

Scott Investments Ltd

Annual Report & Financial Statements

Year ended 30 September 2022

Scott Investments Ltd
Annual report & financial statements for the Year ended 30 September 2022

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Scott Investments Ltd
Annual Report for the Year ended 30 September 2022

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 2022.

Principal activities

The main business activities of the Group are

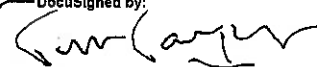
- Holding of investments
- Leasing, deposit taking, granting of credit card & hire purchase and factoring,
- Distribution of consumer goods
- The import of pharmaceutical products for sale on the domestic market
- Manufacturing, processing and bottling of fruit juices
- Distribution of Nespresso products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

Directors

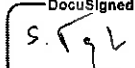
The directors of the Company holding office at 30 September 2022 were as follows: -

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

Approved by the Board of Directors on..... **29 MAR 2023**
and signed on its behalf by:

DocuSigned by:

D0973410E04F428

Director

DocuSigned by:

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Director

Port Louis
Republic of Mauritius.

Date

Scott Investments Ltd

Corporate Governance Report – Year ended 30 September 2022

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

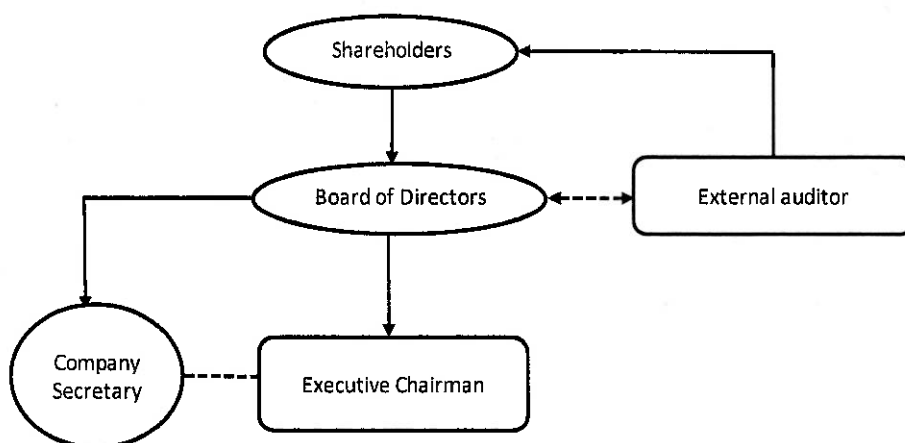
The Company continues to perform well following the easing of restrictions associated with the COVID 19 pandemic. The strong performance was mainly driven by the performance of investment companies as they take advantage of a strong rebound in the economy. Investment companies are however dealing with scarcity of currency and a depreciating rupee which is negatively impacting profitability.

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

Scott Investments Ltd**Corporate Governance Report – Year ended 30 September 2022**

position statement as comprised in the Board Charter. The Board has also validated the 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 2022, 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:

Name of Director	Category	Board Meeting	Reside in
Mr. Marc Lagesse	Independent	4 of 4	Mauritius
Mr. Timothy Taylor	Executive	4 of 4	Mauritius
Mr. Alexander Matthew Taylor	Non-Executive	4 of 4	Mauritius
Mrs Fiona Melissa Taylor	Non-Executive	4 of 4	UK
Mr Sebastian Taylor	Executive	4 of 4	Mauritius

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

The Board has three to four 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 2022

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 only 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.

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. 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 2022****5. 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.

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

	2022 (Rs'000)			2021 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
Timothy Taylor	600	-	-	600	-	-
Alexander Matthew Taylor	-	(*) 4,003	-	-	180	-
Fiona Taylor	-	180	-	-	180	-
Sebastian Taylor	2,508	-	-	2,186	-	-
Marc Lagesse	-	-	240	-	-	240
TOTAL	3,108	4,183	240	2,786	360	240

(*) This sum includes remuneration that Matthew Taylor received from the Company as the CEO of Scott & Co Ltd.

Scott Investments Ltd**Corporate Governance Report – Year ended 30 September 2022**

From the company and other related corporations

	2022 (Rs'000)			2021 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
The Company	3,108	4,183	240	2,786	360	240
The subsidiaries	2,079	7,108	420	1,237	5,188	360
TOTAL	5,187	11,291	660	4,023	5,548	600

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 2022

	<u>% Direct holding</u>	<u>% Indirect holding</u>
Timothy Taylor	-	21.28%
Alexander Matthew Taylor	-	4.38%
Fiona Melissa Taylor	-	4.38%
Marc Lagesse	0.11%	-
Sebastian Taylor		4.38%

6. 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 2022

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 has been retained to provide internal control services to the Company as well as to its subsidiaries, Scott & Co Ltd and The Brandhouse Ltd while the CIM Financial Services group has its own internal audit function. Please refer to the annual report of these entities for more details on their internal control and risk management frameworks.

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 and the CIM CSR Fund.

