

# **Scott Investments Ltd**

## **Annual Report & Financial Statements**

**Year ended 30 September 2021**

**Scott Investments Ltd**  
**Annual report & financial statements for the Year ended 30 September 2021**

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**Scott Investments Ltd**  
**Annual Report for the Year ended 30 September 2021**

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The directors have the pleasure in submitting the Annual Report of **Scott Investments Ltd** together with the audited financial statements for the year ended 30 September 2021.

**Principal activities**

The main continuing business activities of the Group consist of

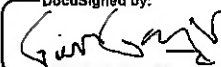
- Holding of investments
- Leasing, deposit taking, granting of credit card & hire purchase and factoring,
- Distribution of consumer goods
- The import of pharmaceutical products for sale on the domestic market
- Trading in audio visual equipment, home appliances and sundry goods
- Distribution of Nespresso products

**Directors**

The directors of the Company holding office at 30 September 2021 were as follows: -

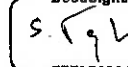
- Mr Timothy Taylor (chairman)
- Mr Marc Lagesse
- Mr Matthew Taylor
- Mrs Fiona Taylor
- Mr Sebastian Taylor

Approved by the Board of Directors on...09/05/2022.....  
and signed on its behalf by:

DocuSigned by:  
  
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**Director**

Tim Taylor

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**Director**

Sebastian Taylor

**Port Louis**  
**Republic of Mauritius.**

**Date 09/05/2022**

## Scott Investments Ltd

### Corporate Governance Report – Year ended 30 September 2021

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Scott Investments Ltd (SIL or the Company’) is classified as a public interest entity under the Financial Reporting Act and is required to adopt corporate governance practices in keeping with the National Code on Corporate Governance for Mauritius 2016 (the “Code”).

SIL through this Corporate Governance Report explains the Corporate Governance Framework in place and application of the new Code of Corporate Governance (2016).

SIL is an investment company and all business operations are carried at the level of its subsidiaries and associates. In turn, the subsidiaries and associates qualifying as Public Interest Entities apply the Principles of the new Code at their level.

#### 1. Performance

The Company’s revenue increased by 14 % and the Profit after tax by 350 % compared to last year. This was mainly driven by the performance of investment companies as well as the receipt of dividends in species following a restructuring at the level of CIM Holdings Ltd.

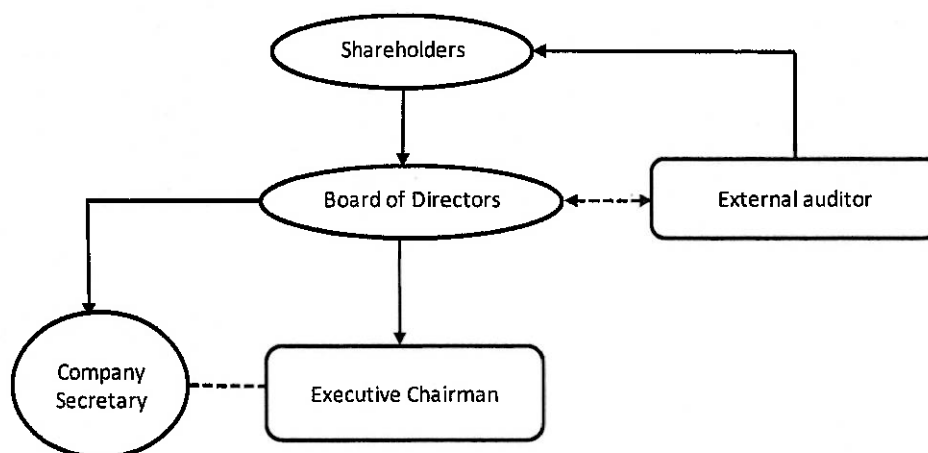
The growth in top and bottom line of our investment companies is largely attributed to the recovery in the Mauritian economy following the easing of lockdowns and restrictions associated with the COVID 19 pandemic.

#### 2. Governance Structure

The Company is headed by a unitary Board of Directors who leads and controls the organisation, ensure that it meets legal and regulatory requirements and is responsible for its sustainability.

SIL is held by family members who are well represented on the board.

SIL has in place a lean Organisational Structure with a Board of Directors, Management and External Audit functions with clear lines of responsibilities as illustrated in the table below:



The Board has adopted a Board Charter and a Code of Ethics as disclosed on the Company’s website. Given the Company’s lean operational structure, the Board has elected an Executive Chairman and validated his position statement as comprised in the Board Charter. The Board has also validated the

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

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position statement of the Company Secretary and the Statement of Accountabilities as illustrated in the graph above.

The constitution of the Company is in line with the Companies Act 2001 and provides restrictions and limitations on the transfer of Shares and for nominated directors.

**3. Board and Committees**

As at 30 September 2021, the Board of Directors comprised of five directors, two executives, two non-executives and one independent. The Board meets:

- to review the overall governance, management & performance of the Company,
- to approve its long-term objectives and strategy,
- to look at corporate governance issues.,

The Board is of opinion that its composition is well balanced in terms of expertise, skills, knowledge, independence and gender to properly discharge its duties.

Board attendance and Category in which directors fall are found hereunder:

<b>Name of Director</b>	<b>Category</b>	<b>Board Meeting</b>	<b>Reside in</b>
Mr. Marc Lagesse	Independent	3 of 3	Mauritius
Mr. Timothy Taylor	Executive	3 of 3	Mauritius
Mr. Alexander Matthew Taylor	Non-Executive	3 of 3	Mauritius
Mrs Fiona Melissa Taylor	Non-Executive	3 of 3	Mauritius
Mr Sebastian Taylor	Executive	3 of 3	Mauritius

Directors' profiles are found on pages 2(x) to 2(xi) of the report.

The Board has three scheduled meetings each year during which it:

- examines all statutory matters;
- reviews the Company's performance;
- approves the Company's budget;
- monitors revised forecasts;
- approves the audited financial statements;
- oversees governance issues relating to the Company and its subsidiaries
- reviews and approve investment strategy
- considers the declaration of interim and final dividends; and
- examines any proposed changes to capital structure and significant acquisitions, mergers, disposals and capital expenditure.

In addition, the Board meets whenever necessary between scheduled meetings to discuss urgent business. Certain decisions are taken by way of written resolutions.

## **Scott Investments Ltd**

### **Corporate Governance Report – Year ended 30 September 2021**

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#### **Board Committees**

The board of SIL considered that the setting up of board committees is not warranted as board committees are functioning at the subsidiaries level that is by Scott & Co Ltd and The Brand House Ltd which were carrying out the Group's main activities. All other corporate governance issues are taken by the board of SIL and by the board of The Brand House Ltd as far as this subsidiary is concerned.

#### **4. Directors Appointment Procedures**

The shareholding structure of the Company is composed mainly of family members and all of whom are represented on the board of Company. The Board is responsible for the process of identifying suitable candidates to be proposed to the approval of the Shareholders according to set criteria.

Given the family ownership structure, non-executive and executive directors are appointed for an indefinite period and until otherwise resolved by the shareholders. Independent non-executive directors are appointed for an indefinite period but would be considered no longer independent if his/her tenure exceeds nine years.

The Board would ensure that any newly appointed director would follow an induction programme to get acquainted with the organisation and be able to fulfil his duties promptly.

Moreover the Board reviews now and then the needs for professional development of directors and senior management, and identify training programmes of interest to them.

The Board is aware of its responsibility in respect of succession planning of key governance positions.

#### **5. Company Secretary**

ECS Secretaries Ltd, providing secretarial services to domestic companies for more than two decades and employing secretaries qualified as per the Companies Act 2001, is the corporate secretary of the Company. The Board had validated the position statement of the Company Secretary embodied in the Board Charter.

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021****6. Directors Duties, Remuneration and Performance**

Directors are aware of their legal duties including disclosure of any potential source of conflicts of interest and have adopted a Conflicts of Interest and Related Party Transaction Policy. Declaration of directors as regards the latter are recorded on a Register of Interest kept by the Company Secretary. For disclosure of related-party transactions, please refer to note 42 of the Financial Statements.

Moreover a Code of Ethics had been adopted at the Company's level.

**Information**

Directors receive relevant and accurate information to be able to take informed decisions during board meetings.

The Board also has the authority to secure the attendance at meetings of third parties with relevant experience and expertise as and when required.

**Information Technology and Information Security Governance**

SIL has adopted the Information Security Policy implemented by its subsidiary The BrandHouse Ltd.

A summary of the Information Security Policy is available on the website [www.thebrandhouse.mu](http://www.thebrandhouse.mu).

**Remuneration policy**

The remuneration package of the executive directors are paid in accordance with market rates whilst non-executive directors are paid a monthly fee.

Remuneration and benefits received were as follows:

**From the Company**

	2021 (Rs'000)			2020 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
Timothy Taylor	600	-	-	600	-	-
Alexander Matthew Taylor	-	180	-	-	3,881	-
Fiona Taylor	-	180	-	-	180	-
Sebastian Taylor	2,186	-	-	2,118	-	-
Marc Lagesse	-	-	240	-	-	240
Howard John Buttery	-	-	-	-	-	240
<b>TOTAL</b>	<b>2,786</b>	<b>360</b>	<b>240</b>	<b>2,718</b>	<b>4,061</b>	<b>480</b>

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

From the company and other related corporations

	2021 (Rs'000)			2020 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
The Company	2,786	360	240	2,718	4,061	480
The subsidiaries	1,237	5,188	360	1,117	5,789	720
<b>TOTAL</b>	<b>4,023</b>	<b>5,548</b>	<b>600</b>	<b>3,835</b>	<b>9,850</b>	<b>1,200</b>

There are no share option schemes for directors at the level of the Company.

The Executive Chairman reviews on an annual basis the adequacy of directors' and senior executives' remuneration so that it reflects the market for recommendation to the Board.

Non-Executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

Directors and Senior management are covered by Directors and Officers Indemnity insurance.

Evaluation of board and members is undertaken every 3 years.

**Directors' Interests and Dealings in Shares**

The Company is not listed on the Stock Exchange of Mauritius. There were no dealings in share of the Company during the year under review.

**Directors' Interests as at 30 September 2021**

	<u>% Direct holding</u>	<u>% Indirect holding</u>
Timothy Taylor	-	21.28%
Alexander Matthew Taylor	-	4.38%
Fiona Melissa Taylor	-	4.38%
Marc Lagesse	-	=
Sebastian Taylor	-	4.38%

**7. Risk Governance, Control and Audit****Preparation of financial statements & internal control**

The directors are responsible for ensuring that the financial statements are prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



## **Scott Investments Ltd**

### **Corporate Governance Report – Year ended 30 September 2021**

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#### **Internal Control, Internal Audit and Risk Management**

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

Smartree Consulting Ltd, appointed by the Board to review the internal control system of the Company, made some few recommendations in order to improve the supervision of the accounting process. These have immediately been implemented.

Moreover, at the level of its subsidiaries, SmarTree Consulting Ltd has been retained to provide internal control services to Scott & Co Ltd and The Brandhouse Ltd. Please refer to the annual report of these entities for more details on their internal control and risk management framework.

#### **External auditors**

Cays Associates have expressed their willingness to continue as the Company's external auditors and, in accordance with the provisions of the Companies Act 2001, will be automatically reappointed in Annual Meeting of Shareholders.

Directors and Senior Management are aware of the importance of Ethics and Environment in managing and governing the Company and such matters are taken up by the Board as applicable.

#### **Corporate social responsibility, ethics and health & safety**

The Group is an equal opportunities employer and complies with health and safety laws and regulations.

The Company is committed to the highest standards of compliance with laws and regulations, integrity and ethics in dealing with all of its stakeholders.

The CSR activities of the Group are channelled through the Scott Smile Foundation.

Please refer to the annual reports of the operating subsidiaries for more information on this matter.

#### **8. Relations with shareholders and key stakeholders**

There is no shareholder's agreement in respect of the Company which affects its governance. .

The external stakeholders of the Company and the Group namely its customers, suppliers, the Government/Regulators and the public are reached via social media platforms such as Facebook and LinkedIn as well as via advertisements. Regular channels of communication are also maintained with the regulators and the Government.

The next Annual Meeting of Shareholders ('AMS') of the Company is scheduled in March 2022 and the shareholders will receive the notice of the AMS at least 21 days prior to the meeting in accordance with law.

The Annual Report of the Company is available at the offices of Registrar of Companies.

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

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**Holding structure**

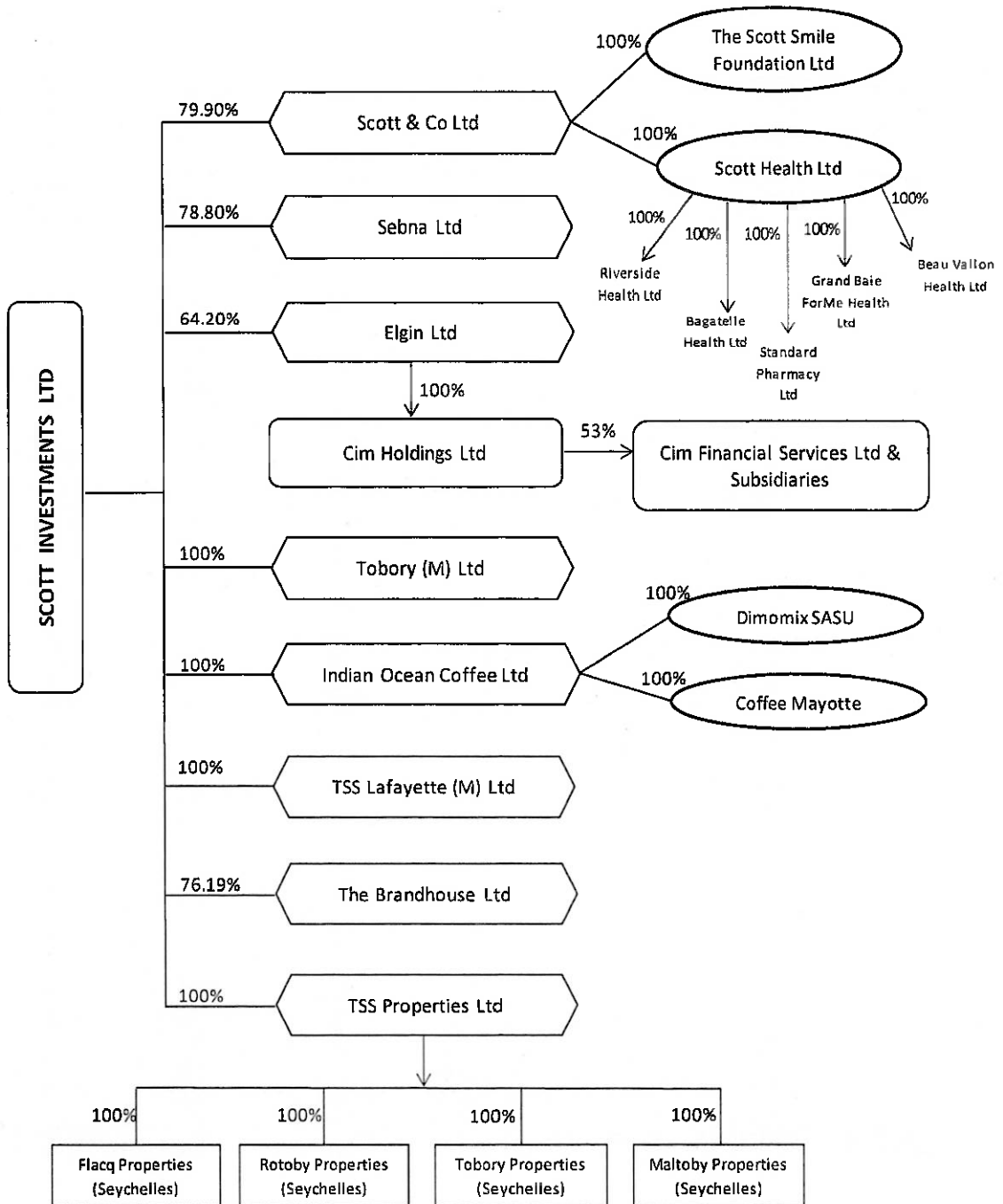
The Company is a public company limited by shares. The shareholders holding more than 5% as at 30 September 2021 are:

Name	%
Rotoby (M) Ltd	57.76%
Sylvia Scott Taylor, Jean Margaret Taylor, Dorothy Crocker, Emma Louise Farrar as Trustees of <i>The Donald Alastair Taylor No 1 Discretionary Settlement</i>	7.87%
VORSTER, Danton I. Vorster, Peter D. Vorster and Irene M.	5.65%
VORSTER, Mrs Dorothy	5.65%
TAYLOR Daniel Michael	5.34%
TAYLOR Simon Timothy	5.34%
TAYLOR Joanna Sophia	5.34%

**Scott Investments Ltd**

**Corporate Governance Report – Year ended 30 September 2021**

Cascade holding structure is as follows:



**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

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**Management Services Agreement**

The Company has a Management Services contract with its subsidiary The Brand House Ltd for its day to day operations.

