Gamma

Annual Report 2021

BUILDING RESILIENCE

DARE TO DREAM

DEAR SHAREHOLDER,

The Board of Directors is pleased to present to you the Annual Report of Gamma Civic Ltd ("Gamma" or "the Company") for the year ended 31 December 2021, the contents of which are listed hereafter.

Tommy Ah Teck
Executive Chairman

CONTENTS

STABILITY.

OUR ESSENCE

MISSION

> "Together, we will improve the quality of life through innovative leadership."

GAMMA GUIDING PRINCIPLES

- **Trust and Respect** - We earn the trust of our partners by maintaining a climate of truth and the respect of our partners through open communication and collaboration
- **Strong Value Creation** - We believe in value creation through innovation, talent and technology to conquer new frontiers
- **Loyalty and Sincerity** - We believe in strong enduring relationships, led by the principles of truth, loyalty and transparency
- **Discipline and Hard Work** - We like to lead by example and endeavour to maintain a high level of consistency, accountability, and effectiveness
- **Courage** - We have the courage to take risks in our quest to drive sustainable growth, without compromising on our performance
- **Fairness** – We abide by impartiality and a fair process in all of our decision making
- **Reputation & Dependability** - We honour our word, and take responsibility for our decisions and actions

AT A GLANCE

Financial Performance

	2021	2020
Revenue	Rs 4,471 M	Rs 3,706 M
Profit before tax	Rs 404 M	Rs 282 M
Profit after tax	Rs 360 M	Rs 228 M
Market Capitalisation	Rs 5,696 M	Rs 3,858 M

AT A GLANCE

A diversified group

1,629

Number of shareholders

Number of companies:

- Subsidiaries 56
- Associates 9
- Joint ventures 1

Number of companies

listed on the Stock Exchange of Mauritius:

- Official List 2
- DEM 2

% of revenue generated in Mauritius

98 %

AT A GLANCE

Strategic Human Capital

- 1,531 — Number of team members across the Group
- 85% Male, 15% Female — Gender diversity
- MUR 7.6M — Investment in learning and development
- MUR 6.1M — Investment in health and safety
- 19% — % of staff in our employment between 5 and 10 years inclusive
- 27% — % of staff in our employment for over 10 years

Commitment to sustainability and society

- MUR 64.9M — Income tax paid
- 37 — Number of NGOs supported
- MUR 5.8M — CSR contribution
- 1,409 — Number of families supported through *#noutousolider* campaign

GROUP STRUCTURE

Gamma

CONTRACTIN
- Gamma Construction 100%

BUILDING MATERIALS
- Gamma Materials 50%
- Kolos Cement 74%
- Kolos Building Materials 74%
- Kolos International 62.9%
- Kolos Madagascar 62.5%

HOSPITALITY
- Morning Light Co.Ltd 25.1%

REAL ESTATE
- Gamma Land 100%

LOTTERY
- Lottotech 56.1%
- Loterie Vert 56.1%
- Pool Joseph Merven 56.1%

FINANCIA SERVICES
- Jasiri Group 50%
- Gamma Treasury Management 100%

SHARED SERVICES
- Gamma Foundation 100%
- Gamma Corporate Services 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chian Tat (Tommy) Ah Teck, *BSc, MPhil*	Executive Chairman
Chian Luck (Patrice) Ah Teck, *BA*	Non-executive Vice Chairman
Boon Hui Chan, *CFA*	Independent Non-executive Director
Jack Michael Jason (Jason) Ah Teck, *BEng, MA*	Executive Director
Jean-Claude Lam Hung, *BA, FCA*	Non-executive Director
Lim Sit Chen (Maurice) Lam Pak Ng, *MBA*	Independent Non-executive Director
Paul Halpin, B Comm, *FCA*	Independent Non-executive Director
Sui Lien (Marie Claire) Chong Ah-Yan, *BA, Btech(HRM)*	Non-executive Director
Twalha Dhunnoo, *BA, MA, MEng, FCA*	Chief Financial Officer/Executive Director

AUDITORS

Ernst & Young
Chartered Accountants
Level 9, Tower 1, NeXTeracom
Cybercity, Ebène, Mauritius

BANKERS

ABC Banking Corporation Ltd
AfrAsia Bank Limited
Bank One Limited
Absa Bank (Mauritius) Limited
HongKong and Shanghai Banking Corporation Ltd
MauBank Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

REGISTERED OFFICE

Royal Road
Chapman Hill
Beau Bassin
Mauritius

PRINCIPAL PLACE OF BUSINESS

4th Floor, HSBC Centre
18 Bank Street, Cybercity
Ebène 72201
Mauritius

COMPANY SECRETARY

Gamma Corporate Services Ltd
Royal Road, Chapman Hill
Beau Bassin,Mauritius

Gamma **THROUGH THE YEARS**

1994

Gamma Civic Ltd was admitted to the Stock Exchange of Mauritius on 30 November 1994

2000

Completion of the construction and operation of a cement terminal through our subsidiary, Ciments de L'Ocean Indien Limitee (now known as Kolos Cement Ltd)
Opening of Hilton Mauritius Resort & Spa

2005

Gamma rebranding

2008

Addition of HSBC Centre in Ebene to the Group's Real Estate portfolio

2009

Launch of the Mauritius National Lottery by Lottotech Ltd

Construction of Barclays House in Ebene

Upgrading of Quartier Militaire Road(B6) from Wooton to Belle Rive

2011

Strategic Alliance with Ingenerie et Participations Financières, a member of Colas S.A. through Gamma Materials Ltd

Construction of Raffles Tower in Ebene

Upgrading of Dr AG Jeetoo Hospital in Port Louis into a state-of-the-art hospital

Construction of 33 luxury IRS villas including infrastructure works

2015

Transition from a family managed company to an organisation managed by professionals

Gamma acquires 51% of Kolos Cement Ltd which became a wholly owned subsidiary

Infrastructural works for Cote d'Or Integrated/ Mixed Development Project

2017

Sale of HSBC Center

2018

Listing of Kolos Cement Ltd on the Development & Enterprise Market of the Stock Exchange of Mauritius

Strategic alliance with WH Investments Pte. Ltd, a company registered in Singapore with substantial businesses and production assets in Indonesia and Vietnam

2021

Launch of Mafonja cement in Madagascar, through Kolos Madagascar SA

VISION.

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to present the annual report and consolidated financial statements of Gamma-Civic Ltd ("Gamma" or the "Group") for the year ended 31 December 2021.

Undoubtedly, 2021 was a challenging year — globally, and in the Mauritian context. But even in this incredibly dynamic economic environment, I am proud to report that our people came together staying true to our strategy, that we continued to progress and transform, and we concluded the financial year with a strong set of results for the shareholders.

Net revenue was Rs4.5billion, the highest figure reported since 2014 whilst total comprehensive income was Rs 390million, one of our better performance after normalizing for Covid-19 and one-off items. Earnings per share was Rs 2.26 and dividend paid in 2021 per share was Rs 1.81 - all very commendable.

It is true that the level of activity in the Construction sector provided some much-needed tailwind to the Mauritian economy. However, we are still recovering from the severe recession which marked the onset of the pandemic in 2020. Domestic demand recovery, rising oil prices, the extraordinary growth in world commodity prices and a weakened Mauritian currency put enormous pressure on supply chains leading to levels of inflation not seen in a long time.

Economic conditions are expected to remain challenging in 2022. But my confidence is as strong as ever that we have the correct vision, that our ambitious strategy is working and that we have the people and cashflow resources to deliver strong value creation going forward.

STRATEGY

Our strategy is based on three principles; 1. growth through diversification in Mauritius and expansion overseas 2. partnership with international names and 3; cashflow for strategic risk management.

Our performance in 2021 and the milestones achieved are strong evidence that this strategy is being executed properly and thoughtfully.

Financial Services, a recent addition to our portfolio contributed a significant share of Rs60million to our overall profitability in 2021, as this business continues its growth ambition in Mauritius and rest of Africa. In Building Materials, we exported our cement know-how to Madagascar, an important growth market in the Indian Ocean region.

We are making significant progress in strengthening our network of partnerships globally. In February 2022, we renewed the management agreement with Hilton International for the operations of the Hilton Mauritius Resort & Spa. In April 2022, we completed a milestone investment in LudWin Group, a French headquartered group operating in multiple countries in Africa and with strong framework agreements with large international players. I will be reporting on this investment in the future as I believe it to be of strategic importance in our growth and value creation objective.

In 2021, Gamma completed successfully its first landmark note issuance of Rs1billion as part of a larger Rs 3billion multi-currency programme. The issuance, supported by a strong AA-credit rating by CARE Ratings Arica, is part of our strategy to create liquidity in our balance sheet from the intrinsic value within our investment portfolio and to optimise financial resources in our pursuit for growth.

Risk management is key in the implementation of our strategy. Whilst we grow in new business lines and markets, we are equally realizing value from the existing portfolio. The sale of seven property units in early 2022 was timely in contributing to profitability in the previous financial year and to current cashflow. We will be looking at further realisations in 2022.

PEOPLE

As we move into 2022, I want to thank the people of Gamma. Their hard work, dedication and resilience continue to drive our success. Everywhere I go, I meet with stakeholders who talk proudly about the calibre and commitment of our people.

It is my objective, working closely with my fellow directors to ensure that Gamma continues to be known for its entrepreneurial drive and a Group where exceptional talent and collaborative culture thrives. The future of Gamma depends on this. It is important that the next generation of leadership experience this entrepreneurship and "dare to dream" culture firsthand as we strive for growth and more success.

SUSTAINABILITY AND GOVERNANCE

As an important economic player, Gamma believes that it has a role to play in helping Mauritius overcome its biggest challenges. I am pleased to report that at our last annual strategy meeting, ESG (environmental, social and governance) was high on our agenda. We have always upheld the highest standards of governance in the way we do business. We are committed to empowering people and communities through our products and services and our various community initiatives create sustainable shared value. We recognise the impact that our operations have on environment and will be looking at establishing management and mitigation approaches to help us become a more environmentally friendly and climate-resilient organisation.

OUTLOOK AND APPRECIATION

As we look forward to 2022, I want to thank our partners and clients for their trust in us and our people for their extraordinary commitment to our mission. We are now in our next phase of growth strategy focusing on a global outlook. Our strategic plan is working, our renewed focus on partnership is catalysing our growth and, as always, our people is key to our success. We will also continue our strategy to de-risk from non-core and mature operations.

We have a track record of producing value for shareholders. I am focused on continuing that record and I look forward to all that we will accomplish together in the years ahead. It is a great privilege for me to lead this transformational growth of Gamma. I am grateful to our executive leadership team: Twalha Dhunnoo, Group CFO and Jason Ah Teck, Corporate Affairs Executive for their commitment to our strategy; to my fellow directors for the valued experience and complementary skills they bring to our board discussions; and to the respective management team for their professional excellence.

Tommy Ah Teck
Executive Chairman

"As we move into 2022, I want to thank the people of Gamma. Their hard work, dedication and resilience continue to drive our success. Everywhere I go, I meet with stakeholders who talk proudly about the calibre and commitment of our people."

BOARD OF DIRECTORS

TOMMY AH TECK
Executive Chairman

Appointed: 28 Oct 1988

Executive Chairman: Apr 2020

Age: 60

Skills and expertise:
- Managing Director of Gamma from 1987, until his appointment as Group CEO in 2011
- Since 2015, he became a non-executive director of the Board, and Vice Chairman of the Company
- On the demise of the late Carl Ah Teck, he was appointed as the Executive Chairman

Qualifications:
- BSC (Hons) Engineering
- MPhil Mechanical Engineering

Committees:
- Corporate Governance Committee

Other listed directorship:
- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

PATRICE AH TECK
Vice-Chairman & Non-Executive Director

Appointed: 29 Dec 2000

Vice Chairman: Aug 2020

Age: 54

Skills and expertise:
- Joined Gamma Group in 1993, and was appointed as Sales and Marketing Director in 2000
- Since 2015, he is no longer an executive director, and is a member of the Board in a non-executive capacity
- Appointed as Vice Chairman of the Company in Aug 2020

Qualifications:
- BA (Hons) Accounting & Finance

Committees:
- Corporate Governance Committee

Other listed directorship:
- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

MARIE CLAIRE CHONG AH-YAN
Non-Executive Director

Appointed: 27 Sep 2012

Age: 61

Skills and expertise:
- Head of HR at Gamma Group since 2000, and appointed as HR Director of Gamma Civic Ltd in 2012
- Co-Trustee of Gamma Foundation, which coordinates all CSR projects for the Group
- Since 2015, she is no longer an executive director, and is a member of the Board in a non-executive capacity

Qualifications:
- Bachelor degree in Arts
- Bachelor degree in Human Resources Management
- FT Non-Executive Director Diploma

Committees:
- Corporate Governance Committee

Other listed directorship:
- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

BOARD OF DIRECTORS

BOON HUI CHAN
Non-Executive Director

Appointed: 17 Jun 2014

Age: 54

Skills and expertise:
- Founder and managing director of Chancery Capital, a boutique private equity & corporate advisory practice
- Over 18 years of investment banking experience with OCBC, BNP Paribas, and Rothschild Group in Singapore and New York

Qualifications:
- MA (Hons) Law
- Chartered Financial Analyst

Committees:
- Audit & Risk Committee
- Corporate Governance Committee

Other listed directorship:
- JCY International Berhad (Malaysia)
- Hiap Hoe Ltd (Singapore)

Citizen and Resident of Singapore

MAURICE LAM PAK NG
Independent Non-Executive Director

Appointed: 17 June 2014

Age: 74

Skills and expertise:
- Founding partner of Stewardship Consulting Pte. Ltd., Singapore, boutique consulting firm advising Enterprising Families in Family Governance and Strategy
- Mentor /advisor to entrepreneurs in technology start-ups.
- Extensive prior work experience in investment banking advising clients in financial strategy, investment management, treasury and risk management

Qualifications:
- MBA

Committees:
- Audit & Risk Committee
- Corporate Governance Committee (Chairman)

Other listed directorship:
- None

Citizen of Mauritius and Resident of Singapore

PAUL HALPIN
Lead Independent Non- Executive Director

Appointed:17 June 2014

Age: 62

Skills and expertise:
- Deep understanding of Gamma Group applying considerable commercial and strategic acumen
- Significant current international experience as a Non-Executive Director and board-level advisor
- Indepth experience in Corporate Governance, International Business, Corporate Transactions, Strategy Development and Risk Management
- Former Partner at PwC Johannesburg, London and Dublin
- Holds Non Executive Directorships in FinTech, construction, lottery, real estate, private equity and TravelTech sectors

Qualifications:
- B.Comm FCA
- Chartered Accountant

Committees:
- Audit & Risk Committee (Chairman)

Other listed directorship:
- Lottotech Ltd
- Kolos Cement Ltd
- MakeMyTrip Ltd (Nasdaq)

Citizen of Ireland and Resident of Mauritius

BOARD OF DIRECTORS

JEAN-CLAUDE LAM HUNG
Non-Executive Director

Appointed: 1 Jan 2017

Age: 46

Skills and expertise:
- Currently Chief Executive of CG Re (Africa) Ltd, a reinsurance broker
- Held the position of Group CFO of Gamma Civic Ltd between 2012-2015
- Prior to Gamma, he worked in London, qualifying as a Chartered Accountant with EY, and assumed senior manager and director roles at Deloitte and BDO respectively. In 2009, appointed as partner at Mazars LLP

Qualifications:
- BA (Hons) Business Studies
- Fellow of the Institute of Chartered Accountants in England and Wales

Committees:
- Audit & Risk Committee

Other listed directorship:
- Lottotech Ltd

Citizen and Resident of Mauritius

TWALHA DHUNNOO
Executive Director & Group CFO

Appointed: 26 May 2017

Age: 45

Skills and expertise:
- Appointed as Group CFO and Executive Director of Gamma Civic Ltd in 2017
- Prior to Gamma, he worked in London at EY, Mellon Bank and Deutsche Bank between 1998 and 2007
- Joined Gatehouse Bank PLC, a London-based deposit taking bank in 2007 and was made CFO/ Executive Director in 2011 until 2017

Qualifications:
- MEng Electrical and Information Sciences
- Fellow of the Institute of Chartered Accountants in England and Wales

Committees:
- None

Other listed directorship:
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

JASON AH TECK
Executive Director

Appointed: 20 Apr 2020

Age: 28

Skills and expertise:
- Joined Gamma as Corporate Affairs Executive in 2019
- Prior to Gamma, he was a strategy consultant at KPMG's Global Strategy in London, where he focussed on growth strategy and data analytics for multinational corporations

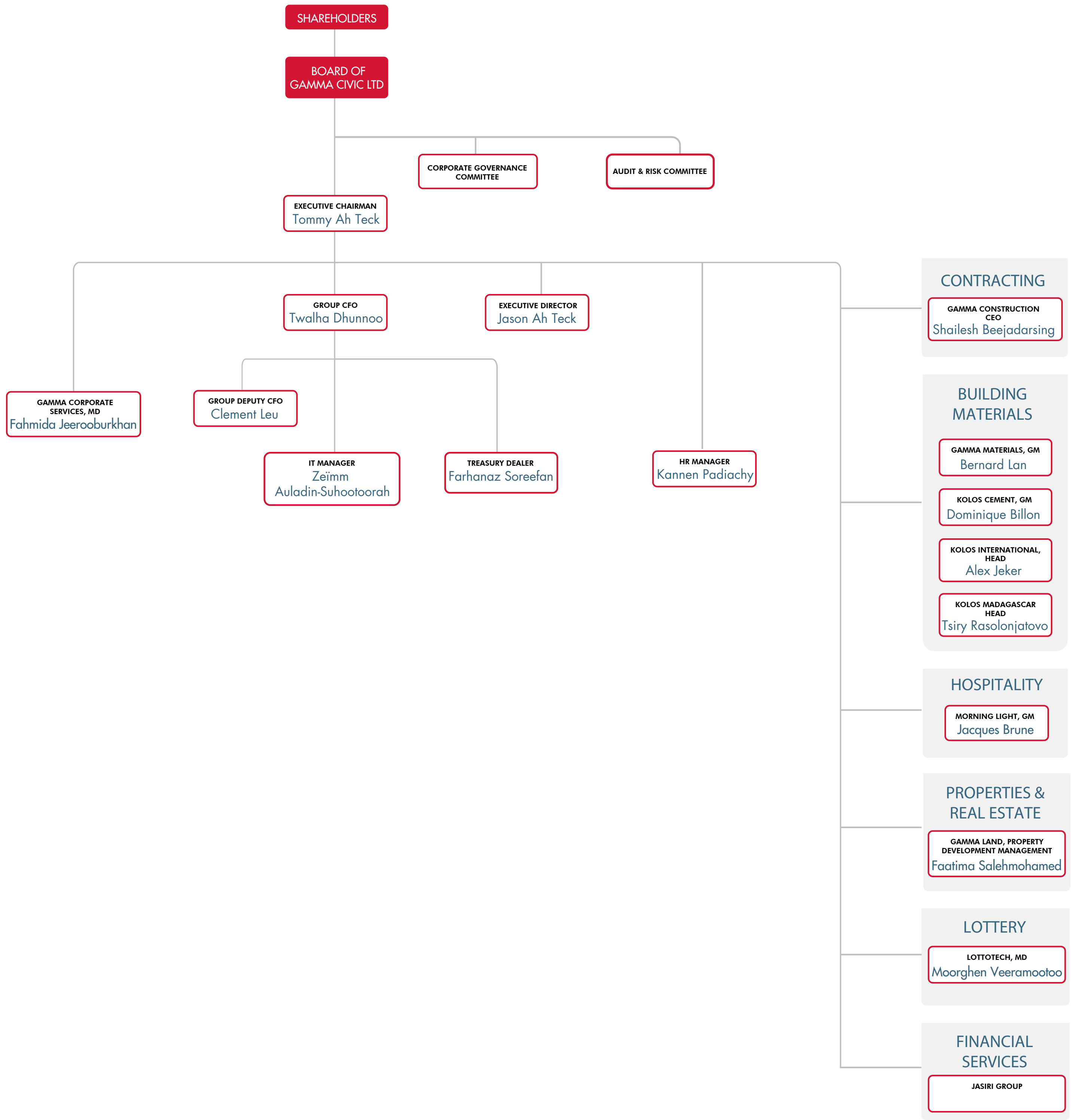
Qualifications:
- BEng Materials Engineering with Management
- Masters in Management

Committees:
- None

Other listed directorship:
- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

ORGANISATION STRUCTURE



EXECUTIVE TEAM

EXECUTIVE TEAM

1. **Tommy Ah Teck, Executive Chairman**
Refer to "Board of Directors", page 20

2. **Twalha Dhunnoo, Group CFO and Executive Director**
Refer to "Board of Directors", page 22

3. **Jason Ah Teck, Executive Director**
Refer to "Board of Directors", page 22

4. **Clement Leu San, Deputy Group CFO**
Appointed: 1 Oct 2019

Skills and Expertise:
- Over 29 years of experience in the finance & accounting field
- Spent 4 years at Kemp Chatteris Deloitte and left as audit supervisor in 1996
- Joined Gamma Group in 1996 as accountant
- Promoted to Group Financial Controller in 1999
- Promoted to Deputy Group CFO in 2019

Qualifications:
- Fellow member of the Association of Chartered Certified Accountants

5. **Fahmida Jeerooburkhan**
Gamma Corporate Services Ltd, Managing Director
Appointed: 2015

Skills and Expertise:
- Joined Gamma Civic Ltd as In-house Lawyer in July 1999
- Prior to Gamma, she worked in the Chambers of Sir Hamid Moollan QC in a private practice, before serving as a District Magistrate
- In October 2019, Fahmida was awarded the FT NED Diploma (Financial Times Non-Executive Director Diploma)

Qualifications:
- DEUG in Law
- LLB (Hons)

6. **Shailesh Beejadarsing**
Gamma Construction Ltd, CEO
Appointed: 2018

Skills and Expertise:
- Joined Gamma as a Management Trainee and worked his way up to Contracts Manager at Gamma Civic
- Prior to re-joining Gamma Civic in 2013 as Chief Projects Officer, he worked as Contracts Manager for Rehm-Grinaker Construction Company Ltd.
- He was transferred to Gamma Construction Ltd on 1st May 2015 as the Deputy CEO

Qualifications:
- MEng in Civil Engineering

7. **Ravi Gutty**
Gamma Construction Ltd, Deputy CEO
Appointed: 2018

Skills and Expertise:
- Joined Gamma as a site engineer and has since made his way to Deputy CEO
- Has previously worked as Head of Department in major civil and infrastructure projects with Gamma
- He is member Institute of Engineers Mauritius and registered with the Council of Registered Professional Engineers of Mauritius since 2014

Qualifications:
- Masters in Civil Engineering, Grande Ecole d'Ingénieur, Lyon, France

8. **Bernard Lan**
Gamma Materials Ltd, General Manager
Appointed: 2021

Skills and Expertise:
- Joined Gamma Civic Ltd as IT Manager in 1998, and has successfully held various positions with key responsibilities in different business units namely Plant and Workshop, Ready Mix Concrete, and Stone Crushing
- He joined the cement cluster of the Gamma Group to help Kolos Cement Ltd develop regionally, as well as achieve its ambitions locally

Qualifications:
- BSc (Hons) Computing with Business (UK)

9. **Dominique Billon**
Kolos Cement Ltd, General Manager
Appointed: 2014

Skills and Expertise:
- From 1985 to 1991, he was working with Coopers & Lybrand, Paris, France.
- Prior to Gamma, he worked with the Holcim Group, where he occupied several positions

Qualifications:
- School of Management Sup de Co Poitiers (France)

10. **Alexandre Jeker Hernandez**
Kolos International Ltd, Head
Appointed: 2021

Skills and Expertise:
- In 2001 Alexandre started his career at Holcim in Switzerland and held various international positions being the last one Managing Director of Holcim Mauritius, now Kolos Cement.
- In 2014 he started his own consulting company working for several international cement and construction companies as well as for private equity firms on business development and M&A projects within the cement industry. He has also worked for an international cement trading company as Senior Trader responsible for the East Africa / Indian Ocean region.
- Since 2021, Alexandre is the Head of Kolos International.
- Alexandre is also board member of Global Procurement Solutions which trades gypsum to South Africa.

Qualifications
- Mechanical Engineering, ETH Zurich (Switzerland)
- MBA, Instituto de Empresa (Spain)

11. **Tsiry Rasolonjatovo**
Kolos Madagascar SA, Head
Appointed: 2021

Skills and Expertise:
- Over 27 years of experience in the cement sector
- Has previously worked for Holcim in various positions in several countries: Madagascar, Guinea, Côte d'Ivoire and Mauritius
- His most recent being that of director of operations of Lafarge Holcim Mayotte and Comoros

Qualifications:
- DEUG Science de la Gestion Business Administration and Management (Université Antananarivo)
- Graduate in Sales Technics Degree (ISCAM)

12. **Moorghen Veeramootoo**
Lottotech Ltd, Managing Director
Appointed: 2019

Skills and Expertise:
- He joined Lottotech as Deputy General Manager and CEO in 2009
- Prior to Gamma, he worked as Marketing Manager of Cread & Co. Ltd in 1999 and then Happy World Foods Ltd (now Innodis Ltd) from 1999 to 2004
- From 2004 to 2009, he was Gamma's Marketing & Sales Manager and Business Unit Manager
- He is an INSEAD Alum having attended a number of Executive programmes, including one at the National University of Singapore.

Qualifications:
- MA Marketing
- BSc Eng in European Business & Technology
- DUT

13. **Jacques Brune**
Morning Light Co Ltd (Hilton Mauritius Resort & Spa), General Manager
Appointed: 2016

Skills and Expertise:
- He joined the Hilton Group in 1991 and has over 25 years' experience in the Company
- Throughout his career, he has held the positions of F&B Manager and Director of operations, working at The Hilton Paris, The Hilton Charles de Gaulle and The Noga Hilton, Cannes
- In 2005, he took his first assignment as General Manager in Sofia, Bulgaria, followed by Ankara in Turkey

Qualifications:
- Higher National Diploma Hotel School Toulouse
- IT University Degree Rangueil University Toulouse

14. **Samantha Cahoolessur**
Gamma Corporate Services Ltd, Head – Corporate Services

15. **Precilla Poinen**
Gamma Civic Ltd, PA/Treasury Administrator

16. **Kannen Padiachy**
Gamma Corporate Services Ltd, HR/Talent & Development Manager

17. **Faatima Salehmohamed Seetal**
Gamma Civic Ltd, Property Development Manager

18. **Farhanaz Soreefan**
Gamma Treasury Management Limited, Treasury Dealer

19. **Shaun Kim Tiam Fook Chong**
Lottotech Ltd, Chief Financial Officer

20. **Sebastien Daruty**
Kolos Cement Ltd, Head of Finance

21. **Gulshanrai Babajee**
GammaTech Ltd, Lead Innovation Programme Manager

22. **Irshad Tarsoo**
Gamma Materials Ltd, Head of Finance

23. **Jean Paul Yan**
Gamma Construction Ltd, Chief Financial Officer

24. **Zeïmm Auladin-Suhootoorah**
Gamma Civic Ltd, IT Manager

OUR CORPORATE SOCIAL RESPONSIBILITY

This section covers Gamma Group's social engagement from 1st January to 31st December 2021.

OVERVIEW

Gamma has always believed in giving back to our community.

All operating companies of the Gamma Group have their respective CSR programmes, which go towards supporting our community. These individual company initiatives are in addition to Group CSR initiatives, which are coordinated by the holding company through the Gamma Foundation. In 2021, Gamma Group has collectively contributed Rs5.8M towards CSR initiatives, benefiting approximately 8,760 beneficiaries around the country.

Rs 5,8 M
Total Contributed

8,760
Est. Beneficiaries

3,500
Volunteer Hours

COVID-19

In the face of the pandemic and its impact on our society, the Board of Gamma Civic Ltd acted proactively to support the most vulnerable groups in our community. Since 2020, Gamma Foundation has been assisting disadvantaged families through the distribution of food packs. This initiative was named the #noutousolider campaign, with all companies of the Group joining forces on this project.

In 2021, two further editions of #noutousolider was organised under the ageist of Gamma Foundation, with the collaboration of its Group companies. The whole Gamma Family mobilized to ensure the success the food pack distribution across Mauritius. The support was not only financial support, but by being present on the ground to participate in the distribution of the food packs to 688 families through 22 NGOs in April 2021 and 721 families in November 2021 through 17 NGOs.

Furthermore, Gamma Group companies sponsored 200 COVID sanitary kits for vulnerable families.

OUR CORPORATE SOCIAL RESPONSIBILITY (Cont'd)

EDUCATION

Gamma firmly believes that through education people can acquire knowledge and skills to support themselves, bringing about a long lasting impact on the betterment of the community.

In 2021, the impact of the covid-19 pandemic on education remains significant with schools closed and a series of restrictions in Mauritius. With the challenges of the pandemic, several NGOs which work towards assisting children from underprivileged backgrounds to have access to education, faced shortfalls in sponsorship. Gamma Foundation reiterated its financial support to four of these NGOs, namely 'Etoile du Berger', 'Anou Grandi', 'Centre d'Amitié', 'Ecole Les Flamboyants'.

The companies within the Group also have in place their own CSR programmes to support children from underprivileged backgrounds.

In addition, the Gamma Group also has in place other programmes for other community members, such as:

- "L'École des Maçons", an initiative of Kolos Cement Ltd, which aims at enabling people to acquire skills in building and construction. In 2021, Kolos Cement organized two more training sessions, thereby bringing the total number of beneficiaries to this initiative to 360, since its launch. .
- Lottotech continues its partnership with several NGOs that aim to educate and support children and adults alike on themes ranging from sustainable agriculture, afterschool programs, to music and arts.
- The Hilton Mauritius Resort & Spa has raised Rs240,000 towards supporting two NGOs, namely Mo'Zar and Ecole Familiale de l'Ouest, via its annual signature event, The Hilton Charity Trail.

ALLEVIATION OF POVERTY

Gamma Group has supported several NGOs which are committed to provide food, shelter, and security to vulnerable groups, including Le Pont du Tamarinier, Caritas and Association des Femmes et Enfants en Difficulté (AFED), Atelier Joie de Vivre.

ENVIRONMENT

Gamma Group has recycled 2.5 tons of plastic and 347 kg of paper in 2021. In addition, several of members of the Gamma Family have participated in a cleaning campaign, in partnership with the Ebony Forest Conservation centre, in order to encourage climate action.

In line with positive climate actions and promoting local products, the Hilton Mauritius Resort & Spa team members have initiated a bee farming project, which allows them to provide their guests with fresh Mauritian honey.

PHYSICAL AND MENTAL HEALTH

Physical and mental health are equally important components of an individual's overall health. Through Gamma Foundation and Lottotech's CSR programme, team members have worked closely with NGOs to raise awareness on muscular dystrophy, cancer, domestic violence, pregnancy and miscarriage.

EMPOWERING ENTREPRENEURS

Lottotech has organised its second edition of Lottotech Seeds, an initiative which aims at empowering women, who aspire to become entrepreneurs, through a competition of the best project which demonstrated sustainable business ideas, which would positively impact our society. Training was provided to 16 women, from Mauritius and Rodrigues, to assist them firm up their respective projects. The final phase consisted of a pitch where candidates presented their business idea to a jury, composed of successful entrepreneurs and professionals experienced in innovation incubation. The three best projects were awarded seed investments of Rs 75,000, Rs 50,000 and Rs 25,000.

TEAMWORK.

Economic landscape

The uncertain and volatile economic environment which marked the onset of the pandemic in 2020 continued to impact us for most of 2021 into the beginning of this year.

Many countries, including Mauritius, started to witness signs of a promising recovery catalysed by important factors, namely; the mass distribution of vaccines, financial support from governments, monetary policies from central banks and, more importantly for Mauritius, the phased re-opening of our borders to international tourism. However, the emergence of new COVID-19 variants and the consequential disruptions to international travel, hyper-inflationary increases in cost of raw materials arising from challenging global trading conditions, and supply chain complications further worsened by a weakened local currency, gave rise at the same time to heightened risks across the value chains we are involved in.

The current geo-political tensions between Russia and Ukraine create more uncertainties and challenging economic conditions. Mauritius remains exposed to these uncertainties due to its dependence on international trading and tourism.