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

7. 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 2023 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 2022**

Holding structure

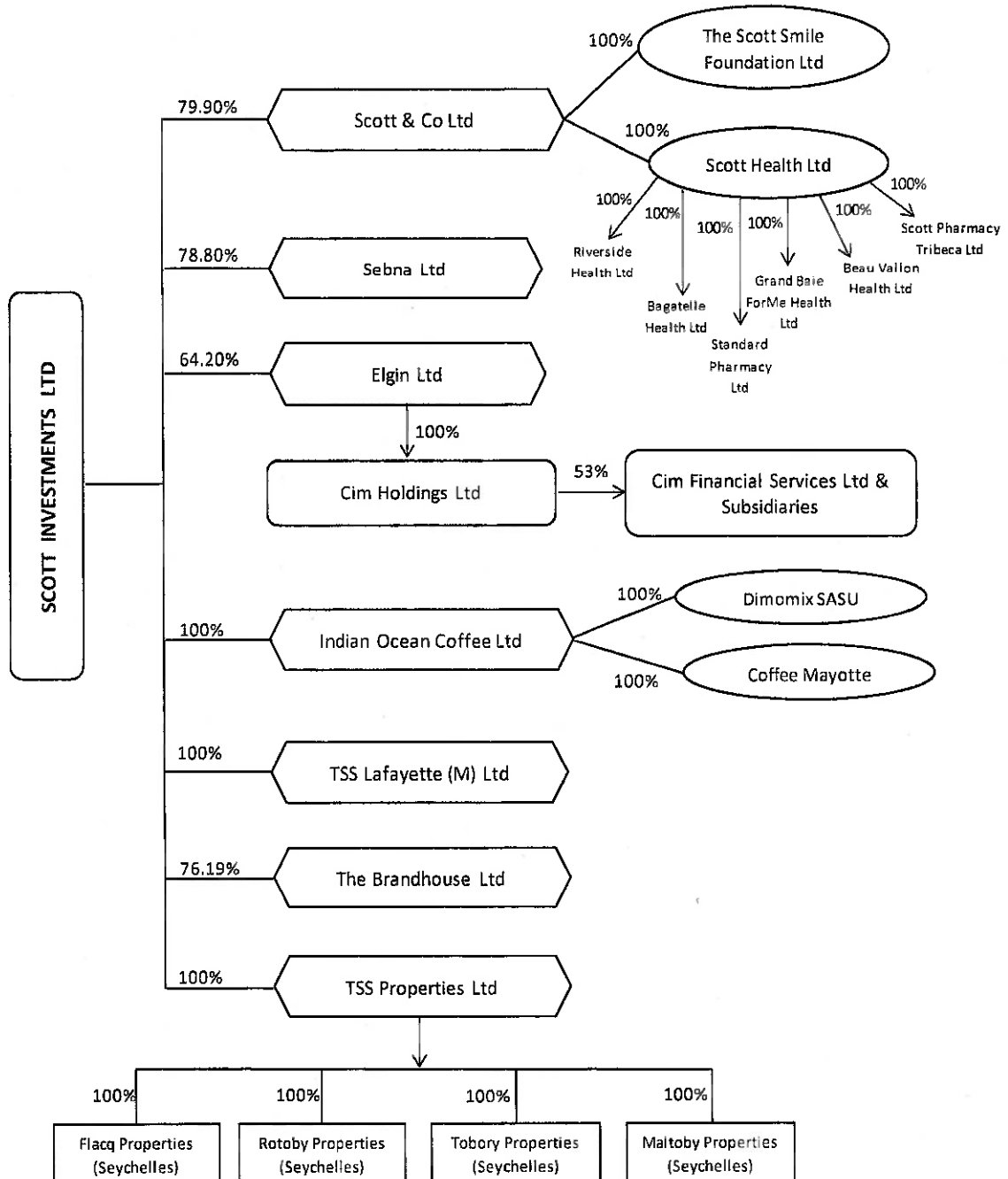
The Company is a public company limited by shares. The shareholders holding more than 5% as at 30 September 2022 are:

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 2022

Cascade holding structure is as follows:



Scott Investments Ltd**Corporate Governance Report – Year ended 30 September 2022**

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:

Report	Month
Publication of Annual Report	March
Event	
Annual Meeting of Shareholders	March
Dividend Declaration	
Interim	April
Final	September
Dividend Payment	
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>2022</u>	<u>2021</u>
Dividend paid	Rs	Rs
Interim	25,000,000	20,000,000
Final	35,000,000	30,000,000

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 2022**

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 Hertshten 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 2022**

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 Ltd.

Directorships in listed companies: none

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 157k were made during the year by the Company.

The Company made no political donations for the year under review.

Auditors' Fees

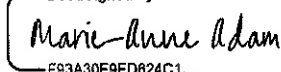
The fees paid/payable to the auditors by the Company were:

	<u>2022</u> Rs'000	<u>2021</u> Rs'000
Cays Associates		
- External audit	380	375
- Internal audit of subsidiaries	825	805

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.