**Shareholders' Agreement**

The Company is not aware of any Shareholders' Agreement.

**Shareholder events and publications**

The key shareholder events and publications are as follows:

<b>Report</b>	<b>Month</b>
Publication of Annual Report	May
<b>Event</b>	
Annual Meeting of Shareholders	May
<b>Dividend Declaration</b>	
Interim	April
Final	September
<b>Dividend Payment</b>	
Interim	May
Final	September

**Dividend Policy**

The Company has no formal dividend policy. Payment of dividends is subject to a solvency test under Companies Act 2001 and to the profitability of the Company, cash flow, working capital, foreseeable investments and capital expenditure requirements.

	<u>2021</u>	<u>2020</u>
<b>Dividend paid</b>	<b>Rs</b>	<b>Rs</b>
Interim	20,000,000	27,000,000
Final	30,000,000	18,000,000

**Share price information**

As the Company is not listed on any stock exchange, share price information is not available.

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

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**9. Directors' profiles****Timothy TAYLOR***Executive Director and Chairperson*

Tim Taylor holds a BA (Hons) in Industrial Economics from Nottingham University in the United Kingdom. He worked in United Kingdom until 1972 when he returned to Mauritius and joined Rogers, a leading Mauritian Commercial and Services Group. He became Chief Executive of Rogers in 1999 and retired in December 2006. He became Chairman (non-executive) of Rogers in 2007, retiring in October 2012. He is currently Chairman (non-executive) of Scott & Co Ltd and a Director of Cim Financial Services Ltd. Mr Taylor is the Honorary Consul of Norway in Mauritius and a past Chairman of the Mauritius Chamber of Commerce and Industry. He is a past Chairman of the National Committee on Corporate Governance. He has always had an interest in environmental and conservation issues. He has been a member of the Council of the Mauritian Wildlife Foundation since 2006 and President since 2009.

*Directorships in listed companies: Cim Financial Services  
Vivo Energy Mauritius Ltd*

**Matthew TAYLOR***Non-Executive Director*

Matthew Taylor, born in 1974, holds a BSc (Hons) in Retail Management from the University of Surrey. He joined Rogers in 2000 as Project Manager in the Planning and Development Department. He is currently the Chief Executive Officer of Scott and Company Limited.

*Directorships in listed companies: Cim Financial Services Ltd*

**Mrs Fiona Melissa Taylor***Non-Executive Director*

Fiona Taylor, born in 1982, holds a BA (Hons) in Sociology from the University of York, UK and a Masters in Advertising and Marketing from Leeds Business School, UK. She started her career with Beachcomber Hotels in London as Sales Executive and later became Sales Manager for the UK and Ireland. She moved to Mauritius in 2009 and worked for Scott & Co. Ltd then Northfields International High School. Today she runs a fishing fly business, Victoria Tackle Ltd, with her husband supplying to the European and American market.

*Directorships in listed companies: None*

**Marc Lagesse***Independent Director*

Marc Lagesse currently holds directorship in several companies operating in different sectors of the Mauritian economy. He was until recently the Chief Executive Officer of the Hertshen Group, a Mauritian based holding company with operations in 7 countries across the globe involved in international derivatives markets and property. Marc Lagesse was previously the CEO of MCB Capital Markets, part of the MCB Group where he spent 15 years. Marc Lagesse has a BSc in Statistics and Economics from University College London and an MBA from the London Business School.

*Directorships in listed companies: Medine Ltd, United Investments Limited and Excelsior United Development Companies Limited*

**Scott Investments Ltd****Corporate Governance Report – Year ended 30 September 2021**

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**Sebastian Taylor***Executive Director*

Sebastian Taylor graduated from the University of Western Australia with a Bachelor's degree in Arts majoring in Economics and Politics. He then went onto complete a Master's in Business degree at Bond University. He started his career at Quilter Cheviot Investment Management in London where he assisted with the management of investment portfolios for private clients, trusts and charities. In 2018, he returned to Mauritius and became Investment Manager for Scott Investments

*Directorships in listed companies: none*

**10. Other Statutory Requirements (section 221 of the Companies Act 2001)****Directors' Service Contracts**

Two directors have employment contracts with the Company.

**Donations**

Donations (excluding CSR) amounting to Rs 1,126k were made during the year by the Company. The Company made no political donations for the year under review.

**Auditors' Fees**

The fees paid/payable to the auditors by the Company were:

	<u>2021</u> Rs'000	<u>2020</u> Rs'000
Cays Associates		
- External audit	330	310
- Internal audit of subsidiaries	805	715
- Financial due diligence	-	325

**Contracts of Significance**

During the year under review there was no contract of significance to which the Company or its subsidiaries were a party and in which a director of the Company was materially interested either directly or indirectly.



**ECS SECRETARIES LTD**

**Company Secretary**

Date 09/05/2022.....

**Scott Investments Ltd****Statement of Compliance – Year ended 30 September 2021****STATEMENT OF COMPLIANCE**  
**(Section 75(3) of the Financial Reporting Act)**

Name of Public Interest Entity: Scott Investments Ltd

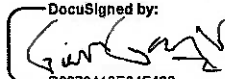
Reporting Period: Year ended 30 September 2021

Throughout the year ended 30 September 2021 to the best of the Board's knowledge Scott Investments Ltd has complied partially with the Corporate Governance Code for Mauritius (2016).

The areas of non-compliance are:

Principle	Areas of non-compliance	Explanation
Principle 2	No Board Committees have been formed.	Refer to paragraph 3 of the Corporate Governance report
Principle 3	Executive and Non-Executive directors are appointed until otherwise resolved by the shareholders.	Board and Shareholders considered this as appropriate given the family shareholding structure
Principle 5	Whistle blowing procedures	Procedures are in place at the level of the subsidiaries where operations are conducted.
Website	Publication of a website	Due to the small scale of the organisational structure and the family ownership structure, a reduced list of documents has been published on the website

Date : 09/05/2022

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**Director**

Tim Taylor

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**Director**

Sebastian Taylor

**Scott Investments Ltd**

**Statement of Directors' Responsibilities – Year ended 30 September 2021**

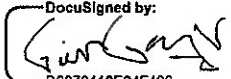
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**Statement of Directors' Responsibilities in respect of financial statements**

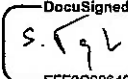
Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether International Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company
- Ensure that the financial statements of the Group and the Company comply with the Companies Act 2001
- Safeguard the assets of the Group and the Company
- Take reasonable steps to prevent and detect fraud and other irregularities.
- Ensure that the code of corporate governance has been adhered to and reasons have been provided where there has not been compliance.

The directors confirm that they have complied with the above requirements in preparing the financial statements and that adequate accounting records and an effective system of internal control and risk management have been maintained.

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**Director**  
Tim Taylor

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**Director**  
Sebastian Taylor



**Scott Investments Ltd**  
**Secretary's Certificate for the Year ended 30 September 2021**

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In our capacity as Company Secretary of **Scott Investments Ltd** (the "Company"), we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the year ended 30 September 2021, all such returns, as are required, in terms of the Companies Act 2001.



Company Secretary

**ECS SECRETARIES LTD**

**Port Louis**  
**Republic of Mauritius.**

**Date 09/05/2022**

## **Report of the Independent Auditors to the Shareholders of Scott Investments Ltd**

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### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of **Scott Investments Ltd** which are made up of the consolidated financial statements (the Group) and of its separate financial statements (the Company) and which comprise the Statements of Financial Position as at 30 September 2021 and the Statements of Profit or Loss & Other Comprehensive Income, Statements of Changes of Equity and Statements of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

#### *Basis of our opinion*

- We conducted our audit in accordance with International Standards on Auditing (ISAs). Refer to paragraph entitled '*Auditors' responsibilities for the audit of the financial statements*' below.
- We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements (in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)).
- We have fulfilled our other ethical responsibilities in accordance with these requirements and
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the directors of the Company*

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

#### *Responsibilities of the auditors for the audit of the financial statements*

Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and
- to issue a 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 financial statements.

**Report of the Independent Auditors to the Shareholders of  
Scott Investments Ltd**

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Refer to our website at: [www.caysassociates.com](http://www.caysassociates.com) for further details of our responsibilities forming part of this report.

**Report on other legal and regulatory requirements**

*Companies Act 2001*

- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors and dealings in the ordinary course of business.
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

*Financial Reporting Act 2004*

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

*Cays Associates* *Success*

**Cays Associates**  
Public Accountants

**C. Ah Yuk Shing FCCA**  
Licensed by FRC

Date: 09 MAY 2022


**Scott Investments Ltd**  
**Statements of Financial Position at 30 September 2021**

	Note	Group		Company	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Non-current assets</b>					
Plant & equipment	7	539,948	104,328	614	830
Investment properties	8	159,279	145,788	-	-
Right-of-use assets	9	715,438	589,707	2,481	2,576
Intangible assets	10	492,340	382,340	-	-
Interests in subsidiaries	11	-	-	2,274,735	696,464
Investment in joint venture	12	-	1,762,135	-	1,220,780
Investments in associates	13	13,228	8,684	9,759	9,759
Investments in equity securities	14	388,147	381,262	387,314	381,229
Investments in debt instruments	15	161,887	34,187	34,187	34,187
Receivables under finance leases & credit agreements	16	4,431,600	-	-	-
Loans receivable (finance sector activity)	17	3,655,200	-	-	-
Loans receivable	18	49,023	-	109,523	88,855
Deposits receivable	22	300,900	-	-	-
Deferred tax assets	26	253,207	2,004	-	-
		<u>11,160,197</u>	<u>3,410,435</u>	<u>2,818,613</u>	<u>2,434,680</u>
<b>Current assets</b>					
Receivables under finance leases & credit agreements	16	3,496,600	-	-	-
Loans receivable (finance sector activity)	17	2,769,100	-	-	-
Loans receivable	18	3,725	6,555	3,756	20,260
Assets held for sale	19	14,400	-	-	-
Inventories	20	1,241,388	1,195,404	-	-
Trade & other receivables	21	979,890	593,920	62,451	20,212
Deposits receivable	22	230,591	116,171	105,391	116,171
Cash at bank & in hand		873,353	286,389	252,990	68,312
		<u>9,609,047</u>	<u>2,198,439</u>	<u>424,588</u>	<u>224,955</u>
<b>Current liabilities</b>					
Bank overdrafts	23	204,855	243,366	-	-
Loans payable	27	3,225,386	89,011	-	-
Lease liabilities	28	136,713	99,950	76	69
Trade & other payables	24	2,330,622	692,078	15,283	9,985
Provisions	25	51,779	57,210	-	-
Tax payable	26	275,289	4,853	1,840	365
Dividend payable	Page 7(ii)	30,000	-	30,000	-
		<u>6,254,644</u>	<u>1,186,468</u>	<u>47,199</u>	<u>10,419</u>
<b>Net current assets</b>		<u>3,354,403</u>	<u>1,011,971</u>	<u>377,389</u>	<u>214,536</u>
		<u><b>14,514,600</b></u>	<u><b>4,422,406</b></u>	<u><b>3,196,002</b></u>	<u><b>2,649,216</b></u>

**Scott Investments Ltd**  
**Statements of Financial Position at 30 September 2021**

	Note	Group		Company	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Capital &amp; reserves</b>					
Share capital		1,683	1,683	1,683	1,683
Reserves		3,689,302	3,595,118	3,186,097	2,640,676
<b>Equity attributable to owners of the Company</b>		<b>3,690,985</b>	<b>3,596,801</b>	<b>3,187,780</b>	<b>2,642,359</b>
Non-controlling interests		3,243,354	195,370	-	-
	Page 7	<u>6,934,339</u>	<u>3,792,171</u>	<u>3,187,780</u>	<u>2,642,359</u>
<b>Non-current liabilities</b>					
Loans payable	27	6,749,093	43,744	-	-
Lease liabilities	28	638,445	512,428	2,560	2,586
Employee benefit liabilities	29	166,899	53,514	5,662	4,271
Redeemable shares	30	25,824	20,549	-	-
		<u>7,580,261</u>	<u>630,235</u>	<u>8,222</u>	<u>6,857</u>
		<u><b>14,514,600</b></u>	<u><b>4,422,406</b></u>	<u><b>3,196,002</b></u>	<u><b>2,649,216</b></u>

These financial statements were approved & authorised for issue by the Board of Directors on ...09/05/2022.....

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**Director**

Tim Taylor

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**Director**

Sebastian Taylor

**Scott Investments Ltd**  
**Statements of Profit or Loss & Other Comprehensive Income**  
**for the Year ended 30 September 2021**

	Note	Group		Company	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Revenue	31	5,158,350	4,953,090	40,835	35,772
Cost of sales	32	(4,116,910)	(3,970,518)	-	-
Gross profit		1,041,440	982,572	40,835	35,772
Other income & gains	33	187,553	202,080	5	266
Dividend income	34	14,213	6,305	91,620	90,933
Interest income	35	9,431	3,267	12,944	7,162
Share of profit of joint venture	12	110,057	30,000	-	-
Share of loss of associates	13	2,810	(3,462)	-	-
Gain on foreign exchange	36	26,844	19,150	17,993	17,866
Administrative & selling expenses	37	(990,747)	(978,198)	(34,543)	(31,451)
Other expenses & losses	38	(5,275)	(1,062)	-	(23)
Interest expenses	39	(46,095)	(50,477)	(1,202)	(619)
		350,231	210,175	127,652	119,906
Non-recurrent items	40	176,528	-	394,747	-
Profit before tax		526,759	210,175	522,399	119,906
Tax expense	26	(26,349)	(34,777)	(4,825)	(4,869)
<b>Profit for the year</b>	Page 7	<b>500,410</b>	<b>175,398</b>	<b>517,574</b>	<b>115,037</b>
<b>Other comprehensive (loss)/income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Share of other reserve of joint venture	12	10,304	(10,400)	-	-
(Loss) on translation of financial statements of associates	13	1,734	(226)	-	-
Gain/(loss) on translation of financial statements of subsidiaries		14,966	17,527	-	-
Gain/(loss) on fair value of investment in equity securities	14	78,238	(42,579)	78,238	(42,579)
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of employee benefit liabilities	29	8,388	(28,694)	(391)	-
<b>Other comprehensive (loss)/income</b>		<b>113,630</b>	<b>(64,372)</b>	<b>77,847</b>	<b>(42,579)</b>
<b>Comprehensive income for the year</b>		<b>614,040</b>	<b>111,026</b>	<b>595,421</b>	<b>72,458</b>
<i>Profit for the year attributable to</i>					
Owners of the Company		463,359	148,844		
Non-controlling interests		37,051	26,554		
		<b>500,410</b>	<b>175,398</b>		
<i>Comprehensive income for the year attributable to</i>					
Owners of the Company		574,961	90,715		
Non-controlling interests		39,079	20,311		
		<b>614,040</b>	<b>111,026</b>		

