INTEGRATED ANNUAL REPORT 2022

Ascencia
Shaping singular places

Achieve Everyday

a Rogers enterprise

Ascencia
Shaping singular places

Inspired by nature's achievers

We are a team of achievers, combining forces to innovate and adapt to everyday challenges. Our culture of resilience is inspired by nature, where animals instinctively evolve, teaching us that survival is the only way.

Dear Shareholders,

The Board of Directors is pleased to present the Integrated Annual Report of Ascencia Group for the financial year ended 30 June 2022.

This report was approved by the Board on 22 September 2022.

Philippe Espitalier-Noël
Chairman

Frédéric Tyack
Chief Executive Officer

Our Reporting Suite

TOWARDS INTEGRATED REPORTING

We are pleased to present the Integrated Annual Report of Ascencia Group for the financial year ended 30 June 2022, whose main aim is to communicate with the providers of financial capital, shareholders and key stakeholders.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements. Words such as 'believe', 'may', 'endeavour', and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgement and future expectations, several risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

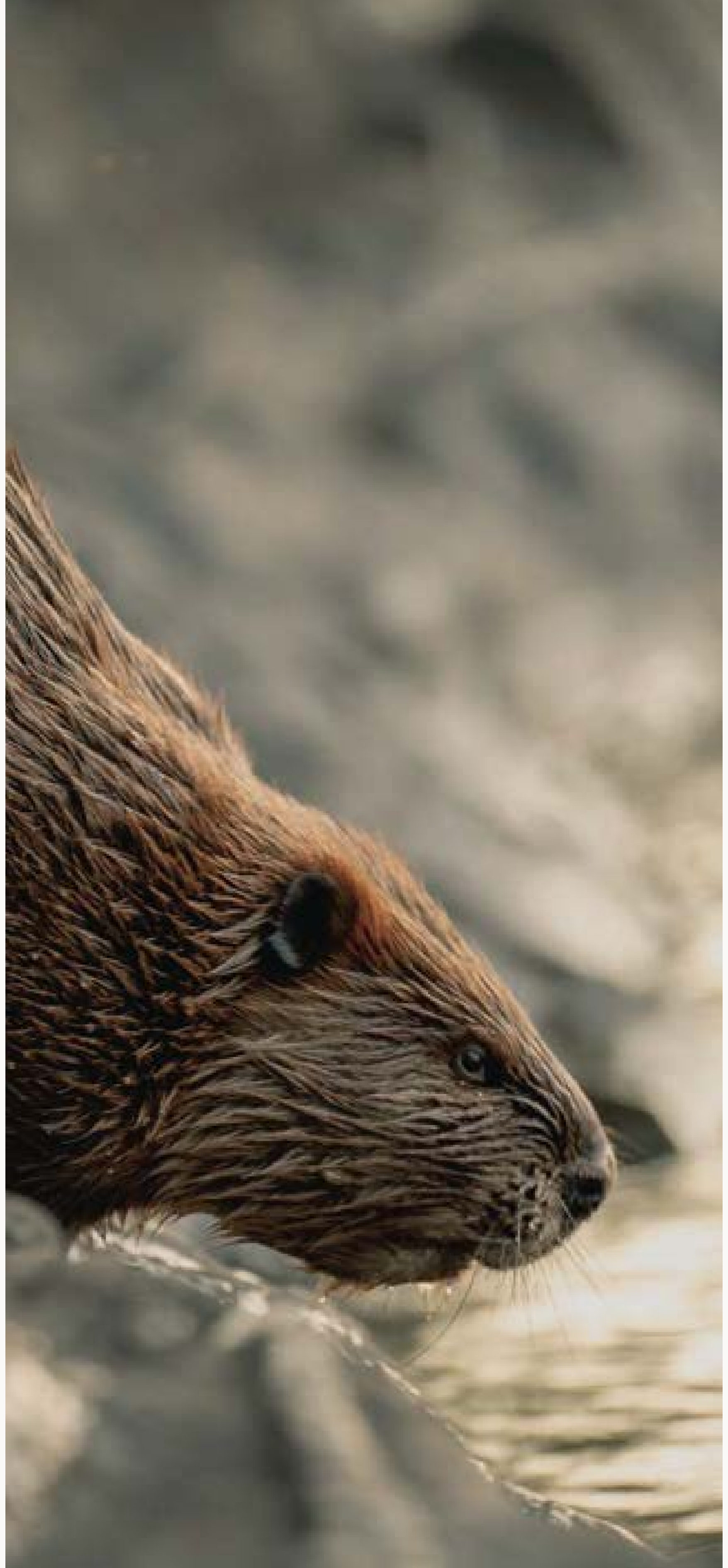
FEEDBACK

Your feedback is important to us and will help us enhance our reporting processes and ensure that we communicate on issues that matter.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Ascencia acknowledges its responsibility to ensure the integrity of the integrated report. In its opinion, the integrated report addresses all material matters, offers a balanced view of strategy, and how it is related to the organisation's ability to create value in the short, medium, and long-term. The report adequately deals with the use of the capitals and the way the availability of these capitals is impacting Ascencia's strategy and business model. This report complies with the International Integrated Reporting Council (IIRC) integrated reporting framework and the Global Reporting Initiative (GRI) Standards: core options.

Therefore, this report follows all four principles of GRI Standards namely, Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. The quality of the report is ensured by following the principles of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness.



GLOBAL REPORTING INITIATIVE (GRI)

We have adopted the Global Reporting Initiative (GRI) Standards which are the first global standards for sustainability reporting. They help businesses, governments and other organisations understand and communicate their respective impacts on issues such as climate change, human rights and corruption.

INTEGRATED ANNUAL REPORT

The aim of the integrated report in terms of six capitals is to facilitate the understanding of the Group.

RISK MANAGEMENT REPORT

The risk management report provides for an integrated risk management framework and an analysis of the Group's strategic, financial, operational and compliance risks.

CORPORATE GOVERNANCE REPORT

The corporate governance report details the corporate governance structure, committees, board performances, remuneration and other matters relating to the good governance of the Group.

GROUP ANNUAL FINANCIAL STATEMENTS

A detailed set of Audited Group Financial Statements.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Information, proxy form, corporate resolution and FAQs, for shareholders to participate in the annual meeting of shareholders.

Contents

Ascencia
Shaping singular places

CHAPTER 1

COMPANY OVERVIEW

Gliding Over Waves Everyday

The flying fish (Exocoetidae) has developed a remarkable characteristic to escape predators; wing-like pectoral fins that allow it to glide above the water's surface. This display of evolutionary traits shows us that to come out stronger, evolution is necessary.

Glossary of terms

In this document, the following terms shall have the meanings set out below:

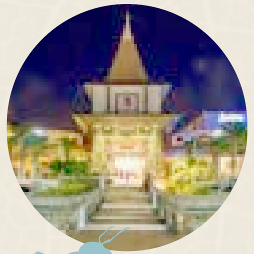
AFS	Annual Financial Statements
AMC	Atterbury Mauritius Consortium Proprietary Ltd, a private company incorporated in the Republic of South Africa, bearing registration number 2005/042785/07
AMS	Annual Meeting of Shareholders
Ascencia, the Company or the Group	Ascencia Ltd, a public company incorporated in Mauritius, bearing business registration number C07072304
Bagaprop/ Bagatelle Mall	Bagaprop Ltd, a public company incorporated in Mauritius, bearing business registration number C10094368
BLUP	Building and Land Use Permit
Bn	Billion
Board	The Board of Directors of Ascencia
Bo'Valon Mall	The Beauvallon Shopping Mall Ltd
CAPEX	Capital Expenditure
CDS	Central Depository & Settlement Co. Ltd
CEO	Chief Executive Officer
CGC	Corporate Governance Committee
CRM	Customer Relationship Management
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CUM	Cumulative
DEM	Development & Enterprise Market of the Stock Exchange of Mauritius Ltd
DPS	Dividend per Share
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EnAtt	EnAtt Ltd, a private company incorporated in Mauritius, bearing business registration number C09089590
ENL	ENL Ltd, a public company incorporated in Mauritius, bearing business registration number C06000648 and listed on the Official Market of the SEM
ENLP	ENL Property Ltd, a private company incorporated in Mauritius, bearing business registration number C10093455
EPS	Earnings Per Share
FAQ	Frequently Asked Questions
FCCL/So'flo	Floreal Commercial Centre Ltd, a private company incorporated in Mauritius bearing business registration number C15131857
FPHL	Foresite Property Holding Ltd, a private company incorporated in Mauritius, bearing business registration number C07025317
FSC	Financial Services Commission
FV	Fair Value
FY	Financial Year
FYE	Financial Year End
GLA	Gross Lettable Area
GDP	Gross Domestic Product
GPTW	Great Place to Work
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation and Air Conditioning
IAR	Integrated Annual Report
IIRC	International Integrated Reporting Council
IFRS	International Financial Reporting Standard(s)
IoT	Internet of Things
IP	Investment Property
IR	Integrated Report
K	Thousand
KPIs	Key Indicative Indicators
LTV	Loan To Value
m	Million
MCB	The Mauritius Commercial Bank Ltd
MEL	Metro Express Limited
MSDG	Medium Scale Distributed Generation Scheme
MUR or Rs	Mauritian Rupees
MW	Megawatt
MWF	Mauritius Wildlife Foundation
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
NGO	Non Governmental Organisation
NOI	Net Operational Income
NPF	National Pensions Fund
OPEX	Operational Expenditure
PAT	Profit After Tax
PIE	Public Interest Entity
Property LTV	Property LTV - Borrowings / IP Values (excluding cash reserves)
RMAC	Risk Management and Audit Committee
RMR	Risk Management Report
ROE	Return on Equity
Rogers	Rogers and Company Limited, a public company incorporated in Mauritius bearing business registration number C06000706 and listed on the Official Market of the SEM
RPF	Rogers Pension Fund
SC	Strategic Committee
SDGs	Sustainable Development Goals
SEM	The Stock Exchange of Mauritius Limited
SEMSI	The Stock Exchange of Mauritius Sustainability Index
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMS	Special Meeting of Shareholders
Sqft	Square Feet
sqm	Square Metres
t	Tons
TD	Trading Density
US	United States of America
VWAP	Volume Weighted Average Price of Ordinary Shares
WALE	Weighted Average Lease Expiry
WIP	Work in Progress
WMA	Wastewater Management Authority
YoY	Year on Year

A journey of resilience

FYs

2008

- Acquisition of Phoenix Mall and Riche Terre Mall
- Listing on DEM



2010

- Extension of Phoenix Mall

2013

- Bagatelle Mall: 50.1% Acquisition
- Acquisition of Kendra and Les Allées
- Extension of Phoenix Mall and Riche Terre Mall

2014

- Extension of Riche Terre Mall and Phoenix Mall

2016

- Extension of Bagatelle Mall (Home and Leisure)

2018

- Opening of So'flo
- Refurbishment of Phoenix Mall

2020

- Opening of Bo'Valon Mall

2021

- Extension of Bagatelle Mall Phase 1
- Opening of Decathlon

2022

- Official Listing on the SEM
- Agreement between MEL and Ascencia about the integration of a metro station in Phoenix Mall
- Extension of Bagatelle Mall Phase 2
- Sale of Decathlon premises
- Inclusion of Ascencia in SEMSI and SEM-10
- Full acquisition of Bo'Valon Mall

A well-located, high-quality and efficient local retail portfolio

OUR VISION

Shaping Singular Places

OUR PEOPLE

As ONE TEAM, we engage with our heart and mind to co-create and embrace a culture that fosters learning, innovation and customer centricity.

OUR MISSION

We deliver, through our dedicated service providers, best-in-class mall management services in order to provide a superior shopper experience.

OUR PRIMARY GOAL

That our tenants be successful so that in turn, we can deliver superior returns for our shareholders. Success speaks for itself. Today, Ascencia is among the **Top 5 listed companies** in Mauritius with a market capitalisation of

MUR 14.3bn

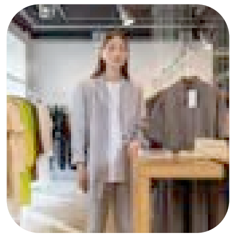
as at 30 June 2022.

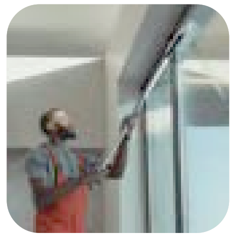
Value creation process

OUTER GAME

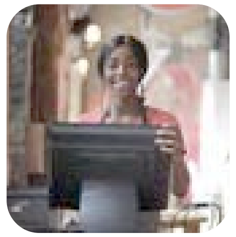
ECONOMY


Shareholders' value


Tenants' value


Service providers' value

COMMUNITY


Job creation


New SMEs


Modernisation of the country


Provision of leisure activities

NATURAL


Waste recycling


Green energy


Energy efficiency

INNER GAME

Identify — Build — Operate — Improve

Access — Safe — Comfort — Engage

Industry expertise

Highly relating team

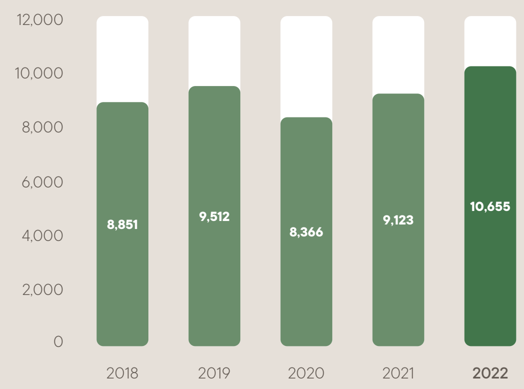
Highly performing team

Shaping Singular Places

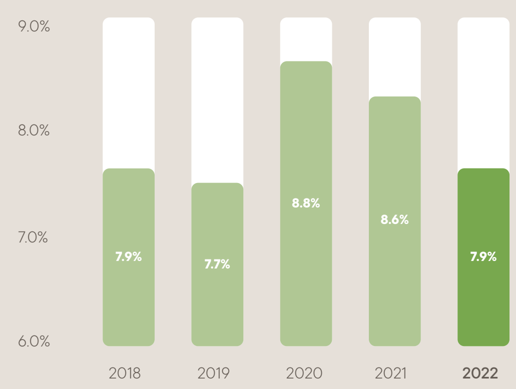
Five-year trend

Delivering on these key metrics nurtures our reputation and ultimately creates and preserves value for shareholders.

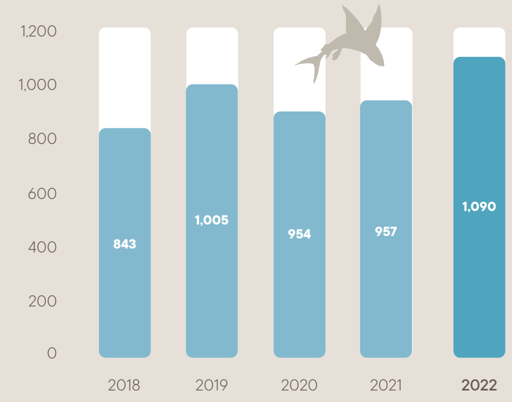
Trading densities (MUR/sqm)



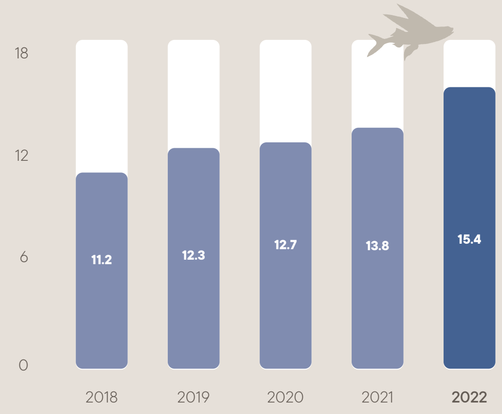
Rent to turnover (%)



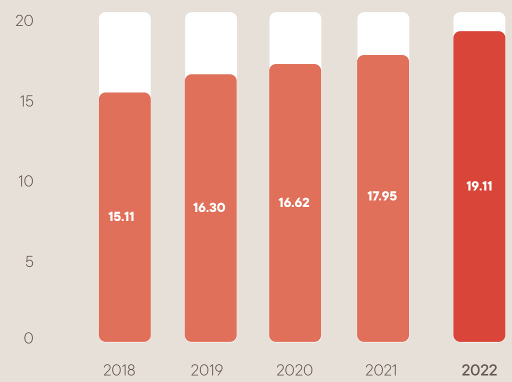
Net operational income (MUR m)



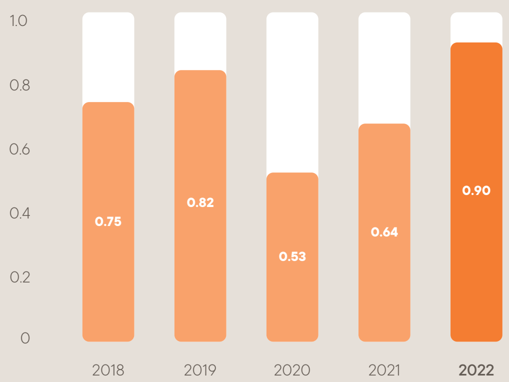
Investment property portfolio (MUR bn)



NAVPS (MUR)



DPS (MUR)



Ascencia
Shaping singular places

CHAPTER 2

LEADERSHIP REVIEW

Adapting To Challenges Everyday

The chameleon is a fascinating creature. Besides its ability to change colour to communicate and regulate its body temperature, it has a unique eye anatomy amongst vertebrates. It possesses the highest level of magnification allowing for high-resolution vision from a distance, combined with a 180-degree view, making prey and predator more visible.

Chairman's Message

Dear Shareholders,

The COVID-19 pandemic has caused a sudden and severe impact on international trade, investment, and global economic growth. In these unstable waters, Ascencia not only resisted but displayed impressive resilience to consolidate its business further.

The Company's mission is to deliver best-in-class mall management services. It kept to the promise of ***Shaping Singular Places*** through an offer of quality brands. Amidst unfavourable headwinds, our teams have relentlessly sought to 'Achieve Everyday' through effective collaboration with all tenants and stakeholders. As reflected in the improvement of relevant metrics, our business benefited from its Malls' prime location across the country. These two factors have driven sustainable performance across the Portfolio and consolidated the position of the Company. For the year ending June 2022, healthy footfall, trade densities and lease renewals have driven Ascencia's performance to new levels. Overall, the prevailing conditions translated into a profit of MUR 1bn, representing a 5.0% growth compared to last year, allowing our Company to distribute record dividends of MUR 439m.

The financial year 2021/2022 has witnessed several milestones in the history of Ascencia, which will create long-term sustainable value. In August 2021, Ascencia migrated to the Official Market of the SEM. The migration to the main trading platform has enhanced the shares' liquidity by 2.5 times to a daily average traded of MUR 1.1m compared to the pre-SEM Listing, with Ascencia now forming part of the Top 5 companies of the SEM.

Asserting its position as the market leader in the southern region of the Indian Ocean, the Company has also completed the acquisition of the shares in Beau Vallon Shopping Mall Limited, now a wholly-owned subsidiary of Ascencia. The opening of the new Shopping Gallery in Bagatelle Mall received a heartening response. This gallery, housing global brands such as GAP, Ralph Lauren, Lacoste, Hugo Boss and Gant, will reinforce the leadership of Bagatelle Mall and remain a prized attraction among consumers.

In June 2022, Ascencia completed the refinancing of its existing debt of MUR 4.76bn through the issue of secured floating notes to selected investors. Such an achievement in a volatile and risk-averse financial environment was possible after significant tripartite negotiations and a thorough implementation process. During this exercise, Ascencia leveraged on an upgraded debt rating of CARE MAU AA- Stable, reducing the effective interest rate of its debt. This exercise has also allowed a rescheduling of debt repayment, extending it to a range of 5 to 15 years with an average maturity profile of 9 years, significantly improving cash flow availability for the medium and long term.

With new offers arriving on the market, the Board supported management proposals to anticipate them, and we believe that the timely execution of the ***Shaping Singular Places*** strategy will consolidate the Company's leadership position in a sector witnessing increasing capacity.

Next year, our focus will be on the continued improvement of our shopping infrastructure. Due for completion in October 2022, the Transit Oriented Development at Phoenix Mall, in collaboration with Metro Express Limited, will allow for the adaptation of Phoenix Mall into an extensive "mixed-use property". The new extension of Riche Terre Mall, dedicated to homeware, will also be undertaken. Keeping pace with domestic and international trends, Ascencia will continue to enhance its offering to the market by integrating more international brands into the mix of its Malls.

As a strategic operator in the trade and retail segment, we recognise the importance of reconciling Prosperity, People, and the Planet in our day-to-day operations. Conscious of the impact of our actions on the environment, we have been measuring and mitigating them by focusing on four sustainability pillars: Waste recycling, Wastewater recycling, Green energy and Energy efficiency. During the year, we rolled out our 'sorting at source' project across our Portfolio of malls, after a pilot project at Bo'Valon Mall. We have seen meaningful progress with improved KPIs from this initiative.

Furthermore, we have continued our B'Local initiatives to support SMEs by giving them opportunities and visibility at preferential rates in our Malls. More than 36 markets were organised during the year to promote their products.

We remain cautious about the impact of higher rates of inflation on the purchasing power of Mauritians and, ultimately, on the performance of the Company at a time when competition is shaping up down the road. Consumer behaviour and spending patterns will be closely monitored over the next 12 months.

During these uncertain times, none of the above would have been possible without the inspiring leadership of the CEO, Frédéric Tyack, whom I would like to thank. I also want to thank Belinda Wong-Vacher, who leads Ascencia's Fund Management and Administration. Frédéric and Belinda have led the business with excellent acumen during this transition year. With their teams, they have delivered a commendable performance. Both engage closely with our employees, tenants, suppliers, investors, and capital providers to drive strong performance dynamics.

I am particularly gratified by the level of engagement from the Board, and I take this opportunity to thank my fellow Board members for their guidance and support last year. Our hearty thanks to all our stakeholders for their trust.

Philippe Espitalier-Noël
Chairman

"At a time when the three most important factors in retail namely stock, disposable income and consumer confidence are facing headwinds, what did we do as a team to travel this uncharted course successfully?"

FRÉDÉRIC TYACK
Chief Executive Officer

CEO's Message

Dear Shareholders,

We concluded last year's report by stating that we were now in a world of permanent disruption. Shortly thereafter, and well before we could fully evaluate the long-term impact of the COVID-19 crisis, the Russia – Ukraine war began. In addition to unprecedented supply chain disruptions caused by the pandemic, energy and commodity costs skyrocketed in the aftermath of the Russia – Ukraine conflict.

We are now, for the first time in decades, in a world of double-digit inflation, with most central banks around the world having recourse to interest rate increases to halt inflation.

At a time when the three most important factors in retail namely stock, disposable income and consumer confidence are facing headwinds, what did we do as a team to travel this unchartered course successfully?

If you want to go far, go together...

This Company was built on the strong partnership between ENL, Rogers and Atterbury. This attribute, an innate part of this team's DNA, has been particularly determinant this year.

We have concluded several partnerships with leading local and global brands. **Kiabi** and **Decathlon** opened shops at Bagatelle Mall. **Intermart** converted its store to a Hypermarket and **Conforama**, one of the global leaders in the Home Furniture category, has chosen Bagatelle Mall for its first store in Mauritius. **Manjoo** relocated to Bo'Valon Mall and closed its first ever store which had opened in 1919 in the centre of Mahebourg! **361** followed suit. **McDonald's** chose Bo'Valon Mall for its first store in the South. **KFC** and **Nando's** launched new concepts in So'flo. **GIFI** found a new operator and invested in a brand-new shop at Phoenix Mall.

We concluded a groundbreaking partnership with **Metro Express Limited** to bring the metro to Phoenix Mall, a first in Mauritius and a great example of public – private partnership.

We renegotiated our debt with our bankers and have managed to reduce the cost of debt, increase its tenure, and improve bank covenants.

Perhaps, the most significant of these partnerships is with our own colleagues. The cultural journey that we started in October 2019 has culminated this year with the **GPTW Award** in October 2021 and the **Best Workplace Certification** in September 2022. A true testimony to the success of this journey.

Invest...

We invested wisely in our physical assets simply because best in class assets are the most resilient to external shocks. Notwithstanding COVID-19 and the war, we carried through the construction of the **Decathlon** building, the extension of Bagatelle Mall and the integration of Phoenix Mall with the metro for a total investment in excess of MUR 1.5bn. These investments turned out to be game changers for both properties.

Decathlon has become the 'Go To' place for all sport lovers on the island; **42 Market Street** has disrupted the Fast-Food category by bringing a street food offering not seen before in Mauritius; **The Phoenix Mall Station**, with its retail 'metro' offering, will reproduce the unique atmosphere of train stations in major international cities whilst paving the way for the first fully integrated transit-oriented development in the country.

Concurrently, we invested in our new digital platform, **Infraspeak**. The platform manages more than **1,200** planned interventions every month as well as **600** work orders or said differently one task every 10 minutes! The visibility and the audit trail provided by the platform has had an immediate impact on the state of the properties and the efficiency of the team.

Metro integration project at Phoenix Mall.

CEO's Message (cont'd)

Build trust...

Not only have these investments brought the attractiveness of these properties to a new level, but they have further showcased that this team walks the talk and delivers on its promise even when the circumstances are exceptionally challenging. And we did not stop there.

We created a Governance, Risk & Compliance Department to up our game with regards to safety in our Malls; we implemented the sorting at source of solid waste across the seven properties; we are on our way to obtain the LEED certification in Phoenix Mall; and we are investing MUR 150m in a new HVAC in Bagatelle Mall to reduce air conditioning consumption by 20%. Various initiatives that, even if less visible, show our commitment towards greater safety, better energy efficiency and, ultimately, lower tenant occupancy cost and carbon emission.

The reaction from shoppers was unequivocal. Footfall increased by 9.6%, the first time since the pandemic. Conversion was exceptional with trading densities increasing by close to 17%. The top performers were Bo'Valon Mall and Phoenix Mall, paradoxically properties that were the most impacted by the pandemic, with increases north of 25% at a time when the domestic retail market barely grew.

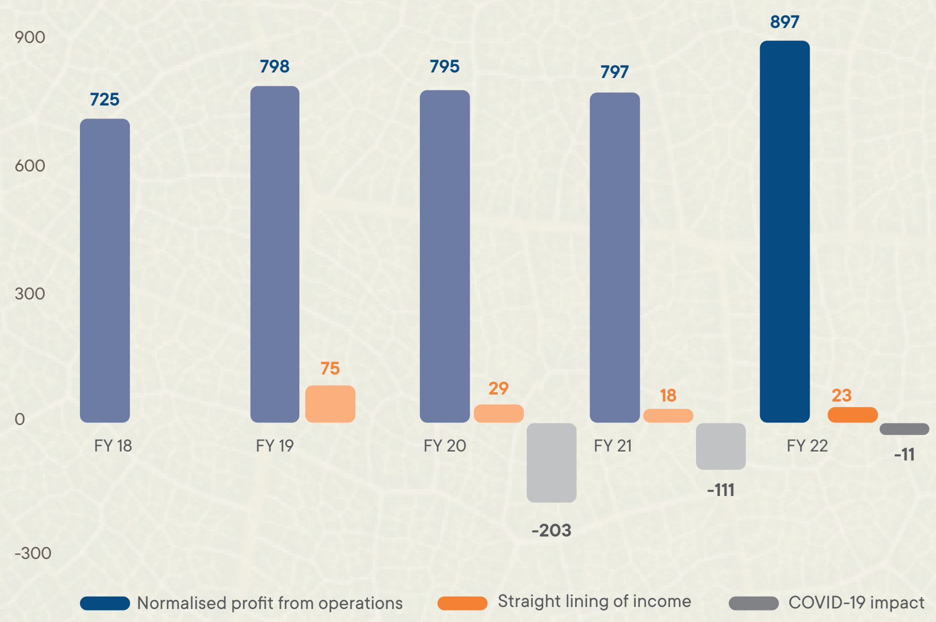
Likewise, tenants voted with their feet and showed a high level of trust across all properties. Approximately **one-fifth** of the GLA was renewed at a rent reversion of close to 5.6%, higher than the standard lease escalation of 5.0%. Even better, at Bagatelle Mall, **one-third** of the Mall's GLA was renewed at a rent reversion of circa 7.4%. Its Weighted Average Lease Expiry improved to 4.2 years (LY: 2.4 years) at a time when competition is looming down the road.

...To deliver

This relentless pursuit to **Achieve Everyday** has produced robust financial results for the year. Normalised Profit from Operations, after three flat years, is up 12.5% even if EPRA Vacancy has been under pressure due to supply chain challenges. Collection rate and renewals stand at 101% and 5.6% respectively providing a strong indication of the health of our tenants and therefore, the sustainability of contractual income.

This resulted in a fair value gain of MUR 440m, a NAV growth of 6.5% and a record dividend payout of MUR 439m. A total return of 11.5% for our shareholders on the back of a stronger Balance Sheet as indicated by our improved CARE Rating of AA-.

