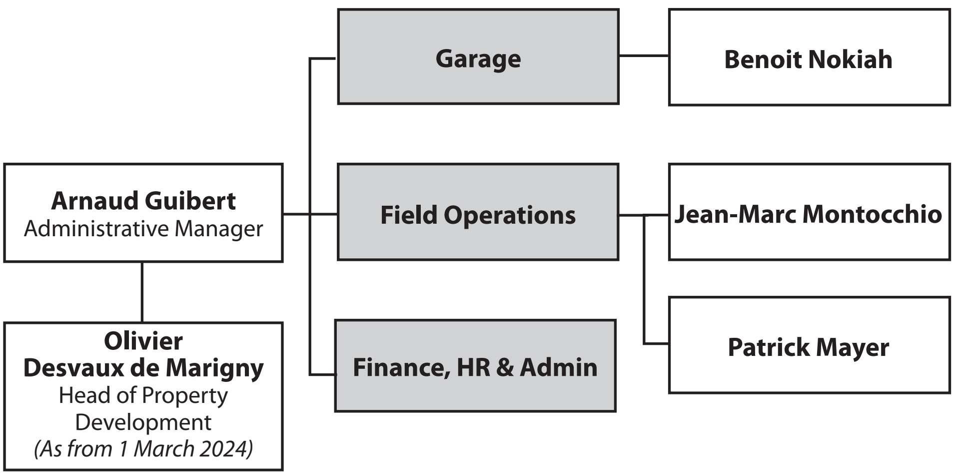
A copy of USE's Constitution can be obtained upon request to the Company Secretary, its registered office being: C/O Omnicane Management & Consultancy Limited, Omnicane House, 2nd Floor, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien, Mauritius. The contact details of the Company Secretary are disclosed above in the section of Corporate Information.

SENIOR MANAGEMENT ORGANISATIONAL CHART

The former management structure up until 31 October, 2023 was as follows:



The new senior management structure effective 01 November, 2023 is as follows:



Principle 2: The Structure of the Board and its Committees

BOARD STRUCTURE

USE is led by an effective and unitary Board which is the favoured structure for companies in Mauritius. The Board of USE consists of 7 non-executive Directors and 1 independent non-executive Director. On 28 March, 2024, Mr Javed Aboobakar was nominated as a second independent non-executive Director. The National Code of Corporate Governance for Mauritius encourages a Board composed of Executive, Independent and non-independent non-executive Directors. The new Board does not believe in the nomination of Executives to the Board, even if they are invited to participate in Board meetings. Independence is a function of a number of factors as discussed in the National Code on Governance.

The new Board has been nominated from investors in Cecile Holding Limited, the new holding and controlling entity of the Company, until the vote is taken for the amalgamation of CHL into USE; with USE continuing as the surviving entity. The fact that all the Directors, except for Sarah Emilie Oliver and Mohamed Javed Aboobakar, are investors in CHL means that they do not qualify today as independent Directors as they are also directors of CHL (At 31 December, 2023, they were only designated to be nominated as Directors of CHL). However, as soon as the merger is voted upon, and CHL is dissolved, everyone, except Sarah Emilie Oliver and Mohamed Javed Aboobakar, will be direct investors in the Company and 1 more Director will then qualify as non-executive independent Director with the remaining 6 Directors continuing as non-executive Directors of the Company, in view of their shareholdings exceeding 5% of USE's share capital.

This Board further believes that the Company's interests are best served by the very persons who are recent investors in CHL and have a strong belief in the future strategy of the merged USE. Given the light management structure of the Company since 01 November, 2023, and the Board's preference to comprise shareholders and independent Directors, there are no Executive Directors on the Board.

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 of the Directors are re-elected by separate resolutions at every Annual Meeting of Shareholders of the Company.

BOARD COMPOSITION

During the year 2023 and up to the date of this report, the Board of USE was composed as follows:

Name of Directors	
Jacques Philippe Henri MARRIER D'UNIENVILLE	Non-Executive Director
Raymond Marie Marc HEIN	Non-Executive Director
Robert Marie André BONIEUX *(Appointed on 31/10/2023)*	Non-Executive Director
Jean Lindberg CHARLES *(Appointed on 31/10/2023)*	Non-Executive Director
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(Appointed on 31/10/2023)*	Non-Executive Director
Imalambaal KICHENIN (Appointed on 31/10/2023)	Non-Executive Director
Aboo Swaleh RAMJANE *(Appointed on 31/10/2023 and resigned on 28/03/2024)*	Non-Executive Director
Sarah Emilie OLIVER *(Appointed on 15/11/2023)*	Independent Non-Executive Director
Muhammad Shadman Elias HAJI ADAM *(Appointed on 20/03/2024)*	Non-Executive Director
Mohamed Javed ABOOBAKAR *(Appointed on 28/03/2024)*	Independent Non-Executive Director
Gerrard GARRIOCH *(Resigned on 31/10/2023)*	Non-Executive Director
Thierry MERVEN *(Resigned on 31/10/2023)*	Non-Executive Director
Patrice DOGER DE SPEVILLE *(Resigned on 31/10/2023)*	Non-Executive Director
Jean-Marc ULCOQ *(Resigned on 31/10/2023)*	Non-Executive Director
Anabelle SAMOUILHAN *(Resigned on 31/10/2023)*	Non-Executive Director

BOARD COMPOSITION (CONT'D)

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 had served more than nine years since their appointment still brought to the Company a valuable contribution in terms of experience, professionalism, integrity, and objectivity.

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 (Pages 19 to 20). 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.

All Directors are aware of the key discussions and decisions of the committees as the Chairperson 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.

CHAIRPERSON AND MANAGER

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

BOARD MEETINGS

The Board meetings are normally held at least once every 2 months and at any additional times as the Company requires. Decision 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 Chairperson, 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 Chairperson has a casting vote.

For the year under review, the previous Board met once and decisions were taken mainly by way of resolutions in writing, agreed and signed by all Directors. The new Board has met twice between 01 November, 2023 and 31 December, 2023, and two more times up until 31 March, 2024.

The Directors may ask for any explanations or production of additional information and, more generally, submit to the Chairperson 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 are currently required to constitute a Board meeting.

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 Chairperson 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. It should be noted a Land Development Committee was set up in November, 2023. These three Committees operate within defined Terms of Reference and independently to the Board.

The Chairperson 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 three (3) 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 three (3) 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.
Since the appointment of the new Board, emphasis has been put on the Board Committees where Directors are all involved and contribute to addressing key issues for the Company. The Board believes that highly effective Board Committees play a key role in the quality of governance at the Company.

Audit & Risk Committee

The composition of the Audit & Risk Committee changed during the year with a new committee from the new Board replacing the previous committee, effective as from 07 November, 2023.

The Audit & Risk committee up to 31 October, 2023 was 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	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 as from the 07 November, 2023 is as follows:

Members	Category
Jean Lindberg CHARLES	Non-Executive Chairperson
Aboo Swaleh RAMJANE	Non-Executive Director
Robert Marie André BONIEUX	Non-Executive Director
In attendance (when deemed appropriate)	
Arnaud GUIBERT	Administrative Manager
Eddie AH-CHAM	Representing Omnicane Management & Consultancy Limited
BDO Financial Services Ltd	Internal Auditor – Independent Service Provider
Deloitte	External Auditor – 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.

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 two (2) times during the financial year. It should be noted that the Audit & Risk Committee met twice in 2024, on 30 January, 2024 and 28 March, 2024 respectively.

Deloitte has been re-appointed as external auditor of the Company following the Annual Meeting of Shareholders held on 29 June, 2023.

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

Report of the Chairperson of the Audit and Risk Committee

Following the appointment of the new Board and the reconstitution of the Audit & Risk Committee ('ARC'), the ARC has met once prior to the end of the financial period and twice thereafter and prior to announcing the results of the Group for the financial year 2023.

Whilst the main objective of the ARC is to support the Group by managing risks, the immediate focus since the reconstitution of the ARC has been to support the Company in relation to the intended amalgamation with its ultimate holding entity and ensure the fair presentation of the financial statements for the year ended 31 December, 2023 (the "Financial Statements") whilst ensuring the external auditor has full access to, and proper understanding of, the information relevant to their audit. To ensure the auditor has free access to people, records and information, a meeting among the auditor and the ARC was held at the start and another one at the completion of the 2023 audit, where the auditors shared the approach to the audit and subsequently reported on the audit.

The significant changes recorded in the Financial Statements include the following:

- Restatement of the comparatives to give effect to the valuation of land conversion rights (to an extent of Rs 57,900,000) which were granted under the Sugar Industry Efficiency Act 2001 and previously not recognised on the financial statements. Please refer to notes 9 and 48 of the Financial Statements.

- The impact of the revaluation of land and buildings to an extent of Rs 1,585,000,000 and the revaluation of investment property to an extent of Rs 171,699,000 as further detailed, respectively, under notes 5(e) and 8 of the Financial Statements.

Jean Lindberg Charles,
Chairperson, Audit and Risk Committee

Corporate Governance Committee

The composition of the Corporate Governance Committee changed during the year with a new committee from the new Board replacing the previous committee, effective as from 07 November, 2023.

The Corporate Governance Committee up to 31 October, 2023 was as follows:

Members	Category
Gérard GARRIOCH	Non-Executive Chairperson
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 as from the 07 November, 2023 is as follows:

Members	Category
Imalambaal KICHENIN	Non-Executive Chairperson
Aboo Swaleh RAMJANE	Non-Executive Director
Raymond Marie Marc HEIN	Non-Executive Director
In attendance (when deemed appropriate)	
Arnaud GUIBERT	Administrative Manager
Eddie AH-CHAM	Representing Omnicane Management & Consultancy Limited

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.

Corporate Governance Committee (Cont'd)

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.

The Corporate Governance Committee has met twice in total during the year.

The Corporate Governance 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 Corporate Governance Committee to ensure proper recording of the proceedings of the meetings.

Land Development Committee)

On 07 November, 2023, the new Board decided to create a Land Development Committee, in line with the strategy to develop the Company land resources.

The main functions of the Land Development Committee are to:

- Set the Company's strategy and planning for property development in collaboration with the Head of Property Development and to make appropriate recommendations to the Board;
- Ensure that the Company's real estate activities create and enhance value to the Shareholders and are well managed;
- Oversees the property development projects, conducting due diligence as and when needed, assess risks and ensure compliance with relevant laws and regulations as applicable.

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

Members	Category
Raymond Marie Marc HEIN	Non-Executive Chairperson
Jacques Philippe Henri MARRIER D'UNIENVILLE	Non-Executive Director
Robert Marie André BONIEUX	Non-Executive Director
Sarah Emilie OLIVER	Non-Executive Director
Roland Louis HEIN D'EMMEREZ DE CHARMOY	Non-Executive Director
In attendance (when deemed appropriate)	
Arnaud GUIBERT	Administrative Manager
Olivier DESVAUX DE MARIGNY	Head of Property Development *(As from 1 March, 2024)*
Eddie AH-CHAM	Representing Omnicane Management & Consultancy Limited

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

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

– As from 01 November, 2023:

Name of Directors	Category	Board Meetings (2)	Audit & Risk Committee Meetings (2)	Corporate Governance Committee Meetings (1)	Land Development Committee (1)
Robert Marie André BONIEUX *(Appointed on 31/10/2023)*	NECD	2 out of 2	1 out of 1	N/A	1 out of 1
Jacques Philippe Henri MARRIER D'UNIENVILLE	NED	2 out of 2	0 out of 1	N/A	1 out of 1
Raymond Marie Marc HEIN	NED	2 out of 2	N/A	0 out of 1	1 out of 1
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(Appointed on 31/10/2023)*	NED	2 out of 2	N/A	N/A	1 out of 1
Jean Lindberg CHARLES *(Appointed on 31/10/2023)*	NED	2 out of 2	1 out of 1	N/A	N/A
Aboo Swaleh RAMJANE *(Appointed on 31/10/2023 and resigned on 28/03/2024)*	NED	2 out of 2	1 out of 1	1 out of 1	N/A
Imalambaal KICHENIN *(Appointed on 31/10/2023)*	NED	2 out of 2	N/A	1 out of 1	N/A
Sarah Emilie OLIVER *(Appointed on 15/11/2023)*	INED	2 out of 2	N/A	N/A	1 out of 1
Muhammad Shadman Elias HAJI ADAM *(Appointed on 20/03/2024)*	NED	N/A	N/A	N/A	N/A
Mohamed Javed ABOOBAKAR (Appointed on 28/03/2024)	INED	N/A	N/A	N/A	N/A

– Up to 31 October, 2023:

Name of Directors	Category	Board Meetings (1)	Audit & Risk Committee Meetings (1)	Corporate Governance Committee Meetings (1)
Gérard GARRIOCH *(resigned on 31/10/2023)*	NECB	1 out of 1	N/A	1 out of 1
Thierry MERVEN *(resigned on 31/10/2023)*	ED	1 out of 1	1 out of 1	1 out of 1
Patrice DOGER DE SPEVILLE *(resigned on 31/10/2023)*	NED	1 out of 1	1 out of 1	N/A
Jacques Philippe Henri MARRIER D'UNIENVILLE	NED	1 out of 1	0 out of 1	N/A
Jean-Marc ULCOQ *(resigned on 31/10/2023)*	NED	0 out of 1	1 out of 1	N/A
Raymond Marie Marc HEIN	NED	1 out of 1	N/A	0 out of 1
Anabelle SAMOUILHAN *(resigned on 31/10/2023)*	INED	1 out of 1	1 out of 1	N/A

Note:
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 below:

Robert Marie André BONIEUX, *Non-Executive Director*
André Bonieux is a member of ICAEW has 22 years' experience with PwC and has a strong understanding of governance issues, financial controls, regulatory reporting, shareholder value and technology issues relating to the private and public sector clients. He was assurance and advisory partner from 1997 till 2006, thereafter becoming senior partner from 2007 till 2018. André Bonieux was the CEO of Alteo Limited from 01 January, 2019 to 31 December, 2021, after having joined the company as CEO Designate on 01 November, 2018.

Jacques Philippe Henri MARRIER D'UNIENVILLE G.O.S.K, *Non-Executive Director*
Mr. Jacques Marrier d'Unienville, G.O.S.K, 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 01 April, 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 and Southern Cross Tourist 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*

Raymond Marie Marc HEIN SC, G.O.S.K, *Non-Executive Director*
Mr Raymond Marie Marc Hein SC, G.O.S.K 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*

Imalambaal KICHENIN, *Non-Executive Director*
Mrs. Kichenin is a top-level executive with over 20 years of experience in the Financial Services sector, spearheading new ventures, product development, legal structuring and the creation of global distribution networks. She is the co-founder and current Group Chief Executive Officer of JurisTax Holdings Ltd. Mrs. Kichenin also acts as director on listed companies and Private Equity Funds. She is, moreover, the promoter of the African Institute of Training and Development.

