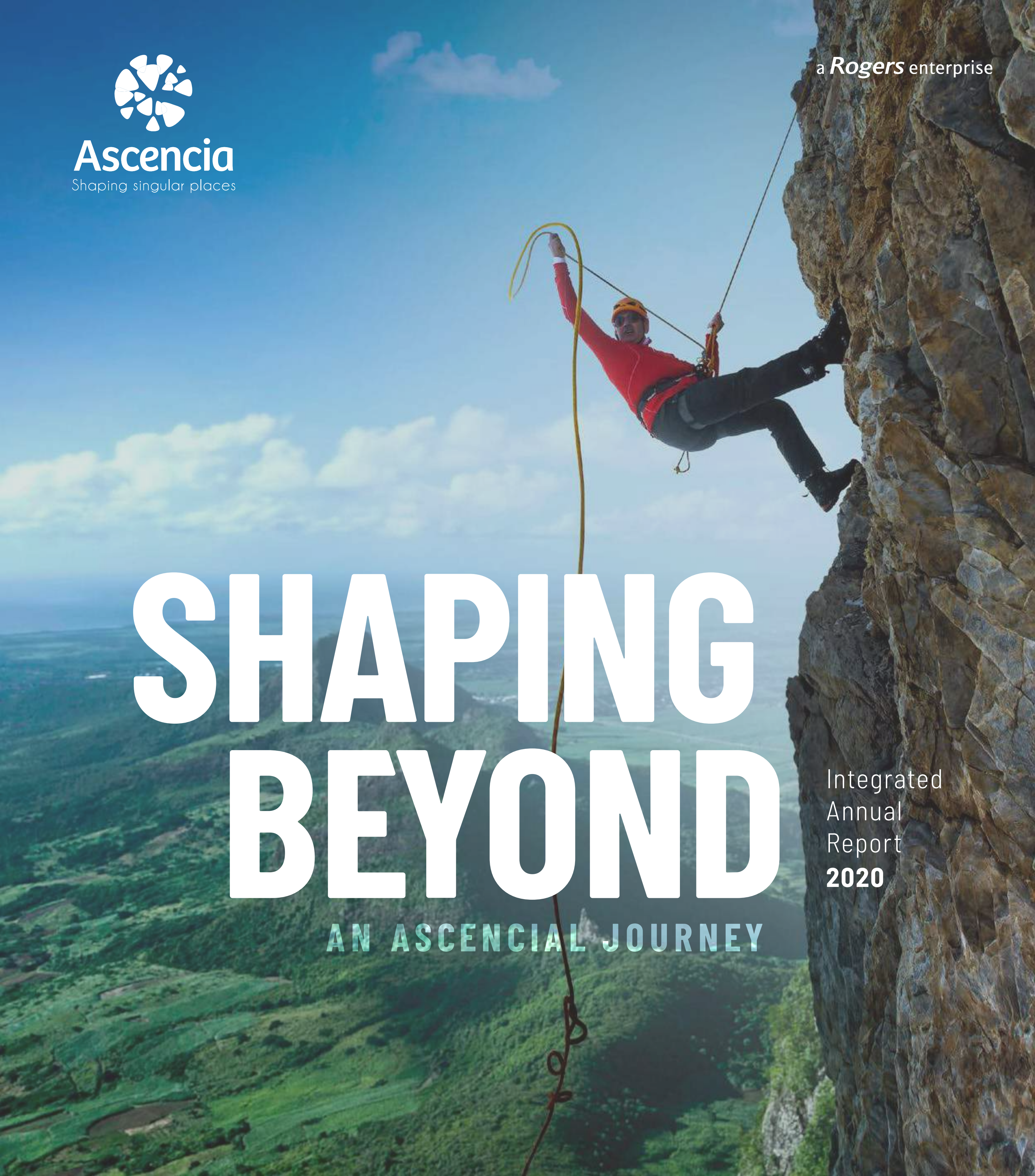


Ascencia
Shaping singular places

a Rogers enterprise

SHAPING BEYOND

AN ASCENCIAL JOURNEY

Integrated Annual Report **2020**

Dear Shareholders,

The Board of Directors is pleased to present the Integrated Annual Report of the Ascencia Group for the financial year ended 30 June 2020.

This report was approved by the Board on 12 November 2020.

Philippe Espitalier-Noël
Chairman

Frédéric Tyack
Chief Executive Officer

OUR REPORTING SUITE

For our Integrated Annual Report 2020, we are proud to present to our stakeholders our corporate reporting suite, hoping that it will enhance the understanding of the Ascencia Group.

INTEGRATED ANNUAL REPORT

Integrated Annual Report in terms of six capitals which aim to facilitate overall understanding of the Group by our stakeholders.

RISK MANAGEMENT REPORT

A detailed Integrated Risk Management Framework and an analysis of the Group's strategic, financial, operational, and compliance risks.

CORPORATE GOVERNANCE REPORT

Corporate Governance structures, committees and 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.

Towards Integrated Reporting

We are pleased to present the IAR 2020 of the Ascencia Group. This report was developed to communicate with the providers of financial capital while taking into consideration the needs of all our stakeholders.

Forward-Looking Statements

This report may contain forward-looking statements. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', '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 judgements and future expectations, a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from our expectations.

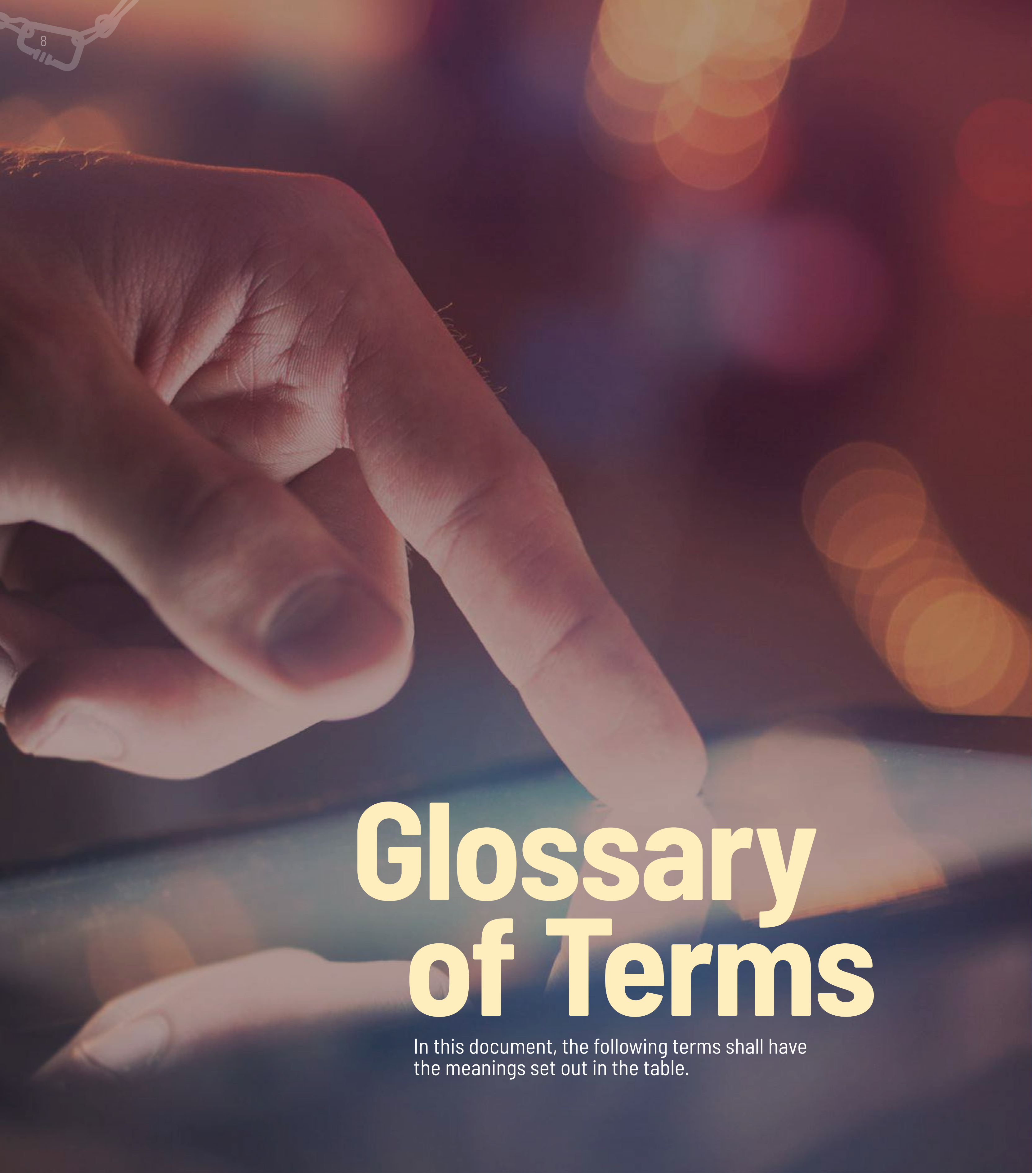
Feedback

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

Board Responsibility Statement

The Board of Directors of Ascencia acknowledges its responsibility to ensure the integrity of the integrated report. The Board has accordingly applied its collective mind and, in its opinion, this integrated report addresses all material matters, offers a balanced view of its strategy, and how it relates to the organisation's ability to create value in the short, medium, and long term. The report adequately deals with the use of and effects on the capitals and the manner in which the availability of these capitals is impacting on Ascencia's strategy and business model. This report has been prepared in accordance with the IIRC's integrated reporting framework.

REPORT MAP



Glossary of Terms

In this document, the following terms shall have the meanings set out in the table.

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 Limited, a public company incorporated in Mauritius, bearing business registration number C07072304
Bagaprop	Bagaprop Ltd, a public company incorporated in Mauritius, bearing business registration number C10094368
Board	The Board of Directors of Ascencia
Bo'Valon Mall	The Beauvallon Shopping Mall Ltd
CDS	Central Depository & Settlement Co. Ltd
CEO	Chief Executive Officer
CGC	Corporate Governance Committee
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
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 DEM
ENLP	ENL Property Ltd, a private company incorporated in Mauritius, bearing business registration number C10093455
EPS	Earnings per Share
FAQ	Frequently Asked Questions
FCCL	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
FY	Financial Year
GLA	Gross Lettable Area
GDP	Gross Domestic Product
GOB	The Gardens of Bagatelle Ltd, a private company incorporated in Mauritius, bearing business registration number C09089333
IAR	Integrated Annual Report
IFRS	International Financial Reporting Standard
IIRC	International Integrated Reporting Council
IP	Investment Property
K	Thousands
LTV	Loan-to-Value
MCB	Mauritius Commercial Bank Ltd
MUR or Rs	Mauritian Rupee
m	Million
NAV	Net Asset Value
NAVPS	Net Asset Value per Share
NGO	Non-Governmental Organisation
NOI	Net Operational Income
NPF	National Pensions Fund
PAT	Profit after Tax
PIE	Public Interest Entity
Property LTV	Property LTV - Borrowings / IP Values (exclude 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
SC	Strategic Committee
SEM	The Stock Exchange of Mauritius Ltd
Sqft	Square Feet
Sqm	Square Metres
t	Tonnes
US	United States of America
VWAP	Volume-Weighted Average Price of Class A Ordinary shares
WIP	Work-in-Progress
YoY	Year-on-Year

CHAPTER 1 COMPANY OVERVIEW

Think Bold.
Act Bold.

OUR JOURNEY SO FAR

Established in 2008, Ascencia is the leading retail property company in Mauritius and is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius.

Ascencia has developed shopping malls, each with their own identity and inspired by the local history and culture, including Bagatelle Mall, Phoenix Mall, Riche Terre Mall, Bo'Valon Mall, So'flo, Kendra, and Les Allées.

Bagatelle Mall by Ascencia

Phoenix Mall by Ascencia

So'flo by Ascencia

Riche Terre Mall by Ascencia

Kendra by Ascencia

Les Allées by Ascencia

Bo'Valon Mall by Ascencia

2007	Ascencia was incorporated as a public company in Mauritius on 28 June.
2008	Acquisition of Phoenix Mall and Riche Terre Mall and listing of the Company on the DEM on 23 December.
2010	Extension of Phoenix Mall.
2013	- 50.1% acquisition of Bagatelle Mall. - Acquisition of Kendra & Les Allées. - Further Extension of Phoenix Mall.
2014	Uplifting of Riche Terre Mall and completion of the extension of Phoenix Mall.
2016	The Group opened the Home & Leisure Node at Bagatelle Mall.
2017	Opening of So'flo and refurbishment of Phoenix Mall.
2019	**Opening of Bo'Valon Mall, which received a heartening welcome from visitors, bearing proof that our objective of improving the customer experience was warranted.**
2021	Extension of Bagatelle Mall and welcoming of Decathlon in Mauritius to consolidate our position and further uplift the existing shopper experience.

VALUE CREATION PROCESS

Community

Impact on the community
- Produce green energy
- Recycle waste
- Public health: **#Safeshopping**

Economic

Impact on the economy
- Create employment
- Promote local entrepreneurs and their production: **B'Local by Ascencia**

Identify land & conceptualise projects → **Construct/ Acquire & operate Malls** → **Operate, improve & expand Mall**

Access | Safe | Comfort | Engage

ASSET CREATION

- Identify strategic land
- Obtain rights
- Conceptualise project
- Leverage credibility with tenants and funders
- Execute development plan
- Open on time & as per target
- Rely on dedicated service providers

ASSET OPERATION

- Maintain building in good conditions
- Generate cash
- Create memorable shopping experiences
- Maximise occupancy level

ASSET EXCELLENCE

- Manage business risks
- Optimise operating costs
- Improve tenant mix
- Maintain rental levels & obtain yearly increases in rentals
- Achieve operational excellence through innovation
- Reinforce our competitive advantage through the implementation of an omnichannel strategy

ENABLERS: Earth | Team | Partnerships | Digitalisation

Vision

Shaping Singular Places

Mission

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

Our tenants will thus be successful and consequently deliver superior returns for our equity holders.

Team Pledge

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

KEY HIGHLIGHTS

CHAPTER 2 | LEADERSHIP REVIEW

Learning to learn together.

CHAIRMAN'S MESSAGE

Dear Shareholders,

We are living through a difficult time for the country and our Company. The crisis around the COVID-19 pandemic has left no one untouched. The virus is not only claiming human lives — it is also challenging our businesses and operating models. This time has come to use the agility that we have developed to manage our businesses.

Building resilience by operating differently is the way to deliver a future-fit organisation. In order to achieve this, we require more innovation and agility by embracing change.

Our response

The strategy that was put in place was mainly focused on allowing our partners to bounce back during these uncertain times through a series of measures, including a relief plan, a comprehensive calendar of events, and our #SafeShopping initiative. The latter comprises sanitary measures and an awareness campaign to reassure our shoppers and visitors on the safety of our Malls.
This strategy was key to addressing the paradigm shift in consumer habits.

Indeed, on top of pursuing our projects as planned, we are working on new ones which will definitely shape the trends in our sector. In this rapidly changing world, it is imperative for the retail industry to constantly reinvent itself with new offerings to shoppers. Our e-commerce platform and the B'Local project will soon be a reality at Ascencia. We shall capitalise on our market expertise to go a step further in our shopping experience while creating opportunities for start-ups to make them known in the business world.

Financial Performance

We have just ended a very difficult year with a profit excluding fair value gains of Rs 297m for the financial year ended 30 June 2020. This is a decline of 49% compared to the last financial year, mainly due to provision for COVID-19 impact amounting to Rs 187m. Cash flow management and our gearing level will be a key priority for the next periods.

Shareholder Value

Amidst the difficult context, we are delighted to be among the few companies capable of paying a final dividend of Re 0.16 per share. The total dividend paid for the year amounts to Rs 257m (2019: Rs 385m), representing a decrease of 35%. Ascencia delivered distributions of Re 0.53 per share (2019: Re 0.82).

From a liquidity perspective, we expect to be in a position to meet future commitments and obligations.

Overall, we remain confident that our properties will continue to show their degree of resilience and that results will follow over the coming periods despite the impact of the slow economy.

Projects

Furthermore, construction work for the extension of Bagatelle Mall and the Decathlon box has resumed after lockdown with a full remobilisation of the team to complete these planned projects with mitigated consequences. The project is aimed at enhancing the Mall's existing shopper experience and continue to set the trend on the market. The approved overall development cost amounts to Rs 670m.

Board Composition

I would like to apprise you of two appointments to the Board of Ascencia. Mrs Belinda Vacher was appointed on 30 October 2019 as Non-Executive Director and Mr Ashis Kumar Hoolass became an Independent Director on 16 April 2020. Mrs Vacher was a backbone member of Ascencia since its creation and we are very happy to have her back. She is presently the Chief Projects and Sustainability Executive of the Rogers Group and has over 14 years of experience in fund management, capital markets, fundraising, corporate finance, valuation and investment appraisal. Mr Hoolass is the Permanent Secretary in the Ministry of Social Integration, Social Security and National Solidarity. He has over 20 years of experience in public sector administration.

Outlook

We are confident that we will make a positive contribution in this crisis, thanks to our deep expertise and knowledge, close client relationships and capital strength. Ascencia's business remains resilient in the current environment and is needed now more than ever. As the global economy, governments, and businesses weather this situation, the Company will continue to maintain its leadership position.

Appreciation

Congratulations to Frédéric Tyack, his asset management team at EnAtt, and the Fund Management Team at Rogers who did not spare any effort to come up with ideas and solutions for the benefit of all our stakeholders. The bold and creative spirit of the executives has been supported by our mobilised Board, turning difficulties into opportunities in the best interest of our Malls and the retail industry. I thank my fellow Board members, all our clients and service providers for their solidarity and contribution during these challenging times.

Phillipe Espitalier-Noël
Chairman

LEADERSHIP REVIEW

Kevin Seebaluck
Head of Finance

Frédéric Tyack
Chief Executive Officer

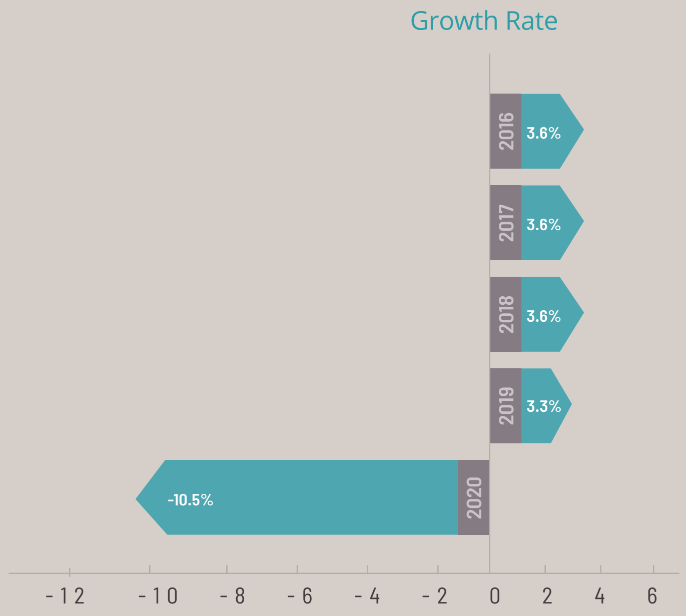
“While on top of Everest, I looked across the valley towards the great peak Makalu and mentally worked out a route about how it could be climbed. It showed me that even though I was standing on top of the world, it wasn't the end of everything. I was still looking beyond to other interesting challenges.”

- Sir Edmund Hillary

Challenges for the Sector

The country's economy recorded a commendable 3.3% growth rate for the calendar year 2019 and was well-positioned to achieve 4.0% growth for the year 2020. However, the COVID-19 outbreak changed the outlook and created uncertainties in all sectors. Thus, economic growth in the aftermath of the pandemic has been revised down and is now projected to be -10.5% as at June 2020. The full effect of the shock will filter through the economy with unemployment and business confidence likely to be strained further.

This will have an impact on disposable income and consumption, directly affecting the retail sector with the Mauritius Chamber of Commerce and Industry anticipating an inflation rate of 5.1%. While a lower interest rate environment will certainly provide some relief, the impact of the crisis in the medium term could more than upset the benefits. Yields on Government bonds went down further due to a drop in the repo rate.



Source: MCCI

LEADERSHIP REVIEW (contd)

Shaping Beyond

The fighting spirit burns fiercely within us to deliver solid returns to our shareholders with 2020 being a challenging period impacted by COVID-19. Along with the rest of the world, landlords have seen their business at risk amid an uncertain economic climate. The country came to a brutal halt in March 2020 with only essential services allowed to operate. To curb the spread of the virus, the Government imposed strict access to retail shopping during lockdown in April and May 2020. Those measures have affected our tenants' businesses. We were among the first front line providers to keep the economy going while ensuring that essential services continued to operate in a safe and secure environment.

Resolute measures were implemented, starting with safety for our employees, Mall staffs and service providers. We imposed our stature as a key player of the retail industry in Mauritius, pioneering the **#SafeShopping** protocol in the country.
We were also part of a common front with other Mall owners to make representations to the authorities to help the retail sector get back on its feet. Communication with our tenants was key during this time to maintain quality and trust in this relationship. We cannot ignore the fact that social distancing legislation is influencing how we attract customers in a safe environment.

Ascencia is resilient, innovative and thrives in the face of those challenges. We imposed daily disinfection of all spaces exposed to the public. Safety measures also included monitoring temperature of customers, compulsory wearing of face masks and provision of sanitiser in the Malls.

Recalibrating to a New Operating Context

Moreover, we will continue to roll out our shared vision and shape singular places by focusing on Ascencia's basics and implementing various strategic, technological and tactical initiatives as listed below:

- **E-Commerce Platform:** The development of a web-based platform by our asset and property management company, EnAtt, which will benefit Ascencia and enable us to offer both physical and online shopping opportunities.
- **B'Local:** We will promote local retailers by giving them access to the market and assist start-ups in offering new services to customers.
- **Shop Safe:** In each Mall, we will set new rules to guarantee safe physical shopping, such as strict access control, daily disinfection, health measures (face masks, social distancing, hand sanitiser) and testing units.
- **Cultural Journey:** We intend to boost our company culture to emphasise co-creation, provide learning opportunities for all employees, and foster innovation and customer centricity.
- **ASCE:** Our new building management system that will boost operational excellence across our portfolio.