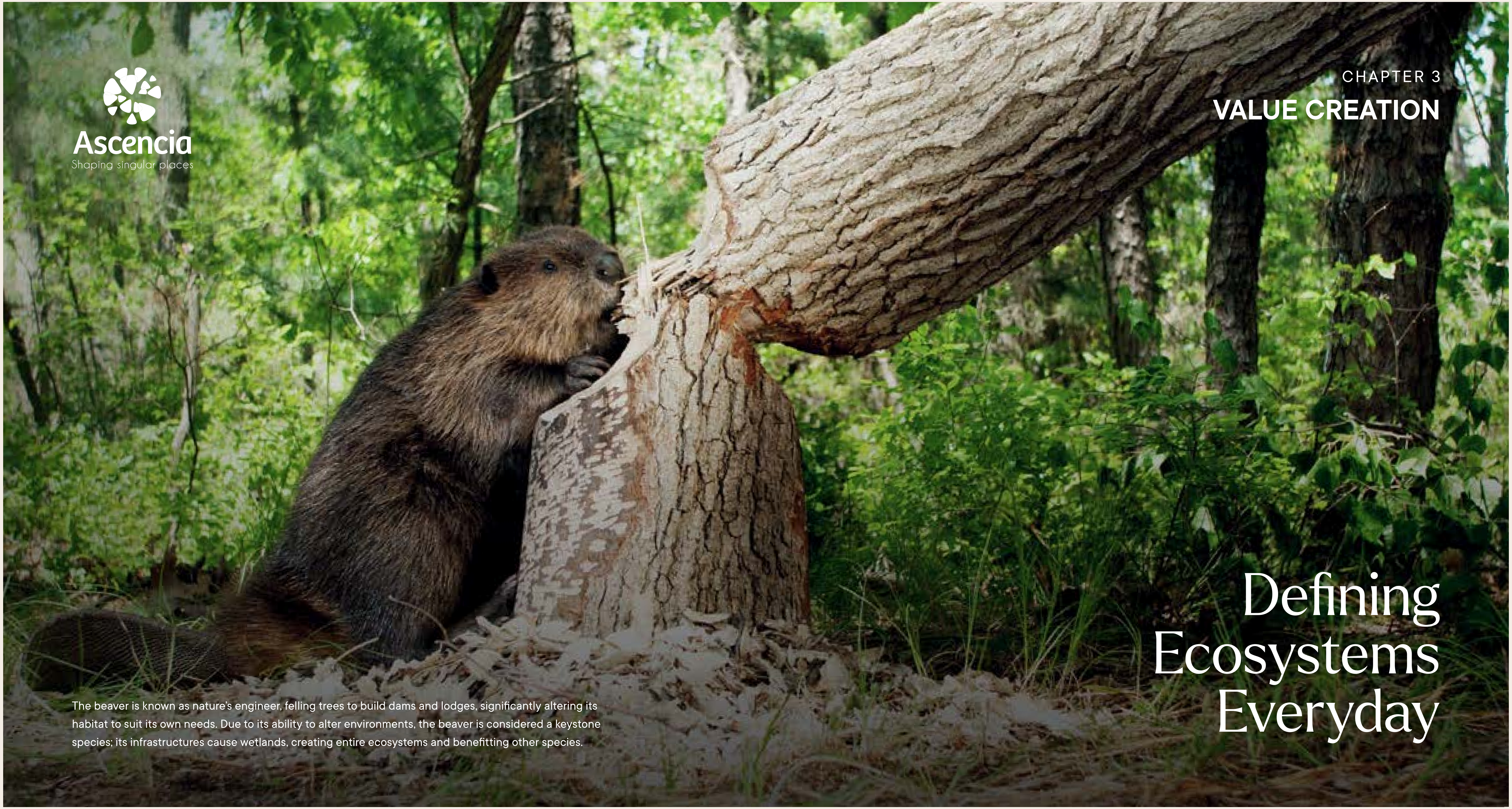
Normalised profit from operations (MUR m)



Thank you

A very special thank you to all my fellow Directors who, once again, have provided an unflinching support throughout the year.

Frédéric Tyack
Chief Executive Officer



CHAPTER 3

VALUE CREATION

Defining Ecosystems Everyday

The beaver is known as nature's engineer, felling trees to build dams and lodges, significantly altering its habitat to suit its own needs. Due to its ability to alter environments, the beaver is considered a keystone species; its infrastructures cause wetlands, creating entire ecosystems and benefitting other species.

Performance by Capitals

The six Capitals

The concept of the six Capitals transcends the basic needs of reporting; it challenges the way we think about creating value. The impact of these Capitals throughout the reporting year is highlighted using the icons below:

Human Capital

Social and Relationship Capital

Intellectual Capital

Natural Capital

Manufactured Capital

Financial Capital

These icons are also used throughout the IAR to show the connectivity between sections.

	Main objectives	Actions in 2022
Human Capital	• Nurture talent. • Retain employees.	• Promote collaborative culture through staff training and development.
Social and Relationship Capital	• Become an important player through B' Local Initiative. • Focus on customer promise to improve the daily shopping experience.	• Boost activities in our Malls. • Communication campaigns and visibility on social media.
Intellectual Capital	• Achieve operational excellence. • Embark on the digital journey with our IP.	• Set up of OPEX team to drive our operational excellence objectives. • Automate dashboard reporting and service level agreement (SLA) monitoring in partnership with Infraspeak. • Develop a digital strategy.
Natural Capital	• Develop and implement sustainable solutions to reduce energy consumption and Malls' carbon footprint. • Find economic models that reconcile planet and profit.	• Heat reduction through special waterproofing membrane. • Solid waste management and 'sorting at source' throughout the Portfolio. • LEED certification application for Phoenix Mall with implementation in other Malls as from FY 23. • PV farms producing 4.2m kWh in FY 22. • New HVAC system at Bagatelle Mall (20% in energy savings). • Rainwater harvesting. • Biogas station project on track.
Manufactured Capital	• Consolidate leadership status. • Optimise assets use to improve performance.	• Maintain low vacancies. • Consolidate market leadership through additional gross lettable area (GLA) and new concepts in line with our customer promise. • Maintain yields on properties to sustain asset values.
Financial Capital	• Provide superior returns to shareholders. • Improve visibility and liquidity of shares on the market. • Assess continuously the credit rating and debt profile.	• Improve credit rating to AA-. • Restructure our debt and improve the cost of debt and maturity profile. • Renew leases at a successful rate. • Maintain a strong collection rate. • Deliver shareholder returns to pre-pandemic levels.

Human Capital

> “We are a **Great place** to work.”

Value creation

Our employees are our most valuable asset. Over the past three years, we have embarked on a culture and engagement journey. We are now bearing its fruits, as reflected in our performance. Our goal is to become the Best Workplace, where each employee has the opportunity to unlock his/her full potential.

Reflecting on 2022

A show of resilience

Navigating through the post-pandemic period has been a unique challenge, one which our ONE TEAM handled expertly to mitigate the effects of the crisis. We came out of this delicate period with our culture strengthened. We have thus progressively shifted from testing our culture to reinforcing it.

A noteworthy achievement during the reporting year has been the growth in the trust index (our engagement score) from 62% to 72%. To top it off, we obtained official certification that we are a Great Place to Work (GPTW).

One of our challenges was to retain our key employees, and we set out this year with a target of 10% for our attrition rate, which we did not meet. However, we have decided to review this target for the coming year (at 15%), which reflects doing better than the industry benchmark (at 20%).

Great Place to Work Score (GPTW)

Target	Actual	FY 23
72%	72%	82%

Attrition Rate

Target	Actual	FY 23
10%	19%	15%

Number of Promotions

12

An impactful team

Staff training and engagement initiatives drive not only employee productivity, contribution and engagement but also our brand, leadership and reputation.

The know-how we accumulate through our trained and engaged Team every year enables us to show resilience, and to respond and adapt to all the challenges that come our way. This is key to our results:

Challenges	Core attributes	Outcomes
Health & Safety risk – Business continuity	Creation of OPEX team Business continuity plan in place	Smooth operations of Malls, even with more than 50% of staff positive to COVID-19
Lease renewals	Team committed to delivering the customer promise	Achieved 95% of budgeted renewals at commendable rent-reversion rates
Debt restructure	Strong commitment to review the cost of debt and maturity profile	Reduced cost of debt and extended maturity profile
Keeping Bagatelle Mall as a prime asset and introducing the metro integration at Phoenix Mall	Innovation and agility from the team	Connected home & leisure, reviewed the tenant mix at Bagatelle Mall and new concepts at Phoenix Mall
Shift in consumer behaviour towards digital	Collaboration and teamwork with external consultants and our partner Atterbury	Creation of our digital roadmap and focus on phygital experience for our shoppers

2022: A show of resilience, reinforcing our culture

Leadership development

When cascading a performance-centric culture across an organisation, it needs to start from the top, with the Leadership Team walking the talk. Since our culture and engagement journey began, the Leadership Team has been actively involved in co-creating and cascading the culture. To ensure engagement and ownership from the Leadership Team, we have co-created a Leadership Competency Framework that defines the skills, behaviours and competencies expected from a Leader at Ascencia. This initiative also allows us to onboard new joiners in our Leadership Team and get them up to speed as quickly as possible. This was the case with our Leaders from the OPEX, IT and Digital departments, which in turn led them to be able to respond swiftly to our challenges during the year.

Accountability initiative

We initiated our reporting framework during the year, with successful results. The Team is now clear on the desired Attitudes and Aptitudes that will drive results. Employees' visibility on their direct contribution to the Company's performance increases engagement and their engagement is what drives results. One example that illustrates this is the Team's commitment in achieving 95% of our targeted renewals.

Strengthening our onboarding procedures

To navigate during those difficult times, our challenge was to bring our newcomers up to speed as quickly as possible. A formal onboarding system was set up to empower new recruits and monitor their performance and attitude during their first year with us. A Culture-Onboarding Programme was also implemented to ensure the new recruits are aligned with our Vision. It allowed our new employees to integrate with the rest of the Team and to start performing as quickly as possible.

Talent development

To retain our best talents, we must help them achieve their full potential. We therefore ensure that our employees have the opportunity to discuss their career path and define the key learning milestones required for them to achieve their vision. A tailor-made, learning journey is defined for each Talent, with different learning tools (coaching, mentoring, internal and external training). This programme is starting to bear its fruits, as we have had 12 successful internal promotions this year.

Members of the Leadership Team have already embarked on their respective learning journeys towards their career aspirations. This program has already been extended to our Finance Team last year and will be deployed across the Company next year.

Outlook

We will work towards achieving new milestones in the coming year, which include:

- → Improve our GPTW engagement score and reduce our attrition rate.
- → Obtain the **Best Workplace certification** at the time of approval of the Report
- → Finalise Personal Development Plans and career plans for each one of our employees.
- → Identify and develop our key talents with regards to the key positions in our structure for Succession Planning.
- → Improve the recruitment process to include Culture Fit Assessments and Personality Assessments.

Social and Relationship Capital

Value creation

Solidarity is an integral part of our culture. Through informed and targeted local entrepreneurs' initiatives, we ensure long-term sustainability of our operations. This goes to the very heart of our purpose to make a difference in people's lives. Our unique and focused approach enables us to gain credibility and create meaningful value for our stakeholders.

Reflecting on 2022

Promoting local partnership

We continued our B'Local initiative to promote and support local entrepreneurs by giving them visibility in our Malls. Small and Medium enterprises benefited from preferential rates. Overall, more than 36 markets (including Craft Market, Bakers' Market, Plant Market and Green Corners) were held in the shopping Malls during the year.

At the same time, we renewed and strengthened our collaboration with La Turbine, to invite local companies that propose new operational, digital and other solutions to develop innovative strategies and products. Smart Parking, a solution designed to help customers find free parking slots, was shortlisted and identified through this partnership.

A trial run is scheduled at Phoenix Mall.

Investment, innovation and results

The unique concept of 42 Market Street has received a comforting response from the public. KPIs were above expectations for its first year of operation.

The tenant mix is welcomed by our stakeholders and is in line with our customer satisfaction index. Management is still looking to fine-tune 3 to 4 boxes to enhance the offering.

	Target	Actual
Tenants and exhibitors	53	+60
Footfall	2,000/day	2,500/day
Trading Density	MUR 15,040/sqm	MUR 13,536/sqm

> “Investment, innovation and results."

Baga 10, a milestone event for Bagatelle Mall

To mark the ten years of shoppers' stories, Bagatelle Mall worked with local artists to create the song 'Nou Ale'. The song was also used in campaigns to connect with shoppers and enhance brand recognition.

Social and Relationship Capital (cont'd)

Stepping up on our commitment to the society

1. Collection of clothes for victims of Batsirai cyclone in Madagascar, in collaboration with *Rotary Clubs.*
2. Christmas is a time for giving back. Our Malls collaborated with different NGOs such as *Un Enfant Un Sourire, Gender Links*, and *Rotaract Club of St. Pierre*, among others for gift distribution.
3. Together with the NGO *Reef Conservation*, we initiated 23 participants to marine life conservation. *Bis Lamer* was present in the parking of Bagatelle Mall.
4. For the Menstruation Day in collaboration with *Rotaract Club Beau-Bassin-Rose-Hill*, up to 3 trolleys of sanitary products were collected for distribution to women shelters.

Sustainability

At Ascencia, sustainability is always at the heart of our operations. In April, Bagatelle Mall, Kendra, and Les Allées partnered with *Mokam'wad* for a recycling campaign.

For World Environment Day 2022 celebrated on 5 June, a national awareness campaign on plastic pollution was launched at Phoenix Mall in collaboration with the Ministry of Environment, Solid Waste Management and Climate Change.

In June 2022, our Malls hosted the 4th edition of INI'Vert, our green campaign to raise awareness on the impacts of our carbon footprint and encourage sustainable consumption. This campaign allowed for partnerships with local NGOs such as *Reef Conservation, Everbloom, Save Soil, and Mauritian Wildlife Foundation*, among others. We are also working on other green initiatives projects across our Malls to reduce our carbon footprint. These are described in the Natural Capital section below.

Outlook

In 2023, the 'Metro Market', a first in Mauritius, will connect logistics to shopping, building up the uniqueness of Phoenix Mall. The repositioning of GIFI will create a ticketing area for the metro as well as other facilities for our customers on the first floor.

For 2023, we will continue to promote local entrepreneurs to help them gain more visibility in the market.

As part of our digital strategy, a mall engagement platform will be created to gather relevant data from our customers, with the aim to improve their shopping experience, and lead to the creation of a Portfolio loyalty program.

We will also celebrate the 10th anniversary of Kendra.

Metro Market enhanced offering

3 Boutiques

35 SMEs

1 Brasserie bar

Intellectual Capital

Value creation

Our definition of success: A customer-centric approach for all our stakeholders in a secured environment that fosters better engagement, through an optimised operating model.

Our know-how, capability, drive and our constant passion to innovate are what set us apart. They remain key drivers of our sustainable growth. Our latest innovation is the implementation of the Infraspeak platform, designed to achieve operational excellence through an automated process.

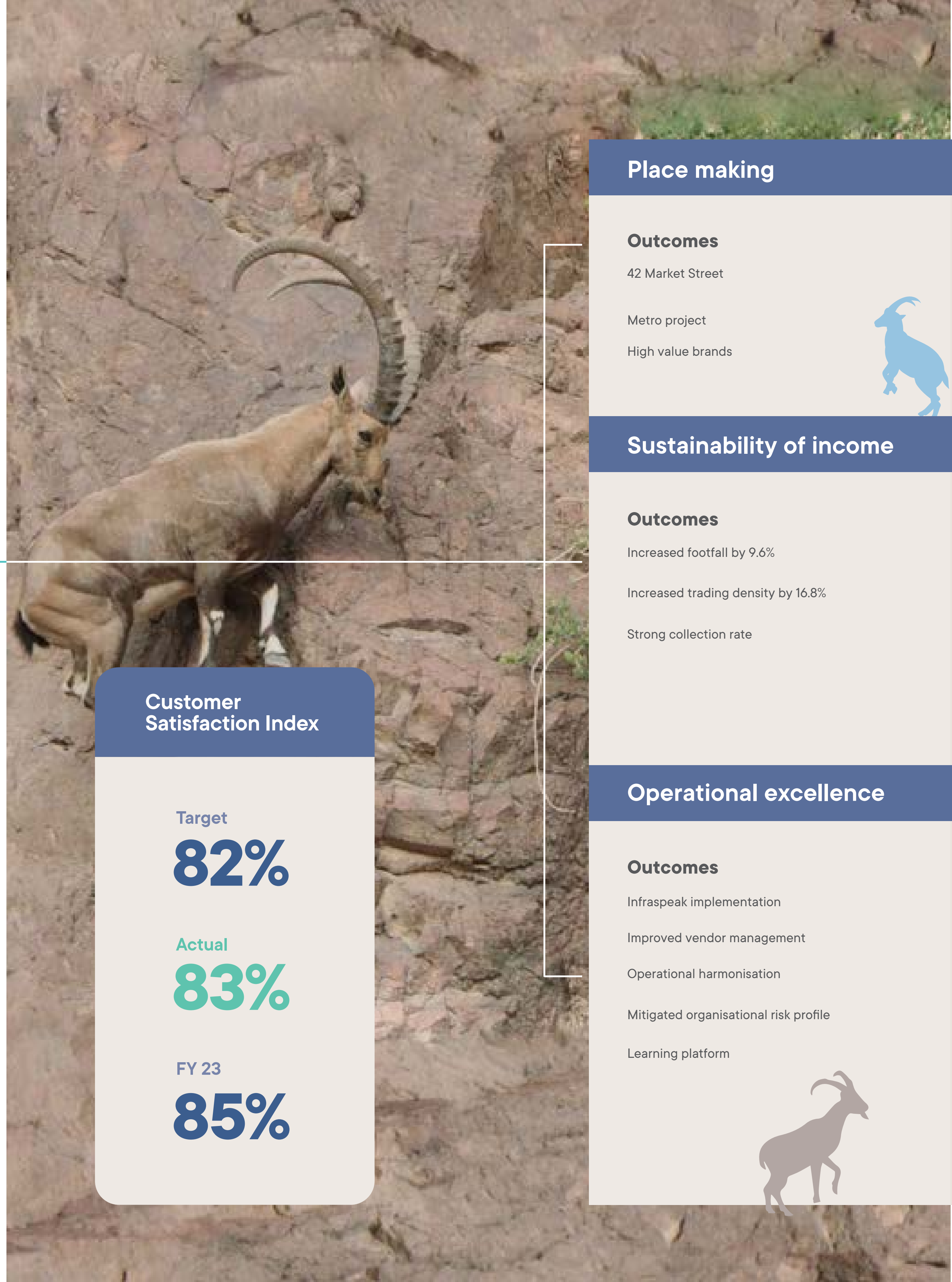
Enhancing shopper experience on a daily basis is vital to Ascencia. Our engagement is to continuously refresh tenant mix, create a unique atmosphere and maintain customer loyalty.

At Ascencia, we endeavour to thrive through excellence.

Reflecting on 2022

Our expertise in building a culture of innovation and exploration enabled us to remain resilient in this volatile environment and continue our smart building journey. Projects during the FY 22 included:

- → Metro integration project at Phoenix Mall.
- → Replacement of high consumption HVAC (Heating, Ventilation and Air Conditioning) system at Bagatelle Mall with more efficient ones.
- → Creating an operational excellence mindset focusing on Governance Risk and Compliance, IT and Digital functions.
- → Deploying the Infraspeak platform to all sites, to harmonise our operational approach and improve efficiency and replicability.
- → Insourcing of the Business Continuity management function to track operational risks and design through tailored plans to handle crisis.
- → Deploying the Automated Dashboard, allowing for increased organisational efficiency, faster analysis, and automation of manual processes.
- → Improving customer satisfaction index, the index averaged around 83% across the Portfolio.



Customer Satisfaction Index

Target
82%

Actual
83%

FY 23
85%

Tacit knowledge

Place making

Outcomes	Intellectual capital levers
42 Market Street	Implementation of the 1st street food concept, and its success will call for future similar projects
Metro project	Partnership with Metro Express Limited for improved accessibility and footfalls
High value brands	Globalisation

Sustainability of income

Outcomes	Intellectual capital levers
Increased footfall by 9.6%	Impactful developments and welcoming of new brands and concepts
Increased trading density by 16.8%	Success renewals and sustainable tenant mix
Strong collection rate	Continuous delivery of customer experience

Operational excellence

Outcomes	Intellectual capital levers
Infraspeak implementation	Business expertise coupled with digitalisation
Improved vendor management	Strategic parternship for continuous improvement
Operational harmonisation	Dynamic capabilities
Mitigated organisational risk profile	Intellectual agility: innovation, creation, adaptation and integration
Learning platform	Knowledge management

Intellectual Capital (cont'd)

Outlook

Digital

Ascencia has the potential to hasten its recovery to pre-pandemic levels through its digital infrastructure.

We are well on track with the development of the CRM platform. The objective is to centralise several aspects of asset management and improve efficiency, visibility and tenant relations.

It has become increasingly apparent that we cannot withstand unforeseen circumstances without change management. We are therefore focusing on the digitalisation and automation of a majority of our processes, functions, assessments and operations.

With our experience and know-how acquired during the implementation of Infraspeak, the digital transformation journey towards operational excellence continues with the objectives to:

- → Master tenants' and shoppers' preferences to enhance their experience.
- → Improve productivity and occupancy comfort.
- → Learn from and respond to data collected using machine learning and artificial intelligence.
- → Derive marketing strategy and actions from collected facts and trends.

Operational

- → Monitoring of Critical Assets via IoT sensors to reduce downtime.
- → Business Continuity and process optimisation.
- → Pursuing initiatives to reduce carbon footprint.

Governance risk and compliance

- → Foster a risk awareness culture.
- → Compliant to statutory and regulatory requirements.
- → Improve vendor management through partnership.

Development

REVAMPING OF RICHE TERRE MALL

- Focusing on the food court and other common areas.
- Refresh the look and feel inside and outside the Mall.

COMPLETION OF PHOENIX MALL METRO INTEGRATION PROJECT

- Metro Market with a unique concept.

EXTENSION OF BAGATELLE MALL – BRINGING HOME AND LEISURE CLOSER TO THE MALL

- New retail spaces and brands to enhance the offering.

Natural Capital

> "Investing in efficient operating systems to reduce our carbon footprint."

Value creation

"Tomorrow matters"

As an accountable and responsible organisation, we firmly believe in our moral obligation to initiate change towards a greener business model by investing in efficient operating systems to reduce our carbon footprint. As Mauritius' biggest retail company, we are very much aware of our impact in terms of electricity, water and gas consumption as well as solid and liquid waste production. Since the beginning of our sustainable journey, we have set up precise KPI tables to be able to measure and monitor the Malls:

1. Energy consumption
2. Wastewater recycling and harvesting
3. Solid waste recycling
4. Solar energy production.

Our aim, year-on-year is to reduce our carbon footprint by maximising energy efficiency, reducing electricity, gas, water consumption, wastewater recycling and solid waste as much as possible. Such a shift to a sustainability mindset requires the collaboration of a determined workforce.

Our focus remained on:

- Energy efficiency
- Green energy
- Wastewater recycling and rainwater harvesting
- Solid waste recycling

Reflecting on 2022

Waste recycling

'Sorting at source' rolled out in other Malls

Ascencia has increased its monthly waste recycling to 30% this year (vs 21% in FY 21). Since December 2021, we have implemented a new system of 'sorting at source' throughout the whole Portfolio. The new system starts directly in the tenant shop. Areas in the Malls have been identified so that tenants can dispose of their waste in special bins (plastic, cardboard, paper, and others). Food tenants have been provided with special bins to separate leftovers, organic waste such as fruit and vegetable peelings, flour, eggshells, etc., and other waste to prevent the cross-contamination of other recyclable waste.
This system allows us to have a better sorting of our general waste down the line since we are only left with dry waste (cardboard, paper, plastic amongst others). Our aim to reduce dumping at Mare Chicose is on the right track, but we are still far from our target.

Our targeted benchmark for the upcoming year has been raised to 70% at Bo'Valon Mall and 50% in other Malls.

	Target	Actual	FY 23
Bagatelle Mall	50%	29%	50%
Phoenix Mall	50%	28%	50%
Riche Terre Mall	50%	27%	50%
Kendra	50%	21%	50%
Bo'Valon Mall	50%	58%	70%
So'flo	50%	32%	50%
Les Allées	50%	36%	50%

Natural Capital (cont'd)

Green energy

PV farms

During FY 22, our photovoltaic farms installed at Bagatelle Mall, Phoenix Mall, Kendra and Les Allées produced 4.2m kWh, which represents an increase of 61% compared to the prior year. It also represents the approximate consumption of 530 households over a year.

In the pipeline under the Medium Scale Distributed Generation (MSDG) Scheme 2, we are considering the implementation of photovoltaic farms at Bagatelle Home & Leisure, Bo'Valon Mall and So'flo.

Energy efficiency

LEED certification and mitigating initiatives during 2022

The LEED certification for Phoenix Mall has provided us with guidelines as to where we currently are in terms of energy efficiency, as well as to identify the gaps and take mitigating actions going forward. Our target for Phoenix Mall's certification is November 2022. We have collected all the required data over the past year, and we shall be rolling out the LEED certification throughout the Portfolio as from the next financial year. We are also migrating towards LED and solar lighting throughout the Portfolio.

New technologies, such as the Paradial Waterproofing membrane are used on our roofs. Its particularity is that it keeps the building cooler by a few degrees, hence reducing air conditioning consumption.

Wastewater recycling and harvesting

Water efficiency

We have initiated the process of refurbishing our toilets in Bagatelle Mall, Phoenix Mall, Riche Terre Mall, Kendra and Les Allées over the next financial year. New water-efficient technologies have been identified to increase efficiency, hence reducing water consumption. New watertaps, flush and, timers will be used to decrease our common area water consumption.

Through our Sewerage Treatment Plant (STP) at Bo'Valon Mall, 700m^3 of wastewater is being recycled each month, representing the average consumption of 70 households. This water is used for irrigation at the Mall.

In addition, 120m^3 of rainwater is harvested at Riche Terre Mall every month. At Phoenix Mall, we intend to use the harvested rainwater for purposes including irrigation and car wash.

Wastewater

One of our key objectives is to connect our sewer system at Bagatelle Mall with the Wastewater Management Authority (WMA) to decrease our sewer dumping at Roche Bois. The project is awaiting approval from the authorities. We expect it to be up and running by March 2023.

Grey water system – Bo'Valon Mall

A monthly average of 200m^3 of potable water is saved through rainwater collection and grey water from wash basins from our Mall. The recycled water is used for the flushing system in all toilets at Bo'Valon Mall.

Sustainable initiatives

INI'Vert

As part of the ongoing INI'Vert initiative, Ascencia's team spent a day at Île aux Aigrettes with the objective of raising awareness on our environmental impacts and reiterating our commitment towards reducing our carbon footprint across our Portfolio. We also provided support to the Mauritius Wildlife Foundation (MWF) for the weeding of invasive plants and planting endemic trees such as the Ebony on the island.

Natural Capital (cont'd)

Outlook

A sustainable green industry is the harbinger of the upcoming era. In addition to the creation of jobs, it nurtures business and stimulates opportunities.

The project plan towards sustainable living is represented below:

Energy efficiency

→ Completion of the Heating Ventilation and Air Conditioning (HVAC) system at Bagatelle Mall. This will alleviate tenants' occupancy costs and reduce energy consumption by 20%.

→ LEED certification for other malls, the first one being Phoenix Mall.

Waste recycling

Biogas station

Our Preliminary Environmental report for the first station has been approved in April 2022. We are in the process of securing the Building and Land Use Permit (BLUP). Once this step completed, the first station will be fully operational and will use food waste, organic waste, oil and cardboard to create high-quality compost and methane gas that will be connected to our refrigerant systems. We aim to be operational as from October 2022.

We are exerting grassroots effort to minimise our reliance on paper. We are thus incorporating paperless procedures through our automation dashboard, developed through our Infraspeak platform.

Solid waste recycling

TARGET	ACTUAL
50%	30%

FY 23

50%

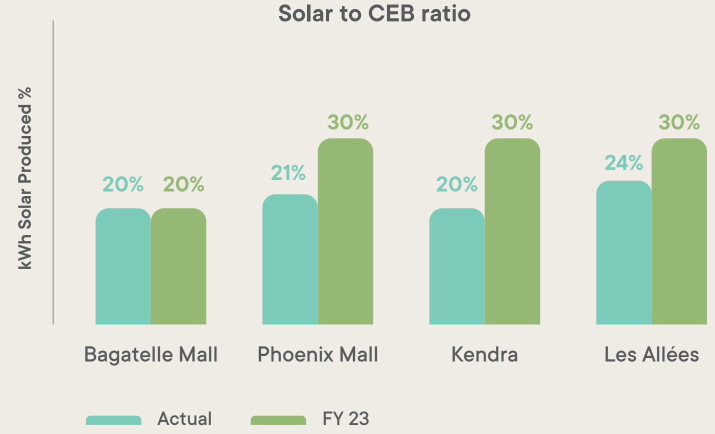
Energy efficiency

20%

Reduction in energy consumption with HVAC system in **Bagatelle Mall** with a new Chiller System.

Green energy

Solar to CEB ratio



Note: Authorised maximum production in kWh → 30% or 2.6m kWh
Bagatelle Mall: 20% ≈ 2.6m kWh

Wastewater recycling

Bo'Valon Mall

TARGET	ACTUAL	FY 23
40%	71%	75%

Manufactured Capital

Value Creation

We thrive to create value through the knowledge gained over the years in the retail sector and to create authentic experiences.

Reflecting on 2022

Adaptable, collaborative and agile

The following are the milestones achieved during the last financial year:

→ Completion of Intermart extension Phase 2.
→ Signed an agreement with Metro Express Limited for Phoenix Mall Station and kicked off construction of Phoenix Mall link and renovation.
→ Acquisition of the remaining stake in Bo'Valon Mall for a total consideration of MUR 296m in October 2021.
→ Sale of Decathlon premises - The operator of Decathlon has exercised its option to purchase its premises. The consideration amounted to MUR 250m and the funds will be used for other projects.
→ HVAC system at Bagatelle Mall with a new chiller system. This shall reduce the tenant occupancy cost and electricity consumption by about 20%.
→ Development of a McDonald's outlet at Bo'Valon Mall with an opening in July 2022.