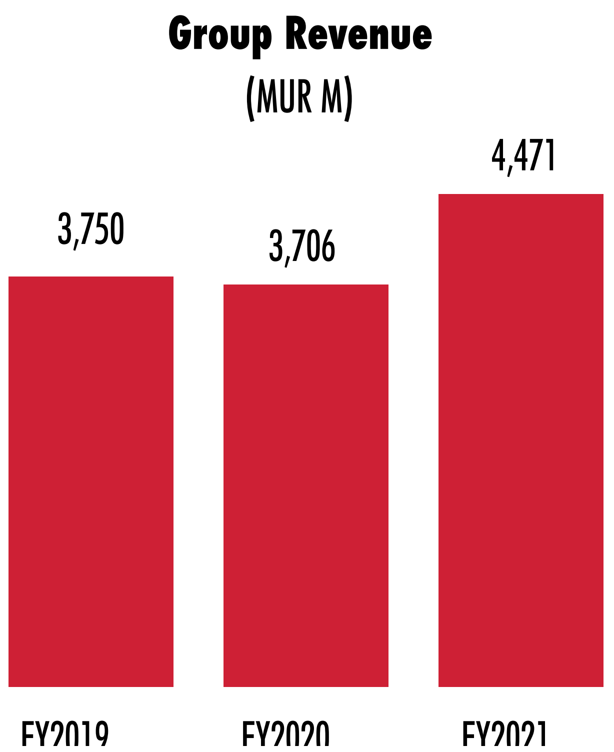
Despite the above, Gamma reported improved profitability, demonstrating the sound and resilient operations of the Group, the strategic positioning which we strive in our markets and the trust with which we do business with our stakeholders. Management of cashflow and risk was pivotal in ensuring this continual resilience during current times of crisis and the disciplined execution of our strategy assisted by cost-optimisation plans underline the improved revenue and profitability for year ended December 2021.

The diversified composition of our investment holdings ensured that the stronger performance in our core segments more than compensated for the losses reported in our hospitality business and, importantly, allowed us to absorb set-up costs incurred in the expansion of our cement business overseas.

Group Financial Overview

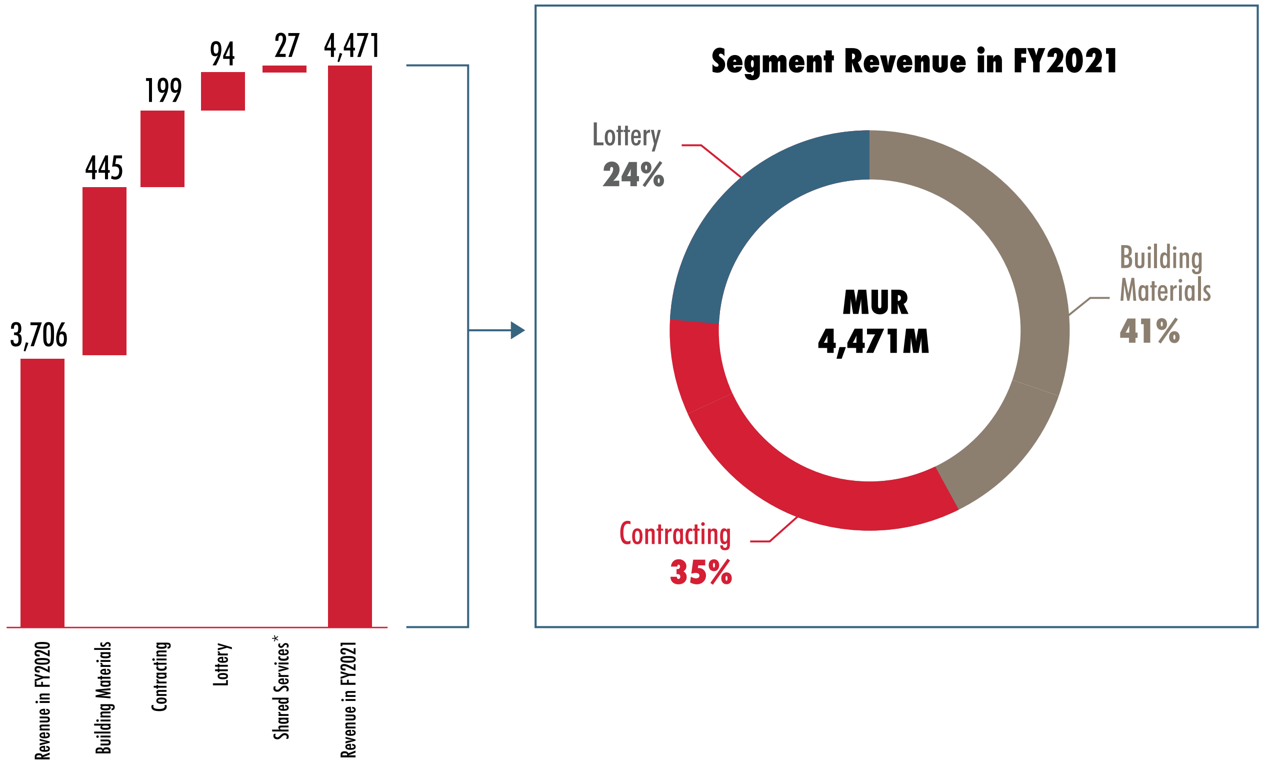
Revenue of Rs 4.5billion for 2021 was stronger, with a 21% increase compared to 2020 and a 19% increase compared to pre-pandemic year 2019.

The increase in revenue from 2020 was reported across all segments; largely explained by a shorter lockdown period in 2021 compared to 2020, as well as better prepared business continuity plans specially in the Building Materials and Contracting segments.



1. Following cases of local Covid-19 infection, the Government of Mauritius announced a first national lockdown between 20 March 2020 until 15 May 2020 after which restrictions were gradually lifted. In 2021, a second national lockdown was put in place between 10 March and 31 March 2021 which was followed by phased re-openings of specific business and activities thereafter.

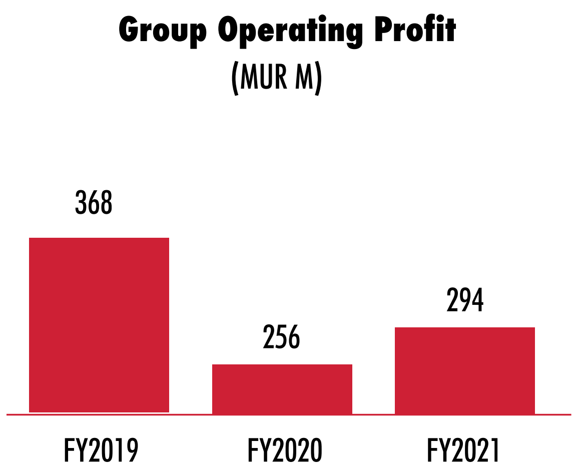
Below is a graphical breakdown of the segmental increases in Revenue from the prior year.

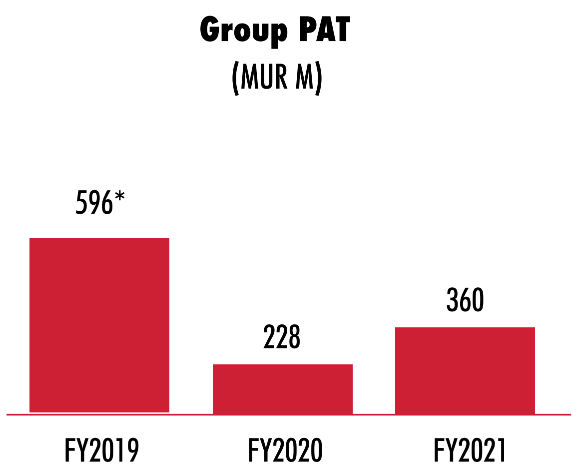


*Net of group eliminations

Total Comprehensive Income for the year amounted to Rs 390million, an increase of 59% from the prior year; a result of the shorter period of lockdown in 2021 but mainly from the significant contribution following the stronger performance of our "Associates and Joint Venture" where our share of the contribution amounted to Rs 145million, an increase of 92% from the prior year.

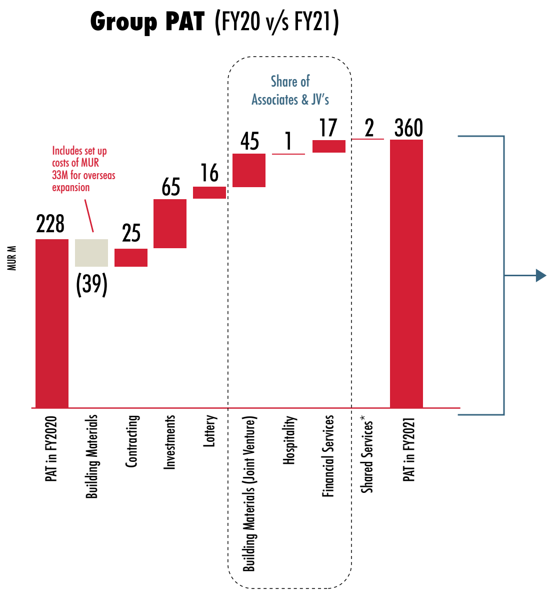
The Group additionally benefitted from a one-off gain of Rs 48million, which included the fair value increase following an agreement to sell seven property units. The sale was successfully concluded in February 2022 for a total gross consideration of Rs 180million; a noteworthy example of our cashflow generation and value realisation strategy.



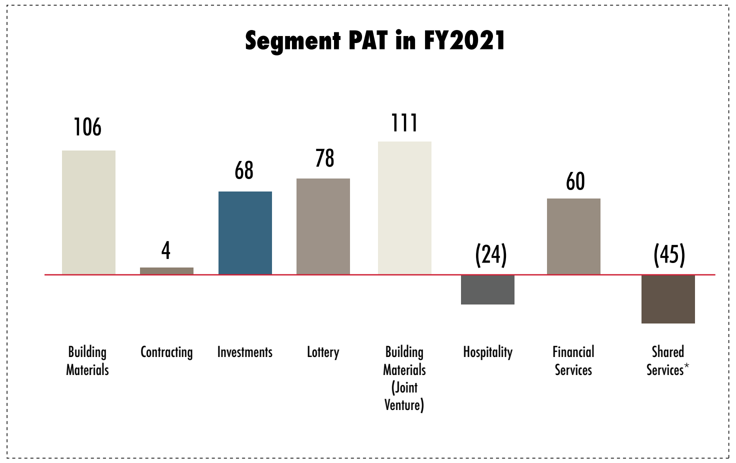


*Includes a one-off fair value gain of MUR 181 M on the revolution of investment properties

Profit after tax amounted to Rs 360million in 2021 and increased across all businesses for reasons outlined above, except for Building Materials which absorbed set-up costs of Rs 33million incurred in overseas expansion. This is depicted below:



Note that numbers may not add up due to rounding



*Net of group eliminations

Optimising cashflow: a fortified balance sheet with a "AA" rating

Cashflow was a key objective for the senior management team, and I am pleased to report a record consolidated cash balance of Rs 1.1billion as at December 2021, an increase of 73% from last year.[2]

The strong cash balance was achieved through the better operating performance of the Group's segments, a more efficient management of our financing facilities and first Note issuance in 2021 of Rs 1 billion as part of our Rs 3billion fixed and floating rates multi-currency note programme.

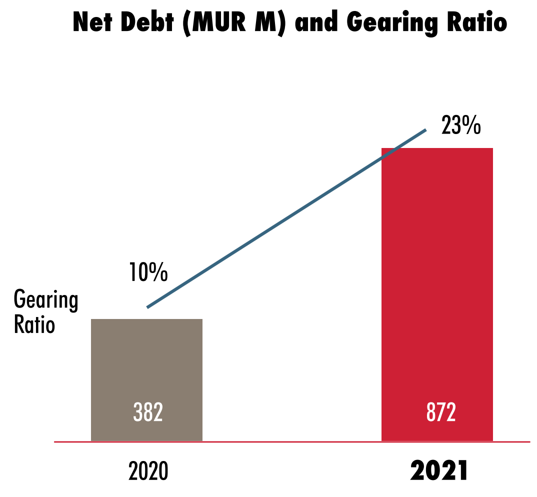
Two reasons for the Note issuance; firstly, the efficient re-structuring of the balance sheet in terms of tenor, pricing and repayment profile in order to reflect the investment holding characteristic of Gamma Civic Ltd and secondly, strategically, to drive our important M&A pipeline and to fund our growth in capex deployment.

Our first Note issuance was itself highly satisfactory, with an over-subscription of nearly 2.6 times and backed by a strong AA credit rating [CARE MAU AA- Stable]; a positive independent assessment of the strong recurring cashflow and dividends from the operations of the Group.

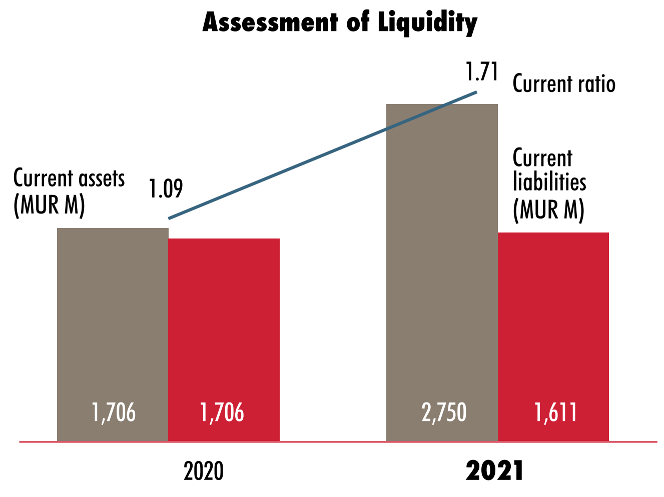
The effective management of cashflow of the Group centres around a strong treasury discipline which ensures that cash optimisation is performed continually together with the coherent and centralized management of foreign currency and interest rate risks. Despite the difficult environment, all currency requirements for the year were hedged to ensure the undisrupted operations of our critical businesses.

Gearing increased to 23% following the Note issuance, whilst our current ratio improved to 1.71 from the prior year figure of 1.09.

2 For IFRS reporting purposes, this amount excludes cash balances held in joint ventures and associates.



*Gearing ratio = Net debt / Equity



Business Performance

MUR' M		BUILDING MATERIALS	CONTRACTING	LOTTERY	INVESTMENTS	FINANCIAL SERVICES	HOSPITALITY	OTHERS	TOTAL
REVENUE	FY 2021	1,834	1,547	1,056	19	-	-	15	4,471
	FY 2020	1,389	1,348	962	19	-	-	(12)	3,706
PROFIT/(LOSS)	FY 2021	218	4	78	68	60	(24)	(45)	360
AFTER TAX**	FY 2020	212	(21)	62	3	43	(25)	(47)	228

** Includes Share of Associates and JVs

Note that numbers may not add up due to rounding

Building Materials: The Group is present in Building Materials through Kolos Cement Ltd group of companies (subsidiaries of Gamma) and Gamma Materials Ltd, a 50% joint venture with Ingénierie et Participations Financières, a fully owned subsidiary of Colas SA.

Kolos Cement Ltd, involved in the importation and distribution of cement, recorded revenues of Rs 1.8billion, an increase of 32% against prior year and of 24% against 2019 demonstrating the strong customer affinity of the Kolos brand.

2021 was a milestone year for Kolos Cement Ltd, where we consolidated our market presence in Mauritius and we seeded our initiative to scale for overseas growth. Start-up costs amounting to Rs 33million were consolidated in our 2021 results, reducing profit after tax from Rs 145million in 2020 to Rs 106M in 2021.

Gamma Materials Ltd contribution to the overall Group's results in 2021 was noteworthy with our 50% share of profit after tax amounting to Rs 111million (2020: Rs 67million). This increase was attributable to the shorter lockdown period in 2021, the better operational readiness and business continuity plans in place and the strong business fundamentals of this entity.

Contracting: The Group is present in Contracting through Gamma Construction Ltd, a wholly owned subsidiary.

Revenue in Contracting was Rs 1.5billion in 2021, an increase of 15% from the prior year, again attributable to the shorter lockdown period and the timely completion of key public and building projects. Importantly, the segment reported a net profit in 2021, a turnaround from the losses reported in the prior year.

Lottery: The Group is present in Lottery through Lottotech Ltd, a 56.1% subsidiary. Lottotech Ltd in turn owns 100% of Loterie Vert Ltd and Pool Joseph Merven Ltd.

Overall, results improved in 2021 with a revenue of Rs 1.1billion (10% increase from 2020), and profit after tax of Rs 78million (26% increase from 2020). This was attributed to a shorter lockdown period and a full year of operations of Loterie Vert in line with the strategy to diversify its portfolio of products.

Investments: This segment provides strategic growth opportunities through a strong balance sheet, which includes land for development and offices for rental. Revenue remained similar to prior year at Rs 19million. Profit after tax increased significantly to reach Rs 68million (2020: Rs3million) as a result of the fair value gain following agreement to sell investment properties and elimination of intra-group profit on developed offices.

Hospitality (Morning Light Co. Ltd): The Group's investment in Hilton Mauritius Resort & Spa is through Morning Light Co. Ltd, an associate entity. Operations and performance of Morning Light Ltd were impacted by the restrictions imposed due to the Covid-19 pandemic, including the disruptions arising from Mauritius being temporarily placed on the highest risk rating for French travellers, one of the island's biggest tourist segments, during the peak period of December 2021. Revenue for the year amounted to Rs 146million and the net loss for the year was Rs 95million. The Group income statement includes a share of 25.1% of this net loss in line with equity accounting method.

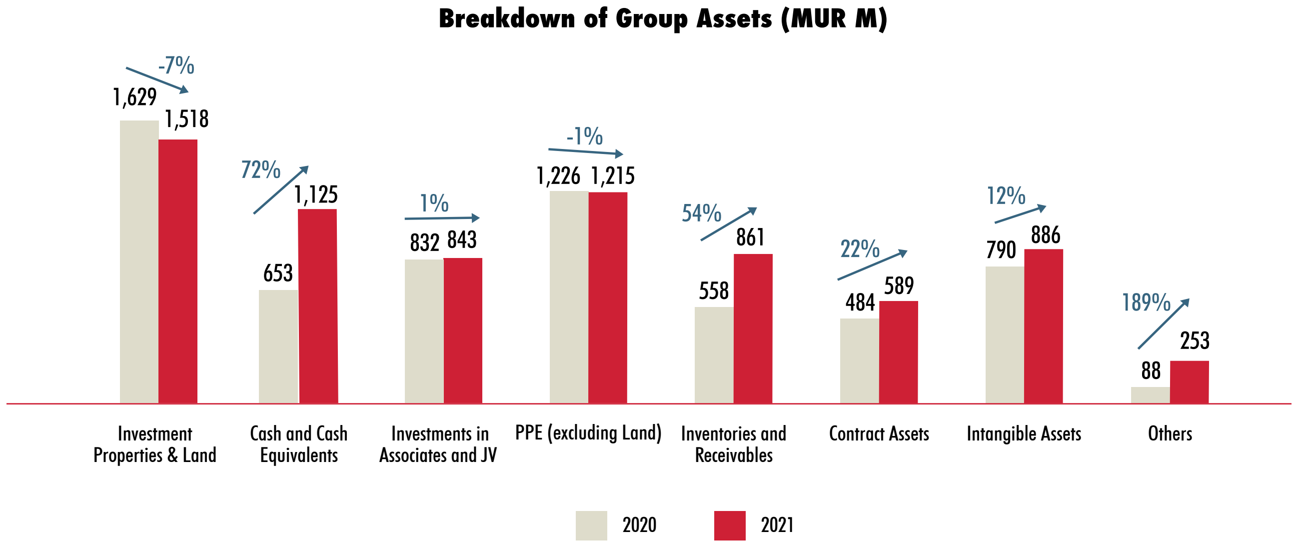
Financial Services (Jasiri Investment Ltd): The Group is present in Financial Services through a 50% investment in **Jasiri Investment Ltd**, which is engaged, through its subsidiaries, in the financial services industry in Mauritius and rest of Africa. The investment contributed positively to the overall profitability of the Group with a share of profit amounting to Rs 60million in 2021, a 40% increase from 2020.

Group Statement of Financial Position

	2021	2020
ASSETS	MUR M	MUR M
NON-CURRENT ASSETS		
Property, Plant and Equipment	1,489	1,501
Intangible Assets	886	790
Investments in Subsidiaries	-	-
Investments in Associates and Joint Venture	843	832
Investment Properties	1,243	1,355
Deferred Tax Assets	22	19
Contract Assets	48	50
Non-Current Receivables	8	8
	4,538	4,554
CURRENT ASSETS		
Inventories and Receivables	861	558
Contract Assets	589	484
Current Tax Assets	8	-
Cash and Cash Equivalents	1,125	653
	2,582	1,695
Assets classified as held for sale	167	11
Total Current Assets	2,750	1,706
TOTAL ASSETS	7,288	6,259
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	3,521	3,440
NON-CONTROLLING INTERESTS	190	204
TOTAL EQUITY	3,712	3,645
NON-CURRENT LIABILITIES	1,965	1,051
CURRENT LIABILITIES	1,611	1,564
TOTAL LIABILITIES	3,576	2,615
TOTAL EQUITY AND LIABILITIES	7,288	6,259

Note that numbers may not add up due to rounding

Major Components of Assets



Total assets increased by Rs 1billion to Rs 7.3billion at 31 December 2021, a result of our objective to fortify the balance sheet through our first Note issuance and the increased working capital requirements reflective of the current active pipeline of contracts and the requirements to grow and expand the Group's activities.

The following components of the balance sheet are worth noting:

1. **Investment Properties & Land** representing 21% of total assets amounted to Rs 1.5billion at 31 December 2021. The reduction from the prior year follows the agreement to sell office units which was reclassified as assets held for sale under "Others".

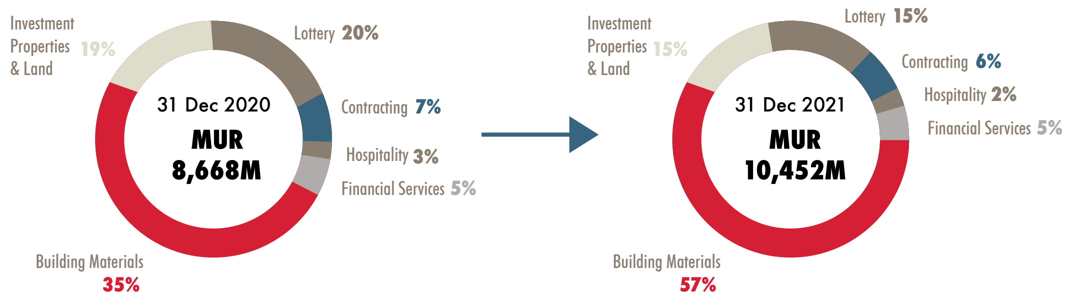
   Investment Properties & Land represents a strategic component of our balance sheet providing the asset base for future real estate development in order to grow revenue and profitability.

2. **Cash and Cash Equivalents** representing 15% of total assets and amounting to Rs 1.1billion at 31 December 2021. The significant increase from the prior year is our conscious effort to optimise liquidity in order to fund new investment opportunities as well as the growth and expansion within the current investment portfolio.

3. **Inventories, Receivables and Contract Assets** of Rs 1.4billion increased by 39% driven largely by the mix of contracts and contracting assets at the year-end and also from the higher inventories balance needed to ensure continuity of supply in Mauritius and overseas markets for our cement operations.

4. **Property, Plant and Equipment (excluding land)** is consistent with prior year at Rs 1.2billion consisting mainly of buildings, plant and machinery and rights of use assets as part of the operational requirements of the Group.

Investment Portfolio Overview[3]

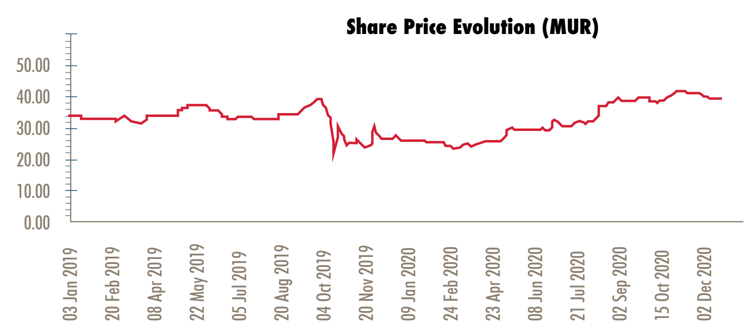


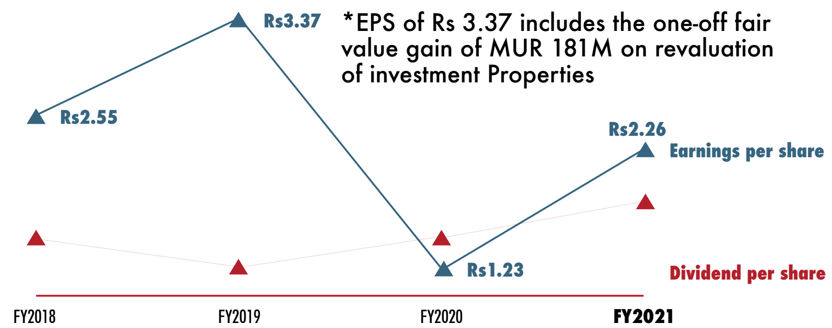
The total portfolio, measured at market value, increased by 21% over the last year mainly due to the strong underlying share price performance of Kolos Cement Ltd. Building Materials remain the largest constituent of the Group portfolio representing 57% of total investment

Listed Investments	No of shares held at 31 Dec 2021 (in million)	Share price 31 Dec 2020 (MUR)	Share price 31 Dec 2021 (MUR)	Market value at 31 Dec 2020 (MUR M)	Market value at 31 Dec 2021 (MUR M)	Gain / (Drop) in portfolio (MUR M)	% Gain / (loss)
Lottotech Ltd	191	9.28	8.20	1,771	1,565	(206)	(12%)
Kolos Cement Ltd	20	136.00	210.00	2,717	4,196	1,479	54%
Morning Light Co. Ltd	12	20.50	21.90	237	253	16	7%
Investment Properties & Land	n/a	n/a	n/a	1,629	1,518	(111)	(7%)

Unquoted investments are measured using adjusted enterprise value based on multiples of normalised EBITDA.

Investor Information





3 Differences between investment portfolio and book values are due to the different basis of measurement: Book values are stated at cost, less any impairment-loss, while the group investment portfolio is measured at market or adjusted enterprise value.

REPORT OF GROUP CHIEF FINANCIAL OFFICER (Cont'd)

PRICE	NO OF SHARES	CAPITALISATION
MUR 42.75 31 Dec 2021 (31 Dec 2020 – **28.95**)	133,250,000	MUR 5,696M 31 Dec 2021 (31 Dec 2020 – **3,858M**)

SHAREHOLDER INFORMATION **FOR FINANCIAL YEAR 2021**	Highest Volume Traded on any day 300,000	Total Shares Traded in 2021 3,655,627
(Jan 2021 – Dec 2021) Earnings per share MUR 2.26	Dividend per share MUR 1.81	
Average Daily Volume Traded 14,800	Highest Price MUR 45.00	Lowest Price MUR 28.95

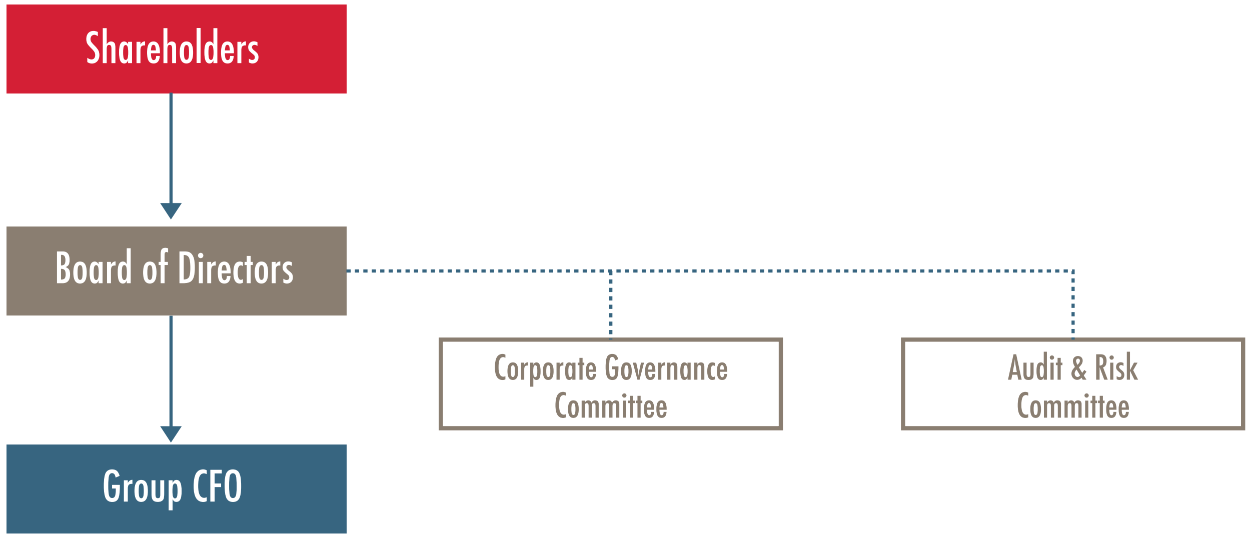
CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of Directors of Gamma Civic Ltd (the "Company") has always been very much focused on the implementation of good governance as per the National Code of Corporate Governance in force in Mauritius. Currently it is the 2016 Code which is in force and the Board is ensuring that the Company aims at applying the 8 Principles as far as reasonable, throughout the year under review.

PRINCIPLE 1: GOVERNANCE STRUCTURE

Board Structure



Board of Directors

As per the Constitution, the Board shall consist of not less than two and more than twelve Directors. Presently the Board is composed of 3 Independent Non-Executive Directors, 3 Non-Executive Directors and 3 Executive Directors.

The composition of the Board is in line with the National Code of Corporate Governance, in having the appropriate mixed of executive, non-executive and independent directors. Furthermore, the Board has the required mixed of terms of diversity, skills, experience, independence and knowledge to play its role fully in serving the best interests of all the stakeholders of the Company.

Board Committees

Board Committees are set to assist the Board in efficient decision making, without having decision making powers. The Board Committees make recommendations to the Board for decisions, as may be appropriate. Gamma Civic Ltd has two permanent Committees namely the Audit and Risk Committee and the Corporate Governance Committee.

PRINCIPLE 1: GOVERNANCE STRUCTURE (Cont'd)

Governance Documents

The Company has two main internal corporate documents which have been duly approved by the Board of Directors and the Shareholders. These are the Company's Constitution and the Gamma Charter.

The Company's Constitution

The Company's Constitution is in line with the Companies Act 2001 and has no material clauses requiring disclosure.

A copy of the Company's Constitution is available at the Company's registered office.

The Gamma Charter

This Charter establishes and stipulates a governance framework, which is the rules, regulations, organization and governance principles which must permeate all levels of the Gamma Group in order to:

- Value Rights - Preserve the rights of the Shareholders of Gamma Civic Ltd and ensure that Gamma Civic Ltd has sound governance practices throughout the organisation;
- Effective Oversight- Enable the Board of Gamma Civic Ltd to have effective oversight of the management of its Group Companies;
- Respective Roles & Responsibilities- Clarify the respective roles and responsibilities of Board members and senior executives of the Gamma Group, charged with the executive management of the Gamma Group of companies; and
- Protocols & Policies- Establish protocols and policies to promote compliance and consistency within an overall Gamma Group framework of policies and strategies.

The Gamma Charter is a forward-looking document, reviewed by Professor Chris Pierce and Professor Mervyn King in 2013 and approved by the shareholders and Board of Directors in 2014. Both professors were heavily involved in the drafting of the national Code of Corporate Governance for Mauritius. The Charter is perfectly aligned to the new Code of Corporate Governance 2016.

A copy of the Charter is available for inspection to any Shareholder upon request made to the Company Secretary.

Key Positions

The Company has the following key positions, namely:

- The Executive Chairman; and
- Chairman of Committees.

The Executive Chairman

The Company has an Executive Chairman who has been duly appointed by the shareholders at the Annual Meeting until the next Annual Meeting. He is eligible to stand for his re-appointment at the next Annual Meeting.