## Statements of Changes in Equity for the Year ended 30 September 2021

**Group****Equity attributable to owners of the Company**

	Stated capital* Rs'000	Reserves of joint venture Rs'000	Exchange difference on translation of associates & foreign subsidiaries Rs'000	Remeasurement employee benefit liabilities Rs'000	Fair value reserve - investment in equity securities Rs'000	Retained earnings Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
<b>a</b>									
At 01 October 2019	1,683	802,289	(3,925)	2,682	(13,449)	2,761,806	3,551,086	190,241	3,741,327
Profit for the year (page 6)	-	-	-	-	-	148,844	148,844	26,554	175,398
Other comprehensive income / (loss) for the year (page 6)	-	(10,400)	17,301	(22,451)	(42,579)	-	(58,129)	(6,243)	(64,372)
Comprehensive income / (loss) for the year (page 6)	-	(10,400)	17,301	(22,451)	(42,579)	148,844	90,715	20,311	111,026
Increase of NCI in subsidiaries	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(15,182)	(15,182)
Dividends (page 7 (ii))	-	-	-	-	-	(45,000)	(45,000)	-	(45,000)
At 30 September 2020	1,683	791,889	13,376	(19,769)	(56,028)	2,865,650	3,596,801	195,370	3,792,171
<b>b</b>									
At 01 October 2020	1,683	791,889	13,376	(19,769)	(56,028)	2,865,650	3,596,801	195,370	3,792,171
Profit for the year (page 6)	-	-	-	-	-	463,359	463,359	37,051	500,410
Other comprehensive income / (loss) for the year (page 6)	-	10,304	16,700	6,360	78,238	-	111,602	2,028	113,630
Comprehensive income / (loss) for the year (page 6)	-	10,304	16,700	6,360	78,238	463,359	574,961	39,079	614,040
Consolidation adjustment ( note 44)	-	-	-	-	-	-	-	3,026,498	3,026,498
Deconsolidation adjustment (note 12)	-	418,582	-	-	-	(849,359)	(430,777)	-	(430,777)
Fair value gain realised on disposal of investment	-	-	-	-	31,536	(31,536)	-	-	-
Reclassification following acquisition of subsidiary	-	(1,220,775)	-	-	-	1,220,775	-	-	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(17,593)	(17,593)
Dividends (page 7 (ii))	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
At 30 September 2021	1,683	-	30,076	(13,409)	53,746	3,618,889	3,690,985	3,243,354	6,934,339

**Scott Investments Ltd**  
**Statements of Changes in Equity for the Year ended 30 September 2021**

Company	Equity attributable to owners of the Company					Total
	Stated capital*	Reserves of joint venture	Remeasurement employee benefit liabilities	Fair value reserve - investment in equity securities	Retained earnings	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
<b>2020</b>						
At 01 October 2019	1,683	1,220,775	90	(13,449)	1,405,802	2,614,901
Profit for the year (page 6)	-	-	-	-	115,037	115,037
Other comprehensive income/(loss) for the year (page 6)	-	-	-	(42,579)	-	(42,579)
Comprehensive income for the year (page 6)	-	-	-	(42,579)	115,037	72,458
Dividends**	-	-	-	-	(45,000)	(45,000)
At 30 September 2020	<u>1,683</u>	<u>1,220,775</u>	<u>90</u>	<u>(56,028)</u>	<u>1,475,839</u>	<u>2,642,359</u>
<b>2021</b>						
At 01 October 2020	1,683	1,220,775	90	(56,028)	1,475,839	2,642,359
Profit for the year (page 6)	-	-	-	-	517,574	517,574
Other comprehensive income/(loss) for the year (page 6)	-	-	(391)	78,238	-	77,847
Comprehensive income for the year (page 6)	-	-	(391)	78,238	517,574	595,421
Fair value loss realised on disposal of investment	-	-	-	31,536	(31,536)	-
Reclassification following acquisition of subsidiary	-	(1,220,775)	-	-	1,220,775	-
Dividends**	-	-	-	-	(50,000)	(50,000)
At 30 September 2021	<u>1,683</u>	<u>-</u>	<u>(301)</u>	<u>53,746</u>	<u>3,132,652</u>	<u>3,187,780</u>
	<b>Group &amp; Company</b>					
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>		
	No of shares	No of shares	Rs'000	Rs'000		
<b>* Share capital</b>						
<i>Issued &amp; fully paid</i>						
Ordinary shares of Rs 10 each	<u>168,299</u>	<u>168,299</u>	<u>1,683</u>	<u>1,693</u>		
<b>** Dividends</b>						
<i>a Declared &amp; paid</i>						
Interim for the current year - Rs 118.84 per share (2020 - Rs 160.43 per share)					20,000	27,000
Final for the current year - Nil (2020 - Rs 106.95 per share)					-	18,000
<i>b Declared &amp; payable</i>						
Final for the current year - Rs 178.25 (2020 - Nil)					<u>30,000</u>	-
					<u>50,000</u>	<u>45,000</u>



**Scott Investments Ltd**  
**Statements of Cash Flows for the Year ended 30 September 2021**

	Note	Group		Company	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Operating activities</b>					
Profit before tax	Page 6	526,759	210,175	522,399	119,906
<i>Adjustment for:</i>					
Non-recurrent items	40	(176,528)	-	(176,528)	-
Dividend income	34	(14,213)	(6,305)	(91,620)	(90,933)
Interest income	39	(9,431)	(3,267)	(12,944)	(7,162)
Share of profit of joint venture	12	(110,057)	(30,000)	-	-
Share of loss of associates	13	(2,810)	3,462	-	-
(Gain)/loss on disposal of plant & equipment	33 & 38	(2,377)	1,062	-	-
(Decrease)/increase in fair value of redeemable shares	33 & 38	5,275	(621)	-	-
Depreciation of plant & equipment & investment properties	7 & 8	49,832	51,412	218	216
Depreciation of right-of-use assets	9	118,305	114,170	146	143
Amortisation of intangible assets	10	5,540	6,269	-	-
Allowance for credit losses	37	(15,597)	15,121	-	-
(Gain)/loss on disposal of investments in subsidiaries	33 & 38	-	(50)	-	23
Interest expenses	39	46,095	50,477	1,202	619
Employee benefit liabilities		2,273	657	1,000	-
<i>Change in working capital:</i>					
Inventories		(38,004)	(37,389)	-	-
Trade & other receivables		(28,363)	111,769	(5,204)	854
Trade & other payables		75,516	70,292	5,298	(3,258)
Provisions		(7,204)	(1,971)	-	-
		425,011	555,263	243,967	20,408
Interest received	39	2,850	4,196	6,364	8,091
Interest paid	39	(48,095)	(50,465)	(1,202)	(619)
Tax paid	26	(30,463)	(48,372)	(3,350)	(2,781)
<b>Net cash from operating activities</b>		<b>349,303</b>	<b>460,622</b>	<b>245,779</b>	<b>25,099</b>
<b>Investing activities</b>					
Acquisition of plant & equipment		(39,958)	(42,196)	(2)	(47)
Acquisition of intangible assets	10	(5,215)	(8,162)	-	-
Payment to creditors on acquisition of subsidiaries (Investment in) / maturing interest-bearing term deposits		-	(39,171)	-	-
Other funds invested in subsidiaries		-	-	-	(39,171)
Acquisition of investments in equity securities	14	(4,438)	(18,971)	(4,438)	(18,971)
Acquisition of investments in debt securities	15	-	(34,000)	-	(34,000)
Proceeds - disposal of investments in subsidiaries		-	2	-	2
Additional contribution received on disposal of assets held for sale	14	68,000	-	68,000	-
Proceeds - disposal of plant & equipment		1,635	5,367	-	-
Proceeds - disposal of intangible assets		-	590	-	-
Dividend received		30,346	40,504	(157,054)	122,261
Loans recouped/(granted) (net)	18	19,882	(6,556)	41,683	(38,956)
<b>Net cash from/(used in) investing activities</b>		<b>81,032</b>	<b>(125,914)</b>	<b>(41,031)</b>	<b>(32,203)</b>

**Scott Investments Ltd**  
**Statements of Cash Flows for the Year ended 30 September 2021**

	Note	Group		Company	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Financing activities</b>					
Loans received		46,764	61,248	-	-
Loans repaid		(37,043)	(40,774)	-	-
Lease capital repayment		(107,342)	(95,824)	(70)	(64)
Dividends paid to NCI in subsidiaries		(6,048)	(27,053)	-	-
Dividends paid	Page 7	(20,000)	(73,000)	(20,000)	(73,000)
<b>Net cash (used in) financing activities</b>		<b>(123,669)</b>	<b>(175,403)</b>	<b>(20,070)</b>	<b>(73,064)</b>
<b>Increase/(decrease) in cash &amp; cash equivalents</b>		<b>306,666</b>	<b>159,305</b>	<b>184,678</b>	<b>(80,168)</b>
<b>Cash &amp; cash equivalents at 1 October</b>		<b>43,023</b>	<b>(118,274)</b>	<b>68,312</b>	<b>148,480</b>
<b>Cash &amp; cash equivalent in subsidiary acquired</b>	44	<b>317,500</b>	-	-	-
<b>Gain on foreign exchange on cash &amp; cash equivalent</b>		<b>1,309</b>	<b>1,992</b>	-	-
<b>Cash &amp; cash equivalents at 30 September</b>		<b>668,498</b>	<b>43,023</b>	<b>252,990</b>	<b>68,312</b>
<b>Cash &amp; cash equivalents are:</b>					
Cash at bank & in hand	Page 5	873,353	286,389	252,990	68,312
Bank overdrafts	Page 5	(204,855)	(243,366)	-	-
		<b>668,498</b>	<b>43,023</b>	<b>252,990</b>	<b>68,312</b>
<b>Non-cash transactions excluded from the above statement of cash flows</b>					
• Acquisition of right-of-use assets		68,487	662,479	-	-
• Disposal proceeds of investment in equity securities & acquisition of additional interest in joint venture (share exchange)		357,491	-	357,491	-

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 1 General information

Scott Investments Ltd is a limited liability company incorporated and domiciled in the Republic of Mauritius. Its registered address is Rogers Riche Terre 1, Riche Terre, Republic of Mauritius.

The main business activities of the Group are

- Holding of investments
- Leasing, deposit taking, granting of credit card & hire purchase and factoring,
- Distribution of consumer goods
- The import of pharmaceutical products for sale on the domestic market
- Manufacturing, processing and bottling of fruit juices
- Distribution of Nespresso products
- Trading in audio-visual equipment, home appliances and sundry goods.

#### 2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2001 and under the historical cost convention as modified by

- the valuation of investments in equity securities at fair value;

These financial statements are made up of:

- the consolidated financial statements comprising the Company, all its subsidiaries and joint venture & associate (accounted for on an equity basis) collectively the 'Group' and
- the separate financial statements of the Company (the 'Company').

#### 3 Functional & presentation currency

The financial statements are presented in Mauritian rupees (the Group's functional currency), rounded to nearest thousand (Rs'000) unless otherwise stated.

#### 4 Critical accounting estimates & judgements

In preparing these financial statements, management makes estimates and assumptions based on historical experience and expectations of future events that are considered to be reasonable under the appropriate circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical estimates and assumptions made during the year that might have a significant risk of causing material adjustment to the carrying amounts of the Group's assets and liabilities are as follows:

- *Revaluation of property, plant & equipment*  
The Group measures certain property, plant & equipment at revalued amounts with differences between revalued amount and carrying amount being presented and recognised in other comprehensive income and equity. The Group engaged an independent valuation specialist to determine the revalued amount based on prevailing market condition.
- *Depreciation of property, plant & equipment*  
Estimated useful lives of property, plant & equipment are determined based on management's historical experience and comparable market available data.
- *Valuation of investments in financial assets*  
The fair value of investments not quoted in active market is determined by using valuation technique earnings, net asset value or discounted cash flows whichever is appropriate.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 4 Critical accounting estimates & judgements (cont'd)

- *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit, to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

- *Valuation of investment properties*

The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

Investment properties are measured based on estimates prepared by independent real estate valuation experts. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Note 14. Investment properties under development – Note 15

- *Estimated of net realisable value for inventory properties*

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property is the same geographical market serving the same real estate segment.

NRV in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

- *Right-of-use assets & lease liabilities*

The Group determines the lease term as non-cancellable term of lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, it is reasonably certain not to be exercised.

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses the lessee's incremental borrowing rate of interest, that is, the rate of interest, the lessee would have to pay on a similar lease or, if that is not determinable, the rate at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.

- *Employee benefit liabilities*

The present value of retirement benefit obligations depends on a number of factors that are assessed annually by an independent firm of consulting actuaries. The actuarial valuation involves making assumptions on discount rates, future pension increases, mortality rates, salary increases and expected rates of return on plan assets.

- *Deferred tax assets*

Deferred tax assets are recognised in respect of deductible temporary differences to the extent that it is probable that future taxable profit will be available which these temporary differences can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 4 Critical accounting estimates & judgements (cont'd)

- *Limitation of sensitivity analysis*

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

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

#### 5 Application of new IFRS & interpretations

The Group is evaluating the applicability & relevance of certain new/revised standards & interpretations to existing standards (which are not yet effective) on the Group's operations and its impact on the financial statements of the Group in terms of results, presentation or disclosure.

In alignment with the refined definition of Materiality in IASB Conceptual framework, IAS 1 & 8, certain information that is generally required by a standard, being assessed as immaterial, has been or may have been omitted in these financial statements.

#### 6 Accounting policies

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

The accounting policies set out below are, as far as possible, presented in the same chronological order, as the items/headings in the statement of financial position & statement of profit or loss. Accounting policies in respect of financial instruments are described under the relevant financial assets and liabilities.

##### 6.1 *Receivables under leases & credit agreements*

Finance leases granted are initially recognised as 'receivables under finance leases' at an amount equal to the present value of minimum lease payments receivable ie the gross receivables in the leases less the unearned future income.

The earned finance income is recognised on the basis of a pattern reflecting a constant periodic rate of return on the net investment in the finance leases.

Any credit losses for receivables under finance leases are estimated by management based on prior experience and the economic environment. Receivables under finance leases are classified as current assets except for maturities greater than 12 months after the year end. These are then classified as non-current assets.

##### 6.2 *Investment properties and plant & equipment*

Investment properties and plant & equipment are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.2 Investment properties and plant & equipment (cont'd)

Depreciation is calculated to write off the cost of items of investment properties, plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss, unless it is required to be capitalised to another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:-

• Investment properties	50 years
• Refurbishment of showrooms	4 – 6.67 years
• Plant & machinery	6 - 7 years
• Furniture & equipment	15 -10 years
• Motor vehicles	15 - 25 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Plant & equipment are derecognised when these are disposed of or permanently withdrawn from use. Any gain or loss arising on the disposal or retirement of an item of plant & equipment is determined as the difference between the sales proceeds and the carrying amount of that item and is recognised in profit or loss at the date of disposal or retirement.

##### 6.3 Loans receivable

Loans receivable are initially recognised at fair value when the Group's becomes a party to the contract and are subsequently measured at amortized cost using the effective interest method less any impairment losses.

These loans and deposits are derecognised when the receivables have been collected or the rights to receive the cash flows have expired.

These are classified as current assets except for maturities greater than 12 months after the reporting date. These are then classified as non-current assets.

##### 6.4 Right-of-use assets

The Company (as a lessee) recognises a right-of-use asset and a lease liability at the lease commencement date in respect of its leases, other than short term and low value leases.

Right-of-use assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and any impairment losses.

Cost comprises

- the amount of the initial measurement of the lease liability adjusted for any lease payments at or before the commencement date, plus
- any initial direct costs incurred by the lessee, plus
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located, less
- any lease incentives received.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.4 Right-of-use assets (cont'd)

Depreciation is calculated to write off the cost of right-of-use assets using the straight-line method over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term and is recognised in profit or loss.

The estimated useful lives and lease terms for the current and comparative periods are as follows: -

- Buildings 6 years
- Motor vehicles 5 - 8 years

##### 6.5 Intangible assets

- Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognised as fair value at the acquisition date.

Goodwill on consolidation is initially recognised as the excess of the cost of acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition and is subsequently measured at that amount less any impairment losses.

- Computer software

Purchased computer software is initially recognised at cost and is subsequently measured at cost less accumulated amortisation and any impairment losses.

Amortisation of computer software is calculated, using the straight-line basis, so as to allocate their cost over their estimated useful lives of 2 to 8 years and is recognised in profit or loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### 6.6 Investments in subsidiaries

###### In the Financial Statements of the Group

The Group's financial statements include the Company and all its subsidiaries.

###### *Control of a subsidiary*

- The results of any subsidiary acquired or disposed of during the year are included in the Group's profit or loss from the date on which control is transferred to the Group or up to the date that control ceases.
- The purchase consideration of an acquisition of subsidiary is allocated to the assets and liabilities based on fair value at the respective date of acquisition. Any excess of the purchase consideration over the fair value of the net assets acquired is recognised as goodwill on consolidation under intangible assets (para. 6.2).

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.6 Investments in subsidiaries (cont'd)

- If the fair value of the net assets acquired is less than the purchase consideration the difference is recognised directly in profit or loss as a bargain purchase.

##### *Loss of control of a subsidiary*

- Investments in subsidiaries are derecognised when the Group disposes or ceases to have control on a subsidiary.
- The gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying value of the net assets including any goodwill of that subsidiary and is recognised in profit or loss.