Key outcomes

1. Property asset disposals amounted to MUR 269m.
2. Total investments amounted to MUR 870m with the bulk investment at Bagatelle Mall.
3. Refurbishment and tenant reconfiguration completed in Bagatelle Phase 2.
4. First-time lettings of 6,000sqm were recorded at Bagatelle Mall with an indicative income of MUR 43.5m per year.

Outlook

Nurturing resilient communities

Bagatelle Extension Phase 3

Development at the south node (ex Food Lover's) will be completed during FY 23, with the following objectives:

- Welcoming of a new fashion brand (VestiOne);
- Bringing Home & Leisure in proximity to the Mall by adding a hardware/home decoration shop; and
- Extension of Intermart by further 700sqm. The brand will now trade as a hypermarket after a full revamp to be completed in October 2022.

Incremental GLA	Yield	Investment
$2,650m^2$	10.3%	MUR 214m

Revamping of Riche Terre Mall

Riche Terre Mall will be revamped to provide an improved customer experience.

- Upgrade the Mall's façade to be more sophisticated and attractive.
- The food court will be more visible and relooked to provide a more cosy and appealing atmosphere.
- Renovate common areas and toilets.
- Encourage tenants to renovate their shops for an overall new look and feel of the Mall.

Manufactured Capital (cont'd)

Outlook (cont'd)

Nurturing resilient communities (cont'd)

Completion of transit oriented development at Phoenix Mall

We have valued the creation of a transit oriented development at Phoenix Mall, with an additional metro station to the ones which were provided by Metro Express Limited.

The initial investment approved by the board was of MUR 315m, with an investment of MUR 220m for Phoenix Mall Metro Station. The yield was at 7.5%.

After further reflection for the long-term future of the Mall, the development has been reviewed to exploit the connection to the metro station and bus station to its full prospective and potential fair value gain on the property.

The development now comprises of:

- A grander entrance to link the Phoenix Mall Station to Phoenix Mall.
- Redeveloping the existing entrance in the Mall, located closer to the station, to provide the adequate facility for a “kiss and ride”.
- Extending the first floor to provide a lifestyle market and commuter retail.
- Creating a double volume area to integrate the redeveloped first floor, which creates a more inviting and visible connection for shoppers in the Mall.
- Provide “Park and Ride” facilities, with 50 parking slots to start with.
- Cover the existing foodcourt to provide a more comfortable environment to shoppers.

This has led to a revised development cost of MUR 440m, with a yield of 4.6%. Target completion of the Phoenix Mall project is 31 October 2022.

These works are expected to contribute towards significantly upgrading shopper experience at Phoenix Mall.

Target	Actual
MUR 315m	**MUR 440m**
Yield **7.5%**	Yield **4.6%**
Metro integration and repurposing of GiFi	Parking and Ride Facility Bigger Covered Food Court

Financial Capital

Value creation

We create long-term returns through intensive management of our assets, our financial performance and stock market monitoring. Our ultimate objective is the creation of sustainable value for our shareholders.

Reflecting on 2022

Listing of Ascencia on the Official List of the SEM

The Listing of Ascencia on the Official Market is a strategic positioning and represents a significant milestone for the Company's growth and development journey. It is intended to grow investor confidence in the Company's vision and strategy to deliver shareholder value. It also brings another level of compliance and transparency to the conduct of operations and provides additional disclosures to the market.

Since the Listing, the share liquidity of Ascencia has improved, enabling its integration into the SEM-10 Index. Ascencia's shares now stand in the Top 5 by market value on the Official List. The Company has also integrated the SEM Sustainability Index.

CARE Ratings Africa upgrades rating to CARE MAU AA- Stable

On 15 November 2021, CARE Ratings revised the rating on all our debt facilities from CARE MAU A+ Stable to CARE MAU AA- Stable after considering the stable performance and high occupancy of all the Malls, the renewal of lease agreements and the expansion of Bagatelle Mall. The rating continues to derive strength from:

→ the excellent track record of Ascencia Group, the experienced and resourceful promoters and the management team,

→ the management of rental generating properties, satisfactory loan to value, and our stable Portfolio of rental generating properties located in prime locations on the island with consistent footfalls,

→ stable operation of all the Malls with high occupancy levels,

→ lease agreements with assured annual rental escalation clause; and

→ strong financial position of the reputed lessees including well-known food chains, luxury brands and supermarket outlets.

Ascencia also has a steady source of income from lease rentals of the retail space with comfortable revenue visibility and enjoys a strong financial and liquidity position with a satisfactory debt coverage indicator.

The amalgamation of the subsidiaries into the holding company Ascencia Ltd

As part of the refinancing exercise and to optimise the holding structures of our assets, the three wholly owned subsidiaries listed below were amalgamated into the holding company Ascencia Ltd on the 01 July 2022.

- Beau Vallon Shopping Mall Ltd,
- The Floreal Commercial Centre Ltd,
- Bagaprop Ltd.

In the process, all the existing term loans presently sitting at the subsidiary levels were repaid.

Refinancing of existing bank debts of MUR 4.76bn

In our consistent endeavour towards optimising our financial model through debt restructuring, we have successfully completed the restructuring of our existing bank debts of MUR 4.76bn through the issue of secured floating notes to Selected Investors namely the MCB and the SBM Bank (Mauritius) through private negotiations. The refinancing enabled the reduction of the funding cost. It also improved the debt maturity profile to 9.3 years without impacting our LTV. The effective cost of debt on all the financial instruments of Ascencia (currently at MUR 6.2 bn) therefore stands at 3.66%, as compared to 4.20% before restructuring.

Debt Maturity Profile

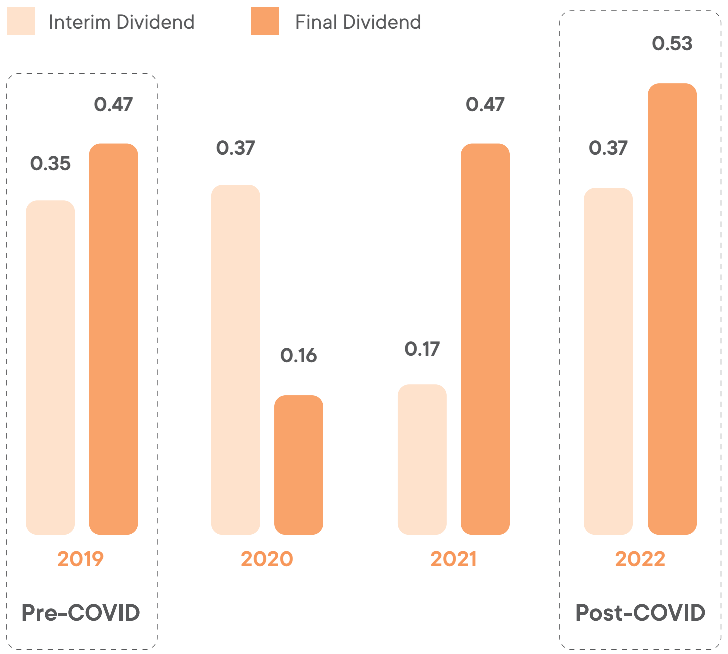
	Before restructuring	Target	Actual
Next 5 years	27%	15%	13%
Years 6 - 10	55%	49%	50%
After	18%	39%	38%
Cost of debt	4.20%	3.50%	3.66%
CARE Rating	A+	AA-	AA-

Financial Capital (cont'd)

Shareholders' value

Our commendable operating and financial performance demonstrates the strength of our business and tenancy level. It further shows that we deliver on our commitments while balancing the Portfolio growth of Ascencia and the investors' return. We have in total distributed MUR 439m in this financial year, which is the highest dividend payout to our shareholders since the creation of the Company. Ascencia's shares have been trading well during the year with decent liquidity ratios.

Dividend per share (MUR)



Return on NAVPS

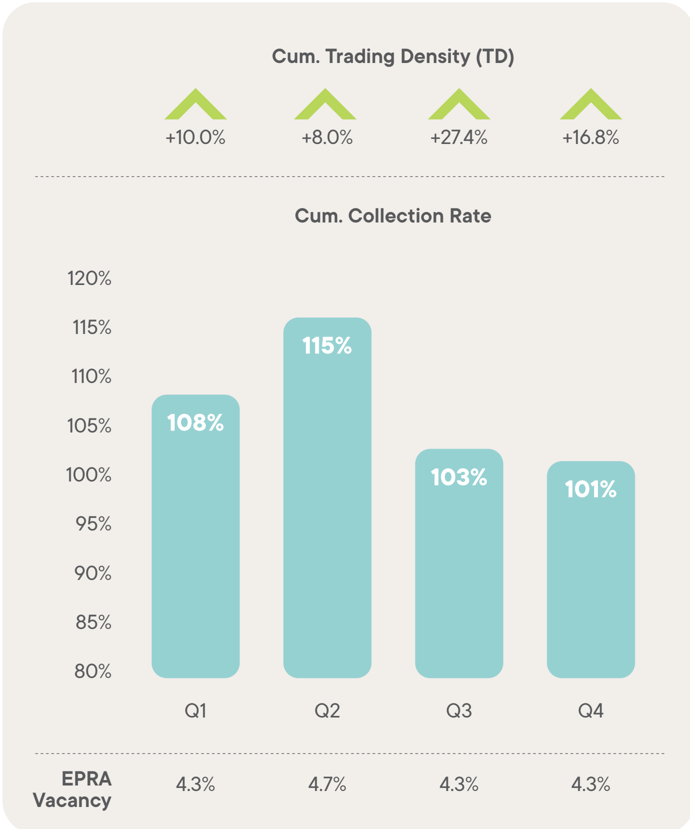
	2019	2020	2021	2022
Dividend Yield	5.4%	3.3%	3.9%	5.0%
NAV Increase	7.6%	2.3%	8.0%	6.5%
Total Return on Opening NAV	**13.0%**	**5.5%**	**11.9%**	**11.5%**

Maintaining adequate liquidity

Revenue and Net Operational Income improved by 16.2% and 13.9% respectively, marked by the successful implementation of development projects. Our current priority is to retain key tenants and maintain the standards of our Malls.

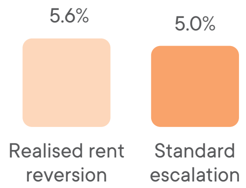
The trading recovery is satisfactory despite the high inflation context, and key Portfolio metrics are showing resilience – with average monthly footfall increasing by 9.6% compared to FY 21. Trading density increased by 16.8%. Rent to turnover ratio reduced from 8.6% to 7.9%.

In parallel, cash flow management remained a priority and cash collections for the year were 101% of billings.



New lettings and renewals during the year

Renewals	95%
m^2	22,383



Rent Reversion is the average increase in rental on renewals achieved on the new leases.

Bagatelle Mall - 5 years lease renewal

Target	Actual
7.00%	7.40%

Bagatelle Mall renews 27% of its GLA during the year

Lease renewal and forward vacancies were key challenges during FY 22. We have successfully renewed some 22,383m² at an average rent reversion rate of 5.6%. The rent reversions should be considered a sound achievement in the current economic climate. This reflects the engagement of our tenants and the strong interest for spaces in our Malls.

Outlook

- Focusing on managing our cash flow by maintaining the collection rate at 100% and completing the renewal of leases at targeted rates.
- Maintaining a strong credit rating.
- Exploring new investment opportunities.

A team of achievers

01 **BOULLÉ, Robert**
Asset Manager

02 **ELLAPEN, Krishna**
IT Manager

Asset, Property & Development Management Team

Fund Management Team

03 **LAROSE, Jean Patrice**
Centre Manager

04 **LECORDIER, Tassawur**
Development Manager

05 **SOOGUND, Haidar**
Asset Manager

06 **FOURNIER, Fabrice**
Centre Manager

07 **MAUDERBACUS, Zahrah**
Chief Accountant

08 **PAULO DA SILVA ISNARD, Marcio**
Governance, Risk & Compliance Manager

09 **RAMBURUTH, Vidushi**
Centre Manager

10 **AUDIBERT, Sophie**
Digital Manager

11 **PITCHEN, Daryl**
Investment Manager

12 **ABDOOL RAHMAN, Yaaser**
Learning & Development Manager

13 **DREEPAUL, Ashveen**
Centre Manager

14 **ROGERS, Oliver**
Centre Manager

15 **CHATOORSING, Ashvin**
Finance Manager

16 **TALLAVIGNES PEERSAIB, Valérie**
Portfolio Leasing Manager

17 **SEEGOBIN, Antish**
OPEX Manager

18 **TYACK, Frédéric**
Chief Executive Officer

19 **SABAPATHEE, Parama**
Asset/Centre Manager

20 **KOENIG, Anabelle**
Property Manager

21 **WONG-VACHER, Belinda**
Fund Manager

Ascencia
Shaping singular places

CHAPTER 4

CORPORATE GOVERNANCE REPORT

Building Stronger Everyday

Ant (Formicidae) colonies are considered as super organisms, rallying individual workers for the fulfilment of a greater task. This example of division of labour and collective work shows that teamwork is a real superpower.

Corporate Governance Report

Ascencia Limited ('**Ascencia**' or the '**Company**') is listed on the Official List of The Stock Exchange of Mauritius Ltd. The Company is also a public interest entity as defined by the Financial Reporting Act 2004 and is required to apply the eight principles of The National Code of Corporate Governance for Mauritius (2016) (the '**Code**').

The year at a glance

The Board's focus during the year has been to accelerate the Company's pursuance of its strategic priorities, while steering through macro-induced headwinds. While being mindful of the impact of its decisions taken on the business' various stakeholders and on its long-term sustainable success, the Board has, at its meetings, continuously debated and challenged all areas of its businesses in a "strategic deep dive" mode.

Besides its normal agenda, the Board focused on the following key decisions and activities during the year under review:

Key decisions

- Interim and final dividends to Ordinary Shareholders.
- Approval of 2023 Budget.
- Approval of debt restructuring amounting to MUR 4.76bn.
- Approval of two related party transactions.
- Approval of additional CAPEX for Bagatelle Mall, Riche Terre Mall and Phoenix Mall.

Key activities

- Managing the ongoing impact of the COVID-19 pandemic as well as industry challenges.
- Setting out a performance framework and the strategic priorities that will help to deliver against them.
- Special Meetings of Shareholders and Bondholders on 28 July 2021.
- Annual Meeting of Shareholders on 09 December 2021.

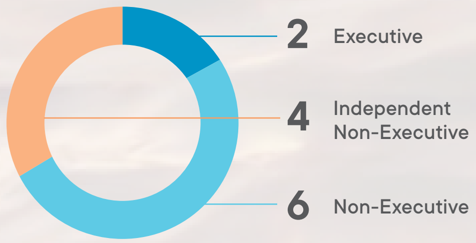
Read More: Key Board matters page 69.

Highlights

Successful migration of Ascencia

No vote being cast against any of the resolutions

Executive, Non-Executive and Independent Non-Executive Directors



Total dividend

MUR 439m

Increase of 40.6%

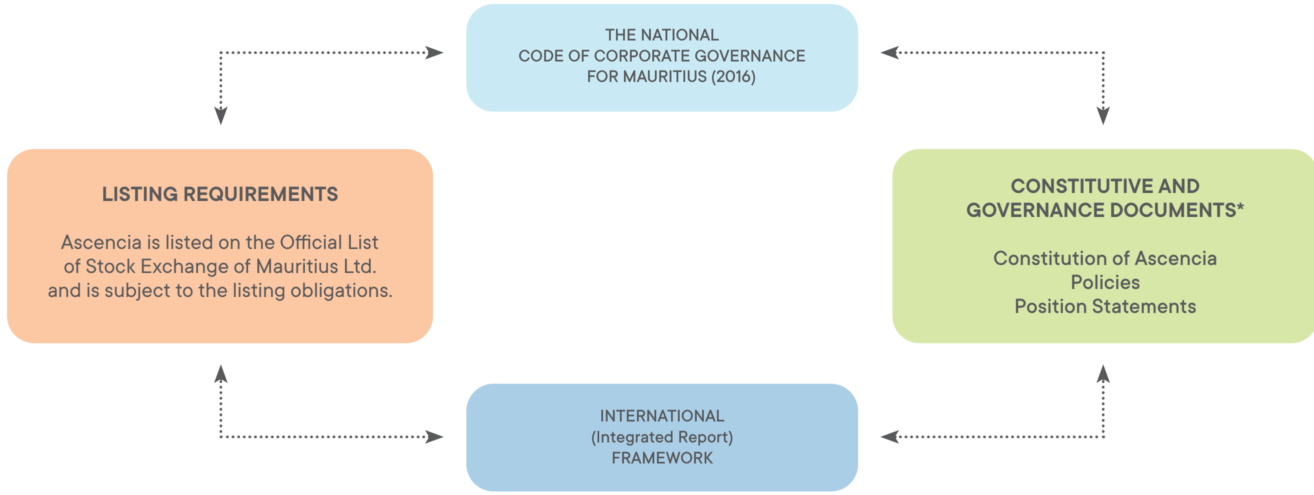
Acquisition

Remaining

50%

Stake in Bo'Valon Mall

1. Corporate governance framework



*Disclosures under Principle 1 of the Code and are available on www.ascenciacorporate.com

During FY 22, the Listing Rules were amended twice. Such amendments had no impact on the reporting to be made by Ascencia. Furthermore, there has been no amendment made to the Constitution of Ascencia. A summary of the Constitution is set out below:

Issue of shares

The Board may issue Shares at any time, to any person and in any number, whether redeemable or not, and with such rights with regard to voting, dividend, distributions, or return of capital and in such classes the Directors deem fit.

Pre-emptive rights

The pre-emptive rights on the issue of Shares contained in section 55 of the Companies Act 2001 ('the Act') are hereby negated.

Board

The Board shall consist of not less than two and not more than 14 Directors.

Shareholders' meeting

Annual meeting of shareholders

The Board shall call an annual meeting of Shareholders to be held:

1. not more than once in each year;
2. not later than 6 months after the balance sheet date of the Company; and
3. not later than 15 months after the previous annual meeting.

Annual meeting of shareholders (cont'd)

The business to be transacted at an annual meeting shall, unless already dealt by the Company, include:

1. the consideration and adoption of the audited financial statements;
2. the receiving of any auditor's report;
3. the consideration of the annual report;
4. the appointment of any auditor pursuant to section 200 of the Act; and
5. such other business as may be determined by the Board.

Special meeting of shareholders

A special meeting of Shareholders entitled to vote on an issue:

1. may be called at any time by the Board; or
2. shall be called by the Board on the written request of Shareholders holding Shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue.

Resolution in lieu of meeting

A resolution in writing signed by not less than 75% of the Shareholders who would be entitled to vote on that resolution at a meeting of Shareholders who together hold not less than 75% of the votes entitled to be cast on that resolution is as valid as if it had been passed at a meeting of those Shareholders.

Corporate Governance Report (cont'd)

1. Corporate governance framework (cont'd)

Shareholders' meeting (cont'd)

Notice of meeting of shareholders

Written notice of the time and place of a meeting of Shareholders shall be sent to every Shareholder and to every Director, the secretary and the auditor of the Company not less than 21 days before the meeting.

Quorum

A quorum for a meeting of Shareholders shall be present where 3 Shareholders represented, are between them, able to exercise at least 40% of the votes to be cast on the business to be transacted at the meeting.

Methods of holding meetings

A meeting of Shareholders may be held either:

1. by a number of Shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
2. by means of audio, or, audio and visual communication by which all Shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting.

2. Governance structure

The culture at Ascencia ensures that its governance structure remains flexible, allowing for fast decision making and effective oversight.

THE BOARD

The Board is primarily responsible for setting the Company's strategy for delivering long-term value to Ascencia's shareholders and other stakeholders, providing effective challenge to management concerning the execution of the strategy and ensuring that the Company maintains an effective risk management and internal control system.

BOARD MEMBERS
Page 74-79

OUR STRATEGY
Page 12-15

OUR MAIN RISKS
Page 99

KEY ACTIVITIES OF THE BOARD IN 2022
Page 69

The Board delegates certain matters to its three committees

RISK MANAGEMENT AND AUDIT COMMITTEE

Reviews and monitors the main and emerging risks and the effectiveness of Ascencia's risk management system.

Oversees the Company's financial reporting, maintains an appropriate relationship with the external auditor and monitors Ascencia's financial controls.

CORPORATE GOVERNANCE COMMITTEE (ALSO ACTING AS NOMINATION AND REMUNERATION COMMITTEES)

Oversees the corporate governance framework of Ascencia.

Reviews Ascencia's remuneration policy and ensures that there is a clear link between performance and remuneration.

STRATEGIC COMMITTEE

Appraises projects, investment and divestment opportunities and strategies.

Discusses the strategic risks related to projects and investments.

The terms of reference of each Board committee and their membership are available on the website of Ascencia at www.ascenciacorporate.com/board-committees

EXECUTIVE DIRECTORS

The Board delegates the execution of Ascencia's strategy and the day-to-day management of the business to the Executive Directors, who are assisted by their Property & Asset Management and Fund Management teams.

CEO'S MESSAGE
Page 22

MANAGEMENT TEAM
Page 54

The shareholders and other key stakeholders of Ascencia play an important role in monitoring and safeguarding its governance. Further information on how Ascencia engages with them is found on page 71.

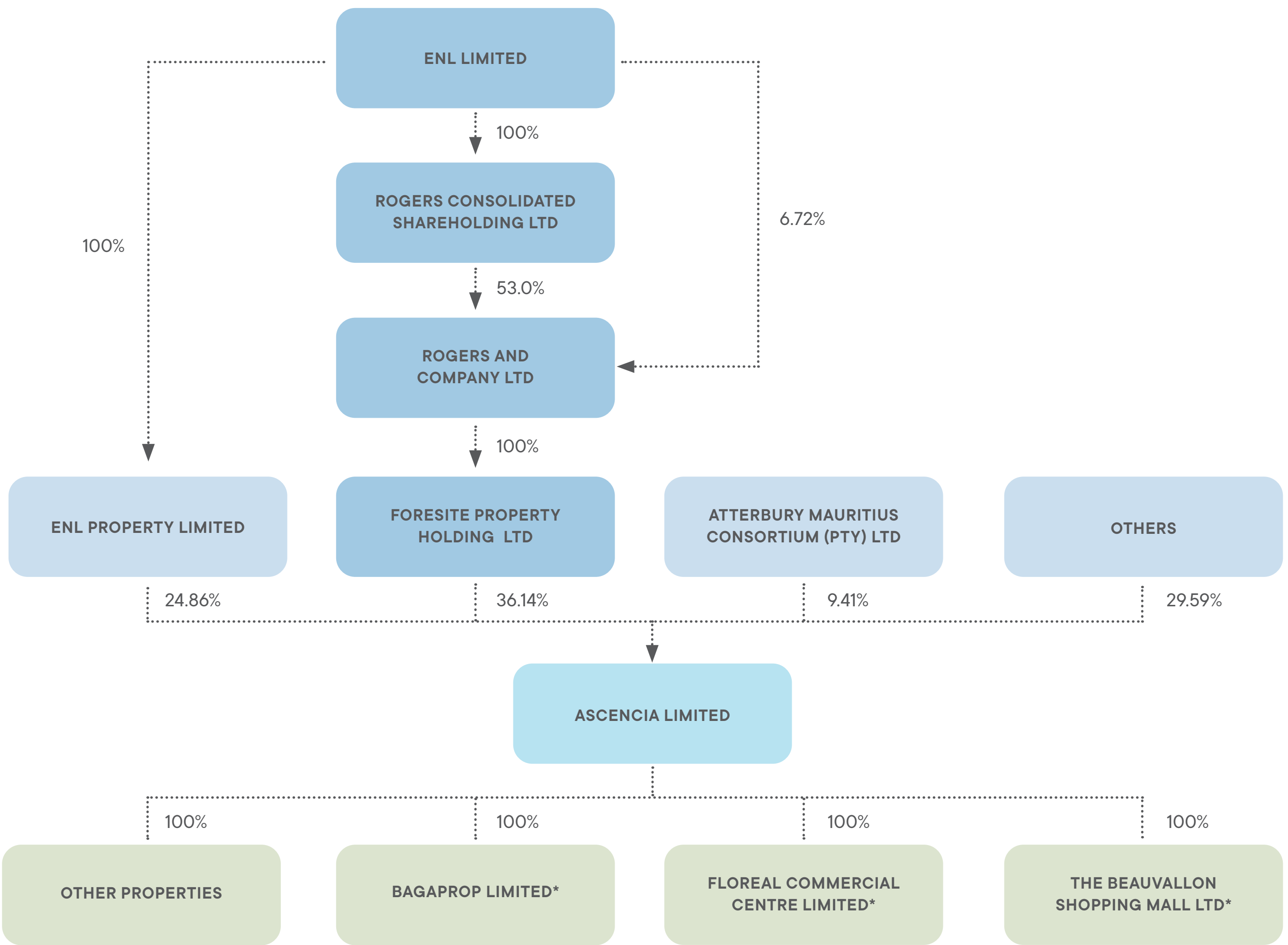
Corporate Governance Report (cont'd)

3. Shareholders' agreement

Foresite Property Holding Ltd. and ENL Property Ltd. together hold 61% of the shareholding and voting rights of Ascencia. Further to an agreement between Foresite Property Holding Ltd. and ENL Property Ltd.;

i. at least half of the Board is nominated for appointment by Rogers and Company Limited ('Rogers');
ii. the Chairman of the Board is also chosen from the representative directors of Rogers; and
iii. for all shareholder matters concerning Ascencia, ENL Property Ltd. shall vote in the same manner as Foresite Property Holding Ltd.

The shareholding structure of Ascencia as at 30 June 2022 is set out below:



* Bagaprop Limited, Floreal Commercial Centre Limited and The Beau Vallon Shopping Mall Ltd were amalgamated with and into Ascencia Limited on 01 July 2022. The amalgamated company was Ascencia Limited.

4. The Board of Ascencia

The Board of Ascencia assumes responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

As at 30 June 2022, Ascencia was headed by a unitary Board comprising of 12 directors, under the chairmanship of Mr. Philippe Espitalier-Noël, a non-executive director. The composition of the Board and the category of directors are set out on page 64 of the Annual Report. Furthermore, as at 30 June 2022, there were two Executive Directors, six Non-Executive Directors ('NED') and four Independent Non-Executive Directors ('INED').

The Company presently has no employees. It has retained the services of Rogers as Fund Manager, represented by Mrs. Belinda Wong-Vacher and EnAtt Ltd. as Property and Asset Manager of the Company, represented by Mr. Frédéric Tyack.

The Chief Executive Officer of the Company, namely Mr. Frédéric Tyack, although not employed by the Company, has executive responsibilities since he oversees the day-to-day management of Ascencia.

Although the Chairman is a NED, there is clear division between the Executive and Non-Executive responsibilities which ensures accountability and oversight as set out in the following table. The roles of the Chairman and Chief Executive Officer are separately held and their responsibility defined in their position statements which are available on www.ascenciacorporate.com.

3	Mergers and Acquisitions Actuarial Knowledge
6	Board Matters Governance Experience and Legal Skills Risk and Audit
7	Communication, Marketing and Leadership Entrepreneurial Mindset, Commercial Skills and Fund Management International Exposure
9	Accounting, Financial Skills and Taxation
10	Strategic Dimension

Corporate Governance Report (cont'd)

4. The Board of Ascencia (cont'd)

Chairman and Non-Executive Director

Mr. Philippe Espitalier-Noël

- Leads a unified Board and is responsible for its effectiveness.
- Fosters a culture of inclusivity and transparency by demonstrating Ascencia's values, establishing the right 'tone from the top'.
- Sets agenda and ensures timely dissemination of information to the Board, to support sound decision making and allow for constructive discussion, challenge and debate.
- Oversees the Board's effectiveness and evaluation process.
- Facilitates contribution from all Directors and ensures that effective relationships exist between them.
- Ensures that the views of all stakeholders are understood and considered appropriately in Board discussion and decision-making.
- Responsible for the composition and evolution of the Board, together with the Nominations Committee.

Independent Non-Executive Directors

Mr. Dean Lam
Mr. Pierre-Yves Pascal
Mr. Naderasen Veerasamy
Dr. Dhanandjay Kawol

- Promote good standards of integrity and corporate governance and uphold the cultural tone of the Company.
- Constructively challenge and assist in the development of strategy.
- Monitor the delivery of strategy by the Executive Directors within the risk and control framework set by the Board.
- Ensure that internal controls are robust and that the External Audit is undertaken properly.
- Engage with internal and external stakeholders and provide feedback insights to the Board.
- Have a key role in succession planning for the Board, together with the Board Committees and Chair.
- Serve on various Committees of the Board.

Non-Executive Directors

Mr. Shreekantsingh (Antish) Bissessur
Mr. Hector Espitalier-Noël
Mr. Armond Boshoff
Mr. Damien Mamet
Mr. Dominique Galéa

- Provide constructive challenges to the Executive Directors, help to develop proposals on strategy and monitor performance against KPIs.
- Ensure that no individual or group dominates the Board's decision making.
- Promote good standards of integrity and governance throughout the Company, particularly at Board level.
- Review the integrity of financial reporting and ensure that financial controls and systems of risk management are robust.