The Executive Chairman presides over the meeting of Directors and shareholders. He is responsible for corporate governance in the Company, ensuring that the Board carries out its responsibilities efficiently and that it has a clear comprehension of its role, function and deliverables as well as those of the management and shareholders. He is also responsible for ensuring that resolutions of the Board are promptly executed and implemented by Management. The Chairman of the Board acts for and on behalf of the Board.

Furthermore, it is part of the Executive Chairman's responsibility to ensure that new Directors are properly introduced to the businesses of the Company, with the assistance of the Company Secretary.

The Board appointed Mr Tommy Ah Teck as the Executive Chairman in April 2020. Mr Tommy Ah Teck was re-appointed as the Executive Chairman at the Annual Meeting of Shareholders in September 2020 and again in October 2021.

Chairman of Board Committees

The Chairman of each of the Board Committees, namely the Audit and Risk Committee and the Corporate Governance Committee, are responsible for chairing their respective Committees and to ensure that the Committees deliver as per their respective terms of reference in their mandate to assist the Board to fulfil its duties and responsibilities.

Mr Paul Halpin is the Chairman of the Audit and Risk Committee and Mr Lim Sit Chen Lam Pak Ng, also known as Maurice Lam is the Chairman of the Corporate Governance Committee.

PRINCIPLE 1: GOVERNANCE STRUCTURE (Cont'd)

Lead Independent Director

In line with the Gamma Charter, the Board approved the appointment of a lead independent director. Essentially the role of a lead independent, also referred to as senior independent director, is to work closely with the Chairman acting as a sounding board and provide support; to act as an intermediary for other directors as and when necessary; and to remain available to shareholders and other non-executives to address any concerns. For the year under review the lead independent director was Mr Paul Halpin.

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES

THE BOARD

Extract of Gamma Charter

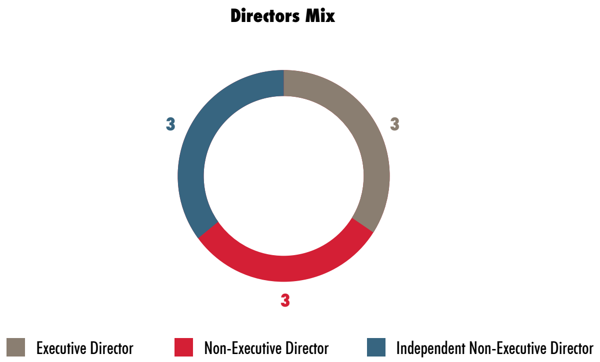
The shareholders of Gamma Civic Ltd by ordinary resolution shall determine the size of the Board of Gamma Civic Ltd and hold the ultimate responsibility of electing the persons to act as Directors on the Board.

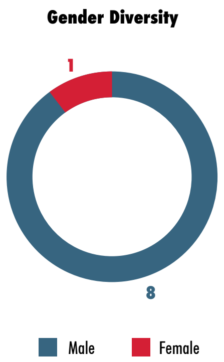
The Board of Directors of Gamma Civic Ltd shall comprise of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors in view of collectively representing a set of skills, competence and experience to adequately fulfil its responsibilities. It shall be a pre-requirement that at least one Independent Non-Executive Director appointed to the Board has the necessary skill and experience in financial matters to ensure that there is an independent judgement on issues of strategy, performance and resources, which are brought before the Board.

For the period under review the Company had a Board composed of 9 Directors.
Directors' Profiles and details of external appointments Directors' profiles, including details of their appointments in listed companies, have been disclosed in the section "[Leadership – Board of Directors]" of the Annual Report.

Balance in the Composition of the Board

The Shareholders have appointed a Board of Directors which is currently composed of:





Powers of the Board

The role of the Board of Gamma Civic Ltd is first and foremost to direct, govern and control the Company in order to safeguard and enhance its total value and returns by overseeing directly or indirectly the executive management of Gamma Civic Ltd and its Group Companies.

CORPORATE GOVERNANCE REPORT (Cont'd)

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Powers of the Board (Cont'd)

The Board shall have all the powers necessary for directing and supervising the management of the business and affairs of the Company and for creating and delivering sustainable value.

The Board determines the strategic direction within a framework of rewards, incentives and controls.
The Board must ensure that Management strikes an appropriate balance between delivering short and medium term objectives and promoting long-term growth.

The Board is also responsible for ensuring that management maintains a system of internal control and procedures which provides assurance of effective and efficient operations, internal financial controls and compliance with existing laws and regulations. In carrying out this responsibility, the Board should have due regard to what is appropriate for the Company's businesses and the materiality of the risks inherent in the businesses and the relative costs and benefits of implementing specific controls.

The Board is the decision-making body for all matters which are of significance to the Company as a whole because of their strategic, financial and reputational implications and/or consequences.
As such, the Board of Gamma Civic Ltd has the responsibility of ensuring that the corporate governance system by which the Gamma Group is directed and controlled is effectively implemented by management in terms of processes, mechanisms, policies, laws and customs. The Board also provides effective corporate governance.

Legal Responsibility

All Directors of Gamma Civic Ltd and its Group Companies have the duty to comply with the Companies Act 2001.
Although Directors are entrusted by Shareholders with the task of oversight and steering over the Management of Gamma Civic Ltd and its Group Companies, the powers of the Directors may be limited by the Gamma Charter, by the Constitution and by ordinary resolutions of the Shareholders. The Directors may become liable for the consequences of any breach of duties as contained under the law, the Gamma Charter, the Constitution and resolutions of the Shareholders in case of actions entered against the Directors.

Board Meetings - Focus Areas 2021

The Board held quarterly statutory meetings to review the Company's unaudited and audited financial statements in compliance with the provisions of the Companies Act 2001, the Listing Rules and the Gamma Charter. Matters discussed by the Board included:

- Strategic position assessment
- Five-year strategic plan, including
  - Value ambition
  - Strategic initiatives with risk assessment
  - Capex plan with financing options
  - Key management agenda items for the next 3 years based on strategic initiatives
- Impact of COVID-19 and National Lockdown
  - Plan for re-opening the business and back to work
  - Business Continuity Plan
  - Scenario planning for future lockdown
- Budget

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Attendance at Board meetings

For the period under review, the Board has met 7 times.

Directors	Attendance
Tommy Ah Teck	7/7
Boon Hui Chan	7/7
Patrice Ah Teck	7/7
Jason Ah Teck	7/7
Jean-Claude Lam Hung	7/7
Maurice Lam Pak Ng	7/7
Paul Halpin	7/7
Marie Claire Chong Ah-Yan	7/7
Twalha Dhunnoo	7/7

BOARD COMMITTEES

Audit and Risk Committee

The core function of the Audit and Risk Committee is to assist the Board of Gamma Civic Ltd in:

- Reviewing and assessing the adequacy of the Company in relation to its reporting of financial information, the appropriate application and amendment of accounting policies, the identification and management of financial risk, internal control systems and internal audit, and statutory and regulatory compliance;
- Reviewing and assessing the adequacy of the Company's risk management systems, to ensure there is a sound framework of risk oversight, risk management and internal control in place and operating across the Gamma Group in accordance with the Code of Corporate Governance for Mauritius principles and recommendations regarding the recognition and management of risk; and
- In providing a forum for effective communications between the Board and the external and internal auditors, both of whom must report to the Audit and Risk Committee.

Composition & Attendance

During the year under review, the Audit and Risk Committee met 4 times. The members of the Audit and Risk Committee are as follows:

Directors	Attendance
Paul Halpin (Chairman)	4/4
Boon Hui Chan	4/4
Maurice Lam Pak Ng	4/4
Jean-Claude Lam Hung	4/4

CORPORATE GOVERNANCE REPORT (Cont'd)

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Roles & Responsibilities

The roles and responsibilities of the Audit and Risk Committee are set out in the Gamma Charter. The Audit and Risk Committee reviews, assesses and makes recommendations to the Board. In particular, the Audit and Risk Committee is responsible for and has oversight on:

- The accounting, reporting, and financial practices of Gamma Civic Ltd and its Controlled Entities, including the integrity of Gamma Civic Ltd's financial statements and internal control over financial reporting in particular considering: any changes in the Gamma Group's accounting policies or practices; the application of relevant accounting standards; significant adjustments arising from the audit; the appropriateness of the going concern statement to be made by the Board of Gamma Civic Ltd and the statement of directors' responsibilities in relation to the accounts;
- The Gamma Group's accounting policies, disclosure controls and procedures,
- Management's approach to internal controls to provide assurance to the Board that executive management's control assurance processes are implemented and are complete and effective.
- The system of internal control, review the manner and framework in which management ensures and monitors the adequacy of the nature, extent and effectiveness of internal control systems, including accounting control systems, and thereby maintains an effective system of internal control;
- Compliance by managements in the Group to approved internal controls procedure and report to the Board thereon;
- Gamma Civic Ltd's compliance with legal and regulatory requirements with regard to financial matters;
- The adequacy and scope of the internal and external audit function;
- The external and internal auditor's qualifications, independence, effectiveness and appointment;
- The performance review of Gamma Civic Ltd's internal audit function and Gamma Civic Ltd's external auditor;
- To review and approve the audit plans for the following year for the external and internal auditors;
- Gamma Civic Ltd's information technology and operations environment;
- The appropriateness, completeness and effectiveness of Gamma Civic Ltd risk management system including reviewing and updating its risk profile;
- The annual formal risk assessment review to confirm and re-prioritize its key business risks and to reassess Gamma Civic Ltd and its Group Companies' risk profile;
- The appropriateness and adequacy of Gamma Civic Ltd's and its Controlled Entities' insurance coverage; and
- Review all Company litigation.

The Chairman of the Audit and Risk Committee reports quarterly to the Board of Directors on risk areas identified over the last quarter and the Company's internal control system.

Risk Review of 2021

For the year under review, the Company and the Group continued to monitor and manage the heightened risks resulting from the COVID-19 pandemic as well as those resulting from the inclusion of Mauritius on the FATF watch list and EU list of high-risk countries with strategic deficiencies in its Anti Money Laundering and Counter Financing Terrorism regime.
In light of this context, the focus areas of the Audit & Risk Committee during the year were as follows:

- Financial Performance and Financial Reporting
- Internal Audit Plans and Reports
- Oversight of the External Audit Process
- Risk Management Matters, including quarterly risk management reviews in the COVID-19 context on the following topics:
  - Scenario planning for all operating entities within the Group
  - Risk appetite and any proposed modifications
  - People risk management, including planned actions to protect our people and their ability to perform effectively and safely;
  - Liquidity risk management
  - Role of digital technologies in managing resilience
  - Impact of work from home and cyber-security considerations on internal controls
  - Specific additional COVID-19 risk management priorities
  - Review of any risk management activities that have been deferred during Covid-19 lockdown
  - Assessment of the quality of communications within the company
  - Any proposed changes to improve risk management effectiveness and resilience
- Adequacy of the resourcing in the Financial Reporting Team, aimed at ensuring a continuing dialogue with the CFO regarding the quality and adequacy of the resources available.

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Corporate Governance Committee

The Corporate Governance Committee acts as a mechanism for making recommendations to the Board on all corporate governance matters relevant to the Company to ensure that the Board remains effective and complies with the "Code" and prevailing corporate governance principles.

The Committee is also responsible for the remuneration and nomination matters. The remuneration philosophy is geared towards rewarding efforts and merits for individual and joint contribution to the Company's results, whilst having also due regards to market conditions, the interest of the shareholders and to the financial well-being of the Company.

Under the aegis of the Corporate Governance Committee and the Chairman of the Board, the Board members have carried out their Board Appraisal for the year under consideration. The objective of the Appraisal is to ensure that the Board and the Directors are fully performing as defined in the Gamma Charter, to meet the expectation of all stakeholders.

Composition & Attendance

During the year under review, the Corporate Governance Committee met 1 time. The members of the Corporate Governance Committee are as follows:

Directors	Attendance
Maurice Lam Pak Ng (Chairman)	1/1
Boon Hui Chan	1/1
Tommy Ah Teck	1/1
Marie Claire Chong Ah-Yan	1/1
Patrice Ah Teck	1/1

Roles & Responsibilities

The roles and responsibilities of the Corporate Governance Committee are set out in the Gamma Charter.

Corporate Governance
The Committee makes recommendations to the Board of Gamma Civic Ltd on all corporate governance matters, including ensuring that that the Company remains compliant to prevailing corporate governance principles as contained in the Code of Corporate Governance for Mauritius. The Committee ensures that the reporting requirements on Corporate Governance, whether in the annual report, or on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance for Mauritius.

Remuneration
The Committee reviews, assesses and make recommendations with respect to matters pertaining to the Remuneration policy of the Company ensuring that the Company remains align to prevailing market practices. In particular, the Corporate Governance Committee is responsible for and has oversight on:

- The preparation of any proposal to the Annual Meeting on matters pertaining on the remuneration of Board members;
- The appointment, remuneration, performance and appraisals of the Non-Executive Directors of Gamma Civic Ltd;
- The appointment, remuneration, performance and appraisals of the Group CFO and Senior executive managers (members of the Management Committee, CEO and CFO/FM of controlled entities) of Gamma Civic Ltd;
- Remuneration system and policies, including performance assessment processes;
- Adoption of policies that govern certain annual compensation and, if any, stock ownership plans;
- Determining and recommending Committee Members' fees and remuneration to the Board; and
- Liaising with the Board in relation to the preparation of the Committee's report to shareholders with respect to Remuneration as may be required.

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Roles & Responsibilities (Cont'd)

Strategic HR Issues
The Corporate Governance Committee would review and assess the Gamma Group HR policies, from time to time, as appropriate. The Committee would discuss with the Executive Chairman and HR on strategic HR issues, which would also include:

- employee retention, motivation and commitment;
- significant employee relations matters;
- the availability of talent for senior roles below Board level;
- results of any Group employee opinion survey;
- progress in equality and diversity; and
- the Gamma Group's performance against agreed employee metrics.

Employee Benefit Schemes
The Corporate Governance Committee reviews the Company's policy relating to employee benefits.

Nomination of Directors
The Corporate Governance Committee assists the Board in the nomination of directors by:

- identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board;
- recommending Directors to be elected by the Board to fill any vacancies;
- recommending the appointment and succession of Non-Executive Directors; and
- overseeing Board induction processes.

Succession Planning
The Corporate Governance Committee oversees the succession planning proposals brought by management to the Committee for senior management and key employees with the potential to move into other functional or leadership roles and make recommendations to the Board, at regular intervals, and at least once a year.

Composition of Board
The Corporate Governance Committee prepares proposals to the Annual Meeting for the appointment of Board members.

Re-election and renewal of Serving Non-Executive Directors
The Corporate Governance Committee reviews, from time to time, the time commitment required of the Non-Executive Directors and the Committee makes recommendations to the Board concerning:

- the re-election by shareholders of Directors in accordance with the National Code of Corporate Governance for Mauritius (2016);
- renewal of terms of office of Non-Executive Directors, based on a review of each Director's performance; and
- any matters relating to the continuation in any office of any Director at any time.

Board Effectiveness and Performance
The Corporate Governance Committee:

- considers and sets the criteria for the objective and rigorous performance review of each Non-Executive Director, the Board and each Committee of the Board;
- conducts an annual performance evaluation of the effectiveness of the Board, and of each Committee of the Board, and the contribution of each Director;
- ensures that the recommendations and conclusions arising out of the annual effectiveness review are reported to the Board;
- agrees an action plan addressing the results of the Board effectiveness review and review progress against the plan from time to time; and
- considers the effectiveness of each Board evaluation carried out.

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES (Cont'd)

Corporate Governance Review of 2021

The focus areas of the Corporate Governance Committee during the year were as follows:

- Reporting on corporate governance matters
- Nomination
- Succession planning
- Remuneration & reward

COMPANY SECRETARY

The main role and responsibilities of the Company Secretary as fully described in the Gamma Charter, which is in line with the provisions of the Companies Act 2001, includes the following:

- To provide the Board with guidance as to its duties and responsibilities, and powers;
- To inform the Board of all legislations on functions and operations relevant to or affecting meetings of shareholders and directors and reporting at any meetings as may be reasonably required from time to time and the filing of any documents required of Gamma Civic Ltd and any failure to comply with such legislation;
- To ensure that minutes of all meetings of shareholders and directors are duly recorded and that all statutory registers are properly maintained;
- To certify in the annual financial statements of Gamma Civic Ltd that Gamma Civic Ltd has filed with the Registrar of Companies all such returns as are required of Gamma Civic Ltd under the Companies Act 2001; and
- To ensure that a copy of Gamma Civic Ltd's annual financial statements and, where applicable, the annual reports are sent by email or post to every person entitled to such statements or reports in terms of the Companies Act 2001.

Gamma Corporate Services Ltd is the Company's Company Secretary and is headed by Mrs Fahmida Jeerooburkhan.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Selection, Appointment & Re-Election of Directors

1	Identification & Selection	The Corporate Governance Committee, having knowledge of the skills required to add value to the affairs of the Board, is responsible for the identification and selection of directors.
2	Recommendation	The Corporate Governance Committee under its nomination function, is responsible for making a recommendation to the Board, which in turn would be presented to the shareholders at the Company's Annual Meeting. In the cases of casual vacancy, the Board may appoint Directors who shall hold office only until the next Annual Meeting and shall then be eligible for re-election.
3	Appointment	Upon their appointment, all Directors are provided with a letter of appointment which stipulates the terms and conditions of such appointment. The Directors are also given a Gamma Charter which serves as a reference tool for all members of the Board and are referred to the Company's constitution, the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius.
4	Re-Election	An appointed director shall hold office only until the next following Annual Meeting of shareholders, and shallthen be eligible for re-election

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES (Cont'd)

Succession planning

An important responsibility of the Board of Directors is to ensure that the Company has an appropriate succession plan in place for Directors, Top Management and key officers, and this responsibility has been delegated to the Corporate Governance Committee under its Nomination function.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

All Directors of Gamma Civic Ltd have:

- common law fiduciary obligations to Gamma Civic Ltd and/or Group to act in good faith and the best interest of the Company;
- obligations imposed by the Companies Act 2001;
- obligations imposed by Constitution of Gamma Civic Ltd; and
- obligations imposed by the Gamma Charter.

Each Director has a duty to exercise a degree of care, skill and diligence in fulfilling his function as a member of the Board.

Induction

Upon appointment, Directors are issued a letter of appointment stipulating the terms and conditions of the directorship. The Directors are also communicated a copy of the Gamma Charter, which is applicable to the Company, the Company's Constitution and relevant laws which applied to the operation and business of the Company. The corporate presentation of the Company and Group is effected by the Executive Chairman and meetings and visits are also planned to the different subsidiaries so that the new Directors would get acquainted with the businesses and operations of the Group.

Continuous Professional Development

The Directors are encouraged to keep themselves up to date with latest professional practices and to changes and trends in the Company's business, market, economic, political, social and legal environment in general.

Board Evaluation

The Board has established an internal process for a performance evaluation of the Board, Board Committees and individual Directors including the Chairman of Gamma Civic Ltd. The process is managed by the Corporate Governance Committee and the Company Secretary.

The Board has adopted a Board Self & Peer Evaluation questionnaire, whereby the Directors would assess their individual performance, that of their respective peer and the Board. This exercise is carried out internally, in fully confidentiality, whereby the Directors express themselves freely.

In the light of the very good rating with the Board, Self and Peer recorded for the exercise, which was carried out in the year 2020, the Chairman and the Chairperson of the Corporate Governance Committee agreed that for the year 2021, it is not necessary to undertake the exercise in as much as:

- the overall rating is satisfactory for the Self, Peer and Board;
- the Board's composition for the year 2021 is the same as the year 2020; and
- the ratings demonstrate the effectiveness and efficiency of the Board, the positive contribution and full commitment of the Directors, both at the level of the Board and committees, especially during the challenging period of Covid 19 pandemic which has greatly impacted the Group to some extent.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (Cont'd)

Board Evaluation (Cont'd)

No areas of concerns were identified requiring the Board's attention. Nevertheless, the Board continues to work towards the effectiveness of the Board proceedings with the aim of sharpening its capacity.

It is to be noted that the full Board is appointed for only one year and all Directors stand for re-election at each Annual Meeting. The appointment of the Board and the Directors depend on the result which the Company is reporting and the creation of value for the shareholders.

Remuneration Policy

The Company remains focused on its long-term philosophy as described in the Group HR Manual, which is to attract and retain leaders with the objective of delivering business priorities within a framework that is aligned with the interest of the Company. For Board members, the recommendation of the Corporate Governance Committee is presented to the Shareholders at the Annual Meeting to obtain the approval of the Shareholders on the fees to be paid.

Directors' fees paid to non-executive Directors are made of three components, namely retainer fees which represent an average of 27%, board committee attendance representing 6%, and special assignments/projects representing 67%.

Executive Directors received remuneration and benefits made of three components, namely basic salary which represents an average 56% of the remuneration, a performance bonus representing 20% of same, and the remaining 24% includes special assignment/projects.

For the period under review, remuneration and benefits received and receivable by the Directors from the Company and its subsidiaries were:

	From the Company	From the Subsidiaries
	Rs	Rs
Directors of the Company		
- Executive	43,605,022	16,599,984
- Non-executive	35,917,480	22,352,000
Total	79,522,502	38,951,984

IT Management Policy

Information technology ("IT") is key to the Company and it forms part of the Company's asset. The Board is responsible for IT Governance and management of IT risks, through policies, procedures and processes which are regularly updated, monitored and safeguarded by having in place the appropriate tools and software.

There is an IT Management Policy included in the Gamma Charter which provides the principles and recommended practices to achieve the future strategic goals identified and approved by the Gamma Board. However, the implementation of tactical plans remains the responsibility of senior management of each entity within the Group.

In 2020, the Group initiated a move to implement the ISO/IEC 27001 standard on Information Security Management for all operating companies, which involved the following key areas:

- Information security policies
- Organization of information security
- Human resource security
- Assigning information security roles and responsibilities
- Asset management
- Access control
- Cryptography

CORPORATE GOVERNANCE REPORT (Cont'd)

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (Cont'd)

IT Management Policy (Cont'd)

- Operation and communication security
- System acquisition, development and maintenance
- Information security incident management
- Information security aspects of business continuity management

During the year under review, Lottotech Ltd and Kolos Cement Ltd were ISO/IEC 27001 certified. Other Gamma Group operating companies continue to pursue ISO/IEC 27001 certification.

Directors' Interest and Dealings in the Company's Shares

As part of the Company's statutory quarterly reporting process to the Stock Exchange of Mauritius Ltd and the Financial Services Commission, the Company Secretary would request the Directors to confirm their shareholding and any dealings which they may have effected in the Company's shares, with reference to Code of Securities Transactions by Directors.

The Directors are thus fully aware of the principles of the Model of Code of Securities Transactions by Directors, as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

There are no share dealings by the Directors for the period under review.

Interests' register, conflicts of interest and related party transaction policy

The Directors are fully aware of the responsibility of disclosure of any conflicts of interest in accordance with the laws and the Gamma Charter under the heading Conflict of Interest and Disclosure Policy.

Declaration of Conflict of Interest at each Board Meeting

The Company Secretary holds an Interest Register in which declarations made by Directors at each quarterly statutory meeting.

The first item of the agenda for all board meetings is for directors to declare if they have any conflict on any items which the Board will address for the business of the day. All Directors would sign a duly approved declaration of interest form, which forms part of the Board's proceedings. Furthermore, Directors who are conflicted would not participate on discussions on the specific agenda item.

Any related party transaction, if existing, would also be recorded in the said register and same is available for inspection upon request made to the Company Secretary.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

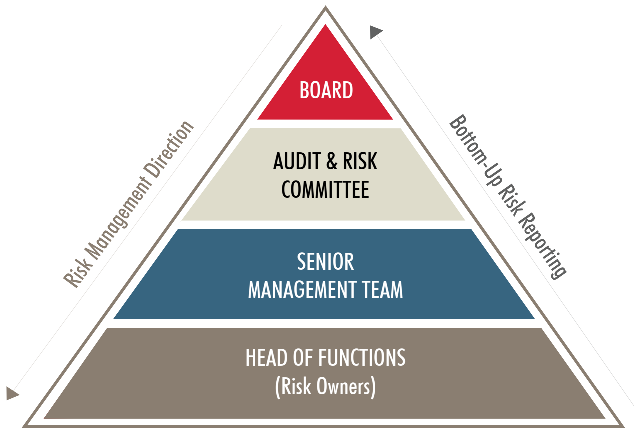
Internal Control & Risk and Compliance report

It may not be possible to anticipate all risks which the Company may face. However, as the body responsible for risk governance and internal control, the Board has delegated the responsibility of ensuring that the Company has in place a risk management process to manage and mitigate key risks which could potentially impact the Company's business and operations to the Audit and Risk Committee. Furthermore, the governance of risks, nature and risks appetite remain the ultimate responsibility of the Board.

Risk Management Framework

In order to manage the risk exposures faced by Gamma Civic Ltd and its Group Companies, the Board recognised the need to identify areas of significant business risk and to develop and implement strategies to investigate those risks as a basis of a formal system of risk management and internal control and compliance. The risk management and internal control framework is approved by the Board on the recommendation of the Audit and Risk Committee.

The Company's risk management framework is a combination of risk management directives set by the Board and the Audit and Risk Committee, and identification of risks at the level of each operating division.



The Audit and Risk Committee meets regularly to evaluate, control, review and oversee the implementation of Gamma Civic Ltd's objectives. The Company's strategic and business plans are formulated in the context of the risk exposures and the requirements to effectively manage those risks as part of Gamma Civic Ltd and its Group Companies' operations.

The Audit and Risk Committee in turn ensures that Management puts in place a comprehensive and robust system of risk management and a sound internal control system, and quarterly reports would be submitted to the Board.

The management team is responsible for implementing and reporting on risk mitigation measures, as well as identifying new risks that may arise over the course of business.

CORPORATE GOVERNANCE REPORT (Cont'd)

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (Cont'd)

Risk Management Practices

The Board of Gamma Civic Ltd is responsible for the process of risk management and management is responsible for the implementation of risk management process. The Board of Gamma Civic Ltd maintains a number of policies which are designed to manage specific business risks.

Responsibility and accountability is placed on Management to maintain direct involvement in the businesses of the Company and Group Companies in order to manage potential exposure of Gamma Civic Ltd to risks. The Group CFO attends Technical Committee meetings of the operating companies within the group where risks are identified and appropriate mitigating measures are agreed with the Management of the operating companies.

Furthermore, the Group CFO meets the Audit and Risk committee to report on Strategic Risks in the Group.

Gamma Civic Ltd has a Risk Management Policy included in the Gamma Charter, which sets out the broad principles, responsibilities and practices that are used to manage Gamma Civic Ltd's risk exposures and the various risk management systems and internal controls operated by Gamma Civic Ltd to respond to those risks.

Risk Management Areas

In the year under review, and under the direction of the Board and the Audit and Risk Committee, the management team prioritised the following risk management areas:

- People risk management – health and safety, new ways of working, succession planning
- Business continuity – vulnerability assessments and operational resilience
- Investment risks – concentration in companies operating in difficult economic conditions
- Financial – liquidity and funding management, foreign currency availability
- Technology – role of new digital tools, IT governance, cyber security threats

In addition, the Company and the Group continued their actions in response to the COVID-19 pandemic:

- A Group Crisis Committee composed of CEOs and CFOs across Group companies share knowledge and coordinate the Group's approach to mitigating the impact of local transmission of COVID amongst employees and stakeholders
- Under the Group Crisis Committee's guidance, several cross-company platforms, including Group IT, Group HR and Group Health & Safety committees, in order to coordinate and manage the Group's response to rapidly changing work environments, such as work from home policies, enhanced hygiene practices at all workplaces, and procurement of protective equipment
- The resilience of each Group company was assessed, with a focus on employee health, safety and wellbeing. Split-team and work from home arrangements were implemented as part of business continuity planning
- Each company's working capital, cash flow and operating expenditures were reviewed and planned in order to ensure that the Company and the Group is able to withstand and mitigate the impact of possible worst-case scenarios. This equally consisted of renewing and securing facilities and lines with our banks to mitigate the risk of cash flows and foreign currency availabilities
- The strategy of the Company and the Group was readjusted in order to mitigate the current set of concentration risks and securing access to longer term funding

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (Cont'd)

Gamma's Top 10 Thematic Risks

The Company's top risks can be arranged in the following 10 themes:

1. BUSINESS CONTINUITY RISK
2. HUMAN CAPITAL RISK
3. MARKET RISK
   - Interest Rate Risk
   - Foreign Exchange Risk
   - Price Risk
4. REPUTATIONAL RISK
5. FUNDING RISK
6. CREDIT RISK
7. INFORMATION SECURITY RISK
8. INVESTMENT RISK
   - *Geopolitical Risk*
   - *Concentration Risk*
9. NEW BUSINESS DEVELOPMENT RISK
10. COMPLIANCE WITH LAWS & REGULATIONS

N.B. Not in order of priority

Whistleblowing Policy

The Company is committed to openness, accountability, transparency and highest standards of ethics. All employees and the Company's stakeholders are encouraged to report any incidents which they have reasonable grounds to believe may tantamount to an illegal act and cause harm and impact the reputation of the Company.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Financial and Operational Performance

The Company's financial and operational performance is detailed in the Directors' Report.

Environment, Health & Safety

The Company continues to be committed to providing all employees of the Group with a safe and healthy working environment in line with the Occupational Safety and Health Act 2005 and other applicable legislative and regulatory frameworks. Through its Health and Safety officers employed by the different Group companies, Gamma Civic Ltd ensures that the Group fulfils its legal obligations as an employer towards its employees. At the same time, the employees too are informed of their responsibility as regards safety and health, by receiving continuous training and awareness with the objective of having a safe working environment.

During the year under review, the Group maintained the new health and safety measures that were implemented in response to the COVID-19 pandemic, including:

- A Group Health and Safety platform to coordinate the implementation of COVID-19 related measures to safeguard employee health, safety and wellbeing in line with best practices
- Widespread awareness campaigns for new hygiene standards
- Enforcing social distancing and disinfection of workplaces to reduce risk of cross-contamination
- Procurement of personal protective equipment for all employees
- Implementing split-team and work from home arrangements
- Registry of all non-Gamma employees who enter a Gamma workplace in order to facilitate contact tracing if ever required

The Company has an Environmental Policy as contained in the Gamma Charter.

Code of Conduct

The Company applies the Gamma Charter, which contains a Code of Conduct.

The Code of Conduct is based on the fundamental belief that business should be conducted in all honesty, fairness and legally. This commitment is endorsed by the Board and all employees, sharing the commitment to high moral, ethical and legal standards.

The Code of Conduct clearly sets out the Company's approach to:

- Conflicts of interest
- Dealings with suppliers
- Dealings with customers and potential customers
- Dealings with public officials
- Political activities and contributions
- Integrity of records and financial reports
- Proprietary information
- Discrimination and harassment

The Company does not tolerate any form of corruption and bribery. All directors, officers and employees of the Company and the Group must fully adhere to and comply with all applicable anti-bribery and anti-corruption laws.

PRINCIPLE 6: REPORTING WITH INTEGRITY (Cont'd)

Code of Conduct (Cont'd)

The Gamma Group seeks to build and manage a sound relationship with governmental authorities on an arm's length basis and will not offer, pay, solicit or accept bribes in any form or shape in its dealings with the government, administration or the courts. The Company does make political donations at time of general elections in line with the provisions of the National Code of Corporate Governance (Charitable and Political Donations) and the recommendations of the then Joint Economic Council (now Business Mauritius), with a view to further the Country's democratic process, without expecting any reward in return and make full disclosure on the subject matter.

Corporate Social Responsibility ("CSR")

The Company and Group remain committed to being a responsible corporate citizen. Our CSR activities are further detailed in the "Our Corporate Social Responsibility" section of the annual report.

PRINCIPLE 7: AUDIT

Directors' Responsibility

All Directors have been informed of their duties and responsibilities as provided under the Companies Act 2001, and their responsibility under the Listing Rules.
They are also conversant with the provisions of the Gamma Charter, which applies to the Company, the Company's constitution and the Code.

External Audit

Appointment of the Company's external auditors remains a reserved right of the shareholders, though the appointment is made on the recommendation of the Board. The appointment process follows a tender exercise under the oversight of the Audit and Risk Committee, on behalf of the Board. The Company's external auditor since 2016 is Ernst & Young.