##### *Consolidation procedures*

- Like items of assets, liabilities, equity, income, expenses & cash flows of the parent & its subsidiaries are combined.
- The carrying amount of the parent investment in each subsidiary & the parent's portion of equity of each subsidiary are eliminated resulting in goodwill on consolidation.
- Intra-group balances & transactions (including unrealised gains or losses thereon) are eliminated.
- Uniform accounting policies are applied for like transactions.
- Any non-controlling interest in a subsidiary is recognised at its proportionate share of the net assets of that subsidiary.

##### *In the Financial Statements of the Company*

Investments (as equity & as funds for deemed investments) in subsidiaries are initially recognised at cost and subsequently measured at cost less any impairment losses.

Investments in subsidiaries are derecognised when these are disposed of and or the Group ceases to control. Any gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying amount of the investment in the subsidiary and is recognised in profit or loss at the date of disposal.

##### 6.7 Investments in joint ventures/associates

##### *In the Financial Statements of the Group*

Investments in joint ventures (joint control)/associates (shareholding of 20% to 50%) are accounted for under the equity method of accounting from the date on which they become joint ventures/associates. Under this method, the investments are initially recognised at cost and subsequently adjusted for the post-acquisition change in the Group's share of net assets of the joint ventures/associates.

Any excess between the cost of the investment over the share of the net fair value of the joint venture's/associate's net assets (goodwill) is included in the carrying amount of that investment.

The results of joint ventures/associates acquired or disposed of during the year are included in the Group's profit or loss from the date of their acquisition or up to the date of their disposal. The Group's share of the changes in the joint ventures/associates' equity that has not been recognized in the Group's profit or loss is recognized directly in the Group's other comprehensive income.

Dividends receivable from the joint ventures/associates are deducted from the carrying amount of the investments.



## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.7 Investments in joint ventures/associates (cont'd)

Investments in joint ventures/associates are derecognised when these are disposed of. Any gain or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of these investments in joint ventures/associates in the group financial statements and is recognised in profit or loss at the date of disposal.

##### In the Financial Statements of the Company

Investments in joint ventures (joint control)/associates (shareholding of 20% to 50%) are initially recognised at cost and subsequently measured at cost less any impairment losses.

Investments in joint ventures/associates are derecognised when these are disposed of. Any gain or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of these investments in joint ventures/associates in the separate financial statements and is recognised in profit or loss at the date of disposal.

##### 6.8 Investments in equity securities

Acquisition of investments in equity securities are recognized on the trade-date and are initially measured at cost plus transaction costs. These equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise as financial assets at fair value through other comprehensive income are considered as strategic investments.

They are subsequently measured at fair value. Any gain or loss in fair value is recognised in other comprehensive income.

Investments in securities are derecognized on disposal. Any gain or loss arising on the disposal of an investment is determined as the difference between the sale proceeds and the carrying amount of that investment and is recognized in profit or loss at the date of disposal. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from gain/loss on fair value reserve to retained earnings.

##### 6.9 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average method in general & first in first out method for pharmaceutical products.

When inventories are sold, the carrying amount of those inventories are recognised as cost of sales in the period in which the related revenue is recognised.

##### 6.10 Trade & other receivables

Trade & other receivables are initially recognised at fair value when the Group becomes a party to the contract with the customer for sales of goods or services and are subsequently measured at amortised cost net of any allowance for credit losses, estimated by management based on prior experience and the economic environment.

Trade & other receivables are classified as current assets as they are short term in nature.

Trade & other receivables are derecognised when the receivables have been collected and/or the contractual rights to receive the cash flows have expired.

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

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**6 Accounting policies (cont'd)**

**6.11 Impairment of assets**

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

**6.12 Cash & cash equivalents**

Cash and cash equivalents consist of cash in hand and at bank less bank overdrafts.

**6.13 Loans payable & overdrafts**

Loans payable & overdrafts are initially recognised at fair value, net of transaction costs when the Group becomes a party to the contractual provisions of the contract and are subsequently measured at amortised cost using the effective interest method. These liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. These are then classified as non-current liabilities. The liabilities are derecognised when, and only when, the Group's obligations have been discharged, cancelled or expired.

**6.14 Leases**

*Leased assets*

Leases that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the relevant asset.

*Leased payments*

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**6.15 Trade & other payables**

Trade & other payables are initially recognised at fair value, which is normally the invoiced price, by the suppliers when the Group becomes a party to the contract with the suppliers for purchase of goods or services and are subsequently measured at amortised cost.

Trade & other payables are classified as current liabilities as they are short term in nature.

Trade & other payables are derecognised when and only when the obligations have been discharged, cancelled or have expired.

**6.16 Provisions**

Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in profit or loss.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.16 Provisions (cont'd)

###### *Provision for bulk discounts & incentives*

Provision is made on a % of the yearly sales of goods for each calendar year, as agreed with the customers.

###### *Provision for warranty costs*

The Group guarantees that products are free from defects in workmanship, materials and manufacture over a predetermined period. The Group makes estimates for potential warranty costs based on historical experience. Such estimates are inherently difficult to estimate and are based on management's best judgement at the time. The management routinely reviews provisions for product warranty in the light of latest available information

##### 6.17 Income tax

###### *Tax expenses*

Tax expense comprises current and deferred tax and is recognised in profit or loss. The tax expenses are calculated using tax rates enacted at the reporting date.

###### *Tax payable*

Tax payable for the current and prior periods is measured at the amount expected to be paid to the tax authorities

###### *Deferred tax liabilities or assets*

Deferred tax liabilities or assets for tax payable or recoverable in future periods are recognised on all temporary differences arising between the tax bases of the liabilities and assets and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

##### 6.18 Share capital

Ordinary share capital is classified as equity.

##### 6.19 Employee benefits

###### *Short-term employee benefits*

Short term employee benefits are recognised as an expense in profit or loss as the related service is provided. A liability (accrued expense) is recognised for any amount not yet paid during the reporting period for which the Group has a legal or constructive obligation to pay as a result of past service provided by the employees and the amount can be estimated reliably.

###### *Defined contribution plan*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Group does not have legal or constructive obligations to pay further contributions except to provide for liability for shortfall in gratuity on retirement under the Workers' Rights Act 2019 (if any).

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.19 Employee benefits (cont'd)

###### *Defined benefit plan*

All employees of the Group who were previously members of the Defined Benefit Superannuation Fund (DBSF) a defined benefit pension plan transferred to the above defined contribution plan. These employees, subject to them contributing regularly to the above defined contribution plan, have been given the guarantee by the Group that their benefits at normal retirement age would not be less than the benefits provided under the previous plan. The potential liability under the above guarantee is funded by additional contributions by the Group and has been included in the provision made for employee benefit liabilities.

The present value of these defined benefit obligations is recognized in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets and any unrecognized past service cost. The assessment of these obligations is carried out by professional actuaries.

The current service cost and any past service cost are included as an expense together with the associated interest expense, net of expected return on plan assets.

###### *Other post-retirement benefit liabilities*

The net present value of gratuity on retirement payable under the Workers' Rights Act 2019 for employees who are not covered (or who are insufficiently covered by the above pension plan) is calculated by a qualified actuary and recognised as a non-current liability. The obligations arising under this item are not funded.

###### *State plan*

Social contributions payable are recognised as short term employee benefits in profit or loss in the period in which these fall due.

##### 6.20 Foreign currency translation

###### *In the Financial Statements of the Group*

The financial position, results and cash flows of an entity whose functional currency is different from the presentation currency (Mauritian rupees) are translated into Mauritian rupees as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date.
- Income and expenses for each item of profit or loss and other comprehensive income are translated at an average exchange rate for the period.
- All resulting exchange differences are recognised in other comprehensive income and cumulated in the translation reserve, except to the extent that the translation difference is allocated to the non-controlling interests.
- Cash flows are translated at the average exchange rate.

###### *In the Financial Statements of the Company*

Transactions in foreign currencies are translated to Mauritian rupees at the exchange rates prevailing at the date of the transactions. Difference in exchange resulting from the settlement of such transactions is recognised as gain or loss on foreign exchange in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated to Mauritian rupees at the exchange rates ruling at the end of the reporting date. Difference in exchange thereon is recognized as gain or loss on foreign exchange in profit or loss.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 6 Accounting policies (cont'd)

##### 6.21 Revenue recognition

###### *Sale of goods*

Revenue from the sale of goods produced or purchased for resale is recognised in profit or loss when the Group sells the goods (ie on the transfer of control of the goods) based on the consideration to which the Group is entitled to receive net of value added tax on the transfer of control of the promised goods to the customer.

###### *Provision of services at a point in time*

Revenue for the provision of services at a point in time is recognised in profit or loss based on the consideration to which the Group is entitled to receive net of value added tax in the accounting period in which the services are provided.

###### *Provision of services in the capacity of an agent*

When the Group's performance obligation is to arrange for the provision of goods or the rendering of services by another party (the performance obligation), revenue is recognised in profit or loss in the amount of the commission to which the Group is entitled in exchange for that performance obligation at the date the performance obligation has been executed.

###### *Lease income from operating leases*

Income from the lease of property is recognised in profit or loss on a straight-line basis over the term of the operating lease.

##### 6.22 Expenses

Purchases of services and ancillary goods for internal use are recognised as expenses (as adjusted for prepayments & accruals) in profit or loss in the period these are incurred.

##### 6.23 Dividend income

###### *In the Financial Statements of the Group*

Refer to note 6.3 & 6.4 for dividends from subsidiaries & joint ventures/associates respectively.

Dividend from investments in equity securities are recognised in profit or loss only when the Group's right to receive payment of the dividends is established.

###### *In the Financial Statements of the Company*

Dividend from investments in subsidiaries, in joint ventures/associates & equity securities are recognised in profit or loss only when the Group's right to receive payment of the dividends is established.

##### 6.24 Interest income

Interest income is recognised using the effective interest method.

##### 6.25 Finance costs

Finance costs on borrowings directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as part of the cost of the assets until such time that the assets are substantially ready for their intended use or sale. Otherwise finance costs are recognised in profit or loss in the period in which these are incurred.

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

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**6 Accounting policies (cont'd)**

**6.26 Dividends payable**

Dividends declared to the Company's shareholders during the period (paid and payable at end of period) are recognised as distribution to shareholders in the statement of changes in equity.

Dividends declared and payable at end of period are recognised as current liability.

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**7 Plant & equipment**

	<b>Group</b>				
	<b>Refurbish- ment of showrooms</b>	<b>Plant &amp; machinery</b>	<b>Furniture &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
<b><u>2021</u></b>					
<i>Cost</i>					
At 01 October 2020	120,332	166,365	263,311	54,826	604,834
Consolidation adjustment	-	362,600	-	470,900	833,500
Acquisitions	13,563	12,184	13,128	-	38,875
Transfer from ROU assets	-	-	-	8,115	8,115
Disposals	(4,706)	(1,808)	(1,954)	(4,520)	(12,988)
Exchange difference	-	5,540	2,691	-	8,231
At 30 September 2021	<u>129,189</u>	<u>544,881</u>	<u>277,176</u>	<u>529,321</u>	<u>1,480,567</u>
<i>Accumulated depreciation &amp; impairment</i>					
At 01 October 2020	96,795	134,896	215,647	53,168	500,506
Consolidation adjustment	-	247,600	-	144,900	392,500
Depreciation charge	13,649	11,971	19,395	1,313	46,328
Transfer from ROU assets	-	-	-	7,370	7,370
Disposal adjustment	(4,706)	(1,802)	(1,741)	(4,481)	(12,730)
Exchange difference	-	4,874	1,771	-	6,645
At 30 September 2021	<u>105,738</u>	<u>397,539</u>	<u>235,072</u>	<u>202,270</u>	<u>940,619</u>
<i>Carrying amount</i>					
At 30 September 2021	<u><u>23,451</u></u>	<u><u>147,342</u></u>	<u><u>42,104</u></u>	<u><u>327,051</u></u>	<u><u>539,948</u></u>
<b><u>2020</u></b>					
<i>Cost</i>					
At 01 October 2019	119,260	145,640	261,677	121,751	648,328
Transfer to right-of-use assets	-	(2,933)	(3,028)	(60,188)	(66,149)
Acquisitions	14,378	9,866	17,647	126	42,017
Disposals	(13,306)	(279)	(20,466)	(6,863)	(40,914)
Exchange difference	-	14,071	7,481	-	21,552
At 30 September 2020	<u>120,332</u>	<u>166,365</u>	<u>263,311</u>	<u>54,826</u>	<u>604,834</u>
<i>Accumulated depreciation &amp; impairment</i>					
At 01 October 2019	90,040	112,317	210,874	85,193	498,424
Transfer to right-of-use assets	-	(592)	(1,267)	(27,094)	(28,953)
Depreciation charge	15,603	10,897	20,378	1,459	48,337
Disposals adjustment	(8,848)	(251)	(18,998)	(6,390)	(34,487)
Exchange difference	-	12,525	4,660	-	17,185
At 30 September 2020	<u>96,795</u>	<u>134,896</u>	<u>215,647</u>	<u>53,168</u>	<u>500,506</u>
<i>Carrying amount</i>					
At 30 September 2020	<u><u>23,537</u></u>	<u><u>31,469</u></u>	<u><u>47,664</u></u>	<u><u>1,658</u></u>	<u><u>104,328</u></u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**7 Plant & equipment**

*(Furniture & equipment)*

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000
<b><u>2021</u></b>		
<i>Cost</i>		
At 01 October	1,401	1,354
Acquisitions	<u>2</u>	<u>47</u>
At 30 September	<u>1,403</u>	<u>1,401</u>
 <i>Accumulated depreciation &amp; impairment</i>		
At 01 October	571	355
Depreciation charge	<u>218</u>	<u>216</u>
At 30 September	<u>789</u>	<u>571</u>
 <i>Carrying amount</i>		
At 30 September	<u>614</u>	<u>830</u>

**8 Investment properties**

*Cost*

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000
At 01 October	158,513	138,816
Exchange difference	<u>18,580</u>	<u>19,697</u>
At 30 September	<u>177,093</u>	<u>158,513</u>

*Accumulated depreciation & impairment*

At 01 October	12,725	8,324
Depreciation charge	3,504	3,075
Exchange difference	<u>1,585</u>	<u>1,326</u>
At 30 September	<u>17,814</u>	<u>12,725</u>

*Carrying amount*

At 30 September	<u>159,279</u>	<u>145,788</u>
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**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**9 Right-of-use assets**

	Group				
	Land & Buildings	Plant & machinery	Furniture & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>2021</b>					
<i>Cost</i>					
At 01 October 2020	647,463	6,351	7,192	73,301	734,307
Consolidation adjustment	227,300	-	-	-	227,300
New leases during the year	58,882	1,103	475	8,027	68,487
Transfer to plant & equipment	-	-	-	(8,115)	(8,115)
Disposals	(28,043)	(646)	(11)	-	(28,700)
Exchange difference	4,955	25	392	296	5,668
At 30 September 2021	<u>910,557</u>	<u>6,833</u>	<u>8,048</u>	<u>73,509</u>	<u>998,947</u>
<i>Accumulated depreciation &amp; impairment</i>					
At 01 October 2020	97,827	2,043	2,702	42,028	144,600
Consolidation adjustment	34,900	-	-	-	34,900
Transfer to plant & equipment	-	-	-	(7,370)	(7,370)
Depreciation charge	102,115	926	1,600	13,664	118,305
Disposal adjustment	(7,450)	(645)	(11)	-	(8,106)
Exchange difference	935	25	61	159	1,180
At 30 September 2021	<u>228,327</u>	<u>2,349</u>	<u>4,352</u>	<u>48,481</u>	<u>283,509</u>
<i>Carrying amount</i>					
At 30 September 2021	<u>682,230</u>	<u>4,484</u>	<u>3,696</u>	<u>25,028</u>	<u>715,438</u>
<b>2020</b>					
<i>Cost</i>					
Transfer from plant & equipment	-	2,933	3,028	60,188	66,149
New leases during the year	642,451	3,369	3,915	12,744	662,479
Disposals	(2,293)	-	-	-	(2,293)
Exchange difference	7,305	49	249	369	7,972
At 30 September 2020	<u>647,463</u>	<u>6,351</u>	<u>7,192</u>	<u>73,301</u>	<u>734,307</u>
<i>Accumulated depreciation &amp; impairment</i>					
Transfer from plant & equipment	-	592	1,267	27,094	28,953
Depreciation charge	96,653	1,402	1,367	14,748	114,170
Exchange difference	1,174	49	68	186	1,477
At 30 September 2020	<u>97,827</u>	<u>2,043</u>	<u>2,702</u>	<u>42,028</u>	<u>144,600</u>
<i>Carrying amount</i>					
At 30 September 2020	<u>549,636</u>	<u>4,308</u>	<u>4,490</u>	<u>31,273</u>	<u>589,707</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000
<b>9 Right-of-use assets (cont'd)</b>		
<i>(Buildings)</i>		
<i>Cost</i>		
At 01 October	2,719	-
New leases during the year	51	2,719
At 30 September	<u>2,770</u>	<u>2,719</u>
 <i>Accumulated depreciation &amp; impairment</i>		
At 01 October	143	-
Depreciation charge	146	143
At 30 September	<u>289</u>	<u>143</u>
 <i>Carrying amount</i>		
At 30 September	<u>2,481</u>	<u>2,576</u>