4. The Board of Ascencia (cont'd)

Executive Directors

Mr. Frédéric Tyack
Mrs. Belinda Wong-Vacher

- Represent Ascencia externally to all stakeholders, including the Government, regulators, customers, suppliers and the communities that the Company serves.
- Develop and implement the Group's strategy, as approved by the Board.
- Set the cultural tone of the organisation.
- Facilitate a strong link between the business and the Board to support effective communication.
- Responsible for overall delivery of commercial objectives of Ascencia.
- Promote and conduct Ascencia's affairs with high standards of corporate governance. The CEO's message can be found on pages 22 to 25.

Seasoned Chartered Secretary

Ms. Sharon Ah-Lin

- Serves the Board and its Committees.
- Ensures sound information flows to the Board for the Board to function effectively and efficiently.
- Advises and keeps the Board updated on Listing Rules requirements and on best practices of corporate governance developments.
- Facilitates a comprehensive induction for newly appointed Directors, tailored to their individual requirements and assists with their training and development, as required.
- Ensures compliance with Board procedures and provides support to the Chair.
- Co-ordinates the effectiveness evaluation of the Board in conjunction with the Chair.
- Responsible for communication with shareholders and the organisation of the meetings of shareholders.
- Available to support all Directors.

5. Nomination process and appointment of Directors

The Board and the Nomination Committee spent a significant amount of time in considering the Board succession during the year under review. It had received the application of a prospective candidate to join the Board as an Independent Non-Executive Director and on that occasion, the Nomination Committee did not proceed further as it was of the opinion that the current Board had the appropriate mix of skills, experience, knowledge of Ascencia's business as well as the capability to provide effective challenge and promote cognitive diversity.

The Board benefits from a wide range of backgrounds and strengths. The Board Skills matrix on page 63 provides an overview of the number of Board members with specific skills, experience and knowledge as a way of demonstrating the different aspects the Directors bring to the Board.

The nomination process and appointment of Directors is posted on **www.ascenciacorporate.com.**

During the year under review, there was the following change to the Board composition of Ascencia.

Outgoing Director (resigned on 31 July 2021)	Incoming Director (appointed on 27 September 2021)
Bojrazsingh Boyramboli	Dr. Dhanandjay Kawol

A directors' and officers' liability insurance policy has been subscribed to and renewed by Ascencia. The policy provides cover for the risks arising out of the acts or omissions of its Directors and Officers, excluding the fraudulent, malicious or wilful acts or omissions. Furthermore, Ascencia does not have in place any indemnities for the benefit of the External Auditor.

Corporate Governance Report (cont'd)

6. Induction process and Board access to information and advice

Upon appointment to the Board and/or its Committees, new Directors receive a letter of appointment as well as a comprehensive induction pack explaining:

→ Background information about the Company,
→ Roles and responsibilities of a Director,
→ Attributes of an effective Board,
→ Calendar of Board and Committee meetings,
→ Governance documents, policies and procedures,
→ Committees' terms of reference,
→ Share dealing Code.

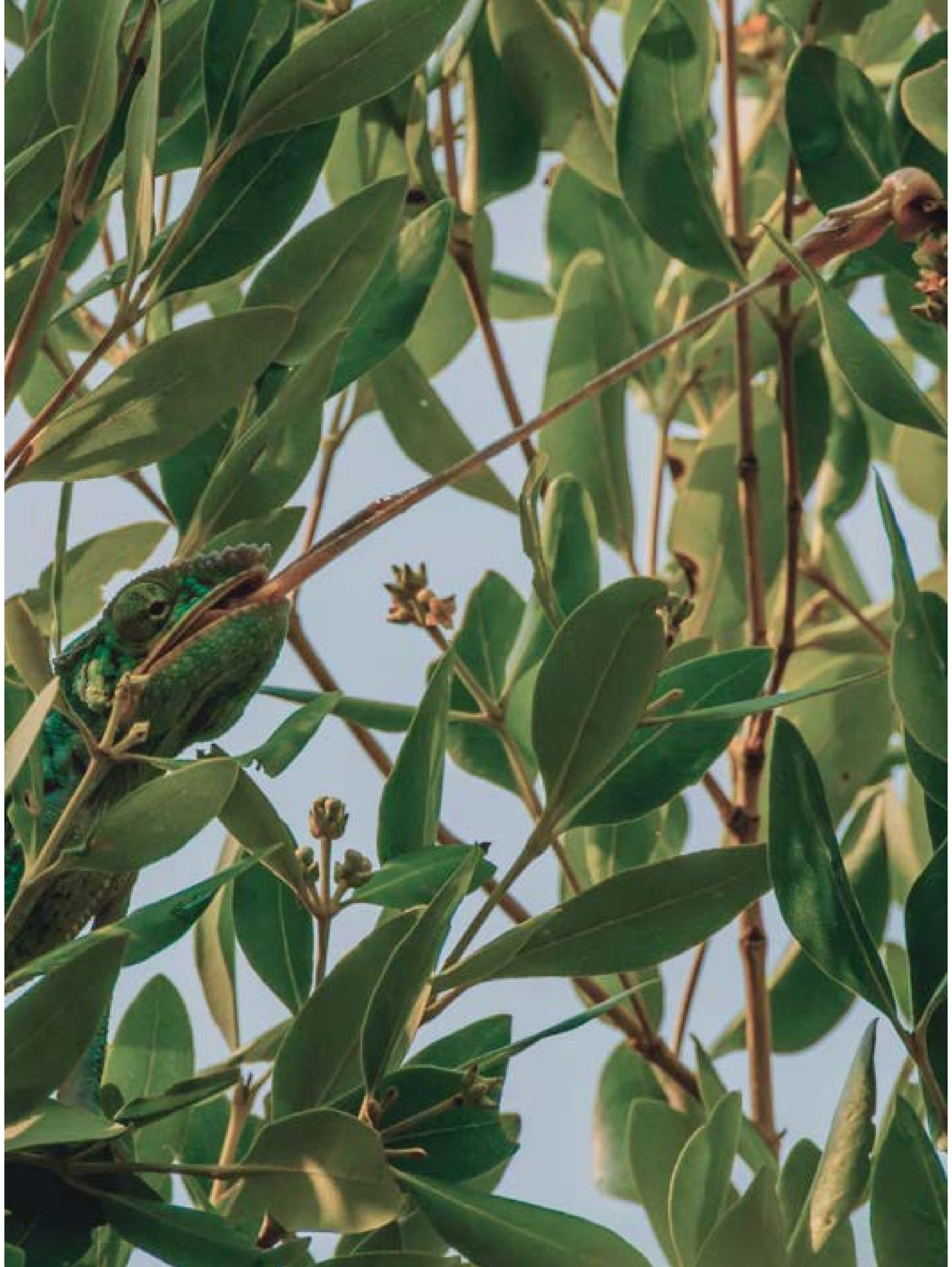
The induction programme and orientation process cover among other things, Ascencia's business, environmental, social, corporate governance, regulatory developments and investor relation matters. Such programme is supervised by the CEO and the Secretary of Ascencia.

All Directors have access to the Secretary and to the CEO or the Fund Manager to discuss issues or to obtain information on specific areas or items to be considered.

With regard to Board of Directors and its workings - A timetable of scheduled Board meetings, Committee meetings and the Annual Shareholders' meeting, is sent to Directors at least a year in advance. The preparation of the Board pack is supervised by the Secretary in collaboration with the CEO and the Fund Manager. The comprehensive Board pack is then circulated to Directors at least five days before the scheduled Board meeting. Within two days of the holding of the Board or Committee meetings, a 'to-do list' is prepared by the Secretary and sent to the CEO and the Fund Manager and the draft minutes of the Board or Committee meeting is released within ten working days of the meeting.

Furthermore, the Directors have access to the records of the Company and they have the right to request independent professional advice at the expense of the Company.

The Board and its Committees also have the authority to secure the attendance at meetings of third parties with relevant experience and expertise as and when required, at the expense of the Company.



7. Continuous professional development

Change is constant. The Board believes that continuous director training and development support board effectiveness. During the year under review, there was an interactive working session on Cybersecurity update organised by Rogers Capital Technology Services Ltd., which was attended by the following Directors of Ascencia, namely:

- Mrs. Belinda Wong-Vacher
- Mr. Philippe Espitalier-Noël
- Mr. Damien Mamet
- Mr. Frédéric Tyack
- Mr. Hector Espitalier-Noël
- Mr. Dean Lam
- Mr. Pierre-Yves Pascal
- Mr. Naderasen Veerasamy

The session served as an opportunity for the Directors to discuss strategy and risks with Management and gain further direct insight into Ascencia's businesses and management capability. Besides this session, regular updates on legislative developments and other strategic matters are provided respectively by the Company Secretary and the Executive Directors at board meetings or via email communications.

8. Board Committees

The Board is assisted in the discharge of its duties by three Board Committees, namely the Corporate Governance Committee (the 'CGC') (acting also as Nomination Committee and Remuneration Committee), the Risk Management and Audit Committee ('RMAC') and the Strategic Committee ('SC').

The composition of each Committee is reviewed by the Nomination and Governance Committee at least annually and the membership is posted on: **www.ascenciacorporate.com.**

The Committee also reviews Board composition and succession planning. Cross-Committee membership provides visibility and awareness of matters relevant across the Committees. Each Committee Chair provides a verbal update on Committee activities to the Board after each Committee meeting. Matters considered by each of the Committees are set out in the Committee terms of reference.

These are accessible at **www.ascenciacorporate.com/board-committees.**

On 29 August 2022, 08 September 2022 and 22 September 2022, the RMAC, CGC and SC have reviewed their respective terms of reference and noted they had met most of their objectives.

Corporate Governance Report (cont'd)

9. Board and Committees meetings & remuneration

The composition and attendance of Board and Committee meetings and meetings of Shareholders and Bondholders as well as the remuneration and benefits paid to the Directors of the Company for the financial year ended 30 June 2022 are set out in Table 1.

Table 1

	Category	Board	Corporate Governance Committee ('CGC')	Risk Management & Audit Committee ("RMAC')	Strategic Committee ('SC')	Special Meeting of Shareholders	Special Meeting of Bondholders	Annual Meeting of Shareholders	Remuneration & Benefits (MUR)
ESPITALIER-NOËL, Philippe (Chairman of the Board and Chairman of SC)	NED	5/6	2/2	-	1/1	1/1	1/1	1/1	-
GALEA, Dominique (Chairman of CGC)	NED	4/6	2/2	-	-	0/1	0/1	1/1	347,000
TYACK, Frédéric	ED	5/6	-	-	1/1	1/1	1/1	1/1	-
ESPITALIER-NOËL, Hector	NED	4/6	-	-	0/1	0/1	0/1	0/1	-
VEERASAMY, Naderasen Pillay	INED	5/6	2/2	-	-	1/1	1/1	0/1	360,000
MAMET, Damien	NED	6/6	-	5/5	-	1/1	1/1	1/1	-
LAM KIN TENG, Dean (Chairman of RMAC)	INED	6/6	-	5/5	-	1/1	1/1	1/1	527,500
PASCAL, Pierre-Yves	INED	6/6	2/2	5/5	-	0/1	0/1	1/1	460,000
BOSHOFF, Armond	NED	6/6	-	-	-	1/1	1/1	1/1	360,000
WONG-VACHER, Belinda	ED	6/6	-	5/5	1/1	1/1	1/1	1/1	-
BISSESSUR, Shreekantsingh	NED	6/6	-	-	-	1/1	1/1	1/1	-
BOYRAMBOLI, Bojrazsingh*	INED	-	-	-	-	0/1	0/1	-	-
KAWOL, (Dr.) Dhananjay**	INED	5/5	-	-	-	-	-	0/1	280,000

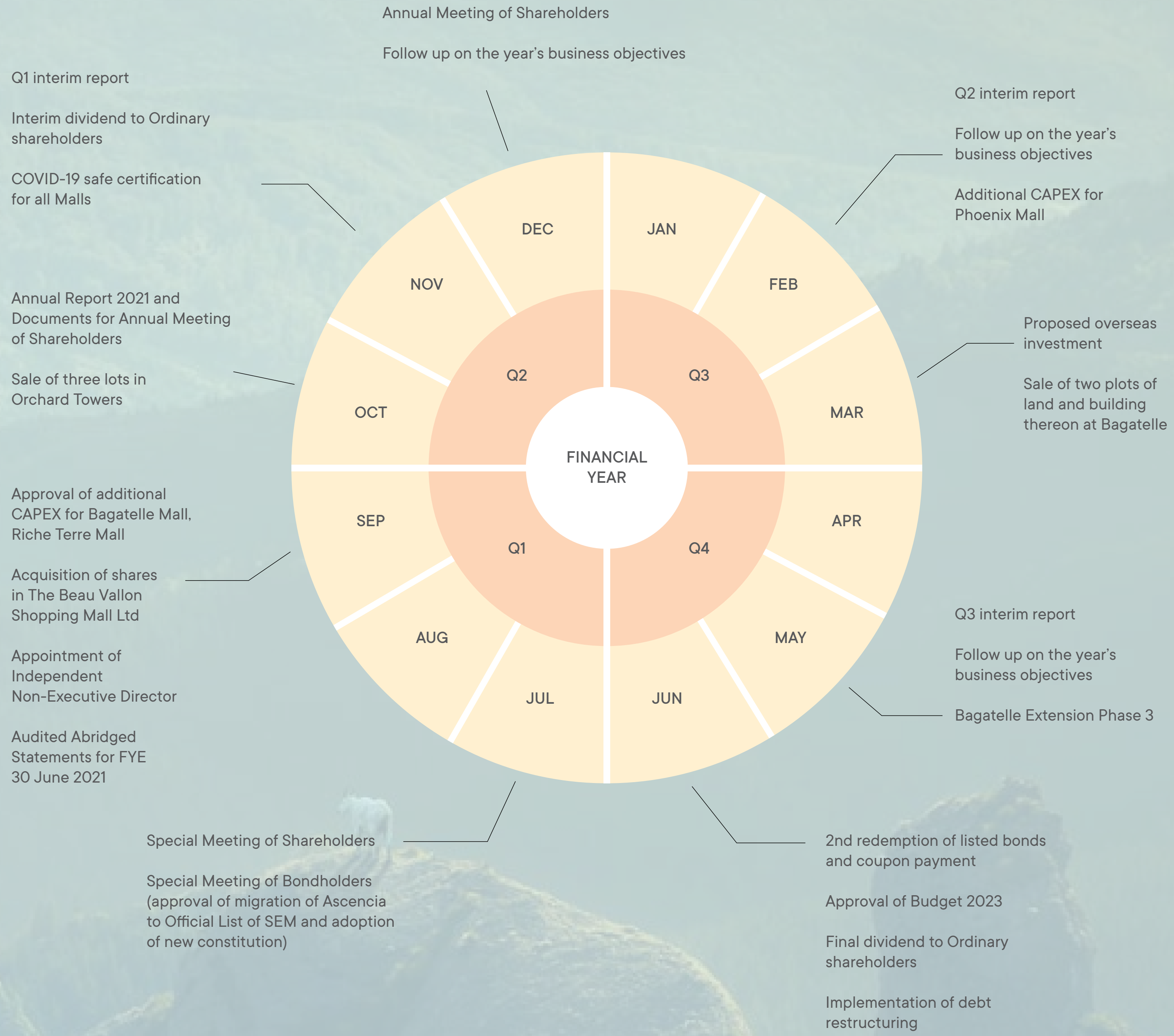
INED: Independent Non-Executive Director NED: Non-Executive Director ED: Executive Director

NB (1): The INED satisfy the independence criteria tests of Principle 2 of the Code.
(2): The size of the Board is in line with S14.2 of the Constitution of the Company.

*Resigned on 31 July 2021
**Appointed on 27 September 2021

As a general principle, Directors employed by Rogers and ENL Groups are not remunerated any Directors' fees. The remuneration of Independent Non-Executive Directors and Non-Executive Directors (which was last reviewed in May 2021) is composed of a basic monthly fee and an attendance fee. The Chairmen of the Board Committees are paid a higher fee. During the year under review, the Directors of the subsidiaries of Ascencia did not perceive any fee for serving on their respective Boards.

10. Key Board matters looked into during the financial year ended 30 June 2022



Corporate Governance Report (cont'd)

11. Engagement with Shareholders

Shareholders play a valuable role in safeguarding Ascencia's governance through, for example, the annual election/re-election of Directors, monitoring and rewarding their performance and engagement and constructive dialogue with the Board.

During the year under review, Ascencia held virtual Special Meetings of Shareholders and Bondholders on 28 July 2021 to approve the migration of the Company to the Official List of The Stock Exchange of Mauritius Ltd. as well as the adoption of a new constitution ("SMS") and an Annual Meeting of Shareholders in-person on 09 December 2021 ("AMS").

We are pleased to report that the resolutions put to the vote at both the SMS and the AMS were unanimously approved by the shareholders present and/or represented.

The proxy reports and voting results are published on **www.ascenciacorporate.com.**

The shareholding structure of Ascencia as at 30 June 2022 is set out at page 62 of the Annual Report.

12. Engagement with other Stakeholders

Nurturing the relationship with key stakeholders is salient to the success of the Company. By engaging meaningfully with them, insights into their needs are gained. This feedback forms part of the decision-making process at every level of the business, from the Board to its management teams. The examples which follow demonstrate such consideration.

STAKEHOLDERS	HOW WE ENGAGE	KEY TOPICS OF ENGAGEMENT
Our people Employees forming part of the Property, Asset and Fund Management teams.	• Ongoing dialogue with team members • Communication through intranet, newsletters, forums and ad hoc meetings • Engagement survey • Performance and development reviews • Training and development • Job security	• Great Place to Work score • Development and training opportunities • Training to support career goals • Internal promotion
Tenants	• Ongoing communication - website, newsletters, emails, social media • Satisfaction surveys • Continuous review of feedback via centre managers • Trading performance • On-site events • Collaboration on product innovation	• Successful renewal of leases • Marketing projects and events • Optimise tenant mix • Reliability and punctuality of services such as on time refurbishments, new equipment and sustainable technology • Increase trading densities • Ensure transport facilities and proper traffic • Deliver on our customer promise • Safety measures into a daily routine
Government Policy and regulatory changes affect our businesses and create the framework through which we operate.	• Ongoing communication - website, newsletters, emails and social media • Participation in various experts working groups and Government consultations • Engaging in policy discussions over key industry topics	• Agreement with Metro Express Limited for metro project at Phoenix Mall • Support for local economic plans and strategies • Sharing experience and expertise
Shoppers	• Ongoing communication - website, newsletters, emails and social media	• Shopper surveys • Deliver on our customer promise (Accessible, Safe, Comfortable, Engaging) • Several events to attract shoppers • Creating spaces where families can spend quality time • Constant upgrade to new trends
Service Providers	• Manage SLA for security, cleaning, waste management, electricals, mechanical and plumbing	• Infraspeak, interactive management system, was implemented to benchmark performance and achieve operational excellence • Quality services
Investors Ascencia is listed on the Official List of The SEM. The Fund Manager ensures to provide investors with open and transparent information and encourage two-way communication through its Investors' Briefings. Financial discipline is practised to protect the interests of its investors.	• Ongoing communication - website • Meetings of shareholders • Face-to-face meetings and phone calls • Annual Report • SEM-10 and SEMSI tracking	• Strong and regular Dividends payouts • Debt restructured to mitigate impact of increase in interest rate and improve maturity profile • Healthy Financial performance • Good liquidity • Care Rated Debt AA- Stable • Roadshow presentation • Top 5 companies on SEM-10 • Commendable SEMSI score • Investor's Briefing

Corporate Governance Report (cont'd)

13. Other mandatory disclosures

13.1 Dealings in the securities by Directors

There was no dealing in the securities of the Company by Directors during the year under review.

13.2 Managing conflicts of interest and related party transactions

Conflicts of interest and related party transactions are inevitable in today's sophisticated finance and in a sizable company like Ascencia. The Board has thus approved a transparent process to address both matters. Such process is published on **www.ascenciacorporate.com.**

Furthermore, the Secretary maintains a conflict of interests register. Any instances where directors are conflicted are noted down. Moreover, the Constitution of the Company provides that a Director who is interested in a transaction entered into, or to be entered into, by the Company may not vote on any matter relating to that transaction.

As at 30 June 2022, the following Directors were conflicted on the two related party transactions and the following sets out the actions taken to manage the conflict situation:

Name of Director	Conflict Situation	Actions Taken
Mr. Philippe Espitalier-Noël Mr. Hector Espitalier-Noël Mr. Frédéric Tyack	The acquisition of a 50% stake in The Beau Vallon Shopping Mall Ltd from EnAtt Limited, a subsidiary of ENL Property Ltd, in turn a subsidiary of ENL Limited.	• The transaction was reviewed by both the CGC and RMAC of Ascencia. Mr. Philippe Espitalier-Noël, who is a member of the CGC, withdrew himself from participating and voting on the matter. • The transaction was also tabled at the Board of Ascencia and Messrs. Philippe Espitalier-Noël, Hector Espitalier-Noël and Frédéric Tyack abstained from participating and voting on the matter.
Mr. Philippe Espitalier-Noël Mr. Hector Espitalier-Noël	The approval of the sale of two plots of freehold land of an extent of 4,883.18m^2 and 6,707.11m^2 at Bagatelle and a building thereon to Ensport Limited, an indirect subsidiary of ENL Limited.	The transaction was tabled at the Board of Ascencia and Mr. Philippe Espitalier-Noël abstained from participating and voting on the matter. Mr. Hector Espitalier-Noël did not attend such Board meeting.

The percentage ratios for such related party transactions did not exceed the five percent or ten percent thresholds set out in the Listing Rules whether singly or on a cumulative basis respectively.

Furthermore, the Secretary also maintains an interest register which is available for consultation by shareholders, upon written request to the Secretary.

13.3 Board and individual evaluation

Central to 'setting the correct tone' was the review of the Board's own performance in 2020. An internal assessment was carried out, where the positive observations were well received and in the spirit of continuous improvement, the Board was pleased to hear areas to work on for improvements. The findings thereof were imparted in the 2020 report and the action points implemented were shared in last year's report.

Furthermore, the Board resolved to carry out its next Board and individual Director evaluation in the financial year 2023/2024.

14. Other matters

14.1 Corporate and social responsibilities

The Company did not make any political donation for the year under review. Please refer to the Social Capital section on page 32 for more details.

14.2 Environmental responsibilities

Please refer to the Natural Capital section on page 40 for more details.

14.3 Financial responsibilities

Please refer to the Financial Capital section on page 50 for more details.

Board of Directors

01.
Pierre-Yves
PASCAL

02.
Dean
LAM KIN TENG

03.
Frédéric
TYACK

04.
Hector
ESPITALIER-NOËL

05.
Naderasen Pillay
VEERASAMY

06.
Damien
MAMET

07.
Armond
BOSHOFF

08.
Dr. Dhanandjay
KAWOL

09.
Dominique
GALEA

10.
Shreekantsingh
BISSESSUR

11.
Belinda
WONG-VACHER

12.
Philippe
ESPITALIER-NOËL

ESPITALIER-NOËL, Philippe
[57]

CHAIRMAN & NON-EXECUTIVE DIRECTOR

Date of Appointment: 28 June 2007
Board and SC - Chairman

Qualifications

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

Professional journey

- Worked for CSC Index in London as Management Consultant from 1994 to 1997
- Joined Rogers in 1997
- Was appointed Chief Executive Officer of Rogers in 2007
- Honorary Consul of the Kingdom of Denmark

Skills

Board matters, Business, Governance experience, Leadership, Human resources, Communication, Entrepreneurial mindset, Risk and audit, Strategic dimension, International exposure.

Continuous professional development

Workers' Rights Act 2019 Workshop

Current external Directorships in other listed companies

- Rogers and Company Limited
- Velogic Holding Company Limited
- Swan Life Ltd
- Swan General Limited

TYACK, Frédéric
[53]

CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

Date of Appointment: 03 April 2014
SC - Member

Qualifications

- BSc (Hons) degree in Accounting and Finance from the London School of Economics
- Member of the Institute of Chartered Accountants in England and Wales

Professional journey

- Joined the Rogers Group in 1997 and was appointed Managing Director of the Logistics Sub-Cluster
- In 2004, he left the Rogers Group and joined Plastinax Austral Ltd as General Manager for four years
- He then moved to ENL and was appointed Managing Director of EnAtt Ltd, the Asset and Property Management Company of the ENL Group in 2011
- Became the CEO of Ascencia in 2015

Skills

Board matters, Accounting skills, Business skills, Financial skills, Communication skills, Strategic dimension.

Current external Directorships in other listed companies

None

ESPITALIER-NOËL, Hector
[64]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 03 April 2014
SC - Member

Qualifications

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

Professional journey

- Worked for Coopers and Lybrand in London
- Worked for De Chazal du Mée in Mauritius
- Past Chairman of the Board of Rogers
- Past President of the Mauritius Chamber of Agriculture
- Past President of the Mauritius Sugar Producers' Association
- Past President of the Mauritius Sugar Syndicate
- Currently the Group CEO of ENL Limited

Skills

Board matters, Governance experience, Accounting skills, Legal skills, Financial reporting, Financial skills, Communication skills, Risk management, Strategic dimension, Taxation, International exposure, Actuarial knowledge.

Current external Directorships in other listed companies

- Rogers and Company Limited
- ENL Limited
- New Mauritius Hotels Ltd
- Tropical Paradise Co. Ltd
- Semaris Limited

VEERASAMY, Naderasen Pillay
[65]

INDEPENDENT DIRECTOR

Date of Appointment: 26 August 2014
CGC and SC – Member

Qualifications

- LLB (University of Buckingham, United Kingdom)
- Master's degree in Private Law (University of Paris II Assas)
- Called to the Bar (Middle Temple, UK)
- Called as "Avocat à la Cour d'Appel de Paris"

Professional journey

- Practiced as a Barrister-at-Law in Mauritius from 1982 to 1987
- Joined the law firms, SCP J.C. Goldsmith & Associates, and thereafter SCP Azema Sells in Paris, France
- In 1995, he created his own Chambers in Paris, practising mainly in Business Law
- Participated in the setting-up of the Chambers, "Fourmentin Le Quintrec Veerasamy et Associés" in 1997 (now FLV& Associés (aarpi), currently comprising 9 partners and dealing with Litigation, Arbitration and Business Law
- Since 2014, he is based in Mauritius as responsible partner of the Mauritius office of FLV & Associés (aarpi) and has resumed practice at the Mauritian Bar on a permanent basis

Skills

Governance experience, Legal skills, Financial skills, Risk Management, Strategic dimension.

Continuous professional development

Followed CDP courses organized by the IJLS for members of the legal profession

Current external Directorships in other listed companies

- Sun Limited

WONG-VACHER, Belinda
[37]

EXECUTIVE DIRECTOR

Date of Appointment: 30 October 2019
SC and RMAC - Member

Qualifications

- LLM International Business Law, Université Paris II, Panthéon Assas
- Strategy Execution for Business Leaders, INSEAD, France
- Financing the Entrepreneurial Business Programme, London Business School, UK
- Master's in business administration, University of Mauritius
- Certificate in Business Accounting, Chartered Institute of Management Accountant, UK
- BSc (Finance, University of Mauritius)
- AML/CFT workshop a case based approach for MLROs

Professional journey

- Chief Fund Management Executive of Rogers in 2021
- Occupied several finance and investment positions in Rogers Group since 2005
- Worked as Chief Investment Officer for Grit Real Estate Income Group in 2018 - 2019

Skills

Experience across all arrays of corporate finance, financial modelling, business valuation, deal structuring, investment appraisal specialisation in M&A, excellent network for fund raising (both equity debt), experience in other fields such as company listing, compliance and relevant governance, risk management, strategic planning, due diligence, investor relations, communication strategy and implementation of branding and marketing.

Continuous professional development

Workers Rights Act

Current external Directorships in other listed companies

- Velogic Holding Company Limited

MAMET, Damien
[45]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 25 June 2015
RMAC – Member

Qualifications

- Member of the Institute of Chartered Accountants in England and Wales

Professional journey

- Started his career with Ernst & Young in London in 1999
- In 2003, he moved to BDO De Chazal du Mée (Mauritius)
- In 2006, he was appointed Manager Corporate of PricewaterhouseCooper
- Joined the Rogers Group, where he was appointed Managing Director of Foresite Property Fund Management Ltd in 2009
- In 2014, he was appointed Chief Projects & Development Executive of Rogers
- He became Chief Finance Executive of Rogers in 2017

Skills

Board matters, Accounting skills, Business skills, Financial skills, Financial reporting and fund management, Leadership skills, Risk and Audit Strategic dimension, International exposure, Taxation.

Continuous professional development

Workers Rights Act

Current external Directorships in other listed companies

- Rogers and Company Limited
- Velogic Holding Company Limited

LAM KIN TENG, Dean
[54]

INDEPENDENT DIRECTOR

Date of Appointment: 01 August 2017
RMAC - Chairman

Qualifications

- BSc (Hons) degree in Accounting and Finance from the London School of Economics and Political Science
- Fellow Member of the Institute of Chartered Accountants in England and Wales

Professional journey

- Worked at Coopers & Lybrand in London between 1991 and 1995 in the Audit Department, specialising in the financial services sector
- Joined the Audit & Business Advisory Department of De Chazal du Mée in Mauritius in 1995 with exposure to certain African countries
- In 2000, he joined HSBC Mauritius as Chief Financial Officer before moving to the HSBC Regional Office in Hong Kong in 2007 in the International Department overseeing the Northern Asia countries
- Returned to HSBC Mauritius in 2009 as Head of Corporate Banking
- Since 2013, he is the Managing Director of HSBC Bank (Mauritius) Limited where he is responsible for the Commercial Banking and Global Banking businesses
- He is also a director of a number of subsidiary companies forming part of the HSBC Group
- Dean was the Vice-Chairman of the Mauritius Bankers Association from 2015 to 2017

Skills

Accounting skills, Acquisitions and Business integration, Banking, Board matters, Global business, Corporate finance, Financial skills, International exposure, Strategic dimension, Taxation.