Aboo Swaleh RAMJANE, *Non-Executive Director*
Mr Ramjane is a chartered member of FCIS and MCIT. He has extensive experience in transport, commerce and industry, property development, hotel and agriculture. Currently he is the Group Managing Director of UBS Group of Companies. Other directorships in listed companies:

Other directorships in listed companies:
- *United Bus Service Ltd*
- *Associate Commercial Co Ltd*
- *Mauritius Secondary Industries Ltd*

DIRECTORS' PROFILES(CONT'D)

Jean Lindberg CHARLES, *Non-Executive Director*
Mr. Charles has held senior management positions in the mining, fishing and hospitality industries across Africa over the past 25 years and has, since 2018, served as CFO and Secretary of Canadian-listed DFR Gold Inc., an exploration company with assets in West Africa and Madagascar. Prior to joining DFR Gold, he was the CFO of Afritex Ventures (2017-2018), a company with fishing operations in Mauritius and Mozambique. Mr. Charles has worked for AIM (London) listed Sierra Rutile Limited, a mineral sands producer in Sierra Leone between 2005 to 2014 where he held several positions, including Group Financial Controller, CFO (Executive Director) and Commercial Director. Mr. Charles started his career in auditing with De Chazal Du Mée & Co followed by Ernst & Young until 1998 where he qualified as a Chartered Certified Accountant prior to starting his African venture with Le Meridien Hotels & Resorts.

Roland Louis HEIN D'EMMEREZ DE CHARMOY, *Non-Executive Director*
Mr. Hein de Charmoy holds an MA in Philosophy, Politics & Economics (Oxon) and an MBA (Tuck School of Business). He was Secretary General of the Mauritius Chamber & Industry (1966- 1969) and part of the Mauritian Delegation which negotiated the Lomé Convention between the EEC and 46 ACP countries in Brussels (1973-1975). In the course of his career he was, inter alia, Account Executive at Young & Rubicam Inc. (New York) and Executive Director of Scott & Co Ltd (Mauritius). He co-founded Tea Blenders Ltd which is engaged in the distribution of food products in Mauritius and has been its Chairman and Executive Director since 1981.

Sarah Emilie OLIVER, *Independent Non-Executive Director*
Sarah Emilie Oliver is a marketing and sales professional with a Bachelor in Management and an MBA. With over 10 years of experience in real estate, she has held key managerial positions in sales, marketing, and business development for companies such as Omnicane, Landcorp Capital, Kantar TNS, Starwood Hotels and BARNES International Realty.

Muhammad Shadman Elias HAJI ADAM, *Non-Executive Director*
Muhammad Sha S E Haji Adam is a fellow of the Institute of Chartered and Certified Accountants. He had a career in accountancy and audit before joining the UBS Group of Companies in 2001. He has extensive experience in transport, automotive, commerce, industry and property development. He is currently the Group Chief Executive of the UBS Group of Companies.

<u>Other directorships in listed companies:</u>
- *United Bus Service Ltd*
- *Associated Commercial Co Ltd*
- *Mauritius Secondary Industries Ltd*

Mohamed Javed ABOOBAKAR, *Independent Non-Executive Director*
Mr. Mohamed Javed Aboobakar holds a BA (Hons) Economics, Accounting and Finance from the University of Leeds, England and a Bachelor of Laws (LLB), with specialisation in trusts, corporate law and taxation from the University of London. He is also a Trust and Estates Practitioner (TEP), being a Member of the Society of Trust and Estate Practitioners (STEP), UK. He has a wide range of experience in acting as director, advising, administering, dealing with corporate governance and AML/CFT issues for hedge funds, private equity / real estate funds, infrastructure funds, structured finance and Special Purpose Vehicles investing in Asia, Middle East and Africa. Moreover, he has acted as independent Director of several multinational companies, familiarizing himself with good Corporate Governance and served as past Chairman of the Task Force for Funds at the Mauritius Financial Services Commission (FSC). He was also the Managing Director of Citco (Mauritius) Limited, a wholly owned subsidiary of the Citco Group which is a diversified financial services company and a global leader in the alternative investment fund space.

PROFILES OF THE SENIOR MANAGEMENT TEAM

Arnaud GUIBERT, *Manager*
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. Mr Guibert was promoted to Manager position, effective as from 01 January, 2024. He will continue to oversee the Company's administration and accounting as well as the Company's agricultural operations.

Benoit NOKIAH, *Garage Manager*
Benoit started his career in the sugar industry in 1989 at Beau Plan S.E. In 2009 he joined USE as a Mechanisation Officer and was promoted to Garage Manager in 2013. Strong of his 35 years of experience, he manages the maintenance of our fleet of vehicles and agricultural equipment as well as irrigation equipment and buildings.

Jean-Marc MONTOCCHIO, *Agricultural Manager*
Jean-Marc joined USE in 1989 as Field First Assistant and was promoted to Section Manager and is now Agricultural Manager. Through his rich career at USE, Jean-Marc was instrumental to the mechanisation of field operations. He is also in charge of potatoes cultivation and participated in its development to become the major diversification activity of the Company.

Patrick MAYER, *Agricultural and Diversification Manager*
Patrick joined USE in 2008 after having worked at St Aubin Group for almost 25 years. Over and above managing the operations of our cane activities, he also manages the growing of vegetables under sheltered farming and has achieved to more than double the vegetables production.

Olivier DESVAUX DE MARIGNY, *Head of Property Development*
Mr Olivier Desvaux de Marigny joined USE in 2024. He has vast experience within the real estate industry of Mauritius. He was the Head of Project of Sagiterra Ltd for 2 years and moved on to become the Development and Asset Manager of Medine Limited. From 2020 to 2022, he was the Senior Development Manager of Ciel Properties and eventually became their Head of Development in June, 2022. He is also the Founder and Managing Director of Illimo Consult, a real estate and land management consultancy agency.

GROUP COMPANY SECRETARY

In 2023, the Company has appointed Omnicane Management & Consultancy Limited 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 Chairperson and the Directors as to their fiduciary duties, responsibilities and powers. The Company Secretary also ensures that the Company is at all times complying with its Constitution, Terms of Reference, applicable laws, rules and regulations.

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

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

APPOINTMENT AND RE-ELECTION

The responsibility of selecting a new Director forms part of the responsibility of the Corporate Governance Committee and the Chairperson 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 and yet effective induction to introduce newly appointed Directors, as well as the Senior Executives, to the Company's businesses.

Since 1 November, 2023, there is an informal and robust induction program in place. All Directors are copied the minutes for the past year, a full set of financial statements and Company's constitution have been circulated, together with the Board Charter. Furthermore, all Directors have completed an estate tour. Existing Master Plans have also been shared with all Directors.

The Board shall be formalising its induction program in 2024. This induction program will meet the specific needs of both the Company and the newly appointed Directors, which shall enable the latter to be acquainted and develop a good understanding of USE.

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 succession planning policy was approved by the previous Directors in the Board meeting held in March, 2023. The new Board continues its evaluation of key management and will be making provisions for the proper succession of key employees.

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 Code of Ethics has been adopted by the previous 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 Code of Ethics are reviewed regularly by the Board of Directors to ensure that same is applied at all levels. The new Board has reviewed and reissued a new Code of Ethics which has also been circulated to employees.

The Code of Ethics includes the principles, norms and standards that the Company 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 Company and its employees must, at all times, comply with all applicable laws and regulations.

The Company 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 Company 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 Company'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 conflicts 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 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 the Company's 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 Chairperson, 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 by the Company.

BOARD EVALUATION AND DEVELOPMENT

During the year under review, no Board evaluation has been carried out. The new 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, all Directors have extensive 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.

Furthermore, given the recent change in the Board composition, a proper Board evaluation will be carried out during 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 Chairperson of the Board, the Non-Executive Directors, and the Management staff. USE's underlying philosophy is to set remuneration at an appropriate level to reflect the time investment required to be an effective Board and to reward them in accordance with their individual as well as collective contribution towards the achievement of the Company's objectives and performance.

BOARD AND BOARD COMMITTEES' FEES

Directors are remunerated with a fixed fee per annum.

The Chairperson 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 31 December, 2023 please refer to pages 7 - 8 of the Corporate Governance Report.

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' INTEREST IN USE

Name of Directors	Number of shares	Percentage
Robert Marie André Bonieux *(Appointed on 31/10/2023)*	150,651	0.7971%
Raymond Marie Marc HEIN	2,157,773	11.42%
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(Appointed on 31/10/2023)*	64,518	0.3414%

No other Director held any interest in USE during the year under review.

As has been explained above, an Investment Company named Cecile Holding Limited ('CHL') has been incorporated to collectively receive the investments of a number of investors, including all of the Directors, directly and indirectly, except for Mrs Sarah Emilie Oliver and Mr Mohamed Javed Aboobakar. These Directors have been issued a number of shares in CHL proportionate to their investment. Upon amalgamation, the shares held by CHL will be cancelled and new shares of USE will be issued to all Shareholders of CHL in proportion to their investments. Effectively, the investors in CHL shall become direct Shareholders in USE and these Directors shall thus be direct Shareholders in USE. Even though this amalgamation shall take place at the forthcoming Special Meeting of the Company, the number of USE shares that each Director shall receive is as follows:

Name of Directors	Number of Receivable Shares	
	Direct	**Indirect**
Robert Marie André BONIEUX *(Appointed on 31/10/2023)*	303,549	303,549
Raymond Marie Marc HEIN	1,618,930	-
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(Appointed on 31/10/2023)*	1,821,296	-
Jacques Philippe Henri MARRIER D'UNIENVILLE	-	-
Jean Lindberg CHARLES *(Appointed on 31/10/2023)*	-	-
Aboo Swaleh RAMJANE *(Appointed on 31/10/2023 and resigned on 28/03/2024)*	-	1,011,831
Imalambaal KICHENIN *(Appointed on 31/10/2023)*	-	1,517,747
Sarah Emilie OLIVER *(Appointed on 15/11/2023)*	-	-
Muhammad Shadman Elias HAJI ADAM *(Appointed on 20/03/2024)*	-	-
Mohamed Javed ABOOBAKAR *(Appointed on 28/03/2024)*	-	-

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.

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

As from 01 November, 2023:

Name of Directors	Direct Interest		Indirect Interest
	No. of shares	%	%
Robert Marie André BONIEUX *(Appointed on 31/10/2023)*	150,651	0.7971%	-
Jacques Philippe Henri MARRIER D'UNIENVILLE	-	-	-
Raymond Marie Marc HEIN	2,157,773	11.42%	-
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(Appointed on 31/10/2023)*	64,518	0.3414%	-
Jean Lindberg CHARLES *(Appointed on 31/10/2023)*	-	-	-
Aboo Swaleh RAMJANE *(Appointed on 31/10/2023 and resigned on 28/03/2024)*	-	-	-
Imalambaal KICHENIN *(Appointed on 31/10/2023)*	-	-	-
Sarah Emilie OLIVER *(Appointed on 15/11/2023)*	-	-	-
Muhammad Shadman Elias HAJI ADAM *(Appointed on 20/03/2024)*	-	-	-
Mohamed Javed ABOOBAKAR *(Appointed on 28/03/2024)*	-	-	-
Name of Members of Senior Management	**Direct Interest**		**Indirect Interest**
	No. of shares	**%**	**%**
Arnaud GUIBERT	-	-	-
Jean- Marc MONTOCCHIO	-	-	-
Patrick MAYER	-	-	-
Benoit NOKIAH	-	-	-
Olivier Desvaux de Marigny	-	-	-

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

Up until 31 October, 2023:

Name of Directors	Direct Interest No. of shares	Direct Interest %	Indirect Interest %
Gérard GARRIOCH *(Resigned on 31/10/2023)*	-	-	-
Thierry MERVEN *(Resigned on 31/10/2023)*	-	-	-
Jacques Philippe Henri MARRIER D'UNIENVILLE	-	-	-
Patrice DOGER DE SPEVILLE *(Resigned on 31/10/2023)*	-	-	-
Jean-Marc ULCOQ *(Resigned on 31/10/2023)*	-	-	-
Raymond Marie Marc HEIN	2,157,773	11.42%	-
Anabelle SAMOUILHAN *(Resigned on 31/10/2023)*	-	-	-
Name of Members of Senior Management	**Direct Interest No. of shares**	**Direct Interest %**	**Indirect Interest %**
Arnaud GUIBERT	-	-	-
Jean- Marc MONTOCCHIO	-	-	-
Patrick MAYER	-	-	-
Benoit NOKIAH	-	-	-

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 Manager 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 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 Company's strategies, objectives and business management policies.

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

INTERNAL AUDIT (CONT'D)

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

- Follow-up Review: Garage Process and Inventory Management
- IT Application Review

Both Internal Audit reports were presented at the Audit & Risk Committee of December, 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 61 to 65 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.

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.

INTERNAL AUDIT (CONT'D)

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 been finalised and the said document was approved by the previous Directors in the Board meeting held in March, 2023. The new board has reviewed this policy and it was circulated to employees of the Company in March, 2024.

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 35.

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. 6,619 (2022: Rs. 3,945).

The new Board is re-evaluating its commitment to social issues and corporate social responsibility.