The Board has delegated to the Audit and Risk Committee the responsibility of reviewing the auditors' letter of engagement before the start of the audit work. The Committee will also monitor the independence of the external auditor and ensure that the auditors are not hindered in any manner whatsoever in the performance of their function.
The external auditors have direct access to the Audit and Risk Committee members and attend the Committee meetings. Once a year, the external auditors also meet with the Board to report on the external audit exercise and present their report to the Board.

Internal Audit

The internal audit (IA) function of Gamma-Civic Ltd and the main operating companies is outsourced to KPMG since 2018 and has been renewed until 2024. The appointment of the internal audit was effected following a tender exercise under the supervision of the Audit and Risk Committee, on behalf of the Board. KPMG operates on a risk-based three-year IA plan, under the supervision of the Audit and Risk Committee, which is the body entitled to approve the final audit plan.
Following the assessment of the effectiveness of the internal audit function by the Audit and Risk Committee and the Board, the mandate with KPMG was renewed in June 2021 for the next three years.

The duties of the internal audit are defined in the Gamma Charter and among others include the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities, in view of eliminating or reducing risks identified to an acceptable level, and the formulation of necessary recommendations.

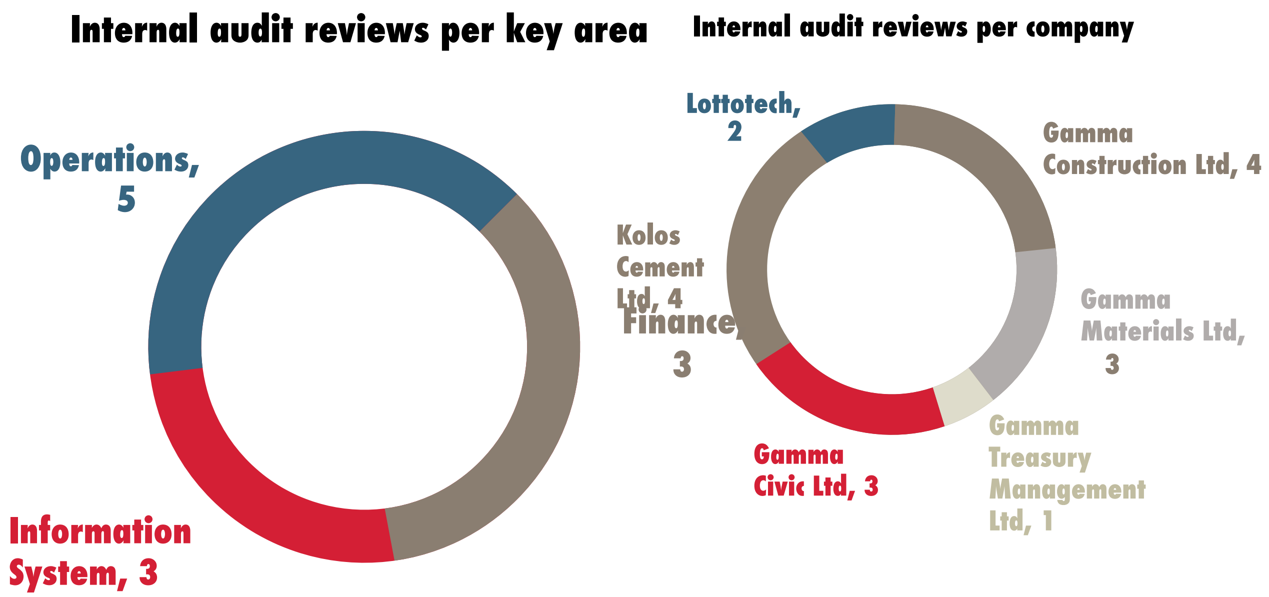
The key areas to be covered by the internal audit function have been identified following an enterprise wide risk assessment. The internal audit plan is discussed at each Audit and Risk Committee and emerging risks are factored in the overall areas to be covered.

PRINCIPLE 7: AUDIT (Cont'd)

The Internal Audit Plan for the financial year ended 31 December 2021 included audits on the following areas:

- Compliances reviews: Data Protection Act 2017 and AML/CFT
- Review of the IT environment and business continuity process
- Review of key financial and operational processes across the main subsidiaries.

As per the approved internal audit plan, 17 internal audit reviews have been carried out for Gamma Civic-Ltd and its main operating companies in 2021 as shown in the diagrammatic representations below.



The function provides the Board, through the Audit and Risk Committee, with quarterly reports of its findings and recommendations for each audit performed including agreed management actions from management which, along with other sources of assurance, is used by the Board in making its assessment of the Company and the Group's system of internal controls and risk management.

In the performance of its function, the internal auditor has free access to the Company's records, employees and members of the Audit and Risk Committee.

The internal audit function maintains its independence and objectivity to allow for the effective performance of its duties. The direct reporting line is to the Chairman of the Audit and Risk Committee, and the internal audit function may also be called upon by the Chairman of the Board to report to it on specific matters.

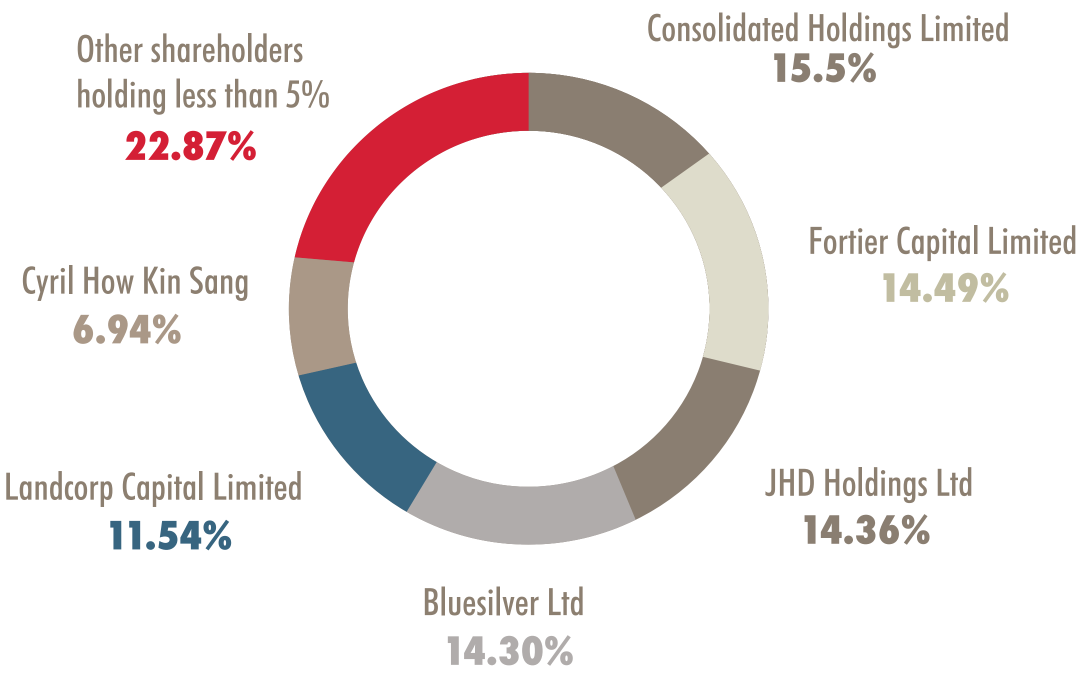
PRINCIPLE 8: RELATIONSHIP WITH SHAREHOLDERS AND KEY STAKEHOLDERS

Communication with Key Stakeholders

The Board of Directors is committed to have an open and transparent communication with its shareholders, local authorities, financial institutions, suppliers, investors and employees at all times. It normally communicates through its Annual report, announcements as provided under the Listing Rules, whenever applicable, through its statutory reporting and publications.

Shareholders holding more than 5% as at 31 December 2021

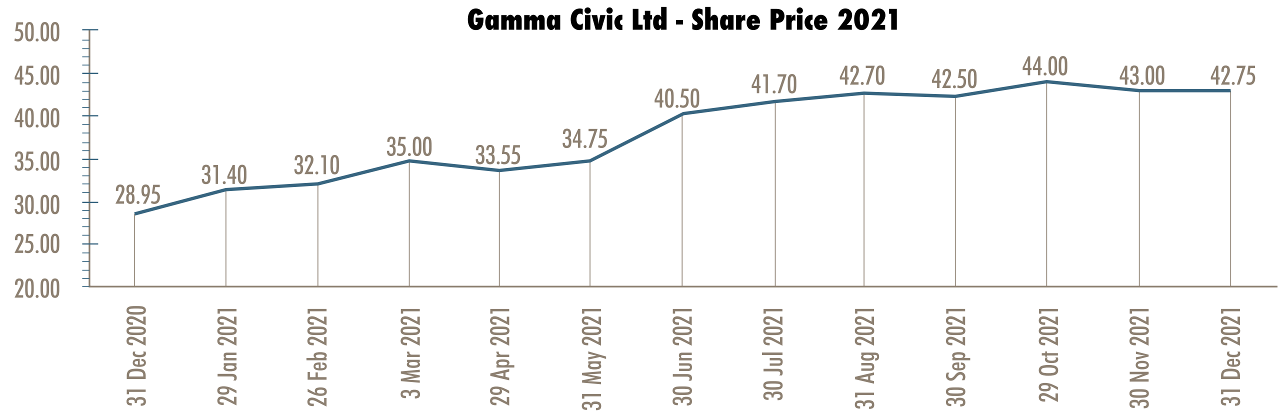
The composition of Gamma Civic Ltd's shareholding is as follows:



No individuals or entities held more than 25% of Gamma Civic Ltd as at 31 December 2021.

CORPORATE GOVERNANCE REPORT (Cont'd)

Share Price Graph



Shares in Public Hands

In line with the Listing Rules, the Company has more than 25% of its shareholding in public hand.

Annual Meeting of Shareholders

The Company's Annual Meeting for the shareholders to approve the audited financial statements including the Company's annual report, appoint/renew appointment of Directors and the Board and appoint/renew the appointment of the external auditors has been fixed for June 2022.

In due course the appropriate convocation will be issued to all shareholders of the Company to invite them to attend the said Annual Meeting where they are encouraged to ask questions about the financial position of the Company.

The Company Secretary will send out the notices and related papers to all shareholders at least 14 days before the Annual Meeting in accordance with the Company's Constitution. The notices will clearly explain the procedures on proxy voting and include the deadline for receiving the proxies at the office of the Company Secretary.

The Company also uses its website to keep in touch with its shareholders and stakeholders as all communiqués, dividend announcements, abridged financial statements and the annual reports are posted on the website to keep them informed and updated on Company's activities and events. In addition to the website, shareholders and stakeholders may obtain further information on the Company and its governance documents from the Company Secretary.

Dividend Policy

According to the Gamma Charter, the Company aims at distributing a dividend which is equivalent to a 3% dividend yield, subject to meeting the requirements of the Solvency Test, and as a rule for each financial year the Company declares and pays an interim and a final dividend.

Tommy Ah Teck
Executive Chairman

Maurice Lam
Non-Executive Director

30 March 2022

STATEMENT OF COMPLIANCE

(Pursuant to Section 75 (3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"): Gamma Civic Ltd
Reporting Period: 31 December 2021

We, the Directors of Gamma Civic Ltd confirm that to the best of our knowledge Gamma Civic Ltd has complied with all of its obligations and requirements under the Code of Corporate Governance.

Tommy Ah Teck
Executive Chairman

Maurice Lam
Non-Executive Director

30 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect of the Preparation of Financial Statements

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

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that IFRS have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business; and
- Ensure compliance with the Code of Corporate Governance ("Code") and provide reasons in case of non- compliance with the Code.

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

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

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

Approved by the Board of Directors on 30 March 2022 and signed on its behalf by

Twalha Dhunnoo
Executive Director & Group CFO

Paul Halpin
Non-Executive Director

30 March 2022

SECRETARY'S CERTIFICATE

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

We certify that, to the best of our knowledge and belief, Gamma Civic Ltd has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of Section 166(d).

Gamma Corporate Services Ltd
Company Secretary

30 March 2022

DIRECTORS' REPORT

The directors are pleased to submit their report together with the audited financial statements of Gamma Civic Ltd ("the Company") and the Group (together the "Gamma Group") for the year ended 31 December 2021.

MAIN INVESTMENTS

Gamma Civic Ltd is a listed investment holding company. Its main objectives are to safeguard and enhance its shareholders' wealth, deliver an acceptable level of return to shareholders and to continue to build a sustainable platform for growth and profitability.

Gamma has investments in different sectors and the principal ones are:

- Contracting;
- Building Materials;
- Lottery;
- Hospitality;
- Properties (Real Estate); and
- Financial Services.

The operations within the sectors mentioned above as carried out by different companies which are subsidiaries, associates and joint venture of Gamma Civic Ltd.

Contracting

Gamma Construction Ltd, a wholly-owned subsidiary, is involved in asphalt production, asphalt and road works and building and civil engineering contracting works both in the private and public sectors.

Building Materials

Gamma Materials Ltd, a jointly controlled company, supplies building materials including aggregates, sand and blocks to the construction industry.

Kolos Cement Ltd, a subsidiary, trades in and distributes cement. It is listed on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd ("SEM").

Kolos Madagascar SA, a Malagasy subsidiary of Kolos Cement Ltd, trades in and distributes cement in bags.

Lottery

Lottotech Ltd, a subsidiary, operates, under licence, the Mauritius National Lottery and is listed on the Official List of the SEM. It launched a new Loterie Vert game on 30 October 2020.

Hospitality

Morning Light Co. Ltd, an associate company, operates in the hotel industry through Hilton Mauritius Resort & Spa and is listed on the Development & Enterprise Market of the SEM.

Properties (Real Estate)

BR Capital Ltd owns a seven-storey office building in Ebène known as Burford House. Part of the ground floor is occupied by Artisan Coffee, a brand of coffee shop well known in Mauritius.

The Group also owns several property assets, including freehold and leasehold land.

MAIN INVESTMENTS (Cont'd)

Financial Services

Jasiri Investment Ltd (formerly Square Mile Investment Nine Ltd), an associate company, is engaged, through its subsidiaries, in the financial services industry in Mauritius and rest of Africa.

Gamma Treasury Management Limited (GTML) is a wholly-owned subsidiary of Gamma Civic Ltd which is engaged in treasury management to the Group companies. GTML is regulated by the Financial Services Commission (FSC) of Mauritius.

RESULTS

Group Performance

Group Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2021: Rs 4,471M Dec 2020: Rs 3,706M	Dec 2021: Rs 360M Dec 2020: Rs 228M

Company

Company Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2021: Rs 473M Dec 2020: Rs 358M	Dec 2021: Rs 306M Dec 2020: Rs 173M

BUSINESS REVIEW

For the year ended 31 December 2021, the Group and the Company reported net profit after taxation of Rs 360M and Rs 306M respectively.

More details on the business review are included in the Executive Chairman' Statement and the Report of the Group Chief Financial Officer.

OUTLOOK

More details on the outlook are included in the Executive Chairman' Statement.

DIRECTORS' REPORT (Cont'd)

DIVIDEND

A final dividend of Rs 1.31 per share (2020: Rs1.50 per share) was declared on 30 March 2021 and was paid by latest 30 June 2021 in respect of the financial year ended 31 December 2020.

An interim dividend of Rs 0.50 per share (2020: RsNil per share) was declared on 11 August 2021 and was paid by latest 30 September 2021 in respect of the financial year ended 31 December 2021.

On behalf of the Board of Directors

Twalha Dhunnoo
Executive Director & Group CFO

Jason Ah Teck
Executive Director

30 March 2022

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal Activities

Gamma Civic Ltd is an investment company holding investments in different sectors of activities in Mauritius.

Directors' and Senior Officers' Interests in Shares

Statement of Direct and Indirect Interest of insiders as at 31 December 2021:

	No. of Shares	
Names of Directors	Direct	Indirect
Boon Hui Chan	-	-
Jason Ah Teck	4,500	-
Jean-Claude Lam Hung	30,800	-
Marie Claire Chong Ah-Yan	1,980,830	3,869,317
Maurice Lam Pak Ng	-	-
Patrice Ah Teck	250,000	22,925,777
Paul Halpin	-	-
Tommy Ah Teck	-	23,175,777
Twalha Dhunnoo	-	-

Directors' Remuneration and Benefits

The split of the aggregate remuneration and benefits received and receivable by the Directors of the Company from the Company and its subsidiaries as disclosed in the Corporate Governance Report is as follows: Mr Tommy Ah Teck (20%), Mr Jason Ah Teck (21%), Mr Twalha Dhunnoo (10%), Mr Patrice Ah Teck (20%), Mr Boon Hui Chan (1%), Mr Marie-Claire Chong Ah-Yan (20%), Mr Paul Halpin (6%), Mr Jean-Claude Lam Hung (1%) and Mr Maurice Lam Pak Ng (1%).

Directors' Service Contracts

None of the Directors of the Company have service contracts with the Company.

Contract of Significance

The Company has no contract of significance with either a Director or a controlling shareholder.

Directors' Insurance

The Directors of Gamma Civic Ltd are insured under the Gamma Civic Ltd master policy directors and officer's liability insurance.

Donations

The Company remains committed to CSR through the Gamma Foundation. For the year 2021, the Company did not contribute any donation.

OTHER STATUTORY DISCLOSURES (Cont'd)

Auditors' remuneration

The remuneration payable by the Company for audit and non-audit services for the financial year ended 31 December 2021 was as follows:

	Rs
Audit Services	1,190,000

Non-audit Services	Audit Firm	Rs
- Tax review	Ernst & Young	35,000
- Internal audit	KPMG	1,123,000
- Sell-side assistance	KPMG	200,00

Twalha Dhunnoo
Executive Director & Group CFO

Jason Ah Teck
Executive Director

30 March 2022

SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES OF THE GROUP

(a) RESULTS

	2021	2020	2019
	Rs	Rs	Rs
Turnover	**5,507,670,199**	4,617,082,109	5,026,129,299
Revenue	**4,470,785,508**	3,705,804,870	3,750,331,445
Operating Profit	**294,177,412**	255,625,173	368,216,649
Net impairment on Financial and Contract Assets	**(11,843,910)**	(5,615,457)	(1,942,036)
Fair Value Gain on Investment Properties	**47,848,147**	6,006,735	181,328,687
Finance costs	**(71,407,319)**	(49,104,696)	(47,965,946)
Share of Profits of Associates and Joint Venture	**144,940,782**	75,433,351	184,309,839
Profit before Taxation	**403,715,112**	282,345,106	683,947,193
Taxation	**(43,470,540)**	(54,365,083)	(87,637,265)
Profit for the year	**360,244,572**	227,980,023	596,309,928
Profit attributable to:			
-Owners of the company	**300,970,155**	163,356,763	448,390,930
-Non-controlling interests	**59,274,417**	64,623,260	147,918,998
	360,244,572	227,980,023	596,309,928
Total comprehensive income attributable to:			
-Owners of the company	**323,146,090**	177,175,472	464,853,576
-Non-controlling interests	**67,151,491**	67,949,504	150,592,517
	390,297,581	245,124,976	615,446,093
Earnings per share (basic and diluted)	**2.26**	1.23	3.37

(b) ASSETS AND LIABILITIES

	2021	2020	2019
	Rs	Rs	Rs
ASSETS			
Non-current assets	**4,538,327,731**	4,553,747,669	4,575,004,085
Current assets	**2,749,621,877**	1,705,741,200	1,309,047,270
Total assets	**7,287,949,608**	6,259,488,869	5,884,051,355
EQUITY AND LIABILITIES			
Owners' interests	**3,521,073,722**	3,440,444,863	3,463,144,391
Non-controlling interests	**190,646,061**	204,487,630	206,191,948
Total equity	**3,711,719,783**	3,644,932,493	3,669,336,339
Non-current liabilities	**1,965,329,360**	1,050,823,734	931,117,998
Current liabilities	**1,610,900,465**	1,563,732,642	1,283,597,018
Total equity and liabilities	**7,287,949,608**	6,259,488,869	5,884,051,355

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GAMMA CIVIC LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Gamma Civic Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 76 - 159 which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 31 December 2021, 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 comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	How the matter was addressed in the audit
Recognition of contract revenue, margin, and related contract assets and receivables The construction industry is characterised by contract risk with significant judgements involved in the assessment of both current and future contractual performance.	• We assessed the design of key controls over the recognition of contract revenue process. Such controls were tested to determine their operating effectiveness; • We attended cost meetings and inspected respective minutes forming a key part of the entity's risk process to fully challenge at a lower executive level, both new tenders and contract bids, and ongoing performance on existing contracts;

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Recognition of contract revenue, margin, and related contract assets and receivables (Continued) Revenue and margin are recognised using the output method namely surveys of performance completed to date of individual contracts. Refer to note 3 (q) for accounting policy on construction contracts as well as note 4 (critical judgments in applying the accounting policies), note 12 (trade receivables from contracts), note 19 (trade payables arising from contracts) and note 20 (revenue from contracts). The status of contracts is updated on a regular basis through cost meetings. During this process, management is required to exercise significant judgement in their assessment of the valuation of contract variations, claims and liquidated damages (revenue items); the completeness and accuracy of forecast costs to complete; and the ability to deliver contracts within forecast timescales. Dependent on the level of judgement in each, the range on each contract can be individually material. In addition, changes in these judgements, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative. For these reasons, we have considered the above as a key audit matter.	• We selected a sample of contracts in order to challenge both current and future financial performance. Samples were selected based on a number of quantitative factors, as well as other randomly selected contracts; For sampled contracts, we challenged management's key judgements inherent in the forecasting of costs to completion that drives the accounting based on the value of work certified. This included: • a review of the contract terms and conditions by reference to contract documentation; • testing the existence and valuation of claims and variations both within contract revenue and contract costs via inspection of correspondence with customers and the supply chain; • a review of legal and experts' reports received on contentious matters; • discussions with project managers, quantity surveyors and finance team in respect of all significant contracts to understand the progress to-date, any issues foreseen on those contracts and estimated efforts to satisfy the performance obligations under the contracts and corroboration of these discussions with the accrued costs computed by the management for each contract; • an assessment of the ability to deliver contracts within budgeted timescales and any exposures to liquidated damages for late delivery of contract works; and the ability to identify and determine foreseeable loses on contracts; • a review of post-balance sheet certification from clients' quantity surveyors; • performing multiple site visits to corroborate findings as per the cost meetings and minutes of major contacts; • reviewing significant deviations from original revenue, cost and margin estimates, obtaining appropriate explanation from management for such deviations and evaluation of the impact on the revenue recognition; • Scrutinising all contracts which were closed during the year to consider their profitability and to compare with previous forecasts of those same contracts in order to assess management's ability to estimate cost of completion;

No KAM has been identified on separate financial statements.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

TO THE MEMBERS OF GAMMA CIVIC LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont'd)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "GAMMA CIVIC LTD FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021", which includes the Corporate Governance Report, Statement of Compliance, Statement of Director's Responsibilities, Secretary's Certificate and Other Statutory Disclosures as required by the Companies Act 2001, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (''the Code'') disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

TO THE MEMBERS OF GAMMA CIVIC LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

TO THE MEMBERS OF GAMMA CIVIC LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont'd)

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

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

ERNST & YOUNG
Ebène, Mauritius

30 March 2022

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

EXCEEDING EXPECTATIONS.

STATEMENTS OF FINANCIAL POSITION

At 31 December 2021

	Notes	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	5	**1,488,780,701**	1,500,586,833	**350,511,902**	354,940,133
Intangible Assets	6	**885,823,747**	789,557,765	**1,212,444**	1,818,666
Investments in Subsidiaries	7	**-**	-	**1,579,043,259**	1,544,296,949
Investments in Associates and Joint Venture	8	**842,551,611**	831,550,527	**53,245,640**	53,245,640
Investment Properties	9	**1,243,395,926**	1,354,911,444	**-**	-
Deferred Tax Assets	17(b)	**22,032,354**	19,003,605	**-**	-
Contract Assets	12	**47,785,214**	50,351,096	**-**	-
Non-Current Receivables	31	**7,958,178**	7,786,399	**490,114**	490,114
		4,538,327,731	4,553,747,669	**1,984,503,359**	1,954,791,502
CURRENT ASSETS					
Inventories	11	**407,006,047**	250,060,102	**-**	-
Contract Assets	12	**589,004,870**	484,315,482	**-**	-
Trade and Other Receivables	12(a)	**453,700,603**	307,903,624	**76,961,952**	73,770,211
Amounts due from Subsidiaries	28	**-**	-	**370,746,268**	26,311,888
Current tax assets	17(a)	**7,986,147**	-	**6,553,635**	-
Cash and Cash Equivalents	26	**1,124,524,210**	652,955,415	**650,372,279**	114,653,886
		2,582,221,877	1,695,234,623	**1,104,634,134**	214,735,985
Assets classified as held for sale	32	**167,400,000**	10,506,577	**-**	-
Total Current Assets		**2,749,621,877**	1,705,741,200	**1,104,634,134**	214,735,985
TOTAL ASSETS		**7,287,949,608**	6,259,488,869	**3,089,137,493**	2,169,527,487
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated Capital	13	**133,250,000**	133,250,000	**133,250,000**	133,250,000
Share Premium		**86,482,579**	86,482,579	**86,482,579**	86,482,579
Other Reserves		**3,301,341,143**	3,220,712,284	**1,284,354,207**	1,217,014,136
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**3,521,073,722**	3,440,444,863	**1,504,086,786**	1,436,746,715
NON-CONTROLLING INTERESTS	7(d)	**190,646,061**	204,487,630	**-**	-
TOTAL EQUITY		**3,711,719,783**	3,644,932,493	**1,504,086,786**	1,436,746,715
NON-CURRENT LIABILITIES					
Borrowings	14	**1,478,592,985**	608,279,721	**1,294,896,175**	387,884,465
Trade and Other Payables	19	**97,687,596**	95,573,338	**-**	-
Contract Liabilities	19(a)	**40,465,184**	13,027,268	**-**	-
Lease Liabilities	15	**199,997,573**	206,326,386	**17,545,957**	21,121,668
Retirement Benefit Obligations	16(c)	**71,684,858**	63,531,863	**12,175,000**	6,211,000
Deferred Tax Liabilities	17(b)	**76,901,164**	64,085,158	**8,929,000**	9,629,520
		1,965,329,360	1,050,823,734	**1,333,546,132**	424,846,653
CURRENT LIABILITIES					
Bank Overdrafts	18/26	**16,748,011**	23,421,268	**-**	-
Borrowings	14	**262,042,787**	161,574,069	**37,472,901**	70,352,211
Lease Liabilities	15	**38,927,602**	35,443,570	**3,785,383**	3,536,580
Trade and Other Payables	19	**1,134,637,891**	1,141,307,292	**110,092,813**	124,750,835
Contract Liabilities	19(a)	**146,566,681**	170,965,743	**-**	-
Amounts due to Subsidiaries	28	**-**	-	**100,153,478**	102,883,478
Current Tax Liabilities	17(a)	**11,977,493**	31,020,700	**-**	6,411,015
		1,610,900,465	1,563,732,642	**251,504,575**	307,934,119
TOTAL LIABILITIES		**3,576,229,825**	2,614,556,376	**1,585,050,707**	732,780,772
TOTAL EQUITY AND LIABILITIES		**7,287,949,608**	6,259,488,869	**3,089,137,493**	2,169,527,487

Twalha Dhunnoo
Executive Director & Group CFO

Paul Halpin
Non-Executive Director

Approved by the Board of Directors and signed on its behalf on 30 March 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
Turnover	20	**5,507,670,199**	4,617,082,109	**473,439,135**	358,066,897
Revenue	20	**4,470,785,508**	3,705,804,870	**473,439,135**	358,066,897
Operating Profit	21	**294,177,412**	255,625,173	**340,946,285**	204,465,222
Net (Impairment)/Impairment Reversal on Financial and Contract Assets	12	**(11,843,910)**	(5,615,457)	**554,162**	(2,326,234)
Fair Value Gain on Investment Properties	9	**47,848,147**	6,006,735	**-**	-
Finance costs	22	**(71,407,319)**	(49,104,696)	**(35,050,486)**	(18,482,943)
Share of Profits of Associates and Joint Venture	8	**144,940,782**	75,433,351	**-**	-
Profit before Taxation		**403,715,112**	282,345,106	**306,449,961**	183,656,045
Taxation	17(a)	**(43,470,540)**	(54,365,083)	**(606,028)**	(11,021,611)
PROFIT FOR THE YEAR		**360,244,572**	227,980,023	**305,843,933**	172,634,434
OTHER COMPREHENSIVE INCOME					
Items that will not be classified subsequently to Profit or Loss:					
Gain on Revaluation of Property	5	**21,961,131**	20,408,877	**2,055,275**	37,669
Deferred Tax on Gain on Revaluation of Property	17(b)	**(3,702,920)**	(3,783,989)	**(349,397)**	(516,404)
Share of Gain on Property Revaluation of Associates and Joint Venture	8(a)	**4,227,028**	7,473,777	**-**	-
Remeasurement of Actuarial Gain/(Loss) on Retirement Benefit Obligations	16(f)	**3,196,312**	(8,817,879)	**1,172,000**	(344,000)
Deferred Tax on Remeasurement of Retirement Benefit Obligations	17(b)	**(523,483)**	1,497,339	**(199,240)**	58,480
Remeasurement of Actuarial Gain/(Loss) on Retirement Benefit Obligations in Associates & Joint Venture	8(a)	**2,480,701**	81,045	**-**	-
Items to be classified subsequently to Profit or Loss:					
Foreign Currency Translation Reserves Movement		**2,414,240**	285,783	**-**	-
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		**30,053,009**	17,144,953	**2,678,638**	(764,255)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**390,297,581**	245,124,976	**308,522,571**	171,870,179
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		**300,970,155**	163,356,763	**305,843,933**	172,634,434
Non-Controlling Interests		**59,274,417**	64,623,260	**-**	-
		360,244,572	227,980,023	**305,843,933**	172,634,434
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		**323,146,090**	177,175,472	**308,522,571**	171,870,179
Non-Controlling Interests		**67,151,491**	67,949,504	**-**	-
		390,297,581	245,124,976	**308,522,571**	171,870,179
EARNINGS PER SHARE (Basic and Diluted)	24	**2.26**	1.23		

The notes on pages 82 to 159 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

Group

	Stated Capital Rs	Share Premium Rs	Revaluation Reserve Rs	Foreign Currency Translation Reserves Rs	Retained Earnings Rs	Attributable to Owners of the Parent Rs	Non-Controlling Interests Rs	Total Rs
Balance at 1 January 2020	133,250,000	86,482,579	422,536,784	54,901,891	2,765,973,137	3,463,144,391	206,191,948	3,669,336,339
Revaluation Surplus of Associate Realised on Depreciation of Property	-	-	(2,569,253)	-	2,569,253	-	-	-
Revaluation Surplus Realised on Disposal of Property and on Depreciation	-	-	(6,487,163)	-	6,487,163	-	-	-
Profit for the Year	-	-	-	-	163,356,763	163,356,763	64,623,260	227,980,023
Other Comprehensive Income/(Loss) for the Year	-	-	18,887,717	285,783	(5,354,791)	13,818,709	3,326,244	17,144,953
Total Comprehensive Income for the Year	-	-	18,887,717	285,783	158,001,972	177,175,472	67,949,504	245,124,976
Dividend (Note 23)	-	-	-	-	(199,875,000)	(199,875,000)	(69,653,822)	(269,528,822)
Balance at 31 December 2020	**133,250,000**	**86,482,579**	**432,368,085**	**55,187,674**	**2,733,156,525**	**3,440,444,863**	**204,487,630**	**3,644,932,493**
Revaluation Surplus of Associate Realised on Depreciation of Property	-	-	(3,587,116)	-	3,587,116	-	-	-
Revaluation Surplus Realised on Disposal of Property and on Depreciation	-	-	(5,340,715)	-	5,340,715	-	-	-
Profit for the Year	-	-	-	-	300,970,155	300,970,155	59,274,417	360,244,572
Other Comprehensive Income for the Year	-	-	18,181,633	(280,847)	4,275,149	22,175,935	7,877,074	30,053,009
Total Comprehensive Income for the Year	-	-	18,181,633	(280,847)	305,245,304	323,146,090	67,151,491	390,297,581
Change in Ownership Without Loss of Control (Note 34)	-	-	-	(623,611)	(711,120)	(1,334,731)	1,334,731	-
Shares Issued to Non-Controlling Interests (Note 34)*	-	-	-	-	-	-	3,056,250	3,056,250
Dividend (Note 23)	-	-	-	-	(241,182,500)	(241,182,500)	(85,384,041)	(326,566,541)
Balance at 31 December 2021	**133,250,000**	**86,482,579**	**441,621,887**	**54,283,216**	**2,805,436,040**	**3,521,073,722**	**190,646,061**	**3,711,719,783**

* During the year, a subsidiary issued additional shares to Non-Controlling interests.