Current external Directorships in other listed companies

None

PASCAL, Pierre-Yves
[45]

INDEPENDENT DIRECTOR

Date of Appointment: 09 October 2017
RMAC and CGC – Member

Qualifications

- BSc (Hons) Actuarial Science (City University, London)
- Diploma in Actuarial Techniques (Institute of Actuaries, UK)
- Certificate in Finance and Investment (Institute of Actuaries, UK)

Professional journey

- Started his career as an Associate with Bacon & Woodrow Epsom in England in 1999
- In May 2002, he joined Hewitt LY Ltd in Mauritius as a Consulting Assistant
- From July 2004 to December 2015, he worked as Portfolio Manager for Confident Asset Management Ltd, where he was also the Business Development Manager between January 2014 and December 2015
- In January 2016, he joined AfrAsia Bank as Private Banker and was appointed Head of Wealth Management in July 2017. He is the Head of private Banking since March 2021.

Skills

Portfolio management, Corporate finance, Strategy development, Risk management, Actuarial knowledge.

Continuous professional development

Management Development Programme with the University of Stellenbosch Business School - 2019

Current external Directorships in other listed companies

None

GALEA, Dominique
[70]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 13 July 2012
CGC - Chairman

Qualifications

- HEC, Paris

Professional journey

- Started his career in the textile industry by founding an agency business, Kasa Textile & Co. Ltd in the early 1980's
- Diversified his activities by acquiring stakes in companies in various sectors of the economy

Skills

Business skills, Governance experience, Commercial skills, Entrepreneurial skills, International exposure.

Current external Directorships in other listed companies

- United Docks Ltd
- MUA LTD
- Forges Tardieu Ltd

BOSHOFF, Armond
[36]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 08 May 2019

Qualifications

- BSc Actuarial and Financial Mathematics
- Technical Member of the Actuarial Society of South Africa (TASSA)
- Master's Degree in Business Administration (Cum Laude) – University of Oxford

Professional journey

- Started his career with Rand Merchant Bank in Johannesburg in 2008
- Joined Atterbury Europe in 2015 as Head Corporate Finance and Treasury
- In July 2017, Armond was appointed as Deputy Chief Executive Officer of Atterbury Property Holdings, a South Africa-based property development company
- Appointed as Chief Executive Officer of Atterbury Property Holdings in January 2019, a position he still holds

Skills

Corporate finance, accounting, actuarial, leadership, business management, international exposure, strategic dimension.

Current external Directorships in other listed companies

None

BISSESSUR, Shreekantsingh
[33]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 12 November 2020

Qualifications

- BA (Hons.) Accounting and Finance – University of Manchester, UK
- MSc (International Business and Management) – Manchester Business School, UK
- Member of the Institute of Chartered Accountants in England and Wales
- Strategic agility course – London Business School

Professional journey

- Started career at Intercontinental Trust Ltd in the global business sector
- Part of founding corporate finance team of Perigeum Capital in 2016
- Joined Rogers Capital in 2018 and currently Chief Advisory and Development Officer

Skills

Deal brokering, M&A, financial structuring/restructuring & reporting, capital raising, financial due diligence, financial modelling, valuations, listing, strategic dimension.

Current external commitment

Representative of Investment Adviser (Corporate Finance Advisory) Licence of Rogers Capital Investment Advisors Ltd

KAWOL, (Dr.) Dhananjday
[58]

INDEPENDENT DIRECTOR

Date of Appointment: 27 September 2021

Qualifications

- B.Sc (Hons) Crop Science & Production (University of Mauritius)
- Diploma in Management Studies (University of Mauritius)
- M.B.A. with specialisation in Human Resource Management (University of Mauritius)
- Doctor in Business Administration Open University of Mauritius)

Professional journey

- Started his career in the Civil Service in 1991 as a technical officer at the Ministry of Agriculture and Natural Resources
- In 1995, he was appointed as Assistant Secretary in the administrative cadre. He has served in different ministries and has reached the level of Permanent Secretary.
- He has also served as Chief Executive at Municipal Councils of Port Louis and Quatre Bornes from July 2006 to July 2008.
- Presently he is posted at the Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division)
- He has served several Boards as ex-officio member since his assumption of duty as Assistant Secretary.

Skills

Governance experience, international exposure, Board matters, leadership, communication skill.

Continuous professional development

- Developing managerial competencies,
- Seminar on competition policy,
- SADC Public Private Partnership Capacity Building
- Workshop on Project Management
- Workshop on Performance Appraisal
- Training Course on Leadership for Senior Officers of the Mauritius Civil Service
- Training Course on Leadership for Senior Officers of the Mauritius Civil Service

Current external Directorships in other listed companies

Omnicane Ltd

Corporate Information

Board of Directors
(as at 30 June 2022)

ESPITALIER-NOËL, Philippe	Chairman and Non-Executive Director
BISSESSUR, Shreekantsingh	Non-Executive Director
BOSHOFF, Armond	Non-Executive Director
ESPITALIER-NOËL, Hector	Non-Executive Director
GALEA, Dominique	Non-Executive Director
LAM KIN TENG, Dean	Independent Director
MAMET, Damien	Non-Executive Director
PASCAL, Pierre-Yves	Independent Director
WONG-VACHER, Belinda	Fund Manager and Executive Director
TYACK, Frédéric	Chief Executive Officer and Executive Director
VEERASAMY, Naderasen Pillay	Independent Director
KAWOL, (Dr.) Dhanandjay	Independent Director

Company secretary

AH-LIN, Sharon

Management

Rogers and Company Limited - Fund Manager
EnAtt Ltd - Property and Asset Manager

Auditors

Messrs Ernst & Young

Registrar and transfer agent services

MCB Registry & Securities Ltd
Raymond Lamusse Building
9-11, Sir William Newton Street, Port Louis

Bond representative

Swan General Ltd
Swan Centre
10, Intendance Street, Port Louis

Statement of Compliance

Name of Public Interest Entity ('PIE'): ASCENCIA LIMITED

Reporting Period: 01 July 2021 - 30 June 2022

Throughout the year ended 30 June 2022 to the best of the Board's knowledge, Ascencia Limited has complied with the Corporate Governance Code for Mauritius 2016.

Ascencia Limited has applied all of the principles set out in the Code and explained how these principles have been applied.

Signed by:

Philippe Espitalier-Noël
Chairman

Frédéric Tyack
CEO & Director

22 September 2022

Secretary's Certificate

UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

In my capacity as Company Secretary of **Ascencia Limited** (the "Company"), I hereby confirm that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 June 2022, all such returns as are required of the Company under the Companies Act 2001.

Sharon Ah-Lin
Company Secretary

22 September 2022

Ascencia
Shaping singular places

CHAPTER 5

RISK MANAGEMENT

Survival requires taking risks. Like the mountain goat which embarks on defying terrains to reach the elements of nature essential to its survival, we are also called to push our limits to reach new heights.

Defying Heights Everyday

> The focus for our risk management framework lies in Ascencia's ability to strike a balance between growth versus risks and maximise areas within our control."

Risk Management Report

Ascencia has been able to tap into opportunities in a volatile and uncertain environment on the back of a robust risk management framework.

Dean Lam

Chairman Risk Management and Audit Committee

Introduction

Over the past two financial years, we have witnessed a convergence of several global crises such as a prolonged pandemic, economic and international political tensions which impacted several businesses, including the retail sector. Ascencia Malls were affected by the COVID-19 pandemic which had a direct impact on the purchasing power and the behaviour of customers. The segments which were mostly impacted include eat-out, leisure and entertainment. Additionally, tenants continue to face supply chain challenges for their imports and the prevailing economic conditions for instance increasing fuel prices have an incidence on consumer pattern and spending. These challenges have highlighted the importance of a robust risk management framework.

Ascencia has achieved strong results on the back of an agile strategic response, with effective measures taken to mitigate the increasing level of threats and opportunities seized through successful implementation of development projects. These efforts have contributed to the consolidation of Ascencia's position.

Achievements in FY 22

Ascencia has been able to tap into opportunities in a volatile and uncertain environment on the back of a robust risk management framework. The main measures implemented and opportunities seized during FY 22 are as follows:

- → The migration of the Company to the main Stock Exchange market in August 2021.
- → Additional 2,600 sqm of gross lettable area ('GLA') with the opening of 42 Market Street in Bagatelle Mall and of Decathlon.
- → All the Malls have been granted a COVID-19 Compliant Certificate.
- → Successful renewal of leases.
- → Relief plans for distressed tenants.
- → The acquisition of the remaining stake in Bo'Valon Mall.
- → Restructuring of the Group's debts.
- → Connection of Phoenix Mall to a metro station by end of the calendar year 2022.

Risk Management Report (cont'd)

Risk maturity journey

Ascencia progressed on the risk journey and is committed to attain the peak of its risk maturity level by FY 24.

OPTIMISED

Risk management is considered a value driver and used for daily decision making and pursuit of opportunities.

MANAGED

Proactive risk management fully implemented across the organisation.

DEFINED

A risk management framework exists with defined and documented risk management principles.

AWARE

Board awareness with introduction of formal processes.

INITIAL

Minimal or no awareness and understanding of risk management.

FY 22 achievements

01 Implementation of a risk dashboard to monitor the level and trend of significant risks with specific risk indicators presented on a regular basis to the RMAC.

02 Set up of a Governance, Risk and Compliance function for consolidation of the second line of defence.

03 Implementation of an AML/CFT framework in line with Ascencia's risk appetite.

04 Assessment of the effectiveness of strategic mitigating measures implemented.

05 Implementation of a platform for operational effectiveness.

Future targets

01 Risk management fully embedded in decision making process

- → Performing stress test scenario analysis on significant risks to enhance the proactive risk management process and decision making.
- → Performing an independent audit of risk management practices with the aim of improving and strengthening the risk culture and practices.

02 Risk management fully implemented across the organisation

- → Further expanding the concept of an internal control to include more sophisticated management processes which involve an element of risk thinking.

Achievement of these targets will strengthen the current risk management system and enable Ascencia to stay resilient in challenging times.

Risk Management Report (cont'd)

Risk Management Framework

The Board of Directors ('Board') recognises that the achievement of financial stability and delivery of superior value to its stakeholders depend on robust risk management. Therefore, it is crucial that it identifies and reacts promptly to the significant risks affecting the business.

At Ascencia, the risk management process is designed to monitor the internal and external environment on an ongoing basis.

The Board remains alert to any event that could impact the achievement of the strategic objectives and implements measures falling within the risk appetite of the significant risks identified. The focus for our risk management framework lies in Ascencia's ability to strike a balance between growth versus risks and maximise areas within our control.

The Board is responsible for risk governance and ensures that the organisation develops and executes a comprehensive and robust system of risk management.

The Board fulfils its role in risk oversight through the RMAC by:

- → Developing policies and procedures around significant risks that are consistent with the organisation's strategies.
- → Following up on management's implementation of risk management policies and procedures.
- → Following up to obtain assurance that risk management policies and procedures function as they are intended.
- → Taking steps to foster risk awareness.

The identification, evaluation and mitigation of risks is an ongoing process. The two main service providers namely EnAtt Ltd (the Property & Asset Manager) and Rogers (the Fund Manager) are responsible for risk management on a day to day basis. The RMAC is responsible for implementing, monitoring and reporting on effective risk management plans. It is also responsible for ensuring that risk management is integrated into the business processes.

As a whole, the process of risk management at Ascencia is summarised as:

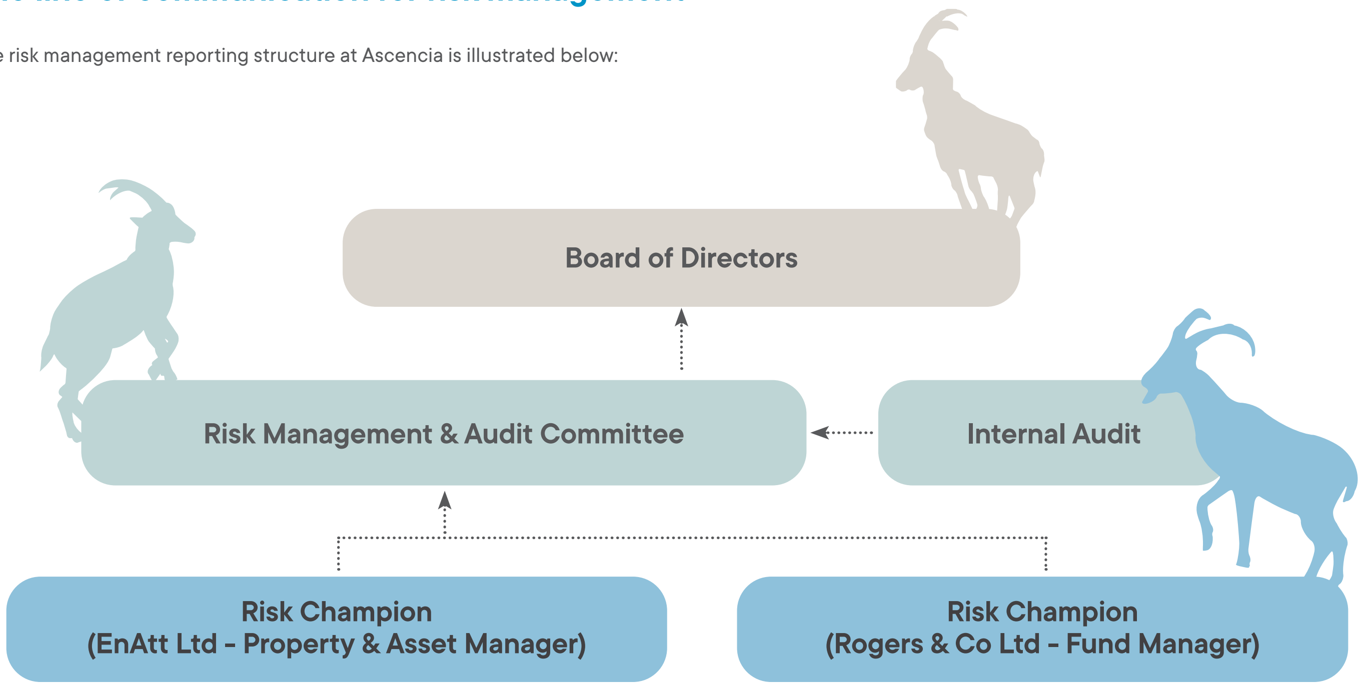
Define and enable	Defining the risk appetite and controls and enabling a risk culture and accountability.
Identify and assess	Identifying and recording risks to the business and assessing their potential impact.
Manage	Managing and controlling the risks within our appetite.
Aggregate and report	Aggregating and analysing data and then reporting this to enable our decision making.
Govern	Governing the risks through analysis, challenge, remediation and appropriate timely escalation.

The line of communication of Ascencia facilitates the risk management process. Refer to the section below for more details.

Risk Management Report (cont'd)

The line of communication for risk management

The risk management reporting structure at Ascencia is illustrated below:



The risk champions share the responsibility of assessing, responding and monitoring the risks of their respective activities.

Risk Management and Audit Committee

Mandate

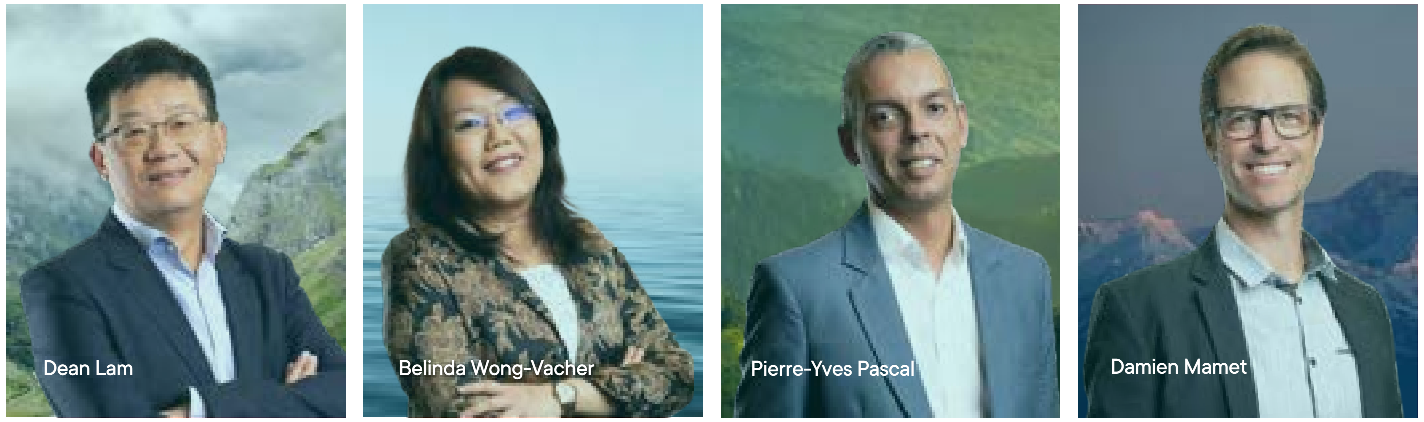
The Committee's role is as follows:

→ Ensure that risks are reviewed and managed within the risk appetite and tolerance level of the business;
→ Ensure that all internal systems and procedures are designed to provide ongoing assurance that the assets are safeguarded on a regular basis; and
→ Monitor transactions and make sure they are executed and recorded in accordance with the Company's policy.

The terms of reference for this Committee can be found at **www.ascenciacorporate.com/board-committees.**

Committee composition

The Committee is well diverse in terms of age, tenure and gender. All Directors are financially literate with an average tenure of four years.



Name	Designation
Dean LAM	Independent Chairman
Pierre-Yves PASCAL	Independent Director
Damien MAMET	Non-Executive Director
Belinda WONG-VACHER	Executive Director

Average Tenure
4 years

Gender Diversity
25% female

Age Diversity
75% < 46 years

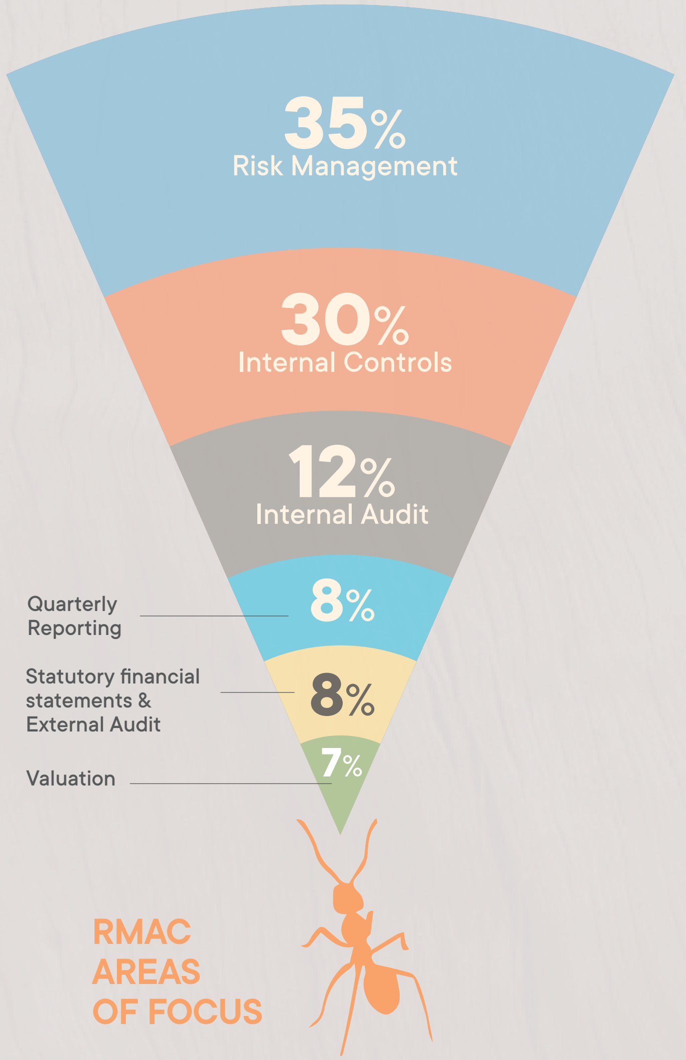
Tenure Diversity
50% ≥ 5 years

The Head of Internal Audit and Risk Management attended all the RMAC meetings where risk management and internal audit were discussed during the financial year.

Risk Management Report (cont'd)

Focus areas of the RMAC in FY 22

The RMAC met six times during the year to review the risks, internal controls, audits and other areas. Time allocated to the different areas of focus was as follows:



Areas of focus

→ **Risk management**
Significant risks and opportunities are discussed, reviewed and reported to the Board.

→ **Internal controls**
High level controls are reported by first and second line of defence.

→ **Internal audit**
Internal audit reports.

→ **Quarterly reporting**
Review of quarterly financial reports.

→ **External audit**
Findings are reported and critical assumptions are discussed.

→ **Valuation**
Review and discuss the independent valuation carried out by the expert.

Risk appetite

The risk appetite and tolerance level is an integral part of decision making to ensure that the Company is not exposed to risk levels beyond the risk bearing capacity in achieving the strategic objectives. The risk appetite is set to ensure that our risks can be properly managed through:

→ Alignment with the strategic objectives.

→ Regulatory compliance.

→ Investment in human capacity to manage the risks.

→ Effectiveness of available systems and control environment to manage the risks.

Risk management in decision making

At Ascencia, risk management is at the centre of all key decision making. The management and Board remain agile and proactive in their strategic response to risks faced by the organisation. The table below illustrates examples of successful strategic decisions taken by the Board for addressing significant risks identified at start of FY 21 and during FY 22 that could impact the achievement of strategic objectives.

Strategic objectives	Risks	Strategic responses
Construct/Acquire & Operate Malls	**Tenant performance** Adverse economic conditions due to high inflationary factors resulting in a drop in trading density, pressure on rent to income turnover ratio and difficulty in sustaining income.	**Actions taken** Engagement with tenants through relief plans. Support came through three distinct schemes namely rental concessions, safe shopping expenditure and additional market spend. Moreover, the communication campaigns via various channels including social media platforms were enhanced. Emphasis was laid on the creation of unique shopping experiences in line with *Shaping Singular Places* and lease renewals. **Results** 95% of the gross lettable area was successfully renewed and the weighted average trading densities improved by 16.8% compared to last year.
Construct/Acquire & Operate Malls Access Safe Comfort Engage Operate, improve & expand Mall	**Competition** The increase in the level of current and expected competition may lead to supply of space rented exceeding demand and a decrease in footfall.	**Actions taken** Constant review of tenant mix, introduction of new international brands, development of ex-Food Lover's Market, connecting the metro to Phoenix Mall with a dedicated station and working on the renovation of Riche Terre Mall. **Results** Ongoing project.
Access Safe Comfort Engage Operate, improve & expand Mall	**Valuation** Inability to maintain property value and attractiveness of the Mall due to lack of maintenance of assets or enough space to accommodate new brands.	**Actions taken** The Bagatelle Mall was extended and an investment amounting to MUR 1bn was made. Additionally, new investment in projects were made (the Decathlon box and 42 Market Street in Bagatelle Mall on 13 July 2021). **Results** Favourable increase in revenue.

Risk Management Report (cont'd)

The three lines model

The three lines of defence risk governance model, as described below provides assurance to the RMAC and Board of Directors that risks are being effectively and efficiently managed through the risk management and risk governance approach. The three lines of defence facilitate an integrated and coordinated approach to assurance at all organisational levels and this improves confidence in the effectiveness of internal controls.

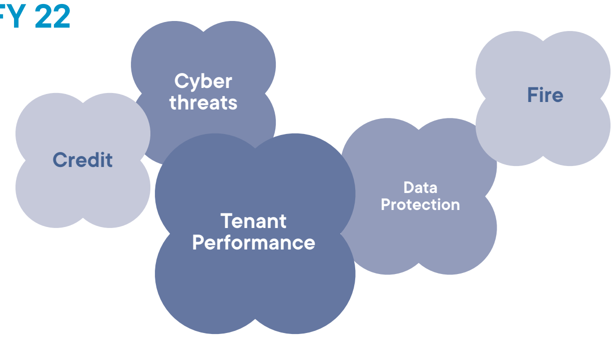
People, process & technology	Management oversight	Internal audit
1st LINE OF DEFENCE	2nd LINE OF DEFENCE	3rd LINE OF DEFENCE
Responsible for implementing an effective internal control system, as well as identification and management of risk on a daily basis. It includes controls operated by employees of service providers at corporate offices and in Malls.	Responsible for the appropriateness and effectiveness of the risk management system, ensuring that policies and procedures are followed and that reporting is accurate and complete.	Provides independent assurance on the effectiveness of governance, risk management and internal control system. It reports to the appropriate Board committee.

Internal audit

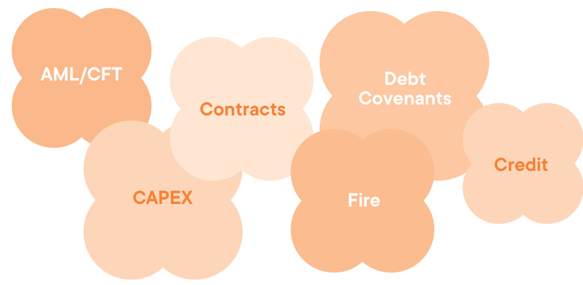
The Risk & Audit Department of Rogers is responsible for Internal Audit function of Ascencia. The team is composed of qualified/partly qualified internal auditors and accountants and receives regular training to ensure audit quality is maintained.

The Head of Internal Audit and Risk Management independently reports to the RMAC of Ascencia on a quarterly basis. The three year risk based audit plan for FY 22 - FY 24 was reviewed and approved by the RMAC at the start of FY 22. The plan incorporates the changes in the risk landscape and focus is placed on significant risk areas. Where required, specialised consultants/auditors are contracted, for instance, Cyber threat was audited by an IT specialist. The plan for the three years is as follows:

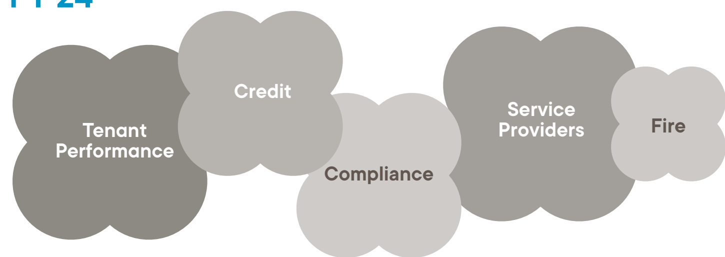
FY 22



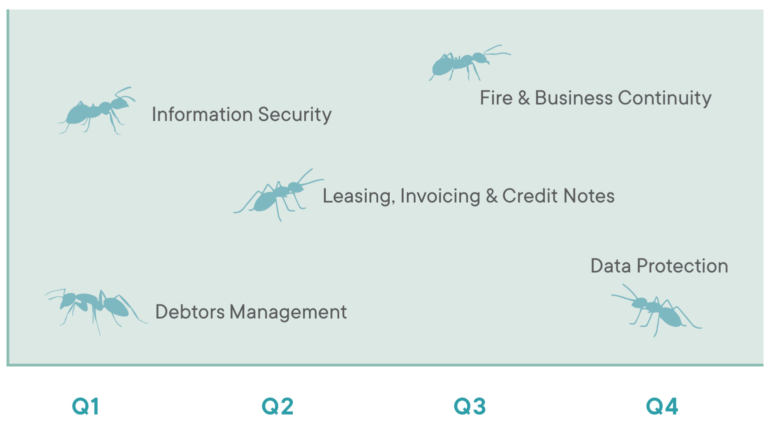
FY 23



FY 24



Audits performed during FY 22



During FY 22, the management set up a Governance, Risk and Compliance ('GRC') function to oversee the effectiveness of internal controls and risk management. Business continuity procedures were developed and implemented. A platform was also set up with the objective of monitoring operational control.