CHARITABLE & POLITICAL CONTRIBUTIONS

Donations made by the Company were as follows: -

Category	2023 Rs	2022 Rs
Charitable	**1,875**	-
Non-Charitable	-	-

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

Principle 7: Audit

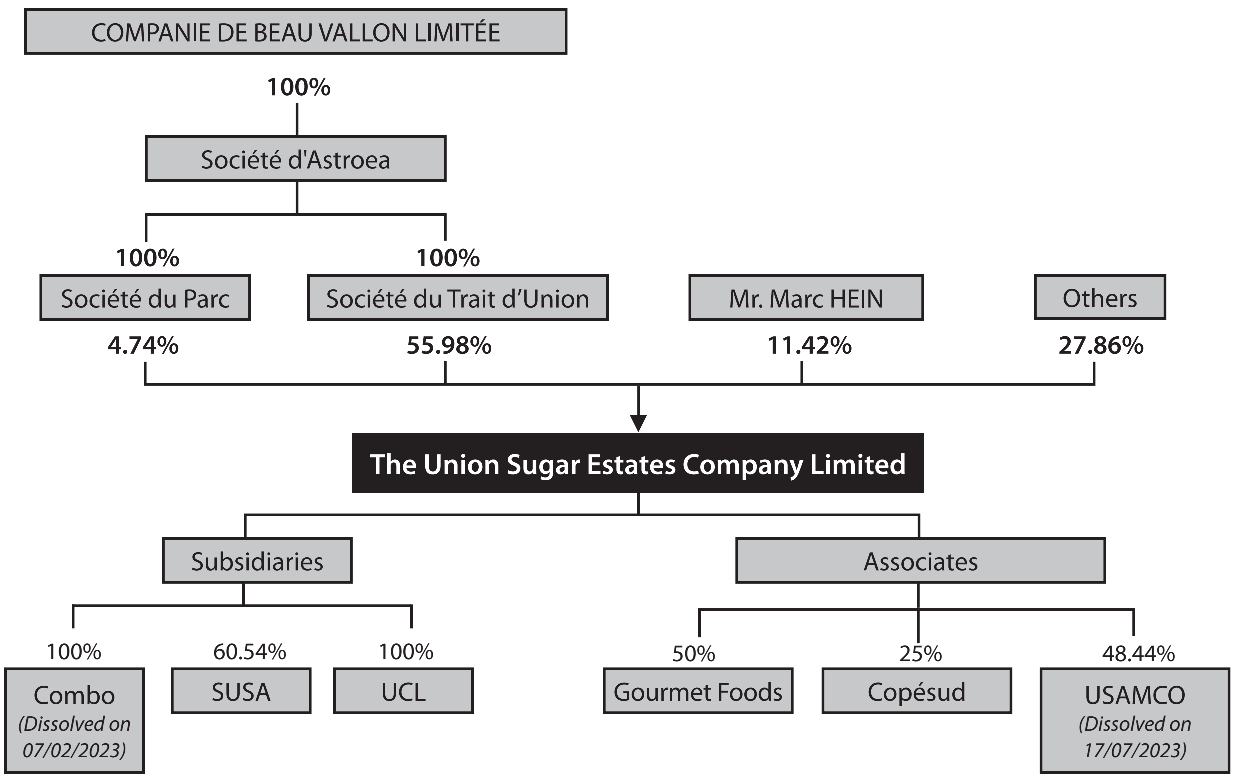
The role of the Audit & Risk Committee is defined under Principle 2.

EXTERNAL AUDIT

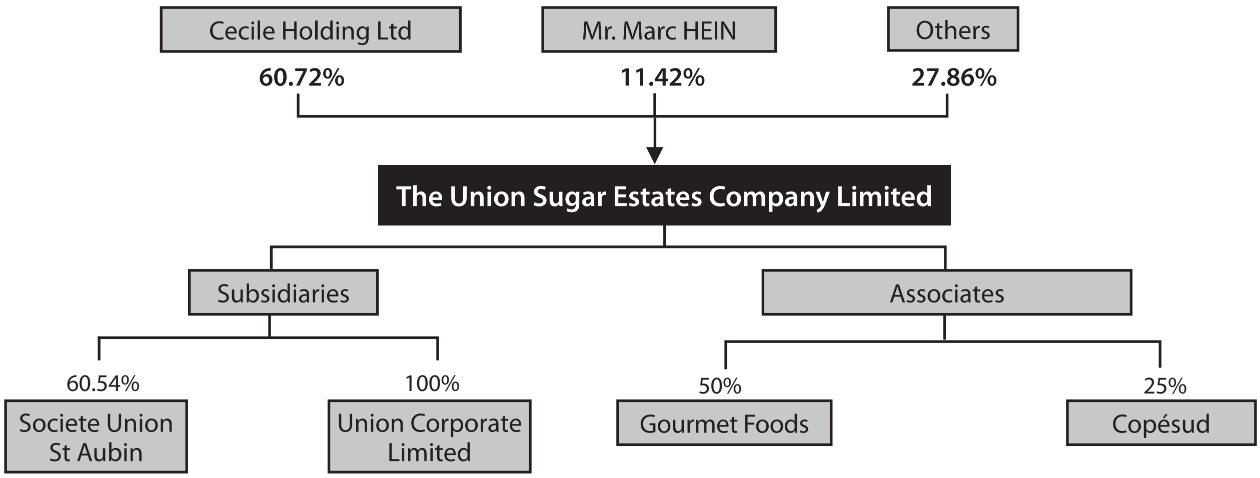
Deloitte has been re-appointed as the external auditors of the Company at the Annual Meeting of Shareholders held on 29 June, 2023. The Audit & Risk Committee has assessed the effectiveness of the external audit process and has discussed critical policies, judgements and estimates with the external auditors. 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 matters in relation to the financial statements and these have been disclosed as Key Audit Matters on page 37. The audit fee of Deloitte for the financial year ended 31 December, 2023 amounted to Rs 1,245,000 for the Company and the non-audit fees amounted to MUR 110,000.

Principle 8: Relations with Shareholders and Other Key Stakeholders

SHAREHOLDING STRUCTURE UP TO 31 OCTOBER, 2023



SHAREHOLDING STRUCTURE AS FROM 01 NOVEMBER, 2023



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 up to 31 October, 2023 was as follows:

Name of Directors	Combo (wound-up in 2023)	UCL	SUSA
Gérard GARRIOCH *(Resigned on 31/10/2023)*	√	√	√
Thierry MERVEN *(Resigned on 31/10/2023)*	√	√	√
Patrice DOGER DE SPEVILLE *(Resigned on 31/10/2023)*		√	√
Jacques Philippe Henri MARRIER D'UNIENVILLE		√	√

The names of the Directors in subsidiaries/common Directors, effective as from 01 November, 2023 is as follows:

Name of Directors	UCL	SUSA
Jacques Philippe Henri MARRIER D'UNIENVILLE	√	√
Robert Marie André BONIEUX*(nominated on 08 February, 2024)*		√
Roland Louis HEIN D'EMMEREZ DE CHARMOY *(nominated on 08 February, 2024)*		√
Raymond Marie Marc HEIN *(nominated on 08 February, 2024)*		√

SUBSTANTIAL SHAREHOLDERS

The stated capital of the Company as at 31 December, 2023 was Rs 1,890,000/- divided into 18,900,000 ordinary shares of no par value each.

As at 31 October, 2023, USE had 210 Shareholders on its share registry and the following Shareholders held more than 5% of its share capital, namely:

Name of shareholders	Number of ordinary shares	Percentage Holding
Compagnie de Beau Vallon Limitée	11,476,080	60.72%
Raymond Marie Marc HEIN	2,157,773	11.42%

As from 01 November, 2023, USE had 216 Shareholders on its share registry and the following Shareholders held more than 5% of its share capital, namely:

Name of shareholders	Number of ordinary shares	Percentage Holding
Cecile Holding Ltd	11,476,372	60.72%
Raymond Marie 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 20 January, 2024, 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 13 February, 2024, in respect of its financial year ending 31 December, 2023.

The dividend has been paid on 28 February, 2024.

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 31 December, 2023 were as follows:

Number of Shareholders	Size of shareholding	Number of Shares Held	% Holding
113	1 - 500 shares	11,632	0.0615
25	501 - 1,000 shares	18,422	0.0975
28	1,001 - 5,000 shares	74,008	0.3916
6	5,001 - 10,000 shares	36,955	0.1955
18	10,001 - 50,000 shares	466,745	2.4696
6	50,001 - 100,000 shares	368,347	1.9489
10	100,001 - 250,000 shares	1,885,442	9.9759
6	250,001 - 500,000 shares	1,814,327	9.5996
3	Over 500,001 shares	14,224,122	77.2599
215		**18,900,000**	**100.00**

Number of Shareholders	Category of Shareholding	Number of Shares Held	% Holding
182	Individuals	6,676,017	35.3228
7	Investment and Trust Companies	39,705	0.2101
2	Pensions and Provident funds	226,000	1.1958
24	Other Corporate Bodies	11,958,278	63.2713
215		**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, 2023.

SHARE PRICE INFORMATION

The market value per ordinary share was Rs.105 as at 30 December, 2023 as compared to Rs.18 as at 31 December, 2022.

WEBSITE

The Company's website is currently under development.

TIME TABLE OF IMPORTANT EVENTS

March 2024	Publication of Abridged Audited Financial Statements for the year ended 31 December, 2023
May 2024	Publication of first quarter results to 31 March, 2024
May 2024	Annual Meeting of Shareholders
August 2024	Publication of half year results to 30 June, 2024
November 2024	Publication of third quarter results to 30 September, 2024

Robert Marie André BONIEUX
Chairman

Imalambaal KICHENIN
Director

29 March, 2024

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 29 March, 2024 and signed on its behalf by:

Robert Marie André BONIEUX
Chairman

Imalambaal KICHENIN
Director

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 31 December, 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Omnicane Management & Consultancy Limited
Company Secretary

Registered office:
Omnicane House
2nd Floor, Mon Trésor Business Gateway,
New Airport Access Road,
Plaine Magnien 51521, Mauritius

29 March, 2024

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 40 to 113, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 31 December 2023, 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.

Emphasis of matter related to comparative information

We draw attention to Note 48 to the consolidated and separate financial statements which describes the retrospective adjustments to the comparative information presented in the accompanying financial statements. As explained in the note, Land Conversion Rights (LCR's) were not recognised as an asset by the Company in earlier years. Consequently, the comparative information in the accompanying financial statements has been restated as at 31 December 2022 and 1 January 2022 to recognise the unutilised LCRs as at that date with corresponding adjustment to retained earnings. Our opinion is not modified in respect of this matter.

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
Valuation of land and buildings/Investment properties	
At 31 December 2023, both the Group and the Company had freehold land and buildings included under property, plant and equipment amounting to Rs.3Bn as disclosed in Note 5. The Group and Company has also investment properties amounting to Rs.237.4M and Rs.30M respectively as disclosed in note 8. Both the freehold land and buildings and investment properties are stated at fair value based on independent external valuations. The fair valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are based on sales comparable methods and the valuer's knowledge on property valuation. A small change in the assumptions can have a significant impact on the valuation. Given the significance of the above, we have considered it as a key audit matter.	Our audit procedures in respect of this key audit matter comprise: • Assessing the design and implementation of the key controls relating to the valuation of land and buildings. • Assessing the independence of management's expert (the external valuer) including their experience and qualifications. • Obtaining the valuation reports prepared by the external valuer and assessing reasonability by testing key assumptions used and comparing with available market data. • Testing the mathematical accuracy of the underlying conditions used in the valuation models. • Ensuring that the measurement basis for the valuation and valuation methods used were in accordance with International Financial Reporting Standards. • Satisfying ourselves that the techniques used in the open market value models by the external valuers are appropriate in the circumstances and have been applied consistently. • Making enquiries with management with regards to the input to the valuation. • Engaging with our valuation specialists to assess the reasonableness of the fair values attributed to land and buildings and the significant assumptions used to arrive at the fair values.
Valuation of land and buildings	
	• Comparing the actual sales of land realised during the year with valuation report to confirm that there are no major differences in values. • Reviewing the completeness and adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

Other information

The directors are responsible for the other information. The other information comprises the Chairperson's report, Corporate information, Report of the manager, Statutory disclosures, Statement of compliance, Corporate governance report, Statement of directors' responsibilities and the Company secretary's 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.

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.

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

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

<u>Corporate Governance Report</u>

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 Principles 1, 2, 3 and 5 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

R. Srinivasa Sa

Deloitte
Chartered Accountants

26 April 2024

R. Srinivasa Sankar, FCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023

		THE GROUP			THE COMPANY		
	Notes	31 Dec 2023	31 Dec 2022 Restated	1 Jan 2022 Restated	31 Dec 2023	31 Dec 2022 Restated	1 Jan 2022 Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non-current assets							
Property, plant and equipment	5	**3,053,391**	1,466,106	1,486,801	**3,053,391**	1,466,108	1,486,176
Right-of-use assets	6	**3,498**	6,834	5,317	**3,498**	6,410	4,467
Investment properties	8	**237,400**	61,576	132,800	**30,000**	13,746	132,800
Investments in subsidiary companies	10	**-**	-	-	**6,860**	6,508	1,051
Investments in associates	11	**9,551**	8,871	18,247	**9,339**	9,339	11,466
Land conversion rights	9	**57,900**	57,900	57,900	**57,900**	57,900	57,900
Financial assets at fair value through other comprehensive income	12	**1,464**	1,415	1,703	**1,464**	1,415	1,703
Other financial assets at amortised cost	18	**-**	358,000	358,000	**-**	358,000	358,000
Deferred tax assets	13	**-**	3,099	8,102	**-**	3,099	8,178
Retirement benefit asset	26	**-**	237	-	**-**	-	-
		3,363,204	1,964,038	2,068,870	**3,162,452**	1,922,525	2,061,741
Current assets							
Inventories	14	**3,057**	3,495	3,039	**3,057**	3,495	3,039
Land development inventories	15	**167,961**	245,732	-	**167,961**	245,732	-
Consumable biological assets	16	**47,650**	57,150	55,100	**47,650**	57,150	55,100
Trade receivables	17	**55,534**	41,638	43,536	**55,534**	41,638	43,536
Other financial assets at amortised cost	18	**450,712**	48,472	16,785	**459,478**	57,643	19,016
Other current assets	19	**10,263**	6,521	7,054	**9,415**	5,672	6,517
Current tax assets	20(a)	**192**	109	195	**187**	80	57
Cash and cash equivalents	41(d)	**111,030**	1,952	2,326	**105,636**	1,709	2,084
		846,399	405,069	128,035	**848,918**	413,119	129,349
Assets classified as held for sale	21	**455**	27,792	75,386	**455**	27,792	75,386
Total current assets		**846,854**	432,861	203,421	**849,373**	440,911	204,735
Total assets		**4,210,058**	2,396,899	2,272,291	**4,011,825**	2,363,436	2,266,476
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	23	**1,890**	1,890	1,890	**1,890**	1,890	1,890
Revaluation and other reserves	24	**3,031,673**	1,580,257	1,603,549	**3,035,183**	1,583,740	1,611,217
Retained earnings		**626,325**	196,745	113,722	**495,107**	164,625	111,733
Equity attributable to owners of the Company		**3,659,888**	1,778,892	1,719,161	**3,532,180**	1,750,255	1,724,840
Non-controlling interests		**89,112**	25,729	-	**-**	-	-
Total equity		**3,749,000**	1,804,621	1,719,161	**3,532,180**	1,750,255	1,724,840
LIABILITIES							
Non-current liabilities							
Borrowings	25	**180,031**	234,470	291,369	**180,031**	234,470	291,369
Lease liabilities	7	**2,404**	3,837	2,555	**2,404**	3,595	1,904
Deferred tax liabilities	13	**128**	76	-	**128**	-	-
Retirement benefit obligations	26	**46,736**	37,461	61,751	**46,736**	37,461	55,171
		229,299	275,844	355,675	**229,299**	275,526	348,444
Current liabilities							
Trade and other payables	27	**72,007**	76,289	120,255	**90,594**	97,932	116,529
Contract liabilities	28	**76,822**	131,643	-	**76,822**	131,643	-
Borrowings	25	**81,725**	76,936	45,615	**81,725**	76,936	45,615
Lease liabilities	7	**1,205**	1,572	1,534	**1,205**	1,150	997
Dividends payable	40	**-**	29,994	30,051	**-**	29,994	30,051
		231,759	316,434	197,455	**250,346**	337,655	193,192
Total liabilities		**461,058**	592,278	553,130	**479,645**	613,181	541,636
Total equity and liabilities		**4,210,058**	2,396,899	2,272,291	**4,011,825**	2,363,436	2,266,476

These financial statements have been approved and authorised for issue by the Board of Directors on March 29, 2024.