**10 Intangible assets**

	<u>Group</u>				
	<u>Goodwill</u>	<u>Registered</u>	<u>Leasehold</u>	<u>Computer</u>	<u>Total</u>
	<u>on</u>	<u>brand</u>	<u>rights</u>	<u>software</u>	<u></u>
	consolidation	name	Rs'000	Rs'000	Rs'000
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b><u>2021</u></b>					
<i>Cost</i>					
At 01 October 2020	289,904	80,000	3,459	50,739	424,102
Consolidation adjustment (note 44)	12,288	-	-	296,100	308,388
Acquisitions	-	-	116	5,099	5,215
Disposals	-	-	(430)	(140)	(570)
Exchange difference	-	-	167	-	167
At 30 September 2021	<u>302,192</u>	<u>80,000</u>	<u>3,312</u>	<u>351,798</u>	<u>737,302</u>
 <i>Accumulated amortisation &amp; impairment</i>					
At 01 October 2020	117	-	956	40,689	41,762
Consolidation adjustment	-	-	-	198,200	198,200
Amortisation & impairment charge	-	-	97	5,443	5,540
Disposal adjustment	-	-	(430)	(140)	(570)
Exchange difference	-	-	30	-	30
At 30 September 2021	<u>117</u>	<u>-</u>	<u>653</u>	<u>244,192</u>	<u>244,962</u>
 <i>Carrying amount</i>					
At 30 September 2021	<u>302,075</u>	<u>80,000</u>	<u>2,659</u>	<u>107,606</u>	<u>492,340</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**10 Intangible assets (cont'd)**

	<b>Group</b>				<b>Total</b>	
	<b>Goodwill</b>	<b>Registered</b>	<b>Leasehold</b>	<b>Computer</b>		
	<b>on</b>	<b>brand</b>	<b>rights</b>	<b>software</b>		
	<b>consolidation</b>	<b>name</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	
<b>2020</b>						
<i>Cost</i>						
At 01 October 2019	281,071	80,000	1,389	45,967	408,427	
Consolidation adjustment	8,833	-	-	-	8,833	
Acquisitions	-	-	1,288	6,874	8,162	
Disposals	-	-	-	(2,102)	(2,102)	
Exchange difference	-	-	782	-	782	
At 30 September 2020	<u>289,904</u>	<u>80,000</u>	<u>3,459</u>	<u>50,739</u>	<u>424,102</u>	
<i>Accumulated amortisation &amp; impairment</i>						
At 01 October 2019	117	-	430	35,948	36,495	
Amortisation & impairment charge	-	-	19	6,250	6,269	
Disposal adjustment	-	-	-	(1,509)	(1,509)	
Exchange difference	-	-	507	-	507	
At 30 September 2020	<u>117</u>	<u>-</u>	<u>956</u>	<u>40,689</u>	<u>41,762</u>	
<i>Carrying amount</i>						
At 30 September 2020	<u>289,787</u>	<u>80,000</u>	<u>2,503</u>	<u>10,050</u>	<u>382,340</u>	
					<b>Company</b>	
					<b>2021</b>	
					<b>2020</b>	
					<b>Rs'000</b>	
					<b>Rs'000</b>	
<b>11 Interests in subsidiaries</b>						
<i>a Investments in equity at cost</i>						
At 01 October					416,499	416,524
Reclassified from investment in joint venture (note 12)					1,578,271	-
Disposal					-	(25)
At 30 September					<u>1,994,770</u>	<u>416,499</u>
<i>b Other funds as 'deemed' investments in subsidiaries at cost</i>						
At 01 October					282,965	243,794
Funds invested during the year (net)					-	39,171
At 30 September					<u>282,965</u>	<u>282,965</u>
<i>c Allowance for impairment</i>						
At 01 October & 30 September					<u>3,000</u>	<u>3,000</u>
At 30 September					<u>2,274,735</u>	<u>696,464</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

			<u>Company</u>	
			<u>2021</u>	<u>2020</u>
<b>11 Interests in subsidiaries (cont'd)</b>				
<i>d</i> The directors have assessed the recoverable amount of the investments in subsidiaries (by using the cost and/or earnings and/or net assets basis of valuation and have made assumptions that are based on the market conditions) and consider that an allowance for impairment of Rs 3,000k is adequate.				
<i>e</i> The subsidiaries, are as follows:				
<u>held directly by the Company</u>			<u>%</u>	<u>%</u>
	<u>Domiciled in</u>	<u>Principal activity</u>		
• Elgin Ltd	Rep. of Mauritius	Investment	64.20	-
• Indian Ocean Coffee Limited	Rep. of Mauritius	Investment	100.00	100.00
• Scott & Co Ltd	Rep. of Mauritius	Consumer goods	79.90	79.90
• Sebna Ltd	Rep. of Mauritius	Fruit juice	78.80	78.80
• The Brand House Ltd	Rep. of Mauritius	Home appliances & consumer electronics	76.20	76.20
• Tobory (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Lafayette (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Properties Ltd	Rep. of Seychelles	Investment	100.00	100.00
<u>held by other group companies (effective holding)</u>				
• Bagatelle Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Cim Holdings Ltd	Rep. of Mauritius	Investment	64.20	-
• Cim Financial Services Ltd	Rep. of Mauritius	Credit card, factoring, consumer finance, leasing business	34.03	-
• Cim International Holdings Ltd	Rep. of Mauritius	Investment	34.03	-
• Cim Kenya Ltd	Rep. of Mauritius	Investment	34.03	-
• Cim Credit Kenya Ltd	Kenya	Provision of retail credit	34.03	-
• Cim Insurance Agency Ltd	Kenya	Insurance agent	34.03	-
• Cim Administrators Ltd	Rep. of Mauritius	Secretarial Services	34.03	-
• Cim Learning Centre Ltd	Rep. of Mauritius	Investment	34.03	-
• Cim Investments Ltd	Rep. of Mauritius	Dormant	34.03	-
• Coffee Mayotte	Mayotte Island	Nespresso products	100.00	100.00
• Copharma Ltd	Rep. of Mauritius	Dormant	79.90	79.90
• Dimomix SASU	Reunion Island	Nespresso products	100.00	100.00
• Flacq Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Grand Baie ForMe Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Key Financial Services Ltd	Rep. of Mauritius	Investment	34.03	-
• Maltoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Riverside Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Rotoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Scott Health Ltd	Rep. of Mauritius	Pharmaceutical	79.90	79.90
• Standard Pharmacy Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Beau Vallon Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• The Scott Smile Foundation Ltd	Rep. of Mauritius	CSR	79.90	79.90
• Tobory Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• The Oceanic Trust Ltd	Rep. of Mauritius	Corporate trustee	34.03	-

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

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**11 Interests in subsidiaries (cont'd)**

e Financial information of subsidiaries with significant non-controlling interests:

	CIM Financial Services Ltd (Group) Rs'000	The Brand House Ltd Rs'000	Scott & Co Ltd Rs'000	Scott Health Ltd Rs'000
<i>Statement of Financial Position</i>				
<u><b>2021</b></u>				
Assets	16,647,500	1,209,999	1,022,893	425,378
Liabilities	<u>12,060,000</u>	<u>693,507</u>	<u>585,342</u>	<u>281,928</u>
Shareholders equity	<u><u>4,587,500</u></u>	<u><u>516,492</u></u>	<u><u>437,551</u></u>	<u><u>143,450</u></u>
Owners of the Company	1,560,943	393,567	349,603	114,617
Non-controlling interests	<u>3,026,557</u>	<u>122,925</u>	<u>87,948</u>	<u>28,833</u>
	<u><u>4,587,500</u></u>	<u><u>516,492</u></u>	<u><u>437,551</u></u>	<u><u>143,450</u></u>
	The Brand House Ltd Rs'000	Scott & Co Ltd Rs'000	Scott Health Ltd Rs'000	Bagatelle Health Ltd Rs'000
<u><b>2020</b></u>				
Assets	1,157,953	1,066,466	458,483	32,193
Liabilities	<u>732,651</u>	<u>646,904</u>	<u>330,755</u>	<u>22,874</u>
Shareholders' equity	<u><u>425,302</u></u>	<u><u>419,562</u></u>	<u><u>127,728</u></u>	<u><u>9,319</u></u>
Owners of the Company	324,080	335,230	102,055	7,446
Non-controlling interests	<u>101,222</u>	<u>84,332</u>	<u>25,673</u>	<u>1,873</u>
	<u><u>425,302</u></u>	<u><u>419,562</u></u>	<u><u>127,728</u></u>	<u><u>9,319</u></u>
	The Brand House Ltd Rs'000	Scott & Co Ltd Rs'000	Scott Health Ltd Rs'000	Bagatelle Health Ltd Rs'000
<i>Statement of Profit or Loss &amp; Other Comprehensive income</i>				
<u><b>2021</b></u>				
Revenue	<u>2,615,638</u>	<u>1,351,080</u>	<u>565,211</u>	<u>66,347</u>
Profit before tax	145,672	36,691	40,177	4,214
Tax expense	<u>(15,906)</u>	<u>(656)</u>	<u>(4,167)</u>	<u>(713)</u>
Profit for the year	129,766	36,035	36,010	3,501
Other comprehensive income	<u>7,113</u>	<u>1,954</u>	<u>(288)</u>	<u>-</u>
Comprehensive income for the year	<u><u>136,879</u></u>	<u><u>37,989</u></u>	<u><u>35,722</u></u>	<u><u>3,501</u></u>
Owners of the Company	104,288	30,353	28,542	2,797
Non-controlling interests	<u>32,591</u>	<u>7,636</u>	<u>7,180</u>	<u>704</u>
	<u><u>136,879</u></u>	<u><u>37,989</u></u>	<u><u>35,722</u></u>	<u><u>3,501</u></u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**11 Interests in subsidiaries (cont'd)**

e Financial information of subsidiaries with significant non-controlling interests (cont'd):

	The Brand House Ltd	Scott & Co Ltd	Scott Health Ltd	Bagatelle Health Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
<i>Statement of Profit or Loss &amp; Other Comprehensive income (cont'd)</i>				
<b>2020</b>				
Revenue	2,384,265	1,438,991	544,830	51,909
Profit before tax	88,375	36,900	24,687	764
Tax expense	(16,918)	(7,367)	(4,116)	(66)
Profit for the year	71,457	29,533	20,571	698
Other comprehensive income	(12,817)	(12,293)	(3,584)	-
Comprehensive income for the year	58,640	17,240	16,987	698
Owners of the Company	44,678	13,775	13,573	558
Non-controlling interests	13,962	3,465	3,414	140
	58,640	17,240	16,987	698
	The Brand House Ltd	Scott & Co Ltd	Scott Health Ltd	Bagatelle Health Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
<i>Statement of Cash Flows</i>				
<b>2021</b>				
Net cash from/(used in) operating activities	200,190	20,455	108,420	(368)
Net cash from/(used in) investing activities	(17,380)	(12,603)	(150)	(193)
Net cash from/(used in) financing activities	(99,548)	(3,983)	(4,931)	(1,757)
Increase/(decrease) in cash & cash equivalents	83,262	3,869	103,339	(2,318)
<b>2020</b>				
Net cash from/(used in) operating activities	312,504	144,797	(51,285)	5,605
Net cash from/(used in) investing activities	(13,421)	2,066	9,182	(2,556)
Net cash from/(used in) financing activities	(135,752)	(42,051)	(15,323)	(5,255)
Increase/(decrease) in cash & cash equivalents	163,331	104,812	(57,426)	(2,206)
Dividends paid to non-controlling interests				
<b>2021</b>	9,048	-	-	-
<b>2020</b>	19,211	7,842	-	-

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>12 Investment in joint venture</b>				
<i>a Cost (company)/equity (group)</i>				
At 01 October	1,762,135	1,774,535	1,220,780	1,220,780
Share of profit for the year (page 6)	110,057	30,000	-	-
Share of other reserves	10,304	(10,400)	-	-
Dividends income for the year (note 34)	(18,000)	(32,000)	-	-
Dividends income in species for the year (note 40)	(218,219)	-	-	-
Deconsolidation adjustment - accumulated undistributed reserve & retained earnings following disposal of a subsidiary in Joint venture (page 7(i))	(430,777)	-	-	-
	<u>1,215,500</u>	<u>1,762,135</u>	<u>1,220,780</u>	<u>1,220,780</u>
Acquisitions on share exchange (note 14)	357,491	-	357,491	-
Reclassify as interest in subsidiary	(1,572,991)	-	(1,578,271)	-
At 30 September	<u>-</u>	<u>1,762,135</u>	<u>-</u>	<u>1,220,780</u>

- b* Until 30 September 2021, the Company and Kingston Asset Management Ltd, both incorporated in the Republic of Mauritius, jointly controlled Elgin Ltd. The latter company holds 100% of Cim Holding Ltd, the shareholder of 53% of the equity shares of CIM Financial Services Ltd.

On 30 September 2021, the Company acquired additional shares in Elgin Ltd thus gaining control over it.

	Group	
	2021 Rs'000	2020 Rs'000
<i>d Summarised financial information of Elgin Ltd:</i>		
Net assets	<u>4,587,100</u>	<u>6,964,300</u>
Revenue	<u>2,652,900</u>	<u>2,643,200</u>
Profit/(loss) for the year	<u>416,150</u>	<u>106,500</u>
Other comprehensive loss for the year	<u>38,900</u>	<u>(39,400)</u>
Share of above profit attributable to the Company	<u>110,057</u>	<u>30,000</u>
Share of above other comprehensive income	<u>10,304</u>	<u>(10,400)</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<b>13 Investments in associates</b>				
<i>a Cost (company)/equity (group)</i>				
At 01 October	8,684	12,372	9,759	9,759
Share of profit/(loss) for the year	2,810	(3,462)	-	-
Share of loss on foreign exchange on retranslation	1,734	(226)	-	-
At 30 September	<u>13,228</u>	<u>8,684</u>	<u>9,759</u>	<u>9,759</u>

*b* The associates, are as follows:

held directly by the Company

- Savignac Proprietary Limited
- SmarTree Consulting Ltd

	<u>%</u>	<u>%</u>
	34.50	34.50
	<u>20.00</u>	<u>20.00</u>

Savignac Proprietary Limited is domiciled in the Republic of South Africa and its principal activity is to create and distribute its own branded hardware for aluminium windows and doors throughout Africa.

SmarTree Consulting Ltd is registered in the Republic of Mauritius and provides internal audit, risk advisory, statutory reporting services and related specialised training.