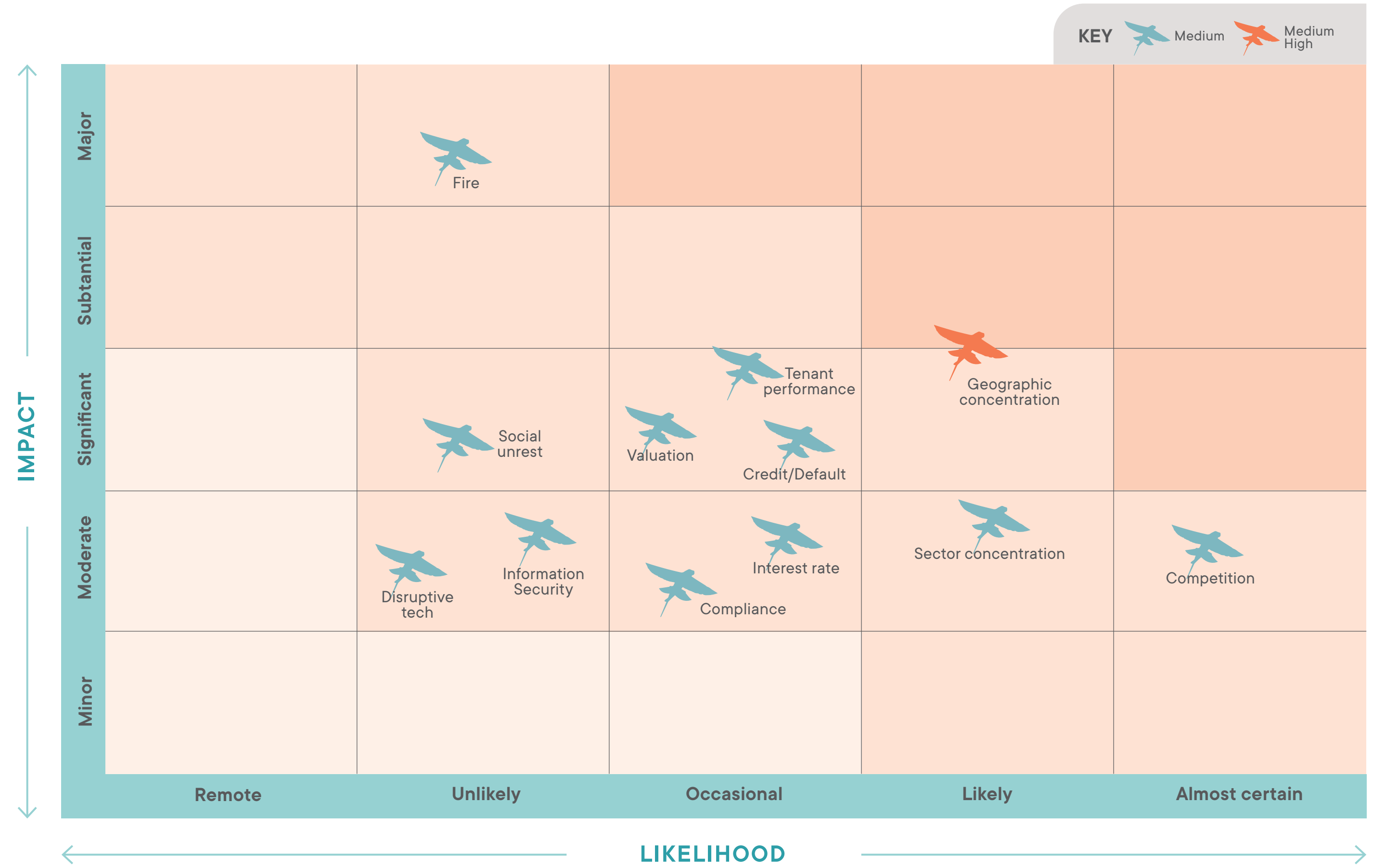
The main findings were reported to the RMAC by the Head of Internal Audit or the IT specialist. The GRC function established ensures implementation of recommendations on a timely basis. The third line of defence, being the Internal Audit function provided independent assurance to the RMAC on the internal control areas shown in the table during the financial year.

Risk Management Report (cont'd)

> "The impact of climate change is putting pressure on businesses to review their business model."

Principal risks

As part of the risk assessment methodology, risks are assessed over a 3-year time horizon. Risks are assessed in terms of likelihood and impact. Likelihood is based on qualitative estimates of frequency of the risks occurring, whereas Impact is based on a percentage of the net operational income and net assets. Assessment of the inherent level of these risks, control effectiveness and strategic measures implemented was performed and is discussed in the next section. The following heat map provides an overview of management's assessment of the residual risks impacting Ascencia:



Evolution of specific risks over the next 3 years	
Geographic and sector concentration	↑
Tenant performance	↑
Competition	↑
Interest rate	↑

Key risk indicators	
WALE	4.1 years (2021: 3.9 years)
EPRA vacancy	4.3% (2021: 3.6%)
Loan to value	42% (2021: 44%)
Trading densities	MUR 10,655/sqm (+16.8%)

Emerging risks

International conflict

The Russo-Ukrainian conflict gave a major blow to the global economy hurting growth and raising prices. European countries in particular, face renewed risks to global supply chains due to disrupted trade routes, which may delay tenants' imports and completion of projects.

Climate change

The impact of climate change is putting pressure on businesses to review their business model as customers are shifting behaviours to minimise their carbon impact. Green and sustainable initiatives across the Malls are ongoing to reduce negative impact of climate change.

Risk Management Report (cont'd)

KEY: Human Capital | Social & Relationship Capital | Intellectual Capital | Natural Capital | Manufactured Capital | Financial Capital | Assets Creation | Assets Operation | Assets Excellence

Risks		Strategic response		Level of residual risk	Strategic objectives impacted	Capital impacted
Risk description	Risk areas	Mitigation measures	Effectiveness of measures and internal controls			
Geographic and sector concentration Currently in a mature market, supply of additional retail space hinders the growth of the local retail sector. Ascencia invests solely in the retail.	**Strategic** **Financial**	→ Opportunities for cross-border expansion can be considered especially with our strategic partner in other emerging markets to provide sustained growth to all our stakeholders. → Strategic thinking exercise will be carried with potential diversification opportunities to be considered within the Company's risk appetite.	→ The effectiveness of the strategic measures will be assessed upon implementation of the proposed future projects.	Medium - High Medium	Assets Creation	
Tenant performance Adverse economic conditions due to high inflationary factors resulting in a drop in trading density, pressure on rent to income turnover ratio and difficulty in sustaining income.	**Operational** **Financial**	→ Communication campaigns via various channels including social media platforms. → Creation of unique shopping experiences in line with *Shaping Singular Places.* → Rental reversions on lease renewals.	→ Successful renewals of 95% of gross lettable area → Improved weighted average trading densities +16.8% → EPRA vacancy of 4.3% at the end of June 2022. (2021: 3.6%) → Average rent to turnover of 7.9% (2021: 8.6%)	Medium	Assets Operation	
Credit/Default (Tenants) Inability of tenants to sustain their financial performance leading to cash flow issues, default or delay in payment of rent, long void periods, high vacancy rates and high level of arrears. The above will in turn, impact the Company's ability to meet financial obligations and dividend payments.	**Financial**	→ Constant monitoring of debtors to identify tenants' casualties as early as possible by reviewing their financial performance, developing specific/targeted initiatives to boost performance and ensuring continuous communication.	→ Collections averaged 101% of actual billing in FY 22 has been favourable resulting from good performance of tenants.	Medium	Assets Operation	
Valuation Inability to maintain property value and attractiveness of the Mall due to lack of maintenance of assets or inability to attract new brands.	**Financial**	→ Capital expenditures of MUR 1.1bn over the last two FYs to extend GLA and enhance customer experience. → Creation of unique shopping experiences in line with *Shaping Singular Places.* → Rental reversions on lease renewals. → Plan to refurbish Malls in FY 23.	→ Opening of international brands. → Change in fair value of investment properties FY 22: +439m (FY 21: +537m)	Medium	Access, Safe, Comfort, Engage	
Fire Failure to provide a safe environment in the Malls for shoppers and tenants exposes the Group to compensation liabilities, loss of business, reputational risk and other costs.	**Compliance** **Operational** **Financial**	→ Appointment of a Governance, Risk and Compliance (GRC) manager to ensure deployment of emergency preparedness plans and business continuity across the Malls and execution of training sessions. → Health and Safety inspections performed by Group Health & Safety Officer, professional consulting firms and management. → Regular internal Audits. → Insurance cover.	→ The GRC Manager has implemented an action plan to address the recommendations of Health and Safety audit exercise. → Completion of training sessions in accordance with the plan.	Medium	Assets Operation	

Risk Management Report (cont'd)

KEY: Human Capital | Social & Relationship Capital | Intellectual Capital | Natural Capital | Manufactured Capital | Financial Capital | Assets Creation | Assets Operation | Assets Excellence

Risks		Strategic response		Level of residual risk	Strategic objectives impacted	Capital impacted
Risk description	Risk areas	Mitigation measures	Effectiveness of measures & internal controls			
Competition Increase in the level of current and expected competition may lead to supply of space rented exceeding demand, and a decrease in footfall.	**Strategic** **Financial**	→ Constant review of tenant mix, introduction of new international brands and new projects to maintain the attractiveness of Malls, such as the extension of Bagatelle Mall.	→ Opening of Decathlon. → Extension of Bagatelle with the successful opening of 42 Market Street. → Extension of Intermart.	Medium	Assets Operation, Assets Creation	
Interest rate Changes in interest rate that impact profitability.	**Financial**	→ Restructuring of debts. → Maintenance or improvement of the CARE AA rating.	→ Improved CARE rating and benefited from reduced interest rates.	Medium	Assets Operation	
Compliance → Lack of compliance with respect to current or new legislations such as Data Protection Act and AML/CFT guidelines. → Internal compliance procedures not being adhered to by employees of service providers may lead to fraud, corruption or errors.	**Compliance** **Financial**	→ Implementation of AML/CFT framework and appointment of service provider to manage compliance with the applicable guidelines. → Implementation of Data Protection framework. → Month end closure checklist implemented. → Monthly review of accounts for prompt remedial actions.	→ Data protection audit completed. → Internal audits are planned to assess effectiveness of the frameworks implemented.	Medium	Assets Operation	
Social unrest Protests and unemployment may lead to riots and looting.	**Strategic** **Financial**	→ Appointment of a Governance, Risk and Compliance (GRC) Manager to lead the implementation of the preparedness/ business continuity plan across the Malls.	→ Drill has been scheduled in Malls for FY 23.	Medium	Assets Operation	
Information security → Cyber threats such as fraudulent phishing attempts, spoofing e-mails, malware and/or ransomware. → Inadequate security of data and privacy issues. → Breakdown of IT system.	**Operational** **Compliance**	→ Appointment of an IT Manager in February 2022. → Defining the Cybersecurity roadmap. → Constant monitoring of network traffic for suspicious activity. → Internal audit carried out and recommendations implemented.	→ Implementation of cybersecurity audit recommendation in progress. A follow up on the last audit will also be conducted to review the cyber risk profiles.	Medium	Assets Operation, Access, Safe, Comfort, Engage	
Disruptive technology Shoppers' expectations and behaviours are evolving and partly shaped by developments in technology, such as e-commerce. Should these expectations not be met, this may result in a decline in footfall, which would in turn, impact tenants.	**Strategic** **Financial**	→ A digital strategic plan to enhance the Ascencia Branding is underway. Expected completion date in FY 23.	→ Malls equipped with WI-FI. → Implementation of new intelligent management system (Infraspeak) during FY 22.	Medium	Access, Safe, Comfort, Engage	

Ascencia
Shaping singular places

CHAPTER 6

STATUTORY DISCLOSURES

Relaying Shelters Everyday

Hermit crabs are constantly on the hunt for new shelter as they grow bigger. To survive, these decapods have developed a process of passing down their current shells to their smaller peers. When a new shell is found, they gather, measure each other, and arrange themselves from biggest to smallest to exchange shells, making sure that everyone gets a home.

OTHER STATUTORY DISCLOSURES

1. Principal activity

The principal activity of Ascencia Limited (the "Company") and its subsidiaries (the "Group") is to hold investment properties for capital appreciation and to derive rental income.

2. Contracts of significance

The Group has existing agreements with its intermediate holding company and other related companies for provision of management services.

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Management fees	**174,783**	147,999	**95,056**	82,320

3. Directors' service contracts

None of the directors of the Group has service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

4. Directors' remuneration

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-Executive and Independent	**2,335**	1,862	**2,335**	1,862

There were 6 Non-Executive and 4 Independent Non-Executive Directors at 30 June 2022 (2021: 5 Non-Executive and 5 Independent Non-Executive Directors).

5. Donations and social contributions

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Donations	**-**	104	**-**	104
Corporate Social Responsibility	**3,045**	2,422	**923**	1,228

6. Auditor's Remuneration

	Group		Company	
	2022	2021	**2022**	2021
Fees payable:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Audit services - EY	**2,250**	1,900	**947**	1,000

7. Directors' interest

Name	Position	% Shareholding	Number of shares
Mr. ESPITALIER-NOËL Marie Hector Philippe	Chairman and Director	nil	nil
Mr. BISSESSUR Shreekantsingh	Director	nil	nil
Mr. BOSHOFF Armond	Director	nil	nil
Mr. ESPITALIER-NOËL Marie Maxime Hector	Director	nil	nil
Mr. GALEA Marie Henri Dominique	Director	nil	nil
Mr. KAWOL Dhanandjay	Director	nil	nil
Mr. LAM KIN TENG Dean Allen	Director	nil	nil
Mr. MAMET Jean Evenor Damien	Director	nil	nil
Mr. PASCAL Joseph Gerard Pierre-Yves	Director	0.0000	150
Mr. TYACK Frédéric Gerard	Director	nil	nil
Mr. VEERASAMY Naderasen Pillay	Director	0.0040	19,400
Mrs. WONG-VACHER Belinda	Director	0.0000	150
Mrs. LOUW Lucille Helen	Alternate Director To Mr. BOSHOFF Armond	nil	nil

None of the directors hold shares in the subsidiaries of Ascencia as at 30 June 2022

8. Directors of subsidiary companies

	Boshoff Armond	Espitalier-Noël Marie Hector Philippe	Louw Lucille Helen	Mamet Jean Evenor Damien	Tyack Frédéric Gerard	Belinda Wong-Vacher
Bagparop	R	R	R		X	X
Floreal Commercial Centre				R	X	X
The Beau Vallon Shopping Mall	R				X	A

C - Chairman X - In office as director A - Appointed as director R - Resigned as director

9. Major Transactions under Companies Act 2001

Neither the Company nor its subsidiaries has entered into any major transaction during the year under review.

DIRECTORS' REPORT

(a) Financial Statements

The Board of Directors of Ascencia Limited are responsible for the integrity of the audited financial statements of the Company and its subsidiaries and the objectivity of the other information presented in these statements.

The Board of Directors confirm that, in preparing the audited financial statements, they have:

(i) selected suitable accounting policies and applied them consistently;
(ii) made judgements and estimates that are reasonable and prudent;
(iii) stated whether International Financial Reporting Standards have been followed;
(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
(v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and
(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

(b) Going Concern

On the basis of current projections, the Directors are confident that the Company and its subsidiaries have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

(c) Internal Control and Risk Management

The Board is responsible for the system of Internal Control and Risk Management of the Group. It is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding assets. The Board believes that the Company and its subsidiaries' system of Internal Control and Risk Management provides reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

(d) Donations and Corporate Social Responsibility

Corporate Social Responsibility contributions amounting to Rs 922,865 (2021: Rs 1,227,919) were made by the Company.

(e) Audited Financial Statements

The audited financial statements which appear on pages 114 to 119 were approved by the Board of Directors on 22 September 2022 and are signed on their behalf by:

Philippe Espitalier-Noël
Chairman

Frédéric Tyack
Chief Executive Officer

22 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENCIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Ascencia Limited (the "Company") and its subsidiaries (the "Group") set out on pages 114 to 119 which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENCIA LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment properties At 30 June 2022, the Group and the Company hold investment properties of Rs 15,408 million and Rs 5,102 million respectively (2021: Group Rs 13,831 million and Company Rs 5,169 million) which are carried at fair value with the gains and losses recognised in profit or loss as described in Note 12 of the financial statements. Disclosures around the fair valuation of investment properties are set out in Note 12 of the financial statements. The fair values of the investment properties are determined by an external independent valuation specialist and management using valuation techniques which involve significant judgements and assumptions. Inappropriate estimates made in the fair valuation of investment properties would result in a significant impact on the results and on the carrying amount of the properties. Consequently, the valuation of investment properties has been identified to be a key audit matter due to the significant judgements and estimates involved and its significance to the financial statements with the gain or loss impacting profit or loss.	Our audit procedures included the following: • We have obtained, read and understood the reports from the independent valuation specialist. We have tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the external independent valuation specialist. • We involved our valuation specialist in validating the appropriateness of the methodology and assumptions used. • We assessed the competence, capability, experience and independence of the external independent valuation specialist. • We held discussions with management, challenging key assumptions adopted in the valuations, including discount rates and reversionary rates, and comparing them with historical rates and other available market data. • We reviewed the forecasted data used in the valuations and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing operating costs. • We considered the reasonableness of the inputs and assumptions used in the context of the COVID-19 pandemic. • We reviewed the disclosures about significant estimates and critical judgements made by management in the financial statements in respect of valuation of investment properties. We have also verified the adequacy of the disclosures in accordance with IAS 40 Investment Property and IFRS 13 Fair Value Measurements made in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENCIA LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Ascencia Limited Annual Report for the year ended 30 June 2022", which includes the Corporate Governance Report, the Other Statutory Disclosures, the Statement of Compliance, the Directors' Report and the Secretary's Certificate as required by the Companies Act 2001, which we obtained prior to the date of this report, and the other information included in the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENCIA LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENCIA LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

Daryl Csizmadia

DARYL CSIZMADIA, C.A. (S.A.)
Licensed by FRC

22 September 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Continuing operations		Rs'000	Rs'000	Rs'000	Rs'000
Revenue					
Rental income	5(a)	1,097,406	968,475	411,072	402,866
Recoveries	5(a)	423,676	341,566	153,041	131,969
Exhibitions and advertising	5(a)	33,536	28,184	16,778	14,551
Gross rental income		1,554,618	1,338,225	580,891	549,386
Direct operating expenses arising from investment property	6	(465,070)	(381,273)	(166,021)	(142,116)
Net property income		1,089,548	956,952	414,870	407,270
Investment and other income	5(b)	1,412	5,586	336	3,801
Administrative expenses	7	(177,052)	(149,905)	(107,917)	(93,686)
Change in fair value of investment property	12	439,736	536,757	15,039	164,775
Expected credit losses on financial assets	8	(4,743)	(126,111)	14,539	(45,786)
Profit from operations		1,348,901	1,223,279	336,867	436,374
Profit on disposal of investment property		1,584	-	1,584	-
Share of profit in joint venture	15	1,794	31,991	-	-
Settlement of pre-existing obligations	27	(41,308)	-	(41,308)	-
Gain on bargain purchase	27	24,030	-	-	-
Profit before interest and taxation		1,335,001	1,255,270	297,143	436,374
Finance income	9(a)	9,866	17,720	14,832	11,745
Finance costs	9(b)	(262,229)	(223,872)	(150,604)	(117,152)
Profit before tax		1,082,638	1,049,118	161,371	330,967
Tax charge	10(a)	(77,502)	(91,197)	(13,467)	(35,636)
Profit for the year from continuing operations		1,005,136	957,921	147,904	295,331
Discontinued operations					
Post tax profit from discontinued operations	26	808	11	808	11
Profit for the year		1,005,944	957,932	148,712	295,342
Earnings per share:					
Basic and Diluted (Rs.)					
- Class A:	11	2.06	1.97		

The notes on pages 120 to 167 form an integral part of these financial statements.
Independent auditor's report on pages 109 to 113.

STATEMENTS OF FINANCIAL POSITION

YEAR ENDED 30 JUNE 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets					
Investment property	12	15,407,717	13,830,599	5,101,552	5,168,901
Equipment	13	21,250	20,816	10,253	8,831
Investment in subsidiary companies	14	-	-	3,616,680	3,366,972
Investment in joint venture	15	-	167,744	-	104,200
		15,428,967	14,019,159	8,728,485	8,648,904
Current assets					
Trade receivables	16	42,616	43,456	25,116	19,267
Financial assets at amortised cost	17	434,431	609,075	3,487,067	709,223
Other assets	18	124,109	103,880	72,452	78,897
Net tax asset	10(c)	53,265	35,279	27,165	19,410
Cash and cash equivalents	25	818,444	1,071,916	627,630	925,682
		1,472,865	1,863,606	4,239,430	1,752,479
Non-current assets classified as held for sale	26	-	19,054	-	19,054
Total assets		16,901,832	15,901,819	12,967,915	10,420,437
EQUITY AND LIABILITIES					
Shareholders' Equity					
Stated capital	19	4,460,068	4,460,068	4,460,068	4,460,068
Retained earnings		4,853,700	4,286,340	1,137,828	1,427,700
Total equity		9,313,768	8,746,408	5,597,896	5,887,768

STATEMENTS OF FINANCIAL POSITION (CONT'D)

YEAR ENDED 30 JUNE 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
		Rs'000	Rs'000	Rs'000	Rs'000
LIABILITIES					
Non-current liabilities					
Bank Loans	20	-	4,264,084	-	1,805,929
Debentures	20	115,874	158,010	115,874	158,010
Bonds	20	1,475,930	1,500,000	1,475,930	1,500,000
Redeemable notes	20	4,740,960	-	4,740,960	-
Deferred tax liabilities	21	542,098	483,320	215,569	212,974
		6,874,862	6,405,414	6,548,333	3,676,913
Current liabilities					
Trade and other payables	22	412,789	314,479	145,941	155,767
Bank Loans	20	-	170,386	-	59,525
Debentures	20	42,136	31,602	42,136	31,602
Amount payable to related companies	23	-	4,122	375,332	379,454
Dividend payable	24	258,277	229,038	258,277	229,038
		713,202	749,627	821,686	855,386
Liabilities directly associated with non-current assets classified as held for sale	27(e)	-	370	-	370
Total liabilities		7,588,064	7,155,411	7,370,019	4,532,669
Total equity and liabilities		16,901,832	15,901,819	12,967,915	10,420,437

The notes on pages 120 to 167 form an integral part of these financial statements.

Independent auditor's report on pages 109 to 113.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022

		Attributable to owners of the parent		
Group	Note	Stated Capital	Retained Earnings	Total Equity
		Rs'000	Rs'000	Rs'000
Balance at 01 July 2021		4,460,068	4,286,340	8,746,408
Profit for the year		-	1,005,944	1,005,944
Dividends	24	-	(438,584)	(438,584)
At 30 June 2022		4,460,068	4,853,700	9,313,768
Balance at 01 July 2020		4,460,068	3,640,290	8,100,358
Profit for the year		-	957,932	957,932
Dividends	24	-	(311,882)	(311,882)
At 30 June 2021		4,460,068	4,286,340	8,746,408

Company	Note	Stated Capital	Retained Earnings	Total Equity
		Rs'000	Rs'000	Rs'000
Balance at 01 July 2021		4,460,068	1,427,700	5,887,768
Profit for the year		-	148,712	148,711
Dividends	24	-	(438,584)	(438,584)
At 30 June 2022		4,460,068	1,137,828	5,597,896
Balance at 01 July 2020		4,460,068	1,444,240	5,904,308
Profit for the year		-	295,342	295,342
Dividends	24	-	(311,882)	(311,882)
At 30 June 2021		4,460,068	1,427,700	5,887,768

The notes on pages 120 to 167 form an integral part of these financial statements.

Independent auditor's report on pages 109 to 113.

STATEMENTS OF CASH FLOWS

YEAR ENDED 30 JUNE 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Operating activities		Rs'000	Rs'000	Rs'000	Rs'000
Profit before tax		1,082,638	1,049,118	161,371	330,967
Share of profit in joint venture		(1,794)	(31,991)	-	-
Change in fair value of investment property	12	(439,736)	(536,757)	(15,039)	(164,775)
Straight lining adjustment	12	(23,174)	(18,014)	1,459	(1,752)
Letting commission	7	22,907	(3,800)	10,416	(3,573)
Expected credit losses on financial assets	8	4,743	126,111	(14,539)	45,786
Gain on bargain purchase	27	(24,030)	-	-	-
Depreciation	7	8,663	10,518	2,802	3,395
Profit on sale of investment property		(1,584)	-	(1,584)	-
Interest income	9(a)	(9,866)	(17,720)	(14,832)	(11,745)
Interest expense	9(b)	262,229	223,872	150,604	117,152
		880,996	801,337	280,658	315,455
Changes in working capital:					
- Trade receivables		1,546	(88,294)	8,688	(38,985)
- Trade and other payables		(22,580)	(14,168)	(4,319)	(28,232)
- Other assets		(67,590)	(58,270)	(38,497)	(37,615)
- Amount payable to related companies		-	(12,973)	-	4,122
Cash generated from operations		792,372	627,632	246,530	214,745
Tax refunded		(777)	622	(240)	4,980
Net cash generated from operating activities		791,595	628,254	246,290	219,725
Investing activities					
Acquisition of subsidiary	27	(210,271)	-	(145,508)	-
Expenditure on investment property		(451,162)	(527,129)	(186,677)	(132,724)
Purchase of equipment	13	(8,040)	(5,614)	(4,224)	(3,448)
Proceed from sale of investment property		250,205	-	250,205	-
Investment in financial assets at amortised cost		(587,200)	(279,728)	(592,819)	(580,221)
Sale/redemption of financial assets at amortised cost		508,000	20,000	508,000	100,000
Interest received		4,169	10,296	9,625	8,721
Dividend received		-	-	-	80,000
Net cash used in investing activities		(494,299)	(782,175)	(161,398)	(527,672)
Financing activities					
Repayment of bank loans	20	(4,609,470)	(36,203)	(1,865,454)	(687)
Redemption of debentures	20	(31,602)	(21,068)	(31,602)	(21,068)
Proceeds from bonds	20	-	1,500,000	-	1,500,000
Proceeds from redeemable notes	20	4,740,960	-	4,740,960	-
Loan to subsidiaries		-	-	(2,837,816)	-
Repayment of loan from subsidiaries		-	-	150,000	-
Interest paid		(259,744)	(223,705)	(148,120)	(116,985)
Dividends paid		(409,345)	(160,814)	(409,345)	(160,814)
Net cash generated from/(used in) financing activities		(569,201)	1,058,210	(401,377)	1,200,446
Net cash flows from discontinued operations	26(c)	18,433	1,491	18,433	1,491
Net increase/(decrease) in cash and cash equivalents		(253,472)	905,780	(298,052)	893,990
Cash and cash equivalents - opening		1,071,916	166,136	925,682	31,692
Cash and cash equivalents - closing	25**	818,444	1,071,916	627,630	925,682

In prior years, the cash flows related to inter-group loans were disclosed within investing activities classified under investment in financial assets at amortised costs. The statement of cash flows for the year ended 30 June 2021, has been restated to reflect the movement within financing activities. There is a net nil impact on the total net cash and cash equivalents for the year.

The notes on pages 120 to 167 form an integral part of these financial statements.

Independent auditor's report on pages 109 to 113.

** The non-cash transactions are disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Ascencia Limited (the "Company") and its subsidiaries (the "Group") is a group of real-estate companies which hold a portfolio of investment properties in Mauritius. The Company is a public company, limited by shares and incorporated in the Republic of Mauritius since 28 June 2007 under the Companies Act 2001. The address of its registered office is No. 5, President John Kennedy Street, Port Louis. The immediate holding company is Foresite Property Holding Ltd, the intermediate holding company is Rogers and Company Limited and its ultimate holding company is Société Caredas, all incorporated in Mauritius.

These financial statements for the year ended 30 June 2022 have been approved by written resolution of the Board of Directors of the Company on 22 September 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and in compliance with the Companies Act 2001 and the Financial Reporting Act 2004 of Mauritius. The financial statements have been prepared on a historical cost basis, except for investment properties that have been measured at fair value.

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except where otherwise indicated. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

New Standards, Interpretations and Amendments effective in the reporting period

There were several new and amendments to standards and interpretations which are applicable for the first time in the financial year ended 30 June 2022, but either are not relevant or do not have an impact on the consolidated financial statements of the Group.

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

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

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

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

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

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

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. Benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

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

New Standards, Interpretations and Amendments issued but not yet effective

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

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

	Effective for annual periods beginning on or after
- Reference to the Conceptual Framework – Amendments to IFRS 3	1 Jan 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 Jan 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 Jan 2022
- AIP IFRS 1 First-time Adoption of IFRS – Subsidiary as a first-time adopter	1 Jan 2022
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 Jan 2022
- AIP IAS 41 Agriculture – Taxation in fair value measurements	1 Jan 2022
- IFRS 17 Insurance Contracts	1 Jan 2023
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 Jan 2023
- Definition of Accounting Estimates - Amendments to IAS 8	1 Jan 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 Jan 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 Jan 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Postponed indefinitely

Those new and amended standards and interpretations that are issued but not yet effective, that are relevant to the Group are detailed below.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 Jan 2023)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual periods beginning on or after 1 Jun 2023)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual periods beginning on or after 1 Jan 2023)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Critical accounting estimates and judgements

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

(b) Foreign currencies

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 Group operates ("functional currency"). The consolidated financial statements are presented in Mauritian Rupees, which is the Company's functional and presentation currency.

(c) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease in other comprehensive income.

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

(d) Current versus non-current classification

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

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

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Current versus non-current classification (cont'd)

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: fair value interest risk, cash flow risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.
A description of the significant risk factors is given below together with the risk management policy applicable.

Credit risk

The Group's credit risk arises mainly from financial assets at amortised costs, trade receivables and cash and cash equivalents. In view of managing its credit risk, the Group has an established credit policy whereby new customers are individually analysed for credit worthiness for each business activity before offering any standard payment delivery terms and conditions. Based on the assessment, the Group may require the customers to lodge a bank guarantee as a security document.

The amounts presented in the statements of financial position are net of allowances for doubtful debt, estimated by the Group's management based on prior experience and the current economic environment. There are no significant concentrations of credit risk, with exposure spread over a large number of counterparties or customers. Please refer to Note 16 for further information on Trade receivables.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2022 and 30 June 2021, respectively, is the carrying amounts of each class of financial instruments. Refer to note 17 and 25

For relevant credit risk management policies for financial assets at amortised cost and cash and cash equivalents, please refer to Note 17 and Note 25 respectively.

Foreign currency risk

The Group operates locally and has no exposure to foreign currency risks.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term external debt obligations with variable interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 30 June 2022, if interest rates on external debt had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher as shown below, mainly as a result of higher/lower interest expense on floating rate borrowings:

	Group		Company	
Rupee-denominated borrowings	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Effect higher/lower on post-tax profit and equity	29,634	25,464	29,634	12,329

The Group also has interest-bearing loans receivable from related parties. The resulting impact on the Group's income and operating cash flows arising from a change of 50 basis points higher/lower is deemed to be immaterial to the financial statements.
The group is also exposed to interest rate risk arising from cash and cash equivalents, however, the impact is considered negligible.