Ascencia is adapting to the post-COVID-19 world and challenges bring new opportunities such as acquiring new market share. There is a clear trend for retail centres to become increasingly diversified, and more specifically in the variety of food offerings together with leisure-entertainment activities.

Bo'Valon Mall Grand Opening

Bo'Valon Mall opened on 21 November 2019 with occupancy close to 98%. The Mall has met a heartening response from visitors with a significant footfall of 289,105 over the month of December.

Being a new Mall, management is still working on fine-tuning its tenant mix and thus addressing customer needs in the region.

- 4,000 sqm King Savers Hypermarket
- Parking Area for 540 Vehicles
- Spacious Food Court
- 13 Restaurants
- 28 Shops

Operational & Development Review

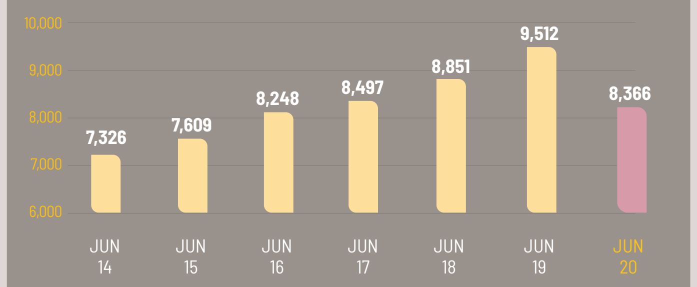
Pre-COVID-19, the key performance indicators for all properties were in line with expectation, with healthy trading densities and rent-to-turnover ratios as well as lower vacancies.
Mall performance post-COVID-19 was directly affected by the national lockdown while the full effect of the latter partly diluted average performance for the year and will be fully visible in the next period.

Average trading densities were down by 12.1% on an annual basis as a direct result of lockdown from March 2020. Consequently, the rent-to-turnover ratio, even if it has remained in a healthy benchmark, increased to 8.9% (2019: 7.7%).

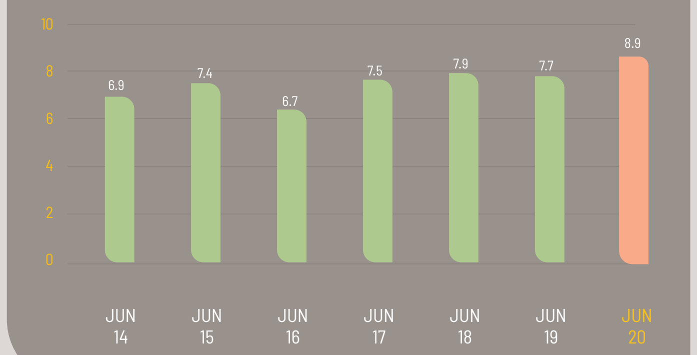
As for vacancies, they stand at 1.2% this year (2019: 2.0%), reflecting the resilience of our Malls and the strong demand for space. Even if it is difficult to evaluate the impact of the pandemic on consumer behaviour in the medium term, we noted that trading density contracted slightly across the portfolio in the first couple of months of financial year 2021.

We are anticipating a further decline in trading density, especially on non-essential categories until the end of the calendar year.

Average Trading Densities (Rs/sqm)



Rent-to-Turnover Ratio (%)



Furthermore, construction work on the Decathlon and Bagatelle Mall sites, which started in November 2019, has resumed once the authorities allowed the industry to restart operation.
The aim of the Bagatelle Mall extension is to uplift the existing shopper and visitor experience with high-end brands. Decathlon is the largest sports retailer in the world and will open its first shop on the island in our Mall. This project also contributes to job creation in these challenging post-lockdown times.

LEADERSHIP REVIEW (contd)

Financial Review

The Group recorded a net operational income of Rs 925m, compared to Rs 932m last year (excluding straight line rental accrual). As a consequence of the pandemic, we have engaged with our tenants and agreed to a relief plan.
In this respect, we recognised provision of Rs 187m for COVID-19's impact for the year, which is reflected in the PAT (Profit after Tax).

We reduced dividend payments amid uncertainty in the current context, particularly when growth in property value slows down or becomes negative. Ascencia delivered distributions of Re 0.53 per share, amounting to Rs 257m during the year. Dividend per share declined by 35% compared to last year. NAV lifted to Rs 16.62 per share (+2%) in 2020, driven by the profit and revaluation of properties which benefited the operating performance during the period. The prudent action we have taken will stand us in good stead as local conditions improve going forward.

We focused on maintaining sound credit metrics to protect our balance sheet and managed our cost of capital properly. We have initiated a process with CARE Ratings to rank all our debt at Group level. We believe that the rating is a strong incentive to implement the most efficient cost of debt strategy.

The bond programme is also well on track. The proceeds of the issue will be used to fund the extension of Bagatelle Mall and complete the Decathlon shop.

Fair value gains stand at Rs 110m across the portfolio for the year. The gains reflect the strength of the Malls, the low level of vacancies and the ability for the Group to successfully negotiate lease renewals at competitive rates. Of note, fair value gains included provisions for investments in the extension of Bagatelle Mall and the Decathlon shop.

Average yield on our investment properties remains strong at 7.8%, taking into consideration the capital upside as a result of fair value gains reported at the end of each financial year.

Maintain Sustainable Operations

The recent oil spill in the south-eastern part of Mauritius has raised awareness of how our environment is fragile and should be protected. Ascencia is committed to sustainable development and circular initiatives. In line with our objective to increase our use of clean energy, we have applied through our specialist partners for the extension of our photovoltaic farm capacity following approval of applications submitted by Riche Terre Mall, Bo'Valon Mall, So'flo, and Home & Leisure of Bagatelle Mall under the new Medium Scale Distributed Generation (MSDG) Scheme of the Central Electricity Board. The capacity at Phoenix Mall and Kendra has also been enhanced.

Support to our Surrounding Communities

We are sensitive to the plight of many Mauritians who have seen their income reduced by the pandemic. True to our long-standing commitment to support the communities in which we operate, our teams are addressing the needs of vulnerable populations, including the elderly, underprivileged families and children in urgent need of food and other daily necessities. In April, we have donated Rs 3m to ENL Foundation, the National Solidarity Fund and the Solidarity Fund under the Rogers Vivacis Initiative on top of our CSR commitments.

Appreciation

We would like to convey our special thanks to all staff, especially those frontliners who have been at risk to keep the country going. Our service providers have made a significant contribution to ensure continuity of service and have adapted to the post-COVID-19 world. We are also grateful for the support of the Board to help us deliver our customer promise to all our stakeholders. We are, indeed, well poised for the beyond.

Frédéric Tyack
Chief Executive Officer

Kevin Seebaluck
Head of Finance

CHAPTER 3 | VALUE CREATION

Innovation is our journey.

PERFORMANCE BY CAPITALS

Throughout our IAR, the following icons are used to show the connectivity between sections.

6 Capitals

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

Financial Capital

Equity, debt, recycling of capital and reinvestment, among others, which serve as an essential basis for sustaining and creating further value across the whole market.

Natural Capital

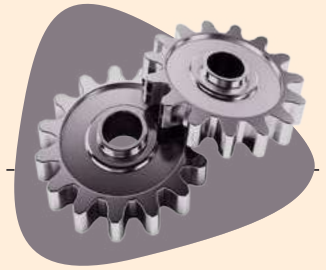
Our business model involves converting natural resources and going green in our day-to-day activities.

Manufactured Capital

Our investment in the purchase, development and maintenance of our properties.

Social and Relationship Capital

Maintaining strong and unique relationships with stakeholders is essential on our journey to shape singular places.



Intellectual Capital

Our business model depends on having effective management systems and achieving operational excellence.

Human Capital

Everything we do leverages the skills, productivity, motivation and behaviour of our employees, leadership team, contractors and service providers.

FINANCIAL CAPITAL

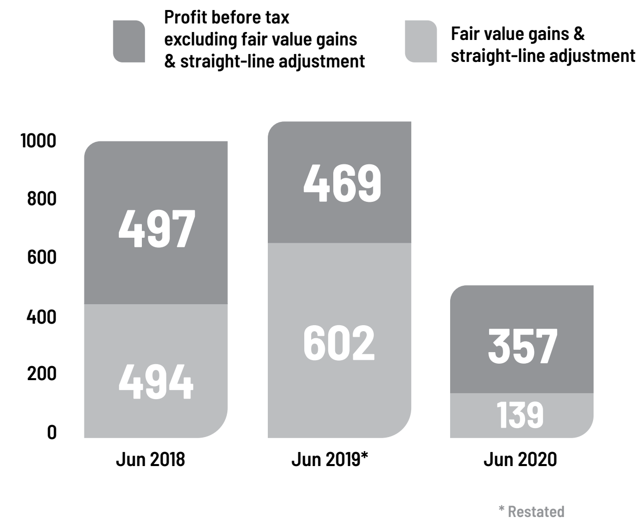
Strong Property LTV		NAVPS (Rs)		Healthy Dividend per Share despite COVID-19 Disruptions	
2019	2020	2019	2020	2019	2020
38%	36%	Rs 16.30	Rs 16.62	Rs 0.82	Rs 0.53

"Ascencia continues to deliver robust shareholder returns with a controlled dividend policy."

Income Breakdown

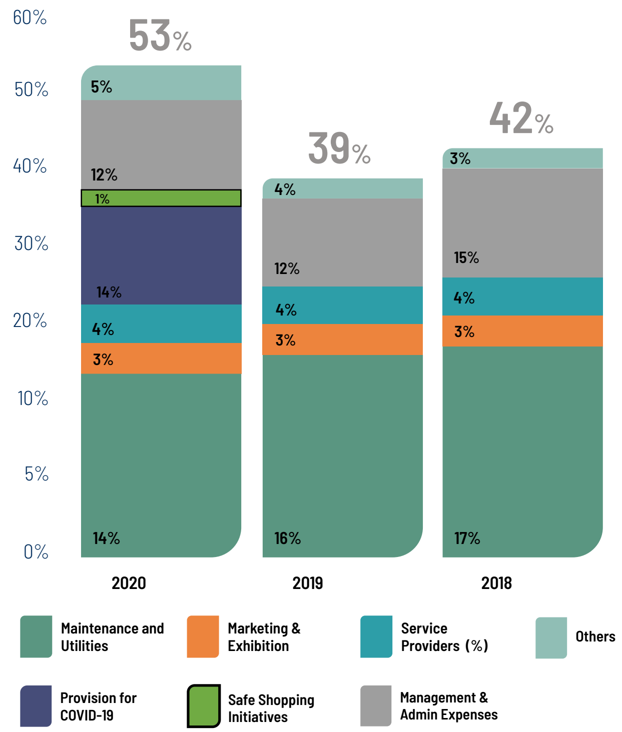
The key performance indicators for the portfolio were in line with expectations in the first 8 months of the financial year. COVID-19 subsequently generated a great deal of uncertainty for retailers across the globe and the prolonged lockdown impacted the whole sector. As a consequence of the pandemic, we recognised provision of Rs 187m for the year that is reflected in the below profit excluding fair value gains, straight-line adjustment and taxes, which stood at Rs 357m.

We have engaged jointly with tenants to finalise a Tenant Relief Plan with a burden-sharing scheme that is fair and equitable while enabling them to alleviate their cash flow situation. The performance reflects the resilience of our Malls, low vacancy levels and a property profile with the most prized assets. It is important to note that the properties are valued using a discounted cash flow approach where our independent valuator reverts to a market-level balanced strategy.



Direct, Admin & COVID-19 Cost to Income Ratio

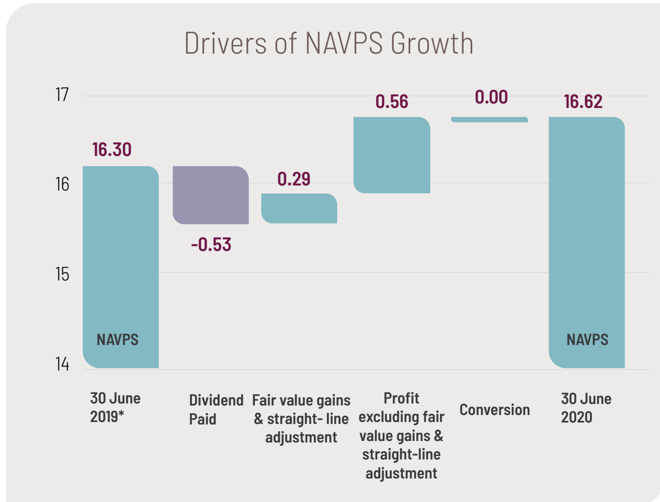
The combined effect of the exceptional Safe Shopping measures to control sanitary conditions and provision for COVID-19 resulted in an increase in the portfolio cost-to-income ratio from 39% in 2019 to 53% in 2020.



Drivers of NAV Growth

NAV upped 2% to Rs 16.62 per share in 2020, driven by the profit and revaluation of properties which benefited the operating performance during the period.

We continued to generate cash earnings in order to deliver sustained growth for all stakeholders.



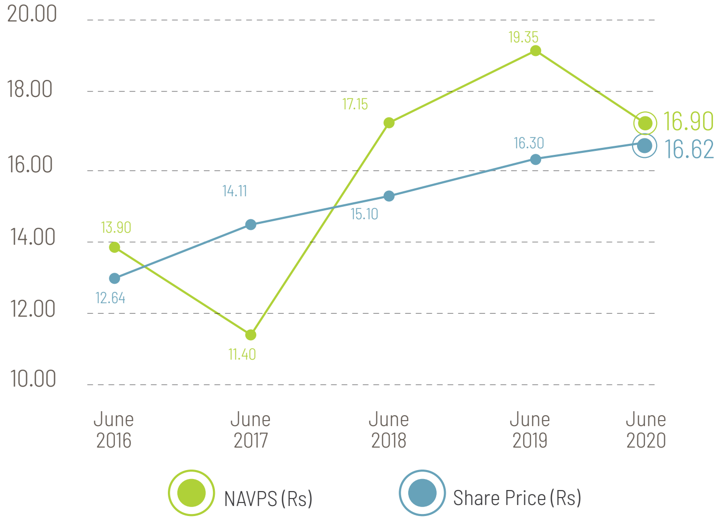
FINANCIAL CAPITAL (contd)

Shareholder Value

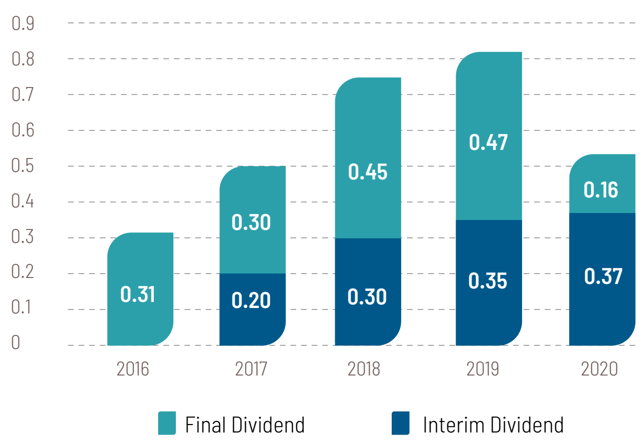
We reduced dividend payments amid uncertainty in the current context. From a liquidity perspective, we shall have adequate funds to meet any future commitments and obligations. Ascencia delivered distributions of Re 0.53 per share, amounting to Rs 257m during the year. This represents solid shareholder returns given the current macroeconomic environment.

The share performance took a dip during the lockdown period and dropped to around Rs 14.60 in April before rallying at Rs 16.90 in June, adjusting to the NAVPS of Rs 16.62. Profit and cash earnings were impacted by COVID-19 in the financial year and results are expected to recover by the end of the calendar year.

Share Price vs NAVPS (Rs)



Dividend per Share (Rs)



Balancing our Debt

We focused on maintaining sound credit metrics to protect our balance sheet and managed our cost of capital properly. We have initiated a process with CARE Ratings to rank all our debt at Group level. We strived to maintain an average loan-to-value target below 45%, with strong long-term gearing potential. Our investment properties generate income growth through capital appreciation, rental escalations and renewals.

The loan-to-value ratio stood in the top industry quartile at 36%. The bond programme is also on track with the first issue to be completed by November 2020. The proceeds of the issue will be used to fund the extension of Bagatelle Mall and complete the Decathlon shop.

95% Bank Loan

5% Listed Bonds

OTHER INFORMATION

Total Instruments Used	2020	2019
Class A Ordinary Shares (#)	487,314,989	484,817,301
Convertible Non-Voting Preference Shares post-conversion of 30 June (#)	-	3,686,912
Redeemable Bonds (#)	17,556,676	17,556,676

Market Price per Share (Rs)	2020	2019
High	24.00	20.00
Low	14.60	16.50
Closing	16.9	19.35
Market Capitalisation at 30 June (Rs bn)	8.2	9.4

Shareholder Value	2020	2019
Dividend yield of Class A Ordinary Shares (%)	3.1%	4.2%
DPS of Class A Ordinary Shares (Rs)	0.53	0.82
EPS (Rs)	0.84	2.00
Diluted EPS (Rs)	0.84	1.99*
NAVPS (Rs)	16.62	16.30*

* Restated

"Cash flow management is a key priority."

OUTLOOK

In line with our revised strategic plan, the following key priorities have been set for the next 12 months and beyond:

- Focusing on improving cash earnings, most of our tenants having opted for our relief plan;
- Raising finance on competitive terms for the extension of Bagatelle Mall & Decathlon shop;
- Incremental income from Decathlon and extension of Bagatelle Mall;
- Maintaining a strong debt rating across the portfolio;
- Maintaining a controlled dividend policy and conservative gearing levels.

MANUFACTURED CAPITAL

Opening of **Bo'Valon Mall**

Phoenix Mall
New Accessways & Driveways

Low Vacancy %

2019	2020
2.0	1.2

“Shoppers are adapting to the new access routes at Phoenix Mall.”

New Access at Phoenix Mall

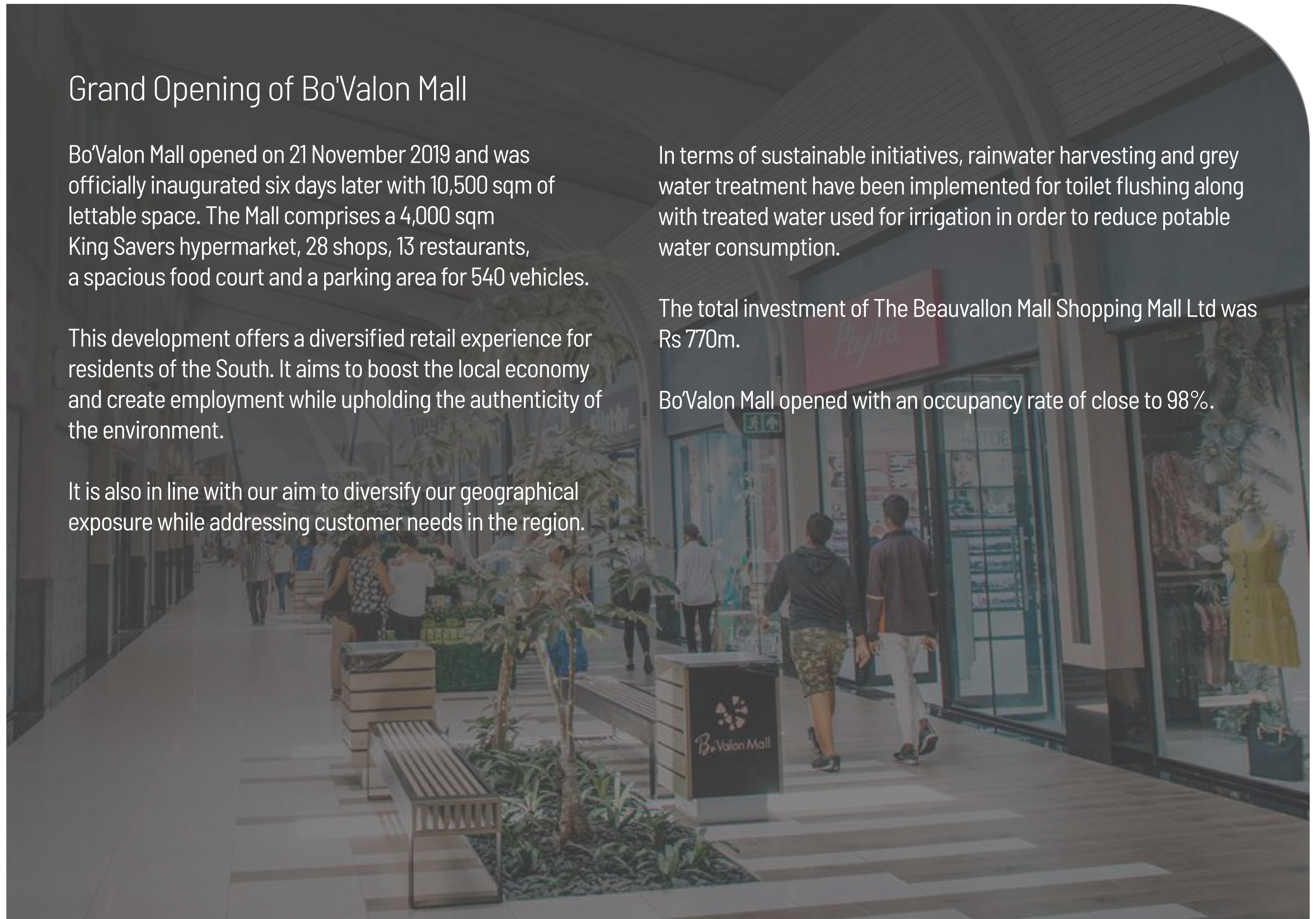
Work at a cost of Rs 150m was carried out between July 2019 and June 2020 at Phoenix Mall to provide new access and mitigate the impact of compulsory acquisition of land related to the execution of work under the Traffic Decongestion Programme and by Metro Express Limited. Along with accessways, parking driveways have been converted to two-way traffic. Additional parking has also been provided, with a current total of about 1,000 spaces.