Robert Marie André BONIEUX
Chairperson

Jean Lindberg CHARLES
Director

The notes on pages 46 to 113 form an integral part of these financial statements.

Independent auditor's report on page 36 to 39.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
Revenue					
Sugar proceeds	29	**154,792**	121,605	**154,792**	121,605
Other operating income	31	**38,164**	61,164	**37,833**	61,024
		192,956	182,769	**192,625**	182,629
Income from land development, net	30	**128,377**	-	**128,377**	-
(Loss)/gain arising from changes in fair value of consumable biological assets	16	**(9,500)**	2,050	**(9,500)**	2,050
		311,833	184,819	**311,502**	184,679
Employee benefit expense	32	**26,901**	33,964	**26,901**	36,596
Supplies and services	33	**136,057**	129,316	**134,681**	129,178
Depreciation and amortisation	34	**11,929**	9,459	**11,571**	9,033
SIFB premium		**8,964**	11,585	**8,964**	11,585
		183,851	184,324	**182,117**	186,392
Reversal of impairment of bearer plants	5	**2,107**	-	**2,107**	-
Operating profit/(loss)		**130,089**	495	**131,492**	(1,713)
Other income	35	**22,969**	26,793	**20,411**	25,562
Increase in fair value in investment properties	8	**171,699**	-	**12,129**	-
Assets written-off	5	**(5,003)**	-	**(5,003)**	-
Share of result of associates	11	**707**	(1,178)	**-**	-
Gain on deemed disposal of associate	38	**-**	20,685	**-**	-
Gain on bargain purchase on acquisition of subsidiary	22	**-**	7,084	**-**	-
Profit on disposal of land	37	**75,533**	41,866	**75,533**	41,866
		395,994	95,745	**234,562**	65,715
Finance costs	36	**(22,968)**	(21,937)	**(23,941)**	(22,158)
Profit before taxation	38	**373,026**	73,808	**210,621**	43,557
Taxation	20(b)	**(928)**	(2,844)	**(1,004)**	(2,844)
Profit for the year		**372,098**	70,964	**209,617**	40,713

The notes on pages 46 to 113 form an integral part of these financial statements.
Independent auditor's report on page 36 to 39.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
			Restated		Restated
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**372,098**	70,964	**209,617**	40,713
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings		**1,590,471**	-	**1,590,471**	-
Changes in fair value of equity instruments at fair value through other comprehensive income	12(i)	**49**	(288)	**49**	(288)
Remeasurement of post employment benefit obligations	26	**(16,016)**	21,404	**(15,989)**	17,219
Income tax relating to components of other comprehensive income	13(b)	**(2,893)**	(2,927)	**(2,893)**	(2,927)
Other comprehensive income for the year, net of tax		**1,571,611**	18,189	**1,571,638**	14,004
Total comprehensive income for the year		**1,943,709**	89,153	**1,781,255**	54,717
Results attributable to:					
Owners of the Company		**308,715**	70,844	**209,617**	40,713
Non-controlling interests		**63,383**	120	**-**	-
		372,098	70,964	**209,617**	40,713
Total comprehensive income attributable to:					
Owners of the Company		**1,880,326**	89,033	**1,781,255**	54,717
Non-controlling interests		**63,383**	120	**-**	-
		1,943,709	89,153	**1,781,255**	54,717
Earnings per share (in mauritian rupees)	39 Rs.	**16.33**	3.75		

The notes on pages 46 to 113 form an integral part of these financial statements.
Independent auditor's report on page 36 to 39.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

	Attributable to owners of the parent					
	Stated capital	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
(a) THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2023						
- As previously stated	1,890	1,580,257	138,845	1,720,992	25,729	1,746,721
- Prior year adjustment (note 48)	-	-	57,900	57,900	-	57,900
- As restated	1,890	1,580,257	196,745	1,778,892	25,729	1,804,621
Profit for the year	-	-	308,715	308,715	63,383	372,098
Other comprehensive income for the year	-	1,571,611	-	1,571,611	-	1,571,611
Total comprehensive income for the year	-	1,571,611	308,715	1,880,326	63,383	1,943,709
Revaluation surplus released on land disposed	-	(116,925)	116,925	-	-	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(3,270)	3,940	670	-	670
Balance at December 31, 2023	**1,890**	**3,031,673**	**626,325**	**3,659,888**	**89,112**	**3,749,000**
Balance at January 1, 2022						
- As previously stated	1,890	1,603,549	55,822	1,661,261	-	1,661,261
- Prior year adjustment (note 48)	-	-	57,900	57,900	-	57,900
- As restated	1,890	1,603,549	113,722	1,719,161	-	1,719,161
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	-	-	-	-	25,609	25,609
Balance at December 31, 2022	**1,890**	**1,580,257**	**196,745**	**1,778,892**	**25,729**	**1,804,621**

The notes on pages 46 to 113 form an integral part of these financial statements.
Independent auditor's report on page 36 to 39.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2023

(b) THE COMPANY	Stated capital Rs'000	Revaluation and other reserves Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at January 1, 2023				
- As previously stated	1,890	1,583,740	106,725	1,692,355
- Prior year adjustment (note 48)	-	-	57,900	57,900
- As restated	1,890	1,583,740	164,625	1,750,255
Profit for the year	-	-	209,617	209,617
Other comprehensive income for the year	-	1,571,638	-	1,571,638
Total comprehensive income for the year	-	1,571,638	209,617	1,781,255
Revaluation surplus released on land disposed	-	(116,925)	116,925	-
Revaluation surplus released on depreciation of property, plant and equipment, net of deferred tax	-	(3,270)	3,940	670
Balance at December 31, 2023	**1,890**	**3,035,183**	**495,107**	**3,532,180**
Balance at January 1, 2022				
- As previously stated	1,890	1,611,217	53,833	1,666,940
- Prior year adjustment (note 48)	-	-	57,900	57,900
- As restated	1,890	1,611,217	111,733	1,724,840
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**	**164,625**	**1,750,255**

The notes on pages 46 to 113 form an integral part of these financial statements.
Independent auditor's report on page 36 to 39.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
Cash flows from operating activities					
Cash generated from/(used in) operations	41(a)	**147,953**	117,414	**145,443**	118,376
Interest received		**20,383**	24,464	**20,383**	24,464
Interest paid		**(22,675)**	(21,606)	**(23,671)**	(21,885)
Tax refunded	20(a)	**53**	195	**53**	62
Tax paid	20(a)	**(136)**	(109)	**(160)**	(85)
Net cash generated from/(used in) operating activities		**145,578**	120,358	**142,048**	120,932
Cash flows from investing activities					
Purchase of property, plant and equipment	41(b)	**(14,141)**	(15,387)	**(14,141)**	(15,387)
Expenditure incurred on assets classified as held for sale	21	**(158)**	(6)	**(158)**	(6)
Expenditure incurred on investment properties	8	**-**	(88,270)	**-**	(88,270)
Expenditure incurred on land development inventories	15	**-**	(1,195)	**-**	(1,195)
Proceeds from disposal of assets classified as assets held for sale		**103,030**	80,039	**103,030**	80,039
Purchase of right of use assets		**-**	-	**-**	-
Purchase of securities in subsidiary	10/22	**-**	(3,165)	**(353)**	(3,330)
Winding-up of subsidiary, net of cash disposed		**(19)**	-	**-**	-
Refund of advances from holding and subsidiaries		**434,300**	121,919	**434,300**	121,919
Advances to holding and subsidiaries		**(479,777)**	(158,685)	**(479,777)**	(158,685)
Proceeds from disposal of property, plant and equipment		**1,974**	1,952	**-**	959
Dividends received		**28**	14	**28**	14
Net cash generated from/(used in) investing activities		**45,237**	(62,784)	**42,929**	(63,942)
Cash flows from financing activities					
Dividends paid		**(29,994)**	(30,051)	**(29,994)**	(30,051)
Proceeds from borrowings		**9,000**	-	**9,000**	-
Payments on borrowings		**(57,364)**	(39,891)	**(57,364)**	(39,891)
Principal paid on lease liabilities		**(1,800)**	(1,987)	**(1,136)**	(1,463)
Interest paid on lease liabilities		**(293)**	(332)	**(270)**	(273)
Net cash used in financing activities		**(80,451)**	(72,261)	**(79,764)**	(71,678)
Increase/(decrease) in cash and cash equivalents		**110,364**	(14,687)	**105,213**	(14,688)
Movement in cash and cash equivalents					
At January 1,		**(17,470)**	(2,783)	**(17,713)**	(3,025)
Increase/(Decrease)		**110,364**	(14,687)	**105,213**	(14,688)
At December 31,	41(e)	**92,894**	(17,470)	**87,500**	(17,713)

The notes on pages 46 to 113 form an integral part of these financial statements.
Independent auditor's report on page 36 to 39.

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 Cecile Holding Ltd, 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. MATERIAL ACCOUNTING POLICY INFORMATION

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 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates.
IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations.
- Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

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:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (Annual periods beginning on or after 1 January 2024)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of preparation (cont'd)

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

IFRS S2 Climate-related Disclosures (Annual periods beginning on or after 1 January 2024).
IFRS 16 Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (Annual periods beginning on or after 1 January 2024).
IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities (Annual periods beginning on or after 1 January 2024).
- Amendment to defer the effective date of the January 2020 amendments (Annual periods beginning on or after 1 January 2024).
- Amendments regarding the classification of debt with covenants (Annual periods beginning on or after 1 January 2024).

IAS 7 Statement of Cash Flows - Amendments regarding supplier finance arrangements (Annual periods beginning on or after 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 properties, which are properties 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 properties are 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 properties are included in profit or loss in the period in which they arise. Investment properties 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.

The carrying amount of investment properties is assumed to be realised through sale even where the Group earns rental from property prior to its sale.

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. MATERIAL ACCOUNTING POLICY INFORMATION (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. MATERIAL ACCOUNTING POLICY INFORMATION (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.

<u>Financial assets</u>

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 entirely 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. MATERIAL ACCOUNTING POLICY INFORMATION (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*
TThe 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. MATERIAL ACCOUNTING POLICY INFORMATION (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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Financial instruments (cont'd)

<u>Financial assets (cont'd)</u>

(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.

<u>Financial liabilities</u>

(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. MATERIAL ACCOUNTING POLICY INFORMATION (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 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 embodies 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

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. MATERIAL ACCOUNTING POLICY INFORMATION (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. MATERIAL ACCOUNTING POLICY INFORMATION (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) Income from land development
Revenue is recognised when control over the land has been transferred to the customer. The land has generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer, i.e., upon signature of the "Acte de Vente". Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred.

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 Disposal 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 inventories consists of cost of land and related expenditure incurred on conversion of land to saleable condition. Land development inventories 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 describe above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Land conversion rights

The reform of the Sugar Industry enshrined in the Sugar Industry Efficiency ("SIE") Act 2001 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

An LCR is recognised as an Intangible assets under non-current asset and is initially measured at cost at the date on which the Group is entitled to receive those rights, less any impairment.

Land conversion Rights are assumed to have an indefinite useful life as per the terms of the agreement entered with the Government of Mauritius.

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

The LCRs granted under the Sugar Industry Efficiency ("SIE") Act 2001 have been tested for impairment using the valuation of an independent property valuer.

2.24 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Capital Risk Management (cont'd)

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 2023, the Group's strategy, which was unchanged from 2022, 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, 2023 and at December 31, 2022 were as follows:

The debt-to-capital ratios at December 31, 2023 and December 31, 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Borrowings (note 25)	**261,756**	311,406	**261,756**	311,406
Lease liabilities (note 7)	**3,609**	5,409	**3,609**	4,745
Total debt	**265,365**	316,815	**265,365**	316,151
Less: Cash and Cash equivalents (note 41(d))	**(111,030)**	(1,952)	**(105,636)**	(1,709)
Net debt	**154,335**	314,863	**159,729**	314,442
Total equity	**3,749,000**	1,804,621	**3,532,180**	1,750,255
Debt-to-capital ratio	**4%**	17%	**5%**	18%

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.

Risk management is carried out by management under policies approved by the Board of Directors. Management 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk

(i) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
At fair value through other comprehensive income				
Investment in financial assets	**1,464**	1,415	**1,464**	1,415
At amortised cost				
Trade receivables	**55,534**	41,638	**55,534**	41,638
Cash and Cash equivalents	**111,030**	1,952	**105,636**	1,709
Other financial assets	**450,712**	406,472	**459,478**	415,643
Other current assets	**7,125**	4,451	**6,314**	3,658
	625,865	455,928	**628,426**	464,063

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial liabilities	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At amortised cost				
Trade and other payables	**72,007**	71,289	**90,594**	92,932
Borrowings	**261,756**	311,406	**261,756**	311,406
Lease liabilities	**3,609**	5,409	**3,609**	4,745
Dividends payable	**-**	29,994	**-**	29,994
	337,372	418,098	**355,959**	439,077

(ii) Currency risk

The Group and the Company are not exposed to currency risk as all assets and liabilities as at December 31, 2023 and 2022 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
	+/-5%	+/-5%	**+/-5%**	+/-5%
Financial assets at fair value through other comprehensive income	**73**	71	**73**	71

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	Total
	Rs'000	Rs'000	Rs'000
At December 31, 2023			
Borrowings	**81,725**	**180,031**	**261,756**
Lease liabilities	**1,205**	**2,404**	**3,609**
Future interest payments	**17,516**	**18,819**	**36,335**
Trade and other payables	**72,007**	**-**	**72,007**
	172,453	**201,254**	**373,707**
At December 31, 2022			
Borrowings	76,936	234,470	311,406
Lease liabilities	1,572	3,837	5,409
Future interest payments	21,989	36,466	58,455
Trade and other payables	71,289	-	71,289
Dividends payable	29,994	-	29,994
	201,780	274,773	476,553

THE COMPANY	Less than 1 year	Between 1 and 5 years	Total
At December 31, 2023			
Borrowings	**81,725**	**180,031**	**261,756**
Lease liabilities	**1,205**	**2,404**	**3,609**
Future interest payments	**17,516**	**18,819**	**36,335**
Trade and other payables	**90,594**	**-**	**90,594**
	191,040	**201,254**	**392,294**
At December 31, 2022			
Borrowings	76,936	234,470	311,406
Lease liabilities	1,150	3,595	4,745
Future interest payments	21,966	36,466	58,432
Trade and other payables	92,932	-	92,932
Dividends payable	29,994	-	29,994
	222,978	274,531	497,509

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial Risk Factors (cont'd)

(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, 2023, 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.2.303 million (2022: Rs.2.093 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, 2023, 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.1.511 million (2022: Rs.1.965 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.