*c* Summarised financial information of associates are as follows :

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	Savignac Proprietary Limited	SmarTree Consulting Ltd	Savignac Proprietary Limited	SmarTree Consulting Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Assets	57,458	2,017	50,891	1,155
Liabilities	(19,932)	(469)	(25,948)	(1,921)
Net assets	<u>37,526</u>	<u>1,548</u>	<u>24,943</u>	<u>(766)</u>

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	Savignac Proprietary Limited	SmarTree Consulting Ltd	Savignac Proprietary Limited	SmarTree Consulting Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	<u>150,193</u>	<u>4,987</u>	<u>101,098</u>	<u>4,581</u>
Profit/(loss) for the year	<u>7,558</u>	<u>1,013</u>	<u>(10,061)</u>	<u>44</u>
Share of profit/(loss) attributable to the Company	<u>2,607</u>	<u>203</u>	<u>(3,471)</u>	<u>9</u>
Share of loss on foreign exchange on retranslation	<u>1,734</u>	<u>-</u>	<u>(226)</u>	<u>-</u>



**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>14 Investments in equity securities</b>				
<i>a</i> Equity securities at FVOCI (b)	387,347	381,262	387,314	381,229
Equity securities at FVTPL (c)	800	-	-	-
	388,147	381,262	387,314	381,229
<i>b</i> <i>Equity securities at FVOCI</i>				
<i>b.1</i> At 01 October	381,262	404,870	381,229	404,837
Acquisitions	4,438	18,971	4,438	18,971
Reclassified as assets held for sale	(30,744)	-	(30,744)	-
Reclassified as loans receivable	(45,847)	-	(45,847)	-
Gain/(loss) in fair value	78,238	(42,579)	78,238	(42,579)
At 30 September	387,347	381,262	387,314	381,229
<i>b.2</i> Assets held for sale				
Reclassified from equity securities at FVOCI	30,744	-	30,744	-
Dividend in species (note 40)	218,219	-	218,219	-
Gain in fair value (note 40)	163,370	-	163,370	-
Disposal proceeds on share exchange (note 12)	(357,491)	-	(357,491)	-
Additional contribution received on disposal	(68,000)	-	(68,000)	-
Gain on disposal of investment in equity securities held for sale (note 40)	13,158	-	13,158	-
	-	-	-	-
<i>b.3</i> The investments are made up as follows:				
Mauritian equity securities - quoted (level 1 : at fair value)	209,971	168,752	209,971	168,751
Mauritian equity securities - unquoted (level 2 : at latest known transaction price)	50,108	50,108	50,108	50,108
Foreign equity securities - unquoted (level 3 : at cost)	127,267	162,402	127,235	162,370
	387,346	381,262	387,314	381,229
<i>b.4</i> The fair value of the quoted securities is based on their quotation on the official market. Unquoted securities that do not have quoted market prices and whose fair values cannot be reliably measured are stated at cost less impairment, if necessary.				
<i>b.5</i> Assuming a 1% change + (-) in the relevant quoted equity prices, the investments in equity shares would increase/(decrease) by Rs 2.1m (2020 - Rs 1.7m).				
<i>c</i> <i>Equity securities at FVTPL</i>				
<i>c.1</i> At 01 October	-	-	-	-
Consolidation adjustment	800	-	-	-
At 30 September	800	-	-	-

These consist of unquoted foreign securities (level 2 : net assets value).

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	<u>2021</u> Rs'000	<u>2020</u> Rs'000	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>15 Investments in debt instruments</b>				
<i>a</i> At 01 October	34,187	-	34,187	-
Acquisitions	-	34,000	-	34,000
Consolidation adjustment	127,700	-	-	-
Accrued interest	1,122	187	1,122	187
Interest income received	(1,122)	-	(1,122)	-
At 30 September	<u>161,887</u>	<u>34,187</u>	<u>34,187</u>	<u>34,187</u>
<i>b</i> Analysed as :				
• domestic debt instruments listed on the official market	34,187	34,187	34,187	34,187
• government bond	119,600	-	-	-
• other	8,100	-	-	-
	<u>161,887</u>	<u>34,187</u>	<u>34,187</u>	<u>34,187</u>

**16 Receivables under finance leases & credit agreements**

	Group		
	<u>Finance leases</u> Rs'000	<u>Other credit agreements</u> Rs'000	<u>Total</u> Rs'000
<b><u>2021</u></b>			
<i>a</i> <i>Gross receivables</i>			
Current - Not later than 1 year	1,001,700	4,169,800	5,171,500
Non-current - Later than 1 year & not later than 5 years	1,720,200	3,053,000	4,773,200
Non-current - Later than 5 years	102,700	-	102,700
	<u>2,824,600</u>	<u>7,222,800</u>	<u>10,047,400</u>
Unearned finance income	(314,800)	(924,100)	(1,238,900)
Present value of minimum lease payments	2,509,800	6,298,700	8,808,500
Accumulated allowance for credit losses ((e) and (h))	(204,600)	(675,700)	(880,300)
<i>Net receivables</i>	<u>2,305,200</u>	<u>5,623,000</u>	<u>7,928,200</u>
<i>b</i> <i>Present value of minimum lease payments analysed as follows:-</i>			
Current - Not later than 1 year	<u>866,700</u>	<u>3,564,900</u>	<u>4,431,600</u>
Non-current - Later than 1 year & not later than 5 years	1,341,400	2,058,100	3,399,500
Non-current - Later than 5 years	97,100	-	97,100
	<u>1,438,500</u>	<u>2,058,100</u>	<u>3,496,600</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**16 Receivables under finance leases & credit agreements (cont'd)**

*c Net receivables under finance leases - credit quality*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	1,772,300	-	-	1,772,300
Watchlist	-	444,700	-	444,700
Non-performing	-	-	292,800	292,800
	<u>1,772,300</u>	<u>444,700</u>	<u>292,800</u>	<u>2,509,800</u>

*d Carrying amount of receivables under finance leases*

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 October 2020	-	-	-	-
Consolidation adjustment	1,772,300	444,700	292,800	2,509,800
At 30 September 2021	<u>1,772,300</u>	<u>444,700</u>	<u>292,800</u>	<u>2,509,800</u>

*e Accumulated allowances on credit losses receivables under finance leases*

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 October 2020	-	-	-	-
Consolidation adjustment	26,700	27,100	150,800	204,600
At 30 September 2021	<u>26,700</u>	<u>27,100</u>	<u>150,800</u>	<u>204,600</u>

*f Net receivables under other credit agreements - credit quality*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	4,598,700	-	-	4,598,700
Watchlist	-	582,900	-	582,900
Non-performing	-	-	1,117,100	1,117,100
	<u>4,598,700</u>	<u>582,900</u>	<u>1,117,100</u>	<u>6,298,700</u>

*g Carrying amount of receivables under other credit agreements*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other credit agreements is as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<i>Gross carrying amount</i>				
At 01 October 2020	-	-	-	-
Consolidation adjustment	4,598,700	582,900	1,117,100	6,298,700
At 30 September 2021	<u>4,598,700</u>	<u>582,900</u>	<u>1,117,100</u>	<u>6,298,700</u>

*h Accumulated allowances on credit losses receivables under other credit agreements*

At 01 October 2020	-	-	-	-
Consolidation adjustment	46,100	32,000	597,600	675,700
At 30 September 2021	<u>46,100</u>	<u>32,000</u>	<u>597,600</u>	<u>675,700</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group	
	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>17 Loans receivable (finance sector activity)</b>		
<i>a.1 Credit facilities (b)</i>	6,399,300	-
Corporate loans (c)	162,200	-
Factoring receivables (d)	139,000	-
Cards receivables (e)	303,900	-
	<u>7,004,400</u>	<u>-</u>
Cumulative allowance for credit losses (f)	(580,100)	-
	<u>6,424,300</u>	<u>-</u>
 <i>a.2 Current - Not later than 1 year</i>	 <u>2,769,100</u>	 <u>-</u>
Non current - Later than 1 year & not later than 5 years	3,640,400	-
Non current - Later than 5 years	14,800	-
	<u>3,655,200</u>	<u>-</u>
 <i>b Credit facilities</i>		
<i>b.1 Credit facilities receivables breakdown before impairment</i>		
Current - Not later than 1 year	2,234,000	-
Non current - Later than 1 year & not later than 5 years	4,162,200	-
Non current - Later than 5 years	3,100	-
	<u>6,399,300</u>	<u>-</u>

*b.2 Credit quality - Credit facilities*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

**2021**

	<u>Stage 1</u> Rs'000	<u>Stage 2</u> Rs'000	<u>Stage 3</u> Rs'000	<u>Total</u> Rs'000
Performing	4,823,400	-	-	4,823,400
Watchlist	-	648,700	-	648,700
Non-performing	-	-	927,200	927,200
	<u>4,823,400</u>	<u>648,700</u>	<u>927,200</u>	<u>6,399,300</u>

*b.3 Gross carrying amount*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities are as follows:

**2021**

	<u>Stage 1</u> Rs'000	<u>Stage 2</u> Rs'000	<u>Stage 3</u> Rs'000	<u>Total</u> Rs'000
At 01 October 2020	-	-	-	-
Consolidation adjustment	4,823,400	648,700	927,200	6,399,300
At 30 September 2021	<u>4,823,400</u>	<u>648,700</u>	<u>927,200</u>	<u>6,399,300</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**17 Loans receivable (finance sector activity) (cont'd)**

*b.4 Allowance for credit losses*

**2021**

	<u>Stage 1</u> <u>Rs'000</u>	<u>Stage 2</u> <u>Rs'000</u>	<u>Stage 3</u> <u>Rs'000</u>	<u>Total</u> <u>Rs'000</u>
At 01 October 2020	-	-	-	-
Consolidation adjustment	50,400	39,300	386,200	475,900
At 30 September 2021	<u>50,400</u>	<u>39,300</u>	<u>386,200</u>	<u>475,900</u>

**Group**

	<u>2021</u> <u>Rs'000</u>	<u>2020</u> <u>Rs'000</u>
<i>c Corporate loans</i>		
<i>c.1 Analysis of corporate loan (for allowance for credit losses)</i>		
Current - Not later than 1 year	92,200	-
Non current - Later than 1 year & not later than 5 years	58,300	-
Non current - Later than 5 years	11,700	-
	<u>162,200</u>	<u>-</u>

*c.2 Credit quality - Corporate loans*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

**2021**

	<u>Stage 1</u> <u>Rs'000</u>	<u>Stage 2</u> <u>Rs'000</u>	<u>Stage 3</u> <u>Rs'000</u>	<u>Total</u> <u>Rs'000</u>
Performing	74,000	-	-	74,000
Watchlist	-	300	-	300
Non-performing	-	-	87,900	87,900
	<u>74,000</u>	<u>300</u>	<u>87,900</u>	<u>162,200</u>

*c.3 Gross carrying amount*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate credit facilities are as follows:

**2021**

	<u>Stage 1</u> <u>Rs'000</u>	<u>Stage 2</u> <u>Rs'000</u>	<u>Stage 3</u> <u>Rs'000</u>	<u>Total</u> <u>Rs'000</u>
At 01 October 2020	-	-	-	-
Consolidation adjustment	74,000	300	87,900	162,200
At 30 September 2021	<u>74,000</u>	<u>300</u>	<u>87,900</u>	<u>162,200</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**17 Loans receivable (finance sector activity) (cont'd)**

*c.4 Expected credit loss - Corporate credit facilities*

**2021**

	<u>Stage 1</u> Rs'000	<u>Stage 2</u> Rs'000	<u>Stage 3</u> Rs'000	<u>Total</u> Rs'000
At 01 October 2020	-	-	-	-
Consolidation adjustment	3,000	100	44,200	47,300
At 30 September 2021	<u>3,000</u>	<u>100</u>	<u>44,200</u>	<u>47,300</u>

**Group**

<u>2021</u> Rs'000	<u>2020</u> Rs'000
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*d Factoring receivables*

*d.1 Factoring receivables breakdown before impairment*

Receivable from customers	264,700	-
Fund of guarantee	(125,700)	-
	<u>139,000</u>	<u>-</u>

Fund of guarantee represents the portion of the receivables from customers for which the Company has not financed.

*d.2 Credit quality - Factoring receivables*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

**2021**

	<u>Stage 1</u> Rs'000	<u>Stage 2</u> Rs'000	<u>Stage 3</u> Rs'000	<u>Total</u> Rs'000
Performing	123,700	-	-	123,700
Watchlist	-	2,000	-	2,000
Non-performing	-	-	13,300	13,300
	<u>123,700</u>	<u>2,000</u>	<u>13,300</u>	<u>139,000</u>

*d.3 Gross carrying amount*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities are as follows:

**2021**

	<u>Stage 1</u> Rs'000	<u>Stage 2</u> Rs'000	<u>Stage 3</u> Rs'000	<u>Total</u> Rs'000
At 01 October 2020	-	-	-	-
Consolidation adjustment	123,700	2,000	13,300	139,000
At 30 September 2021	<u>123,700</u>	<u>2,000</u>	<u>13,300</u>	<u>139,000</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**17 Loans receivable (finance sector activity) (cont'd)**

*d.4 Expected credit loss - Factoring receivables*

**2021**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 01 October 2020	-	-	-	-
Consolidation adjustment	2,300	-	13,300	15,600
At 30 September 2021	<u>2,300</u>	<u>-</u>	<u>13,300</u>	<u>15,600</u>

*e Card receivables*

*e.1 Card receivables are receivable within 3 months.*

*e.2 Credit quality - Card receivables before credit losses*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.

**2021**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Performing	205,600	-	-	205,600
Watchlist	-	44,700	-	44,700
Non-performing	-	-	53,600	53,600
	<u>205,600</u>	<u>44,700</u>	<u>53,600</u>	<u>303,900</u>

*e.3 Gross carrying amount*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities are as follows:

**2021**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 01 October 2020	-	-	-	-
Consolidation adjustment	205,600	44,700	53,600	303,900
At 30 September 2021	<u>205,600</u>	<u>44,700</u>	<u>53,600</u>	<u>303,900</u>

*e.4 Expected credit loss- Card receivables*

**2021**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 01 October 2020	-	-	-	-
Consolidation adjustment	5,100	2,700	33,500	41,300
At 30 September 2021	<u>5,100</u>	<u>2,700</u>	<u>33,500</u>	<u>41,300</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**17 Loans receivable (finance sector activity) (cont'd)**

	<u>Group</u>			
	<u>2021</u> Rs'000	<u>2020</u> Rs'000	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<i>f</i> Accumulated expected credit losses				
Credit facilities	475,900	-		
Corporate loans	47,300	-		
Factoring receivables	15,600	-		
Card receivables	41,300	-		
	<u>580,100</u>	<u>-</u>		
			<u>Company</u>	
	<u>2021</u> Rs'000	<u>2020</u> Rs'000	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>18 Loans receivable</b>				
<i>a</i> Loans granted to subsidiaries	-	-	60,531	102,560
Loans granted to associate	3,725	6,555	3,725	6,555
Loans granted to a related party	-	-	-	-
Other loans receivable	49,023	-	49,023	-
	<u>52,748</u>	<u>6,555</u>	<u>113,279</u>	<u>109,115</u>
<i>b</i> Current loans receivable				
Not later than 1 year	<u>3,725</u>	<u>6,555</u>	<u>3,756</u>	<u>20,260</u>
<i>c</i> Non-current loans receivable				
Undefined repayment terms	<u>49,023</u>	<u>-</u>	<u>109,523</u>	<u>88,855</u>
<b>19 Assets held for sale</b>				
Investments disposed after the reporting year	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>20 Inventories</b>				
<i>a</i> Goods held for resale	1,146,337	1,085,913	-	-
Raw materials & consumables	13,764	19,029	-	-
Goods in transit	81,287	90,462	-	-
	<u>1,241,388</u>	<u>1,195,404</u>	<u>-</u>	<u>-</u>

*b* Inventories of borrowing companies of the Group have been pledged for banking facilities granted to them.



**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>21 Trade &amp; other receivables</b>				
<i>a</i> Trade receivables	531,754	496,959	-	-
Accumulated allowance for credit losses	(19,657)	(45,283)	-	-
Net trade receivables	512,097	451,676	-	-
Prepayments & other receivables	468,849	144,197	14,892	6,714
Accumulated allowance for credit losses	(1,056)	(1,953)	-	-
	467,793	142,244	14,892	6,714
Amount receivable from subsidiaries	-	-	47,464	13,498
Amount receivable from parent company	-	-	95	-
	-	-	47,559	13,498
	979,890	593,920	62,451	20,212
<i>b</i> Accumulated allowance for credit losses				
At 01 October	47,236	38,459	-	-
Receivable written off as uncollectible	(11,222)	(7,281)	-	-
Allowance for credit losses	(15,598)	15,121	-	-
Exchange difference	297	937	-	-
At 30 September	20,713	47,236	-	-
<i>c</i> Ageing of net trade receivables				
Less than 6 months	442,661	442,661	-	-
More than 6 months	5,500	5,500	-	-
Later than 12 months	3,515	3,515	-	-
	451,676	451,676	-	-
<i>d</i> The trade receivables arise from credit facilities offered by the Group in the normal course of business for which the Group does not hold any collateral as securities. Taking into consideration the credit quality of the trade receivables, the Company considers that no provision for credit losses is necessary on trade receivables of less than 6 months (not due or past due).				
<b>22 Deposits receivable</b>				
<i>a</i> Interest bearing deposits receivable from				
• banks	531,491	116,171	105,391	116,171
<i>b</i> Receivable				
Not later than 1 year	230,591	116,171	105,391	116,171
Later than 1 year but less than 2 years	300,900	-	-	-

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**23 Bank overdrafts**

The bank overdrafts are secured on floating charges on the assets of the borrowing companies.