Working around an existing building involved reviewing the design with regard to constraints of existing structures and working in an operating Mall. We therefore looked for the optimum solution to ensure cost and time efficiency. Additional signage was provided to improve accessibility and allow shoppers to be more conversant with the new configuration of the accessways and driveways.

Additional Space at So'flo

The food court offering at So'flo has been expanded for two existing tenants while providing additional space to accommodate the requirements of a new tenant, Nando's.

The development cost amounted to Rs 14m. The project was successfully completed within contractual deadlines.



Grand Opening of Bo'Valon Mall

Bo'Valon Mall opened on 21 November 2019 and was officially inaugurated six days later with 10,500 sqm of lettable space. The Mall comprises a 4,000 sqm King Savers hypermarket, 28 shops, 13 restaurants, a spacious food court and a parking area for 540 vehicles.

This development offers a diversified retail experience for residents of the South. It aims to boost the local economy and create employment while upholding the authenticity of the environment.

It is also in line with our aim to diversify our geographical exposure while addressing customer needs in the region.

In terms of sustainable initiatives, rainwater harvesting and grey water treatment have been implemented for toilet flushing along with treated water used for irrigation in order to reduce potable water consumption.

The total investment of The Beauvallon Mall Shopping Mall Ltd was Rs 770m.

Bo'Valon Mall opened with an occupancy rate of close to 98%.

MANUFACTURED CAPITAL (contd)

"We are proceeding with our projects as planned."

OUTLOOK

Notwithstanding the crisis, we are proceeding with our projects as planned. Our priorities for the coming financial year will include maintaining original completion schedules through the relationship with our partners in the construction industry.

Bagatelle Mall Extension

Bagatelle Mall remains a prized destination in Mauritius. Extension work from November 2019 till end of March 2021, is aimed at enhancing the existing shopper experience and continuing to set the trend on the market. The approved overall development cost amounts to Rs 670m.

Bagatelle Mall Extension Highlights

A revisited wing of **4,300 sqm** and an extension of **2,000 sqm** for Intermart hypermarket	**16** Shops	**2** Kiosks	**300** Parking Areas	**1,000m2** dedicated to Burger King Drivethru

Decathlon, the World Leader in Sports Equipment

The largest sporting goods retailer in the world will open its first shop on the island at Bagatelle Mall. Development cost amounts to Rs 260m for Decathlon, including the cost of land.

Work started in November 2019 and the retail outlet is set for opening on 01 April 2021.

Both projects will contribute to job creation in this challenging post-lockdown period.

MANUFACTURED CAPITAL (contd)

Retail Portfolio

Bagatelle Mall

GLA (sqm)	52,514
NOI (Rs m)	513
IP Value (Rs bn) *	7.2
Yield (%)	7.5
Vacancy (%)	0.4
Average Monthly Footfall (#)	588,684
WALE (yrs)	3.0

Phoenix Mall

GLA (sqm)	29,574
NOI (Rs m)	190
IP Value (Rs bn)	2.5
Yield (%)	7.7
Vacancy (%)	1.2
Average Monthly Footfall (#)	339,209
WALE (yrs)	5.2

Riche Terre Mall

GLA (sqm)	21,286
NOI (Rs m)	122
IP Value (Rs bn)	1.5
Yield (%)	8.5
Vacancy (%)	0.1
Average Monthly Footfall (#)	289,305
WALE (yrs)	6.3

Bo'Valon Mall

GLA (sqm)	10,568
NOI (Rs m) **	41
IP Value (Rs m)	818
Yield (%)	8.0
Vacancy (%)	2.6
Average Monthly Footfall (#)	186,134
WALE (yrs)	6.5

So'flo

GLA (sqm)	7,504
NOI (Rs m)	48
IP Value (Rs m)	592
Yield (%)	7.2
Vacancy (%)	7.2
Average Monthly Footfall (#)	187,787
WALE (yrs)	4.3

Kendra

GLA (sqm)	5,271
NOI (Rs m)	43
IP Value (Rs m)	512
Yield (%)	7.7
Vacancy (%)	0.1
Average Monthly Footfall (#)	161,809
WALE (yrs)	2.4

Les Allées

GLA (sqm)	2,687
NOI (Rs m)	16
IP Value (Rs m)	183
Yield (%)	7.9
Vacancy (%)	6.4
Average Monthly Footfall (#)	-
WALE (yrs)	2.1

* Without the value of the extension of Bagatelle Mall ** Opened in November 2019

NATURAL CAPITAL

Wet and Dry Waste Recycling:
18% of our Malls' waste recycled

The PV Farm at Bagatelle Mall:
The biggest rooftop system in the Indian Ocean

"The PV Farm at Bagatelle Mall is the biggest rooftop system in the Indian Ocean."

1,995 households

Photovoltaic Farms

The last financial year will remain a landmark year for the company with the successful commissioning of a rooftop photovoltaic plant at Bagatelle Mall, the largest of its kind in the Indian Ocean. Our photovoltaic park now aggregates a total production of 3.7M kWh, i.e., the average yearly electricity consumption of approximately 1,995 households.

18% recycled

Wet and Dry Waste Recycling

Despite the challenges encountered during the year, we managed to recycle 18% of our Malls' waste.

38,3K litres of cooked oil

Used Oil Recycling

A total of 38,394 litres of cooked oil have been collected in our Malls for recycling by specialist firms.

14% recycled

Waste Water Recycling

We look forward to considerably improving the recycling of waste water at Bagatelle Mall and Bo'Valon Mall. We managed to recycle and reuse approximately 14% of the waste water generated by these two Malls.

green products

Use of Green Products

The use of green products is a standard requirement of the agreement with our cleaning and associated services contractor.

lighting schemes

Energy Consumption

We embarked on a project to review the lighting schemes in the common areas and car parks of our different premises.

NATURAL CAPITAL (contd)

RESULTS ACHIEVED

Initiatives	Realised		(equivalent to)		
	Qty p.a.	%	Households	CO_2	Trees Saved
Clean Power (PV Farms)	3.7M kWh	25%	1,995	3,369 t	20,199
Wet & Dry Waste Recycling	611 t	18%	2,722	3,003 t	18,019
Used Oil Recycling	38,394 L	-	-	-	-

OUTLOOK

"Implementing a circular economy model will be our priority."

5-YEAR TARGET

Clean Power (PV Farms)	5.9M kWh
Wet & Dry Waste Recycling	50%
Used Oil Recycling	60,000L

SOCIAL AND RELATIONSHIP CAPITAL

#SafeShopping initiative deployed in our Malls

Rs 3M to ENL Foundation, National Solidarity Fund, and Rogers' Vivacis Fund

#SafeShopping

"Shaping Singular Places" is our daily mission. We create emotions and memorable moments for our shoppers and visitors to ensure they always take home valuable experiences through the four pillars of our customer promise: **Access, Safe, Comfort & Engaging.**

We intend to continue with our #SafeShopping plan, which sets out our strategy to respond to the impact of the COVID-19 crisis. Since Day 1 of lockdown, the team brainstormed to come up with this plan comprising physical measures to be applied in our Malls, like the compulsory wearing of face masks, the control of delivery vehicles, physical distancing, fumigation, regular use of sanitiser along with the complementary sanitary protocol to be followed by each tenant.

These measures were communicated on a daily basis through social media, our website, digital screens in the Malls, and media relations to reassure our visitors about their safety. The activities organised have improved the Malls' experience while offering a safe shopping environment. We also engaged with our shoppers through live workshops with motivational speakers on relevant topics.

Helping Vulnerable Citizens

True to our long-standing commitment to supporting the communities in which we operate, our teams help address the needs of vulnerable populations, including the elderly, underprivileged families and children in urgent need of food and other daily necessities through our yearly contribution to the Rogers Foundation.

In the current uncertain times, some are more exposed than others. Therefore, in April 2020, we donated Rs 1m to each of the following on top of our normal CSR contribution: ENL Foundation, National Solidarity Fund, and the Solidarity Fund under Rogers' Vivacis resilience programme.

SOCIAL AND RELATIONSHIP CAPITAL (contd)

Collaborative Efforts

The Mauritian photographer, Paul Choy was also given the opportunity to showcase his works at Bagatelle Mall, Phoenix Mall, and Riche Terre Mall.

We helped various associations, including the New Chinatown Foundation, PAWS, and Art for a Cause through exhibitions at So'flo.

So'flo teamed up with Drip Services, which works with the country's vulnerable populations, to donate Christmas gifts to 200 children.

Riche Terre Mall provided regular support to SOS Children's Villages Mauritius and Association des Amis de Don Bosco. The latter attends to children and adolescents who have been abandoned or victims of abuse. They were happy to receive sports equipment for Christmas, and a chocolate party was organised on the eve.

In collaboration with the Blood Donors' Association, we also carried out a blood donation campaign in our Malls in strict compliance with prevention and safety requirements during and after the lockdown period.

The "We Are" campaign showcased the various aspects of Mauritius as part of the National Day celebrations. Our visitors were invited to participate in a poetry contest on how they portray their island.

Green Initiatives

After the successful launch of INI'Vert in 2019, the second edition featured a broad array of activities in our Malls to promote our green stamp and raise people's awareness of environmental issues. Our Trash is Treasure activity was held in Beau Vallon with the participation of **60 team members**, who helped collect **1,5 tonnes of waste**.

Various green ambassadors also contributed to our awareness campaign by showcasing their respective skills and expertise. These included roadshows by Bis Lamer, the mobile marine education unit of Reef Conservation, and the Mauritian artist Kan Chan Kin, who crafts musical instruments out of recycled materials. The social enterprise, Precious Plastic Mauritius, also introduced its plastic recycling machine to shoppers during a workshop and green corners were set up to display recycled works and plants.

TRENDS Magazine

Our quarterly magazine is a great tool to showcase our tenants' diverse offerings; it is also an interesting platform to promote local talent. In previous issues, our shoppers have been able to learn more about the singer, Zulu, who put up a live performance for the inauguration of Bo'Valon Mall in 2019, and Celia Pang, who specialises in doodle art – her work can be seen at So'flo.

OUTLOOK

B'Local by Ascencia

Ascencia is an entrepreneurial-centric organisation, with a young workforce that is constantly on the lookout for opportunities to improve the customer experience in our Malls. Through the B'Local initiative, we would like to promote entrepreneurial qualities, create opportunities for the creative and passionate minds to flourish in a supportive environment. Our focus will be on using our market expertise to back 10 retailers or start-ups by 2023.

INTELLECTUAL CAPITAL

ASCE, the stepping stone for Business Process Re-engineering and Improvement.

Our e-commerce platform, spearheaded by EnAtt, our Property and Asset Manager.

"Customer Centricity will remain our key driver."

ASCE Platform

Ascencia, through its Asset & Property Manager, EnAtt has engaged in the development of a digital platform in order to meet operational excellence objectives and measure adherence to our customer promise. This platform with 7 core modules will benefit from EnAtt's extensive experience in Mall management and use the latest technologies available to create an ecosystem that will connect all relevant stakeholders. Furthermore, it incorporates the increasing demands in terms of safety and service quality as well as emerging risks and sustainability. The main objectives of the platform are described on the next page.

OUTLOOK

"Leveraging Technology."

Our key priority for the next three years besides ASCE is the development of an e-Commerce Platform by EnAtt for the benefit of both our tenants and shoppers. The primary aim is to provide an online sales channel to our tenants and an enhanced Customer Experience to our shoppers through a 24/7 digital store.

This initiative will bridge the gap between traditional and digital channels and at the same time drive the success of our tenants through continuous improvement.

Customer Experience

"Shaping Singular Places" is our vision, and we create such an environment to build the right emotional connections with our shoppers and provide them with valuable experiences.

We have set up a biannual satisfaction survey among all our stakeholders: shoppers, tenants, service providers and employees where the insights are turned into actionable initiatives which will enhance the Customer Experience.

Our Key Drivers

Digitalisation | **Team** | **Partnerships**

INTELLECTUAL CAPITAL (contd)

ASCE

OUTER WORLD

- TENANT
- SHOPPER
- VENDOR

INNER WORLD

Incident Management

System to record all incidents, automate communication with stakeholders and track resolution

OPERATIONAL EXCELLENCE TARGETS

Utility Management

Use of smart meters to read shop consumption live and automate calculation of tenant's consumption

Resolution response time

Energy Savings

Building Management

VISUAL APP

Planned inspection per zone

SCHEDULER

Preventive maintenance of assets

ASSET REGISTER

Smart Asset Register

Automation & accuracy of billing

Building integrity

Asset downtime

Asset total cost of ownership

Vendor Management

Contract Management of 48 vendors through standard KPI's and Service Level Agreements

Quality / cost of service suppliers

Business Continuity Management

Contract Management of 48 vendors through standard KPI's and Service Level Agreements

Response to shock

Waste Management

Recycling of organic waste, cartons, cooked oils and wet waste

Waste Recycling

CUSTOMER PROMISE

SHAPING SINGULAR PLACES

KEY DRIVERS → DIGITALISATION — TEAM — PARTNERSHIPS

HUMAN CAPITAL

85% OF THE TEAM TRAINED

- 62% Health, Safety & Welfare
- 28% Technical Competencies
- 38% Leadership & Talent Development
- 12% People Focus
- 3% Team Synergies

"We innovate as ONE TEAM."

NURTURING ONE ASCENCIA TEAM

We believe that Human Capital creates value and lies at the heart of Ascencia's competitiveness. Although we do not have any employees, we operate under two management agreements, namely Property and Asset Management with EnAtt and Fund Management with Rogers and Company Limited. Those 73 people are the foundations of our daily operations.

Cultural Journey

The journey will promote shared leadership and develop team cohesion around our strategic projects and objectives.

Rewarding Performance

A fair and transparent reward system has been implemented to further promote and sustain employee performance.

Leadership Development

Leadership team coaching initiatives will allow us to improve our leadership potential and equip our managers with the necessary skills and competencies to achieve our strategic goals.

Talent Promotion and Organisational Structure

We have revisited our internal structure and mobilised our human resources towards creating a more agile structure and adapting our business to the 'new normal'. As such, 14% of employees were promoted, in line with their individual career growth paths and based on their performance and engagement.

"Our people are the driving force that will allow us to fulfil our strategic objectives and create value."

OUTLOOK

Creating an Engaged Workplace

Having an engaged workforce will have a direct impact on our strategic objectives. Pulse surveys will be deployed throughout the year and relevant action plans will be put in place to identify key engagement factors.

Setting up a Learning & Development Desk

Our learning and development strategy is part of our business and talent strategy, and has led to the creation of a Learning and Development Desk. Various tools and methodologies (coaching, mentoring, training, blended learning, etc.) will be used to deliver the most relevant learning journeys and enable employees to pursue their career goals.

Realigning our Employee Life Cycle

Ascencia is committed to delivering a meaningful human resource experience. As such, our entire employee life cycle will be reviewed and realigned with our new values-based culture.

Living our Customer Promise

We are deploying the necessary framework to continue delivering on our customer promise for our main stakeholder groups: employees, tenants, service providers and shoppers.

MANAGEMENT TEAM

01 SABAPATHEE, Parama
Centre Manager of Kendra & Les Allées

02 RAM, Arti
Centre Manager of So'flo

03 FOURNIER, Fabrice
Centre Manager of Riche Terre Mall

04 SEEBALUCK, Kevin
Head of Finance

05 BECHARD, Gregory
Centre Manager of Bagatelle Mall

06 KOENIG, Anabelle
Property Manager of Roger's House

07 MAUREL, Luke
Senior Asset Manager

08 TALLAVIGNES PEERSAIB, Valerie
Portfolio Exhibition Manager

09 ABDOOL RAHMAN, Yaaser
Head of Learning & Development

10 SEEGOBIN, Antish
Centre Manager of Phoenix Mall

11 PITCHEN, Daryl
Investment Manager

12 ELLAPEN, Krishna
Project Coordinator

13 LEUNG CHEW, Melyn
Financial Controller

14 LECORDIER, Tassawur
Development Manager

15 HUNG, Gary
Financial Controller

16 BOULLÉ, Robert
Centre Manager of Bo'Valon Mall

17 RAMBURUTH, Vidushi
Financial Controller

18 SOOGUND, Haidar
Asset Manager

19 TYACK, Frédéric
Chief Executive Officer (CEO)

Missing in the picture: **HAREL, Simon**
Asset Manager

CHAPTER 4 GOVERNANCE

Resolutely result-driven.

CORPORATE GOVERNANCE REPORT

Ascencia Limited (the 'Company' or the 'Group') is a Public Interest Entity and is therefore required to apply the

8 Principles

set out in the National Code of Corporate Governance for Mauritius (2016) (the 'Code').

Principle 01

Governance Structure

The Board assumes responsibility for leading and controlling the Company and is collectively responsible for its long-term success, reputation, and governance while meeting all legal and regulatory requirements.

The Company has no employee. It has retained the services of Rogers and Company Limited ('Rogers'), represented by Mr Damien Mamet, as Fund Manager, and EnAtt Ltd, represented by Mr Frédéric Tyack as Property and Asset Manager of the Company.

The Board has applied Principle 1 by:

a. developing and adopting a Board Charter, which is available on Ascencia's website at http://www.ascenciamalls.com (the 'Website');
b. approving an organisational chart and a statement of accountabilities, which are available on the Website;
c. adopting the following codes of ethics:

   i. The Code of Ethics of Rogers for its Directors, since the Company is a subsidiary of Rogers. The Code of Ethics of Rogers can be consulted on: https://www.rogers.mu/sites/default/files/code_ofethics_2018.pdf; and
   ii. The Code of Ethics of ENL Ltd ('ENL') for the personnel employed by EnAtt Ltd, which is a subsidiary of ENL. The Code of Ethics of ENL can be consulted on: https://www.enl.mu/en/code-of-ethics; and

d. identifying the key senior governance positions within the Company, namely the:

   i. Chief Executive Officer;
   ii. Fund Manager;
   iii. Head of Finance and Administration;
   iv. Head of Asset Management;
   v. Head of Systems and Procedures;
   vi. Head of Learning and Development;
   vii. Development Manager; and
   viii. Asset Manager.

Their position statements are available on the Website.

Principle 02

The Structure of the Board and its Committees

As at 30 June 2020, the Company was headed by a unitary Board comprising twelve Directors. Save for Mr Armond Boshoff, the Directors of the Company reside in Mauritius. The size of the Board, i.e, a minimum of 4 and a maximum of 14 Directors is determined by the provisions of Ascencia's Constitution, a copy of which can be found on the Website.

The Company has ensured that the Board includes an appropriate combination of Executive, Non-Executive and Independent Directors. The definitions of Executive, Non-Executive and Independent Directors are in line with the Code.

Since 01 August 2019, Mr Damien Mamet has been fulfilling the role of representative of the Fund Manager of the Company and as a result, his Director's category has shifted from Non-Executive to Executive.

Further to an agreement between Foresite Property Holding Ltd and ENL Property Ltd, which together hold 61% of the voting rights in Ascencia, at least half of the Board members of the Company are nominated by Rogers. The Chairman of the Company shall also be chosen from the representatives of Rogers. For all shareholder matters concerning Ascencia, ENL Property Ltd shall vote in the same manner as Rogers.

The Company is committed to ensuring that the composition of the Board continues to include Directors who collectively bring an appropriate mix of skills, commitment, experience, expertise, and diversity (including gender diversity) to Board decision-making.

On 30 October 2019, Mrs Belinda Vacher was appointed as Director.

CORPORATE GOVERNANCE REPORT (contd)

The Company continues to maintain its strategy of a diverse Board, with age and regional representation being reflected in its current composition.

The Chairman of the Board, Mr Philippe Espitalier-Noël, does not have any executive responsibilities. The position statement of the Chairman is available on the Website.

The Chief Executive Officer, Mr Frédéric Tyack, has executive responsibilities since he oversees the day-to-day management of Ascencia.

The function and role of the Chairman and those of the Chief Executive Officer are separate. Mr Damien Mamet, representing the Fund Manager, also has executive responsibilities.

Category

2 Executive Directors	5 Non-Executive Directors	5 Independent Directors

For more information on the directorship of Board members, please refer to the Website.

Board Committees

In line with the Code, the Board has set up a Corporate Governance Committee ('CGC'), which also acts as Nomination and Remuneration Committee, and a Risk Management and Audit Committee ('RMAC') to support the Board in fulfilling its duties.
Both committees also oversee the governance, audit, and risk management matters of the subsidiaries of Ascencia.

Each committee is governed by terms of reference which define their duties and responsibilities.
The membership, position statements of the Chairpersons, and terms of reference of these committees are available on the Website.

A Strategic Committee has further been established to assist the Board in the development of the Strategy of the Ascencia Group and the assessment of the viability of projects.

The attendance of Directors at Board and Committee meetings held during the period 01 July 2019 to 30 June 2020 is shown below:

Directors	Board	Annual Meeting of Shareholders	Special Meeting of Shareholders	RMAC	CGC	Strategic Committee	Remuneration (Rs)
ESPITALIER-NOËL, Philippe	© 6/6	© 1/1	© 1/1	-	1/2	© 0/0	
AH CHING, Marc	3/6	0/1	0/1	4/5	-	-	
GALEA, Dominique	5/6	1/1	1/1	-	© 1/2	-	299,246
TYACK, Frederic	6/6	1/1	1/1	-	-	0/0	
ESPITALIER-NOËL, Hector	5/6	1/1	1/1	-	-	0/0	
VEERASAMY, Naderasen Pillay	5/6	1/1	1/1	-	2/2	-	305,613
MAMET, Damien	6/6	1/1	1/1	5/5	-	0/0	
LAM KIN TENG, Dean	6/6	0/1	0/1	© 4/5	-	-	394,750
HOOLASS, Ashis Kumar [1]	2/2	0/0	0/0	-	-	-	69,600
PASCAL, Pierre-Yves [2]	6/6	1/1	1/1	5/5	2/2	-	432,952
LOUW, Lucille [3]	0/6	0/1	0/1	-	n/a	-	
RAMDOSS, Sharona [4]	0/0	0/0	0/0	-	-	-	
CONHYE, Koosiram [5]	2/3	0/1	0/1	-	-	-	158,772
BOSHOFF, Armond	6/6	0/1	0/1	-	-	-	267,411
WEIRICH, Eric [6]	3/3	1/1	1/1	-	-	-	
VACHER, Belinda [7]	5/5	0/0	0/0	-	-	-	

© Chairperson of the Board/Committee.