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.

(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.

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

4.1 Critical accounting estimates and assumptions (cont'd)

(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 26.

(f) Revaluation of property and investment property

The Group carries its investment properties at fair value, based on valuation carried out every three years, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts still based on valuation carried out every three years, with changes in fair value being recognised in other comprehensive income. The Group has engaged independent valuation specialists to determine fair value at December 31, 2023.

(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 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, 2023								
- 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
Additions	2,909	-	2,873	785	-	7,449	125	14,141
Assets scrapped	(5,003)	-	-	-	-	(22,130)	-	(27,133)
Revaluation adjustment	1,571,010	-	-	-	-	-	-	1,571,010
Transferred to investment properties (note 8)	(6,852)	-	-	-	-	-	-	(6,852)
Transferred to land development inventories (note 15)	(2,503)	-	-	-	-	-	-	(2,503)
Transfers from right-of-use assets (note 6)	-	2,125	3,784	-	-	-	-	5,909
Disposals	-	(3,768)	-	-	-	-	-	(3,768)
At December 31, 2023								
- cost	**-**	**23,833**	**70,839**	**3,083**	**-**	**50,628**	**2,152**	**150,535**
- valuation	**3,023,400**	**-**	**-**	**-**	**-**	**-**	**-**	**3,023,400**
	3,023,400	**23,833**	**70,839**	**3,083**	**-**	**50,628**	**2,152**	**3,173,935**
DEPRECIATION			-					
At January 1, 2023	18,139	25,192	52,333	1,941	-	57,750	1,670	157,025
Charge for the year	4,903	250	2,542	257	-	2,403	118	10,473
Assets scrapped	-	-	-	-	-	(22,130)	-	(22,130)
Reversal of impairment losses	-	-	-	-	-	(2,107)	-	(2,107)
Revaluation adjustment	(19,461)	-	-	-	-	-	-	(19,461)
Transferred to investment properties (note 8)	(2,727)	-	-	-	-	-	-	(2,727)
Transferred to land development inventories (note 15)	(854)	-	-	-	-	-	-	(854)
Transfers from right-of-use assets (note 6)	-	1,948	2,081	-	-	-	-	4,029
Disposals	-	(3,704)	-	-	-	-	-	(3,704)
At December 31, 2023	**-**	**23,686**	**56,956**	**2,198**	**-**	**35,916**	**1,788**	**120,544**
NET BOOK VALUE								
At December 31, 2023	**3,023,400**	**147**	**13,883**	**885**	**-**	**14,712**	**364**	**3,053,391**

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, 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 21)	(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
Transferred to assets classified as held for sale (note 21)	-	-	-	-		-	-	-
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)

(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, 2023							
- 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
Additions	2,909	-	2,873	785	7,449	125	14,141
Assets scrapped	(5,003)	-	-	-	(22,130)	-	(27,133)
Revaluation surplus	1,571,010	-	-	-	-	-	1,571,010
Transferred to investment properties (note 8)	(6,852)	-	-	-	-	-	(6,852)
Transferred to land development inventories (note 15)	(2,503)	-	-	-	-	-	(2,503)
Transfer from right-of-use assets (note 6)	-	-	3,784	-	-	-	3,784
At December 31, 2023							
- cost	**-**	**18,853**	**70,841**	**3,086**	**50,628**	**2,161**	**145,569**
- valuation	**3,023,400**	**-**	**-**	**-**	**-**	**-**	**3,023,400**
	3,023,400	**18,853**	**70,841**	**3,086**	**50,628**	**2,161**	**3,168,969**
DEPRECIATION/IMPAIRMENT							
At January 1, 2023	18,139	18,569	52,335	1,944	57,750	1,677	150,414
Charge for the year	4,903	139	2,542	257	2,403	118	10,362
Assets scrapped	-	-	-	-	(22,130)	-	(22,130)
Reversal of impairment losses	-	-	-	-	(2,107)	-	(2,107)
Revaluation adjustment	(19,461)	-	-	-	-	-	(19,461)
Transferred to investment properties (note 8)	(2,727)	-	-	-	-	-	(2,727)
Transferred to land development inventories (note 15)	(854)	-	-	-	-	-	(854)
Transfer from right-of-use assets (note 6)	-	-	2,081	-	-	-	2,081
At December 31, 2023	**-**	**18,708**	**56,958**	**2,201**	**35,916**	**1,795**	**115,578**
NET BOOK VALUE							
At December 31, 2023	**3,023,400**	**145**	**13,883**	**885**	**14,712**	**366**	**3,053,391**

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, 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 21)	(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)

(e) Land and building was revalued on December 31, 2023 by Chasteau Doger de Speville Ltd, 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.1,585 million for the Group and Company, have been credited to revaluation reserves in shareholders' equity.

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, 2023	Rs'000	Rs'000
Freehold land and buildings - Level 2	**3,023,400**	**3,023,400**
December 31, 2022		
Freehold land and buildings - Level 2	1,445,700	1,445,700

There were no transfers between levels during the year.

(i) *Freehold land and land improvements*
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, 2023		
Price per arpent	**1,028**	**1,028**
At December 31, 2022		
Price per arpent	522	522

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the freehold land 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
	+/-5%	+/-5%	**+/-5%**	+/-5%
Financial assets at fair value through other comprehensive income	**151,170**	72,285	**151,170**	72,285

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

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**1,397,246**	1,426,013	**1,397,246**	1,426,013
Transfer to assets classified as held for sale (note 21)	**-**	(27,786)	**-**	(27,786)
Revaluation adjustment	**1,552,330**	-	**1,552,330**	-
Transfer to investment property (note 8)	**(441)**	-	**(441)**	-
Depreciation	**(835)**	(981)	**(835)**	(981)
At December 31,	**2,948,300**	1,397,246	**2,948,300**	1,397,246

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Land and land improvements				
Cost	**8,870**	11,543	**8,870**	11,543
Accumulated depreciation	**(4,270)**	(4,058)	**(4,270)**	(4,058)
Net book value	**4,600**	7,485	**4,600**	7,485
Buildings				
Cost	**29,916**	29,337	**29,916**	29,337
Reclassification	**(6,410)**	-	**(6,410)**	-
Accumulated depreciation	**(20,146)**	(19,407)	**(20,146)**	(19,407)
Reclassification	**460**	-	**460**	-
Net book value	**3,820**	9,930	**3,820**	9,930

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation (note 34):	**10,473**	7,669	**10,362**	7,669

(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.

(j) At year end the Group carried out a review of the carrying value of its bearer biological assets and concluded that the impairment recognised in previous years be partly reversed as a result of the sustained higher sugar prices, thus, an amount of Rs 2.107m (2022 – nil) has been credited to the income statement for the year ended December 31, 2023.

6. RIGHT-OF-USE ASSETS

THE GROUP	Agricultural equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST/VALUATION			
At January 1, 2023	3,784	8,165	11,949
Transfer to property, plant and equipment (note 5)	(3,784)	(2,125)	(5,909)
At December 31, 2023	**-**	**6,040**	**6,040**
DEPRECIATION			
At January 1, 2023	2,081	3,034	5,115
Charge for the year	-	1,456	1,456
Transfer to property, plant and equipment (note 5)	(2,081)	(1,948)	(4,029)
At December 31, 2023	**-**	**2,542**	**2,542**
NET BOOK VALUE			
At December 31, 2023	**-**	**3,498**	**3,498**

THE GROUP	Agricultural equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST/VALUATION			
At January 1, 2022	3,784	7,514	11,298
Additions	-	(2,656)	(2,656)
Disposal	-	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
Disposal	-	(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**

THE COMPANY	Agricultural equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST/VALUATION			
At January 1, 2023	3,784	6,040	9,824
Transfer to property, plant and equipment (note 5)	(3,784)	-	(3,784)
At December 31, 2023	**-**	**6,040**	**6,040**
DEPRECIATION			
At January 1, 2023	2,081	1,333	3,414
Charge for the year	-	1,209	1,209
Transfer to property, plant and equipment (note 5)	(2,081)	-	(2,081)
At December 31, 2023	**-**	**2,542**	**2,542**
NET BOOK VALUE			
At December 31, 2023	**-**	**3,498**	**3,498**

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

THE COMPANY	Agricultural equipment Rs'000	Motor vehicles Rs'000	Total 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**

(a)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total cash outflows for leases	**2,093**	2,319	**1,406**	1,736

(b) The Group leases several assets including agricultural equipment and motor vehicles. The average lease term is 5 years (2022: 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 56% of the leases for agricultural equipment and motor vehicles have expired in the current financial year.

7. LEASE LIABILITIES

(a) THE GROUP

	Motor vehicles Rs'000	Total Rs'000
At January 1, 2023	5,409	5,409
Interest expense	293	293
Lease payments	(2,093)	(2,093)
At December 31, 2023	**3,609**	**3,609**
Current		1,205
Non current		2,404
		3,609

7. LEASE LIABILITIES (CONT'D)

(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

(b) THE COMPANY

	Motor vehicles	Total
	Rs'000	Rs'000
At January 1, 2023	4,745	4,745
Interest expense	270	270
Lease payments	(1,406)	(1,406)
At December 31, 2023	**3,609**	**3,609**
Current		1,205
Non current		2,404
		3,609

	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

(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.

(e) Interest expense

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
	293	332	**270**	273
Interest expense (included in finance costs)	**293**	332	**270**	273

The total cash outflows for leases in 2023 was Rs.2.093 million (2022: Rs.2.319 million) and Rs.1.406 million (2022: Rs.1.736 million) for the Group and the Company respectively.

7. LEASE LIABILITIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation (note 34)	**1,456**	1,790	**1,209**	1,364

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Maturity Analysis	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Year 1	**1,401**	1,853	**1,401**	1,381
Year 2	**1,400**	1,589	**1,400**	1,365
Year 3	**1,026**	1,365	**1,026**	1,365
Year 4	**126**	1,032	**126**	1,032
Year 5	**-**	126	**-**	126
	3,953	5,965	**3,953**	5,269
Less: Unearned interest	**(344)**	(556)	**(344)**	(524)
	3,609	5,409	**3,609**	4,745

8. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Fair value				
At January 1	**61,576**	132,800	**13,746**	132,800
Transfer from property, plant and equipment (note 5)	**4,125**	-	**4,125**	-
Acquisition of subsidiary (note 22)	**-**	47,830	**-**	-
Expenditure incurred during the year	**-**	88,270	**-**	88,270
Fair value gain on revaluation	**171,699**	-	**12,129**	-
Transfer to land development inventory (note 15)	**-**	(207,324)	**-**	(207,324)
At December 31,	**237,400**	61,576	**30,000**	13,746

(a) The investment properties was valued by Chasteau Doger de Speville Ltd, an Independent Certified Practising Valuer on December 31, 2023 on the income approach and market approach.

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

	THE GROUP			THE COMPANY		
	Level 2	Level 3	**Total**	Level 2	Level 3	**Total**
	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000	**Rs'000**
December 31, 2023						
Land and building	202,800	34,600	**237,400**	-	30,000	**30,000**
December 31, 2022						
Land and building	61,576	-	61,576	13,746	-	13,746

At the end of the year, rented investment properties were revalued using the income approach hence the change in the level of the fair value hierarchy from level 2 to level 3.

8. INVESTMENT PROPERTIES (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**2,281**	1,072	**1,950**	932

(d) Leasing arrangements - Lessor
The investment properties 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within 1 year	**2,395**	1,126	**2,048**	979

(e) Valuation techniques and key inputs

The fair value measurement of the investment properties revalued as per market approach have been categorised as Level 2 fair value based on the inputs used in the valuation technique and those revalued under the income approach have been categorised as level 3 based on unobservable input.

Market approach

GROUP **December 31, 2023**	Valuation technique	Range of observable input	+/-5% Sensitivity Rs'000
Agricultural land for development	Comparative method	Rs 0.750m - Rs 1m per arpent	95
Non-agricultural land	Comparative method	Rs 7.5m - Rs 12m per arpent	9,365

December 31, 2023	Valuation technique	Range of observable input	+/-5% Sensitivity Rs'000
Non-agricultural land	Comparative method	Rs 0.625m - Rs 4.22m per arpent	2,475

8. INVESTMENT PROPERTY (CONT'D)

Market approach (Cont'd)

COMPANY **December 31, 2023**	Valuation technique	Range of observable input	+/-5% Sensitivity
			Rs'000
Agricultural land for development	Comparative method	Rs 0.750m - Rs 1m per arpent	95
Non-agricultural land	Comparative method	Rs 7.5m per arpent	885

December 31, 2023	Valuation technique	Range of observable input	+/-5% Sensitivity
			Rs'000
Non-agricultural land	Comparative method	Rs 4.22m per arpent	375

Income approach

GROUP **December 31, 2023**	Range of observable input	-1% Sensitivity	+1% Sensitivity
		Rs'000	Rs'000
Valuation technique - Income capitalisation method	Discount rate 4% - 15%	7,540	(5,195)

COMPANY **December 31, 2023**	Range of observable input	+/-5% Sensitivity	+/-5% Sensitivity
		Rs'000	Rs'000
Valuation technique - Income capitalisation method	Discount rate 4% - 15%	6,266	(4,412)

As at 31 December 2022, the income approach was not used. No comparatives are available.

9. LAND CONVERSION RIGHTS

	THE GROUP			THE COMPANY		
	2023	2022	2021	**2023**	2022	2021
	Rs'000	Rs'000 Restated	Rs'000 Restated	**Rs'000**	Rs'000 Restated	Rs'000 Restated
At January 01,	**57,900**	-	-	**57,900**	-	-
- As previously stated	**-**	-	-	**-**	-	-
- Prior year adjustment (note 48)	**-**	57,900	57,900	**-**	57,900	57,900
At December 31,	**57,900**	57,900	57,900	**57,900**	57,900	57,900

After impairment assessment, no further reduction in value of the Land Conversion Rights was accounted.

The Group is continuing its efforts to recover Land Conversion Rights (LCR) in its subsidiary Société Union St Aubin (SUSA). At the date of this report, the Group's entitlement to LCRs relating to SUSA are still uncertain and accordingly the Group did not recognise more LCRs in these financial statements.