Interest rates are based on commercial rates as negotiated with the borrowing companies' bankers and varies from time to time.

Bank overdrafts facilities are generally for a period of one year subject to renewal after negotiations between the borrowing companies and their bankers.

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>24 Trade &amp; other payables</b>				
<i>a</i> Trade payables	962,661	466,381	-	-
Trade payable-goods in transit	77,797	80,202	-	-
Accruals & other payables	1,041,197	133,745	12,658	9,250
Amount payable to subsidiaries	-	-	1,816	22
Amount payable to other related parties	9,545	-	-	-
Deferred revenue	232,044	6,070	-	-
Amount payable - CSR Fund	7,378	5,680	809	713
	2,330,622	692,078	15,283	9,985
<i>b</i> Trade payables are non-interest bearing and are generally on 30 to 90 days' term.				
<b>25 Provisions</b>				
For bulk discounts & incentives	26,815	34,240	-	-
For warranty repairs	17,579	15,968	-	-
For termination benefits	7,385	7,002	-	-
	51,779	57,210	-	-
<b>26 Income tax</b>				
<i>a</i> Tax expense				
Income tax on the adjusted profit for the year	35,449	35,037	5,001	4,350
Adjustment for previous year	(497)	872	(176)	519
	34,952	35,909	4,825	4,869
Deferred tax credit for the year	(8,603)	(1,132)	-	-
	26,349	34,777	4,825	4,869
<i>b</i> Tax payable/(prepaid)				
At 01 October	4,853	17,027	365	(1,723)
Consolidation adjustment	265,900	-	-	-
Income tax on the adjusted profit for the year	35,449	35,037	5,001	4,350
Adjustment for previous year	(497)	872	(176)	519
Exchange difference	47	289	-	-
Tax paid (net)	(30,463)	(48,372)	(3,350)	(2,781)
At 30 September	275,289	4,853	1,840	365

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>26 Income tax (cont'd)</b>				
<i>c Reconciliation of tax expense &amp; tax on accounting profit</i>				
Profit before tax	526,759	210,175	522,399	119,906
<i>Adjustment for:</i>				
Share of profit of joint venture & associates	(112,867)	(26,538)	-	-
Difference between capital allowance & depreciation	10,852	20,227	47	138
Expenses not deductible for income tax purposes	105,261	87,963	66,637	7,700
Income not subject to tax	(128,700)	(89,250)	(555,742)	(98,738)
Tax losses - consolidation adjustment	-	73	-	-
Tax losses of previous year	(60,250)	(36,924)	-	-
Tax losses for future use	71,319	60,250	-	-
Exchange difference	(3,524)	(5,857)	-	-
Adjusted chargeable profit for the year	408,850	220,119	33,341	29,006
Enacted tax rate	15 % - 28%	15 % - 28%	15%	15%
Income tax on the adjusted profit for the year	35,449	35,037	5,001	4,350
Average effective tax rate	7%	17%	1%	4%
<i>d Deferred tax assets</i>				
At 01 October	2,004	872	-	-
Consolidation adjustment	242,600	-	-	-
Deferred tax credit for the year	8,603	1,132	-	-
At 30 September	253,207	2,004	-	-
Made up of				
Difference between capital allowance & depreciation	(26,198)	481	-	-
Employee benefit liabilities	23,805	1,523	-	-
Impairment allowance	251,100	-	-	-
Others	4,500	-	-	-
	253,207	2,004	-	-
<b>27 Loans payable</b>				
<i>a Bank loans - secured</i>				
Bank loans - secured	5,726,556	126,498	-	-
Bank loans on imports	53,523	1,290	-	-
Loan from related parties	-	4,967	-	-
Other unsecured loans	4,194,400	-	-	-
	9,974,479	132,755	-	-

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>27 Loans payable (cont'd)</b>				
<i>b Current loans payable</i>				
Not later than 1 year	3,225,386	89,011	-	-
<i>Non-current loans payable</i>				
Later than 1 year & not later than 2 years	4,236,583	38,525	-	-
Later than 2 years & not later than 5 years	2,216,410	5,219	-	-
Later than 5 years	296,100	-	-	-
	<u>6,749,093</u>	<u>43,744</u>	<u>-</u>	<u>-</u>

*c* The loans are secured by fixed and floating charges on the assets of the borrowing companies.

*d* Interest rates are based on commercial rates as negotiated with the borrowing companies' bankers and varies from time to time.

**28 Lease liabilities**

*a Present value of lease liabilities*

Current - Not later than 1 year	136,713	99,950	76	69
Non-current - Later than 1 year & not later than 5 years	545,383	204,908	372	337
Non-current - Later than 5 years	93,062	307,520	2,188	2,249
	<u>775,158</u>	<u>612,378</u>	<u>2,636</u>	<u>2,655</u>

**29 Employee benefit liabilities**

Defined benefit plan (a)	51,997	29,573	-	-
Other post-retirement benefit liabilities (b)	79,202	23,941	5,662	4,271
Unfunded pension liabilities (c)	24,400	-	-	-
Other long term employee benefit plan (d)	11,300	-	-	-
	<u>166,899</u>	<u>53,514</u>	<u>5,662</u>	<u>4,271</u>

*a Description of 'Defined benefit plan'*

The Group contributes to a multi-employer defined contribution pension plan, the Rogers Pension Fund (RPF), to which have been transferred the pension benefits of all employees who were members of Rogers Group Superannuation Fund (RGSF). These employees, subject to them contributing regularly to the RPF, have been given the guarantee by the Group that their benefits at 60 would not be less than the benefits provided under the ex-RGSF. The potential liability under the above guarantee is funded by additional employers' contributions and are included in the provision made for employee benefit liabilities.

## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

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#### 29 Employee benefit liabilities (cont'd)

##### *b Description of 'Defined benefit plan'*

###### *Risks*

The assets are held separately from the Group under the control of the Management Committee of RPF. The Group contributes to the RPF in respect to the above No Worse Off Guarantee (NWOOG) for some employees, given that their pension benefits would not be less than what they would have received at the age of 60, under a previous defined benefit plan. The guarantee given exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

###### *Investment risk*

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

###### *Interest risk*

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases

###### *Longevity risk*

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability

###### *Salary risk*

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**29 Employee benefit liabilities (cont'd)**

*a.1 Reconciliation of Defined benefit plan*

	<b>Present value of liabilities Rs'000</b>	<b>Fair value of assets Rs'000</b>	<b>Net liabilities Rs'000</b>
<b>2021</b>			
At 01 October 2020	48,960	(19,387)	29,573
<i>Expenses (in profit or loss)</i>			
Current service cost	1,617	-	1,617
Past service cost	549	-	549
Settlement gain	(2,012)	-	(2,012)
Interest expense/(income)	703	(484)	219
	<u>857</u>	<u>(484)</u>	<u>373</u>
<i>Remeasurements (in other comprehensive income)</i>			
Expected return on plan assets	-	(4,592)	(4,592)
Gain/(loss) on liability experience	(1,138)	-	(1,138)
(Gain)/loss on liability experience due to change in financial assumptions	(5,478)	-	(5,478)
	<u>(6,616)</u>	<u>(4,592)</u>	<u>(11,208)</u>
<i>Cash transactions</i>			
Employer's contributions	-	(2,253)	(2,253)
Benefits paid from plan	(4,180)	6,192	2,012
	<u>(4,180)</u>	<u>3,939</u>	<u>(241)</u>
Consolidation adjustment	95,100	(61,600)	33,500
At 30 September 2021	<u>134,121</u>	<u>(82,124)</u>	<u>51,997</u>
		-	
<b>2020</b>			
At 01 October 2019	26,974	(19,177)	7,797
<i>Expenses (in profit or loss)</i>			
Current service cost	1,091	-	1,091
Settlement gain	(211)	-	(211)
Interest expense/(income)	1,419	(1,073)	346
	<u>2,299</u>	<u>(1,073)</u>	<u>1,226</u>
<i>Remeasurements (in other comprehensive income)</i>			
Expected return on plan assets	-	1,379	1,379
Gain/(loss) on liability experience	2,581	-	2,581
(Gain)/loss on liability experience due to change in financial assumptions	18,794	-	18,794
	<u>21,375</u>	<u>1,379</u>	<u>22,754</u>
<i>Cash transactions</i>			
Employer's contributions	-	(2,415)	(2,415)
Benefits paid from plan	(1,688)	1,899	211
	<u>(1,688)</u>	<u>(516)</u>	<u>(2,204)</u>
At 30 September 2020	<u>48,960</u>	<u>(19,387)</u>	<u>29,573</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>29 Employee benefit liabilities (cont'd)</b>		
<i>a.2 Distribution of plan assets</i>		
Domestic equities & debts instruments	40,417	10,055
Foreign equities & debts instruments	32,087	6,451
Cash & other	<u>9,620</u>	<u>2,881</u>
	<u>82,124</u>	<u>19,387</u>
No assets are held in the Company's own financial instruments		
<i>a.3 Principal assumptions used</i>	%	%
Discount rate	4.5 - 4.8	6.50
Future salary increases	1.0 - 4.0	4.30
Average retirement age (ARA)	60 years	60 years
Average life expectancy for		
• Male at ARA	19.5 years	19.5 years
• Female at ARA	<u>24.2 years</u>	<u>24.2 years</u>
<i>a.4 Sensitivity analysis</i>		
Increase due to 1% decrease in discount rate	<u>43,736</u>	<u>16,579</u>
Decrease due to 1% increase in discount rate	<u>35,089</u>	<u>13,135</u>
The above sensitivity analysis has been carried out by recalculating the present value of liability at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit liability.		
<i>a.5 Future cashflows</i>		
The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries		
• Expected employer contribution for the next year	<u>4,271</u>	<u>2,417</u>
• Weighted average duration of the defined benefit obligation.	<u>5 - 19 years</u>	<u>6-10 years</u>
<i>b Other post-retirement benefit liabilities</i>	<u>79,202</u>	<u>23,941</u>
(Gratuity on retirement under the Workers Rights Act 2019 )	<u>5,662</u>	<u>4,271</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	<u>2021</u> Rs'000	<u>2020</u> Rs'000	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>29 Employee benefit liabilities (cont'd)</b>				
<i>b Other post-retirement benefit liabilities (cont'd)</i>				
<i>b.1 Reconciliation of the liability recognised in the Statement of Financial Position</i>				
At 01 October	23,941	16,366	4,271	4,271
Consolidation adjustment	50,300	-	-	-
Expenses (b.2)	2,416	1,937	1,000	-
Remeasurement (b.3)	2,820	5,940	391	-
Payment during the year	(275)	(302)	-	-
At 30 September	<u>79,202</u>	<u>23,941</u>	<u>5,662</u>	<u>4,271</u>
<i>b.2 Expenses (in profit &amp; loss)</i>				
Current service cost	1,382	1,295	494	-
Interest expenses	1,034	642	506	-
	<u>2,416</u>	<u>1,937</u>	<u>1,000</u>	<u>-</u>
<i>b.3 Remeasurements (in other comprehensive income)</i>				
Liability experience (gain)/loss	(3,366)	(378)	(736)	-
Liability loss/(gain) due to change in financial assumptions	-	-	1,127	-
Liability loss/(gain) due to change in demographic assumptions	6,186	3,544	-	-
	-	2,774	-	-
	<u>2,820</u>	<u>5,940</u>	<u>391</u>	<u>-</u>
<i>b.4 Principal assumptions used</i>	%	%	%	%
Discount rate	4.5 - 4.8	6.5	4.6	n/a
Future salary increase	4.0 - 5.0	4.5	5.0	n/a
Future pension increase	1.0	0.5	1.0	n/a
Average retirement age (ARA)	60/65 years	60 years	65 years	n/a
Average life expectancy for				
Male at ARA	15.9 years	19.5 years	15.9 years	n/a
Female at ARA	<u>20.0 years</u>	<u>24.2 years</u>	<u>20.0 years</u>	<u>n/a</u>
<i>b.5 Sensitivity analysis on actuarial assumption</i>				
Increase due to 1% decrease in discount rate	<u>31,818</u>	<u>16,579</u>	<u>1,190</u>	<u>n/a</u>
Decrease due to 1% increase in discount rate	<u>24,804</u>	<u>13,135</u>	<u>1,071</u>	<u>n/a</u>

The sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit obligation.



**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>29 Employee benefit liabilities (cont'd)</b>				
<i>b.6 Future cashflows</i>				
The funding policy is to pay benefits out of the Company's cash flow as and when due.				
- Expected employer contribution for the next year	430	2,417	-	n/a
Weighted average duration of the defined benefit obligation.	9 - 27 years	2 - 19 years	10 years	n/a
<i>c.1 Unfunded pension liabilities</i>				
Present value of unfunded pension liabilities (c.2)	24,400	-	-	-
<i>c.2 Reconciliation of unfunded pension liabilities</i>				
At 1 October	-	-	-	-
Consolidation adjustment	24,400	-	-	-
At 30 September	24,400	-	-	-
<i>c.3 Sensitivity analysis on unfunded pension liabilities</i>				
Increase due to 1% decrease in discount rate	1,300	n/a	n/a	n/a
Decrease due to 1% increase in discount rate	1,200	n/a	n/a	n/a
<i>c.4 Principal actuarial assumptions :</i>				
Discount rate	4.5%	n/a	n/a	n/a
Future pension increases	5.0%	n/a	n/a	n/a
Average retirement age (ARA)	60 yrs	n/a	n/a	n/a
Average life expectancy for				
Male at ARA	19.5 yrs	n/a	n/a	n/a
Female at ARA	24.2 yrs	n/a	n/a	n/a
<i>d.1 Other long term employee benefit plan</i>				
At 01 October	-	-	-	-
Consolidation adjustment	11,300	-	-	-
At 30 September	11,300	-	-	-
<i>d.2</i>				
Section 47 (1) of the Workers Right Act 19 (WEA 2019) requires that a worker who remains in continuous employment with the same employer for a period of at least 5 consecutive years shall be entitled to vacation leave of not more than 30 days, whether taken consecutively or otherwise, for every period of 5 consecutive years to be spent abroad, locally or partly abroad and partly locally. The provision for vacation leaves does not take into account any period of employment prior to 24 October 2019 to meet the requirement of the WRA 2019.				
<i>e Contributions to defined contribution plan</i>				
Recognised in profit or loss	17,092	16,893	930	835
<i>f Contributions to state pension plan</i>				
Recognised in profit or loss	11,208	10,108	436	71

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

30 Redeemable shares	Group		Group	
	2021		2020	
	Number of shares	Rs'000	Number of shares	Rs'000
a At 01 October	42,276	20,549	42,276	21,170
(Decrease) /Increase in fair value of redeemable shares (note 33)	-	5,275	-	(621)
At 30 September	<u>42,276</u>	<u>25,824</u>	<u>42,276</u>	<u>20,549</u>

Redeemable shares issued by one subsidiary are redeemable at either at the option of the shareholder or at a fixed pre-determined date, at a pre-determined value.

**31 Revenue**

a *Nature of goods & services*

The Group generates revenue from the

- resale of goods purchased
- provision of services (such as management services, after-sales repair service and rent of property)

b *Timing of satisfaction of performance obligation & significant payment terms*

Revenue for the sale of goods is recognised on the date of the sale invoice, which generally coincides with the delivery date of the goods. Goods are sold both on cash or credit with a credit term of 60 to 90 days.

Subsidiaries of the Group give warranty to their customers that some of the goods sold will perform as specified during the warranty period generally 12/24 months. Such warranty being considered assurance-type warranty are recognised as warranty obligations (refer to note 25).

Revenue for the provision of services at a point in time is recognised immediately on completion of the service. Such services are billed both on cash or credit with a credit term of 60 to 90 days.