[1] Appointed on 16 April 2020.

[2] Acted as Chair of the RMAC meeting held on 28 October 2019.

[3] Alternate Director to Mr Armond Boshoff.

[4] Resigned on 02 August 2019

[5] Resigned on 14 April 2020.

[6] Appointed on 03 September 2019 and resigned on 20 February 2020.

[7] Appointed on 30 October 2019.

No Strategic Committee meeting was held during the year under review.

The Company Secretaries of Ascencia are Ms Sharon Ah Lin and Mr Kunal Seepursaund. Their position statements and profiles are available on the Website.

CORPORATE GOVERNANCE REPORT (contd)

Principle 03

Director Appointment Procedures

The Board assumes responsibility for succession planning and the appointment and induction of new Directors.

With the support of the Corporate Governance Committee, acting in its capacity as Nomination Committee, the Board keeps under review the composition of the Board and its Committees, succession planning, diversity, inclusion, and governance-related matters. The said Committee recommends the appointment of new Directors for approval by the Board. Details of the nomination and appointment process are available on the Website. When appointing Directors, the Board takes cognizance of its needs in terms of skills, experience, diversity and size.

The terms and conditions of the appointment of Non-Executive Directors are available on the Website.

All Directors stand for re-election at the Annual Meeting of Shareholders of the Company.

All new Directors, upon joining the Board, attend and participate in an induction and orientation process. They also receive a comprehensive induction pack from the Company Secretary.

Directors are further encouraged to attend courses to refresh their knowledge and keep abreast of latest developments relating to their duties, responsibilities, powers, and potential liabilities. On 05 March 2020, Directors of the Company attended a workshop on the provisions and implications of the new Workers' Rights Act, facilitated by Juristconsult Chambers.

Changes to the Board during the Financial Year

During the year under review and upon recommendation of the Corporate Governance Committee, Mr Eric Weirich was appointed as Director to fill a casual vacancy. Mrs Sharona Ramdoss resigned as Director of the Company on 02 August 2019.

Mrs Belinda Vacher was also appointed as Director at a Special Meeting of Shareholders of the Company on 30 October 2019.

On 20 February 2020, Mr Eric Weirich resigned as Director of the Company.

Further to the resignation of Mr Koosiram Conhye, Mr Ashis Kumar Hoolass was appointed as Director of the Company on 16 April 2020.

Mr Marc Ah Ching resigned as Director on 12 November 2020. To fill this casual vacancy, Mr Shreekantsingh (Antish) Bissessur was appointed as Director of the Company. In line with the Code, Mr Bissessur will be appointed by the shareholders of the Company at the forthcoming Annual Meeting of Shareholders.

Principle 04

Director Duties, Remuneration and Performance

Legal Duties

All Directors are familiar with their legal duties. They are required to exercise that degree of care, skill, and diligence which a reasonably prudent and competent Director in their position would exercise. Directors may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties.

The Board has delegated to the RMAC its duty to regularly monitor and ensure compliance with the relevant codes of ethics.

Related Party Transactions

Ascencia applies the requirements of the DEM Rules pertaining to the disclosure of corporate transactions, including related party transactions. Such activities are adequately addressed through proper monitoring, approval and disclosure, in line with the approval process of the Company. The related party transaction approval process is available on the Website.

There was no related party transaction during the financial year ended 30 June 2020.

Conflict of Interest

Upon election to the Board, Directors are requested to declare their interest in the shares of the Company. Such interest is recorded in an interest register which is updated as and when the Directors deal in the shares of the Company and once yearly. Directors also follow the Model Code for Securities Transactions whenever they deal with the shares of the Company.

Where any Director is conflicted by virtue of a particular transaction, the Director declares his/her interests and withdraws from deliberations and decision-making. The Company Secretary maintains a conflict of interest register and updates the register as and when required. The interest register is available for consultation by shareholders upon request to the Company Secretary.

For the year under review, none of the Directors dealt in the shares of the Company.

Information, Information Technology and Information Security Policy

The Company is a registered controller with the Data Protection Office. In keeping with the Data Protection Act 2017, the Company has endeavoured to reinforce safety and security measures in place to protect the personal data it collects, stores and processes. It has thus adopted the following documents, which are available on the Website:

- a Data Protection Policy, which summarises the principles applied by the Company when processing data;
- a Data Protection Notice, which explains in detail to data subjects the purpose for and manner in which the Company processes data, as well as the rights of data subjects relating to the data processed; and
- an Information, Security and Technology Policy which sets out the IT safeguards in place to ensure data security. There is no restriction placed over the right of access to information.

A Data Protection Compliance Manual describing the comprehensive approach of the Company to personal data protection has also been developed. Regular audits and personnel training will be carried out to ensure compliance with the said Manual.

The Board monitors and evaluates the significant expenditure on information technology. With the implementation of ASCE, an operational platform for Mall management, the Company is able to follow up on business security and continuity, thus enhancing the Customer Promise.

Board Evaluation

The Board undertakes a review of its effectiveness and that of its Committees every two years. A Board evaluation was conducted for the financial year ended 30 June 2020.

A Board evaluation survey was carried out internally in September 2020 via an online questionnaire. The main recommendations of the National Code of Corporate Governance for Mauritius (2016) were considered in so doing.

The areas of focus were as follows:

- Boardroom dynamics
- Strategy
- Governance
- Risk Management

All Directors completed the questionnaires confidentially and the results were collated by the Company Secretary who then submitted a report to the CGC without attribution.

Evaluation Findings

- The Board and its Committees remain effective.
- The Chairman of the Board fulfilled his duties and responsibilities and continues to perform effectively by promoting a culture of transparency and openness.
- Additional focus on Board diversity, including gender, succession planning for Board members and continuous development of Directors.
- Alignment of the Company's strategy with its remit and capabilities, i.e, its human resources, assets, intellectual property, financial and other resources.

The CGC reviewed and discussed the findings of the evaluation and subsequently reported to the Board with recommendations on matters requiring attention. At the time of approving this report, the Board has taken note of the findings and recommendations of the CGC and resolved to implement an action plan to address remedial issues.

Furthermore, the individual Director evaluation is yet to be finalised as appropriate timing and suitable technique to conduct same remain to be agreed upon.

Directors' Remuneration

As a principle, Directors employed by the Rogers or ENL Groups are not entitled to any Directors' fees.

The Directors' fees are made up of two components: a basic fixed monthly fee and a variable attendance fee. The Chairmen of Board committees are paid a higher fee.

During the year under review, and in the context of the COVID-19 pandemic, the CGC recommended a decrease in Directors' fees, which was then approved by the Board. The table on **page 63** shows the remuneration of Directors for the year ended 30 June 2020.

The Company has not put in place any long-term incentive plan, share option or bonus schemes associated with organisational performance.

A Directors' and Officers' liability insurance policy has been subscribed to and renewed by Rogers. The policy provides cover for risks arising out of the acts or omissions of the Directors and officers of the Rogers Group. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

CORPORATE GOVERNANCE REPORT (contd)

Principle 05

Risk Governance and Internal Control

The Board is accountable to stakeholders for ensuring that the Company and its subsidiaries (the 'Group') are appropriately managed. The Board sets the Group's risk appetite and satisfies itself that financial controls and risk management systems are robust while ensuring adequate resourcing. The Board receives regular updates on risk and internal control matters with detailed oversight by the RMAC and its findings are reported to the Board. See **pages 80-89** for more details on risk management, internal control and the work of the RMAC.

Principle 06

Reporting with Integrity

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation. The accounts adhere to IFRS, IAS and the Companies Act.

Having taken all the matters considered and brought to its attention during the year under review, the Board is satisfied that the Integrated Annual Report and accounts taken as a whole are fair, balanced, and understandable.

The Integrated Annual Report is available on the Website. During the year under review, the main Board deliberations were as follows:

2019		Capitals Impacted
Review and approval of valuation of investment properties	September	
Recommendation to shareholders of a proposed amendment to the Constitution of the Company	September	
Following the recommendations of the CGC, review of the Board composition to meet the requirements of the Code	September	
Adoption of a Board Charter	September	
Board evaluation	September	
Implementation of online banking within the Group	September	
Close monitoring of vacancies across the Malls	November	
Declaration of interim dividends payable to Class A ordinary shareholders	November	

2020		
Approval of capital expenditure for So'flo, Phoenix and Riche Terre Malls	February	
Approval of a tenant relief plan and safe shopping initiative in the wake of the COVID-19 pandemic	April	
Review of the forecast and cash flow in view of the impact of national lockdown	April	
Approval of contributions to solidarity funds relating to the COVID-19 pandemic	April	
Conversion of all remaining non-voting preference shares into Class A ordinary shares	May	
Approval of refinancing of loan availed by Floreal Commercial Centre Ltd	June	
Approval of the FY 2021 budget and 3-year strategic plan	June	
Declaration of final dividends payable to non-voting preference shareholders, Class A ordinary shareholders, and interest payment to bondholders of the Company	May / June	
Launching of a Rs 1.5bn bond programme	July	

Given national lockdown from March to May 2020 and the direct impact of the COVID-19 pandemic on the Company, the Board has monitored the emerging risk exposures and has approved a Tenant Relief Plan as well as a Safe Shopping initiative across its Malls. Financial forecasts have been revised accordingly.

Principle 07

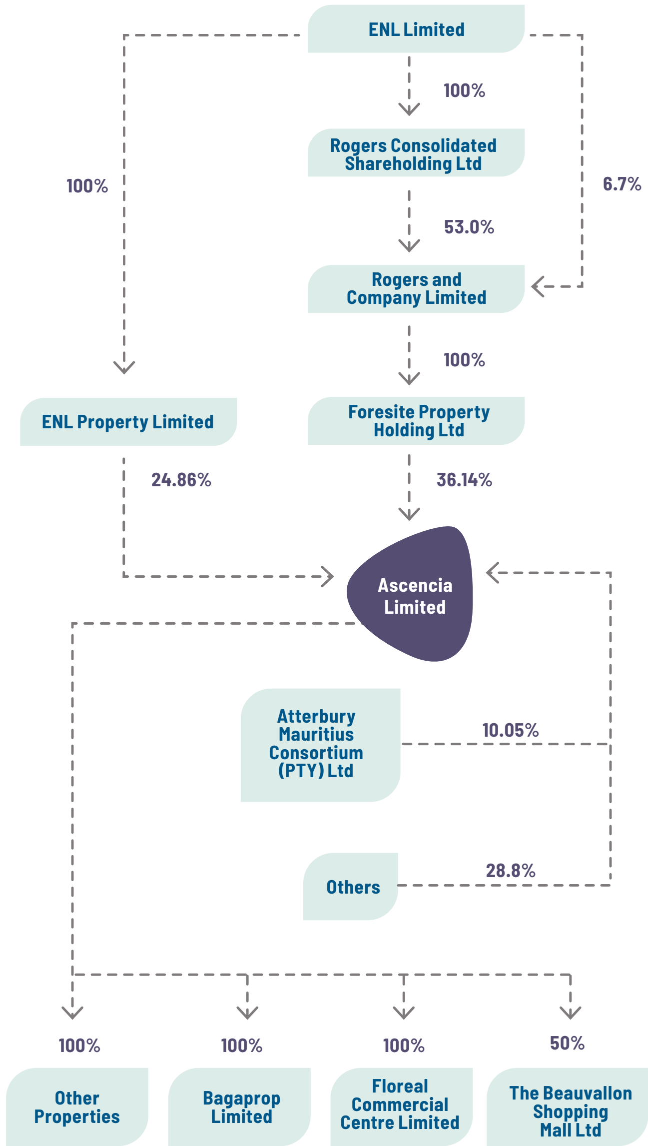
Audit

For more information on the audit of the Company, please refer to **pages 93-98** of the Integrated Annual Report.

Principle 08

Relations with Shareholders and other Key Stakeholders

The shareholding structure of Ascencia as at 30 June 2020 is set out as follows:



The Company maintains constant dialogue with its shareholders and incorporates their valuable feedback into its governance framework.

Communication with all stakeholders is carried out through:
- the Integrated Annual Report;
- annual Investors' Briefings;
- quarterly Unaudited Financial Statements;
- quarterly management reports;
- meetings of shareholders;
- press communiqués;
- magazines, including Trends by Ascencia (also available at http://trendsmagazine.ascenciamall.com)
- social media, and
- the Website.

The Annual Meeting of Shareholders is earmarked to be held in November 2020. Shareholders will be given notice of such meeting at least 21 days prior to the meeting.

In line with Principle 8 of the Code, the proxy report and voting result(s) of any Meeting of Shareholders of the Company are uploaded on the Website.

Other Matters

- **Corporate and Social Responsibilities**

The Company did not make any political donations for the year under review. The Company made a total contribution of Rs 3m to solidarity funds related to COVID-19.

Please refer to the Social Capital section on **pages 46 to 49** for more details.

- **Environmental Responsibilities**

Please refer to the Natural Capital section on **pages 42 to 45** for more details.

- **Financial Responsibilities**

Please refer to the Financial Capital section on **pages 32 to 35** for more details.

Compliance Statement

Throughout the year ended 30 June 2020, to the best of the Board's knowledge, the Company has applied all the principles of the Code and explained how these principles have been applied.

BOARD OF DIRECTORS

01 **ESPITALIER-NOËL**, Phillipe
02 **TYACK**, Frédéric
03 **ESPITALIER-NOËL**, Hector
04 **VEERASAMY**, Naderasen Pillay
05 **VACHER**, Belinda
06 **MAMET**, Damien
07 **AH CHING**, Marc
08 **HOOLAS**, Ashis Kumar
09 **LAM KIN TENG**, Dean
10 **GALEA**, Dominique
11 **PASCAL**, Pierre-Yves

BOSHOFF, Armond → Missing in the picture

BOARD OF DIRECTORS

ESPITALIER-NOËL, Phillipe [55]

CHAIRMAN & NON-EXECUTIVE DIRECTOR

Date of Appointment: 28 June 2007
CGC and SC – Member

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 in 2007

Skills

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

Current External Directorships in other Listed Companies

- Air Mauritius Limited
- Rogers and Company Limited
- Swan Life Ltd and Swan General Limited

ESPITALIER-NOËL, Hector [62]

NON-EXECUTIVE DIRECTOR

Date of Appointment: 03 April 2014

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 with De Chazal du Mée in Mauritius
- Past Chairman of the Board of Rogers and Company Limited
- 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
- Swan Life Ltd and Swan General Ltd
- Semaris Limited

TYACK, Frédéric [51]

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Date of Appointment: 08 May 2019
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

GALEA, Dominique [68]

INDEPENDENT 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 1980s
- 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

Continuous Professional Development

Workers' Rights Act

BOSHOFF, Armond [34]

NON-EXECUTIVE OFFICER

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, International exposure, Strategic dimension

Current External Directorships in other Listed Companies

None

PASCAL, Pierre-Yves [43]

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
- Since January 2016, he started to work as a Private Banker & Senior Wealth Manager with AfrAsia Bank
- On 01 July 2017, he was appointed Head of Wealth Management of AfrAsia Bank

Skills

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

Current External Directorships in other Listed Companies

None

BOARD OF DIRECTORS (contd)

AH CHING, Marc [53]
NON-EXECUTIVE DIRECTOR

Date of Appointment: 16 October 2007
RMAC – Member

Qualifications
- Member of the Chartered Institute of Management Accountants (CIMA)
- Member of the Chartered Institute of Bankers UK (ACIB)

Professional Journey
- Started his career with Crédit du Nord in London in 1994
- In 1998, he moved to the Nedbank Group in Mauritius
- Joined Rogers and Company Limited as Managing Director – Finance for the Tourism and Logistics Services sectors in 2005
- Was appointed as Chief Finance Executive of the Rogers Group in 2007
- In 2011, he moved to a management company operating in the Global Business Sector as Director – Business Development
- In 2016, he joined Rogers Capital as Chief Finance and Investment Officer

Skills

Board matters, Accounting skills, Business skills, Financial skills, Financial reporting, Entrepreneurial skills, Risk management, Strategic dimension, Global business, International exposure

Current External Directorships in other Listed Companies

None

Continuous Professional Development

Forum of Accountants - Aug 2019
Cashless Asia 2019 Forum - Sept 2019

VEERASAMY, Naderasen Pillay [63]
INDEPENDENT DIRECTOR

Date of Appointment: 26 August 2014
CGC – 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

Current External Directorships in other Listed Companies

- Sun Limited

LAM KIN TENG, Dean [52]
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

MAMET, Damien [43]
EXECUTIVE DIRECTOR

Date of Appointment: 25 June 2015
RMAC and SC – 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 of Corporate Finance of PricewaterhouseCoopers
- 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 the Group 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

Current External Directorships in other Listed Companies

- Rogers and Company Limited

VACHER, Belinda [35]
NON-EXECUTIVE OFFICER

Date of Appointment: 30 October 2019

Qualifications
- Master of Business Administration
- BSc (Hons) Finance
- Certificate in Business Accounting
- Member of the Chartered Institute of Management Accountants (CIMA)

Professional Journey
- Started her career within the Rogers Group as Investment Executive
- Became the Fund Manager of Ascencia in 2014
- Was recruited as Head of Projects and Corporate Advisory at Rogers Capital in 2017
- Was in employment with the Grit Real Estate Income Group as Chief Investment and Corporate Advisory Officer up to 2019
- Joined the Rogers Group anew as Chief Projects and Sustainability Executive

Skills

Board matters, Accounting skills, Deal structuring, Financial skills, Communication skills, Corporate finance, Investment management, Strategic dimension, International exposure

Current External Directorships in other Listed Companies

None

HOOLAS, Ashis Kumar [64]
INDEPENDENT DIRECTOR

Date of Appointment: 16 April 2020

Qualifications
- BA Sociology, University of Bombay
- Postgraduate Diploma in Hotel and Tourism Management, IITC Bombay, India
- Diploma in Public Administration and Management, University of Mauritius
- Master's degree in Personnel Management, University of Pune, India

Professional Journey

Principal Assistant Secretary:
- Ministry of Education and Scientific Research: December 2000-2001
- Ministry of Civil Service and Administrative Reforms: December 2001-2012

Permanent Secretary:
- Ministry of Civil Service and Administrative Reforms: 25 April 2012 - 10 January 2014
- Ministry of Agroindustry and Food Security: 10 January 2014 - 06 January 2015
- Ministry of Civil Service and Administrative Reforms: 07 January 2015 - 19 September 2016
- Ministry of Environment, Sustainable Development & Disaster and Beach Management: 19 September 2016 - 15 May 2017
- Ministry of Social Integration and Economic Empowerment: 15 May 2017 - 02 December 2019
- Ministry of Social Integration, Social Security and National Solidarity: 02 December 2019 to date

Skills

Board matters, Governance, Human resources, International exposure

Current External Directorships in other Listed Companies

None

CORPORATE INFORMATION

Board of Directors
(as at 30 June 2020)

ESPITALIER-NOËL, Philippe	Chairman and Non-Executive Director
AH CHING, Marc	Non-Executive Director
BOSHOFF, Armond	Non-Executive Director
HOOLAS, Ashis Kumar	Independent Director
ESPITALIER-NOËL, Hector	Non-Executive Director
GALEA, Dominique	Independent Director
LAM KIN TENG, Dean	Independent Director
MAMET, Damien	Executive Director
PASCAL, Pierre-Yves	Independent Director
VACHER, Belinda	Non-Executive Director
TYACK, Frédéric	Chief Executive Officer and Executive Director
VAN DER WATT, Louis	Non-Executive Director
VEERASAMY, Naderasen Pillay	Independent Director

Company Secretary

AH LIN, Sharon
SEEPURSAUND, Kunal

Management

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

Auditors

KPMG
31, Cybercity
Ebene

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 2019 - 30 June 2020

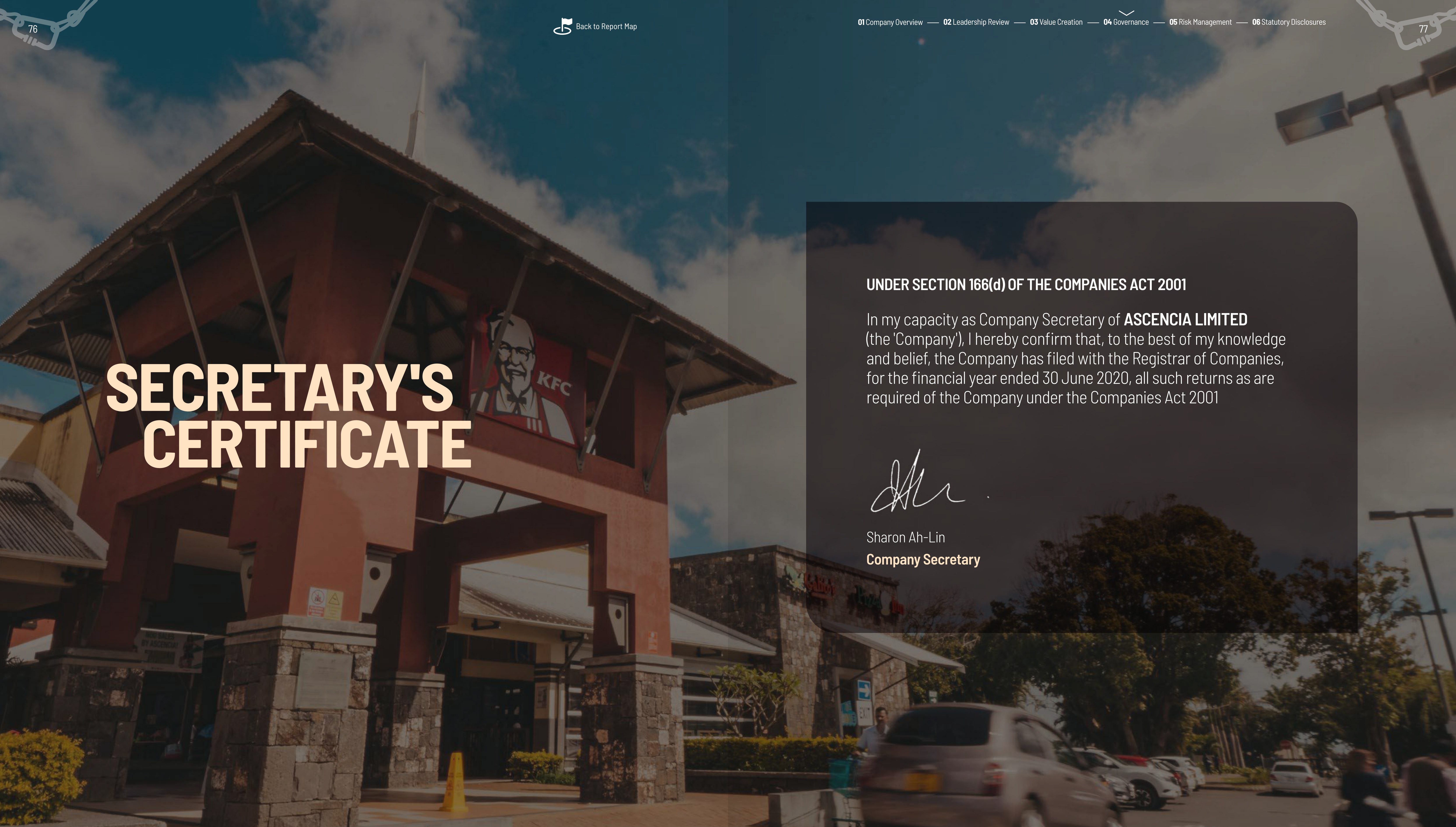
Throughout the year ended 30 June 2020, to the best of the Board's knowledge, Ascencia Limited has complied with the Corporate Governance Code for Mauritius (2016).