The notes on pages 82 to 159 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For the year ended 31 December 2021

Company

	Stated Capital Rs	Share Premium Rs	Revaluation Reserve Rs	Retained Earnings Rs	Total Rs
Balance at 1 January 2020	133,250,000	86,482,579	305,195,084	939,823,873	1,464,751,536
Revaluation Surplus Realised on Disposal of Property and on Depreciation	-	-	(17,967,651)	17,967,651	-
Profit for the Year	-	-	-	172,634,434	172,634,434
Other Comprehensive Loss for the Year	-	-	(478,735)	(285,520)	(764,255)
Total Comprehensive Income for the Year	-	-	(478,735)	172,348,914	171,870,179
Dividend (Note 23)	-	-	-	(199,875,000)	(199,875,000)
Balance at 31 December 2020	**133,250,000**	**86,482,579**	**286,748,698**	**930,265,438**	**1,436,746,715**
Revaluation Surplus Realised on Depreciation	-	-	(1,692,358)	1,692,358	-
Profit for the Year	-	-	-	305,843,933	305,843,933
Other Comprehensive Income for the Year	-	-	1,705,878	972,760	2,678,638
Total Comprehensive Income for the Year	-	-	1,705,878	306,816,693	308,522,571
Dividend (Note 23)	-	-	-	(241,182,500)	(241,182,500)
Balance at 31 December 2021	**133,250,000**	**86,482,579**	**286,762,218**	**997,591,989**	**1,504,086,786**

The notes on pages 82 to 159 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

	Notes	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		**403,715,112**	282,345,106	**306,449,961**	183,656,045
Adjustments for:					
Depreciation of Property, Plant and Equipment	5	**67,896,283**	70,992,980	**4,103,546**	3,979,542
Depreciation of Right-of-Use assets	5(g)	**47,252,065**	42,652,001	**3,933,762**	3,892,966
Amortisation of Intangible Assets	6	**7,304,821**	2,553,671	**606,222**	653,472
Impairment Loss/(Gain) Recognised on Financial and Contract Assets	12(a)	**11,843,910**	5,615,457	**(554,162)**	522,026
Impairment Loss Recognised on Investment in Subsidiaries		**-**	-	**660,080**	5,179,077
Derecognition of goodwill	6	**25,855,314**	-	**-**	-
(Reversal of Provision)/Provision for Slow Moving Inventories	21	**(45,090)**	4,663,452	**-**	-
Net Foreign Exchange Differences		**(11,849,641)**	(7,375,715)	**(7,537,856)**	(4,588,136)
Interest Expense	22	**71,407,319**	49,104,696	**35,050,486**	18,482,943
Interest Income	21	**(2,269,347)**	(4,410,411)	**(7,093,717)**	(1,099,085)
Dividend Income	20	**-**	-	**(330,393,779)**	(236,344,637)
Non-cash Element of Retirement Benefit Expense	16	**12,569,307**	8,289,933	**3,400,000**	1,122,000
Profit on Disposal of Property, Plant and Equipment	21	**(8,796,074)**	(524,085)	**(8,796,074)**	(2,106,694)
Profit on Disposal of Investment Property classified as Receivables and Assets held for sale	21	**(15,564,750)**	-	**-**	-
Amortisation of Land Lease Payment		**480,910**	480,912	**-**	-
Profit on disposal of Subsidiary to Group Company	21	**-**	-	**(469,009)**	-
Impairment Loss on revaluation of Buildings		**1,300,000**	-	**-**	-
Net Gain from Fair Value adjustment on Investment Properties	9	**(47,848,147)**	(6,006,735)	**-**	-
Share of Profit of Associates and Joint Venture	8(e)	**(144,940,782)**	(75,433,351)	**-**	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**418,311,210**	372,947,911	**(640,540)**	(26,650,481)
Increase in Inventories		**(156,900,855)**	(87,170,998)	**-**	-
(Increase)/Decrease in Non-Current Receivables, Contract Assets, and Trade and Other Receivables		**(225,068,773)**	(91,618,381)	**5,604,333**	(5,401,934)
(Increase)/Decrease in Amount due from Subsidiaries		**-**	-	**(340,144,218)**	59,404,006
(Decrease)/Increase in Contract Liabilities, and Trade and Other Payables		**(2,647,922)**	232,415,151	**(13,624,287)**	(7,277,472)
(Decrease)/Increase in Amount due to Subsidiaries		**-**	-	**(2,730,000)**	3,022,778
Retirement Benefits Paid	16	**(1,220,000)**	(33,000)	**-**	(33,000)
CASH GENERATED FROM/ (USED IN) OPERATIONS		**32,473,660**	426,540,683	**(351,534,712)**	23,063,897
Interest Paid		**(70,275,686)**	(50,866,485)	**(33,918,853)**	(20,244,732)
Dividend Received		**140,647,427**	152,681,801	**330,393,779**	236,344,637
Income Tax Paid	17	**(64,939,040)**	(57,616,500)	**(14,819,835)**	-
NET CASH FLOWS GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**37,906,361**	470,739,499	**(69,879,621)**	239,163,802

STATEMENTS OF CASH FLOWS (Cont'd)

For the year ended 31 December 2021

	Notes	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	25	**(92,433,631)**	(164,575,606)	**(1,309,022)**	(892,294)
Purchase of Intangible Assets	6	**(82,878,745)**	(236,252)	**-**	(236,250)
Proceeds from Disposal of Property, Plant and Equipment		**-**	3,193,046	**-**	51,425
Incorporation of Subsidiary/Additional Investment in Subsidiary		**-**	-	**-**	(3,990)
Payment for Shares in Associates		**-**	(5,000)	**-**	-
Proceeds from Disposal of Subsidiaries		**-**	-	**3,946,109**	-
Additions to Investment Properties		**(8,036,335)**	-	**-**	-
Decrease in Non-current Amount due from Subsidiaries		**-**	-	**15,010,080**	2,800,000
Increase in Non-current Amount due from Subsidiaries		**-**	-	**(53,893,570)**	(28,766,832)
Interest Received		**2,269,347**	4,410,411	**7,093,717**	1,099,085
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(181,079,364)**	(157,213,401)	**(29,152,686)**	(25,948,856)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend Paid to Owners of the Company*	23	**(241,182,500)**	(199,875,000)	**(241,182,500)**	(199,875,000)
Dividend Paid to Non-controlling Interests*		**(85,384,041)**	(69,653,822)		
Shares issued to Non-Controlling Interests		**3,056,250**	-	**-**	-
New Loans		**401,364,033**	140,000,000	**-**	-
Repayment of Loans		**(423,222,051)**	(3,423,501)	**(120,619,264)**	-
Proceeds from Bond, net of expenses		**992,640,000**	-	**992,640,000**	-
Repayments under Lease Agreements		**(40,255,918)**	(32,188,557)	**(3,571,687)**	(3,336,929)
NET CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES		**607,015,773**	(165,140,880)	**627,266,549**	(203,211,929)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**463,842,770**	148,385,218	**528,234,242**	10,003,017
Net Foreign Exchange Differences		**14,399,282**	7,375,715	**7,484,151**	4,588,136
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**629,534,147**	473,773,214	**114,653,886**	100,062,733
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	**1,107,776,199**	629,534,147	**650,372,279**	114,653,886

* Dividend paid by the Group has been reclassified from Cash Flows from Operating activities to Cash Flows from Financing Activities

The notes on pages 82 to 159 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. INCORPORATION AND ACTIVITIES

The consolidated financial statements of Gamma Civic Ltd and its subsidiaries (collectively, the "Group") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 30 March 2022. Gamma Civic Ltd (the "Company") is a public company incorporated in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd. Its registered office is situated at Royal Road, Chapman Hill, Beau Bassin, Mauritius. The Company operates as an investment holding company. The Group operates in the following business segments: building materials, contracting, investments, lottery, corporate services and others. Its principal place of business is situated at HSBC Centre, Bank Street, Cybercity, Ebene, Mauritius.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

	Effective for accounting period beginning on or after
COVID-19 – Related Rent Concessions (Amendments to IFRS 16)	1 January 2021
Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform	1 January 2021

COVID-19 – Related Rent Concessions (Amendments to IFRS 16)

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

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

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform

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

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

2.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

New or amended standards	Effective for accounting period beginning on or after
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment	1 January 2022
Amendments to IAS 37 Onerous Contracts	1 January 2022
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2022
Amendments to IFRS 9 Financial Instruments	1 January 2022
Amendments to IAS 41 Agriculture	1 January 2022
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Definition of Accounting Estimates – Amendment to IAS 8	1 January 2022
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practise Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

These amendments are not expected to have a significant impact on the financial statements of the Group and Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment, investment properties and certain financial instruments. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The consolidated financial statements are presented in Mauritian Rupee and all values are rounded to the nearest Mauritian Rupee, except when otherwise indicated.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of Preparation (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Investments in Subsidiaries

In the Company's financial statements, investments in subsidiaries are stated at cost, less any impairment loss. Non-Current amounts due from subsidiaries are classified as Investment in Subsidiaries by the Company as these amounts are unsecured and management does not intend to recall any amount within the next twelve months. These amounts are in substance an extension of the equity investments in these subsidiaries so that the amounts are stated at nominal value.

(c) Investments in Associates and Joint Venture

Associates are those companies which are not subsidiaries, over which the Group exercises significant influence and in which it holds a long-term equity interest. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Investments in associates and joint venture are accounted for at cost in the Company's accounts and under the equity method of accounting in the Group accounts from the date on which investee becomes an associate or a joint venture. Under the equity method, the Group's share of the associates' and joint venture's profit or loss for the year is recognised in the Statements of Profit or Loss and Other Comprehensive Income and the Group's interest in the associate and joint venture is carried in the Statements of Financial Position at an amount that reflects its share of the net assets of the associates and joint venture.

When the Group's share of losses of an associate of joint venture exceeds the Group's interest in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Investments in Associates and Joint Venture (Cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate and joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the Statements of Profit or Loss and Other Comprehensive Income.

(d) Basis of Consolidation

The consolidated financial statements include the results of the Company and its subsidiaries which are controlled by the Company. Control is achieved by the Company when:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the Statements of Profit or Loss and Other Comprehensive Income from the date of their control is acquired or up to the date when control is lost.

Specifically, income and expenses of a subsidiary acquired or Company loses control of the subsidiary disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Basis of Consolidation (Cont'd)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of change in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the Statements of Profit or Loss and other Comprehensive Income.

Goodwill is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost.

Land and buildings are subsequently shown at revalued amounts less accumulated depreciation. Revaluations are made by independent professional valuers. Under the revaluation model, assets will be carried at revalued amount less accumulated depreciation and subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Surpluses arising on revaluation are credited to revaluation reserve. Deficits that offset previous surpluses of the same asset are charged against the revaluation reserve in Other Comprehensive Income. All other deficits are charged to the Statements of Profit or Loss and Other Comprehensive Income in Profit or Loss.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost or revalued amount of property, plant and equipment, with the exception of freehold land and property, plant and equipment in progress, on a straight line basis over the expected useful lives of the assets concerned.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Statements of Profit or Loss and Other Comprehensive Income.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

The principal annual rates used for the purpose are:

Leasehold Improvements	-	2% to 20%
Freehold Buildings	-	2% to 20%
Plant and Machinery	-	10% to 50%
Motor Vehicles	-	20%
Furniture, Fittings and Equipment	-	10% to 33 1/3%
Rights-of-use assets	-	2% to 20%

No depreciation is provided on freehold land and on work in progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Intangible Assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Intangible Assets (Cont'd)

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and Other Comprehensive Income when the asset is derecognised.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(ii) Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful life. The principal annual rates used for the purpose are 20% to 33 1/3%.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a weighted average basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs, including a proportion of relevant overheads, incurred in bringing them to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The main inventory item for the Group consists of cement which the Group purchases in bulk and packs for resale to customers. The bulk cement is disclosed as raw materials and the packed cement as finished goods.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The Group's financial assets include cash in hand at banks, trade and other receivables and intercompany receivables.

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group includes in this category loans and receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income in Profit or Loss.

Derecognition

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

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

Or

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

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables and contract assets. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive.

For contract assets, the Group applies a simplified approach in calculating ECLs. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

Impairment of financial assets (Cont'd)

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group makes use of the roll rate methodology. It predicts the probability of default based on delinquency and calculates the percentage of debtors' balance in each bucket that deteriorate to the next bucket in the following month. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The information about the ECLs on the Group's trade receivables is disclosed in Note 12.

For all the other financial instruments where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that results from default events that are possible within the next 12 months (a 12-month ECL).

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Write-off of financial assets

The Group assesses any write-off to be made on trade receivables, contract assets and amount due from related parties on a case to case basis when there is sufficient evidence that the amount receivable will no longer be recoverable.

Financial Liabilities

Initial recognition and measurement

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method unless the effect of discounting would be immaterial in which case they are stated at cost.

Loans and borrowings and lease liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit or loss.

This category includes interest bearing loans including bank overdrafts.

Derecognition

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

(j) Offsetting of financial instruments

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

(k) Taxation

Income tax expense represents the sum of the tax currently payable, deferred tax and Corporate Social Responsibility.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated Statements of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Taxation (Cont'd)

(ii) Deferred taxation

Deferred taxation is provided for on the comprehensive basis using the liability method.

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

(iii) Corporate Social Responsibility

The Group is required to allocate 2% of its chargeable income of the preceding financial year to Government approved Corporate Social Responsibility (CSR) projects.

The required CSR charge for the current year is recognised as income tax expense in profit or loss. The net amount of CSR fund payable to the taxation authority is included as income tax payable in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Leases

Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Lessee

The Group considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use assets are measured at cost for those which are classified under Property, plant & Equipment, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

The right-of-use assets which are classified as Investment Properties are measured at fair value. Initial cost is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent re-measurements are taken to Profit or Loss.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Leases (Cont'd)

Measurement and recognition of leases as a lessee (Cont'd)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(m) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are measured at fair value. Gains or losses arising from changes in the fair value of the investment properties are included in the Statements of Profit or Loss in the period in which they arise.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

(n) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian rupees, at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies in the Statements of Financial Position are translated into Mauritian rupees at the rates of exchange ruling at the Statements of Financial Position date, and any differences in exchange arising are taken to the Statements of Profit or Loss and Other Comprehensive Income.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Turnover

Turnover is proceeds from ticket sales and the aggregate of revenue from all sales of goods and services, rental income, dividend income and other contract work executed less discounts, allowances and returns.

(p) Revenue Recognition

Revenue from contract with customers

Revenue is based on invoiced values, net of value added tax, of all sales of goods and services, proceeds from ticket sales net of prizes, sale of building materials and other contract work executed less discounts, allowances and returns.

Revenue from sales of goods and services is recognised when goods are delivered and title has passed and the services have been rendered.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as per note 3(q).

Revenue from lottery consist of sale of tickets, which are the wagers placed on lottery tickets on the Group's draw-based game, net of prizes.

Revenue from sales of building materials represents sales of cement, classified as bulk and bag. The performance is recognised at a point in time when control of the goods has transferred to the customer and the transactions price has already been set. As per condition of sales no alterations and cancellation of orders can be made once goods and services have been delivered, this is generally when the goods are delivered to the customers. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group's revenue recognition occurs at the point in time when the draw has been held and the results have been certified by the Gambling Regulatory Authority. Where players wager in advance, the income is deferred and recorded as contract liabilities, until the draw has taken place when it is then recognised as revenue in the statement of profit or loss and other comprehensive income.

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and Value Added Tax.

Other Revenue

Interest income is recognised when the income can be reliably measured and on a time basis, unless collectability is in doubt. Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under operating profit in the statement of profit or loss.

Dividend income from equity investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Construction Contracts

The Group is involved in the construction industry and produces asphalt for resale. Revenue from contracts with customers is recognised when the control of goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The Group principally generates revenue from its construction activities such as building of infrastructures, roads and minor civil constructions. The Group has established that it has one performance obligation in contracts entered with clients.

The Group recognises revenue from its construction contracts over time, using an output method to measure progress towards completion of the asset promised, because the customer simultaneously receives and consumes the benefits provided by the Company. Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods transferred to date relative to the remaining goods promised under the contract.

The Group believes that the output method faithfully depicts the Company's performance towards complete satisfaction of the performance obligation. The Group uses surveys of performance completed to date to determine the amount of revenue to be recognised.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing components in respect of advances from its customers

Generally, the Group receives advances from its customers which are classified as short term and long term advances and classified as current or non-current contract liabilities. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Based on the nature of the goods and services offered and the purpose of payment terms, the Group determined that for the vast majority of the contracts that require customers to pay long-term advances, the payment terms were structured primarily for reason other than the provision of finance to the Group, i.e. advances are generally required from new customers, as well as customers with a history of late payments, they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer pays for the goods and the Group transfers goods to the customer is relatively short. Therefore, the Group has concluded that there is no significant financing component in these contracts.

Sale of asphalt

Revenue from sale of asphalt is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the asphalt. The normal credit term is 60 days upon delivery.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Construction Contracts (Cont'd)

(ii) Significant financing components in respect of advances from its customers (Cont'd)

Progress billings

Progress billings are invoices requesting payment for work completed till date. Progress billings are prepared and submitted for payment at each month end for all projects. Generally, the Company performs its surveys of work completed at each month end and issues a draft invoice to the customers for approval

(iii) *Non contracting revenue*

Revenue from the sale of asphalt and testing of materials is recognised when the control of goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

(r) Contract Balances

(i) Contract asset

A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section e.

(iii) Contract liabilities

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

(s) Retirement Benefit Obligations

Retirement Benefits in respect of The Workers' Rights Act 2019

The present value of retirement benefits in respect of The Workers' Rights Act 2019 is recognised in the Statement of Financial Position as a non-current liability. The valuation of the obligations is carried out annually by a firm of qualified actuaries.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Retirement Benefit Obligations (Cont'd)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from past experience adjustments and changes in actuarial assumptions are either charged or credited in Other Comprehensive Income in the period in which they arise. Past-service costs are recognised immediately in Profit or Loss when incurred.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in Profit or Loss.

Defined Contribution

The Group and the Company operate a defined contribution pension plan for all qualifying employees. The funds are managed by an independent management committee. Where employees leave the plan in prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions. Any residual gratuities under the Workers' Rights Act 2019 for the qualifying employees after allowing for permitted deduction in respect of the pension plan are included in retirement benefits.

Payments to the defined contribution pension plan are recognised as an expense when employees have rendered service entitling them to the contributions.

State plan

Contributions to the National Pension Scheme are expensed to the Statement of Profit or Loss in the period in which they fall due.

(t) Borrowing Costs

Borrowing costs attributable to the acquisition of plant and machinery and construction of buildings, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the respective assets until such time as the asset are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statements of Profit or Loss and other Comprehensive Income in the period they are incurred.

(u) Dividend Declared

Dividend declared is recognised directly in the Statement of Changes in Equity as a reduction in Retained Earnings when declared. A corresponding liability is accounted in the Statement of Financial Position for amounts not yet paid at year end.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Impairment of Non-Financial Asset

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(w) Accruals

Accruals are recognised when the Group has not yet received invoices for a good or service that has already been supplied and it is expected that the Group will fulfil its responsibility towards the supplier.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Prizes

The draw-based game is operated under a prize pool mechanism under which a predetermined percentage of the ticket sales is allocated to prizes. To the extent that the actual prizes won on the draw vary from the predetermined percentage, the relevant prize is carried forward under a rollover to subsequent draws.

The liability for prizes is recognised at the time of the draw in line with the predetermined percentage for that game. Prizes are net-off against gross lottery ticket sales in the Statement of Profit or Loss and Other Comprehensive income.

If prizes remain unclaimed for 184 days from the date of the draw-based game, the unclaimed prizes are remitted to the National Solidarity Fund.

(y) Consolidated Fund

The Group has a legal requirement to contribute a set proportion of net proceeds from lottery games to the Consolidated Fund managed by the Government of Mauritius.

The amount of Consolidated Fund represents the predetermined percentage of gross ticket sales net of prizes.

(z) Retailers' and Other Commissions

The Group pays commissions to third party retailers who act as agents of the Group under a standard commission structure, fixed at a percentage of total sales. In addition, validation commission is paid on prizes. A similar commission structure is applicable for the Field Sales and Technical Representatives in Rodrigues.

(aa) Cash and Cash Equivalents

Cash comprises cash at bank and in hand and demand deposits net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ab) Assets classified as held for Sale

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

The criteria for held for sale classification 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. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are neither depreciated nor amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ab) Assets classified as held for Sale (Cont'd)

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

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

or

- is a subsidiary acquired exclusively with a view to resale

(ac) Government Grants and Covid-19 Levy

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government Wage Assistance Scheme (GWAS) was introduced in March 2020 and was given during the months of lockdown. GWAS meets the definition of government grants under IAS 20. GWAS is recognised as an income over the periods for which the Company incur the related costs for which the grants are intended.

The Government introduced the Covid-19 Levy after the GWAS. The Covid-19 levy is an obligating event arising upon the making of the taxable profit. Repayment of the grant (COVID-19 Levy) is contingent on the chargeable income of the entity over the current and next years and is recognised in profit or loss, when the profit arises. The grant is shown net of the COVID-19 Levy.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1. CRITICAL ACCOUNTING JUDGEMENTS

(a) Construction contracts

Identifying performance obligation in contracts

The Group provides construction services to its customers. The Group has established that it has one performance obligation in its contracts with its customers. The Group performs several tasks within a single contract such as excavation works and use of its machineries and labour (including its quantity surveyors, contract managers and engineers) to build the asset. The Group has established that these tasks do not represent separate promises in the contract and are necessary for the completion of the promised asset to the customer and thus the Group has one performance obligation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

4.1. CRITICAL ACCOUNTING JUDGEMENTS (Cont'd)

(a) Construction contracts (Cont'd)

Determining the timing of satisfaction of construction services

The Group concludes that revenue for the construction contracts is to be recognised over time because:

(i) the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another Group would not need to re-perform the construction work completed by the Group demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

(ii) the Group's performance creates an asset that the customer controls as the asset is created.

(iii) the Group's performance does not create an asset with an alternative use to the Group and as per the contract terms the Group has an enforceable right to payment for the performance completed to date.

In all contracts entered by the Group and its customers, the Group performs construction works on land that is owned by the customers. Therefore, as the Group performs its obligations as per the contract, the customers receive and consume the benefits of the work that has been completed. In addition, since the customers own the land, the customers control the asset being created and the Group cannot sell the work that has been performed to other customers.

Revenue recognition

Revenue is recognised based on output method of individual contracts. The output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The survey of work performed is believed to faithfully depict the entity's performance towards satisfaction of its performance obligation. The Group signs a bill of quantities (BOQ) with the customer and the contract terms stipulate that the Group can make monthly claim based on the amount of work that has been completed till date based on the prices and quantities that have been agreed in the BOQ. Based on what has been agreed with the customers, the Group determines that the output method is the best method for measuring revenue.

Contract variations

Contract variations are recognised as revenues to the extent that it is probable that they will result in revenue which can be reliably measured. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Loss making and onerous contracts

In determining whether a contract is loss making or onerous, management applies their professional judgement to assess the facts and circumstances specific to the relevant contract. The assessments are performed on a contract-by-contract basis. The following factors are taken into account: future estimated revenues (including claims and variations), the stage of completion, the nature and relationship with the customer, expected inflation, the terms of contract and the Company's experience in that industry.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

4.1. CRITICAL ACCOUNTING JUDGEMENTS (Cont'd)

(b) Revenue from lottery

The Group assesses its revenue arrangement on the operation of the lottery segment and determined that it is the principal as it controls the service before it is transferred to the customer. The primary responsibility for fulfilling the promise to provide the service toward the customers resides with the Group. The Group underwrites the jackpots and other prize money for the game and bears the risk associated with guaranteed jackpots. The Group is liable under the Civil Code should it default in making payment to the winners of the draw. The Group also bears the risk associated with prize pool and has no recourse to any other party in the event that it suffers losses in fulfilling its responsibilities under its gaming licence.

(c) Valuation of lease liabilities and right-of-use assets

The application of IFRS 16 requires the Group to make judgements that affect the valuation of the lease liabilities (note 15) and the valuation of right-of-use assets (notes 5 and 9). These include determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease terms determined by the Group generally comprise non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets.

The present value of the lease payment is determined using the discount rate representing the rate of interest rate applicable for currency of the lease contract and for similar tenor, corrected by the average credit spread of entities with rating similar to the Group's rating, observed in the period when the lease contract commences or is modified.

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Going Concern assessment

The Company has interests in entities which are involved in several segments, namely Building Materials, Contracting, Property Investments and Lottery. The Company also has an associate in the hospitality segment.

Except for the hospitality cluster, all the other clusters have demonstrated financial resilience and recovered from the lockdown in 2020 and 2021 given their strong market positions and established presence.

The Directors consider that the Company has sufficient and adequate financial resources comprising of cash balances of Rs650M and undrawn bank overdraft facilities in order to meet any short-term obligations. Therefore, the financial statements continue to be prepared on the going concern basis.

Group companies in Building Materials (Kolos Cement Ltd) and Lottery (Lottotech Ltd) segments and Gamma Materials Ltd (a joint-venture entity) are expected to be profitable and generate positive cash flows in 2022.

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(a) Going Concern assessment (Cont'd)

The Contracting segment (Gamma Construction Ltd) was affected by the lockdown periods in 2020 and 2021. The Subsidiary posted a profit of Rs5M for the year (2020: Loss of Rs21M) despite no activity for 2 weeks and has a retained loss of Rs18M due to the loss suffered in the previous financial year. The Subsidiary is in a net current assets position amounting to Rs80M (2020: Rs21M) with surplus cash of Rs18M (2020: Rs122M) and shareholders' equity of Rs93M (2020: Rs88M) as at 31 December 2021 due to its high capitalisation. Directors do not foresee a going concern issue as given the adequate and sufficient financial resources and undrawn bank overdraft facility to meet short term obligations.

The Group has several properties which are either income generating or held for capital appreciation until projects are developed. This cluster was not impacted by Covid-19 and Directors do not foresee any going concern issue.

The Group's associate, Morning Light Co. Ltd, owns and operates the Hilton Resort & Spa Mauritius. As a result of closure of hotel during lockdown and partial ban on travel, the associate had accumulated losses of Rs118M(2020: Rs34M) and net current liabilities of Rs102M (2020: Rs112M) at 31 December 2021. The Associate has a positive Equity of Rs966M (2020: Rs1,042M) due to the value of the hotel and high capitalisation.

The following external measures also benefitted the associate:
- Government Wage assistance scheme obtained from the Government of Rs49M for the year,
- Moratorium in place until December 2022 to ease the repayment for existing bank debts,
- Additional loan of Rs84M received during the year,
- Renewal of management contract with Hilton Worldwide Management Limited,
- No requirement of PCR tests as from 12 March 2022 for passengers coming to Mauritius

Based on cash flow forecast for the next 12 months, the funding secured so far, the waiver of financial covenants and the forecasted occupancy rates, the Directors are of the view that Morning Light Co. Ltd will be able to meet its financial obligations in the next financial year. The Financial Statements continue to be prepared on a going concern..

(b) Construction cost estimates

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction cost estimates based on best estimates.

(c) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(c) Provision for expected credit losses of trade receivables and contract assets (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(d) Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

(e) Investment properties and freehold land and buildings

The Group's investment properties and freehold land and buildings have been valued based on the valuation carried out by an independent valuer not related to the Group based on sales comparison method, depreciated replacement cost and income comparison approach.

(f) Determination of quantity of cement

The subsidiary, namely Kolos Cement Ltd, has a unique cement storing facilities which are sheds. Unlike vertical silos where there are level detectors where quantity can be reliably measured, sheds do not have such facilities. The subsidiary instead uses a volumetric measurement to estimate the quantity of cement in its sheds. This involves an element of judgement to cater for the absence of level detectors. Even if this methodology has proven to be reliable, there is a margin of error which is considered as tolerable.

(g) Post-employment benefits

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

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(h) Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(i) Government Wage Assistance Scheme

Government Wage Assistance Scheme ("GWAS") was introduced by the Government of Mauritius in March 2020 to assist local companies in the payment of salaries to employees during the lock down period caused by the Covid-19 pandemic. The scheme was then extended till May 2020 and did not have any pre-conditions attached to it. Hence, the entities within the Group had recourse to the GWAS during this period. In May 2020, the Government introduced a levy through the Covid-19 (Miscellaneous Provisions) Bill that would apply to all companies that have a chargeable income during the year the GWAS was received. This Covid-19 levy payable is the lower of the total amount received under the GWAS or 15% of the leviable chargeable income. Chargeable income for the purpose of computing the levy excludes tax losses brought forward from previous years. The chargeable income for the tax year of assessment for 2020/21 and 2021/22 are taken into account when assessing whether the amount received as GWAS is either repayable by the company in full or is subject to the Covid-19 levy.

For Group Companies where management has assessed that a liability in respect of the Covid-19 Levy for the full amount of GWAS received will be payable, this liability is stated in the Statement of Financial Position under Other payables, with no impact in the Statement of Comprehensive Income. For other Group Companies where it has been assessed that no refund of the GWAS received through the Covid-19 Levy is payable by an entity, the amount of GWAS received is accounted for as a grant as defined under IAS 20 as Other Income in the Statement of Comprehensive Income.

5. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Leasehold Improvements	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Equipment	Right-of-Use Assets	Work In Progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION								
At 1 January 2020	86,057,211	674,679,152	860,349,378	112,683,692	375,156,903	419,581,044	95,095,226	2,623,602,606
Reclassification	-	29,722,401	20,683,245	-	-	-	(50,405,646)	-
Additions	464,956	-	6,453,795	-	40,041,497	41,697,968	117,615,358	206,273,574
Assets written off	-	-	-	-	(3,600)	-	-	(3,600)
Disposals	-	-	(3,012,943)	-	(8,292,792)	-	-	(11,305,735)
Revaluation adjustment	-	627,719	-	-	-	-	-	627,719
At 31 December 2020	86,522,167	705,029,272	884,473,475	112,683,692	406,902,008	461,279,012	162,304,938	2,819,194,564
Reclassification	(528,782)	8,407,405	85,086,366	-	1,329,601	-	(94,294,590)	-
Additions	-	1,122,681	55,335,409	-	20,412,569	36,816,580	15,562,972	129,250,211
Disposals	-	-	-	(1,143,000)	(1,483,679)	(18,363,041)	-	(20,989,720)
Exchange difference	-	-	(85,199)	-	(24,206)	(571,633)	(57,865)	(738,903)
Transfer to Intangible Assets (Note 6)	-	-	-	-	-	-	(46,547,372)	(46,547,372)
Revaluation adjustment/ Remeasurement of assets	-	(2,359,358)	-	-	-	594,557	-	(1,764,801)
At 31 December 2021	**85,993,385**	**712,200,000**	**1,024,810,051**	**111,540,692**	**427,136,293**	**479,755,475**	**36,968,083**	**2,878,403,979**
ACCUMULATED DEPRECIATION								
At 1 January 2020	83,929,688	-	710,176,248	55,656,476	343,271,982	40,349,888	-	1,233,384,282
Reclassification	(9,739,502)	-	9,739,502	-	-		-	-
Assets written off	-	-	-	-	(3,600)	-	-	(3,600)
Charge for the Year	2,533,677	19,781,158	33,587,721	482,024	14,608,400	42,652,001	-	113,644,981
Disposals	-	-	(3,012,943)	-	(5,623,831)	-	-	(8,636,774)
Revaluation adjustment	-	(19,781,158)	-	-	-	-	-	(19,781,158)
At 31 December 2020	76,723,863	-	750,490,528	56,138,500	352,252,951	83,001,889	-	1,318,607,731
Charge for the Year	1,628,630	23,020,489	23,982,775	170,913	19,093,476	47,252,065	-	115,148,348
Disposals	-	-	-	(1,143,000)	(1,483,679)	(18,363,041)	-	(20,989,720)
Exchange difference	-	-	(7,692)	-	(2,254)	(112,646)		(122,592)
Revaluation adjustment	-	(23,020,489)	-	-	-	-	-	(23,020,489)
At 31 December 2021	**78,352,493**	**-**	**774,465,611**	**55,166,413**	**369,860,494**	**111,778,267**	**-**	**1,389,623,278**
NET BOOK VALUE								
At 31 December 2021	**7,640,892**	**712,200,000**	**250,344,440**	**56,374,279**	**57,275,799**	**367,977,208**	**36,968,083**	**1,488,780,701**
At 31 December 2020	9,798,304	705,029,272	133,982,947	56,545,192	54,649,057	378,277,123	162,304,938	1,500,586,833

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 December 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Company

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Equipment	Rights-of-Use Assets	Total
	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION						
At 1 January 2020	349,800,000	2,804,616	2,895,000	15,894,519	31,143,727	402,537,862
Additions	-	-	-	892,294	-	892,294
Disposals	(16,900,000)	-	-	(111,708)	-	(17,011,708)
Revaluation adjustment	(3,000,000)	-	-	-	-	(3,000,000)
At 31 December 2020	329,900,000	2,804,616	2,895,000	16,675,105	31,143,727	383,418,448
Additions	1,122,681	-	-	186,342	-	1,309,023
Revaluation adjustment/Remeasurement of assets	(1,122,681)	-	-	-	244,779	(877,902)
At 31 December 2021	**329,900,000**	**2,804,616**	**2,895,000**	**16,861,447**	**31,388,506**	**383,849,569**
ACCUMULATED DEPRECIATION						
At 1 January 2020	-	2,804,616	2,895,000	14,117,871	3,892,966	23,710,453
Charge for the year	3,037,669	-	-	941,873	3,892,966	7,872,508
Disposals	-	-	-	(66,977)	-	(66,977)
Revaluation adjustment	(3,037,669)	-	-	-	-	(3,037,669)
At 31 December 2020	-	2,804,616	2,895,000	14,992,767	7,785,932	28,478,315
Charge for the year	3,177,956	-	-	925,590	3,933,762	8,037,308
Revaluation adjustment	(3,177,956)	-	-	-	-	(3,177,956)
At 31 December 2021	**-**	**2,804,616**	**2,895,000**	**15,918,357**	**11,719,694**	**33,337,667**
NET BOOK VALUE						
At 31 December 2021	**329,900,000**	**-**	**-**	**943,090**	**19,668,812**	**350,511,902**
At 31 December 2020	329,900,000	-	-	1,682,338	23,357,795	354,940,133

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Freehold land and buildings of the Company and its subsidiaries were revalued on 31 December 2021 by Elevante Property Services Ltd, an independent valuer, based on the current open market values. Elevante Property Services Ltd is a member of the Royal Institute of Chartered Surveyors and The Directors are of the opinion that they have appropriate qualifications and recent experience in the valuation of freehold land and buildings in the relevant locations. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The fair value of freehold land was determined using the sales comparison approach, that reflects recent transaction prices for land and the depreciated replacement cost approach for buildings. The significant inputs include the estimated construction costs and other ancillary expenditure and depreciation factor applied to the estimated construction cost.

(c) Fair value hierarchy

Details of the Group's and Company's freehold land and buildings and information about the fair value hierarchy as at 31 December 2021 are as follows:

Reconciliation of Carrying amount	GROUP Land Rs	GROUP Buildings Rs	COMPANY Land Rs	COMPANY Buildings Rs
Carrying amount as at 1 January 2021	274,200,000	430,829,272	257,300,000	72,600,000
Reclassification from Work in Progress	-	8,407,405	-	-
Additions	-	1,122,681	-	1,122,681
Depreciation	-	(23,020,489)	-	(3,177,956)
	274,200,000	417,338,869	257,300,000	70,544,725
Revaluation gain as at 31 December 2021	-	20,661,131	-	2,055,275
Carrying amount and fair value as at 31 December 2021	**274,200,000**	**438,000,000**	**257,300,000**	**72,600,000**

The buildings categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Buildings	Valuation techniques	Significant unobservable inputs	Range	Fair value Group Rs	Fair value Company Rs
2021	**Depreciated replacement cost**	**Depreciation rate**	**28% to 65%**	**438,000,000**	**72,600,000**
2020	Depreciated replacement cost	Depreciation rate	28% to 65%	430,829,272	72,600,000

The valuation exercise is carried out by an independent valuer on an annual basis. The valuer uses a combination of the depreciated replacement cost approach and the sales comparison approach in estimating the property value. Factors such as physical deterioration and obsolescence are considered. Also, the valuer compares the property with similar properties recently sold on the open market.

Significant increase/(decrease) in the price per square metre would result in significantly lower/(higher) fair value on a linear basis respectively.

The freehold land are categorised into Level 2 (2020: level 2) of the fair value hierarchy, the following information is relevant:

Freehold Land	Valuation techniques	Significant observable inputs	Range	Fair value Group Rs	Fair value Company Rs
2021	**Sales Comparison approach**	**Price per square metre**	**Rs 918 - Rs 3,764**	**274,200,000**	**257,300,000**
2020	Sales Comparison approach	Price per square metre	Rs 918 - Rs 3,764	274,200,000	257,300,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(d) Had the land and buildings owned by the Group and Company been measured on a historical basis, their carrying value would have been as follows:

	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
Freehold Land and Buildings	**253,774,294**	276,976,178	**40,764,375**	40,528,914

(e) Assets pledged as security

Property, plant and equipment have been pledged as security for bank facilities granted to the Group (Notes 14 and 18).

(f) Assets written off

Assets written off refers mainly to damaged furniture which are not in a state to be used. These have been written off.

(g) Right-of-Use assets

Group and Company as Lessee

Group	Land & Buildings Rs	Plant and Machinery Rs	Motor Vehicles Rs	Total Rs
As at 1 January 2020	340,116,612	6,715,406	32,399,138	379,231,156
Additions	28,161,259	6,629,409	6,907,300	41,697,968
Depreciation for the year	(25,099,882)	(4,540,432)	(13,011,687)	(42,652,001)
As at 31 December 2020	343,177,989	8,804,383	26,294,751	378,277,123
Additions	10,786,374	6,934,286	19,095,920	36,816,580
Depreciation for the year	(25,628,396)	(5,730,626)	(15,893,043)	(47,252,065)
As at 31 December 2021	**328,335,967**	**10,008,043**	**29,497,628**	**367,841,638**

Company	Buildings Rs
As at 1 January 2020	27,250,761
Depreciation for the year	(3,892,966)
As at 31 December 2020	23,357,795
Remeasurement of Assets	**244,779**
Depreciation for the year	**(3,933,762)**
As at 31 December 2021	**19,668,812**

Description of lease activities

Land and buildings

The Group and Company lease land and buildings for their offices and Warehouses. The leases are for a period of 5 years for the Company and 5 to 50 years for the Group with no extension option.

Plant and Machinery, and Motor Vehicles

The Group leases Plant and Machinery like forklifts which are used in the operations and motor vehicles which are used by employees to attend construction sites and customers. The leases are for a period ranging from 2 to 5 years with no extension option.

6. INTANGIBLE ASSETS

(a) Group

	Consolidation Goodwill Rs	Computer Software Rs	Total Rs
COST			
At 1 January 2020	907,957,130	25,814,456	933,771,586
Additions	-	236,252	236,252
At 31 December 2020	907,957,130	26,050,708	934,007,838
Additions	-	82,878,745	82,878,745
Transfer from Property, Plant and Equipment (Note 5)	-	46,547,372	46,547,372
Derecognition of Goodwill following assets transferred as Held for Sale	(25,855,314)	-	(25,855,314)
At 31 December 2021	**882,101,816**	**155,476,825**	**1,037,578,641**
ACCUMULATED IMPAIRMENT/AMORTISATION			
At 1 January 2020	131,041,916	10,854,486	141,896,402
Charge for the Year	-	2,553,671	2,553,671
At 31 December 2020	131,041,916	13,408,157	144,450,073
Charge for the Year	-	7,304,821	7,304,821
At 31 December 2021	**131,041,916**	**20,712,978**	**151,754,894**
NET BOOK VALUE			
At 31 December 2021	**751,059,900**	**134,763,847**	**885,823,747**
At 31 December 2020	776,915,214	12,642,551	789,557,765

The transfer from Property, Plant and Equipment refers to lottery software previously classified as 'Work in Progress'. During the year the software was further improved and was made available for use. The amount of borrowing costs capitalised during the year amounted to Rs 478,912 (2020:Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation varied from 3.6% to 4.25% , which was the EIR of the specific borrowing.

(b) Company

	Computer Software Rs
COST	
At 1 January 2020	6,258,338
Additions	236,250
Write off	(1,040,658)
At 31 December 2020	5,453,930
At 31 December 2021	**5,453,930**
ACCUMULATED AMORTISATION	
At 1 January 2020	4,022,450
Charge for the year	653,472
Write off	(1,040,658)
At 31 December 2020	3,635,264
Charge for the Year	606,222
At 31 December 2021	**4,241,486**
NET BOOK VALUE	
At 31 December 2021	**1,212,444**
At 31 December 2020	1,818,666

6. INTANGIBLE ASSETS (Cont'd)

Group

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill, which represent the excess consideration paid between the purchase price and net assets acquired, had been allocated as follows:

	2021 Rs	2020 Rs
Investment and Corporate Services & Others		
- Investment CGU	**751,059,900**	776,915,214

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

At 31 December 2021, based on the impairment tests, management determined that its Investments to which goodwill had been allocated had not been impaired.

Goodwill is allocated to the cash generating units. The main basis and assumptions used for impairment testing and the entities to which goodwill are allocated are as follows:

		2021		2020
		Rs	Rs	Rs
	Basis of Impairment	**Recoverable Amount**	**Carrying Amount**	Carrying Amount
Princegate Holdings Ltd	Net recoverable assets	**-**	**-**	25,855,314
Pool Joseph Merven Ltd	Discounted cash flow	**65,409,914**	**23,359,268**	23,359,268
Kolos Cement Ltd	Share price on Stock Exchange	**4,195,800,000**	**727,700,632**	727,700,632
		4,261,209,914	**751,059,900**	776,915,214

The total amount of goodwill has been assessed as having indefinite useful life as the Group continues to derive benefits from its CGU's for which Goodwill is allocated. In the context of Covid-19 additional discount premiums are used in the assumptions taken to perform and flex impairment tests.

Princegate Holdings Ltd held Investment property at 31 December 2021 to which the goodwill was directly attributable. The Property was transferred from Investment Property to Assets Held for Sale and subsequently disposed of in February 2023. Consequently, the Goodwill was derecognised during the year.

Main assumptions used for value in use of Pool Joseph Merven Ltd:

(i) the forecasts are based on the digital transformation which is in progress. The new solution is expected to be launched in 2022.

(ii) the expected future net cash flows for five years have been discounted by 10.05%

(iii) a 5-year projection was made, with no terminal value for future growth.

The goodwill attributable to Kolos Cement Ltd, which is significant compared to the total carrying amount of goodwill, have been tested for impairment based on its fair value less costs of disposal. The fair value are based on the share price of Kolos Cement Ltd, which is listed on the Development Enterprise Market of the Stock Exchange of Mauritius. Additional impairment tests are done based on the discounted future cash flows and no indication of impairment for the for the year (2020: Nil). The fair value for Kolos Cement Ltd is a level-1 fair value hierarchy.

7. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2021 Rs	2020 Rs
Investments in Subsidiaries	**1,579,043,259**	1,544,296,949

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) The subsidiaries (direct and indirect) of the Company as at 31 December 2021 are as follows:

	Activity	Class of Shares Held	Carrying value of investment		Effective % Holding	
			2021	2020	**2021**	2020
			Rs	Rs	**Rs**	Rs
Accacias Co Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Aggregate Resources Co Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
A.S. Burstein Management Ltd	Lottery	Ordinary	**-**	-	**100.0%**	100.0%
Bitumen Storage Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Boron Investments Ltd	Investment	Ordinary	**6,200,000**	6,200,000	**100.0%**	100.0%
BR Capital Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
BR Hotel Resorts Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Broadgate Holding Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Broadgate Investment Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Burford Development Ltd	Property investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Burford Investments Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Burford Property Ltd	Property investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Burford Realty Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Cement Logistics Ltd	Cement	Ordinary	**-**	-	**74.0%**	74.0%
Centreview Development Ltd	Property investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Fine Point Property Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Fine Point Realty Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Gamlot Technologies Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Gamma Asia Construction Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Gamma Asia Investment Pte. Ltd	Investment	Ordinary	**-**	-	**99.0%**	99.0%
Gamma Capital Ltd	Investment	Ordinary	**105,164,180**	105,164,180	**100.0%**	100.0%
Gamma Cement Holdco Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Gamma Cement Ltd	Investment	Ordinary	**1,000,000**	1,000,000	**100.0%**	100.0%
Gamma Corporate Services Ltd	Secretarial services	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Gamma-Civic Cement Holdings Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Gamma-Civic Construction Holdings Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Gamma-Civic Construction Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Gamma-Civic Hotel Holdings Ltd	Investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Gamma Construction Ltd	Construction	Ordinary	**106,000,000**	106,000,000	**100.0%**	100.0%
Gamma Energy Holdings Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Gamma Energy Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Gamma FinTech Holding Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Gamma Land Ltd	Investment	Ordinary	**1,000,000**	1,000,000	**100.0%**	100.0%
GammaTech Ltd	I.T Application	Ordinary	**-**	-	**100.0%**	100.0%
Gamma Treasury Management Limited	Treasury	Ordinary	**1,000,000**	1,000,000	**100.0%**	100.0%
Gammafin Resource Management Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
G-Traxx Equipment & Rental Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Gamma Leisure Ltd	Investment	Ordinary	**50,000**	50,000	**100.0%**	100.0%
Govenland Co Ltd	Property investment	Ordinary	**-**	-	**49.0%**	49.0%

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

	Activity	Class of Shares Held	Carrying value of investment		Effective % Holding	
			2021	2020	**2021**	2020
			Rs	Rs	**Rs**	Rs
Glot Holdings (Mauritius) Ltd	Investment	Ordinary	**99,000**	99,000	**99.0%**	99.0%
Glot Management Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Infina Investment Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Insignia Leisure Resorts Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Kolos Building Materials Ltd	Cement	Ordinary	**-**	-	**74.0%**	74.0%
Kolos Cement Ltd	Cement	Ordinary	**-**	-	**74.0%**	74.0%
Kolos International Ltd (Previously Gamma Cement International Ltd)	Cement	Ordinary	**-**	3,477,100	**62.9%**	100.0%
Kolos Madagascar	Cement	Ordinary	**-**	-	**62.5%**	0.0%
Insignia Resorts Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Lottotech Ltd	Lottery	Ordinary	**-**	-	**56.1%**	56.1%
Loterie Vert Ltd	Lottery	Ordinary	**-**	-	**56.1%**	56.1%
Ludgate Investments Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Maurilot Investments Ltd	Investment	Ordinary	**50,000**	50,000	**100.0%**	100.0%
Natlot Investments Ltd	Investment	Ordinary	**10,050,000**	10,050,000	**100.0%**	100.0%
North Point Holdings Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
North Point Stone Products Ltd	Wound up	Ordinary	**-**	-	**0.0%**	100.0%
Osterley Investments Ltd	Property investment	Ordinary	**-**	-	**98.0%**	98.0%
Pool Joseph Merven Limited	Lottery	Ordinary	**-**	-	**56.1%**	56.1%
Princegate Holdings Ltd	Property investment	Ordinary	**27,563,100**	27,563,100	**100.0%**	100.0%
Reel Mada SA (In process of liquidation)	Dormant	Ordinary	**-**	-	**65.0%**	65.0%
Regency Realty Ltd	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
RHT Media Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Star Cement Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Traxx Ltd	Trading	Ordinary	**-**	-	**100.0%**	100.0%
Westbourne Properties Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Westview Realty Ltd	Property investment	Ordinary	**100,000**	100,000	**100.0%**	100.0%
			258,401,280	261,882,370		
Non-current amounts due from Subsidiaries - Note 7(c)			**1,320,641,979**	1,282,414,579		
			1,579,043,259	1,544,296,949		

The Non-current amounts due from subsidiaries classified as Non-current assets are unsecured and management does not intend to recall any amount within the next twelve months. These amounts are in substance an extension of the equity investments in these subsidiaries so that the amounts are stated at nominal value.

Non-current amounts due from subsidiaries amounting to Rs 1,506,090 have been impaired during the year and Rs 850,000 reversal for impairment (2020: Impairment Rs 6,179,077 and reversal of impairment Rs 1,800,000). Impairment test is carried out for all subsidiaries by first comparing the Company's investment against the net assets of the subsidiaries. Additionally, cash flow forecasts of subsidiaries are taken into account when carrying impairment test. Where the investment value is greater than the net assets of the subsidiaries, and there is no indication that the subsidiaries will generate positive cash flow in the foreseeable future, the investment value is impaired up to the net assets amount. The impairment during the year refers to additional investments in subsidiaries to cover their fixed costs. There is no immediate indication of these subsidiaries generating positive cash flows. The Directors consider that the Net Assets Value equals to the Fair value less cost of disposal. The fair value is considered as being a level-3 in the fair value hierarchy.

During the year ended 31 December 2021, Kolos Madagascar was incorporated by the Group. Kolos International Ltd (Previously Gamma Cement International Ltd) was disposed by the Company to Kolos Cement Ltd. The following companies were wound up during the year: Broadgate Investment Ltd, Finepoint Property Ltd, Finepoint Realty Ltd, Gamlot Technologies Ltd, Gamma Civic Cement Holdings Ltd, G-Traxx Equipment & Rental Ltd, North Point Holdings Ltd, and North Point Stone Products Ltd.

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Place of incorporation and operation	Number of wholly-owned subsidiaries 2021	2020
Construction	Mauritius	**1**	1
Dormant	Mauritius	**11**	16
I.T Application	Mauritius	**1**	1
Investment	Mauritius	**15**	19
Lottery	Mauritius	**1**	1
Property investment	Mauritius	**11**	11
Secretarial services	Mauritius	**1**	1
Treasury	Mauritius	**1**	1
Trading	Mauritius	**1**	1
		43	52

Principal Activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries 2021	2020
Cement	Mauritius	**4**	3
Cement	Madagascar	**1**	-
Dormant	Mauritius	**1**	1
Investment	Mauritius	**2**	2
Lottery	Mauritius	**3**	3
Property investment	Mauritius	**2**	**2**
		13	11

(c) Non-current amounts due from subsidiaries

	COMPANY 2021 Rs	2020 Rs
At 1 January	**1,282,414,579**	1,291,826,824
Net cash movement during the year	**38,883,490**	(5,033,168)
Net Impairment Loss Recognised on Non-current Amount due from Subsidiaries	**(656,090)**	(4,379,077)
At 31 December (Quasi equity aggregated into investment in subsidiaries - Note 7 (a))	**1,320,641,979**	1,282,414,579

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material Non-controlling interests:

Name of Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2021	2020	Profit allocated to non-controlling interests 2021 Rs	2020 Rs	Accumulated non-controlling interests 2021 Rs	2020 Rs
Lottotech Ltd	Mauritius	**43.9%**	43.9%	**32,887,200**	26,510,525	**78,149,679**	70,165,235
Kolos Cement Ltd	Mauritius	**26.0%**	26%	**36,995,260**	37,136,642	**120,674,118**	139,444,197
Kolos Madagascar	Madagascar	**37.5%**	0%	**(9,098,663)**	-	**(9,098,663)**	-
Individually immaterial subsidiaries with non-controlling interests				**(1,509,380)**	976,093	**920,927**	(5,121,802)
				59,274,417	64,623,260	**190,646,061**	204,487,630

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Lottotech Ltd

	2021 Rs	2020 Rs
Current assets	**298,572,220**	326,439,044
Non-current assets	**295,911,931**	219,595,272
Current liabilities	**(297,647,697)**	(345,783,375)
Non-current liabilities	**(118,735,800)**	(40,346,670)
Equity attributable to owners of the Company	**99,950,975**	89,739,036
Non-controlling interests	**78,149,679**	70,165,235

	2021 Rs	2020 Rs
Revenue	**1,054,232,229**	959,095,415
Expenses	**(979,282,481)**	(898,678,075)
Profit for the year	**74,949,748**	60,417,340
Profit attributable to the owners of the Company	**42,062,548**	33,906,815
Profit attributable to the non-controlling interests	**32,887,200**	26,510,525
Profit for the year	**74,949,748**	60,417,340
Other comprehensive income/(loss) attributable to the owners of the Company	**587,379**	(671,224)
Other comprehensive income/(loss) attributable to non-controlling interests	**459,251**	(524,806)
Dividend paid to non-controlling interests	**(25,362,062)**	(47,740,352)
Net cash inflow from operating activities	**57,010,583**	82,835,793
Net cash outflow from investing activities	**(110,645,358)**	(46,622,003)
Net cash inflow/(outflow) from financing activities	**17,573,318**	(8,273,095)
Net cash (outflow)/inflow	**(36,061,457)**	27,940,695

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Kolos Cement Ltd	2021 Rs	2020 Rs
Current assets	**532,106,278**	279,504,385
Non-current assets	**732,893,284**	689,931,465
Current liabilities	**(565,701,915)**	(209,989,451)
Non-current liabilities	**(235,166,423)**	(223,122,564)
Equity attributable to owners of the Company	**343,457,106**	396,879,638
Non-controlling interests	**120,674,118**	139,444,197

	2021 Rs	2020 Rs
Revenue	**1,713,284,753**	1,375,279,811
Expenses	**(1,570,995,290)**	(1,232,446,572)
Profit for the year	**142,289,463**	142,833,239
Profit attributable to the owners of the Company	**105,294,203**	105,696,597
Profit attributable to the non-controlling interests	**36,995,260**	37,136,642
Profit for the year	**142,289,463**	142,833,239
Other comprehensive income attributable to the owners of the Company	**12,112,266**	9,868,621
Other comprehensive income attributable to non-controlling interests	**4,255,661**	3,467,353
Dividend paid to non-controlling interests	**(52,933,500)**	(14,674,500)
Net cash inflow from operating activities	**150,132,547**	100,514,266
Net cash outflow from investing activities	**(57,753,509)**	(94,877,385)
Net cash outflow from financing activities	**(27,935,246)**	(10,047,840)
Net cash inflow/(outflow)	**64,443,792**	(4,410,959)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Kolos Madagascar	**2021**
	Rs
Current assets	**151,015,854**
Non-current assets	**19,291,499**
Current liabilities	**(183,594,429)**
Non-current liabilities	**(5,771,331)**
Equity attributable to owners of the Company	**(14,103,221)**
Non-controlling interests	**(4,955,186)**

	2021
	Rs
Revenue	**109,011,811**
Expenses	**(133,536,512)**
Loss for the year	**(24,524,701)**
Loss attributable to the owners of the Company	**(15,318,129)**
Loss attributable to the non-controlling interests	**(9,206,572)**
Loss for the year	**(24,524,701)**
Other comprehensive income attributable to the owners of the Company	**789,058**
Other comprehensive income attributable to non-controlling interests	**277,236**
Dividend paid to non-controlling interests	**-**
Net cash inflow from operating activities	**22,515,408**
Net cash outflow from investing activities	**(7,691,076)**
Net cash outflow from financing activities	**-**
Net cash inflow	**14,824,332**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(e) Risks inherent in Investee Companies

Gamma Civic Ltd invests in companies which have activities in the following industries:

- Contracting;
- Lottery,
- Investments,
- Secretarial services,
- Treasury,
- Building Materials,
- Real Estate, Hotels and Leisure, and
- Financial services

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

	GROUP		**COMPANY**	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
(a) Investments in Associates				
At 1 January	**410,431,160**	437,926,464	**11,180,640**	11,180,640
Share of Profit of Associates for the year	**33,480,094**	*16,873,512*	-	-
Goodwill impairment of Associate	**-**	*(8,192,504)*	-	-
Net Share of Profit of Associates	**33,480,094**	8,681,008	**-**	-
Additions	**-**	5,000		
Revaluation Surplus of Property of Associates, net of Deferred Tax	**4,227,028**	4,990,331	**-**	-
Dividend received	**(30,268,867)**	(39,632,112)	**-**	-
Remeasurement of Retirement Benefit Obligations, net of Deferred Tax	**682,506**	(1,539,531)	**-**	-
At 31 December	**418,551,921**	410,431,160	**11,180,640**	11,180,640
Investment in Joint Venture				
At 1 January	**421,119,367**	463,312,691	**42,065,000**	42,065,000
Share of Profit of Joint Venture	**111,460,688**	66,752,343	**-**	-
Dividend received	**(110,378,560)**	(113,049,689)	**-**	-
Revaluation Surplus of Property of Joint Venture, net of Deferred Tax	**-**	2,483,446	**-**	-
Remeasurement of Retirement Benefit Obligations, net of Deferred Tax	**1,798,195**	1,620,576	**-**	-
At 31 December	**423,999,690**	421,119,367	**42,065,000**	42,065,000
Total Investments in Associates and Joint Venture	**842,551,611**	831,550,527	**53,245,640**	53,245,640

(b) Fair value of Investments in Associates and Investment in Joint Venture.

Valuation of Associates & Joint-Venture	**GROUP**		**COMPANY**	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Quoted Equity Investments at Fair Value	**252,321,135**	236,191,017	**6,121,400**	5,730,078
Unquoted Equity Investments at Cost	**145,945,560**	156,223,920	**42,065,000**	42,065,000
	398,266,695	392,414,937	**48,186,400**	47,795,078

The fair value of quoted equity investments is based on quoted prices on the Stock Exchange of Mauritius Ltd at reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (Cont'd)

(c) The following are the associates of the Company:

Name	Activity	Class of Shares Held	Place of business	Effective % Holding		% of Voting Power Held	
				2021	2020	**2021**	2020
Morning Light Co. Ltd	Hotel	Ordinary	Mauritius	**25.1%**	25.1%	**25.1%**	25.1%
Viva Voce Limitee	Media	Ordinary	Mauritius	**25.7%**	25.7%	**25.7%**	25.7%
Jasiri Investment Ltd (formerly Square Mile Investment Nine Ltd)	Investment Holding	Ordinary	Mauritius	**50%**	50%	**50%**	50%
CG Re (Africa) Ltd	Re-Insurance broking	Ordinary	Mauritius	**50%**	50%	**50%**	50%
CG Re (Africa) (Proprietary) Limited	Re-Insurance broking	Ordinary	Botswana	**50%**	50%	**50%**	50%
Moon Craft Ltd	Investment Holding	Ordinary	Mauritius	**30%**	30%	**30%**	30%
Bastion Fort Ltd	I.T application Development	Ordinary	Mauritius	**30%**	30%	**30%**	30%
IAME Limited	I.T application Development	Ordinary	Mauritius	**30%**	30%	**30%**	30%
Mobi Move Ltd	I.T application Development	Ordinary	Mauritius	**30%**	30%	**30%**	30%

Details of the investment in the joint venture are as follows:

Name	Activity	Class of Shares Held	Place of business	Effective % Holding		% of Voting Power Held	
				2021	2020	**2021**	2020
Gamma Materials Ltd	Building Materials	Ordinary	Mauritius	**50%**	50%	**50%**	50%

(d) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the associates' and joint-venture's financial statements prepared in accordance with IFRSs. Figures for Associates include Morning Light Co. Ltd and Jasiri Investments Ltd group. Figures for Joint Venture represent Gamma Materials Ltd.

	Associates		Joint Venture	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Total Assets	**1,981,048,192**	1,869,619,268	**1,578,070,667**	1,591,952,050
Total Liabilities	**(866,565,835)**	(734,719,261)	**(730,071,287)**	(749,713,317)
Net Assets	**1,114,482,357**	1,134,900,007	**847,999,380**	842,238,733
Group's Share of Associates' and Joint Venture's Net Assets	**416,305,243**	407,122,093	**423,999,690**	421,119,367
Revenue	**324,559,304**	307,052,198	**1,953,997,952**	1,631,682,648
Profit/(Loss) for the Year	**25,281,496**	(17,619,656)	**222,921,377**	133,504,686
Total Comprehensive Income/(Loss)	**44,884,000**	(3,855,238)	**226,517,767**	141,712,728
Group's Share of Associates' and Joint Venture's Profit for the Year	**35,298,029**	18,248,813	**111,460,689**	66,752,343
Group's Share of Associates' and Joint Venture's Total Comprehensive Income for the Year	**40,207,563**	21,699,613	**113,258,884**	70,856,364

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (Cont'd)

(d) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the associates' financial statements prepared in accordance with IFRSs (Continued).

Morning Light Co. Ltd

	2021	2020
	Rs	Rs
Current assets - cash and cash equivalents	**35,261,916**	14,073,420
Other current assets	**71,075,026**	27,158,611
Non-current assets	**1,698,244,588**	1,711,636,974
Current liabilities	**(208,094,765)**	(148,358,954)
Non-current liabilities	**(630,036,962)**	(562,294,997)

	2021	2020
	Rs	Rs
Revenue	**146,033,969**	179,576,096
Depreciation and amortisation	**(56,003,770)**	(56,326,858)
Interest expense	**(22,445,049)**	(20,596,722)
Income tax credit	**9,448,038**	11,024,579
Loss for the year	**(95,348,552)**	(97,938,425)
Other comprehensive income for the year	**19,583,301**	13,764,418
Total comprehensive loss for the year	**(75,765,251)**	(84,174,007)
Dividends received from the associate during the year	**-**	-

Reconciliation of the above summarised information to the carrying amount of the interest in Morning Light Co. Ltd recognised in the consolidated financial statements:

	2021	2020
	Rs	Rs
Net assets in Associate	**966,449,803**	1,042,215,054
Proportion of the Group's ownership interest in Morning Light Co. Ltd	**25.1%**	25.1%
Share of net assets in associate	**242,288,966**	261,283,314
Carrying amount of the Group's interest in Morning Light Co. Ltd	**242,288,966**	261,283,314

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (Cont'd)

Jasiri Investment Ltd (formerly Square Mile Investment Nine Ltd)

	2021	2020
	Rs	Rs
Current assets - cash and cash equivalents	74,590,418	47,989,494
Other current assets	97,142,208	58,254,399
Non-current assets	4,734,036	2,105,735
Current liabilities	(27,035,342)	(18,183,162)
Non-current liabilities	(1,398,766)	-

	2021	2020
	Rs	Rs
Revenue	178,525,335	121,177,278
Interest income	2,065	51,566
Profit for the year	120,630,048	86,279,903
Other Comprehensive Income for the year	19,203	-
Total Comprehensive Income for the year	120,649,251	86,279,903
Dividends received from the associate during the year	(30,268,867)	(39,632,112)

Reconciliation of the above summarised information to the carrying amount of the interest in Jasiri Investment Ltd recognised in the consolidated financial statements:

	2021	2020
	Rs	Rs
Net assets in Associate	148,032,554	90,166,466
Proportion of the Group's ownership interest in Jasiri Investment Ltd	50%	50%
Share of net assets in Associate	74,016,277	45,083,233
Goodwill on purchase	100,000,000	100,000,000
Carrying amount of the Group's interest in Jasiri Investment Ltd	174,016,277	145,083,233

The goodwill represents the excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the acquisition.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

At 31 December 2021, based on the impairment tests, the directors determined that goodwill that had been allocated to Jasiri Investment Ltd had not been impaired. The Group considers the relationship between the book value of the investment and the discounted forecasted cash flow forecast.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (Cont'd)

(d) Summarised financial information in respect of each of the Group's material associates and 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.