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 asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available. The Company also has the financial support of its holding companies.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years.

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

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2022	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Debentures	51,617	59,622	66,996	-	178,235
Bonds	64,500	64,500	193,500	1,881,411	2,203,911
Redeemable notes	193,494	193,494	1,170,482	5,001,848	6,559,318
Trade and other payables	412,789	-	-	-	412,789
Dividend payable	258,277	-	-	-	258,277

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

3. FINANCIAL RISK FACTORS (CONT'D)

Liquidity risk (con'td)

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2021	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Bank loans	170,386	310,583	1,111,403	2,843,158	4,435,530
Debentures	31,602	42,136	115,874	-	189,612
Bonds	60,790	60,790	182,535	1,895,881	2,199,996
Trade and other payables	314,479	-	-	-	314,479
Amounts payable to related companies	4,122	-	-	-	4,122
Dividend payable	229,038	-	-	-	229,038

Company	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2022	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Debentures	51,617	59,622	66,996	-	178,235
Bonds	64,500	64,500	193,500	1,881,411	2,203,911
Redeemable notes	193,494	193,494	1,170,482	5,001,848	6,559,318
Trade and other payables	145,942	-	-	-	145,942
Amounts payable to related companies	375,332	-	-	-	375,332
Dividend payable	258,277	-	-	-	258,277

Company	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2021	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Bank loans	59,525	124,261	452,435	1,229,227	1,865,448
Debentures	31,602	42,136	115,874	-	189,612
Bonds	60,790	60,790	182,535	1,895,881	2,199,996
Trade and other payables	155,767	-	-	-	155,767
Amounts payable to related companies	379,454	-	-	-	379,454
Dividend payable	229,038	-	-	-	229,038

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group and Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits 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.

During 2022, the Group's strategy is to maintain an adequate debt-to-capital ratio to be able to secure access to finance at a reasonable cost. The debt-to-capital ratios at 30 June 2022 and at 30 June 2021 were as follows:

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Total debt	6,374,900	6,124,082	6,374,900	3,555,066
Less: cash and cash equivalents	(818,444)	(1,071,916)	(627,630)	(925,682)
Net debt	5,556,456	5,052,166	5,747,270	2,629,384
Total equity	9,313,768	8,746,408	5,597,896	5,887,768
Total capital plus debt	14,870,224	13,798,574	11,345,166	8,517,152
Debt-to-capital ratio	37.4%	36.6%	50.7%	30.9%

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

Fair value measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

3. FINANCIAL RISK FACTORS (CONT'D)

Fair value measurement (cont'd)

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

External valuers are involved for valuation of significant assets, such as properties and land conversion rights. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Please refer to Note 12 for more information on the fair value measurements related to the Group's investment properties.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group 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 material adjustment to these carrying amounts of assets and liabilities within the next financial year are discussed in the relevant notes, as listed below:

Note 12(e) - Investment property
Note 13(d) - Equipment
Note 16 - Trade receivables
Note 27 - Business combination

Going concern

The Group

The Group recorded a net profit for the year ended 30 June 2022 of Rs 1,005m (2021: Rs 958m) and as of that date, the Group's current assets exceeded its current liabilities by Rs 760m (2021: Rs 1,113m) and the Group's total assets exceeded its total liabilities by Rs 9,314m (2021: Rs 8,746m).

Accordingly, the directors have prepared the financial statements on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

The Company

At 30 June 2022, the Company's current assets exceeded its current liabilities by Rs 3,418m (2021: Rs 897m) and the Company's total assets exceeded its total liabilities by Rs 5,598m (2021: Rs 5,887m).

Taking the above into account, the Company has liquid assets and cash flows to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of the separate financial statements. Consequently, the Directors have concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

Limitation of sensitivity analysis

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

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

5. REVENUE AND OTHER INCOME

Accounting policy

Revenue recognition

The Group earns revenue from acting as a lessor in operating leases on its portfolio of investment properties, which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Details related to the nature and measurement of revenue are set out below:

Rental income

Rental income is derived mainly from the leasing out of retail areas, outside seating areas, ATMs, car-wash areas, promotional kiosks, mezzanines, storage areas and office spaces. Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the pre-defined lease term as per the individual tenant's respective lease agreement and is included in revenue in the statement of profit or loss due to its operating nature.

Recoveries

Recoveries are chargeable to tenants for certain services offered to tenants, mainly for common area maintenance services such as cleaning and maintenance, lighting, provision of water supply, refuse removal, waste-water services, landscaping, gardening, electrical and water pumps maintenance management, security services, pest control, third-party liability insurance covering all classes of risks for common areas. These services are specified in the lease agreements and separately invoiced.

The Group has determined that it controls the services before they are transferred to tenants, because it directly deals with tenants complaints and its is primarily responsible for the quality or sustainability of the services. In addition, the Group has the discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control over these services over time, as services are rendered by the third party service providers, because this is when tenants receive and, at the same time, consume benefits from these services.

Recoveries are recognised over the year for which the services are rendered and corresponding expenses are matched.

Exhibitions and advertising

Exhibitions and advertising revenue represents consideration received from tenants for services undertaken and managed by the Group, including general marketing, public relations management and promotions in respect of the shopping centres. These services are specified in the lease agreements and separately invoiced. Exhibitions and advertising revenue is recognised over time during the period of the contract for which the services are rendered and corresponding expenses are matched.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

5. REVENUE AND OTHER INCOME (CONT'D)

(a) Revenue from operations

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income:				
- Rental income	1,074,232	950,461	412,531	401,114
- Straight-line adjustment	23,174	18,014	(1,459)	1,752
Recoveries:				
- Operating charges	166,962	150,841	78,663	76,031
- Utilities	256,714	190,725	74,378	55,938
Other operating income:				
- Exhibitions and advertising	33,536	28,184	16,778	14,551
	1,554,618	1,338,225	580,891	549,386

The Company maintains lease agreements with tenants for durations typically lasting from 1 to 10 years. These agreements include clauses for annual escalation of the rental charge to cover future inflationary increases. Certain leases contain options to break before the end of the lease term.

Future minimum rental income receivable under operating leases as at 30 June are as follows.

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Within 1 year	1,045,552	916,552	368,558	413,007
After 1 year, but not more than 5 years	2,531,903	2,039,540	729,538	962,569
More than 5 years	704,355	556,729	136,385	361,458
	4,281,810	3,512,821	1,234,481	1,737,034

(b) Investment and other income

Accounting policy

(i) Other revenue earned by the Group is recognised on the following basis:
- Dividend income - when the shareholder's right to receive payment is established.

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Other income	1,412	5,586	336	3,801
	1,412	5,586	336	3,801

Other income principally includes refunds from insurance claims and other recoveries and refunds.

6. DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Utilities and other recharges	233,805	172,586	66,389	51,453
Property management fees	54,789	44,856	21,426	18,797
Exhibition and marketing	44,989	47,383	19,355	21,697
Cleaning	47,186	35,456	21,285	19,520
Security fees	29,351	26,401	14,536	15,362
Insurance	9,560	8,370	3,741	3,569
Rent, taxes and licences	5,366	3,002	3,919	2,556
Other direct operating expenses	40,024	43,219	15,370	9,162
	465,070	381,273	166,021	142,116

Other direct operating expenses include principally expenses related to 'safe shopping' initiatives, repairs and maintenance, gardening maintenance costs, hardware tools and consumables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

7. ADMINISTRATIVE EXPENSES

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Fund management fees	36,310	37,245	36,310	37,245
Asset management fees	73,100	64,998	26,746	25,379
Professional fees	21,566	14,592	19,072	12,554
Letting commission	22,907	12,776	10,416	4,565
Depreciation	8,663	10,518	2,802	3,395
Other administrative expenses	14,506	9,776	12,571	10,548
	177,052	149,905	107,917	93,686

Other administrative expenses principally include corporate strategy costs and investor relations, bank charges and other sundry administrative costs.

8. EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Loss allowance on trade receivables	13,620	52,905	9,036	15,345
(Reversal)/Specific allowance made for COVID-19	(8,877)	73,206	(23,575)	30,441
	4,743	126,111	(14,539)	45,786

Please refer to Note 16 for further information on trade receivables.

9. NET FINANCE COSTS

Accounting policy - Net finance costs

The Group's finance income and finance costs include:

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Interest income from loan from related parties and interest on rental in arrears and penalty interest are both calculated using the effective interest rate as described above.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(a) FINANCE INCOME

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Interest revenue calculated using the effective interest method:				
Interest on loans to related parties	7,408	12,115	13,531	10,451
Interest on investments in treasury bills	746	468	746	468
Other finance income:				
Interest on rental in arrears and penalty interest	1,712	5,137	555	826
	9,866	17,720	14,832	11,745

(b) FINANCE COSTS

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Interest on bank loans and other loans repayable by instalments	187,038	182,847	75,414	76,127
Interest on debentures	23,920	12,641	23,920	12,641
Interest on bonds	51,271	28,384	51,270	28,384
	262,229	223,872	150,604	117,152
NET FINANCE COSTS	252,363	206,152	135,772	105,407

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

10. TAX CHARGE

Accounting Policy

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

Current tax

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Current tax on the adjusted profit for the year at 15% (2021: 15%)	22,900	12,631	6,921	3,672
Deferred tax (Note 21 (b))	49,811	76,326	2,595	31,182
Corporate social responsibility tax	3,045	2,422	923	1,228
(Over)/under provision	1,746	(182)	3,028	(446)
	77,502	91,197	13,467	35,636

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before tax	1,082,637	1,049,118	161,371	330,967
Tax calculated at 15% (2021: 15%)	162,396	157,368	24,206	49,645
Share of profit in joint venture	(269)	(4,799)	-	-
Expenses not deductible for tax purposes	39,680	9,541	24,842	8,228
Income not subject to tax	(69,015)	(5,781)	(37,581)	(2,115)
Corporate social responsibility tax (CSR)	3,045	2,422	923	1,228
Fair value movements on investment property not subject to tax	(65,960)	(80,514)	(2,256)	(24,716)
Deferred tax rate differential due to CSR	5,860	13,142	305	3,812
Utilisation of tax losses	19	-	-	-
(Over)/under provision	1,746	(182)	3,028	(446)
Current tax charge	77,502	91,197	13,467	35,636

(c) Net tax assets

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July,	(35,279)	(9,054)	(19,410)	(11,504)
Provision for the year	22,900	12,631	6,921	3,672
Tax paid during the year	-	1,644	-	5,714
Provision for CSR contribution	3,045	2,422	923	1,228
CSR paid during the year	(777)	(1,022)	(240)	(734)
Tax deducted at source	(44,900)	(41,718)	(18,387)	(17,340)
Over/(under) provision	1,746	(182)	3,028	(446)
At 30 June,	(53,265)	(35,279)	(27,165)	(19,410)
Current tax assets	(128,756)	(83,856)	(53,559)	(35,172)
Current tax liabilities	75,491	48,577	26,394	15,762
	(53,265)	(35,279)	(27,165)	(19,410)

The net tax asset relates to tax deducted at source by tenants and remitted to revenue authority directly and are allowed to be offset against future tax liabilities.

11. EARNINGS PER SHARE

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Profit attributable to equity holders of the parent	1,005,944	957,932	148,712	295,342
Number of ordinary shares in issue - Class A	487,314,989	487,314,989	487,314,989	487,314,989
Earnings per share				
Basic and Diluted (Rs.) - Class A	2.06	1.97		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENT PROPERTY

(a) Accounting Policy

Investment property which is property held to earn rentals and/or for capital appreciation is initially measured at cost, including transaction costs. Subsequent to initial recognition investment property is carried at fair value at the end of reporting period. Gains and losses arising from changes in the fair value are included in the profit or loss for the period in which they arise. Property that is being constructed or developed for future use as investment properties are treated as investment property.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment property is derecognised when it is disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss and other comprehensive income in the period of derecognition.

Letting commission relates to initial direct costs incurred by lessors in negotiating and arranging an operating lease. These are added to the carrying amount of the leased asset, and are amortised as an expense over the contractual lease term.

(b) Fair value model

	Group		Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	13,830,599	12,744,899	5,168,901	4,866,077
Additions through business combination (Note 27)	843,586	-	-	-
Capitalised expenditure (note 1)	492,277	527,129	159,582	132,724
Straight lining adjustment	23,174	18,014	(1,459)	1,752
Letting commission adjustment	25,881	3,800	7,025	3,573
Disposal	(247,536)	-	(247,536)	-
Change in fair value	439,736	536,757	15,039	164,775
At 30 June,	15,407,717	13,830,599	5,101,552	5,168,901

Note 1: The main components of capital expenditure include assets under development amounting to Rs 310.7m for the Group and Rs 141m for the Company and projects completed during the year of Rs 130m for the Group. The remaining relates to recurring improvements to buildings and infrastructures.

The investment property valuations at 30 June 2022 were performed by Mills Fitchet, an accredited independent valuer with a recognised professional qualification (Royal Institution of Chartered Surveyors - RICS Registered) and relevant experience of the location and category of the investment properties being valued. The valuations were performed in accordance with the International Valuation Standards Committee requirements, and the valuation models are consistent with the principles in IFRS 13.

Land being non-yielding assets were valued on an open market basis by CDDS Ltd, independent professional qualified valuer.

(c) Valuation process

The Group's valuation policies and procedures for the investment property valuations are determined by the asset management team. Each year, the asset management team recommend the appointment of an independent external valuer, subject to the approval of the Risk Management and Audit Committee ("RMAC"), who is responsible for the external valuations of the Group's investment properties for the annual financial statements. Selection criteria include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

As at each year end, all valuations of investment properties are performed by independent external valuers. At each reporting date, the asset management team analyses the movements in each property's value. For this analysis, the asset management team verifies the major inputs applied in the latest valuations. For each property, the latest valuation is also compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are more than a certain specified threshold, the changes are further considered by discussion with the external valuer.

The asset management team present the Group's final valuation results to the RMAC and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations, with an emphasis on investment properties with fair value changes outside reasonably expected thresholds.

(d) Fair value measurement

Valuation technique

The fair value of investment properties is determined using a discounted cash-flow (DCF) method. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

The DCF method is also the approach by which private, institutional, local and overseas investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

Land are valued through direct market comparison approach by the independent professional valuer and are based on recent transactions for similar properties in similar location. The valuation takes into account: the location of the property; the existing facilities and infrastructure and utilities.

The basis of valuation is 'market value' and this is defined by the Royal Institution of Chartered Surveyor, South African Institute of Valuers and International Valuation Standards Committee. For all investment properties that are measured at fair value, the current use of the properties is considered the highest and best use.

Fair value hierarchy

The investment properties are classified as Level 3 on the fair value hierarchy. There were no transfers between Level 1, 2 or 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENT PROPERTY (CONT'D)

(d) Fair value measurement (cont'd)

Significant unobservable inputs

The unobservable inputs and their quantitative information used in the fair value measurements are as follows:

	Group		Company	
	2022	2021	**2022**	2021
Discount rate	11.25% - 13.50%	10.75% - 13.00%	12.00% - 13.50%	11.75% - 13.00%
Reversionary rate	7.00% - 9.25%	7.00% - 9.25%	7.75% - 9.25%	8.00% - 9.25%
Net property income	Rs 18m - Rs 530m	Rs 17m - Rs 479m	Rs 18m - Rs 232m	Rs 17m - Rs 206m
Gross lettable area	138,742 m^2	132,738 m^2	58,603 m^2	61,804 m^2
Market rental growth	4.50%	4.00%	4.50%	4.00%
Expense growth	4.00%	3.50%	4.00%	3.50%
Void periods	1 - 3 months	1 - 3 months	1 - 3 months	1 - 3 months
Vacancy rate	1% - 2.50%	0% - 3.50%	1% - 2.50%	1% - 3.50%

Inter-relationships between unobservable inputs

Estimated fair value would increase (decrease) if the following respective movement were to occur in isolation:

- Risk-adjusted discount rate were lower (higher)
- Reversionary rate were lower (higher)
- Net property income were higher (lower)
- Gross lettable area were higher (lower)
- Expected market rental growth were higher (lower)
- Expense growth were lower (higher)
- Void periods were shorter (longer)
- Vacancy rate were lower (higher)

However, inter-relationships exist between the unobservable inputs as they are driven by market conditions. For instance, generally a change in the input used for the net property income is accompanied by a directionally similar change in the input used for the expected market rental growth, discount rate and reversionary rate, and a directionally opposite change in the input used for expense growth, void periods and vacancy rate.

A quantitative sensitivity analysis is shown below for the discount rate and reversionary rate which are the unobservable inputs that management consider to be most significant.

	Group		Company	
	2022	2021	**2022**	2021
	0.50% increase	0.50% increase	0.50% increase	0.50% increase
Discount rate	Rs'000	Rs'000	Rs'000	Rs'000
- Decrease in fair value	(297,501)	(264,411)	(98,953)	(96,076)
	0.50% increase	0.50% increase	0.50% increase	0.50% increase
Reversionary rate				
- Decrease in fair value	(709,805)	(605,316)	(221,809)	(195,488)

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Rental income and straight lining	1,097,406	968,475	411,072	402,866
Recoveries	-	341,566	-	131,969
Direct operating expenses arising from investment properties that generate rental income	(465,070)	(381,273)	(166,021)	(142,116)

(f) Redeemable notes (Note 20(c)) are secured by floating charges on the assets of the Group and of the Company, including investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

12. INVESTMENT PROPERTY (CONT'D)

(g) Critical accounting estimates

Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Group engaged an independent valuer to determine the fair value of investment properties. Valuation was based on a discounted cash-flow model. The determined fair value of the investment property is sensitive to the risk-adjusted discount rate as well as the long term vacancy rate.

Deferred tax on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property, the Directors reviewed the Group's investment property portfolio and concluded that the Group's investment property are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the investment properties over time, rather through sale.

Therefore, in determining the Group's deferred taxation on investment property, the Directors have determined that the presumption that the carrying amounts of investment property measured using the fair value model is recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred tax on changes in fair value of investment property as the Group is not subject to any capital gain taxes on disposal of its investment property.

13. EQUIPMENT

(a) Accounting Policy

The cost of equipment is recognised as an asset 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.

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

	Years
Machinery and equipment	5
Furniture and fittings	4-5

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:
The assets' residual values and useful lives 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 equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

The Group derecognises an asset when the equipment is disposed, or when no future economic benefits are expected from use.

(b) Group

	Assets in progress	Machinery and equipment	Furniture and fittings	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	2,324	56,468	2,700	61,492
Additions	990	4,624	-	5,614
Transfer	(127)	127	-	-
Assets written-off	-	(11,986)	-	(11,986)
At 30 June 2021	3,187	49,233	2,700	55,120
Additions	838	7,202	-	8,040
Additions through business combination (note 27(a))*	-	1,630	-	1,630
Transfer	(3,187)	3,187	-	-
Assets written-off	-	(2,047)	-	(2,047)
At 30 June 2022	838	59,205	2,700	62,743
DEPRECIATION				
At 01 July 2020	-	33,533	2,239	35,772
Charge for the year	-	10,057	461	10,518
Assets written-off	-	(11,986)	-	(11,986)
At 30 June 2021	-	31,604	2,700	34,304
Charge for the year	-	8,663	-	8,663
Additions through business combination (note 27(a))*	-	573	-	573
Assets written-off	-	(2,047)	-	(2,047)
At 30 June 2022	-	38,793	2,700	41,493
NET BOOK VALUE				
At 30 June 2022	838	20,412	-	21,250
At 30 June 2021	3,187	17,629	-	20,816

Depreciation of Rs 8,663k (2021: Rs 10,518k) has been charged to administrative expenses.
Redeemable notes are secured by floating charges on the assets of the Group, including equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

13. EQUIPMENT (CONT'D)

(c) Company

	Assets in progress	Machinery and equipment	Furniture and fittings	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	-	1,655	17,463	19,118
Additions	-	-	3,448	3,448
Assets written-off	-	(1,655)	(1,994)	(3,649)
At 30 June 2021	-	-	18,917	18,917
Additions	360	-	3,864	4,224
At 30 June 2022	360	-	22,781	23,141
DEPRECIATION				
At 01 July 2020	-	1,655	8,685	10,340
Charge for the year	-	-	3,395	3,395
Assets written off	-	(1,655)	(1,994)	(3,649)
At 30 June 2021	-	-	10,086	10,086
Charge for the year	-	-	2,802	2,802
At 30 June 2022	-	-	12,888	12,888
NET BOOK VALUE				
At 30 June 2022	360	-	9,893	10,253
At 30 June 2021	-	-	8,831	8,831

Depreciation of Rs 2,802k (2021: Rs 3,395k) has been charged to administrative expenses.

(d) Critical accounting estimates and assumptions

Depreciation policies - Asset lives and residual values

Equipment is 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, 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.

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

14. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Accounting Policy

Separate financial statements of the investor

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

Consolidated financial statements

Subsidiaries are all 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 value 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.

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 the 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. 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, jointly controlled entities 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.

	Company	
	2022	2021
At 01 July	3,366,972	3,366,972
Additions through business combination (note 27)	249,708	-
At 30 June	3,616,680	3,366,972

The Company acquired an additional 50% stake in Bo'Valon Mall during the year, increasing its ownership interest from 50% to 100%. (refer to notes 15 and 27)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies of Ascencia Limited (all incorporated and operating in Mauritius) are as follows:

Name	Class of shares held	Year end	Stated capital	Proportion of ownership interest		Main business
			Rs'000	2022	2021	
Bagaprop Limited	Ordinary shares	30 June	1,252,101	100%	100%	Investment properties
Floreal Commercial Centre Limited	Ordinary shares	30 June	699,332	100%	100%	Investment properties
The Beauvallon Shopping Mall Ltd ("Bo'Valon Mall")*	Ordinary shares	30 June	208,400	100%	-	Investment properties

* The Company acquired an additional 50% stake in Bo'Valon Mall during the year, increasing its ownership interest from 50% to 100% (refer to note 14).

15. INVESTMENT IN JOINT VENTURE

Accounting policy

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

Joint venture is accounted for using the equity method. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the joint venture after the date of acquisition. The Group's share of its joint venture's post acquisition profits or losses is recognised in the Statements of Profit or Loss and its share of post acquisition movements in reserves in other comprehensive income.

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

	Group		Company	
	2022	2021	2022	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 01 July	167,744	135,753	104,200	104,200
Share of profit/(loss)	1,794	31,991	-	-
Deemed disposal (note 27)	(169,538)	-	(104,200)	-
At 30 June	-	167,744	-	104,200

(a) Details of the joint venture at the end of the reporting period are as follows:

Name	Year end	Principal activity	Country of incorporation and place of business	Proportion of interest and voting rights held	
				2022	2021
The Beauvallon Shopping Mall Ltd ("Bo'Valon Mall")	30 June	Investment properties	Mauritius	-	50%

(b) Summarised financial information

Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

Summarised statement of financial position	Bo'Valon Mall 2022	Bo'Valon Mall 2021
	Rs'000	Rs'000
Current assets	-	44,894
Non-current assets	-	845,802
Current liabilities	-	(546,241)
Non-current liabilities	-	(8,967)
Equity	-	335,488
Group's share in equity - 100% (2021 50%)	-	167,744
Goodwill	-	-
Group's carrying amount of the investment	-	167,744

The amounts of assets and liabilities include the following:	2022	2021
	Rs'000	Rs'000
Cash and cash equivalents	-	-
Current financial liabilities (excluding trade and other payables and provisions)	-	508,247
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

15. INVESTMENT IN JOINT VENTURE (CONT'D)

(b) Summarised financial information (cont'd)

Summarised statement of profit or loss and other comprehensive income	**Bo'Valon Mall**	**Bo'Valon Mall**
	2022	**2021**
	Rs'000	Rs'000
Revenue	26,430	121,449
Profit for the year/total comprehensive income for the year	3,586	63,983
The above profit for the year includes the following:		
Depreciation	67	321
Interest expense	7,644	15,789
Tax charge	-	(15,439)

In the prior year, the Company held a 50% interest in Bo'Valon Mall and accounted for the investment as a joint venture by virtue of the fact that each of the two shareholders controls exactly 50% of the voting rights and therefore exercise joint control on the company. During the year, the Company acquired the remaining 50% interest in Bo'Valon Mall, thus increasing the Company's interest to 100%. The investment has been reclassified as an investment in subsidiary.

16. TRADE RECEIVABLES

Accounting policy

Trade receivables arising from revenue from customers are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. They are initially recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. A gain or loss on trade receivables is recognised in profit or loss when it is derecognised or impaired.

Impairment of trade receivables

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. In 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. The probability of default is determined based on characteristics of the debtors including number of months of rental in arrears and the ratio of turnover to rental expense. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Trade receivables (Note 16 (a))	118,887	220,395	57,738	97,078
Less: loss allowance (Note 16 (b))	(76,271)	(176,939)	(32,622)	(77,811)
Trade receivables - net	42,616	43,456	25,116	19,267

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
(a) Ageing of trade receivables				
Less than 1 month Impairment	7,329	66,756	3,350	25,518
Loss allowance	(1,458)	(41,948)	(332)	(15,455)
	5,871	24,808	3,018	10,063
More than 1 month and less than 3 months Impairment	10,164	57,848	4,797	26,771
Loss allowance	(3,788)	(42,416)	(1,546)	(19,981)
	6,376	15,432	3,251	6,790
More than 3 months (credit-impaired) Impairment	101,394	95,791	49,591	44,789
Loss allowance	(71,025)	(92,575)	(30,744)	(42,375)
	30,369	3,216	18,847	2,414
	42,616	43,456	25,116	19,267

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

16. TRADE RECEIVABLES (CONT'D)

(a) Ageing of trade receivables

Expected credit losses on trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the default profiles of balances pertaining to different aged buckets. Management also applies specific provisions on balances where it is aware that the tenant is in financial difficulty. Management also considers macro-economic factors on the historical loss rates and believes that GDP is the variable that may have the most significant impact on expected credit losses. As at 30 June 2022, the outlook for GDP is positive. However, management is of the view that any adjustment to reflect changes in macro-economic variables would not be material given the short-term nature of the Group's trade receivables and the fact that many of the unimpaired balances are covered by security deposits.

On that basis, the loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows.

Group

	Less than 1 month	1 - 3 months	More than 3 months	Total
At 30 June 2022	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
- Trade receivables	7,329	10,164	101,394	118,887
	7,329	10,164	101,394	118,887
Loss rate	20%	37%	70%	
Loss allowance	1,458	3,788	71,025	76,271
At 30 June 2021				
Gross carrying amount				
- Trade receivables	66,756	57,848	95,791	220,395
- Provision for COVID-19	(30,959)	(21,228)	(40,120)	(92,307)
	35,797	36,620	55,671	128,088
Loss rate	31%	58%	94%	
Loss allowance	10,989	21,188	52,455	84,632

Company

	Less than 1 month	1 - 3 months	More than 3 months	Total
At 30 June 2022	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
- Trade receivables	3,350	4,797	49,591	57,738
	3,350	4,797	49,591	57,738

Company

	Less than 1 month	1 - 3 months	More than 3 months	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Loss rate	10%	32%	62%	
Loss allowance	332	1,546	30,744	32,622
At 30 June 2021				
Gross carrying amount				
- Trade receivables	25,518	26,771	44,789	97,078
- Provision for COVID-19	(7,759)	(8,140)	(13,619)	(29,518)
	17,759	18,631	31,170	67,560
Loss rate	43%	64%	92%	
Loss allowance	7,696	11,841	28,756	48,293

Movements on loss allowance are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 1 July,	176,939	218,117	77,811	93,675
Additions through business combination	15,269	-	-	-
Charge for the year	13,620	126,111	9,036	45,786
Reversal of over provision	(8,877)	-	(23,575)	-
Write-offs against COVID-19 provision	(108,848)	(150,029)	(27,416)	(54,517)
Other write-offs	(11,832)	(17,260)	(3,234)	(7,133)
At 30 June,	76,271	176,939	32,622	77,811

The above loss allowance is equal to the lifetime expected credit losses.
Following removal of all sanitary restrictions during the year and trading back to pre-COVID level which resulted in improved collection rate and reduced provision for bad debts and reversal of COVID-19 provision.

(c) Critical accounting estimates and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

17. FINANCIAL ASSETS AT AMORTISED COST

Accounting policy

Financial assets at amortised costs include those assets held with a view of collecting contractual cash flows which are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method less any provision from impairment.

Financial assets at amortised costs, including loans receivable, generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. Financial assets at amortised costs are current and repayable within the next financial year.

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

The Group manages its financial assets at amortised cost by considering the purpose of their advances, the financial position and forecasted cash flows of the counterparties.

The Group recognises an allowance for expected credit losses ("ECLs") on receivables classified as financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

Loss allowances are measured using 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

A financial asset at amortised costs is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets at amortised costs written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in the Statements of Profit or Loss.

The Group has assessed the counterparties' ability to pay their debt as they become due in the normal course of business and/or in any adverse economic and business conditions. The probability of default in respect of these financial assets are negligible as are considered to have a low credit risk given that these are intercompany balances. Group has not accounted for any impairment loss as deemed immaterial.