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	Frédéric Tyack
Chairman	**CEO & Director**

12 November 2020



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 2020, all such returns as are required of the Company under the Companies Act 2001

Sharon Ah-Lin

Company Secretary

CHAPTER 5 | RISK MANAGEMENT REPORT

Agile in the face of adversity.

RISK MANAGEMENT REPORT

Risk Management

In times of crisis and uncertainty, a robust risk management framework is critical for the short-term survival of any company and achievement of its long-term sustainable goals.

The COVID-19 pandemic has brought uncertainty and challenges worldwide with serious impacts on most sectors of the economy in Mauritius. The retail property sector was not spared. During the lockdown period, a high level of sanitary measures was put in place in the Malls to create a safe environment for shoppers and tenants providing essential services. These measures were in line with Ascencia's value of consumer centricity and were enhanced towards the end of the lockdown period with the Malls operating at full capacity.

The impact of the crisis has been properly managed by the Property and Asset Manager, displaying agility in response to the crisis and associated risks. The strong foundations laid in the past years for an effective risk management framework, coupled with values of passion and entrepreneurship, have put Ascencia on a strong footing to face difficult headwinds.

Given the rapidly evolving nature of risks, daily monitoring has become paramount to success. The business strategy has been reviewed taking into consideration the changing risk landscape as well as the risk appetite and vision.

To pursue Ascencia's vision, management will have to secure the right opportunities that will crop up with the objective of building resilience beyond the crisis.

Risk Management and Audit Committee (RMAC)

The RMAC has continued to play a key oversight role for the Board of Directors. RMAC and Board of Directors meetings were held during the lockdown period using collaborative tools to discuss and review the risks related to the crisis and the appropriate mitigating measures.

Key Achievements of the Committee:

- Alignment of the RMAC Charter with the National Code of Corporate Governance.;
- Implementation of the Code of Ethics;
- Review of financial performance and report from management;
- Review of significant strategic, financial, operational and compliance risks and;
- Review of valuation of properties.

Auditors

The external auditors were appointed last year through a tender. The RMAC carried out the following tasks:

- assessed adequacy of the audit plan of external and internal auditors;
- discussed issues raised by auditors;
- reviewed key findings and recommendations of auditors and ensured implementation of the recommendations by management; and
- ensured that no restriction was placed over right of access on records and to management.

The Chairman and one Director met with the external auditors without the presence of management during the financial year.

Reporting

- Reported principal matters and risks to the Board of Directors.

5
MEETINGS HELD

4
MEMBERS

5 YEARS
AVERAGE TENURE

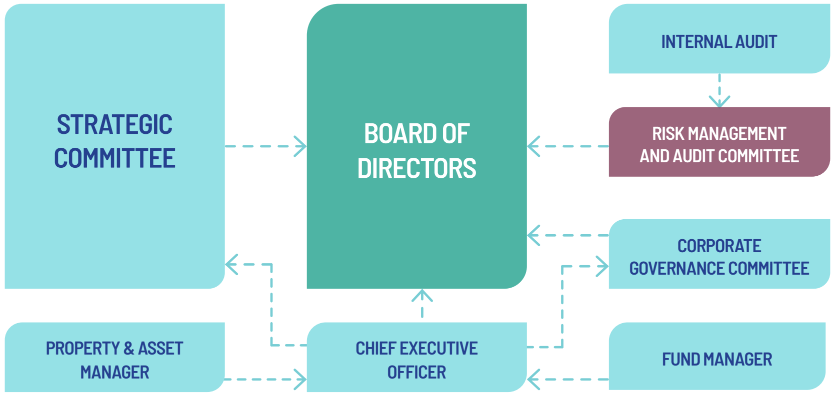
Risk Management Report (contd)

Risk Management Framework

Although the current Risk Management Process and Risk Governance Structure are well-established we continuously aim to improve same to ensure that principal risks are properly identified and managed.

Risk Governance Structure

The Risk Governance Structure is supported by the four lines of defence. The ultimate responsibility for risk governance rests with the Board of Directors. However, this responsibility is delegated to the Risk Management and Audit Committee.



4 Lines of Defence

Our four lines of defence provide assurance to senior management, the RMAC and the Board on the effectiveness of the Risk Managment Framework.

1 People, Process & Technology
- Controls operated by people at corporate office and in Malls.
- Established processes set at operational level.
- Automated system controls.

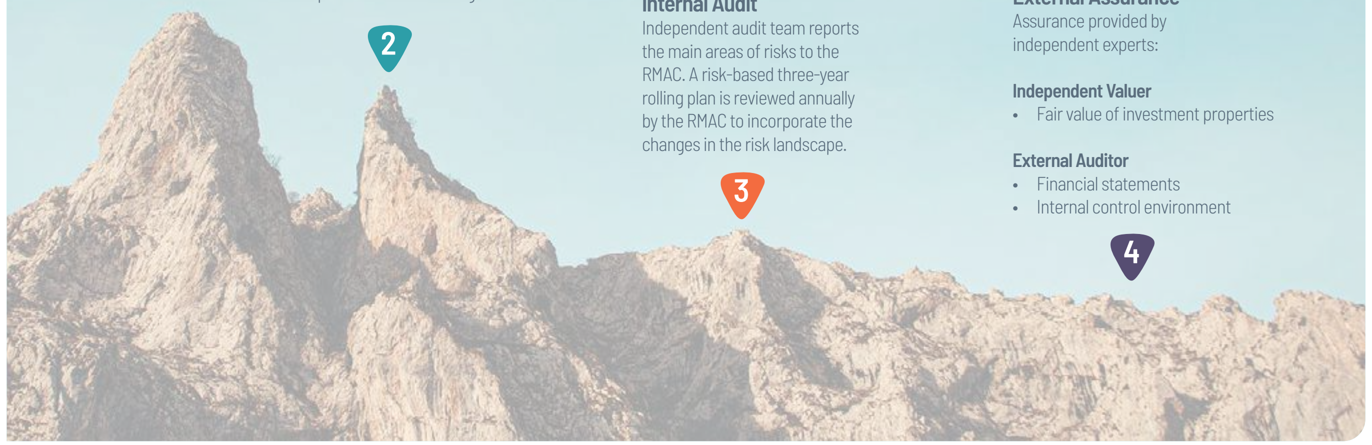
2 Management & Oversight
Health & Safety checks are performed by the Group Health & Safety Officer and a professional consulting firm.

3 Internal Audit
Independent audit team reports the main areas of risks to the RMAC. A risk-based three-year rolling plan is reviewed annually by the RMAC to incorporate the changes in the risk landscape.

4 External Assurance
Assurance provided by independent experts:

Independent Valuer
- Fair value of investment properties

External Auditor
- Financial statements
- Internal control environment



Risk Management Process

The risk management process consists of **five steps**, which combined enable effective risk management process.

IDENTIFICATION

- Centre and Operation Managers in Malls
- Safety checks and audits carried out
- Review of complaints by tenants and shoppers
- Periodic risk reviews
- At time of preparation of Budget and Strategic Plan

ASSESSMENT/ EVALUATION

Performed during the following meetings:
- Management meetings
- Quarterly Risk and Audit Committee
- Board of Directors

TREATMENT OR TRANSFER

Implementation of:
- Policies and procedures
- Updated Strategic Plan
- Recommendations of auditors
- Risk covered by Insurance

MONITORING

- Review of key performance and risk indicators
- Follow-up of progress on implementation of previous recommendations of internal auditors

REPORTING

Risks are reported to the CEO and Chairman of the RMAC on a regular basis and discussed at both the RMAC and Board levels.

Risk Management Report (contd)

Internal Audit

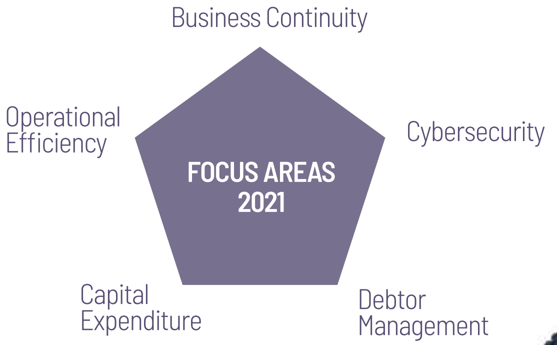
The Internal Audit team of Rogers & Co. Ltd reports to the RMAC on a quarterly basis on the findings and recommendations from audits performed and follow-up of recommendations from previous audits.

Information on composition and qualifications of the Internal Audit team is detailed on the website: www.rogers.mu

The three-year Internal Audit Plan covers financial years 2019 to 2021. The second year was impacted by lockdown, resulting in only 55% of the three-year plan being covered. The remaining 45% will be covered in FY 2021.

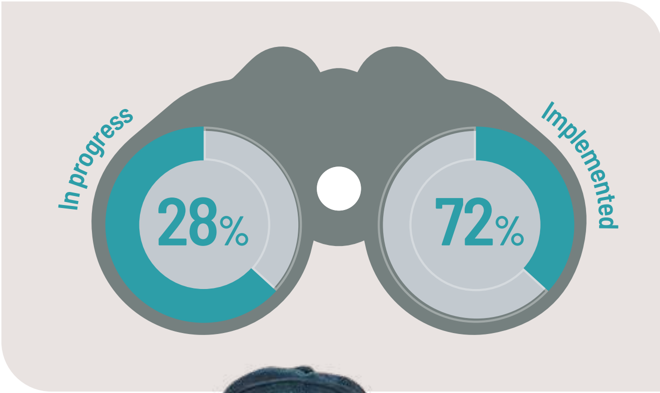
Audit Focus Areas

All significant risk areas are covered in the three-year plan. Areas covered over the past two years and those planned for the next financial year are:



Implementation of Recommendations

Implementation of internal audit recommendations is based on the level of risks associated with the findings. However, with the current crisis, the risk landscape has been altered and management has decided to focus on the risk areas that need to be addressed in the immediate term. Progress made on implementation of recommendations was as follows:



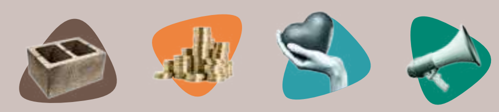
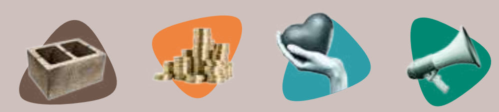
Principal Risks

Once risks have been evaluated and discussed, they are reported to the RMAC and management formulates mitigation actions based on the risk appetite of the Company. Opportunities identified are also evaluated to capitalise on relevant ones. The heat map below provides an overview of the principal residual risks impacting Ascencia.

	Economic Factors	Credit/Default	Valuation	Other Risks
RISK LEVEL	HIGH	HIGH	HIGH	MEDIUM
FORECAST TREND	^	^	^	< >

Key Risks & Responses

KEY — Financial Capital | Natural Capital | Social & Relationship Capital | Intellectual Capital | Manufactured Capital | Human Capital

RISKS	RISK RATING	MITIGATING ACTIONS ALREADY IMPLEMENTED	STRATEGIC RESPONSE AND OPPORTUNITIES	CAPITAL IMPACTED
STRATEGIC **Economic Factors** Adverse economic conditions due to current crisis (COVID-19) resulting in a drop in trading density and pressure on rent to income turnover ratio and difficulty in sustaining income.	HIGH	- Performance of this sector is monitored regularly at senior management level. Challenges are highlighted to the RMAC, the Strategic Committee and the Board. At country level, the Directors are well versed with developments in the country. - Implementation of the customer promise framework is ongoing.	- Monitor risk level through regular review of macroeconomic conditions and key performance indicators. - Consider opportunities available.	
Competition The increase in the level of current and expected competition may lead to: - supply of space rented exceeding demand; and - decrease in footfall.	MEDIUM	- Constant review of tenant mix and introduction of new brands to maintain the attractiveness of Malls.	- Track market trends and client expectations. - Adapt tenant mix to match expectations of shoppers. - Closely monitor footfall and trading densities.	
Clients' Behaviour and Disruptive Technology Shoppers' expectations and behaviours are evolving and are partly shaped by developments in technology, such as e-commerce. Should these expectations not be met, there may be a decline in footfall, which would in turn impact on tenants.	MEDIUM	- Continued focus on the shopper experience and enhancing digital capabilities within the Malls.	- Create a Virtual Mall including "click and collect" facility in each Mall. - Renovate and expand our Malls.	
FINANCIAL **Valuation** Weakening economic conditions could lead to poor financial performance of tenants, resulting in an adverse movement in valuation.	HIGH	- Independent valuation specialists determine fair value of investment properties and same is reviewed by the RMAC and external auditors. - Review of all assumptions with regards to key parameters. - Regular events organised in Malls to attract shoppers. - Maintaining engagement with shoppers via publications and regular interactions on social media.	- Value creation through proper management, maintenance, and renovation of properties. - Reduce lead time for any break in rental.	
Credit/Default (Tenants) Inability of tenants to sustain their financial performance leading to: - cash flow issues; - default or delay in payment of rent; and - 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.	HIGH	- Introduction of a Tenant Relief Plan. - Implementation of the customer promise. - Promoting safe shopping initiatives to maintain customer promise confidence. - Identification of tenants' casualties as early as possible by reviewing their financial performance, developing specific/targeted initiatives to boost performance and ensuring continuous communication. - Constant follow-up and review of high-risk debtors.	- Enhance cooperation with tenants on the organisation of events.	
Funding Inability to further gear up the fund.	MEDIUM	- Issue of bonds as alternative means of funding.	Avail of facilities offered by the Mauritius Investment Corporation (MIC).	

Financial Capital | Natural Capital | Social & Relationship Capital | Intellectual Capital | Manufactured Capital | Human Capital

RISKS	RISK RATING	MITIGATING ACTIONS ALREADY IMPLEMENTED	STRATEGIC RESPONSE AND OPPORTUNITIES	CAPITAL IMPACTED
OPERATIONAL **Business Continuity** **• Fire in the Malls.** - 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. **• Catastrophe** - Pandemic – lockdown. - Effects of climate change and other natural calamities. **• Social Unrest** - Protests and unemployment may lead to riots and looting.	MEDIUM	**Fire** - Development and deployment of emergency preparedness plans across Malls and training sessions conducted as per an agreed plan. - Health and safety inspections performed by Group Health & Safety Officer, professional consulting firm and management. - Internal audits carried out on a regular basis. **Catastrophe** - Setting up of a crisis committee to monitor the impact of the situation. - Green and sustainable initiatives across the Malls to help reduce negative impact of climate change. **Social Unrest** - Ensuring security measures are in place and appropriate insurance covers.	- Implementation of ASCE platform. - Management will monitor closely the implementation of recommendations made by Internal Audit. - Continuously inculcating and fostering a risk culture through training and other awareness campaigns. - Review of the business continuity plan.	
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.	MEDIUM	- Group cybersecurity plan in progress with external consultants. - Continuous employee awareness. - Regular penetration and vulnerability assessments. - Constant monitoring of the network traffic to detect suspicious activity.	- Review of the Insurance Cover. - Review of the IT platform. - Toughening of external-facing web applications. - Development of emergency incident response plans.	
Policy Decisions Impact on the business as a result of: - Compulsory acquisition of land by authorities resulting in disturbed access to Phoenix Mall. - New legislations and changes in existing legislation, e.g. COVID-19 Act 2020, Public Health Act (amendments).	MEDIUM	- Negotiation with authorities to improve access to Phoenix Mall. - Safe shopping measures with access control, disinfection, health measures, testing facilities and amendment of house rules.	- Review of access to Phoenix Mall following work underway for Metro Express project.	
PEOPLE **Property & Asset Manager and Fund Manager** - Staff retention and attraction. - Poor relationship/communication with regards to ethics and controls with employees of service providers. **Other Service Providers** - Failure to manage subcontractors. - Poor relationship with suppliers and the latter not aligned with our values.	MEDIUM	**Property & Asset Manager and Fund Manager** - Learning & Development personnel appointed and plan put in place. - Ethics policy communicated and implemented. **Other Service Providers** - Contract management with Key Performance Indicators (KPIs) set and monitored on a regular basis. - Regular communication with service providers. - Sound vendor management practices in place.	**Property & Asset Manager & Fund Manager** - Implementation of a corporate culture journey. - Continuous monitoring of staff engagement levels. **Other Service Providers** - Continuous measurement of the quality of the relationship between Ascencia and its service providers (Relationship Meter) for value creation.	

CHAPTER 6 STATUTORY DISCLOSURES

Guided by strong values.

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. Contract of Significance

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Management Fees	**139,064**	145,195	**75,642**	75,325

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	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-Executive	**2,108**	1,716	**2,108**	1,716

There were 12 Non-Executive Directors at 30 June 2020 (2019: 11).

5. Donations and Social Contributions

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Donations	**3,000**	-	**3,000**	-
Corporate Social Responsibility	**4,745**	5,037	**1,394**	1,783

6. Auditor's Remuneration

	Group		Company	
	2020	2019	**2020**	2019
Fees payable:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Audit service - KPMG	**965**	-	**466**	-
Audit services - BDO & CO.	**-**	1,233	**-**	665

INDEPENDENT AUDITORS' REPORT

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 "Group" and the "Company"), which comprise the consolidated and separate statements of financial position at 30 June 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the Notes to the consolidated and separate financial statements, including a summary of significant accounting policies, as set out on **pages 104 to 107**.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Ascencia Limited at 30 June 2020 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) "IESBA Code", and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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.

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated and Separate Financial Statements (contd)

Key Audit Matters (contd)

Valuation of investment properties (applicable to the consolidated and separate financial statements)	
Refer to Note 12 to the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group and the Company hold significant investment properties which are fair valued each year under IAS 40, Investment property with the change in fair value being reflected in the statements of profit or loss and other comprehensive income. As at year end, the carrying amount of investment properties of the Group and the Company amounted to MUR 12,745m and MUR 4,866m respectively. The valuation of these investment properties is carried out for management by external experts and is principally based on the discounted cash flows (DCF) model over a period of 5 years and various assumptions from rental growth and risk-adjusted discount rate, amongst others. Due to the significance of the estimation risk of investment properties on the statements of financial position and the judgemental nature of the valuation process, which relies on the application of significant unobservable assumptions which are inherently complex, we have determined the valuation of investment properties to be a key audit matter.	Our audit procedures included the following: - We obtained copies of all the external valuation reports and assessed the skills, experience and objectivity of management's experts. - We evaluated the valuation methodology and assumptions applied in the forecasts for the Discounted Cash Flow model with the assistance of our corporate finance specialists by assessing the appropriateness of the methodology, reasonableness of the forecasts and by benchmarking the assumptions used across the portfolio against available market data. - We assessed the reasonableness and reliability of the management's forecasts and growth rates used by comparing prior year forecasts against actual performance in the current year. - We assessed the mathematical accuracy of the underlying calculations used in the valuation model. - We reviewed the adequacy of the disclosures in the financial statements against the requirements of IFRS 13, Fair Value Measurement and IAS 40, Investment Property.

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated and Separate Financial Statements (contd)

Emphasis of Matter

We draw attention to Note 30 to the consolidated and separate financial statements which indicates that the comparative information presented at and for the year ended 30 June 2019 has been restated. Our opinion is not modified in respect of this matter.

Other Matter relating to Comparative Information

The consolidated and the separate financial statements of Ascencia Limited at and for the years ended 30 June 2019 and 30 June 2018 (from which the statements of financial position as at the beginning of the preceding period, 1 July 2018, have been derived), excluding the retrospective adjustments described in Note 30 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on 2019 financial statements on 13 September 2019.