10. INVESTMENTS IN SUBSIDIARY COMPANIES

	2023		2022	
	Unquoted	**Total**	Unquoted	Total
	Rs'000	**Rs'000**	Rs'000	Rs'000
(a) **Cost less impairment**				
At January 1,	**6,508**	**6,508**	1,051	1,051
Transfer from investments in associates (note 11)	**-**	**-**	2,127	2,127
Additions	**353**	**353**	3,330	3,330
Adjustment	**(1)**	**(1)**	-	-
At December 31,	**6,860**	**6,860**	6,508	6,508

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 2023	Proportion of direct ownership interest 2022	Proportion of indirect ownership interest 2023	Proportion of indirect ownership interest 2022	Country of incorporation and operation	Main business
			Rs'000	**% Holding**	% Holding	**% Holding**	% Holding		
Combo Property Company Ltd	Ordinary shares	December 31,	1	**N/A**	100	**-**	-	Mauritius	Defunct
Société Alef	Share of interest	December 31,	150	**100**	100	**-**	-	Mauritius	Dormant
Union Corporate Limited	Ordinary shares	December 31,	1,050	**100**	100	**-**	-	Mauritius	Dormant
Société Union Saint Aubin	Ordinary shares	December 31,	33,542	**60.54**	60.54	**-**	-	Mauritius	Rental of properties

(c) Combo Property Company Ltd has been deregistered and is defunct in 2023.

(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	Accumulated non-controlling interests at December 31,	Profit allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
	2023	**2023**	**2022**	**2022**
	Rs'000	Rs'000	Rs'000	Rs'000
Société Union Saint Aubin	**63,383**	**89,112**	**120**	**25,729**

On December 31,2023, the assets of Société Union Saint Aubin were revalued and a fair value gain of Rs 159.57m was recognised in the profit or loss. Accordingly, an amount of Rs 62.966m was allocated to non-controlling intrests (39.46%).

10. 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
2023							
Société Union Saint Aubin	19,741	207,400	1,304	-	136,725	89,112	1,326

Name	Expenses (including tax)	Increase in fair value in investment properties	Profit attributable to		Other Comprehensive Income attributable to		Total comprehensive Income attributable to	
			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	Rs'000
2023								
Société Union Saint Aubin	269	159,570	97,244	63,383	-	-	97,244	63,383

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	Expenses (including tax)	Increase in fair value in investment properties	Profit attributable to		Other Comprehensive Income attributable to		Total comprehensive Income attributable to	
			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	Rs'000
2022								
Société Union Saint Aubin	114	-	185	120	-	-	185	120

11. INVESTMENTS IN ASSOCIATES

	2023	2022
	Rs'000	Rs'000
THE GROUP - UNQUOTED		
Group's share of net assets		
At January 1,	**8,871**	18,247
Deemed disposal during the year	**-**	(8,198)
Share of result of associates	**707**	(1,178)
Share of other comprehensive income (remeasurement of RBO)	**(27)**	-
At December 31,	**9,551**	8,871

	2023	2022
	Rs'000	Rs'000
THE COMPANY		
Unquoted - cost		
At January 1,	**9,339**	11,466
Transfer to investments in subsidiaries (note 10(a))	**-**	(2,127)
At December 31,	**9,339**	9,339

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.

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	Proportion of ownership interest Indirect
				Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	%
2023											
Copésud (Mauritius) Ltée	**December 31,**	**Sales of potatoes**	**Mauritius**	**86,453**	**14,064**	**59,634**	**2,296**	**81,337**	**2,785**	**25**	**-**
Gourmet Foods Ltd *	**June 30,**	**Production of foie-gras**	**Mauritius**	**150**	**-**	**24,035**	**-**	**-**	**(73)**	**50**	**-**
				86,603	**14,064**	**83,669**	**2,296**	**81,337**	**2,712**		
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	2,283	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		

* As at 31 December 2020, Gourmet Foods Ltd ceased all its activities and is now a dormant company. No further liabilities will arise to The Union Sugar Estates Co. Ltd.

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

11. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	Results of the year		Accumulated losses	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Gourmet Foods Ltd *	**(37)**	5	**(22,645)**	(22,608)
Union St Aubin Milling Co. Ltd **	**-**	(5)	**-**	(108,334)
	(37)	-	**(22,645)**	(130,942)

** Union St Aubin Milling Co. Ltd has been wound-up and deregistered in 2023.

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:

	Copésud (Mauritius) Ltée	Total
	Rs'000	Rs'000
2023		
Operating net assets/(liabilities)	**35,876**	**35,876**
Profit for the year	**2,785**	**2,785**
Other adjustments	**(457)**	**(457)**
Closing net (liabilities)/assets	**38,204**	**38,204**
Ownership interest (%)	**25.00**	**-**
Carrying value	**9,551**	**9,551**

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

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**1,415**	1,703	**1,415**	1,703
Change in fair value recognised in other comprehensive income	**49**	(288)	**49**	(288)
At December 31,	**1,464**	1,415	**1,464**	1,415

12. 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Quoted:				
Promotion and Development Ltd	**3**	3	**3**	3
Lux Island Resorts Ltd	**9**	8	**9**	8
Alteo Limited	**-**	-	**-**	-
BlueLife Limited	**2**	3	**2**	3
CIEL Limited	**77**	70	**77**	70
IBL Ltd	**6**	7	**6**	7
Innodis Ltd	**3**	3	**3**	3
ENL Land Limited	**2**	3	**2**	3
The United Basalts Products Ltd	**11**	13	**11**	13
The Bee Equity Partners Ltd	**6**	16	**6**	16
MCB Group Limited	**17**	16	**17**	16
MFD Group Ltd	**-**	-	**-**	-
Medine Ltd	**2**	2	**2**	2
Miwa Sugar Limited (value in USD $ 15.40)	**1**	1	**1**	1
Livestock Feed Limited (Ordinary)	**2**	2	**2**	2
New Mauritius Hotels Limited (Ordinary)	**1**	1	**1**	1
Tropical Paradise Co Ltd (Preference)	**908**	850	**908**	850
United Investments Ltd	**246**	253	**246**	253
Hotelest Limited	**81**	79	**81**	79
Excelsior United Development Companies Limited	**80**	78	**80**	78
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
	1,464	1,415	**1,464**	1,415

(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.

13. DEFERRED TAX

(a) Deferred taxes are calculated on all temporary differences under the liability method at 17% (2022: 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net deferred tax assets	**-**	3,099	**-**	3,099
Net deferred tax liabilities	**(128)**	(76)	**(128)**	-
	(128)	3,023	**(128)**	3,099

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**13,729**	10,805	**13,805**	10,881
Deferred tax liabilities	**(13,857)**	(7,782)	**(13,933)**	(7,782)
	(128)	3,023	**(128)**	3,099

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1	**3,023**	8,102	**3,099**	8,178
(Charged) to profit or loss (note 20(b))	**(928)**	(2,844)	**(1,004)**	(2,844)
(Charged)/credited to other comprehensive income	**(2,893)**	(2,927)	**(2,893)**	(2,927)
Credited directly to equity	**670**	692	**670**	692
At December 31,	**(128)**	3,023	**(128)**	3,099

(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 Properties	Bearer biological assets	Revaluation of assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022	**303**	**-**	**6,893**	**7,196**
(Credited)/charged to profit or loss	(7)	1,285	-	1,278
Credited to other comprehensive income	-	-	-	-
Credited directly to equity	-	-	(692)	(692)
At December 31, 2022	**296**	**1,285**	**6,201**	**7,782**
(Credited)/charged to profit or loss	(6)	1,140	-	1,134
Credited to other comprehensive income	-	-	5,611	5,611
Credited directly to equity	-	-	(670)	(670)
At December 31, 2023	**290**	**2,425**	**11,142**	**13,857**

13. DEFERRED TAX (CONT'D)

(ii) Deferred tax assets

	THE GROUP			
	Accelerated tax depreciation	Retirement benefit obligations	Provision for bad debts	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022	**5,842**	**9,379**	**77**	**15,298**
Credited/(charged) to profit or loss	(1,482)	(84)	-	(1,566)
Debited to other comprehensive income	-	(2,927)	-	(2,927)
Debited directly to equity	-	-	-	-
At December 31, 2022	**4,360**	**6,368**	**77**	**10,805**
Charged to profit or loss	1,423	(1,217)	-	206
Credited to other comprehensive income	-	2,718	-	2,718
At December 31, 2023	**5,783**	**7,869**	**77**	**13,729**

(iii) Deferred tax liabilities

	THE COMPANY			
	Investment Properties	Bearer biological assets	Revaluation of assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022	**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**
(Credited)/charged to profit or loss	(6)	1,216	-	1,210
Debited to other comprehensive income	-	-	5,611	5,611
Credited directly to equity	-	-	(670)	(670)
At December 31, 2023	**290**	**2,501**	**11,142**	**13,933**

(iv) Deferred tax assets

	THE COMPANY			
	Provision for bad debts	Accelerated tax depreciation	Retirement benefit obligations	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022	**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)
Credit direct to equity	-	-	-	-
At December 31, 2022	**77**	**4,436**	**6,368**	**10,881**
(Charged)/credited to profit or loss	-	1,347	(1,141)	206
Crebited to other comprehensive income	-	-	2,718	2,718
At December 31, 2023	**77**	**5,783**	**7,945**	**13,805**

(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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Unused tax losses	**-**	109,680	**-**	109,680

13. DEFERRED TAX (CONT'D)

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 are as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Up to year ending		
31 December 2023	**-**	30,136
31 December 2024	**-**	12,286
31 December 2025	**-**	59,727
Indefinitely	**-**	7,531
	-	109,680

All tax losses have lapsed in 2023 since there has been more than 50% change in the ultimate beneficial owner of the Company during the year.

14. INVENTORIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Spare parts and fuel	**765**	625	**765**	625
Maintenance and consumables	**2,292**	2,870	**2,292**	2,870
	3,057	3,495	**3,057**	3,495

The cost of inventories recognised as expense and included in supplies and services amounted to Rs.15.319 million (2022: Rs.15.421 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.3.057 million (2022: Rs.3.495 million) for the Group and the Company.

15. LAND DEVELOPMENT INVENTORIES

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Land infrastructural development costs		
At January 1,	**245,732**	-
Assets transferred from investment properties (note 8)	**-**	207,324
Assets transferred from property, plant and equipment (note 5)	**1,649**	-
Assets transferred from assets classified as held for sale (note 21)	**-**	37,213
Expenditure incurred during the year	**30,425**	1,195
Disposals (note 30)	**(109,845)**	-
At December 31,	**167,961**	245,732

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

16. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Standing cane at fair value				
At January 1,	**57,150**	55,100	**57,150**	55,100
(Loss)/gain arising from changes in fair value	**(9,500)**	2,050	**(9,500)**	2,050
At December 31,	**47,650**	57,150	**47,650**	57,150
Number of hectares under cultivation at December 31,				
Standing cane	**662**	795	**662**	795

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, 2023, 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	**2023**	2022	Sensitivity	**2023**	2022
				Rs'000	Rs'000
Sugar cane yield - tons of sugar cane harvested per hectare	95.1	94.3	+5%	5,650	5,700
Extraction rate - % sugar produced to sugar cane crushed	9.59%	10.00%	+0.25%	2,650	2,650
Price of sugar per ton (Rs)	23,209	22,626	+5%	4,550	4,650
Discount rate	10.65%	11.12%	+1%	(750)	(750)

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.

17. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables - net	**55,534**	41,638	**55,534**	41,638

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.

18. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivable from related parties (note 42)	**450,712**	406,472	**459,478**	415,643
Analysed as follows:				
- Non-current assets	**-**	358,000	**-**	358,000
- Current assets	**450,712**	48,472	**459,478**	57,643
	450,712	406,472	**459,478**	415,643

(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, 2023 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 is unsecured and during the year, the rate of interest was 8.05%. The interest is payable at the end of each financial year and the loan will 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. The same interest terms apply to both Cecile Holding Ltd and Compagnie de Beau Vallon Ltee.

19. OTHER CURRENT ASSETS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
VAT receivable	**3,138**	2,070	**3,101**	2,014
Other receivables	**7,125**	4,451	**6,314**	3,658
	10,263	6,521	**9,415**	5,672

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

20. TAXATION

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**109**	195	**80**	57
Current tax on the adjusted profit for the year at 15% (2022: 15%)	**-**	-	**-**	-
Tax refunded during the year	**(53)**	(195)	**(53)**	(62)
Tax paid during the year	**136**	109	**160**	85
At December 31,	**192**	109	**187**	80
Analysed as follows:				
- Current tax assets	**192**	109	**187**	80
- Current tax liabilities	**-**	-	**-**	-
	192	109	**187**	80

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year at 15% (2022: 15%)	**-**	-	**-**	-
Deferred taxes (note 13(b))	**928**	2,844	**1,004**	2,844
(Credited)/charge for the year	**928**	2,844	**1,004**	2,844

(c) Amounts recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred taxes (note 13(b))	**2,893**	2,927	**2,893**	2,927
Charge for the year	**2,893**	2,927	**2,893**	2,927

(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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**373,026**	73,808	**210,621**	43,557
Tax calculated at a rate of 15% (2022: 15%)	**55,954**	11,071	**31,593**	6,533
Tax effects of:				
Income not subject to tax	**(58,108)**	(13,143)	**(33,747)**	(8,605)
Expenses not deductible for tax purposes	**2,154**	3,056	**2,154**	3,056
Tax losses on which no deferred tax were recognised	**-**	(984)	**-**	(984)
Deferred tax	**928**	2,844	**1,004**	2,844
Tax charge	**928**	2,844	**1,004**	2,844

21. ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Land				
At January 1,	**27,792**	75,386	**27,792**	75,386
Expenditure incurred during the year	**158**	6	**158**	6
Assets transferred from property, plant and equipment (note 5)	**-**	27,786	**-**	27,786
Assets transferred to land development inventory (note 15) *	**-**	(37,213)	**-**	(37,213)
Disposals	**(27,495)**	(38,173)	**(27,495)**	(38,173)
At December 31,	**455**	27,792	**455**	27,792

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

22. 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

22. BUSINESS COMBINATIONS (CONT'D)

Acquisition of subsidiary (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

23. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	Number of ordinary shares	**Amount**	Number of ordinary shares	Amount
	2023		2022	
		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 (2022: 25,000,000 shares) with no par value (2022: 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.