Gamma Materials Ltd

	2021	2020
	Rs	Rs
Current assets - cash and cash equivalents	284,631,302	158,966,223
Other current assets	486,546,874	486,973,791
Non-current assets	806,892,491	946,012,036
Current liabilities	(510,113,302)	(450,918,430)
Non-current liabilities	(219,957,985)	(298,794,887)

	2021	2020
	Rs	Rs
Revenue	1,953,997,952	1,631,682,648
Interest income	-	1,062,864
Interest expense	(15,569,551)	(8,427,865)
Depreciation and Amortisation	-	(123,585,811)
Income tax expense	(41,267,228)	(27,081,865)
Profit for the year	222,921,377	133,504,686
Other Comprehensive income for the year	3,596,390	8,208,042
Total Comprehensive Income for the year	226,517,767	141,712,728
Dividends received from the Joint Venture during the year	(110,378,560)	(113,049,688)

Reconciliation of the above summarised information to the carrying amount of the interest in Gamma Materials Ltd recognised in the consolidated financial statements:

	2021	2020
	Rs	Rs
Net assets in Joint Venture	847,999,380	842,238,733
Proportion of the Group's ownership interest in Gamma Materials Ltd	50%	50%
Share of Net Assets in Joint venture	423,999,690	421,119,367
Carrying amount of the Group's interest in Gamma Materials Ltd	423,999,690	421,119,367

Aggregate information of associates that are not individually material

	2021	2020
	Rs	Rs
Net Loss and Total Comprehensive Loss for the year	(6,660,354)	(5,988,256)
The Group's share of loss	(1,817,935)	(1,795,297)
Aggregate carrying amount of the Group's interests in these associates	2,246,678	4,064,613

Equity accounting has been applied and the Group's share of losses of associates recognised in the Group Statements of Profit or Loss and Other Comprehensive Income only to the extent of bringing the carrying amount of the investments in the respective associates down to zero. The Associates which are not individually material to the Group and for which figures have been disclosed above are Moon Craft Ltd Group and Viva Voce Ltee.

The investments in associates in the Company's Statements of Financial Position are not impaired.

For the year ended 31 December 2021

9. INVESTMENT PROPERTIES

	GROUP		
	Freehold Land and Building on Leasehold Property Rs	Right-Of-Use Assets Rs	Total Rs
At 1 January 2020	1,297,834,199	61,577,087	1,359,411,286
Reclassification to Assets Held for Sale (Note 32)	(10,506,577)	-	(10,506,577)
Gain from fair value adjustment	4,842,500	1,164,235	6,006,735
At 31 December 2020	**1,292,170,122**	**62,741,322**	**1,354,911,444**
Additions - Asset in Progress	**8,036,335**	**-**	**8,036,335**
Reclassification to Assets Held for Sale (Note 32)	**(167,400,000)**	**-**	**(167,400,000)**
Gain from fair value adjustment	**47,699,187**	**148,960**	**47,848,147**
At 31 December 2021	**1,180,505,644**	**62,890,282**	**1,243,395,926**

The fair value of the Group's investment properties as at 31 December 2021 has been arrived at on the basis of a valuation carried out on the respective dates by Elevante Property Services Ltd, an independent valuer not related to the Group. Elevante Property Services Ltd is member of the Royal Institute of Chartered Surveyors, and the directors determine that they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the sales comparison method and income capitalisation approach. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

There has been no change to the valuation technique during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group rents leasehold land on which it has constructed an office building. The leases are for a remaining period of 12 years, with an extension period of 60 years.

	GROUP	
	2021 Rs	2020 Rs
Rental income derived from investment properties	**18,974,315**	18,785,094
Direct operating expenses (including repairs and maintenance) generating rental income (included in administrative expenses)	**(4,103,590)**	(7,653,426)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in administrative expenses)	**(7,000)**	(7,000)
Profit arising from investment properties carried at fair value	**14,863,725**	11,124,668

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Right-of-Use assets	GROUP Building on Leasehold Property	
Group as Lessee	2021 Rs	2020 Rs
At 1 January	**62,741,322**	61,577,087
Gain from fair value adjustment for the year	**148,960**	1,164,235
At 31 December	**62,890,282**	62,741,322

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

10. FAIR VALUE HIERARCHY OF INVESTMENT PROPERTIES

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2021 and 2020 are as follows:

	Level 2 Rs	Level 3 Rs	Fair value as at 31 December 2021 Rs
Freehold building on leasehold land, freehold office units and leasehold site	**376,769,309**	**-**	**376,769,309**
Bare freehold land and buildings and other structures	**795,700,000**	**-**	**795,700,000**
Leasehold Land - Right-of-Use Assets	**62,890,282**	**-**	**62,890,282**
Asset under Construction	**-**	**8,036,335**	**8,036,335**
			1,243,395,926

	Level 2 Rs	Fair value as at 31 December 2020 Rs
Freehold building on leasehold land, freehold office units and leasehold site	496,470,122	496,470,122
Bare freehold land and buildings and other structures	795,700,000	795,700,000
Leasehold Land - Right-of-Use Assets	62,741,322	62,741,322
		1,354,911,444

The investment properties categorised into Level 2 (2020: Level 2) of the fair value hierarchy, the following information is relevant:

	Valuation techniques	Significant observable inputs	Range 2021 & 2020
Freehold Building on leasehold land	Income capitalisation approach and Sales Comparison Approach	Rental Growth	5%
Freehold office units and leasehold site		Rental yield	8.75 to 9.00%

	Valuation techniques	Significant observable inputs	Range 2021 Rs	Range 2020 Rs
Freehold Land	Sales Comparison approach	Price per square metre	Rs 918 - Rs 3,764	Rs 918 - Rs 3,764

For the year ended 31 December 2021

11. INVENTORIES

	GROUP	
	2021	2020
	Rs	Rs
Raw materials	**78,435,036**	154,514,301
Work in progress	**6,012,835**	-
Stock in transit	**140,070,336**	1,851,714
Finished goods	**182,487,840**	93,694,087
	407,006,047	250,060,102

During the period cost of inventories recognised as expense in the Statement of Profit or Loss amounts to Rs 1,452,580,860 (2020: Rs 928,083,886).

The cost of inventories recognised as expense includes Rs 45,090 in respect of reversal of write-downs (2020: Rs 4,663,452 provision for write-downs) of inventory to net realisable value.

12. CONTRACT ASSETS

	GROUP	
	2021	2020
Non-current Assets	Rs	Rs
Contracts retention	**44,036,644**	50,351,096
Advance to subcontractors	**3,748,570**	-
	47,785,214	50,351,096
Current Assets		
Trade receivables from contracts net of allowance for expected credit losses	**915,004,030**	689,840,964
Progress billings	**(440,445,112)**	(325,069,201)
Contracts retention	**75,615,295**	47,598,190
Advance to subcontractors	**38,830,657**	71,945,529
	589,004,870	484,315,482

The contract assets primarily relate to the Group's receivables from its construction contracting activities. Contract assets also include all contracts retention and advances paid to subcontractors. Of the balances from trade receivables from current contracts assets at the end of the reporting date, Rs 370M (2020: Rs 310M) is due from Government Authorities and their related entities.

Contracts retention are amounts invoiced but not paid until the conditions specified in the contract are fulfilled or until defects have been rectified. These balances are carried at amortised cost using an effective interest rate of 4.90% p.a (2020:6.85%).

Advances are amounts paid to subcontractors for related work in progress.

Progress billings are amounts billed for work performed but not yet recognised as revenue as at reporting date.

Trade receivables from contracts are non-interest bearing and are generally on terms of 60 days. No interest is charged on the trade receivables but the Group reserves its contractual rights to claim interest on overdue amounts. The interest rates, if any, are normally agreed under the contract agreement.

In determining the recoverability of contract assets, the Group assesses its contractual rights and the terms and conditions of the agreements. The Group does not hold any collateral as security over these balances.

Prior to the decision to submit a tender for a particular contract, the Group assesses the financial strength and stability of the potential client. The Group bids for both private and Government projects. Payment terms form part of the contract agreement whereby all conditions and entitlements of the contractor are listed. The client portfolio varies from year to year depending on which contracts are awarded at that time.

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard. Outstanding customer receivables and contract assets are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

12. CONTRACT ASSETS (Cont'd)

Balances of contract assets are assessed for expected credit losses.
Allowance for expected credit losses

31 December 2021

	Not yet due	Low risk including Government bodies	Medium risk	High risk
Expected credit loss rate (%)	**0.02%**	**0.28%**	**10.59%**	**33.76%**
	Rs	Rs	Rs	Rs
Estimated total gross carrying amount at default	**159,854,209**	**370,040,592**	**74,225,974**	**62,811,710**
Expected credit losses	**(38,881)**	**(1,041,083)**	**(7,857,501)**	**(21,204,936)**
Net carrying amount	**159,815,328**	**368,999,509**	**66,368,473**	**41,606,774**

31 December 2020

	Not yet due	Low risk including Government bodies	Medium risk	High risk
Expected credit loss rate (%)	0.02%	0.43%	26.47%	84.12%
	Rs	Rs	Rs	Rs
Estimated total gross carrying amount at default	415,313,998	102,936,225	19,123,958	18,299,555
Expected credit losses	(108,993)	(442,135)	(5,062,224)	(15,393,806)
Net carrying amount	415,205,005	102,494,090	14,061,734	2,905,749

	GROUP	
Allowance for expected credit losses	2021	2020
	Rs	Rs
At 1 January	**15,405,441**	10,292,049
Charge for the year	**14,736,960**	5,113,392
At 31 December	**30,142,401**	15,405,441

The increase in allowance for expected credit losses is due to the increased amount of Contract Assets at 31 December 2021.

(a). TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Trade Receivables, Net of allowance for expected credit losses	**136,456,192**	99,972,606	**-**	-
Amount due from Associates and Joint Venture (Note 28)	**13,369,021**	8,804,078	**8,734,241**	7,460,778
Other receivables and Prepayments	**303,875,390**	199,126,940	**68,227,711**	66,309,433
	453,700,603	307,903,624	**76,961,952**	73,770,211

The carrying amount of trade and other receivables approximates their fair value.

The average contractual credit period on sales of goods is three months. Allowance for expected credit losses is determined by the Group using provision matrix. No interest is charged on the trade receivables. Management expects full recoverability of due balances which are neither past due nor impaired.

For the year ended 31 December 2021

12. CONTRACT ASSETS (Cont'd)

(a). TRADE AND OTHER RECEIVABLES (Cont'd)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. There are no customers (2020: Nil) who represent more than 5% of the total balance of trade receivables.

Included in the Group's trade receivables balance are debtors with a carrying amount of Rs 2,277,873 (2020: Rs 5,565,526) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Other receivables balances for the Group and the Company includes Rs 124M (2020: Rs 66M) from a single customer, the Government of Mauritius, on compulsory acquisition of land.

Ageing of past due but not impaired trade receivables:

	GROUP	
	2021	2020
	Rs	Rs
61 - 90 days	**1,919,766**	5,410,726
Over 91 days	**358,107**	154,800
Total	**2,277,873**	5,565,526

Allowance for expected credit losses on trade receivables

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
At 1 January	**5,645,597**	11,594,748	**325,482**	546,351
Charge/(Credit) for the year	**5,723,345**	(5,949,151)	**-**	(220,869)
At 31 December	**11,368,942**	5,645,597	**325,482**	325,482

Impairment Loss Recognised/(Reversed) on trade receivables refers to allowances for expected losses as required by IFRS 9. The increase in allowances for expected credit losses is directly attributable to the increase in trade receivables balances due at 31 December 2021. An amount of Rs 3,904,113 out of the balance of expected credit losses was written off during the year as uncollectible.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Group applies the IFRS 9 simplified approach to measuring the expected credit losses for other receivables and amounts due from related parties. Expected credit losses are calculated based on individual balances on a case to case basis.

The Group's Other receivables are assessed for expected credit losses individually on a case-by-case basis and no impairment was made during the year (2020: Rs 2,547,103).

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

12. CONTRACT ASSETS (Cont'd)

(a). TRADE AND OTHER RECEIVABLES (Cont'd)

Credit exposure on trade receivables

	Less than 30 days	31 - 60 days	61 - 90 days	More than 90 days
Group - 31 December 2021				
Expected credit loss rate (%)	**0% - 0.7%**	**1.7% - 6.3%**	**0.7% - 8.8%**	**80.3% - 100%**
	Rs	**Rs**	**Rs**	**Rs**
Estimated total gross carrying amount at default	**130,895,099**	**2,829,488**	**222,640**	**13,877,907**
Expected credit loss	**(88,979)**	**(60,300)**	**(8,140)**	**(11,211,523)**
Net carrying amount	**130,806,120**	**2,769,188**	**214,500**	**2,666,384**
Group - 31 December 2020				
Expected credit loss rate (%)	0% - 0.3%	1.4% - 100%	1.4% - 3.5%	97.3% - 100%
	Rs	**Rs**	**Rs**	**Rs**
Estimated total gross carrying amount at default	80,662,707	13,978,814	5,863,261	5,113,421
Expected credit loss	(173,378)	(494,064)	(84,083)	(4,894,072)
Net carrying amount	80,489,329	13,484,750	5,779,178	219,349

13. STATED CAPITAL

	GROUP AND COMPANY	
	2021	2020
	Rs	Rs
133,250,000 (2020: 133,250,000) Ordinary Shares of Rs1 (2020: Rs1) each	**133,250,000**	133,250,000

Fully paid ordinary shares have rights to dividends and each share carries one voting right.

14. BORROWINGS

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
(a) Loans Repayable by Instalments	1,740,635,772	769,853,790	1,332,369,076	458,236,676
Less: Amount due for Settlement within one year (shown under Current Liabilities)	(262,042,787)	(161,574,069)	(37,472,901)	(70,352,211)
Amount due for Settlement after one year (shown under Non-current Liabilities)	1,478,592,985	608,279,721	1,294,896,175	387,884,465
(b) Bank loans	700,843,493	724,813,175	337,617,412	458,236,676
Bond liability	994,751,664	-	994,751,664	-
Other loans	45,040,615	45,040,615	-	-
	1,740,635,772	769,853,790	1,332,369,076	458,236,676

(c) The loan due for settlement after one year are repayable as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
After one year before two years	93,449,848	98,092,007	72,457,137	72,657,236
After two years before five years	295,839,631	312,894,667	229,799,037	232,569,525
After five years	1,089,303,506	197,293,047	992,640,000	82,657,704
	1,478,592,985	608,279,721	1,294,896,174	387,884,465

Part of the loans and bond liability are secured by fixed and floating charges on the assets of the borrowing companies. The rates of interest of the bank loans are variable and range between 3.25% p.a. to 4.35% p.a. (2020: 3.25% p.a. to 4.35% p.a.). The rates of interest of the bond liability are variable and range between 3.10% p.a. to 4.60% p.a. (2020: nil). The loans include a total amount of Rs 45,040,615 (2020: Rs 45,040,615) which are unsecured, interest-free with no fixed repayment terms. The fair value of borrowings approximates their carrying amount.

15. LEASE LIABILITIES

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
At 1 January	241,769,956	232,260,545	24,658,248	27,995,177
Accretion of interest	15,996,259	15,947,870	1,315,880	1,542,565
Additions	36,816,580	41,697,968	-	-
Remeasurement of liabilities	594,557	-	244,779	-
Repayments	(56,252,177)	(48,136,427)	(4,887,567)	(4,879,494)
Lease liabilities:	238,925,175	241,769,956	21,331,340	24,658,248
Less: Amount due for Settlement within one year (shown under Current Liabilities)	(38,927,602)	(35,443,570)	(3,785,383)	(3,536,580)
Amount due for Settlement after one year (shown under Non-current Liabilities)	199,997,573	206,326,386	17,545,957	21,121,668

The lease liabilities in connection to Property, plant & equipment relate to leasehold land & buildings, plant & machinery and motor vehicles with lease term ranging from 2 to 77 years including renewal period at the option of the Group. The lease liabilities pertaining to Investment Property represents bare leasehold land or leasehold land on which the Group has constructed an office building. The leases are for a remaining period of 5 to 15 years, with extensions period of 60 years.

The following are the amounts recognised in Profit or Loss:

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Depreciation of right-of-use assets	47,252,065	42,652,001	3,933,762	3,892,966
Interest expense on lease liabilities	15,996,259	15,947,870	1,315,880	1,542,565
Expense relating to short-term leases	2,403,972	1,548,067	-	-
	65,652,296	60,147,938	5,249,642	5,435,531

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

16. RETIREMENT BENEFIT OBLIGATIONS

(a) Defined Contribution Plan

The Company participates in a multi-employer defined contribution (DC) pension plan to which it contributes 6%, 8% or 10% of its eligible employees' salaries depending on age. The assets of the plans are held separately from those of the Group in funds under the control of an independent management committee. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. Any residual gratuities under the Workers' Rights Act 2019 for the qualifying employees after allowing for permitted deductions in respect of the pension plan are included below in the tables for the retirement benefits in respect of The Workers Rights Act 2019.

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Amount Recognised as an Expense for the Defined Contribution Plan	12,490,308	18,802,543	3,400,000	1,107,141

(b) Statutory Retirement Benefits in respect of the Workers Rights Act 2019.

The Group has recognised a net defined benefit liability of Rs 71,684,858 (Company: Rs 12,175,000) in its statement of financial position as at 31 December 2021 (2020: Group Rs 63,531,863 and Company: Rs 6,211,000) in respect of any additional retirement gratuities that are expected to be paid out of the Company's cashflow to its employees under the Workers Rights' Act (WRA) 2019.

The defined benefit liability exposes the Group to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Group had a residual obligation imposed by WRA 2019 on top of its DC plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for employee transfers between related entities.

(c) Reconciliation of Net Defined Benefit Liability:

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Reconciliation of Net Defined Benefit Liability:				
At 1 January	63,531,863	52,742,968	6,211,000	4,778,000
Amount Recognised in Statement of Profit or Loss	12,569,307	8,289,933	3,400,000	1,122,000
Amount Recognised in Other Comprehensive Income	(3,196,312)	8,817,879	(1,172,000)	344,000
Transfer of liability (to)/from Related Party	-	(6,285,917)	3,736,000	-
Less: Employer Contributions	(1,220,000)	(33,000)	-	(33,000)
At 31 December	71,684,858	63,531,863	12,175,000	6,211,000

16. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(d) Movement in the present value of the defined benefit obligation in the current year were as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
At 1 January	**63,531,863**	52,742,968	**6,211,000**	4,778,000
Current Service Cost	**7,302,003**	6,040,994	**1,212,000**	832,000
Interest Expense	**1,937,304**	2,375,604	**269,000**	235,000
Past Service Cost	**3,330,000**	116,854	**1,919,000**	55,000
Settlement Loss	**-**	(243,519)	**-**	**-**
Employer contributions	**(1,220,000)**	(33,000)	**-**	(33,000)
Transfer of liability to related party	**-**	(6,285,917)	**3,736,000**	-
Liability Experience (gain)/loss	**(3,584,000)**	4,754,519	**(1,095,000)**	(69,000)
Liability Loss due to Change in Financial Assumptions	**387,688**	4,063,360	**(77,000)**	413,000
At 31 December	**71,684,858**	63,531,863	**12,175,000**	6,211,000

(e) Amount recognised in Statements of Profit or Loss in respect of defined benefit plans are as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Current Service Cost	**7,302,003**	6,040,994	**1,212,000**	832,000
Settlement Loss	**-**	(243,519)	**-**	-
Past Service Cost	**3,330,000**	116,854	**1,919,000**	55,000
Interest Expense	**1,937,304**	2,375,604	**269,000**	235,000
Amounts recorded in Statements of Profit or Loss	**12,569,307**	8,289,933	**3,400,000**	1,122,000

(f) Components of amount recognised in Other Comprehensive Income:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Liability Experience (Loss)/Gain	**(3,584,000)**	4,754,519	**(1,095,000)**	(69,000)
Liability Gain/(Loss) due to Change in Financial Assumptions	**387,688**	4,063,360	**(77,000)**	413,000
Components of Defined Benefit Costs recorded in Other Comprehensive Income	**(3,196,312)**	8,817,879	**(1,172,000)**	344,000

The past service cost, the service cost and the net-interest expenses for the year is included in the employee benefits expenses in the Statement of Profit or Loss and Other Comprehensive Income. The remeasurement on the net defined benefit liability is included in Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

16. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(g) The principal assumptions used for the purposes of the actuarial valuation were as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
Discount Rate	**3.9% to 4.6%**	1.4% to 3.1%	**2.7%**	2.7%
Expected Rate of Salary Increase	**2.2% to 3.1%**	1.0% to 2.0%	**1.3%**	1.3%
Expected Rate of Pension Increases	**0.0%**	0.0%	**0.0%**	0.0%
Average Retirement Age (ARA)	**65 / 60 years**	65 / 60 years	**65 / 60 years**	65 / 60 years

(h) Sensitivity analysis on defined benefit obligation at end of year

	GROUP		COMPANY	
	2021	2020	**2021**	2020
Increased due to 1% Decrease in Discount Rate	**16,884,253**	20,207,807	**1,741,000**	999,000
Decreased due to 1% Increase in Discount Rate	**18,210,438**	14,392,198	**1,468,000**	831,000
Increased due to 1% Increase in Salary Rate	**18,305,091**	18,095,863	**1,786,000**	1,015,000
Decreased due to 1% decrease in Salary Rate	**13,512,078**	13,076,998	**1,530,000**	859,000

(i) Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
Expected Employer Contribution for the Next Year	**2,297,000**	2,463,000	**44,000**	72,000
Weighted Average Duration of the Defined Benefit Obligation	**7 to 30 years**	7 to 30 years	**12 years**	12 years

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
National Pension Scheme Contributions Expensed	**8,780,074**	7,009,441	**102,264**	71,728

17. TAXATION

(a) Income Tax

(i) The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Profit before Taxation	**403,715,112**	282,345,106	**306,449,961**	183,656,045
Tax at the above Applicable Rate (17%)	**67,759,459**	47,998,668	**52,096,493**	31,221,528
Income not subject to tax	**(49,209,047)**	(13,844,815)	**(58,706,752)**	(40,178,588)
Underprovision in Previous Year	**3,005,262**	5,250,702	**1,855,185**	-
Expenses not deductible	**18,561,696**	22,635,785	**5,079,175**	19,978,671
Tax losses for which no deferred tax recognised/ (Utilisation of tax losses previously not recognised)	**3,353,170**	(7,675,257)	**281,927**	-
Taxation	**43,470,540**	54,365,083	**606,028**	11,021,611

Income not subject to tax refers to the Net gain from fair value adjustment of Investment Properties, share of Profits of Associates and Joint Venture for the Group, and other income like profit on sale of Property, Plant & Equipment and Investment Properties. For Company, it also includes dividend income. Expenses not deductible for the Company which is reflected in the Group figure mainly represents the proportion of expenses attributable to dividend income which is disallowed as not deductible, plus other costs not directly linked with production of taxable Income.

17. TAXATION (Cont'd)

(a) Income Tax (Cont'd)

(ii) Income Tax recognised in Statements of Profit or Loss

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Current Tax Expense	**34,904,424**	54,528,040	**-**	6,411,015
Underprovision in Previous Year	**3,005,262**	5,250,702	**1,855,185**	-
Deferred Tax Movement	**5,560,854**	(5,413,659)	**(1,249,157)**	4,610,596
	43,470,540	54,365,083	**606,028**	11,021,611

(iii) Income Tax recognised in Statements of Financial Position

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
At 1 January	**31,020,700**	28,858,458	**6,411,015**	-
Charge for the year	**34,904,424**	54,528,040	**-**	6,411,015
Paid during the year	**(64,939,040)**	(57,616,500)	**(14,819,835)**	-
Underprovision in Previous Year	**3,005,262**	5,250,702	**1,855,185**	-
At 31 December	**3,991,346**	31,020,700	**(6,553,635)**	6,411,015

Disclosed as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Current tax assets	**(7,986,147)**	-	**(6,553,635)**	**-**
Current tax Liabilities	**11,977,493**	31,020,700	**-**	6,411,015
	3,991,346	31,020,700	**(6,553,635)**	6,411,015

(b) Deferred Tax Liabilities/(Assets)

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Deferred Tax Assets	**(22,032,354)**	(19,003,605)	**-**	-
Deferred Tax Liabilities	**76,901,164**	64,085,158	**8,929,000**	9,629,520
Net Deferred Tax Liabilities	**54,868,810**	45,081,553	**8,929,000**	9,629,520

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
At 1 January	**45,081,553**	48,208,562	**9,629,520**	4,561,000
Charge/(credit) to Statement of Profit or Loss				
Deferred Tax Expense	**5,560,854**	(5,413,659)	**(1,249,157)**	4,610,596
Charged/(credited) to Other Comprehensive Income				
Revaluation of Buildings	**3,702,920**	3,783,989	**349,397**	516,404
Remeasurement of Retirement Benefit Obligations	**523,483**	(1,497,339)	**199,240**	(58,480)
At 31 December	**54,868,810**	45,081,553	**8,929,000**	9,629,520

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Accelerated Capital Allowances	**57,518,881**	35,762,623	**4,364,565**	4,112,901
Revaluation Surplus on Land and Buildings	**36,068,142**	32,652,925	**6,634,185**	6,572,489
Retirement Benefit Obligations	**(13,073,198)**	(10,800,417)	**(2,069,750)**	(1,055,870)
Unused Tax Losses	**(13,379,505)**	(10,230,821)	**-**	-
Other Provision and Temporary Differences	**(12,265,510)**	(2,302,757)	**-**	-
	54,868,810	45,081,553	**8,929,000**	9,629,520

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 December 2021

17. TAXATION (Cont'd)

(b) Deferred Tax Liabilities/(Assets) (Cont'd)

The Group has aggregate unutilised tax losses and deductible temporary differences of Rs 52,926,704 (2020: Rs 41,017,495) to carry forward against future taxable income for which a deferred tax asset has not been recognised due to uncertainty of their recoverability.

The expiry dates of the unutilised tax loss are as follows:

	GROUP AND COMPANY	
	2021	2020
	Rs	Rs
31 December 2026	**13,151,610**	-
31 December 2025	**16,697,912**	10,975,452
31 December 2024	**10,591,317**	10,701,540
31 December 2023	**9,725,333**	11,423,373
31 December 2022	**2,760,532**	2,770,187
31 December 2021	**-**	5,146,943
	52,926,704	**41,017,495**

18. BANK OVERDRAFTS

The bank overdrafts for Group amounting to Rs 16,748,011 (2020: Rs 23,421,268) are secured by fixed and floating charges on the assets of the Company and of the Group, including property, plant and equipment and investment properties and inventories.

Interest rates are floating rates and range between 4.00% and 4.60% p.a. (2020: 3.65% and 4.05% p.a).

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Trade payables	**217,518,763**	169,443,620	**6,971,904**	14,432,063
Amount due to joint venture	**-**	55,048,780	**-**	-
Other payables and accruals	**839,294,638**	746,586,422	**103,120,909**	110,318,772
Advance payment from customers	**-**	4,281,829	**-**	-
Prize liability and reserve fund	**79,104,208**	156,311,483	**-**	-
Unclaimed prize	**15,472,172**	2,541,156	**-**	-
Consolidated Fund	**80,935,706**	102,667,340	**-**	-
	1,232,325,487	1,236,880,630	**110,092,813**	124,750,835
Less: Amount due for Settlement after one year (shown under Non-current liabilities)	**(97,687,596)**	(95,573,338)	**-**	-
	1,134,637,891	1,141,307,292	**110,092,813**	124,750,835

Other Payables and Accruals comprise mainly of accruals for goods and services relating to the Group's operations which was not yet invoiced at reporting date, and amounts due to third parties which are not classified as trade creditors. The amount comprise Rs 343M (2020:Rs 516M) accruals relating to construction costs on ongoing contracts.

The directors consider that the carrying amount of trade payables approximates their fair value.

The average credit period of creditors is two months. No interest is charged on trade payables. The Group has policies and procedures in place to ensure that all payables are paid within the credit timeframe.

19(a). CONTRACT LIABILITIES

	2021	2020
	Rs	Rs
Non Current		
Retention payable to subcontractors	**14,746,292**	8,745,439
Advance from customers	**25,718,892**	4,281,829
	40,465,184	13,027,268
Current		
Retention payable to Subcontractors	**67,836,052**	76,576,211
Advance from customers	**78,730,629**	94,389,532
	146,566,681	170,965,743

19 (a). CONTRACT LIABILITIES (Cont'd)

The contract liabilities primarily relate to the advance consideration received from customers for the performance obligation yet to be satisfied and retention payable to sub-contractors.

The non-current contract liabilities are carried at amortised cost using an effective interest rate of 4.90% p.a (2020: 6.20%).

The significant changes in the balances of contract liabilities are disclosed in Note 20.

20. TURNOVER AND REVENUE

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Turnover	5,507,670,199	4,617,082,109	473,439,135	358,066,897
Less: Prizes	(1,036,884,691)	(911,277,239)	-	-
Revenue	4,470,785,508	3,705,804,870	473,439,135	358,066,897
Revenue from contracts with customers	4,452,022,497	3,687,039,776	143,045,356	121,722,260
Rental Income from investment properties	18,763,011	18,765,094	-	-
Dividend income	-	-	330,393,779	236,344,637
Revenue	4,470,785,508	3,705,804,870	473,439,135	358,066,897

Set out below is the disaggregation of the revenue from contract with customers:

(a) Disaggregation of revenue

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Set out below is the disaggregation of revenue from contract with customers:				
Type of revenue				
Sale of building materials	1,826,840,710	1,379,536,826	-	-
Construction contract revenue	1,531,652,822	1,319,031,024	-	-
Sale of lottery tickets	1,056,004,177	962,640,595	-	-
Sale of goods and services	37,524,788	25,831,331	143,045,356	121,722,260
Revenue from contracts with customers	4,452,022,497	3,687,039,776	143,045,356	121,722,260
Timing of revenue recognition				
At a point in time	2,920,369,675	2,368,008,752	143,045,356	121,722,260
Over time	1,531,652,822	1,319,031,024	-	-
	4,452,022,497	3,687,039,776	143,045,356	121,722,260

	GROUP	
	2021	2020
Revenue derived over time are earned on:	Rs	Rs
Short-term contracts	506,807,005	222,310,679
Long-term contracts	1,024,845,817	1,096,720,345
Total revenue	1,531,652,822	1,319,031,024

The Group has disaggregated revenues generated from contracts with customers in terms of contract duration as projects profitability is normally analysed as being generated from Short term or Long term contracts. Short-term contracts are contracts having a duration of less than one year and Long-term contracts are those having a duration of one year or more.

20. REVENUE (Cont'd)

Disaggregation of revenue from Contract with customers between segments:

2021	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Total
	Rs	Rs	Rs	Rs	Rs	Rs
External customer	1,826,840,710	1,543,765,177		1,056,004,177	25,412,433	4,452,022,497
Inter-Segment Revenue	7,144,465	3,425,364	-	-	141,533,555	152,103,384
	1,833,985,175	1,547,190,541	-	1,056,004,177	166,945,988	4,604,125,881
Inter-Segment adjustments and eliminations	(7,144,465)	(3,425,364)	-	-	(141,533,555)	(152,103,384)
Revenue with external customers	1,826,840,710	1,543,765,177	-	1,056,004,177	25,412,433	4,452,022,497

2020	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Total
	Rs	Rs	Rs	Rs	Rs	Rs
External customer	1,379,536,826	1,322,710,502	75,027	962,640,595	22,076,826	3,687,039,776
Inter-Segment Revenue	314,665	25,237,272	2,904	-	134,960,834	160,515,675
	1,379,851,491	1,347,947,774	77,931	962,640,595	157,037,660	3,847,555,451
Inter-Segment adjustments and eliminations	(314,665)	(25,237,272)	(2,904)	-	(134,960,834)	(160,515,675)
Revenue with external customers	1,379,536,826	1,322,710,502	75,027	962,640,595	22,076,826	3,687,039,776

20. REVENUE (Cont'd)

(b) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	GROUP	
	2021	2020
	Rs	Rs
Advance from customers		
At 1 January	94,630,721	92,385,310
Amount received during the year	52,976,315	97,010,164
Amount recognised in revenue	(47,198,155)	(94,764,753)
At 31 December	100,408,881	94,630,721

(c) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term construction contracts.

	GROUP	
	2021	2020
	Rs	Rs
Aggregate amount of the transaction price allocated to long term contract that are partially or fully unsatisfied at reporting date	1,016,720,014	898,810,386

Management expects that the transaction price allocated to the unsatisfied contracts as at 31 December 2021 will be recognised as revenue during the next reporting period. The amount disclosed does not include variable consideration which is constrained.

(d) Performance obligations

Information on the Group's performance obligations are summarised below:

Construction contracts with customers

The performance obligation is satisfied over-time. Invoicing is performed on a monthly basis based on the value of the work completed. Payment is generally due upon acceptance of the invoice issued by the customer. In some contracts, short term advances are required before the construction is started. These advances are interest free. For more information on advances from clients refer to Note 19.

Sale of Building Materials

The performance obligation is satisfied upon delivery of building materials and payment is generally due within 60 days from delivery.