As part of our audit of the consolidated and separate financial statements at and for the year ended 30 June 2020, we audited the adjustments described in Note 30 that were applied to restate the comparative information presented at and for the year ended 30 June 2019 and the statements of financial position at 1 July 2018. We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the years ended 30 June 2019 or 30 June 2018 (not presented herein) or to the consolidated and separate statements of financial position at 1 July 2018, other than with respect to the adjustments described in Note 30 to the consolidated and separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the retrospective adjustments described in Note 30 are appropriate and have been properly applied.

Other Matter relating to our Responsibilities with Respect to the Mauritius Companies Act

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members, as a body, those matters that we are required to state to them in an auditors' 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.

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated and Separate Financial Statements (contd)

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statement of Compliance, Secretary's Certificate, Directors' Report and Other Statutory Disclosures, which we obtained prior to the date of this auditors' 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 and separate financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' 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.

Responsibilities of Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act, and for such internal control as the Directors determine is necessary to enable the preparation of the 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's and the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated and Separate Financial Statements (contd)

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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's and Company's ability to continue as a going concern.
  If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and/or 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; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors 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.

Financial Reporting Act

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the Integrated 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 report, the Company has, pursuant to Section 75 of the Financial Reporting Act, complied with the requirements of the Code.

KPMG
Ebène, Mauritius

Reesan EMRITH
Licensed by FRC

12 November 2020

DIRECTORS' REPORT

(a) Financial Statements

The 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 confirms that, in preparing the audited financial statements, it has:

(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 Statement

On the basis of current projections, we 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 Company. 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 1,393,933 (2019: Rs 1,782,761) were made by the Company.

(e) Audited Financial Statements

The audited financial statements which appear on pages 100 to 143 were approved by the Board on 12 November 2020 and are signed on their behalf by:

Philippe Espitalier-Noël
Chairman

Frédéric Tyack
CEO & Director

12 November 2020

Statements of Profit or Loss and Other Comprehensive Income Year Ended 30 June 2020

	Notes	Group 2020	Group 2019 Restated *	Company 2020	Company 2019 Restated *
Continuing operations		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Revenue					
Rental income	5(a)	**961,257**	999,599	**394,718**	382,282
Recoveries	5(a)	**340,862**	369,151	**128,926**	137,268
Other operating income	5(a)	**30,976**	32,834	**13,990**	17,361
Gross rental income		**1,333,095**	1,401,584	**537,634**	536,911
Direct operating expenses arising from investment property	6	**(379,527)**	(394,211)	**(152,851)**	(145,368)
Net property income		**953,568**	1,007,373	**384,783**	391,543
Investment and other income	5(b)	**6,118**	2,724	**226,975**	277,726
Administrative expenses	7	**(130,966)**	(133,898)	**(77,696)**	(81,489)
Net impairment losses on financial assets	8	**(207,750)**	(2,751)	**(84,887)**	(3,131)
Profit from operations		**620,970**	873,448	**449,175**	584,649
Profit on disposal of investment property		**-**	298	**-**	298
Change in fair value of investment property	12	**109,809**	394,884	**(145,723)**	142,397
Share of loss/profit in joint venture	15	**(4,775)**	36,328	**-**	-
Loss on remeasurement of joint venture to subsidiary	26(a)	**-**	(9,208)	**-**	-
Gain on bargain purchase	26(a)	**-**	18,416	**-**	-
Profit before interest and taxation		**726,004**	1,314,166	**303,452**	727,344
Finance income	9(a)	**20,408**	24,793	**8,870**	15,601
Finance costs	9(b)	**(255,793)**	(277,765)	**(116,511)**	(127,518)
Profit before tax		**490,619**	1,061,194	**195,811**	615,427
Tax charge	10(a)	**(89,302)**	(107,282)	**(38,476)**	(43,492)
Profit for the year from continuing operations		**401,317**	953,912	**157,335**	571,935
Discontinued operations					
Post-tax profit from discontinued operations	27(b)	**5,292**	9,869	**5,292**	9,869
Profit for the year		**406,609**	963,781	**162,627**	581,804
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**406,609**	963,781	**162,627**	581,804
Earnings per share:					
Basic (Rs)					
- Class A:	11	**0.84**	2.00		
Diluted (Rs)					
- Class A:	11	**0.84**	1.99		

The Notes on **pages 104 to 143** form an integral part of these financial statements.

Auditors' report on **pages 93 to 98**.
*Refer to Note 30 for further information.

Statements of Financial Position as at 30 June 2020

	Notes	Group 2020	Group 2019 Restated *	Group As at July 1 2018 Restated *	Company 2020	Company 2019 Restated *	Company As at July 1 2018 Restated *
ASSETS		**Rs '000**	Rs '000	Rs '000	**Rs '000**	Rs '000	Rs '000
Non-current assets							
Investment property	12	**12,744,899**	12,293,927	11,160,054	**4,866,077**	4,795,753	4,600,142
Equipment	13	**25,720**	26,832	24,622	**8,778**	5,939	6,971
Investment in subsidiary companies	14	**-**	-	-	**3,366,972**	2,991,640	2,764,022
Investment in joint venture	15	**135,753**	140,528	130,478	**104,200**	104,200	106,347
		12,906,372	12,461,287	11,315,154	**8,346,027**	7,897,532	7,477,482
Current assets							
Trade receivables	16	**81,273**	22,191	18,544	**26,068**	11,048	15,916
Financial assets at amortised cost	17	**421,073**	775,207	656,196	**359,661**	510,374	475,380
Other assets	18	**16,379**	12,036	6,273	**15,586**	7,138	2,819
Cash and cash equivalents	25	**166,136**	101,073	399,678	**31,692**	61,112	334,189
		684,861	910,507	1,080,691	**433,007**	589,672	828,304
Non-current assets classified as held for sale	27(d)	**21,244**	119,144	71,567	**21,244**	119,144	71,567
Total assets		**13,612,477**	13,490,938	12,467,412	**8,800,278**	8,606,348	8,377,353
EQUITY AND LIABILITIES							
Shareholders' Equity							
Stated capital	19	**4,460,068**	4,411,401	4,362,734	**4,460,068**	4,411,401	4,362,734
Retained earnings		**3,640,290**	3,491,033	2,922,508	**1,444,240**	1,538,965	1,352,417
Total equity		**8,100,358**	7,902,434	7,285,242	**5,904,308**	5,950,366	5,715,151
LIABILITIES							
Non-current liabilities							
Borrowings	20	**4,429,711**	4,465,209	4,101,464	**1,865,454**	1,866,143	1,866,790
Convertible preference shares	20	**-**	-	48,667	**-**	-	48,667
Debentures	20	**189,612**	210,680	210,680	**189,612**	210,680	210,680
Deferred tax liabilities	21	**406,994**	359,041	291,645	**181,792**	155,165	124,183
		5,026,317	5,034,930	4,652,456	**2,236,858**	2,231,988	2,250,320
Current liabilities							
Trade and other payables	22	**328,482**	240,910	220,778	**183,830**	108,506	107,723
Borrowings	20	**40,962**	11,471	5,385	**687**	647	608
Convertible preference shares	20	**-**	48,667	48,667	**-**	48,667	48,667
Debentures	20	**21,068**	-	-	**21,068**	-	-
Amount payable to related companies	23	**17,095**	23,295	-	**375,332**	36,943	-
Dividend payable	24	**77,970**	226,549	215,274	**77,970**	226,549	215,274
		485,577	550,892	490,104	**658,887**	421,312	372,272
Liabilities directly associated with non-current assets classified as held for sale	27(e)	**225**	2,682	39,610	**225**	2,682	39,610
Total liabilities		**5,512,119**	5,588,504	5,182,170	**2,895,970**	2,655,982	2,662,202
Total equity and liabilities		**13,612,477**	13,490,938	12,467,412	**8,800,278**	8,606,348	8,377,353

The Notes on **pages 104 to 143** form an integral part of these financial statements.

Auditors' report on **pages 93 to 98**.
*Refer to Note 30 for further information.

Statements of Changes in Equity
Year Ended 30 June 2020

	Notes	Attributable to owners of the parent		
		Stated Capital	Retained Earnings	Total Equity
		Rs '000	Rs '000	Rs '000
GROUP				
Balance at 01 July 2019				
- As previously reported		4,411,401	3,469,291	7,880,692
- Prior year adjustment *		-	21,742	21,742
- As restated		4,411,401	3,491,033	7,902,434
Conversion of preference shares	19	48,667	-	48,667
Profit for the year		-	406,609	406,609
Dividends	24	-	(257,352)	(257,352)
At 30 June 2020		**4,460,068**	**3,640,290**	**8,100,358**
GROUP				
Balance at 01 July 2018				
- As previously reported		4,362,734	2,914,455	7,277,189
- Prior year adjustment *		-	8,053	8,053
- As restated		4,362,734	2,922,508	7,285,242
Conversion of preference shares	19	48,667	-	48,667
Profit for the year - Restated		-	963,781	963,781
Dividends	24	-	(395,256)	(395,256)
At 30 June 2019		**4,411,401**	**3,491,033**	**7,902,434**

	Notes	Stated Capital	Retained Earnings	Total Equity
COMPANY		Rs '000	Rs '000	Rs '000
Balance at 01 July 2019				
- As previously reported		4,411,401	1,538,965	5,950,366
- Prior year adjustment *		-	-	-
- As restated		4,411,401	1,538,965	5,950,366
Conversion of preference shares	19	48,667	-	48,667
Profit for the year		-	162,627	162,627
Dividends	24	-	(257,352)	(257,352)
At 30 June 2020		**4,460,068**	**1,444,240**	**5,904,308**
COMPANY				
Balance at 01 July 2018				
- As previously reported		4,362,734	1,352,417	5,715,151
- Prior year adjustment *		-	-	-
- As restated		4,362,734	1,352,417	5,715,151
Conversion of preference shares	19	48,667	-	48,667
Profit for the year - Restated		-	581,804	581,804
Dividends	24	-	(395,256)	(395,256)
At 30 June 2019		**4,411,401**	**1,538,965**	**5,950,366**

The Notes on **pages 104 to 143** form an integral part of these financial statements.

Auditors' report on **pages 93 to 98**.
*Refer to Note 30 for further information.

Statements of Cash Flows
Year Ended 30 June 2020

	Notes	Group		Company	
			Restated *		Restated *
		2020	2019	**2020**	2019
Operating activities		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Profit before tax		**490,619**	1,061,194	**195,811**	615,427
Share of loss/(profit) in joint venture		**4,775**	(36,328)	**-**	-
Change in fair value of investment property		**(109,809)**	(394,884)	**145,723**	(142,397)
Straight-lining adjustment		**(28,890)**	(74,475)	**(20,410)**	(24,672)
Letting commission		**9,850**	7,792	**3,926**	3,203
Net impairment losses on financial assets		**207,750**	2,751	**84,887**	3,131
Depreciation		**9,315**	7,479	**3,033**	2,036
Profit on sale of investment property		**-**	(9,506)	**-**	-
Interest income		**(20,408)**	(24,793)	**(8,870)**	(15,601)
Dividend income		**-**	-	**(221,750)**	(275,000)
Interest expense		**255,793**	277,765	**116,511**	127,518
		818,995	816,995	**298,861**	293,645
Changes in working capital:					
- Trade receivables		**(262,094)**	(21,657)	**(99,907)**	2,202
- Trade and other payables		**(19,750)**	(19,182)	**(2,227)**	(4,441)
- Other assets		**(21,002)**	(40,902)	**(19,239)**	(17,444)
- Financial assets at amortised cost		**(100,910)**	(288)	**(117,096)**	(43,225)
- Amount payable to related companies		**(6,200)**	23,295	**(36,943)**	36,943
Cash generated from operations		**409,039**	758,261	**23,449**	267,680
Interest paid		**(255,793)**	(277,765)	**(116,511)**	(127,518)
Tax paid		**(29,427)**	(17,299)	**(1,057)**	(5,208)
Net cash generated from/(used in) operating activities		**123,819**	463,197	**(94,119)**	134,954
Investing activities					
Acquisition of joint venture		**-**	(104,200)	**-**	(104,200)
Acquisition of subsidiary		**-**	(121,270)	**-**	(121,270)
Expenditure on investment property		**(251,402)**	(144,623)	**(158,612)**	(131,842)
Purchase of equipment		**(8,202)**	(9,538)	**(5,872)**	(1,004)
Proceeds from sale of investment property		**-**	8,120	**-**	8,120
Interest received		**20,408**	24,793	**8,870**	15,601
Dividend received		**-**	-	**281,750**	268,767
Net cash (used in)/generated from investing activities		**(239,196)**	(346,718)	**126,136**	(65,828)
Financing activities					
Proceeds from borrowings		**-**	15,320	**-**	-
Repayment of borrowings		**(6,007)**	(5,385)	**(649)**	(608)
Dividends paid		**(405,932)**	(383,981)	**(405,932)**	(383,981)
Net cash used in financing activities		**(411,939)**	(374,046)	**(406,581)**	(384,589)
Net cash flows from discontinued operations	27(c)	**100,735**	16,429	**100,735**	16,429
Net decrease in cash and cash equivalents		**(426,581)**	(241,138)	**(273,829)**	(299,034)
Cash and cash equivalents - opening		**762,852**	992,537	**354,574**	653,608
Cash acquired through business combinations		**-**	11,453	**-**	-
Cash and cash equivalents - closing	25**	**336,271**	762,852	**80,745**	354,574

The Notes on **pages 104 to 143** form an integral part of these financial statements.

Auditors' report on **pages 93 to 98**.
* Refer to Note 30 for further information.
** The non-cash transactions are disclosed in Note 25.

Notes to the Financial Statements - For the year ended 30 June 2020

1. GENERAL INFORMATION

Ascencia Limited (the "Company") and its subsidiaries (the "Group") is a real estate company that holds a portfolio of investment properties in Mauritius. It is a public company limited by shares and incorporated in the Republic of Mauritius since June 28 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 the Republic of Mauritius.

The financial statements presented herewith are for the year ended 30 June 2020 and will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company on 10 December 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of operation

The financial statements of Ascencia Limited and its subsidiaries comply with the Companies Act 2001 and Financial Reporting Act (FRA) and have been prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the Company and its subsidiary companies (the "Group") and the separate financial statements of the company (the "Company"). The financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs 000), except when otherwise indicated.

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

(i) investment property is stated at fair value;
(ii) relevant financial assets are stated at amortised cost; and
(iii) financial liabilities are stated at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases – incentives and SIC-27 Evaluating the substance of transactions involving the legal form of a lease.

Lessee accounting

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. IFRS 16 can be applied using either a retrospective approach or a modified retrospective approach with optional practical expedients for lessees. The lessee will have to apply any elections consistently to all of its leases. When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition.

The above is not expected to have any impact on the Group's financial statements as it was not a lessee at the date of the transition.

Notes to the Financial Statements - For the year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (contd)

(a) Basis of operation (contd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (contd)

Lessor accounting

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating or finance leases, and to account for those two types of leases differently.

IFRS 16 also requires enhanced disclosures to be provided about a lessor's risk exposure, particularly to residual value risk.

This standard does not substantially affect the accounting for rental income earned by the Group as lessor. The main impact of the standard is the removal of the distinction between operating and finance leases for lessees, which will result in almost all leases being recognised on the balance sheet. Therefore, specific disclosures regarding the nature of leasing activities, risk management procedures, and transitionary arrangements are not relevant to the Group and its subsidiaries.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Group's financial statements.

Prepayment features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Group's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Group's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle
- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages,
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation,
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised,
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Group's financial statements.

Plan Amendment, Curtailment, or Settlement (Amendments to IAS 19) clarify that entities must:
- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment, or settlement by using the updated assumptions from the date of the change;
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Group's financial statements.

Notes to the Financial Statements - For the year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (contd)

(a) Basis of operation (contd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards, and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2020 or later periods, but which the Group has not early adopted.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
Annual Improvements 2018-2020
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
Reference to the Conceptual Framework (Amendments to IFRS 3)
COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The International Accounting Standards Board (IASB) has published amendments to IFRS 16 which means that for coronavirus-related rent concessions (e.g. rent holidays and temporary rent reductions), lessees can choose not to consider lease modification accounting.

This amendment did not have any impact on the Group as no rental concession was provided to tenants. As a result, no lease modification was required.

As regards the remaining standards listed above, the Group is in the process of evaluating the effect of the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 entity 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).

Notes to the Financial Statements - For the year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (contd)

(c) Impairment of non-financial assets (contd)

Where the asset does not generate cash flows that are independent of 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.

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.

Notes to the Financial Statements - For the year ended 30 June 2020

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 creditworthiness 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 receivables, 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 and customers. Please refer to Note 16 for further information on trade receivables.

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

Foreign currency risk

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

Cash flow and fair value interest risk

The Group has interest-bearing loan receivables from its 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's interest rate risk arises from external debt. External debt issued at variable rates exposes the Group to cash flow interest rate risk. The Group does not have any fixed interest external debt.

As at 30 June 2020, 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	**2020**	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Effect higher/lower on post-tax profit and equity	**19,896**	20,128	**8,826**	9,036

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.

Notes to the Financial Statements - For the year ended 30 June 2020

3. FINANCIAL RISK FACTORS (contd)

Liquidity risk (contd)

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 parent 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 2020	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	**219,631**	**350,662**	**1,487,831**	**3,715,523**	**5,773,647**
Debentures	**33,709**	**42,979**	**178,235**	**-**	**254,923**
Trade and other payables	**328,482**	**-**	**-**	**-**	**328,482**
Amounts payable to related companies	**17,095**	**-**	**-**	**-**	**17,095**

GROUP	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
At 30 June 2019	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	11,471	40,894	818,460	3,605,855	4,476,680
Convertible preference shares	48,667	-	-	-	48,667
Debentures	-	21,068	126,408	63,204	210,680
Trade and other payables	154,134	23,695	78,195	19,297	275,321
Amounts payable to related companies	23,320	-	-	-	23,320

COMPANY	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
At 30 June 2020	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	**78,253**	**136,352**	**611,452**	**1,597,340**	**2,423,397**
Debentures	**33,709**	**42,979**	**178,235**	**-**	**254,923**
Trade and other payables	**183,830**	**-**	**-**	**-**	**183,830**
Amounts payable to related companies	**375,332**	**-**	**-**	**-**	**375,332**

COMPANY	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
At 30 June 2019	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	647	630	320,481	1,545,032	1,866,790
Convertible preference shares	48,667	-	-	-	48,667
Debentures	-	21,068	126,408	63,204	210,680
Trade and other payables	72,924	8,581	38,816	2,765	123,086
Amounts payable to related companies	36,943	-	-	-	36,943

Notes to the Financial Statements - For the year ended 30 June 2020

3. FINANCIAL RISK FACTORS (contd)

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 2020, 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 2020 and at 30 June 2019 were as follows:

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Total debt	**4,681,353**	4,736,027	**2,076,821**	2,126,137
Less: Cash and cash equivalents	**(166,136)**	(101,073)	**(31,692)**	(61,112)
Net debt	**4,515,217**	4,634,954	**2,045,129**	2,065,025
Total equity	**8,100,358**	7,902,434	**5,904,308**	5,950,366
Total capital plus debt	**12,615,575**	12,537,388	**7,949,437**	8,015,391
Debt-to-capital ratio	**35.8%**	37.0%	**25.7%**	25.8%

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 are available to measure fair value, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- 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 - For the year ended 30 June 2020

3. FINANCIAL RISK FACTORS (contd)

Fair Value Measurement (contd)

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 reassessing 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 reassessed 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.

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 15(c) - Investment in joint venture
Note 16 - Trade receivables

The Group

The Group recorded a net profit for the year ended 30 June 2020 of Rs 407m (2019: Rs 964m), and as of that date its current assets exceeded its current liabilities by Rs 220m (2019: Rs 476m) and its total assets exceeded its total liabilities by Rs 8,100m (2019: Rs 7,902m)

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

As at 30 June 2020, the Company's current liabilities exceeded its current assets by Rs 205m (2019: Net current asset position of Rs 285m). This is driven principally by an amount due to one of the wholly-owned subsidiaries, Floreal Commercial Centre Limited ("FCCL"), amounting to Rs 375m. There is a common directorship on the Board of Ascencia Limited and FCCL and therefore, the Directors of FCCL will not request the repayment of the amount due to itself so as not to jeopardise Ascencia Limited.

Notes to the Financial Statements - For the year ended 30 June 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (contd)

The Company (contd)

Taking into account the above, 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

(a) Accounting policy

Revenue recognition

The Group earns revenue from acting as a lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statements of profit or loss.

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

Rental income

Rental income is derived mainly from letting of retail areas, outside seating areas, drive-thrus, ATMs, car wash areas, promotional kiosks, mezzanines, storage areas, office spaces and is duly recognised on a straight-line basis over the predefined lease term as per tenants' respective agreements.

Recoveries

Recoveries are chargeable to tenants for services, mainly for common area services such as cleaning and maintenance, lighting, provision of water supply, refuse removal, water and waste services, landscaping and gardening, electrical and water pump maintenance management, security services, pest control, third-party liability insurance covering all classes of risk for the common area. Recoveries are recognised over the year for which the services are rendered and corresponding expenses are matched.

Exhibition and advertising

Exhibition and advertising are income paid by tenants for marketing, public relations and promotions in respect of the shopping centres.

Notes to the Financial Statements - For the year ended 30 June 2020

5. REVENUE AND OTHER INCOME (contd)

(a) Revenue from operations	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Rental income	**932,367**	999,599	**374,308**	357,610
Straight-line adjustment	**28,890**	74,475	**20,410**	24,672
Recoveries	**340,862**	369,151	**128,926**	137,268
Other operating income:				
Exhibition and advertising	**30,976**	32,834	**13,990**	17,361
	1,333,095	1,401,584	**537,634**	536,911

(b) Investment and other income

Other revenues earned by the Group are recognised on the following basis:

- Dividend income - when the shareholders' right to receive payment is established.