24. OTHER RESERVES

THE GROUP	Revaluation reserve on property, plant and equipment	Financial assets at FVOCI reserve	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2023	1,599,438	(1,726)	(17,455)	1,580,257
Total comprehensive income for the year	1,584,860	49	(13,298)	1,571,611
Revaluation surplus released on land disposals	(116,925)	-	-	(116,925)
Revaluation surplus released on acc.depreciation of buildings/roads	(3,270)	-	-	(3,270)
At December 31, 2023	**3,064,103**	**(1,677)**	**(30,753)**	**3,031,673**
Analysed as follows:				
- The holding company	3,064,103	(1,677)	(27,243)	3,035,183
- Subsidiary companies	-	-	(3,510)	(3,510)
	3,064,103	**(1,677)**	**(30,753)**	**3,031,673**
At January 1, 2022	1,640,919	(1,438)	(35,932)	1,603,549
Total comprehensive loss 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	**1,599,438**	**(1,726)**	**(17,455)**	**1,580,257**
Analysed as follows:				
- The holding company	1,599,438	(1,726)	(13,972)	1,583,740
- Subsidiary companies	-	-	(3,483)	(3,483)
	1,599,438	**(1,726)**	**(17,455)**	**1,580,257**

24. OTHER RESERVES (CONT'D)

THE COMPANY	Revaluation surplus on property, plant and equipment	Financial assets at FVOCI reserve	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2023	1,599,438	(1,726)	(13,972)	1,583,740
Total comprehensive income for the year	1,584,860	49	(13,271)	1,571,638
Revaluation surplus released on acc.depreciation of buildings/roads	(3,270)	-	-	(3,270)
Revaluation surplus released on land disposals	(116,925)	-	-	(116,925)
At December 31, 2023	**3,064,103**	**(1,677)**	**(27,243)**	**3,035,183**
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**

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.

25. BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans	**180,031**	234,470	**180,031**	234,470
	180,031	234,470	**180,031**	234,470
Current				
Bank overdrafts	**18,136**	19,422	**18,136**	19,422
Bank loans	**63,589**	57,514	**63,589**	57,514
	81,725	76,936	**81,725**	76,936
Total borrowings	**261,756**	311,406	**261,756**	311,406

(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 properties and inventories (notes 5, 8 and 14). During the year, the rate of interest on these bank borrowings ranged from 7.9 %. to 8.05% (PLR+1%) (2022: 5.25% to 7.90%).

25. 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, 2023					
Total borrowings	**48,616**	**33,109**	**180,031**	**-**	**261,756**
At December 31, 2022					
Total borrowings	47,701	29,235	234,470	-	311,406
THE COMPANY					
At December 31, 2023					
Total borrowings	**48,616**	**33,109**	**180,031**	**-**	**261,756**
At December 31, 2022					
Total borrowings	47,701	29,235	234,470	-	311,406

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before five years	**180,031**	234,470	**180,031**	234,470
After five years	**-**	-	**-**	-
	180,031	234,470	**180,031**	234,470

Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before five years				
- Bank loans	**180,031**	234,470	**180,031**	234,470
	180,031	234,470	**180,031**	234,470

(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.

26. RETIREMENT BENEFIT OBLIGATIONS

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit asset	**-**	(237)	**-**	-
Retirement benefit obligations	**46,736**	37,461	**46,736**	37,461
	46,736	37,224	**46,736**	37,461
Defined pension benefits (note 26 (a)(ii))	**31,845**	23,130	**31,845**	23,367
Other post retirement benefits (note 26(b)(i))	**14,891**	14,094	**14,891**	14,094
	46,736	37,224	**46,736**	37,461
Amount charged to profit or loss:				
Defined pension benefits (note 26 (a) (vii))	**(5,525)**	722	**(5,525)**	1,239
Other post retirement benefits (note 26(b)(v))	**1,328**	1,023	**1,328**	3,074
	(4,197)	1,745	**(4,197)**	4,313
Amount charged to other comprehensive income:				
Defined pension benefits (note 26 (a)(viii))	**14,888**	(20,390)	**14,888**	(16,276)
Other post retirement benefits (note 26(b)(vi))	**1,101**	(1,014)	**1,101**	(943)
Share of other comprehensive income of associate (note 11)	**27**	-	**-**	-
	16,016	(21,404)	**15,989**	(17,219)

(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, 2023 by AON Solutions 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of defined benefit obligations	**145,172**	136,780	**145,172**	106,396
Fair value of plan assets	**(113,327)**	(113,650)	**(113,327)**	(83,029)
Liability in the statements of financial position	**31,845**	23,130	**31,845**	23,367

26. 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**23,130**	45,505	**23,367**	41,047
Charged to profit or loss	**1,910**	722	**(5,525)**	1,239
Charged to other comprehensive income	**7,690**	(20,390)	**14,888**	(16,276)
Employer contributions	**(885)**	(2,707)	**(885)**	(2,643)
At December 31,	**31,845**	23,130	**31,845**	23,367

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**136,780**	178,058	**106,396**	132,630
Interest expense	**8,184**	7,320	**8,184**	5,633
Current service cost	**953**	990	**953**	990
Past service cost	**-**	(2,153)	**(7,435)**	(1,461)
Employee contributions	**128**	338	**128**	319
Other benefits paid	**(9,720)**	(17,707)	**28,099**	(7,854)
Liability experience gain	**(3,517)**	1,492	**(3,517)**	1,321
Liability gain due to change in demographic assumptions	**-**	(4,864)	**-**	(4,864)
Liability gain due to change in financial assumptions	**12,364**	(26,694)	**12,364**	(20,318)
At December 31,	**145,172**	136,780	**145,172**	106,396

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**113,650**	132,553	**83,029**	91,583
Interest income	**7,227**	5,806	**7,227**	3,923
Employer contributions	**885**	2,707	**885**	2,643
Employee contributions	**128**	338	**128**	319
Benefits paid	**(9,720)**	(17,707)	**28,099**	(7,854)
Return on plan assets excluding interest income	**(6,041)**	(10,755)	**(6,041)**	(7,585)
Change in effect of asset ceiling	**7,198**	708	**-**	-
At December 31,	**113,327**	113,650	**113,327**	83,029

(vi) Reconciliation of the effect of asset ceiling

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Opening balance	**7,198**	7,906	**-**	-
Amount recognised in profit or loss	**-**	371	**-**	-
Amount recognised in other comprehensive income	**(7,198)**	(1,079)	**-**	-
Closing balance	**-**	7,198	**-**	-

26. 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**953**	990	**953**	990
Past service cost	**(7,435)**	(2,153)	**(7,435)**	(1,461)
Net interest on net defined benefit liability	**957**	1,885	**957**	1,710
Total included in "employee benefit expense" (note 32)	**(5,525)**	722	**(5,525)**	1,239
Actual return on plan assets	**1,186**	(4,949)	**1,186**	(3,662)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Return on plan assets above interest income	**6,041**	10,755	**6,041**	7,585
Change in effect of asset ceiling	**(7,198)**	(1,079)	**-**	-
Liability experience (gain)/loss	**3,681**	1,492	**(3,517)**	1,321
Liability gain due to change in demographic assumptions	**-**	(4,864)	**-**	(4,864)
Liability gain due to change in financial assumptions	**12,364**	(26,694)	**12,364**	(20,318)
Total included in other comprehensive income	**14,888**	(20,390)	**14,888**	(16,276)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Equity - overseas quoted	**30,945**	27,175	**30,945**	19,424
Equity - local quoted	**27,545**	30,652	**27,545**	22,250
Debt - overseas quoted	**14,004**	11,264	**14,004**	7,800
Debt - local quoted	**11,830**	12,625	**11,830**	9,748
Debt - local unquoted	**4,036**	4,434	**4,036**	2,762
Property - local	**20,434**	21,807	**20,434**	16,838
Cash and other	**4,533**	5,693	**4,533**	4,207
Total	**113,327**	113,650	**113,327**	83,029

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Discount rate	**5.3%**	6.2-6.5%	**5.3%**	6.2%
Future salary increases	**1.5%**	3-5.3%	**1.5%**	3-5.3%
Future pension increases	**0.0%**	0.0%	**0.0%**	0.0%
Average retirement age	**60/65**	60/65	**60/65**	60/65

26. 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, 2023				
Discount rate (1% movement)	**15,535**	**13,076**	**15,535**	**13,076**
December 31, 2022				
Discount rate (1% movement)	13,850	11,738	10,565	8,972

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, 2024 are Rs. 0.898 million for the Group and Company.

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

26. 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**15,795**	14,515	**15,795**	14,515
Value of portable retirement gratuity fund assets	**(904)**	(421)	**(904)**	(421)
Liability in the statements of financial position	**14,891**	14,094	**14,891**	14,094

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**14,094**	16,246	**14,094**	14,124
Charge to profit or loss	**1,328**	1,023	**1,328**	3,074
Charged/(credit) to other comprehensive income	**1,101**	(1,014)	**1,101**	(943)
Benefits paid	**(1,632)**	(2,161)	**(1,632)**	(2,161)
At December 31,	**14,891**	14,094	**14,891**	14,094

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**14,515**	16,246	**14,515**	14,124
Current service cost	**646**	621	**646**	621
Interest expense	**874**	681	**874**	679
Past service cost	**(151)**	(270)	**(151)**	1,783
Other benefits paid	**(1,149)**	(1,740)	**(1,149)**	(1,740)
Liability experience gain	**892**	504	**892**	575
Liability gain due to change in demographic assumptions	**-**	(1,056)	**-**	(1,056)
Liability (gain)/loss due to change in financial assumptions	**168**	(471)	**168**	(471)
At December 31,	**15,795**	14,515	**15,795**	14,515

26. 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**421**	-	**421**	-
Interest income	**41**	9	**41**	9
Employer contributions	**1,632**	2,161	**1,632**	2,161
Benefits paid	**(1,149)**	(1,740)	**(1,149)**	(1,740)
Return on plan assets excluding interest income	**(41)**	(9)	**(41)**	(9)
At December 31,	**904**	421	**904**	421

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**646**	621	**646**	621
Past service cost	**(151)**	(270)	**(151)**	1,783
Net interest on net defined benefit liability	**833**	672	**833**	670
Total included in "employee benefit expense" note (32)	**1,328**	1,023	**1,328**	3,074

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Return on plan assets above				
Interest income	**41**	9	**41**	9
Liability experience (gain)/loss	**892**	504	**892**	575
Liability gain due to change in demographic assumptions	**-**	(1,056)	**-**	(1,056)
Liability (gain)/loss due to change in financial assumptions	**168**	(471)	**168**	(471)
Total included in other comprehensive income	**1,101**	(1,014)	**1,101**	(943)

(vii) Principal actuarial assumptions at end of period:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Discount rate	**5.3%**	6.2-6.5%	**5.3%**	6.2%
Future salary increases	**3.2%-4.2%**	4.3%-5.3%	**3.2%-4.2%**	4.3%-5.3%
Average retirement age	**60/65 years**	60/65 years	**60/65 years**	60/65 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**
December 31, 2023				
Discount rate (1% movement)	**1,281**	**1,087**	**1,281**	**1,087**
December 31, 2022				
Discount rate (1% movement)	1,216	1,056	1,216	1,056

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.

26. 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, 2024 are Rs. 1.082 millions 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.

27. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**12,485**	12,397	**11,172**	10,931
SIFB premium	**8,980**	8,250	**8,980**	8,250
Amounts due to related parties (note 42)	**9,181**	8,993	**29,137**	32,279
Deposits from clients	**-**	5,000	**-**	5,000
Accrued expenses	**41,361**	41,649	**41,305**	41,472
	72,007	76,289	**90,594**	97,932

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

28. CONTRACT LIABILITIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**131,643**	-	**131,643**	-
Deposits received	**3,582**	131,643	**3,582**	131,643
Recognised in revenue	**(58,403)**	-	**(58,403)**	-
At December 31,	**76,822**	131,643	**76,822**	131,643

For customer contracts, the right to payment or receive payment may be obtained prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes the Group's performance, a contract liability is recognised.

29. SUGAR PROCEEDS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sugar:				
- Current year crop	**111,077**	92,775	**111,077**	92,775
- Previous year crop	**14,862**	8,686	**14,862**	8,686
Molasses:				
- Current year crop	**11,206**	7,714	**11,206**	7,714
- Previous year crop	**1,365**	(1,470)	**1,365**	(1,470)
Bagasse:				
- Current year crop	**13,836**	13,900	**13,836**	13,900
- Previous year crop	**-**	-	**-**	-
Fire insurance claim	**2,446**	-	**2,446**	-
	154,792	121,605	**154,792**	121,605

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Timing of revenue recognition:				
At a point in time	**154,792**	121,605	**154,792**	121,605

30. INCOME FROM LAND DEVELOPMENT

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Morcellement sales	**252,984**	-	**252,984**	-
Cost of sales (includes costs transferred from land development inventories (note 15) and other related costs)	**(124,607)**	-	**(124,607)**	-
	128,377	-	**128,377**	-
Timing of revenue recognition:				
At a point in time	**128,377**	-	**128,377**	-

31. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Agricultural income	**30,508**	53,712	**30,508**	53,712
Rental income	**1,950**	1,202	**1,950**	1,062
Other operating income	**5,706**	6,250	**5,375**	6,250
	38,164	61,164	**37,833**	61,024

32. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
- The Union Sugar Estates Company Limited	**26,901**	36,596	**26,901**	36,596
- Other subsidiary companies	**-**	(2,632)	**-**	-
	26,901	33,964	**26,901**	36,596
Employee benefit expense can be analysed as follows:				
Wages and salaries	**30,074**	25,300	**30,074**	25,364
Social security costs	**1,024**	967	**1,024**	967
Retirement benefit obligations (note 26)	**(4,197)**	1,745	**(4,197)**	4,313
	26,901	28,012	**26,901**	30,644
Termination benefits	**-**	5,952	**-**	5,952
	26,901	33,964	**26,901**	36,596

33. SUPPLIES AND SERVICES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials and other consumables used	**15,319**	15,421	**15,319**	15,421
Cultivation expenses	**70,986**	62,369	**70,986**	62,369
Electricity and water	**1,271**	901	**1,250**	901
Repairs and maintenance expenses	**5,938**	8,825	**5,938**	8,825
Transport expenses	**12,283**	11,106	**12,283**	11,106
Management fees *	**18,064**	20,512	**17,864**	20,422
Entertainment	**87**	80	**87**	80
Printing and stationery	**242**	177	**242**	177
Telephone and postage	**245**	220	**245**	220
Bank charges	**200**	179	**194**	173
Motor vehicle running expenses	**2,516**	2,182	**2,498**	2,182
Professional fees	**2,706**	1,873	**2,602**	1,771
Others	**6,200**	5,471	**5,173**	5,531
	136,057	129,316	**134,681**	129,178

* Management fees to erstwhile holding company were discontinued as at October 31, 2023. No management fees is claimed by the new holding company Cecile Holding Ltd.

34. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation and amortisation charge for the year:				
- Depreciation on property, plant and equipment (note 5 (g))	**10,473**	7,669	**10,362**	7,669
- Depreciation on right-of-use assets (note 6)	**1,456**	1,790	**1,209**	1,364
Depreciation and amortisation charge	**11,929**	9,459	**11,571**	9,033

35. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**20,383**	24,464	**20,383**	24,464
Dividend income	**28**	14	**28**	14
Others	**649**	991	**-**	125
Profit on disposal of property, plant and equipment	**1,909**	1,324	**-**	959
	22,969	26,793	**20,411**	25,562

36. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense:				
- bank and other loans repayable by instalments	**21,695**	18,595	**21,695**	18,595
- bank overdrafts	**980**	682	**980**	682
- leases	**293**	332	**270**	273
- current accounts	**-**	2,263	**996**	2,543
- others	**-**	65	**-**	65
Finance costs	**22,968**	21,937	**23,941**	22,158

37. PROFIT ON DISPOSAL OF LAND

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit on disposal of land under assets held for sale	**75,533**	41,866	**75,533**	41,866

38. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation is arrived at after				
Crediting:				
Profit on disposal of property, plant and equipment	**1,909**	1,324	**-**	959
Reversal of impairment losses - Bearer plants	**(2,107)**	-	**(2,107)**	-
Dividends from equity investments held at FVOCI	**28**	14	**28**	14
And charging:				
Depreciation on property, plant and equipment	**10,473**	7,669	**10,362**	7,669
Depreciation on right-of-use assets	**1,456**	1,790	**1,209**	1,364
Asset scraped	**5,003**	-	**5,003**	-
Employee benefit expense	**26,901**	33,964	**26,901**	36,596
Increase in fair value in Investment Properties	**171,699**	-	**12,129**	-
Gain on deemed disposal of associate	**-**	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	
	2023	2022
	Rs'000	Rs'000
Profit attributable to equity holders of the Company	**308,715**	70,844
Number of ordinary shares in issue	**18,900,000**	18,900,000
	Rs	Rs
Earnings per share (in mauritian rupees)	**16.33**	3.75

40. DIVIDENDS PER SHARE

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Amounts recognised as distributions to equity holders in the year :		
No dividend was declared for the year ended December 31, 2023 (2022: Rs.1.587 per share)	**-**	29,994

41. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) **Cash generated from/(used in) operations**				
Profit before taxation	**373,026**	73,808	**210,621**	43,557
Adjustments:				
Share of result of associates	**(707)**	1,178	**-**	-
Depreciation on property, plant and equipment	**10,473**	7,669	**10,362**	7,669
Depreciation of right-of-use assets	**1,456**	1,790	**1,209**	1,364
Retirement benefit obligations	**(6,477)**	(3,124)	**(6,714)**	(492)
Profit on disposal of land	**(75,533)**	(41,866)	**(75,533)**	(41,866)
Profit on disposal of property, plant and equipment	**(1,909)**	(1,324)	**-**	(959)
Reversal of impairment losses	**(2,107)**	-	**(2,107)**	-
Assets scrapped	**5,003**	-	**5,003**	-
Investment written-off	**-**	-	**(1)**	-
Fair value gain on investment properties	**(171,699)**		**(12,129)**	
Loss on winding-up of subsidiary	**(119)**	-	**-**	-
Gain on bargain purchase on acquisition of subsidiary	**-**	(7,084)	**-**	-
Gain on deemed disposal of associate	**-**	(20,685)	**-**	-
Dividend income	**(28)**	(14)	**(28)**	(14)
Interest income	**(20,383)**	(24,464)	**(20,383)**	(24,464)
Interest expense	**22,968**	21,937	**23,941**	22,158
	133,964	7,821	**134,241**	6,953
Changes in working capital:				
- inventories	**438**	(456)	**438**	(456)
- land development inventories	**79,420**	-	**79,420**	-
- trade receivables	**(13,896)**	1,898	**(13,896)**	1,898
- other financial assets at amortised cost	**1,237**	23,045	**1,642**	(1,861)
- other current assets	**(3,742)**	895	**(3,743)**	845
- trade and other payables	**(4,147)**	86,261	**(7,338)**	113,047
- contract liabilities	**(54,821)**	-	**(54,821)**	-
- consumable biological assets	**9,500**	(2,050)	**9,500**	(2,050)
Cash generated from operations	**147,953**	117,414	**145,443**	118,376

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(b) **Non-cash transactions**				
Total acquisition of property, plant and equipment	**14,141**	15,387	**14,141**	15,387
Total acquisition of right-of-use assets	**-**	3,307	**-**	3,307
Less: financed by lease	**-**	(3,307)	**-**	(3,307)
Amount paid	**14,141**	15,387	**14,141**	15,387

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

THE GROUP

	2022	Cash outflows	Cash additions	Non-cash changes: Interest	Non-cash changes: Disposals	Non-cash changes: Reclassification	2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
Non-current assets							
Long term borrowings	234,470	-	9,000	-	-	(63,439)	180,031
Lease liabilities	3,837	-	-	-	-	(1,433)	2,404
	238,307	**-**	**9,000**	**-**	**-**	**(64,872)**	**182,435**
Current assets							
Long term borrowings	57,514	(57,364)	-	-	-	63,439	63,589
Lease liabilities	1,572	(2,093)	-	293	-	1,433	1,205
	59,086	**(59,457)**	**-**	**293**	**-**	**64,872**	**64,794**

	2021	Cash outflows	Non-cash changes: Additions	Non-cash changes: Interest	Non-cash changes: Disposals	Non-cash changes: Reclassification	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022							
Non-current assets							
Long term borrowings	291,369	-	-	-	-	(56,899)	234,470
Lease liabilities	2,555	-	3,307	-	-	(2,025)	3,837
	293,924	**-**	**3,307**	**-**	**-**	**(58,924)**	**238,307**
Current assets							
Long term borrowings	40,506	(39,891)	-	-	-	56,899	57,514
Lease liabilities	1,534	(2,319)	-	332	-	2,025	1,572
	42,040	**(42,210)**	**-**	332	**-**	**58,924**	**59,086**

THE COMPANY

	2022	Cash outflows	Cash additions	Non-cash changes: Interest	Non-cash changes: Disposals	Non-cash changes: Reclassification	2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
Non-current assets							
Long term borrowings	234,470	-	9,000	-	-	(63,439)	180,031
Lease liabilities	3,595	-	-	-	-	(1,191)	2,404
	238,065	**-**	**9,000**	**-**	**-**	**(64,630)**	**182,435**
Current assets							
Long term borrowings	57,514	(57,364)	-	-	-	63,439	63,589
Lease liabilities	1,150	(1,406)	-	270	-	1,191	1,205
	58,664	**(58,770)**	**-**	**270**	**-**	**64,630**	**64,794**

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

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

THE COMPANY (Cont'd)

		Cash	Non-cash changes				
	2021	**outflows**	**Additions**	**Interest**	**Disposals**	**Reclassification**	**2022**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2022							
Non-current assets							
Long term borrowings	291,369	-	-	-	-	(56,899)	234,470
Lease liabilities	1,904	-	3,307	-	-	(1,616)	3,595
	293,273	**-**	**3,307**	**-**	**-**	**(58,515)**	**238,065**
Current assets							
Long term borrowings	40,506	(39,891)	-	-	-	56,899	57,514
Lease liabilities	997	(1,736)	-	273	-	1,616	1,150
	41,503	**(41,627)**	**-**	**273**	**-**	**58,515**	**58,664**

(d) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**111,030**	1,952	**105,636**	1,709

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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**111,030**	1,952	**105,636**	1,709
Bank overdrafts (note 25)	**(18,136)**	(19,422)	**(18,136)**	(19,422)
	92,894	(17,470)	**87,500**	(17,713)

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
2023									
Trading transactions									
Ultimate holding company									
Cie de Beau Vallon Ltee (CBVL) - till Oct 31, 2023.	**16,225**	**4,434**	**-**	**18,064**	**14,536**	**-**	**-**	**-**	**-**
Cecile Holding Ltd - as from Nov 1, 2023.	**-**	**-**	**-**	**-**	**5,833**	**-**	**-**	**448,477**	**-**
Enterprise under common shareholding - till Oct 31, 2023.	**-**	**2,489**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associates	**9,181**	**2,375**	**-**	**-**	**-**	**-**	**-**	**2,235**	**9,181**
	25,406	**9,298**	**-**	**18,064**	**20,369**	**-**	**-**	**450,712**	**9,181**
2022									
Trading transactions									
Ultimate holding company									
Cie de Beau Vallon Ltee (CBVL)	1,752	3,243	-	20,352	24,447	-	-	389,751	-
Enterprise under common shareholding	-	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

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
2023								
Trading transactions								
Ultimate holding company								
Cie de Beau Vallon Ltee (CBVL) - till Oct 31, 2023.	**16,225**	**2,162**	**17,864**	**14,536**	**-**	**-**	**-**	**-**
Cecile Holding Ltd - as from Nov 1, 2023.	**-**	**-**	**-**	**5,833**	**-**	**-**	**448,477**	**-**
Enterprise under common shareholding - till Oct 31, 2023.	**-**	**2,489**	**-**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**-**	**-**	**-**	**-**	**996**	**-**	**8,628**	**19,956**
Associates	**9,181**	**2,373**	**-**	**-**	**-**	**-**	**2,373**	**9,181**
	25,406	**7,024**	**17,864**	**20,369**	**996**	**-**	**459,478**	**29,137**
2022								
Trading transactions								
Ultimate holding company								
Cie de Beau Vallon Ltee (CBVL)	1,752	1,591	20,112	24,447	-	-	389,997	4,320
Enterprise under common shareholding	-	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

42. RELATED PARTY TRANSACTIONS (CONT'D)

Additions in subsidiaries are disclosed in note 10.

There was no provision for loss allowance in respect of amounts owed by related parties for the year 2023 (2022: Nil).

There was no reversal of impairment losses in investment on associates during the year (2022 :Nil).

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

Key management personnel compensation, including directors remuneration and benefits

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short-term employee benefits	**3,349**	3,098	**3,349**	3,098
Post-employment benefits	**413**	383	**413**	383
	3,762	3,481	**3,762**	3,481

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.

	Agro	**Others**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
2023			
Total segment revenues	**190,675**	**2,281**	**192,956**
Inter-segment revenues	**-**	**-**	**-**
Revenues from external customers	**190,675**	**2,281**	**192,956**
Operating (loss)/profit	**1,285**	**128,804**	**130,089**
Other income (note 35)	**20,411**	**2,558**	**22,969**
Finance costs (note 36)	**(22,945)**	**(23)**	**(22,968)**
Share of result of associates (note 11)	**707**	**-**	**707**
Increase in fair value in Investment Properties	**-**	**171,699**	**171,699**
Assets written-off	**-**	**(5,003)**	**(5,003)**
Gain on bargain purchase on acquisition of subsidiary	**-**	**-**	**-**
Profit on disposal of land	**-**	**75,533**	**75,533**
Profit before taxation	**(542)**	**373,568**	**373,026**
Taxation	**(1,010)**	**82**	**(928)**
Profit for the year	**(1,552)**	**373,650**	**372,098**

43. SEGMENTAL INFORMATION (CONT'D)

	Agro	Others	Total
	Rs'000	Rs'000	Rs'000
2022			
Total segment revenues	181,567	1,202	182,769
Inter-segment revenues	-	-	-
Revenues from external customers	181,567	1,202	182,769
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 11)	(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

	Agro	Others	Total
	Rs'000	Rs'000	Rs'000
2023			
Interest revenue	**20,383**	**-**	**20,383**
Interest expense	**22,945**	**23**	**22,968**
Addition to non-current assets (other than financial instruments & deferred tax assets)	**14,142**	**-**	**14,142**
Depreciation of property plant and equipment	**10,362**	**111**	**10,473**
Depreciation of right-of-use assets	**1,208**	**248**	**1,456**
Amortistion of bearer biological assets			
Segment assets	**3,985,011**	**225,047**	**4,210,058**
Associates	**9,551**	**-**	**9,551**
Segment liabilities	**458,508**	**2,550**	**461,058**

	Agro	Others	Total
	Rs'000	Rs'000	Rs'000
2022			
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	2,341,964	54,935	2,396,899
Associates	8,871	-	8,871
Segment liabilities	588,393	3,885	592,278

44. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Capital expenditure:				
Contracted for but not provided in the financial statements	**1,965**	38,771	**1,965**	38,771
Approved by the Directors but not contracted for	**7,417**	4,216	**7,417**	4,216
	9,382	42,987	**9,382**	42,987

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, 2023, 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	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Guarantees given to third parties	**-**	214,632	**-**	214,632
Guarantees given to related parties	**-**	225,000	**-**	225,000

46. HOLDING COMPANY

Cecile Holding Limited incorporated in Mauritius is the ultimate holding company of the Group. Its registered address is Union Ducray, Riviere des Anguilles. On October 31, 2023, Cecile Holding Ltd bought 11,476,372 shares of the Company from CBVL, effectively taking control of the Group with 60.72% of the issued shares.

47. EVENTS AFTER REPORTING PERIOD

At the Board Meeting of January 20, 2024, a final dividend in respect of the financial year ended December 31, 2023, of Rs 1.587 per share, amounting to a dividend payable of Rs 29,994,300 was proposed and approved. The financial statements for the current financial year do not reflect this declared dividend. The dividends declared will be accounted for in equity as an appropriation of accumulated profits in the financial year ending December 31, 2024.

There have been no other material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended December 31, 2023.

48. PRIOR YEAR ADJUSTMENTS

During the year, the Group and the Company made an adjustment relating to the previous period which has been applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors as described below.

Land Conversion Rights

The reform of the Sugar Industry as provided in the Sugar Industry Efficiency ("SIE") Act 2001 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights (“LCRs”). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

LCR is recognised as a non-current asset and is initially measured at cost at the date on which the Company is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. The level of the fair value hierarchy within which the fair value measurement is categorised is level 2. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

The effects of these adjustments on the comparative financial statements of the Group are as follows:

<u>Impact on the Statements of financial position</u>

	As previously reported	Adjustments	As restated
	Rs’000	Rs’000	Rs’000
Balance as reported at January 1, 2022			
- Land conversion rights	-	57,900	57,900
- Retained earnings	55,822	57,900	113,722

	As previously reported	Adjustments	As restated
	Rs’000	Rs’000	Rs’000
Balance as reported at December 31, 2022			
- Land conversion rights	-	57,900	57,900
- Retained earnings	138,845	57,900	196,745

<u>Impact on the Statements of changes in equity</u>

	As previously reported	Adjustments	As restated
	Rs’000	Rs’000	Rs’000
Balance as reported at January 1, 2022			
- Retained earnings	55,822	57,900	113,722
Balance as reported at December 31, 2022			
- Retained earnings	138,845	57,900	196,745

The Union Sugar Estates Company Limited

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