Revenue for the provision of services over time is recognised on completion of the services of each period (eg monthly, quarterly or every 6 months). Such services are billed cash in advance.

c.1 Sales of goods	Group		Company	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
On the domestic market				
Audio vision equipment/home appliances & other electronic goods	2,453,524	2,320,393	-	-
Beverages	760,198	850,533	-	-
Pharmacy products	729,961	694,511	-	-
Dry goods/home & personal care products	590,147	571,544	-	-
On the foreign market				
Beverages	549,411	446,748	-	-
	<u>5,083,241</u>	<u>4,883,729</u>	<u>-</u>	<u>-</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	<u>Group</u>		<u>Group</u>	
	<u>2021</u>		<u>2020</u>	
<b>31 Revenue (cont'd)</b>				
<i>c.2 Sales of services</i>				
On the domestic market				
Management fees	-	-	40,835	35,772
Aftersales service	70,605	64,432	-	-
On the foreign market				
Rent of property	4,504	4,929	-	-
	<u>75,109</u>	<u>69,361</u>	<u>40,835</u>	<u>35,772</u>
	<u>5,158,350</u>	<u>4,953,090</u>	<u>40,835</u>	<u>35,772</u>
<i>c.3 Revenue recognised</i>				
At a point in time	5,153,846	4,948,161	-	-
Over time	4,504	4,929	40,835	35,772
	<u>5,158,350</u>	<u>4,953,090</u>	<u>40,835</u>	<u>35,772</u>
<b>32 Cost of sales</b>				
Cost of inventories sold/used & write-down	4,110,766	3,960,617	-	-
General cost of sales expenses	304	5,070	-	-
Cost of renting and managing the property	2,336	1,756	-	-
Depreciation of property, plant & equipment	3,504	3,075	-	-
	<u>4,116,910</u>	<u>3,970,518</u>	<u>-</u>	<u>-</u>
<b>33 Other income &amp; gains</b>				
Commission & rebate receivable from suppliers	64,188	71,691	-	-
Refund - Advertising & promotion expenses	70,665	80,652	-	-
Recharge of expenses	25,539	24,564	-	-
Gain on disposal of plant & equipment	2,377	-	-	-
Decrease in fair value of redeemable shares	-	621	-	-
Gain on disposal of investments in subsidiary	-	50	-	-
Other income & gains	24,784	24,502	5	266
	<u>187,553</u>	<u>202,080</u>	<u>5</u>	<u>266</u>
<b>34 Dividend income</b>				
Interests in subsidiaries	-	-	59,407	52,628
Investment in joint venture				
In cash	-	-	18,000	32,000
Investments in equity securities	14,213	6,305	14,213	6,305
	<u>14,213</u>	<u>6,305</u>	<u>91,620</u>	<u>90,933</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	<u>2021</u> Rs'000	<u>2020</u> Rs'000	<u>2021</u> Rs'000	<u>2020</u> Rs'000
<b>35 Interest income</b>				
Deposits receivable from subsidiaries	-	-	4,331	4,226
Loans receivable from associates	131	298	131	298
Bank and other deposits & loans receivable	8,015	2,519	7,360	2,451
Investment in debt securities	1,122	187	1,122	187
Overdue trade receivables & others	163	263	-	-
	<u>9,431</u>	<u>3,267</u>	<u>12,944</u>	<u>7,162</u>
<b>36 Foreign exchange</b>				
<i>a Gain on foreign exchange</i>				
Gain on foreign exchange arises on the settlement of transactions in foreign currencies and on the transactions of monetary assets and liabilities denominated in foreign currencies.				
<b>37 Administrative &amp; selling expenses</b>				
<i>a Short term employee benefits</i>	468,794	433,431	19,278	14,496
Advertising & promotion expenses	101,562	100,464	1,339	227
Other administrative & selling expenses	248,911	251,746	12,915	15,720
Allowance for credit losses	(15,597)	15,121	-	-
Warranty repairs	12,330	4,392	-	-
Depreciation of property, plant & equipment	46,328	48,337	218	216
Depreciation of right-of-use assets	118,305	114,170	146	143
Amortisation of intangible assets	5,540	6,269	-	-
Corporate social responsibility expenses	4,574	4,268	647	649
	<u>990,747</u>	<u>978,198</u>	<u>34,543</u>	<u>31,451</u>
<b>38 Other expenses &amp; losses</b>				
Increase in fair value of redeemable shares	5,275	-	-	-
Loss on disposal of PPE & intangible assets	-	1,062	-	-
Loss on disposal of investments in subsidiaries	-	-	-	23
	<u>5,275</u>	<u>1,062</u>	<u>-</u>	<u>23</u>
<b>39 Interest expenses</b>				
Bank overdrafts	8,975	10,227	-	-
Loans payable	4,058	5,552	-	-
Lease liabilities	30,062	32,508	214	215
Redeemable shares	3,000	2,190	-	-
Deposit payable to subsidiary	-	-	988	404
	<u>46,095</u>	<u>50,477</u>	<u>1,202</u>	<u>619</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<b>40 Non-recurrent items</b>				
Dividend income in species from joint venture	-	-	218,219	-
Gain on fair value of investments in equity securities held for sale (note 14)	163,370	-	163,370	-
Gain on disposal of investments in equity securities held for sale (note 14)	13,158	-	13,158	-
	<u>176,528</u>	<u>-</u>	<u>394,747</u>	<u>-</u>

**41 Assets & liabilities arising from leases**

	Group		
	Finance leases	Operating leases	Total
	Rs'000	Rs'000	Rs'000
<b>2021</b>			
<i>a Assets (in statement of financial position)</i>			
Carrying amount of right-of-use assets			
• external parties	<u>35,973</u>	<u>679,464</u>	<u>715,437</u>
<i>b Liabilities (in statement of financial position)</i>			
Carrying amount of lease liabilities			
• external parties	<u>30,209</u>	<u>744,949</u>	<u>775,158</u>
<i>c Expenses (in profit &amp; loss)</i>			
Depreciation of right-of-use assets	11,531	106,773	118,304
Interest costs on lease liabilities	<u>2,081</u>	<u>27,981</u>	<u>30,062</u>
	<u>13,612</u>	<u>134,754</u>	<u>148,366</u>
<i>d Cash outflows (in statement of cash flows)</i>			
Interest costs on lease liabilities	2,081	27,981	30,062
Lease capital payment	<u>13,583</u>	<u>93,759</u>	<u>107,342</u>
	<u>15,664</u>	<u>121,740</u>	<u>137,404</u>

- e* The Company has the option to purchase the assets concerned for a nominal amount at the conclusion of finance lease arrangements. Lease liabilities relating to finance leases are effectively secured as the rights of the leased assets revert to the lessor in the event of default.

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**41 Assets & liabilities arising from leases (cont'd)**

	<b>Group</b>		
	<b>Finance</b>	<b>Operating</b>	<b>Total</b>
	<b>leases</b>	<b>leases</b>	<b>Total</b>
<b>2020</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
<i>a Assets (in statement of financial position)</i>			
Carrying amount of right-of-use assets			
• external parties	34,224	555,483	589,707
<i>b Liabilities (in statement of financial position)</i>			
Carrying amount of lease liabilities			
• external parties	38,808	573,570	612,378
<i>c Expenses (in profit &amp; loss)</i>			
Depreciation of right-of-use assets	13,574	100,594	114,168
Interest costs on lease liabilities	3,170	29,338	32,508
	16,744	129,932	146,676
<i>d Cash outflows (in statement of cash flows)</i>			
Interest costs on lease liabilities	3,170	29,338	32,508
Lease capital payment	15,724	80,100	95,824
	18,894	109,438	128,332

*e* The Company has the option to purchase the assets concerned for a nominal amount at the conclusion of finance lease arrangements. Lease liabilities relating to finance leases are effectively secured as the rights of the leased assets revert to the lessor in the event of default.

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>Rs'000</b>	<b>Rs'000</b>
<i>(Operating leases)</i>		
<i>a Assets (in statement of financial position)</i>		
Carrying amount of right-of-use assets	2,480	2,578
<i>b Liabilities (in statement of financial position)</i>		
Carrying amount of lease liabilities	2,636	2,655
<i>c Expenses (in profit &amp; loss)</i>		
Depreciation of right-of-use assets	146	143
Interest costs on lease liabilities	214	215
	360	358
<i>d Cash outflows (in statement of cash flows)</i>		
Interest costs on lease liabilities	214	215
Lease capital payment	70	64
	284	279

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<b>42 Related parties</b>				
<i>a Parent company</i>				
The directors of the Company regard Rotoby (M) Ltd incorporated in the Republic of Mauritius as the direct parent company.				
<i>b Transactions with related parties</i>				
<i>Sales of goods &amp; services to</i>				
- subsidiaries	-	-	40,835	35,772
<i>Purchase of goods &amp; services from</i>				
- subsidiaries	-	-	71	126
<i>Interest income from</i>				
- subsidiaries	-	-	4,331	4,226
- associates	131	298	131	298
<i>Interest cost to</i>				
- subsidiary	-	-	988	404
<i>c Outstanding balances with related parties</i>				
Outstanding balances with related parties are disclosed in the respective note of the appropriate assets or liabilities.				
Amount receivable from related parties arise in the normal course of business and are to be collected within the normal operating business cycle of the business.				
There are no impaired trade receivables nor allowance for credit losses from related parties.				
Amount payable to related parties arise in the normal course of business and are payable within the normal operating business cycle of the business.				
<i>d Compensation of key management personnel</i>				
Short term employee benefits incurred by the Company/subsidiaries	47,737	43,530	14,675	13,301
Post-employment benefits incurred by the Company/subsidiaries	1,575	2,434	-	-

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>43 Financial instruments</b>				
<b>43.1 Categories of financial instruments</b>				
<i>a Financial assets at fair value through other comprehensive income</i>				
Investments in equity securities	387,347	381,262	387,314	381,229
<i>b Financial assets at fair value through profit and loss</i>				
Investments in equity securities	800	-	-	-
<i>b Financial assets at amortised cost</i>				
Investments in debt instruments	161,887	34,187	34,187	34,187
Receivables under finance leases & credit agreements	7,928,200	-	-	-
Loans receivable (finance sector activity)	6,424,300	-	-	-
Loans receivable	52,748	6,555	113,279	109,115
Trade & other receivables	979,890	593,920	62,451	20,212
Deposits receivable	531,491	116,171	105,391	116,171
Cash at bank & in hand	873,353	286,389	252,990	68,312
	<u>16,951,869</u>	<u>1,037,222</u>	<u>568,298</u>	<u>347,997</u>
<i>c Financial liabilities at amortised cost</i>				
Bank overdrafts	204,855	243,366	-	-
Loans payable	9,974,479	132,755	-	-
Lease liabilities	775,158	612,378	2,636	2,655.00
Trade & other payables	2,330,622	692,078	15,283	9,985
Tax payable	275,289	4,853	1,840	365
Dividend payable	30,000	-	30,000	-
	<u>13,590,403</u>	<u>1,685,430</u>	<u>49,759</u>	<u>13,005</u>
<i>d Financial liabilities at fair value through profit and loss</i>				
Redeemable shares	25,824	20,549	-	-
<b>43.2 Financial risk factors</b>				

The Company's activities expose it to financial risks:

- a Credit risk;
- b Liquidity risk.
- c Foreign exchange risk
- d Interest rate risk

*a Credit risk*

The Group has policies in place to ensure that credit sales are made to customers after a credit assessment has been carried out. There is no significant concentration of credit risk. The Group's credit risk is primarily attributable to its receivables. The amounts presented in the Statement of Financial Position are net for allowance for credit losses, estimated by management based on prior experience and the economic environment.

Refer to Note 21 (trade & other receivables) for aged analysis of trade receivables.



**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

**43 Financial instruments (cont'd)**

*b Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

Contractual maturities of outflows in respect of financial liabilities are disclosed in the respective note of the appropriate liability.

*c Foreign exchange risk*

The Group is exposed to foreign exchange risk on certain transactions denominated in foreign currencies. It uses forward contracts, whenever possible, to manage its exposure to foreign currency risk.

The financial instruments exposed to foreign currency changes are summarised as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<i>(in respective currency)</i>			
<u>Financial assets</u>				
€ ('000)	78,050	4,329	3,906	3,336
Us\$ ('000)	132,592	6,457	4,573	4,261
£ ('000)	116	146	86	86
Zar ('000)	2,703	3,082	1,321	2,778
Dkk '000	24	189	-	-
Chf '000	783	834	778	778
<u>Financial liabilities</u>				
€ ('000)	5,922	1,352	-	-
Us\$ ('000)	13,789	2,909	-	-
£ ('000)	4	121	-	-
Zar ('000)	1,817	705	-	-
A\$ ('000)	-	167	-	-
Dkk '000	395	-	-	-
Chf '000	183	107	-	-
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>

*c.2 Sensitivity analysis on foreign currency risk*

Assuming a 1% change + (-) in the foreign currency rate on the above financial assets & liabilities, the result would have been impacted by

	<u>86,284</u>	<u>3,225</u>	<u>4,303</u>	<u>3,700</u>
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*d Interest rate risk*

The Group's income and operating cash flow are exposed to interest rate risk as it sometimes borrows at variable rates. The Group uses a proper mix of fixed and variable rate borrowings, whenever possible, to manage the interest rate risk.

*d.1 Sensitivity analysis on interest rate risk*

Assuming a 25 basis points change + (-) in the interest rate on all variable interest bearing borrowings, the result would have been impacted by

	<u>4,459</u>	<u>898</u>	<u>-</u>	<u>-</u>
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## Scott Investments Ltd

### Notes for the Year ended 30 September 2021

#### 43 Financial instruments (cont'd)

##### 43.3 Capital risk management

- a The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or raise shareholders loan or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as net borrowing divided by total equity of the Company.

	Group		Company	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<i>b Gearing ratio</i>				
<i>Interest bearing borrowings</i>				
Bank overdrafts	204,855	243,366	-	-
Loans payable	9,974,479	132,755	-	-
Lease liabilities	775,158	612,378	2,636	2,655
Redeemable shares	25,824	20,549	-	-
	<u>10,980,316</u>	<u>1,009,048</u>	<u>2,636</u>	<u>2,655</u>
Cash at bank & in hand	(873,353)	(286,389)	(252,990)	(68,312)
Deposits receivable	(531,491)	(116,171)	(105,391)	(116,171)
Net debts	<u>10,106,963</u>	<u>722,659</u>	-	-
Shareholders equity	<u>6,934,339</u>	<u>3,792,171</u>	<u>3,187,780</u>	<u>2,642,359</u>
Total capital employed	<u>17,041,302</u>	<u>4,514,830</u>	<u>3,187,780</u>	<u>2,642,359</u>
Gearing ratio	<u>59%</u>	<u>16%</u>	<u>0%</u>	<u>0%</u>

#### 44 Business combination

- a Following the acquisition of additional 14.2% in Elgin Ltd, the Company gained control over the following subsidiaries :

	% effective holding
Elgin Ltd	64.20
Cim Holding Ltd	64.20
Cim Financial Services Ltd and its subsidiaries	34.03

The consideration paid, the value of the investment and the net assets on the acquisition date are as follows :

	Rs'000
<i>b Purchase consideration for additional 14.2%</i>	
Exchange of investments in equity securities (note 14)	<u>357,491</u>
<i>c Carrying value of investment</i>	
Value of initial shareholding (50%) in Elgin Ltd (note 12)	1,215,500
Purchase consideration for additional 14.2%	<u>357,491</u>
	<u>1,572,991</u>

**Scott Investments Ltd**  
**Notes for the Year ended 30 September 2021**

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**44 Business combination (cont'd)**

*d Assets & liabilities acquired*

The fair value of the consolidated assets and liabilities of the subsidiary as at the date of acquisition were:

Total identifiable assets	16,614,600
Total identifiable liabilities	<u>(12,027,400)</u>
Total identifiable net assets at fair value	4,587,200
Share of non-controlling interests	<u>(2,156,200)</u>
Net identifiable net assets at fair value	<u><u>2,431,000</u></u>

Carrying value of investment in subsidiary (note 11)	1,572,991
less : Share of identifiable net assets at fair value (64.2%)	<u>(1,560,703)</u>
Goodwill acquired	<u><u>12,288</u></u>

*e Non-controlling interests*

At the level of Elgin Ltd	2,156,200
At the level of Scott Investment Ltd (35.8%)	<u>870,298</u>
	<u><u>3,026,498</u></u>

*Cash movement*

Cash & cash equivalent in subsidiary acquired	<u>317,500</u>
	<u><u>317,500</u></u>

**45 Events after the reporting period**

There was no event after the reporting period that requires disclosure.