	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Dividend income	**-**	-	**221,750**	275,000
Other income	**6,118**	2,724	**5,225**	2,726
	6,118	2,724	**226,975**	277,726

6. DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

	2020	Restated 2019	**2020**	Restated 2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Utilities and other recharges	**187,027**	221,602	**53,191**	62,971
Property management fees	**41,082**	48,827	**16,196**	18,828
Exhibition and marketing	**36,596**	37,725	**19,441**	18,430
Cleaning	**36,164**	34,802	**18,978**	18,920
Security fees	**22,695**	17,759	**13,018**	9,834
Insurance	**7,999**	8,241	**3,379**	3,567
Rent, taxes, and licences	**3,346**	2,423	**2,958**	2,334
Exceptional expenses - Safe Shopping	**15,993**	-	**10,466**	-
Others	**28,625**	22,832	**15,224**	10,484
	379,527	394,211	**152,851**	145,368

7. ADMINISTRATIVE EXPENSES

	2020	Restated 2019	**2020**	Restated 2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Fund management fees	**33,502**	31,417	**33,502**	31,417
Asset management fees	**64,480**	64,162	**25,944**	24,231
Professional fees	**12,651**	11,898	**11,238**	9,337
Letting commission	**9,850**	7,792	**3,926**	3,203
Depreciation	**9,315**	7,479	**3,033**	2,036
Others	**1,168**	11,150	**53**	11,265
	130,966	133,898	**77,696**	81,489

Notes to the Financial Statements - For the year ended 30 June 2020

8. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Group		Company	
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Loss allowance on trade receivables	16,412	2,751	8,487	3,131
Specific allowance made for COVID-19	186,600	-	76,400	-
Provision for TDS	4,738	-	-	-
	207,750	2,751	84,887	3,131

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 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.

	Group		Company	
(a) Finance Income	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Interest on loans from related parties	18,089	24,793	8,870	14,579
Interest on rental in arrears and penalty interest	2,319	-	-	1,022
	20,408	24,793	8,870	15,601
(b) Finance Costs				
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Interest on bank loans and other loans repayable by instalments	240,108	258,150	100,527	107,903
Interest on other loans not repayable by instalments	-	1,134	299	1,134
Interest on preference shares	2,920	5,840	2,920	5,840
Interest on debentures	12,641	12,641	12,641	12,641
Interest on rental in arrears and penalty interest	124	-	124	-
	255,793	277,765	116,511	127,518
NET FINANCE COSTS	235,385	252,972	107,641	111,917

Total interest income on financial assets that are measured at amortised cost for the year was Rs 18.1m (2019: Rs 24.8m) for the Group and Rs 8.9m (2019: Rs 14.6m) for the Company.

Notes to the Financial Statements - For the year ended 30 June 2020

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	
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
(a) Current tax on the adjusted profit for the year at 15% (2019: 15%)	35,585	35,098	10,454	10,758
Deferred tax (Note 21 (b))	47,954	67,147	26,628	30,951
Corporate social responsibility tax	4,745	5,037	1,394	1,783
Underprovision	1,018	-	-	-
	89,302	107,282	38,476	43,492

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

	2020	Restated 2019	2020	Restated 2019
	Rs '000	Rs '000	Rs '000	Rs '000
Profit before tax (2019: as previously reported)	490,619	1,061,194	195,811	615,427
Tax calculated at 15% (2019: 15%)	73,594	159,179	29,372	92,314
Share of profit in joint venture	716	(5,449)	-	-
Expenses not deductible for tax purposes	5,960	11,086	5,851	8,998
Income not subject to tax	(37,306)	(71,301)	(35,708)	(63,244)
Corporate social responsibility tax	4,745	5,037	1,394	1,783
Deferred tax arising on fair value of investment property not recognised	29,459	-	34,533	-
Deferred tax rate differential due to corporate social responsibility tax	11,524	7,900	3,034	3,641
Underprovision	610	830	-	-
Current tax charge	89,302	107,282	38,476	43,492

(c) Net tax assets

	2020	Restated 2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July,	(5,575)	(24,537)	(3,658)	(11,217)
Provision for the year	35,585	35,166	10,454	10,758
Tax paid during the year	(23,838)	(17,299)	-	(5,208)
Provision for CSR contribution	4,745	5,037	1,394	1,783
CSR paid during the year	(5,589)	-	(1,057)	-
Tax deducted at source	(14,992)	(3,874)	(18,637)	226
Over/ (Under)provision	610	(68)	-	-
At 30 June,	(9,054)	(5,575)	(11,504)	(3,658)
Current tax assets	(63,006)	(46,958)	(35,056)	(15,771)
Current tax liabilities	53,952	41,383	23,552	12,113
	(9,054)	(5,575)	(11,504)	(3,658)

Notes to the Financial Statements - For the year ended 30 June 2020

11. EARNINGS PER SHARE

	Group		Company	
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Profit attributable to equity holders of the parent	406,609	963,781	162,627	581,804
Number of ordinary shares in issue - Class A	487,314,989	484,817,301	487,314,989	484,817,301
Earnings per share Basic (Rs) - Class A	0.84	2.00		
Diluted (Rs) - Class A	0.84	1.99		

12. INVESTMENT PROPERTY

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, plant, 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 statements 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 they are recognised as an expense over the lease term on the same basis as the lease income.

Measurement of fair values

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: 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.	- Expected market rental growth (2%-5%). - Void periods (0 to 6 months) - Occupancy rate (90%-100%). - Rent-free periods (no rent-free period) - Risk-adjusted discount rates (10.75% -14.50%).	The estimated fair value would increase (decrease) if: - expected market rental growth were higher (lower); - void periods were shorter (longer); - rent-free periods were shorter (longer); or - the risk-adjusted discount rate was lower (higher).

Notes to the Financial Statements - For the year ended 30 June 2020

12. INVESTMENT PROPERTY (contd)

	Group		Company	
	2020	Restated 2019	2020	Restated 2019
Fair value model	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July,	12,293,927	11,160,054	4,795,753	4,600,142
Additions through business combination (Note 26(a))	-	627,780	-	-
Capitalised expenditure	358,723	149,906	236,163	137,125
Straight-lining adjustment	28,890	74,475	20,410	24,672
Letting commission adjustment	(9,850)	(7,792)	(3,926)	(3,203)
Disposal	(36,600)	(8,120)	(36,600)	(8,120)
Change in fair value	109,809	394,884	(145,723)	142,397
Transfer to non-current assets held for sale	-	(97,260)	-	(97,260)
At 30 June,	12,744,899	12,293,927	4,866,077	4,795,753

(a) The investment properties were valued at year-end by Jones Lang LaSalle, an independent professionally qualified valuer and an RICS Registered Valuer for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards.

(b) The investment properties are classified as level 3 on the fair value hierarchy. The basis of valuation is 'Market Value' and this is defined by the Royal Institution of Chartered Surveyors, South African Institute of Valuers and International Valuation Standards Council.

The fair value of the properties has been computed using the discounted cash flow method. The expected future net income for 5 years has been discounted at an appropriate discount rate and added to the estimated reversionary value. The reversionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounting at an appropriate rate.

The DCF valuation 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.

Main assumptions used in the valuation of the properties are:

Reversionary rate	7.75%-9.25%
Discount rate	10.75%-14.50%
Market rental growth	2.00%-5.00%
Expense growth	3.50%
Net property income	Rs 17m - Rs 508m
DCF period	5 years

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

	Group		Company	
	2020	*Restated 2019	2020	*Restated 2019
	Rs '000	Rs '000	Rs '000	Rs '000
Rental income and straight-lining	961,257	999,599	394,718	382,282
Recoveries	340,862	369,151	128,926	137,268
Direct operating expenses arising from investment property that generated rental income	(340,862)	(369,151)	(128,926)	(137,268)
Direct operating expenses that did not generate rental income	(38,665)	(25,051)	(23,925)	(8,100)

Notes to the Financial Statements - For the year ended 30 June 2020

12. INVESTMENT PROPERTY (contd)

(d) Bank borrowings (Note 20 (a)) are secured by floating charges on the assets of the Group and of the Company, including investment property.

(e) **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 statements of profit or loss and other comprehensive income. The Group engaged independent valuation specialists to determine fair value of the investment property. Valuation was based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield 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 none of the Group's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than 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.

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

	Years
Machinery and equipment	5
Furniture and fittings	4-5

Assets in progress relate to equipment under installation and not in use at reporting date.
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 disposal of plant and 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 impaired.

Notes to the Financial Statements - For the year ended 30 June 2020

13. EQUIPMENT (contd)

(b) **GROUP**

	Notes	Assets in progress	Machinery and equipment	Furniture and fittings	Total
COST		**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
At 01 July 2018		1,491	39,403	2,700	43,594
Additions through business combination	(26(a))	-	158	-	158
Additions		1,542	7,996	-	9,538
Transfer		(914)	914	-	-
At 30 June 2019		**2,119**	**48,471**	**2,700**	**53,290**
Additions through business combination	(26(a))	-	-	-	-
Additions		562	7,640	-	8,202
Transfer		(357)	357	-	-
At 30 June 2020		**2,324**	**56,468**	**2,700**	**61,492**
DEPRECIATION					
At 01 July 2018		-	17,006	1,966	18,972
Additions through business combination	(26(a))	-	7	-	7
Charge for the year		-	7,342	137	7,479
At 30 June 2019		**-**	**24,355**	**2,103**	**26,458**
Additions through business combination	(26(a))	-	-	-	-
Charge for the year		-	9,178	136	9,314
At 30 June 2020		**-**	**33,533**	**2,239**	**35,772**
NET BOOK VALUE					
At 30 June 2020		**2,324**	**22,935**	**461**	**25,720**
At 30 June 2019		2,119	24,116	597	26,832

Depreciation of Rs 9,314k (2019: Rs 7,479k) has been charged to administrative expenses
Bank borrowings are secured by floating charges on the assets of the Group, including equipment.

(c) **COMPANY**

	Office equipment	Other equipment	Total
COST	**Rs '000**	**Rs '000**	**Rs '000**
At 01 July 2018	1,655	10,587	12,242
Additions	-	1,004	1,004
At 30 June 2019	**1,655**	**11,591**	**13,246**
Additions	-	5,872	5,872
At 30 June 2020	**1,655**	**17,463**	**19,118**
DEPRECIATION			
At 01 July 2018	1,655	3,616	5,271
Charge for the year	-	2,036	2,036
At 01 July 2019	**1,655**	**5,652**	**7,307**
Charge for the year	-	3,033	3,033
At 30 June 2020	**1,655**	**8,685**	**10,340**
NET BOOK VALUE			
At 30 June 2020	**-**	**8,778**	**8,778**
At 30 June 2019	-	5,939	5,939

Depreciation of Rs 3,033k (2019: Rs 2,036k) has been charged to administrative expenses.

Notes to the Financial Statements - For the year ended 30 June 2020

13. EQUIPMENT (contd)

(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 to forecast 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.

Notes to the Financial Statements - For the year ended 30 June 2020

14. INVESTMENT IN SUBSIDIARY COMPANIES (contd)

(a) **Accounting policy (contd)**

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	
	2020	2019
	Rs'000	Rs'000
At 01 July,	**2,991,640**	2,764,022
Addition (Note 14(b))	**375,332**	-
Transfer from investment in joint venture (Note 15)	**-**	227,618
At 30 June.	**3,366,972**	2,991,640

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

Name	Class of shares held	Year end	Stated capital	Proportion of ownership interest		Main business
			Rs '000	**2020**	2019	
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

* In 2019, the Company acquired an additional 50% stake in Floreal Commercial Centre Limited, increasing its ownership interest from 50% to 100%.
The Company further acquired Rs 375m shares in Floreal Commercial Centre Limited (Note 25(b)(i)).

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 ventures are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Notes to the Financial Statements - For the year ended 30 June 2020

15. INVESTMENT IN JOINT VENTURE (contd)

	Group		Company	
	2020	Restated 2019	2020	Restated 2019
	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July,	**140,528**	130,478	**104,200**	106,347
Additions	**-**	104,200	**-**	225,471
Share of (loss)/profit	**(4,775)**	36,328	**-**	-
Transfer to investment in subsidiary companies (Note 14)	**-**	(130,478)	**-**	(227,618)
At 30 June,	**135,753**	140,528	**104,200**	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	
				2020	2019
The Beauvallon Shopping Mall Ltd (Bo'Valon)	30 June	Investment properties	Mauritius	**50%**	50%

The Beauvallon Shopping Mall Limited is a private company and there is no quoted market price available for its shares.

(b) **Summarised financial information**

Summarised financial information in respect of the joint venture is set out below.

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

Summarised statement of financial position

	Bo'Valon 2020	Bo'Valon 2019
	Rs '000	Rs '000
Current assets	**47,600**	24,504
Non-current assets	**824,457**	478,006
Current liabilities	**587,602**	220,823
Non-current liabilities	**12,948**	631

The above amounts of assets and liabilities include the following:

	Bo'Valon 2020	Bo'Valon 2019
	Rs '000	Rs '000
Cash and cash equivalents	**-**	-
Current financial liabilities (excluding trade and other payables and provisions)	**488,379**	178,476
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	-

Notes to the Financial Statements - For the year ended 30 June 2020

15. INVESTMENT IN JOINT VENTURE (contd)

	Bo'Valon 2020	Bo'Valon 2019
	Rs '000	Rs '000
Revenue	**74,049**	-
(Loss)/Profit for the year/Total comprehensive income for the year	**(9,549)**	72,655
The above (loss)/profit for the year includes the following: Depreciation	**184**	-
Interest expense	**10,292**	-

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the financial statements:

	2020	Restated 2019
	Rs '000	Rs '000
Opening net assets of the joint venture	**281,055**	-
Issue of shares	**-**	208,400
(Loss)/Profit for the year	**(9,549)**	72,655
	271,506	281,055
Closing net assets	**271,506**	281,055
Carrying amount of Group's interest in joint venture	**135,753**	140,528

The Beauvallon Shopping Mall Ltd (Bo'Valon) is a limited liability and private company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Bo'Valon is classified as a joint venture.

(c) **Critical accounting estimates and assumptions**

Significant judgements and assumptions are made in determining whether an entity has joint control or significant influence over another entity and the type of joint arrangement. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts, and circumstances.

16. TRADE RECEIVABLES

Accounting policy

Trade receivables are measured initially at fair value and are subsequently stated at amortised cost using the effective interest method less loss allowance.

Notes to the Financial Statements - For the year ended 30 June 2020

16. TRADE RECEIVABLES (contd)

Accounting policy (contd)

Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The credit loss calculation is determined by the components listed below:

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held);

Credit-impaired financial assets

"At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a debt;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties."

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. The credit loss calculation is determined by the components listed below:

Component	Definition
Probability of default (PD)	The probability that a counterparty will default. The PD estimates will fluctuate in line with the economic cycle and incorporate the impact of forward-looking economic assumptions that have an effect on credit risk, such as interest rates, unemployment rates and GDP forecasts.
Loss given default (LGD)	Credit quality is assessed when determining the credit risk and PD. The Group has allocated a default internal mapping to all tenants and then mapped to the S&P external ratings equivalent. The internal counterparties were mapped using the following parameters:

Notes to the Financial Statements - For the year ended 30 June 2020

16. TRADE RECEIVABLES (contd)

Accounting policy (contd)

Measurement of ECLs (contd)

Component	Definition	
Loss given default (LGD)	**S&P external rating equivalent**	**Judgement applied**
	AAA to BBB-	Large multi-nationals with proven track record
	BB+ to B-	Large nationals with proven track record
	C to Unrated	All other tenants
	The majority of tenants have been rated as 'C'. The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the Group expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant. The Group applied deposits received from tenants as collateral to determine the net credit exposure by tenant.	
Exposure at default (EAD)	The expected balance sheet exposure at the time of default, considering the expected change in exposure over the lifetime of the exposure. This incorporates the impact of amortisation and prepayments, together with the impact of forward-looking economic assumptions where relevant.	

To determine the expected credit loss, these components are multiplied together (PD for the reference period (up to 12 months or lifetime) x LGD at the beginning of the period x EAD at the beginning of the period) and discounted to the balance sheet date using the effective interest rate as the discount rate.

Management has also included a specific overlay with regards to certain debtors who have been the most impacted by COVID-19. These were calculated based on one-on-one negotiations and took into account credit characteristics and the tenants' ability to repay their dues.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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	
	Notes	**2020**	Restated 2019	**2020**	Restated 2019
		Rs '000	Rs '000	**Rs '000**	Rs '000
Trade receivables	(a)	**299,390**	38,960	**119,743**	21,500
Less: loss allowance	(b)	**(218,117)**	(16,767)	**(93,675)**	(10,452)
Trade receivables - net		**81,273**	22,191	**26,068**	11,048

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

Notes to the Financial Statements - For the year ended 30 June 2020

16. TRADE RECEIVABLES (contd)

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
(a) **Ageing of trade receivables**				
Less than 1 month	**80,307**	19,752	**34,143**	9,832
Impairment	**(58,307)**	(818)	**(24,963)**	-
	22,000	18,934	**9,180**	9,832
More than 1 month and less than 3 months	**167,354**	3,409	**66,032**	1,216
Impairment	**(115,090)**	(152)	**(49,144)**	-
	52,264	3,257	**16,888**	1,216
More than 3 months (credit impaired)	**51,729**	15,800	**19,568**	10,452
Impairment	**(44,720)**	(15,800)	**(19,568)**	(10,452)
	7,009	-	**-**	-
	81,273	22,191	**26,068**	11,048

(b) Movements on loss allowance of trade receivables are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 01 July,	**16,769**	11,136	**10,452**	7,959
Charge for the year	**203,012**	4,778	**84,887**	5,139
Bad debts recovered	**-**	(2,828)	**-**	(2,384)
Write-off	**(1,664)**	(262)	**(1,664)**	(262)
Acquired through business combination	**-**	3,945	**-**	-
At 30 June,	**218,117**	16,769	**93,675**	10,452

The above loss allowance is equal to the lifetime expected credit losses. Trade receivables, which are secured by deposits, bank guarantees, and sureties, are non-interest-bearing and are generally on 30 days' term.

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 and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, are subsequently carried at amortised cost using the effective interest rate method less any provision from impairment.

Other receivables 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. Other receivables are current and repayable within the next financial year.

Notes to the Financial Statements - For the year ended 30 June 2020

17. FINANCIAL ASSETS AT AMORTISED COST (contd)

Accounting policy (contd)

The Group has made an impairment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the loan. 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 therefore negligible and the Group has not accounted for any impairment loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairment.

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		Rs '000	Rs '000	**Rs '000**	Rs '000
Short-term deposits with intermediate holding company	(25)	**170,135**	641,779	**49,053**	273,462
Amount receivable from intermediate holding company		**-**	843	**-**	843
Amount receivable from subsidiary company		**-**	-	**80,000**	141,352
Short-term loan with entity with significant influence	(25)	**20,000**	20,000	**20,000**	20,000
Amount receivable from entity with significant influence		**37**	195	**37**	195
Short-term loan to joint venture		**155,000**	55,000	**155,000**	55,000
Amount receivable from joint venture		**1,888**	433	**1,888**	933
Other receivables		**74,013**	56,957	**53,683**	18,589
		421,073	775,207	**359,661**	510,374

The carrying amount of loans receivable approximates their fair values. The loans are unsecured, interest-bearing, and repayable by instalments within one year.

18. OTHER ASSETS

		Group		Company	
	Notes	**2020**	2019	**2020**	2019
		Rs '000	Rs '000	**Rs '000**	Rs '000
Prepayments		**7,325**	6,461	**4,082**	3,480
Net tax assets	(10 (c))	**9,054**	5,575	**11,504**	3,658
		16,379	12,036	**15,586**	7,138

Notes to the Financial Statements - For the year ended 30 June 2020

19. STATED CAPITAL

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.

	Issued and fully paid		Issued and fully paid	
	2020	2019	**2020**	2019
	No. of shares	No. of shares	**Rs '000**	Rs '000
At 01 July	**484,817,301**	482,019,385	**4,411,401**	4,362,734
Conversion of preference shares (Note 20(b))	**2,497,688**	2,797,916	**48,667**	48,667
At 30 June	**487,314,989**	484,817,301	**4,460,068**	4,411,401

Ordinary shares carry one vote per share and carry a right to dividends.

20. BORROWINGS

Accounting policy

Financial liabilities are initially recognised at fair value plus/minus transaction costs for financial liabilities not subsequently measured at FVTPL.

Interest-bearing bank loans and overdrafts are subsequently measured at amortised cost and finance costs are calculated using the effective interest method.

Preference shares, which are mandatorily non-voting convertible on a specific date, are classified as liabilities. The dividends on these specific preference shares are recognised in profit or loss as interest expense.

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	
	2020	2019	**2020**	2019
Non-Current	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Bank loans (Note (a))	**4,429,711**	4,465,209	**1,865,454**	1,866,143
Debentures (Note (c))	**189,612**	210,680	**189,612**	210,680
Total non-current	**4,619,323**	4,675,889	**2,055,066**	2,076,823
Current				
Bank loans (Note (a))	**40,962**	11,471	**687**	647
Convertible preference shares (Note (b))	**-**	48,667	**-**	48,667
Debentures (Note (c))	**21,068**	-	**21,068**	-
Total current	**62,030**	60,138	**21,755**	49,314
Total	**4,681,353**	4,736,027	**2,076,821**	2,126,137

Notes to the Financial Statements - For the year ended 30 June 2020

20. BORROWINGS

(a) **Bank borrowings**

The bank loans are secured by floating charges over assets of the Group. The rates of interest on these loans vary between 4.1% and 5.75% (2019: 5.75% and 6.25%).

(b) **Convertible preference shares**

On 30 June 2020, 3,686,912 (2019: 3,686,909) preference shares amounting to Rs 48,667,199 (2019:Rs 48,667,199) were converted into Class A ordinary shares at a conversion rate of 0.6774 (2019: 0.7589) rounded to 4 decimal places, representing 2,497,688 (2019: 2,797,916) ordinary shares.