Sale of lottery tickets

Sale of lottery tickets are the wagers placed on lottery tickets on the Group's draw-based game. Revenue recognition occurs when the draw has been held and the results have been certified by the Gambling Regulatory Authority.

Sale of goods and services

The performance obligation is satisfied upon delivery of goods and services and payment is generally due within 60 days from delivery. Sale of goods and services relate to asphalt selling and management fees income from associate and joint venture.

Rental Income from investment properties

Rental Income refers to the provision of office areas to tenants.

21. OPERATING PROFIT

The Operating Profit from continuing operations is arrived at:

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
(i) After crediting:				
Profit Disposal of Property, Plant and Equipment	(8,796,074)	(524,085)	(8,796,074)	(2,106,694)
Profit Disposal of Investment Properties	(15,564,750)	-	-	-
Profit on Disposal of Subsidiary	-	-	(469,009)	-
Interest Income	(2,269,347)	(4,410,411)	(7,093,717)	(1,099,085)
Net Foreign Exchange Gains	(42,527,252)	(16,769,567)	(7,537,856)	(4,588,136)
Wage Assistance Scheme Refund	-	(19,138,133)	-	-
Release of Provision for Slow Moving Inventories	(45,090)	-	-	-
Other Operating Income	(24,422,032)	(1,762,839)	(11,676,982)	(4,331,492)
(ii) and charging:				
- Cost of Sales	3,588,177,270	2,932,092,826	-	-
- Administrative Expenses and Selling Expenses	682,055,371	560,691,906	168,066,488	165,727,082
Included in Cost of Sales, Selling and Administrative Expenses are:				
Cost of Inventories Expensed (Note 11)	1,452,580,868	928,083,886	-	-
Subcontractors' cost	558,257,440	494,437,941	-	-
Depreciation (Note 5)	67,896,283	70,992,980	4,103,546	3,979,542
Depreciation of Right-of-Use Assets (Note (5(g))	47,252,065	42,652,001	3,933,762	3,892,966
Amortisation of Intangible Assets (Note 6)	7,304,821	2,553,671	606,222	653,472
Staff costs	581,660,380	502,634,041	138,463,839	105,947,737
Impairment of Investments in Subsidiaries included in Administrative Expenses (Note 7(a))	-	-	-	4,379,077
Revaluation loss on Building	1,300,000	-	-	-
Derecognition of goodwill (Note 31)	25,855,314	-	-	-
Provision for Slow Moving Inventories	-	4,663,452	-	-

22. FINANCE COSTS

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Interest Expense on:				
Bank Overdrafts	3,810,750	9,994,153	997	724
Loans Repayable by Instalments	30,850,274	23,137,906	12,983,573	16,939,654
Bond Notes	20,750,036	-	20,750,036	-
Finance Charges on lease liabilities	15,996,259	15,947,870	1,315,880	1,542,565
Other Interest	-	24,767	-	-
Finance Costs	71,407,319	49,104,696	35,050,486	18,482,943

23. DIVIDEND

	COMPANY 2021 Rs	COMPANY 2020 Rs
Final Dividend of Rs 1.31 (2020: Rs 1.50) per Share	**174,557,500**	199,875,000
Interim Dividend of Rs 0.50 (2020: Rs Nil)per share	**66,625,000**	-
Total Dividend Paid during the Year	**241,182,500**	199,875,000

24. EARNINGS PER SHARE

	GROUP 2021 Rs	GROUP 2020 Rs
Profit Attributable to Owners of the Company	**300,970,155**	163,356,763
Number of Shares for Earnings per Share Calculation	**133,250,000**	133,250,000
Earnings per Share (Basic and Diluted)	**2.26**	1.23

There were no dilution of shares for the periods presented therein.

25. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
Property, Plant and Equipment purchased	**129,250,211**	206,273,574	**1,309,023**	892,294
Financed as follows:				
Lease (Right-of-Use Assets)	**36,816,580**	41,697,968	**-**	-
Cash Disbursed	**92,433,631**	164,575,606	**1,309,023**	892,294
Total	**129,250,211**	206,273,574	**1,309,023**	892,294

26. CASH AND CASH EQUIVALENTS

	GROUP 2021 Rs	GROUP 2020 Rs	COMPANY 2021 Rs	COMPANY 2020 Rs
Cash at Bank, in Hand and Short Term Deposits	**1,124,524,210**	652,955,415	**650,372,279**	114,653,886
Bank Overdrafts	**(16,748,011)**	(23,421,268)	**-**	-
	1,107,776,199	629,534,147	**650,372,279**	114,653,886

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

27. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the Executive Committee in order to allocate resources to the segments identified previously under IAS 14, Segmental Reporting.

Information reported to the chief operating decision maker focuses on the types of goods and services delivered or provided. The directors of the Company have chosen to organize the Group around differences in products and services.

The Group's reportable segments under IFRS 8 are:

- Building Materials segment, which imports cement in bulk and sells it in bulk or bags
- Contracting segment, which is engaged in the building and civil engineering works, asphalt production and asphalt road works
- Investments segment, which has a bank of land and office buildings for development and rental
- Lottery segment, which is engaged in the lottery business
- Corporate Services & Others segment, which provides the corporate and secretarial services for the Group

(a) Segment Revenue and Results

The following is an analysis of the Group's revenue from continuing operations.

2021	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services & Others Rs	Eliminations Rs	Total Rs
REVENUE							
External Sales	1,826,840,710	1,543,765,177	18,753,849	1,056,004,177	166,069,022	(140,647,427)	4,470,785,508
Inter-segment Sales	7,144,465	3,425,364	211,304	-	513,298,519	(524,079,652)	-
	1,833,985,175	1,547,190,541	18,965,153	1,056,004,177	679,367,541	(664,727,079)	4,470,785,508
OPERATING PROFIT							
Segment Results	161,511,201	22,259,002	13,769,006	97,800,757	387,439,318	(388,601,872)	294,177,412
Net Impairment Reversal on Financial and Contract Assets							(11,843,910)
Fair Value Gain on Investment Properties							47,848,147
Finance Costs	(31,307,595)	(1,361,647)	(7,337,405)	(3,232,263)	(35,694,813)	7,526,404	(71,407,319)
Share of Profit of Associates and Joint Venture	111,460,688	-	-	-	33,480,094	-	144,940,782
Profit before Taxation							403,715,112
Taxation							(43,470,540)
Profit for the Year							360,244,572

27. SEGMENT INFORMATION (Cont'd)

(a) Segment Revenue and Results (Cont'd)

2020	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services & Others Rs	Eliminations Rs	Total Rs
REVENUE							
External sales	1,379,536,826	1,322,710,502	18,705,036	962,640,595	174,893,711	(152,681,800)	3,705,804,870
Inter-segment Sales	7,570,723	25,237,272	-	-	257,564,739	(290,372,734)	-
	1,387,107,549	1,347,947,774	18,705,036	962,640,595	432,458,450	(443,054,534)	3,705,804,870
OPERATING PROFIT							
Segment Results	196,721,026	(22,651,516)	14,330,405	80,930,673	274,433,339	(288,138,754)	255,625,173
Net Impairment Reversal on Financial and Contract Assets							(5,615,457)
Fair Value Gain on Investment Properties							6,006,735
Finance Costs	(19,396,896)	(1,528,063)	(7,442,741)	(2,052,371)	(19,215,795)	531,170	(49,104,696)
Share of Profit of Associates and Joint Venture	66,752,343	-	-	-	16,873,512	(8,192,504)	75,433,351
Profit before Taxation							282,345,106
Taxation							(54,365,083)
Profit for the Year							227,980,023

Segment revenue reported above represents revenue generated from external customers.

Inter-segment sales are effected on an arm's length basis.

External sales elimination refers to dividend income from Associates and Joint Venture. The dividends are eliminated on consolidation since the share of Profit of Associates and Joint Venture are taken in the Group results.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)
For the year ended 31 December 2021

27. SEGMENT INFORMATION (Cont'd)

(b) Segment Assets and Liabilities

2021	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services & Others Rs	Eliminations Rs	Total Rs
ASSETS							
Segment Assets	779,604,311	757,477,106	701,638,945	527,152,364	3,818,740,418	(162,956,662)	6,421,656,482
Investments in Associates and joint venture	423,999,690	-	-	-	418,551,921	-	842,551,611
Unallocated Corporate Assets							23,741,515
Total Assets							7,287,949,608
LIABILITIES							
Segment Liabilities	656,178,270	771,418,078	370,997,930	281,750,056	307,710,456	(880,264,569)	1,507,790,221
Unallocated Corporate Liabilities							2,068,439,604
Total Liabilities							3,576,229,825
Non-controlling Interests	111,575,455	-	-	78,149,679	920,927	-	190,646,061
Shareholders' Funds							
							3,521,073,722
Total Equity and Liabilities							7,287,949,608

27. SEGMENT INFORMATION (Cont'd)

(b) Segment Assets and Liabilities (Cont'd)

2020	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services & Others Rs	Eliminations Rs	Total Rs
ASSETS							
Segment Assets	382,418,136	905,588,457	725,389,786	529,497,129	4,512,756,093	(1,647,771,336)	5,407,878,265
Investments in Associates and joint venture	421,119,367	-	-	-	410,431,160	-	831,550,527
Unallocated Corporate Assets							20,060,077
Total Assets							6,259,488,869
LIABILITIES							
Segment Liabilities	122,518,857	1,279,455,254	368,343,415	1,045,770,403	1,065,892,248	(2,374,153,405)	1,507,826,772
Unallocated Corporate Liabilities							1,106,729,604
Total Liabilities							2,614,556,376
Non-controlling Interests	139,444,197	-	-	70,165,235	(5,121,802)	-	204,487,630
Shareholders' Funds							3,440,444,863
Total Equity and Liabilities							6,259,488,869

For the purpose of monitoring segment performance and allocating resources between segments:

All assets and liabilities are allocated to reportable segments. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

27. SEGMENT INFORMATION (Cont'd)

(c) Other Information

(i) Capital Additions, Depreciation and Amortisation

2021	**Building Materials Rs**	**Contracting Rs**	**Investments Rs**	**Lottery Rs**	**Corporate Services & Others Rs**	**Eliminations Rs**	**Total Rs**
Capital Additions	**81,027,169**	**16,493,800**	**-**	**110,761,286**	**3,846,701**	**-**	**212,128,956**
Depreciation and Amortisation	**64,074,665**	**23,888,583**	**1,128,513**	**22,063,074**	**11,298,334**	**-**	**122,453,169**

2020	Building Materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate Services & Others Rs	Eliminations Rs	Total Rs
Capital Additions	103,584,063	11,981,599	-	89,205,610	1,738,554	-	206,509,826
Depreciation and Amortisation	57,714,532	22,824,903	-	23,891,298	11,767,919	-	116,198,652

(ii) Geographical Information

The following table provides an analysis of the Group's Revenue with external customers and total assets by geographical market:

	Revenue		**Total Assets**	
	2021 Rs	2020 Rs	**2021 Rs**	2020 Rs
Mauritius	**4,361,773,697**	3,705,804,870	**7,117,642,255**	6,259,488,869
Madagascar	**109,011,811**	-	**170,307,353**	-
	4,470,785,508	3,705,804,870	**7,287,949,608**	6,259,488,869

(iii) Information about major customers

No single customer contributed 10% or more of the Group's revenue for both 2021 and 2020.

27. SEGMENT INFORMATION (Cont'd)

(c) Other Information (Cont'd)

(iv) Revenue from Major Products and Services

The following is an analysis of the Group's revenue classified into its major products and services.

	2021	2020
	Rs	Rs
Building Materials	1,826,840,710	1,379,536,826
Contracting	1,531,652,822	1,322,710,502
Investment Properties	18,763,011	18,705,036
Lottery	1,056,004,177	962,640,595
Others	37,524,788	22,211,911
	4,470,785,508	3,705,804,870

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The transactions of the Group with related parties during the year are as follows:

(a) Purchases of Goods and Services

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
From subsidiaries	-	-	5,995,000	4,560,000
From Director-related Entities	3,387,065	8,469,449	2,176,100	2,908,800
From Associates and Joint venture	176,894,614	168,607,413	288,864	74,906

(b) Income

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
(i) Dividend income				
From Subsidiaries	-	-	220,347,719	123,294,950
From Associates and Joint venture	140,647,427	152,681,798	110,046,060	113,049,687
(ii) Management Fee income, Secretarial Fee, Treasury Fee and Rental Income				
From subsidiaries	-	-	121,705,423	103,605,434
From Associates and Joint venture	25,659,933	22,076,826	21,339,933	18,116,826
(ii) Sale of goods				
From Associates and Joint venture	303,085,792	309,320,027	-	-
(iv) Interest Income				
From Subsidiaries	-	-	5,426,738	510,598

(v) Other transactions - Sale of Subsidiary to Group Company

During the year the Company sold its wholly owned subsidiary, Kolos International Ltd (formerly Gamma Cement International Ltd), to its subsidiary Kolos Cement Ltd for Rs 3,946,109, realising a profit of Rs 469,009 on the transaction.

The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

28. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Compensation of Key Management Personnel

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Short-term Benefits	155,547,956	170,764,576	78,645,861	68,521,396
Post-employment Benefits	6,661,279	5,464,206	1,143,622	671,635
	162,209,235	176,228,782	79,789,483	69,193,031

(d) Outstanding Balances

(i) Amount due from Related Parties:

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Subsidiaries	-	-	370,746,268	26,311,888
Associates	7,186,919	2,051,600	2,717,839	862,500
Joint Venture	36,754,520	15,227,983	6,016,402	6,598,278
	43,941,439	17,279,583	379,480,509	33,772,666

From the amount due from Subsidiaries, Rs 119,600,000 carries interest at the rate of 5.5% per annum, is unsecured and is repayable either by giving 3 months notice or not later than 7 years. An amount of Rs 210,000,000 carries interest at the rate of 2% per annum, is repayable within 3 months, is unsecured and forms part of the Group's treasury management operations. Remaining balances from related parties are unsecured, interest free and repayable at call except for amount shown in Note 7(c). The balances arise in the normal day-to-day operations of the Group. No allowance for expected credit losses are calculated on group balances.
Included under Amount due from Joint Venture is an amount of Rs 30,572,418 (2020: Rs 8,475,505) which is classified under Trade Receivables in note 12(a). Amounts due from related parties have been tested for impairment using the ECL method and no impairment is deemed to be recorded.

(ii) Amount due to Related Parties

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Director-related Entities	45,040,615	48,253,438	-	-
Amount due to Subsidiaries	-	-	100,153,478	102,883,478
Associates and Joint venture included in Creditors and Accruals	57,509,826	55,048,780	-	-
	102,550,441	103,302,218	100,153,478	102,883,478

29. FINANCIAL INSTRUMENTS

During the course of its ordinary activities, the Group is exposed to various risks such as capital risk, market risk (which comprises interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The risks are monitored and reviewed by the Audit and Risk Committee on a quarterly basis. The risks are managed by senior management of the Group companies. The Group's financial risks activities are governed by appropriate policies and procedures, and the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

(a) Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of net debt offset by cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

(b) Gearing Ratio

The Group reviews the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with its capital. During the year, the Company issued Rs 1,000M, secured, fixed and floating rates, Bond notes by way of private placement. The repayment period ranges from 6 to 10 years.

The gearing ratio at the year end was as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Debt (i)	**1,996,308,958**	1,035,045,014	**1,353,700,416**	482,894,924
Cash at Bank and in Hand	**(1,124,524,210)**	(652,955,415)	**(650,372,279)**	(114,653,886)
Net Debt	**871,784,748**	382,089,599	**703,328,137**	368,241,038
Equity (ii)	**3,711,719,783**	3,644,932,493	**1,504,086,786**	1,436,746,715
Gearing Ratio	**23.5%**	10.5%	**46.8%**	25.6%

(i) Debt is defined as short and long term borrowings, as detailed in Notes 14, 15 and 18.

(ii) Equity includes capital and reserves of the Group/Company.

(c) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 3 to the financial statements.

29. FINANCIAL INSTRUMENTS (Cont'd)

(d) Fair Values

Except where stated elsewhere, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Categories of Financial Instruments

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Financial Assets				
Financial Assets at amortised cost	**2,142,547,324**	1,459,940,342	**1,098,570,613**	211,647,432
Financial Liabilities				
Financial Liabilities at amortised cost	**3,334,581,203**	2,311,288,205	**1,482,867,600**	620,947,567

Total financial assets consist of non-current receivables, trade and other receivables excluding prepayments, cash and cash equivalents and amounts due from subsidiaries (Company only).

Total financial liabilities consist of trade and other payables excluding accruals, lease liabilities, loans and amounts due to subsidiaries (Company only).

(e) Fair Value Measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below (Note (g)) may change in a manner which has a material effect on the reported values of its assets and liabilities.

29. FINANCIAL INSTRUMENTS (Cont'd)

(g) Currency Profile

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

(i) **Group**

	Financial Assets		Financial Liabilities	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Currency				
Mauritian Rupee	**1,593,954,496**	1,365,913,000	**3,155,792,632**	2,303,506,344
United States Dollar	**265,978,070**	91,924,114	**158,746,736**	5,915,957
Euro	**242,017,033**	2,103,228	**-**	1,865,904
Malagasy Ariary	**40,218,966**	-	**19,807,933**	-
Great Britain Pound	**378,759**	-	**233,902**	-
	2,142,547,324	1,459,940,342	**3,334,581,203**	2,311,288,205

(ii) **Company**

	Financial Assets		Financial Liabilities	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Currency				
Mauritian Rupee	**608,802,202**	129,063,962	**1,482,867,600**	620,947,567
United States Dollar	**249,176,460**	82,443,898	**-**	-
Euro	**240,591,951**	139,572	**-**	-
	1,098,570,613	211,647,432	**1,482,867,600**	620,947,567

Included in United States Dollar and Euro under Financial Assets are mainly cash at banks and short term deposits.
Included in United States Dollar and Euro under Financial Liabilities are mainly trade payables.

(h) Foreign Currency Sensitivity Analysis

The Group is mainly exposed to United States Dollar (USD), Euro and Malagasy Ariary.

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currencies against the Mauritian Rupee. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. An increase in foreign currency will lead to an overall increase in profit and equity as shown below, and vice-versa.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
	Impact		Impact	
United States Dollar	**5,361,567**	4,300,408	**12,458,823**	4,122,195
Euro	**12,100,852**	11,866	**12,029,598**	6,979
Malagasy Ariary	**1,020,552**	-	**-**	-
Great Britain Pound	**7,243**	-	**-**	-
Total	**18,490,214**	4,312,274	**24,488,421**	4,129,174

29. FINANCIAL INSTRUMENTS (Cont'd)

(h) Foreign Currency Sensitivity Analysis (Cont'd)

The above is mainly attributable to the Group's exposure outstanding on cash and cash equivalents, Accounts receivables, Accounts payables and borrowings in USD, Euro and Malagasy Ariary. The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. There was no open forward contract at reporting date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis.
The Group's credit risk is primarily attributable to its trade receivables and from its financing activities including deposits with banks and financial institutions. The amounts presented in the Statements of Financial Position are net of allowances for expected credit losses, estimated by management based on prior experience and represents the company's maximum exposure to credit risk.
The Group does not hold collateral as security.

Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased for material subsidiaries of the group.

The Group does not have any significant concentration of credit risks other than those disclosed in Note 12.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns i.e., by customer type and rating. Generally, trade receivables are impaired if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security.

(j) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the financial liabilities at 31 December was:

Financial Liabilities

	Mauritian Rupee		USD		Malagasy Ariary	
	2021	2020	**2021**	2020	**2021**	2020
	%	%	%	%	%	%
Bank Overdraft - Floating rates	**From 4.00% to 4.60%**	From 4.10% to 5.05%	-	-	**8%**	-
Bank Loans - Floating rates	**From 3.25% to 4.15%**	From 3.25% to 4.35%	**From 4.12% to 4.21%**	-	**-**	-
Bond Liability - Floating rates	**From 3.10% to 3.20%**	-	-	-	**-**	-
Bond Liability - Fixed rates	**From 3.68% to 4.60%**	-	**-**	-	**-**	-

29. FINANCIAL INSTRUMENTS (Cont'd)

(k) Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.
If interest rates had been 25 basis points higher and all other variables were held constant, the Group's and the Company's profit for the year ended 31 December 2021 would have decreased as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Decrease in Profit and equity	**3,188,324**	1,983,188	**2,238,257**	1,145,592

This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate borrowings.

(l) Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity Tables

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Group	**Less than 1 year**	**1 - 5 years**	**5+ years**	**Total**
	Rs	**Rs**	**Rs**	**Rs**
2021				
Non-interest Bearing	**993,917,055**	**49,328,779**	**2,698,007**	**1,045,943,841**
Lease Liability	**52,808,592**	**135,181,721**	**328,422,624**	**516,412,937**
Variable Interest Rate Instruments	**332,949,515**	**593,314,204**	**732,869,084**	**1,659,132,803**
Fixed Interest Rate Instruments	**-**	**-**	**460,000,000**	**460,000,000**
Fixed Interest Rate Instruments				
	1,379,675,162	**777,824,704**	**1,523,989,715**	**3,681,489,581**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

29. FINANCIAL INSTRUMENTS (Cont'd)

(l) Liquidity Risk Management (Cont'd)

Liquidity Tables (Cont'd)

Group	**Less than 1 year**	**1 - 5 years**	**5+ years**	**Total**
	Rs	**Rs**	**Rs**	**Rs**
2020				
Non-interest Bearing	970,341,549	82,546,070	-	1,052,887,619
Lease Liability	47,589,568	162,737,805	333,688,741	544,016,114
Variable Interest Rate Instruments	209,054,286	477,314,246	189,870,160	876,238,692
	1,226,985,403	722,598,121	523,558,901	2,473,142,425

Company	**Less than 1 year**	**1 - 5 years**	**5+ years**	**Total**
	Rs	**Rs**	**Rs**	**Rs**
2021				
Non-interest Bearing	**210,769,520**	-	-	**210,769,520**
Lease Liability	**4,927,932**	**19,711,728**	**-**	**24,639,660**
Variable Interest Rate Instruments	**87,466,662**	**479,805,626**	**644,519,522**	**1,211,791,810**
Fixed Interest Rate Instruments	**-**	**-**	**460,000,000**	**460,000,000**
Fixed Interest Rate Instruments				
	303,164,114	**499,517,354**	**1,104,519,522**	**1,907,200,990**
2020				
Non-interest Bearing	228,157,542	-	-	228,157,542
Lease Liability	4,879,494	34,746,986	150,533	39,777,013
Variable Interest Rate Instruments	84,677,898	338,711,595	84,677,898	508,067,391
	317,714,934	373,458,581	84,828,431	776,001,946

Non-interest bearing debts includes Trade and other payables and Amounts due to subsidiaries (Company only) and contract liabilities.

Variable Interest rate instruments refer to bank and other loans and Bond Liabilities inclusive of future interests.
Fixed Interest rate instruments refer to Bond Liabilities inclusive of future interests.

For the year ended 31 December 2021

29. FINANCIAL INSTRUMENTS (Cont'd)

(l) Liquidity Risk Management (Cont'd)

(i) Group

	1 January 2021	Interest cost	Cash (Outflows)/ Inflows	Reclassification	Recognition of lease liabilities	31 December 2021
	Rs	Rs	Rs	Rs	Rs	Rs
Current interest bearing borrowings	**161,574,069**	**6,474,742**	**(28,332,760)**	**122,326,736**	**-**	**262,042,787**
Current lease liabilities	**35,443,570**	**2,345,058**	**(31,537,121)**	**27,278,770**	**5,397,325**	**38,927,602**
Non current interest bearing borrowings	**608,279,721**	**24,375,532**	**968,264,468**	**(122,326,736)**	**-**	**1,478,592,985**
Non current lease liabilities	**206,326,386**	**13,651,201**	**(24,120,499)**	**(27,278,770)**	**31,419,255**	**199,997,573**
	1,011,623,746	**46,846,533**	**884,274,088**	**-**	**36,816,580**	**1,979,560,947**

	1 January 2020	Interest cost	Cash Outflows	Reclassification	Recognition of lease liabilities	31 December 2020
	Rs	Rs	Rs	Rs	Rs	Rs
Current interest bearing borrowings	71,462,675	2,611,015	133,965,484	(46,465,105)	-	161,574,069
Current lease liabilities	22,229,727	1,526,375	(9,482,225)	17,178,767	3,990,925	35,443,570
Non current interest bearing borrowings	561,814,616	20,526,891	(20,526,891)	46,465,105	-	608,279,721
Non current lease liabilities	210,030,818	14,421,495	(38,654,202)	(17,178,767)	37,707,043	206,326,386
	865,537,836	39,085,776	65,302,166	-	41,697,968	1,011,623,746

(ii) Company

	1 January 2021	Interest cost	Cash Outflows	Recognition of lease liabilities	Reclassification	31 December 2021
	Rs	Rs	Rs	Rs	Rs	Rs
Current interest bearing borrowings	**70,352,211**	**1,993,343**	**(72,345,554)**	**-**	**37,472,901**	**37,472,901**
Current lease liabilities	**3,536,580**	**194,518**	**(3,766,205)**	**35,107**	**3,785,383**	**3,785,383**
Non current interest bearing borrowings	**387,884,465**	**31,740,266**	**912,744,345**	**-**	**(37,472,901)**	**1,294,896,175**
Non current lease liabilities	**21,121,668**	**1,161,727**	**(1,161,727)**	**209,672**	**(3,785,383)**	**17,545,957**
	482,894,924	**35,089,854**	**835,470,859**	**244,779**	**-**	**1,353,700,416**

	1 January 2020	Interest cost	Cash Outflows	Reclassification	31 December 2020
	Rs	Rs	Rs	Rs	Rs
Current interest bearing borrowings	68,208,629	2,751,190	(2,751,190)	2,143,582	70,352,211
Current lease liabilities	3,336,929	183,868	(3,520,797)	3,536,580	3,536,580
Non current interest bearing borrowings	390,028,047	15,731,753	(15,731,753)	(2,143,582)	387,884,465
Non current lease liabilities	24,658,248	1,358,697	(1,358,697)	(3,536,580)	21,121,668
	486,231,853	20,025,508	(23,362,437)	-	482,894,924

NOTES TO THE
FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

30. OPERATING LEASES

(a) The Group as Lessor

Leasing Arrangements

The Group leases office space with lease term of three years, with an option to extend for a further period of three years. The operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

During the year the rental income earned by the Group and Company under operating leases amounted to Rs 18,753,849 (2020: Rs 18,765,094) and Rs 2,166,000 (2020: Rs 2,193,000) respectively. Direct operating expenses incurred by the Group and Company for the year amount to Rs 4,103,590 (2020: Rs 7,653,426) and Rs Nil respectively (2020: Nil).

Non-cancellable Operating Lease Receivables

	GROUP	
	2021	2020
	Rs	Rs
Less than one year	**1,424,000**	10,678,343
Between one and two years	**-**	3,583,724
	1,424,000	14,262,067

31. NON-CURRENT RECEIVABLES

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
Prepayment for lease of land	**6,249,017**	6,729,927	**-**	-
Other receivables	**1,709,161**	1,056,472	**490,114**	490,114
	7,958,178	7,786,399	**490,114**	490,114

Advance payments were made in respect of lease of land. The advance payments are expensed in Statement of Profit or Loss and Other Comprehensive income as follows:

	GROUP	
	2021	2020
	Rs	Rs
After one year but before five years	**1,923,640**	-
More than five years	**4,325,377**	6,729,927
	6,249,017	6,729,927

Other receivables for the Group mainly relates to long-term deposits.

32. ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP		COMPANY	
	2021	2020	2021	2020
	Rs	Rs	Rs	Rs
At 1 January	**10,506,577**	-	**-**	-
Transfer to Trade and other Receivables	**(10,506,577)**	-	**-**	-
Transfer from Investment Property (Note 9)	**167,400,000**	10,506,577	**-**	-
Disposal during the year	**-**	-	**-**	-
At 31 December	**167,400,000**	10,506,577	**-**	-

The balance of Rs 167,400,000 at year end refers to recoverable amounts of properties, less costs to sell of assets that have been disposed of in February 2022. Prior period balance represents carrying book value of property which the Government decided to acquire compulsorily by way of Notice to the Group. The carrying amounts are transferred to Statement of Comprehensive Income when the assets are legally transferred to the buyer. The Assets is classified under the Investment segment of the Group.

33. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the Group financial statements relate to expatriate guarantees of Rs 2.5M (2020: Rs 2.5M), customs guarantee of Rs Nil (2020: Rs 3M), performance bond of Rs 207M (2020: Rs 335M), tender bond of Rs 10M (2020: Rs 13M), advance payment guarantees of Rs 94M (2020: Rs 77M) and guarantees of Rs 20M (2020: Rs 18.3M) to third parties.

Contingent liabilities not provided for in the Company financial statements relate to expatriates guarantees of Rs 0.1M (2020: Rs 0.1M) and custom guarantees of Rs Nil (2020: Rs 3M).

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business.

It is not anticipated that any material liabilities will arise from them and is deemed unpractical to disclose the cases individually.

34. CHANGE IN OWNERSHIP WITHOUT LOSS OF CONTROL

During the year the Company sold its directly and wholly owned subsidiary, Kolos International Ltd, to Kolos Cement Ltd for a consideration of Rs 3,946,109. The effective interests held by the Group initially decreased to 74%, being the effective holding in Kolos Cement Ltd. Additional shares were issued to Non Controlling Interests of Kolos International Ltd, resulting in a decrease in the effective shareholding of the Group to 62.9%.

Kolos International Ltd	**2021**
Analysis of Assets and Liabilities over which Control was lost:	**Rs**
Current Assets	
Receivables	77,716
Cash and Cash Equivalents	3,728,491
Current Liabilities	
Payables	(208,549)
Net Assets	3,597,658
Share of Net Assets disposed of (37.1%)	1,334,731
Movement in Equity as follows:	
Transfer from Earnings and Reserves attributable to owners:	
Foreign Currency Translation Reserves	(623,611)
Retained Earnings	(711,120)
Transfer to Non Controlling Interests	1,334,731
Consideration received on issuing additional shares to Non Controlling Interests	3,056,250

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2021

35. COVID-19 IMPACT

Most economic sectors were affected by COVID-19 during the financial year. The Government of Mauritius announced a national confinement as from 10 March 2021 for 15 days following local transmission of COVID-19 amongst the population, followed by restriction of movements in specific areas where there was a surge in the number of positive COVID-19 cases. The Group had to adapt to these circumstances and some segments were more adversely affected.

The Group was profitable altogether, although some segments were loss-making. This is specially highlighted by the financial results of one associate company in the Hospitality sector and of the Contracting segment.

Below is a summary of the COVID-19 impact on the various segments of the Group:

Building Materials Segment
Although revenue was significantly higher than in 2020, the segment achieved lower operating profit as a direct consequence of important increases in freight charges and inability to pass on the increase to end customers. The segment, however, remains profitable.

Contracting Segment
This segment achieved an operational profit during the year compared to the operating loss in 2020, which was mainly due to the longer confinement period last year. Management continues to monitor the tentative revenue contracts which are not yet secured.

Investments Segment
This segment holds investment properties which are reported on the Statement of Financial Position in Non-current assets. The investment properties and the other properties classified as land and buildings on the Statement of Financial Position are revalued by an independent valuer at each financial year end. There was no decrease in the value of the properties.

Lottery Segment
This segment shows a better operational profit compared to 2020 due to longer confinement period last year. The segment is however being hampered by lower consumer spending due COVID-19 effects. The segment continues to engage with the regulators in order to provide a digital solution to its customers which will enhance users experience and reduce risks of anti-money laundering, counter-terrorism financing, and COVID-19 transmission in line with government directives.

Associates and Joint Venture

Building Materials Segment
Our joint venture entity which is engaged in the building materials sector has been profitable for the year ended 31 December 2021.

Hospitality Segment
The associate engaged in the hospitality sector was materially impacted by the Covid-19 pandemic in 2021 despite the re-opening of the Mauritian borders. The ongoing Covid-19 situation continues to impact the global tourism industry. It is expected that recovery will be slow and gradual.

36. EVENTS AFTER THE REPORTING DATE

The Assets held for Sale amounting to Rs 167,400,000 at the reporting date were disposed of in February 2022. The current conflict between Russia and Ukraine will have a negative impact on the operations of the Group, namely though rising costs of raw materials in the Contracting and Buildings Materials Segment. The exact impact cannot be quantified at the moment. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

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