Derecognition

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

- The rights to receive cash flows from the asset have expired

Or

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Short-term deposit with intermediate holding company	**434,431**	453,431	**434,431**	453,431
Amount receivable from subsidiary company	**-**	-	**489,820**	-
Short-term loan to joint venture	**-**	155,000	**-**	155,000
Amount receivable from joint venture	**-**	644	**-**	601
Short-term loan to subsidiary company	**-**	-	**2,562,816**	100,000
Amount receivable from subsidiary company	**-**	-	**-**	191
	434,431	609,075	**3,487,067**	709,223

The short-term deposit with the intermediate holding company is unsecured, interest-bearing and repayable at call.
The short-term loans to the joint venture and subsidiary are unsecured, interest-bearing and repayable at call.
The carrying amount of financial assets at amortised cost approximate their fair values.

18. OTHER ASSETS

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Prepayments	**11,914**	28,047	**6,173**	27,071
Other receivables	**112,195**	75,833	**66,279**	51,826
	124,109	103,880	**72,452**	78,897

Other receivables include principally an amount receivable on sale of a plot of land, advance deposits with authorities, small equipment and other sundry receivables.

19. STATED CAPITAL

Accounting policy

Ordinary shares are classified as equity.

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

	Authorised and Issued number of shares		Issued and fully paid	
	2022	2021	**2022**	2021
			Rs' 000	Rs' 000
At 30 June	**487,314,989**	487,314,989	**4,460,068**	4,460,068

Ordinary shares carry one vote per share, carry a right to dividends and have no par value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

20. BORROWINGS

Accounting policy

Financial liabilities are initially recognised at fair value minus transaction costs for financial liabilities not subsequently measured at fair value through profit or loss. Interest-bearing bank loans and overdrafts are subsequently measured at amortised cost and finance costs are calculated using the effective interest method.

Borrowings are classified as 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.

	Group		Company	
	2022	2021	**2022**	2021
Non-Current	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Bank loans (note (a))	-	4,264,084	-	1,805,929
Debentures (note (b))	115,874	158,010	115,874	158,010
Bonds (note (c))	1,475,930	1,500,000	1,475,930	1,500,000
Redeemable Notes (note (d))	4,740,960	-	4,740,960	-
Total non-current	6,332,764	5,922,094	6,332,764	3,463,939
Current				
Bank loans (note (a))	-	170,386	-	59,525
Debentures (note (b))	42,136	31,602	42,136	31,602
Total current	42,136	201,988	42,136	91,127
Total	6,374,900	6,124,082	6,374,900	3,555,066

Group

2022	Bank loans	Redeemable notes	Debentures	Bonds	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	4,434,470	-	189,612	1,500,000	6,124,082
Additions through business combination (note 27)	175,000	-	-	-	175,000
Transaction costs	-	-	-	(26,554)	(26,554)
Repayment of loans	(4,609,470)	-	-	-	(4,609,470)
Interest expense	-	-	-	2,484	2,484
Redemption of debentures	-	-	(31,602)	-	(31,602)
Proceeds from notes	-	4,740,960	-	-	4,740,960
At 30 June,	-	4,740,960	158,010	1,475,930	6,374,900

Group

2021	Bank loans	Redeemable notes	Debentures	Bonds	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	4,470,673	-	210,680	-	4,681,353
Repayment of loans	(36,203)	-	-	-	(36,203)
Redemption of debentures	-	-	(21,068)	-	(21,068)
Proceeds from bonds	-	-	-	1,500,000	1,500,000
At 30 June,	4,434,470	-	189,612	1,500,000	6,124,082

Company

2022	Bank loans	Redeemable notes	Debentures	Bonds	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	1,865,454	-	189,612	1,500,000	3,555,066
Transaction costs	-	-	-	(26,554)	(26,554)
Repayment of loans	(1,865,454)	-	-	-	(1,865,454)
Interest expense	-	-	-	2,484	2,484
Redemption of debentures	-	-	(31,602)	-	(31,602)
Proceeds from notes	-	4,740,960	-	-	4,740,960
At 30 June,	-	4,740,960	158,010	1,475,930	6,374,900

2021	Bank loans	Redeemable notes	Debentures	Bonds	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	1,866,141	-	210,680	-	2,076,821
Repayment of loans	(687)	-	-	-	(687)
Redemption of debentures	-	-	(21,068)	-	(21,068)
Proceeds from bonds	-	-	-	1,500,000	1,500,000
At 30 June,	1,865,454	-	189,612	1,500,000	3,555,066

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

20. BORROWINGS (CONT'D)

(a) Bank loans

The bank loans were secured by floating charges over assets of the Group. The rates of interest on these loans vary between 4.25% and 4.50% (2021: between 3.85% and 4.25%).

(b) Debentures

In the financial year 2016, the Company issued 17,556,676 redeemable debentures at an issue price of Rs 12.00 each, totalling Rs 210,680,112.

Salient features of the debentures are as follows:

- A coupon rate of 6.0% per annum in respect of each financial year over 10 consecutive years, will be paid to debenture-holders out of the profits of the Company. This will be paid in priority to dividends payable to Class A ordinary shareholders and preference shareholders. Coupon payment shall be paid in June of each financial year.
- Debenture-holders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.
- Debentures shall be redeemed automatically on the 30th June of every financial year over 5 consecutive years starting 30 June 2021, without paying any additional fee.

(c) Bonds

In financial year 2021, the Company has issued 1,500 bonds at a nominal issue price of Rs 1m per bond, amounting to Rs 1.5 bn (2021: 1.5 bn) out of an approved bond programme of Rs 2.5bn.

Salient features of the bonds are as follows:

- The blended interest rate is 4.05% and interest is paid bi-annually.
- Bondholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.
- The average tenor of the bonds in issue is 11.8 years and will be redeemed in bullet at maturity.

(d) Redeemable notes

During the year, the Company has issued 4,760 notes at a nominal issue price of Rs 1m per note and total amounting to Rs 4.76 bn.

Salient features of the notes are as follows:

- The blended interest rate is 3.82% and interest is paid bi-annually. The interest rate also vary according to the loan rating.
- Noteholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.
- The notes can be redeemed by the issuer at anytime after the 5th anniversary.
- The average tenor of the notes in issue is 9.3 years and will be redeemed in bullet at maturity.

The maturity of non-current borrowings is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Between 1 and 2 years	52,670	353,784	52,670	166,398
Between 2 and 5 years	653,204	1,230,474	653,204	568,309
Greater than 5 years	5,626,890	4,337,836	5,626,890	2,729,232
	6,332,764	5,922,094	6,332,764	3,463,939

The carrying amounts of borrowings are not materially different from their fair values.

21. DEFERRED TAX LIABILITIES

Accounting policy

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

Current tax

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

Deferred tax is calculated on all temporary differences under the liability method at 17% (2021: 17%).

Deferred tax

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Corporate Social Responsibility (CSR)

Every Mauritian company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and the Group should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and CSR is classified as taxation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

21. DEFERRED TAX LIABILITIES (CONT'D)

(a) 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.

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Deferred tax liabilities	560,973	518,155	222,283	227,386
Deferred tax assets	(18,875)	(34,835)	(6,713)	(14,412)
	542,098	483,320	215,570	212,974

At the end of the reporting period, a subsidiary of the Group had unused tax losses of Rs 22m (2021: Rs 16.3m), available for offset against future profits of that subsidiary. A deferred tax asset has been recognised in respect of Rs 3.7m (2021: Rs 2.8m) for such losses. The tax losses expire on a rolling basis over 5 years.

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

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
At 1 July	483,320	406,994	212,974	181,792
Acquired through business combination (Note 27)	8,967	-	-	-
Charged to profit or loss (Note 10(a))	49,811	76,326	2,595	31,182
At 30 June	542,098	483,320	215,569	212,974

(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:

Group

(i) Deferred tax liabilities	Accelerated tax depreciation	Total
	Rs'000	Rs'000
At 1 July 2020	449,933	449,933
Charged to profit or loss	68,222	68,222
At 30 June 2021	518,155	518,155
Acquired through business combination (Note 27)	15,629	15,629
Charged to profit or loss	27,189	27,189
At 30 June 2022	560,973	560,973

Group

(ii) Deferred tax assets	Tax losses	Provisions	Total
	Rs'000	Rs'000	Rs'000
At 1 July 2020	(3,869)	(39,070)	(42,939)
Charged to profit or loss	1,104	7,000	8,104
At 30 June 2021	(2,765)	(32,070)	(34,835)
Acquired through business combination (Note 27)	(4,498)	(2,164)	(6,662)
Charged to profit or loss	3,523	19,099	22,622
At 30 June 2022	(3,740)	(15,135)	(18,875)

Company

(iii) Deferred tax liabilities	Accelerated tax depreciation	Total
	Rs'000	Rs'000
At 1 July 2020	198,901	198,901
Charged to profit or loss (Note 10)	28,485	28,485
At 30 June 2021	227,386	227,386
Charged to profit or loss (Note 10)	(5,103)	(5,103)
At 30 June 2022	222,283	222,283

(iv) Deferred tax assets	Provisions	Total
	Rs'000	Rs'000
At 1 July 2020	(17,109)	(17,109)
Charged to profit or loss (Note 10)	2,697	2,697
At 30 June 2021	(14,412)	(14,412)
Charged to profit or loss (Note 10)	7,698	7,698
At 30 June 2022	(6,714)	(6,714)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

22. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost using the effective interest method.

Deposits are initially measured at fair value equal to principal amount and subsequently carried at nominal value. Deposits are taken as security on leases and held throughout the term of the lease with no interest. The deposits are refunded only if the lessee has fully performed and observed all conditions set out in their lease agreement. Should conditions not be complied with, the Group can prevail the deposits to its benefit.

The below listed items are all included as part of financial liabilities.

	Group		Company	
	2022	2021	**2022**	2021
Current	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Trade payables	11,519	5,652	7,001	916
Accrued expenses	81,208	63,182	40,721	30,764
Project costs payable	137,199	68,668	18,426	41,563
Deposits	167,521	143,921	75,078	68,174
Other payables	15,342	33,056	4,715	14,350
	412,789	314,479	145,941	155,767

Project costs payable relate to amounts payable on construction projects and maintenance of malls. Other payables include principally VAT and tax deducted at source payable.

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

23. AMOUNT PAYABLE TO RELATED COMPANIES

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Amount payable to subsidiary companies	-	-	375,332	375,332
Amount payable to other related companies	-	4,122	-	4,122
	-	4,122	375,332	379,454

Please refer to Note 28 of financial statements.
The carrying amounts of payables to related companies approximate their fair values.
The amount payable to related companies is unsecured, interest-free and is repayable within one year.

24. DIVIDEND PAYABLE

Accounting policy

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

	Group		Company	
	2022	2021	**2022**	2021
Amounts recognised as distributions to equity holders:	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Declared and paid interim dividend of Rs 0.37 per share (2021: Rs 0.17 per share)	180,307	82,844	180,307	82,844
Declared and final dividend payable of Rs 0.53 per share (2021: Rs 0.47 per share)	258,277	229,038	258,277	229,038
Total dividends declared	438,584	311,882	438,584	311,882

25. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents include cash in hand and at bank, and deposits with original maturities of three months or less.

(a) Cash and cash equivalents include the following:

	Group		Company	
	2022	2021	**2022**	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Cash and bank balances	718,731	872,120	527,917	725,886
Investment in treasury bill	99,713	199,796	99,713	199,796
	818,444	1,071,916	627,630	925,682

The cash and cash equivalents are held with banks and financial institution counterparties, which are rated Baa2 to Ba1, based on Moody's ratings. The Group considers that its cash at bank have negligible credit risk based on the external credit ratings of the counterparties. The resulting expected credit loss is considered as immaterial.

The carrying amount of cash and cash equivalents approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

25. CASH AND CASH EQUIVALENTS (CONT'D)

Accounting policy (cont'd)

(b) The principal non-cash transactions are as follows:

	Group		Company	
	2022	2021	2022	2021
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
(i) Deemed consideration	169,538	-	-	-
(ii) Accruals for construction costs	137,199	68,668	18,426	41,563

(c) Reconciliation of liabilities arising from financing activities:

Group

		Proceeds received	Payments	Non-cash changes	
	2021	2022	2022	2022	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank loans	4,434,470	-	(4,434,470)	-	-
Redeemable notes	-	4,740,960	-	-	4,740,960
Debentures	189,612	-	(31,602)	-	158,010
Bonds	1,500,000	-	-	(24,070)	1,475,930
Dividends	229,038	-	(409,345)	438,584	258,277
	6,353,120	4,740,960	(4,875,417)	414,514	6,633,177

	2020	2021	2021	2021	2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank loans	4,470,673	-	(36,203)	-	4,434,470
Debentures	210,680	-	(21,068)	-	189,612
Bonds	-	1,500,000	-	-	1,500,000
Dividends	77,970	-	(160,814)	311,882	229,038
	4,759,323	1,500,000	(218,085)	311,882	6,353,120

Company

		Proceeds received	Payments	Non-cash changes	
	2021	2022	2022	2022	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank loans	1,865,454	-	(1,865,454)	-	-
Redeemable notes	-	4,740,960	-	-	4,740,960
Debentures	189,612	-	(31,602)	-	158,010
Bonds	1,500,000	-	-	-	1,500,000
Dividends	229,038	-	(409,345)	438,584	258,277
	3,784,104	4,740,960	(2,306,401)	438,584	6,657,247

	2020	2021	2021	2021	2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank loans	1,866,141	-	(687)	-	1,865,454
Debentures	210,680	-	(21,068)	-	189,612
Bonds	-	1,500,000	-	-	1,500,000
Dividends	77,970	-	(160,814)	311,882	229,038
	2,154,791	1,500,000	(182,569)	311,882	3,784,104

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

Accounting policy

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

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

Accounting policy (cont'd)

(a) As at 30 June 2022, the Group disposed of the remaining investment property held at Group and Company level for a loss of Rs 1.0m.

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

	Group		Company	
	2022	2021	**2022**	2021
Revenue	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Expenses	1,428	1,690	1,428	1,690
Profit before tax and fair value of discontinued operations	(620)	(1,679)	(620)	(1,679)
Profit before tax of discontinued operations	808	11	808	11
Tax charge	-	-	-	-
Profit for the year from discontinued operations	808	11	808	11
(c)				
Cashflow from operations	492	1,491	492	1,491
Total cash flows	492	1,491	492	1,491
(d) Non-current assets classified as held for sale				
Non-current assets				
Investment property	-	19,000	-	19,000
	-	19,000	-	19,000
Current assets				
Trade and other receivables	-	54	-	54
	-	54	-	54
Non-current assets classified as held for sale	-	19,054	-	19,054
(e) Liabilities directly associated with non-current assets classified as held for sale				
Trade and other payables	-	370	-	370

27. BUSINESS COMBINATION

Acquisition of additional interest in The Beau Vallon Shopping Mall Ltd, the subsidiary company

At 30 June 2021, the Group held 50% of the share capital and voting rights of The Beau Vallon Shopping Mall Ltd ("BVM"), the holding company of the property BVM. On 12 October 2021, the Group acquired the remaining 50% of the share capital and voting rights of BVM, thus increasing Ascencia's holding in BVM to 100%, thereby obtaining control in line with the growth strategy of the Group. The consideration paid was Rs 145.5m settled in cash. The seller is EnAtt Ltd, a private company incorporated in Mauritius which share the same ultimate beneficial ownership, being ENL Limited and has opted to account for the acquisition as a common control transaction under IFRS 3.

Critical accounting estimates and judgements

In accounting for the acquisition of BVM, which meets the definition of business combination under common control, the Group has elected to apply the acquisition method set out in IFRS 3. In making this policy choice, the Group has determined that the transaction has substance for the combining parties since there has been an actual cash outflow and the new structure results in the NCI of the Ascencia group having a bigger proportion in BVM.

The transaction has resulted in the recognition of a loss in profit or loss as follows:	**2022**
	Rs' 000
Fair value of interest held before the business combination	169,538
Less: carrying value of equity interest held before business combination	(169,538)
Loss on remeasurement of joint venture to subsidiary	-

The following table summarises the purchase consideration and the fair value of identifiable amounts of the assets acquired and liabilities assumed at the acquisition date:

	Group
	2022
Consideration:	Rs' 000
Consideration paid in cash	145,508
Fair value of previous stake	169,538
Total consideration	315,046
Fair value of net assets acquired	(339,076)
Gain on bargain purchase	(24,030)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

27. BUSINESS COMBINATION (CONT'D)

Acquisition of additional interest in The Beau Vallon Shopping Mall Ltd Limited, the subsidiary company (cont'd)

	Group
	2022
	Rs' 000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	(64,763)
Equipment	1,057
Investment property	843,586
Deferred tax assets	6,662
Trade and other receivables	25,144
Amount due to related party	(259,200)
Borrowings	(175,000)
Deferred tax liabilities	(15,629)
Current liabilities	(22,781)
Fair value of net assets acquired	339,076
Net cash outflow on acquisition of subsidiary	
Consideration paid in cash	145,508
Add: Net bank overdraft balances acquired	64,763
	210,271

At the time of BVM transaction between Enatt and Ascencia, the latter also incurred cost of Rs 41.3m, representing a settlement fee to a third party. This fee is not considered to be part of the business combination and has been therefore expensed in the statement of profit or loss.

28. RELATED PARTY TRANSACTIONS AND BALANCES

Accounting policy

Parties are considered to be related to the Group if they have the ability to, directly and indirectly, control the Group or exercise significant influence over the Group's financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Goods and services are sold at market related prices in force and terms that would be available to third parties.

Note 1, Note 14 and Note 15 provide details of the Group's holding company, ultimate holding company, subsidiaries and joint venture.

During the year, the Group transacted with related parties. Transactions which are not dealt with elsewhere in the financial statements are as follows:

		Group		Company	
Transactions	Relationship	**2022**	2021	**2022**	2021
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
Management and Secretarial Fees					
- Rogers and Company Limited	Intermediate holding company	(30,254)	(40,792)	(30,243)	(40,458)
- EnAtt Ltd	Fellow subsidiary	(144,529)	(109,855)	(64,813)	(44,175)
Directors fees					
- Key management personnel	Directors	2,335	1,862	2,335	1,862
Interest Income					
- Rogers and Company Limited	Intermediate holding company	6,801	2,477	6,801	4,389
- The Beauvallon Shopping Mall Ltd	Subsidiary (note 1)	-	5,425	4,001	5,425
- ENL Property Limited	Entity with significant influence over the Company	-	390	-	390
- Bagaprop Limited	Subsidiary	-	-	2,210	247
- Rogers Capital Technology Service Ltd		170	-	170	-
- Velogic Holding Company Limited		312	-	312	-
Purchases of share in The Beauvallon Shopping Mall Ltd					
- EnAtt Ltd (Note 27)	Fellow subsidiary	145,508	-	145,508	-
Other expenses					
- Bagaprop Limited	Subsidiary	-	-	-	(748)
- EnAtt Ltd	Fellow subsidiary	(48,788)	(44,338)	(17,441)	(17,814)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2022

28. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

Accounting policy (cont'd)

	Relationship	Group 2022 Rs' 000	Group 2021 Rs' 000	Company 2022 Rs' 000	Company 2021 Rs' 000
Balances					
Dividend payable to					
- Foresite Property Holding Limited	Holding company	(93,341)	(82,774)	(93,341)	(82,774)
- ENL Property Limited	Entity with significant influence over the Company	(64,208)	(56,939)	(64,208)	(56,939)
Amount payable to					
- Floreal Commercial Centre Limited	Subsidiary	-	-	(375,332)	(375,332)
- Rogers and Company Limited	Intermediate holding company	-	(4,122)	-	(4,122)
- Bagatelle Hotel Operations Co Limited	Fellow subsidiary	(1,524)	-	(1,524)	-
Short-term deposit					
- Bagaprop Limited	Subsidiary	-	-	2,219,000	-
- Floreal Commercial Centre Limited	Subsidiary	-	-	343,816	-
- Rogers and Company Limited	Intermediate holding company	435,321	453,431	435,321	453,431
Amount receivable from					
- The Beauvallon Shopping Mall Ltd	Subsidiary (note 1)	-	155,644	490,803	155,601
- Bagaprop Limited	Subsidiary	-	-	9	100,191

Note 1: In prior year, The Beauvallon Shopping Mall Ltd was considered a joint venture and following acquisition of remaining stake during the year, it is now classified as subsidiary.

Amounts receivable from and payable to the subsidiaries and the joint venture do not have fixed repayment terms, security or guarantee. All other transactions have been made on commercial terms and in the normal course of business.

There has been no guarantee provided or received for any related party receivables or payables. For the year ended 30 June 2022, the Group has not recorded any impairment of amounts receivable relating to amounts owed by related parties (2021: Nil).

Outstanding balances at year end are unsecured and settlement occurs in cash. The Group has performed an impairment assessment by considering historical repayment patterns and the future cash flow forecasts covering the contractual period of amounts receivable from related parties. The Group does not expect any default from them and is certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is considered negligible and the Group has not accounted for any impairment loss.

29. CONTINGENT LIABILITIES

Bank guarantees

At 30 June 2022, the Group has provided a bank guarantee of Rs 100m in favour of a third party with regards to a development under progress. The Group had no contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that a material liability would arise. The Group has not given guarantees to third parties in the ordinary course of business (2021 : Nil).

Legal claims

The Group is not and has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) in the past 12 months which may have or have had a significant effect on the financial position of the Group.

30. CAPITAL COMMITMENTS

The Group entered into contractual commitments amounting to Rs 262m (2021: Rs 502m) for the development and extension of investment properties.

31. EVENTS AFTER THE REPORTING DATE

Amalgamation

On 1 July 2022, the Company has amalgamated with its fully owned subsidiary companies, namely Bagaprop Ltd, Floreal Commercial Centre Limited and The Beau Vallon Shopping Mall Ltd with the surviving company being Ascencia Limited.

32. SEGMENTAL REPORTING

The Group has no significant reporting segment separate from income from rental of investment properties. All operations are based in Mauritius and the Group's customer base is diversified with no individually significant customer.

GRI DISCLOSURES

Ascencia has prepared its Integrated Annual Report in accordance with the Global Reporting Initiative Standards (GRI): Core option.
The GRI is an international independent standards organisation helping businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption through guidelines. Its framework for sustainability reporting helps companies identify, gather and report information in a clear and comparable manner. The report also shows how our activities have contributed towards the Sustainability Development Goals (SDGs) : a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all".

The table below shows in detail how we complied with the GRI standards and how these actions were linked towards contribution to the SDGs.

GRI General Disclosures	Disclosures	Ascencia IR Section	Link to SDGs	Page Number
GRI 102- General Disclosures 2016	1. Organisational Profile			
	102-1 Name of the organisation	Front cover		Pg 1
	102-2 Activities, brands, products, and services	Our journey of resilience		Pg 12-13
	102-3 Location of headquarters	Back cover		
	102-4 Location of operations	Our journey of resilience		Pg 12-13
	102-5 Ownership and legal form	Corporate Governance Report		Pg 56-83
	102-6 Market served	Our journey of resilience		Pg 12-13
	102-7 Scale of the organisation	Statutory disclosures		Pg 104-167
	102-8 Information on employees and other workers	Human capital	8,10	Pg 30-31
	102-10 Significant changes to the organisation and its supply chain	Chairman's message CEO's message		Pg 20-21 Pg 22-25
	102-11 Precautionary Principle or approach	Risk Management Report		Pg 84-103
	102-12 External initiative	Social and Relationship capital Natural capital		Pg 32-35 Pg 40-45
	2. Strategy			
	102-14 Statement from senior decision-maker	Chairman's message CEO's message		Pg 20-21 Pg 22-25
	102-15 Key impacts, risks and opportunities	Risk Management Report		Pg 84-103
	3. Ethics and Integrity			
	102-16 Values, principles, standards, and norms of behaviours	Available on Ascencia's website (Code of Ethics) https://ascenciacorporate.com/	16	
	102-17 Mechanisms for advice and concerns about ethics	Available on Ascencia's website (Code of Ethics) https://ascenciacorporate.com/	16	

GRI General Disclosures	Disclosures	Ascencia IR Section	Link to SDGs	Page Number
GRI 102- General Disclosures 2016	4. Governance			
	102-18 Governance structure	Corporate Governance Report		Pg 56-83
	102-19 Delegating authority	Corporate Governance Report		Pg 56-83
	102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance Report		Pg 56-83
	102-21 Consulting stakeholders on economic, enviromental, and social topics	Corporate Governance Report	16	Pg 56-83
	102-22 Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Report	5,16	Pg 56-83
	102-23 Chair of the highest governance body	Corporate Governance Report	16	Pg 56-83
	102-24 Nominating and selecting the highest governance body	Corporate Governance Report	5,16	Pg 56-83
	102-27 Collective knowledge of highest governance body	Corporate Governance Report		Pg 56-83
	102-28 Evaluating the highest governance body's performance	Corporate Governance Report		Pg 56-83
	102-29 Identifying and managing economic, environmental, and social impacts	Risk Management Report	16	Pg 84-103
	102-30 Effectiveness of risk management processes	Risk Management Report		Pg 84-103
	102-35 Remuneration policies	Corporate Governance Report		Pg 56-83
	102-36 Process for determining remuneration	Available on Ascencia's website (Board Committees Charters) https://ascenciacorporate.com/		
	5. Stakeholder engagement			
	102-42 Identifying and selecting stakeholders	Corporate Governance Report		Pg 56-83
	102-43 Approach to stakeholder engagement	Corporate Governance Report		Pg 56-83
	102-44 Key topics and concerns raised	Risk Management Report		Pg 84-103
	6. Reporting practices			
	102-45 Entities included in the consolidated financial statements	Statutory disclosures		Pg 104-167
	102-46 Defining report content and topic Boundaries	Our reporting suite		Pg 4-5
	102-47 List of material topics	Corporate Governance Report		Pg 56-83
	102-48 Restatements of information	Statutory disclosures		Pg 104-167
	102-49 Changes in reporting	Not applicable - first year of reporting on GRI material topics		

GRI General Disclosures	Disclosures		Ascencia IR Section	Link to SDGs	Page Number
GRI 102- General Disclosures 2016	6. Reporting practices				
	102-50	Reporting period	Dear shareholders		Pg 2-3
	102-51	Date of most recent report	Information available on Ascencia's website- https://ascenciacorporate.com/		
	102-52	Reporting cycle	Statutory disclosures		Pg 104-167
	102-53	Contact point for questions regarding the report	Information available on Ascencia's website- https://ascenciacorporate.com/		
	102-54	Claims of reporting in accordance with the GRI Standards	Our reporting suite		Pg 4-5
	102-56	External assurance	Statutory disclosures - Independent Auditor's Report		Pg 104-167
GRI 103- Management Approach 2016					
	103-1	Explanation of Material Topics and Boundaries	Corporate Governance Report		Pg 56-83
	103-2	The management approach and its components	Chairman's message		Pg 20-21
			CEO's message		Pg 22-25
			The 6 capitals		Pg 28-53
			Statutory disclosures		Pg 104-167
			Independent Auditor's Report		Pg 109-114
GRI 201- Economic Performance 2016					
	201-1	Direct economic value generated and distributed	Financial capital	8,9	Pg 50-53
			Statutory disclosures		Pg 104-167
			Manufactured capital		Pg 46-49
	201-2	Financial implications and other risks and opportunities due to climate change	Risk Management Report	13	Pg 84-103
GRI 302- Energy 2016					
	302-1	Energy consumption within the organization	Natural capital	7,8,12,13	Pg 40-45
	302-2	Energy consumption outside of the organization	Not applicable: boundaries outside not yet defined	7,8,12,13	
	302-4	Reduction of energy consumption	Natural capital	7,8,12,13	Pg 40-45
	302-5	Reduction in energy requirements of products and services	Natural capital	7,8,12,13	Pg 40-45

GRI General Disclosures	Disclosures		Ascencia IR Section	Link to SDGs	Page Number
GRI 306- Waste	306-1	Waste generation and significant waste-related impacts	Natural capital Intellectual capital	3,12,13	Pg 40-45 Pg 36-39
	306-2	Management of significant waste-related impacts	Natural capital	3,12,13	Pg 40-45
	306-3	Waste generated	Natural capital	3,12,13	Pg 40-45
	306-4	Waste diverted from disposal	Natural capital	3,12,13	Pg 40-45
	306-5	Waste directed to disposal	Natural capital	3,12,13	Pg 40-45
GRI 403- Occupational Health & Safety 2018	401-1	New employee hires and employee turnover	Human capital	3,5,8,10	Pg 30-31
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human capital	3,5,8,10	Pg 30-31
GRI 403- Occupational Health & Safety 2018	403-1	Occupational health and safety management system	Risk Management Report	3,8,16	Pg 84-103
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human capital	3,8,16	Pg 30-31
	403-5	Worker training on occupational health and safety	Human capital	3,8,16	Pg 30-31
	403-6	Promotion of worker health	Human capital	3,8,16	Pg 30-31
	403-10	Work-related ill health	Human capital	3,8,16	Pg 30-31
GRI 404- Training & Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Human capital Intellectual capital	4,5,8,10	Pg 30-31 Pg 36-39
	404-2	Programs for upgrading employee skills and transition assistance programs	Human capital, Intellectual capital	4,5,8,10	Pg 30-31 Pg 36-39
GRI 405- Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	Human capital Corporate Governance Report	5,8,10	Pg 30-31 Pg 56-83
	405-2	Ratio of basic salary and remuneration of women to men	Information not available	5,8,10	
GRI 406- Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Information not available	5,8	
GRI 413- Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social & Relationship capital	1,2,4,5,10,11	Pg 32-35
	413-2	Operations with significant actual or potential negative impacts on local communities	Information not available	1,2,4,5,10,11	


SUSTAINABLE DEVELOPMENT GOALS
1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

NOTES

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