Salient features of the convertible preference shares are as follows:

- Preference shares have been converted mandatorily on 30 June of every financial year over 5 consecutive years into Class A ordinary shares of the Company without paying any additional fee.
- The preference shares yield a dividend of 6.0% per financial year over 5 consecutive years, payable out of the profits of the Company, and in priority to dividends payable to Class A ordinary shareholders. Dividend distribution is paid in June of each financial year.
- Preference shareholders will not have the right to receive notice of, or attend or vote on a poll at the shareholders' meetings of the Company.
- The right to an equal share in the distribution of surplus assets among non-convertible preference shareholders on winding up, payable in priority to the holders of ordinary shares.
- The convertible non-voting preference shares shall constitute unsecured and subordinated obligations of the Company, and shall accordingly rank junior to all secured and unsubordinated creditors of the Company but ahead of Class A ordinary shares.
- The conversion of the convertible preference shares is not undertaken on a fixed for fixed basis, therefore the instrument is held as a liability until the subsequent date of conversion.

(C) **Debentures**

In the financial year 2016, the Company issued 17,556,676 redeemable bonds at an issue price of Rs 12.00 each, totaling 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 Bondholders 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.
- Bondholders will not have the right to receive notice of, or attend or vote on a poll at the shareholders' meetings of the Company.
- Bonds shall be redeemed automatically on 30 June of every financial year over 5 consecutive years starting 30 June 2021, without paying any additional fee.

Notes to the Financial Statements - For the year ended 30 June 2020

20. BORROWINGS (contd)

(C) **Debentures (contd)**

The maturity of non-current borrowings is as follows:

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Between 1 and 2 years	**237,217**	61,952	**91,128**	21,698
Between 2 and 5 years	**1,081,396**	944,868	**506,111**	446,889
Greater than 5 years	**3,300,710**	3,669,069	**1,457,827**	1,608,236
	4,619,323	4,675,889	**2,055,066**	2,076,823

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

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

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% (2019: 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.

Notes to the Financial Statements - For the year ended 30 June 2020

21. DEFERRED TAX LIABILITIES (contd)

Accounting policy (contd)

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.

(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	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities	**449,933**	363,047	**198,901**	155,165
Deferred tax assets	**(42,939)**	(4,006)	**(17,109)**	-
	406,994	359,041	**181,792**	155,165

At the end of the reporting period, the Group had unused tax losses of Rs 22.8m (2019: Rs 23.6m), available for offset against future profits. A deferred tax asset has been recognised in respect of Rs 22.8m (2019: Rs 23.6m) for such losses for the Group. The tax losses expire on a rolling basis over 5 years.

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 01 July	**359,041**	291,645	**155,165**	124,183
Acquired through business combination	**-**	218	**-**	-
Charged to profit or loss (Note 10(a))	**47,953**	67,147	**26,627**	30,951
Transfer non current assets held for sale (Note 27(b))	**-**	31	**-**	31
	406,994	359,041	**181,792**	155,165

Notes to the Financial Statements - For the year ended 30 June 2020

21. DEFERRED TAX LIABILITIES (contd)

Accounting policy (contd)

Corporate social responsibility (CSR) (contd)

(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 01 July 2018	291,645	291,645
Acquired through business combination (Note 26(a))	4,308	4,308
Charged to profit or loss	67,063	67,063
Transfer from non-current assets held for sale	31	31
At 30 June 2019	**363,047**	**363,047**
Charged to profit or loss	**86,886**	**86,886**
At 30 June 2020	**449,933**	**449,933**

GROUP

(ii) Deferred tax assets:	Tax losses	Provisions	Total
	Rs '000	Rs '000	Rs '000
At 01 July 2018	-	-	-
Charged to profit or loss	83	-	83
Acquired through business combination (Note 26(a))	(4,089)	-	(4,089)
At 30 June 2019	**(4,006)**	**-**	**(4,006)**
Charged to profit or loss	**137**	**(39,070)**	**(38,933)**
At 30 June 2020	**(3,869)**	**(39,070)**	**(42,939)**

COMPANY

(iii) Deferred tax liabilities:	Accelerated tax depreciation	Total
	Rs '000	Rs '000
At 01 July 2018	124,183	124,183
Charged to profit or loss (Note 10)	30,951	30,951
Transfer from non-current assets held for sale (Note 27(e))	31	31
At 30 June 2019	**155,165**	**155,165**
Charged to profit or loss (Note 10)	43,736	43,736
At 30 June 2020	**198,901**	**198,901**

Notes to the Financial Statements - For the year ended 30 June 2020

21. DEFERRED TAX LIABILITIES (contd)

COMPANY (contd)

(iv) Deferred tax assets:	Provisions	Total
	Rs '000	Rs '000
At 01 July 2019	-	-
Charged to profit or loss (Note 10)	(17,109)	(17,109)
At 30 June 2020	**(17,109)**	**(17,109)**

22. TRADE AND OTHER PAYABLES

Accounting policy

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

Deposits are initially measured at fair value equal to transaction price and subsequently carried at fair 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 his 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	
	2020	*Restated 2019	2020	*Restated 2019
	Rs '000	Rs '000	Rs '000	Rs '000
Current				
Trade payables	**2,857**	2,505	**2,859**	2,505
Accrued expenses	**66,784**	92,311	**36,139**	43,228
Project cost payable	**107,321**	5,283	**77,551**	5,283
Deposits	**135,128**	129,918	**64,983**	55,418
Other payables	**16,392**	10,893	**2,298**	2,072
	328,482	240,910	**183,830**	108,506

The carrying amounts of trade and other payables approximate their fair values.
*Refer to Note 30 for further information.

23. AMOUNT PAYABLE TO RELATED COMPANIES

	Group		Company	
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Amount payable to subsidiary companies	**-**	-	**375,332**	30,012
Amount payable to other related companies	**17,095**	23,320	**-**	6,931
	17,095	23,320	**375,332**	36,943

Please refer to Note 32 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.

Notes to the Financial Statements - For the year ended 30 June 2020

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	
	2020	2019	**2020**	2019
Amounts recognised as distributions to equity holders:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Declared and paid interim dividend of Re 0.37 per share (2019-Re 0.35 per share)	**179,382**	168,707	**179,382**	168,707
Declared and final dividend payable of Re 0.16 per share (2019-Re 0.47 per share)	**77,970**	226,549	**77,970**	226,549
	257,352	395,256	**257,352**	395,256

25. CASH AND CASH EQUIVALENTS

Accounting policy

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

Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash and bank balance	**166,136**	101,073	**31,692**	61,112
Short-term deposits (Note 17)	**170,135**	661,779	**49,053**	293,462
	336,271	762,852	**80,745**	354,574

	Group		Company	
(b) The principal non-cash transactions are as follows:	**2020**	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
(i) Investment in subsidiary company	**-**	-	**375,332**	-
(ii) Mandatory conversion of preference shares	**48,667**	48,667	**48,667**	48,667
(iii) Accruals for construction cost	**107,321**	5,283	**77,551**	5,283
(iv) Compulsory sale of land	**36,600**	-	**36,600**	-

Notes to the Financial Statements - For the year ended 30 June 2020

25. CASH AND CASH EQUIVALENTS (contd)

(c) Reconciliation of liabilities arising from financing activities

GROUP		Additions through business combination	Net cash flows	Non-cash changes	
	2019	**2020**	**2020**	**2020**	**2020**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	4,476,680	-	(6,007)	-	**4,470,673**
Convertible preference shares	48,667	-	-	(48,667)	**-**
Debentures	210,680	-	-	-	**210,680**
Dividends	226,549	-	(148,579)	-	**77,970**
	4,962,576	-	(154,586)	(48,667)	**4,759,323**
		Additions through business combination	**Net cash flows**	**Non-cash changes**	
	2018	**2019**	**2019**	**2019**	**2019**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	4,106,849	359,898	9,933	-	**4,476,680**
Convertible preference shares	97,334	-	-	(48,667)	**48,667**
Debentures	210,680	-	-	-	**210,680**
Dividends	215,274	-	11,275	-	**226,549**
	4,630,137	359,898	21,208	(48,667)	**4,962,576**

COMPANY		Net cash flows	Non-cash changes	
	2019	**2020**	**2020**	**2020**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	1,866,790	(649)	-	**1,866,141**
Convertible preference shares	48,667	-	(48,667)	**-**
Debentures	210,680	-	-	**210,680**
Dividends	226,549	(148,579)	-	**77,970**
	2,352,686	(149,228)	(48,667)	**2,154,791**
	2018	**2019**	**2019**	**2019**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
Bank loans	1,867,398	(608)	-	**1,866,790**
Convertible preference shares	97,334	-	(48,667)	**48,667**
Debentures	210,680	-	-	**210,680**
Dividends	215,274	11,275	-	**226,549**
	2,390,686	10,667	(48,667)	**2,352,686**

(d) The cash and cash equivalents are held with banks and financial institution counterparties, which are rated Baa2 to Baa3, based on Moody's ratings. The Group considers that its cash at bank has low credit risk based on the external credit ratings of the counterparties. Therefore, the resulting impairment loss is considered as being immaterial. The carrying amount of cash and cash equivalents approximate their fair value.

Notes to the Financial Statements - For the year ended 30 June 2020

26. BUSINESS COMBINATION

Accounting policy

(a) Acquisition of additional interest in Floreal Commercial Centre Limited, the subsidiary company

At 30 June 2018, the Group held 50% of the share capital and voting rights of Floreal Commercial Centre Limited ("FCCL"), the holding company of the property So'Flo. On 5 September 2018, the Group acquired the remaining 50% of the share capital and voting rights of FCCL, thus increasing Ascencia's holding in FCCL to 100%, thereby obtaining control. The consideration paid was of Rs 121m settled in cash, based on an independent valuation. The seller is ENL Property Ltd, a private company incorporated in Mauritius.

The transaction has resulted in the recognition of a loss in profit or loss as follows:	2019
	Rs '000
Fair value of interest held before the business combination	121,270
Less: carrying value of equity interest held before business combination	(130,478)
Loss on remeasurement of joint venture to subsidiary	(9,208)

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
	2019
Consideration:	Rs '000
Total consideration	242,541
Fair value of net assets acquired	(260,957)
Gain on bargain purchase	(18,416)
Net effect of business combination:	
Gain on bargain purchase	18,416
Loss on deemed disposal	(9,208)
Gain on remeasurement of joint venture to subsidiary	9,208

	Group
	2019
	Rs '000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	11,453
Equipment	151
Investment property	627,780
Deferred tax assets	4,089
Trade receivables	15,722
Borrowings	(359,898)
Deferred tax liabilities	(4,308)
Current liabilities	(34,032)
Fair value of net assets acquired	260,957
Net cash outflow on acquisition of subsidiary	
Consideration paid in cash	121,270
Less: cash and cash equivalents balances acquired	(11,453)
	109,817

Notes to the Financial Statements - For the year ended 30 June 2020

27. 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 described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

(a) As at 30 June 2020, the Group disposed of investment properties held at Group and Company level for a gain of Rs 1.3m. All investment properties could not be disposed of due to the impact of COVID-19 on the market. The commitment is to dispose all in the coming financial year. We consider the carrying value to be the fair value since a buyer has already agreed to acquire the property.

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs'000
Revenue	**5,069**	10,954	**5,069**	10,954
Expenses	**(1,120)**	(4,591)	**(1,120)**	(4,591)
Profit before tax and fair value of discontinued operations	**3,949**	6,363	**3,949**	6,363
Profit on disposal of investment property	**1,343**	3,537	**1,343**	3,537
Profit before tax of discontinued operations	**5,292**	9,900	**5,292**	9,900
Tax charge	**-**	(31)	**-**	(31)
Profit for the year from discontinued operations	**5,292**	9,869	**5,292**	9,869

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
(c) Cash flow from operations	**2,132**	3,942	**2,132**	3,942
Cash flow from investing activities	**98,603**	12,487	**98,603**	12,487
Total cash flows	**100,735**	16,429	**100,735**	16,429

Notes to the Financial Statements - For the year ended 30 June 2020

27. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (contd)

Accounting policy (contd)

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-current assets				
Investment property	**19,950**	117,210	**19,950**	117,210
	19,950	117,210	**19,950**	117,210
Current assets				
Trade and other receivables	**1,294**	1,934	**1,294**	1,934
	1,294	1,934	**1,294**	1,934
Non-current assets classified as held for sale	**21,244**	119,144	**21,244**	119,144

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

	Group		Company	
	2020	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade and other payables	**225**	2,682	**225**	2,682

28. CONTINGENT LIABILITIES

Bank guarantee

At 30 June 2020, the Group had no contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liability would arise. The Group has not given guarantees in the ordinary course of business to third parties (2019: Nil).

Legal claim

As at 30 June 2020, there was a court case against the Company whereby the latter was being sued by a former tenant. Management believes that it has a strong case against the plaintiff and therefore no provision was raised.

29. CAPITAL COMMITMENTS

The Group entered into contractual commitments amounting to Rs 870m (2019: Rs 150m) for the development and extension of investment properties.

Notes to the Financial Statements - For the year ended 30 June 2020

30. PRIOR YEAR RESTATEMENTS

Restatement note – Statement of financial position

	As previously reported	Investment in joint venture Note (a)	Reversal of accruals Note (b)	Adjustment for letting commission Note (c)	Adjustment for letting commission Note (c)	Deposit Note (d)	As restated
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July 2018							
Accrued expenses	60,196	-	(8,053)	-	-	-	52,143
Investment property	11,160,054	-	-	(18,434)	18,434	-	11,160,054
Retained earnings	2,914,455	-	8,053	(18,434)	18,434	-	2,922,508
Trade receivables	36,328	-	-	-	-	(17,784)	18,544
Trade and other payables - Non-current	113,676	-	-	-	-	(113,676)	-
Trade and other payables - Current	39,150	-	-	-	-	95,892	135,042
At 30 June 2019							
Investment in joint venture	128,424	12,104	-	-	-	-	140,528
Accrued expenses	101,924	-	(9,613)	-	-	-	92,311
Amount payable to related companies	23,320	-	(25)	-	-	-	23,295
Investment property	12,293,927	-	-	(24,119)	24,119	-	12,293,927
Retained earnings	3,469,291	12,104	9,638	(24,119)	24,119	-	3,491,033
Trade receivables	46,968	-	-	-	-	(24,777)	22,191
Trade and other payables - Non-current	121,167	-	-	-	-	(121,167)	-
Trade and other payables - Current	33,528	-	-	-	-	96,390	129,918

Restatement note – Statement of profit or loss and other comprehensive income

	As previously reported	Investment in joint venture Note (a)	Reversal of accruals Note (b)	Adjustment for letting commission Note (c)	Adjustment for letting commission Note (c)	Deposit Note (d)	As restated
Share of profit of joint venture	24,224	12,104	-	-	-	-	36,328
Direct operating expenses	396,244	-	(2,033)	-	-	-	394,211
Administrative expenses	139,135	-	448	-	(5,685)	-	133,898
Change in fair value	400,569	-	-	(5,685)	-	-	394,884

Notes to the Financial Statements - For the year ended 30 June 2020

30. PRIOR YEAR RESTATEMENTS (contd)

Company

Restatement note – Statement of financial position

	As previously reported	Adjustment for letting commission on FV Note (c)	Adjustment for letting commission Note (c)	Deposit Note (d)	As restated
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July 2018					
Investment property	4,600,142	(6,129)	6,129	-	4,600,142
Retained earnings	1,352,417	(6,129)	6,129	-	1,352,417
Trade receivables	21,765	-	-	(5,849)	15,916
Trade and other payables - Non-current	48,850	-	-	(48,850)	-
Trade and other payables - Current	23,506	-	-	43,001	66,507
At 30 June 2019					
Investment property	4,795,753	(10,357)	10,357	-	4,795,753
Retained earnings	1,538,965	(10,357)	10,357	-	1,538,965
Trade receivables	25,628	-	-	(14,580)	11,048
Trade and other payables - Non-current	50,162	-	-	(50,162)	-
Trade and other payables - Current	19,836	-	-	35,582	55,418

Restatement note – Statement of profit or loss and other comprehensive income

	As previously reported	Adjustment for letting commission (Note (c))	Adjustment for letting commission (Note (c))	As restated
	Rs '000	Rs '000	Rs '000	Rs' 000
At 30 June 2019				
Administrative expenses	85,717	-	(4,228)	81,489
Change in fair value	146,625	(4,228)	-	142,397

Notes to the Financial Statements - For the year ended 30 June 2020

30. PRIOR YEAR RESTATEMENTS (contd)

(a) As at 30 June 2019, Ascencia Limited had investments in The Beauvallon Shopping Mall Ltd ("BVM"), a private company limited by shares incorporated in Mauritius. This investment was classified under Investment in Joint Venture. In the prior year, the Group accounted for the investment on a 33.3% shareholding, instead of same being accounted at 50%.

Upon review of the shareholder's agreement and facts surrounding this investment, the prior-year figures were restated to reflect the appropriate share of results from the joint venture. Subsequently, the share of profits, i.e, 50%, was used to allocate the share of profits to the investment in the joint venture. The impact on the financial statements line items in the prior periods is detailed in Note 30.

The above adjustment did not have any material impact on Earnings per Share ("EPS").

(b) During the year, the Group identified an issue whereby in prior years one of its subsidiaries booked certain accruals when purchase orders were raised. In essence, these accruals were booked based on the purchase orders raised instead of when the adequate risks and rewards were transferred.

The Group undertook to rectify this issue in the current year and in line with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", restated its financial statements accordingly.

The impact on the financial statements line items in the prior periods is detailed in Note 30.

The above adjustment did not have any impact on total operating cash flows within the statement of cash flows and any material impact on EPS. The tax impact of the above restatement was taken up in the current financial year in the form of an over/underprovision of tax liability, as same would be paid as part of this current year's tax liability.

(c) The Group, in its capacity as lessor, is entitled to pay a letting commission to one of its related parties, EnAtt Ltd, which acts as property manager to the Group. In previous years, the Group accounted for this commission as a one-off expense, instead of capitalising and amortising same, as part of investment properties, over the term of the lease.

The above was rectified by reversing the expenses recorded in the prior years and recognising same as part of investment properties.

The impact on the financial statements line items in the prior years is detailed in Note 30.

The above adjustment did not have any impact on the statements of cash flows and any material impact on EPS.

(d) As part of its business model, the Group requires that tenants make a deposit when renting spaces in the Group's malls. In prior years, the deposit was being accounted for upon signature of the lease contracts, without any cash consideration received at year-end.

The Group reversed all such balances, consequently restating its prior period financial statements.

The impact on the financial statements line items in the prior years is detailed in Note 30.
The above adjustment did not have any impact on total operating cash flows within the statement of cash flows, as same is cancelled out on a net basis, and no material impact on EPS. There was no resulting tax impact on this adjustment.

Notes to the Financial Statements - For the year ended 30 June 2020

31. EVENTS AFTER THE REPORTING PERIOD

Group and Company

The COVID-19 outbreak is expected to have an impact on the Group's operations, customers, and suppliers, and consequently the Group's production, revenue, and cash position, especially dividend income and fair value of its investment properties, in the near term. The Group will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

Nonetheless, based on the analysis of the Group's cash flows, the Board believes that the Group has sufficient liquid assets and has access to unused borrowing facilities with sufficient headroom to meet its obligations for at least the next 12 months from the date of approval of these consolidated financial statements. Hence, it will not have a material effect on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements are prepared on a going concern basis.

32. 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.

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	**2020**	2019	**2020**	2019
	Rs '000	Rs '000	**Rs '000**	Rs '000
Management and Secretarial Fees				
- Intermediate holding company	**(35,748)**	(33,849)	**(35,748)**	(33,556)
- Fellow subsidiaries	**(105,562)**	(112,854)	**(42,140)**	(43,059)
Key Management Personnel				
- Remuneration	**2,108**	1,716	**2,108**	1,716
Interest Income				
- Intermediate holding company	**12,231**	22,434	**2,772**	13,227
- Entity with joint controlling interest	**5,411**	506	**5,411**	506
- Entity with significant influence	**687**	776	**687**	776
Investment and Other Income				
- Subsidiary company	**-**	-	**221,750**	275,000

Notes to the Financial Statements - For the year ended 30 June 2020

32. RELATED PARTY TRANSACTIONS AND BALANCES

	Group		Company	
Transactions (contd)	**2020**	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Other expenses				
- Subsidiary company	**-**	-	**(299)**	(12)
- Fellow subsidiaries	**(36,557)**	(13,478)	**(17,092)**	(8,511)
- Entity with joint controlling interest	**-**	(55)	**-**	(55)
Balances				
Dividend payable to				
- Holding company	**(28,180)**	(82,118)	**(28,180)**	(82,118)
- Entity with significant influence	**(27,213)**	(79,787)	**(27,213)**	(79,787)
Amount owed to				
- Intermediate holding company	**-**	(3,272)	**-**	(3,272)
- Subsidiary companies	**-**	-	**(375,332)**	(30,012)
- Fellow subsidiaries	**-**	(15,331)	**-**	(665)
- Other related companies	**-**	(4,717)	**-**	(2,994)
Amount receivable from				
- Intermediate holding company	**170,135**	642,622	**49,053**	274,305
- Subsidiary companies	**-**	-	**80,000**	141,352
- Entity with significant influence	**20,037**	20,195	**20,037**	20,195
- Entity with joint controlling interest	**156,888**	55,933	**156,888**	55,933

Loans receivable from and payable to joint venture and subsidiaries 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 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil).

Outstanding balances at year end are unsecured. Settlement occurs in cash. The Group has made an impairment assessment by considering the previous repayment behaviours and the future cash flow forecasts covering the contractual period of receivables 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 therefore negligible and the Group has not accounted for any impairment loss.

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.

NOTES

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Made with care and concern for the environment.

Ascencia has opted for Lenza Green paper to create this publication.
Lenza Green is made from 100% recovered fibre and is safely recyclable, it is also certified FSC® (Forest Stewardship Council, an independent organisation that promotes responsible forestry).

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