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ECS SECRETARIES LTD**Company Secretary**Date **29 MAR 2023**

Scott Investments Ltd**Corporate Governance Report – Year ended 30 September 2022****STATEMENT OF COMPLIANCE**

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: Scott Investments Ltd

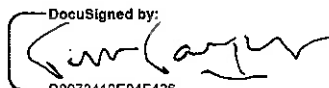
Reporting Period: Year ended 30 September 2022

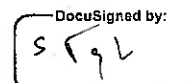
Throughout the year ended 30 September 2022 to the best of the Board's knowledge Scott Investments Ltd has complied partially with the Corporate Governance Code for Mauritius (2016).

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 : 29 MAR 2023

DocuSigned by:

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Director

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Director

Scott Investments Ltd**Statement of Compliance – Year ended 30 September 2022****STATEMENT OF COMPLIANCE
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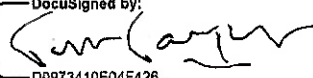
Reporting Period: Year ended 30 September 2022

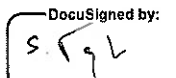
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Date : 29 MAR 2023

DocuSigned by:

 D0873410E04F428
 Director

DocuSigned by:

 FFF0C98649DB497
 Director

Scott Investments Ltd

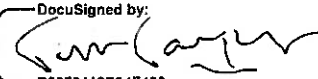
Statement of Directors' Responsibilities – Year ended 30 September 2022

Statement of Directors' Responsibilities in respect of financial statements

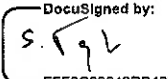
Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the directors are required to:

- 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.

DocuSigned by:

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Director

DocuSigned by:

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Director

Scott Investments Ltd
Secretary's Certificate for the Year ended 30 September 2022

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 2022, all such returns, as are required, in terms of the Companies Act 2001.

DocuSigned by:
Marie-Anne Adam
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Company Secretary

Port Louis
Republic of Mauritius.

Date 29 MAR 2023

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

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 2022 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 2022, 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 '*Responsibilities of the auditors 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

Refer to our website at: www.cays.mu for further details of our responsibilities forming part of this report.

Report on other legal and regulatory requirements

Companies Act 2001

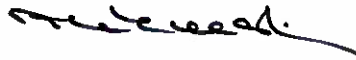
- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors and dealings in the ordinary course of business.
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by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



C. Ah Yuk Shing FCCA
Licensed by FRC

Date: **29 MAR 2023**

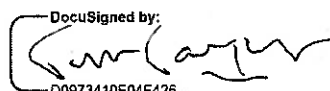
Scott Investments Ltd
Statements of Financial Position at 30 September 2022

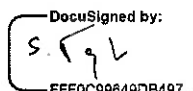
	Note	Group		Company	
		2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Non-current assets					
Plant & equipment	7	524,220	539,948	511	614
Investment properties	8	132,724	159,279	-	-
Right-of-use assets	9	646,184	715,438	2,408	2,481
Intangible assets	10	528,065	492,340	-	-
Interests in subsidiaries	11	-	-	2,280,009	2,274,735
Investment in joint venture	12	-	-	-	-
Investments in associates	13	13,236	13,228	500	9,759
Investments in equity securities	14	376,907	388,147	376,074	387,314
Investments in debt instruments	15	153,787	161,887	34,187	34,187
Receivables under finance leases & credit agreements	16	4,790,466	4,244,400	-	-
Loans receivable (finance sector activity)	17	3,781,300	3,618,800	-	-
Loans receivable	18	151,929	49,023	212,429	109,523
Deposits receivable	22	-	300,900	-	-
Deferred tax assets	26	329,919	253,207	-	-
		<u>11,428,737</u>	<u>10,936,597</u>	<u>2,906,118</u>	<u>2,818,613</u>
Current assets					
Receivables under finance leases & credit agreements	16	4,090,260	3,542,600	-	-
Loans receivable (finance sector activity)	17	3,298,500	2,719,500	-	-
Loans receivable	18	1,510	3,725	16,596	3,756
Assets held for sale	19	32,384	14,400	28,821	-
Inventories	20	1,758,535	1,241,388	-	-
Trade & other receivables	21	1,129,849	979,890	35,724	62,451
Deposits receivable	22	604,543	230,591	121,643	105,391
Tax prepaid	26	-	-	3,037	-
Cash at bank & in hand		1,194,782	873,353	221,312	252,990
		<u>12,110,363</u>	<u>9,605,447</u>	<u>427,133</u>	<u>424,588</u>
Current liabilities					
Bank overdrafts	23	420,837	204,855	-	-
Loans payable	27	7,536,528	3,225,386	-	-
Lease liabilities	28	140,734	136,713	85	76
Trade & other payables	24	2,230,603	2,122,922	13,811	15,283
Provisions	25	68,039	51,779	-	-
Tax payable	26	206,325	255,789	-	1,840
Dividend payable	Page 7(ii)	35,000	30,000	35,000	30,000
		<u>10,638,066</u>	<u>6,027,444</u>	<u>48,896</u>	<u>47,199</u>
Net current assets		<u>1,472,297</u>	<u>3,578,003</u>	<u>378,237</u>	<u>377,389</u>
		<u><u>12,901,034</u></u>	<u><u>14,514,600</u></u>	<u><u>3,284,355</u></u>	<u><u>3,196,002</u></u>

Scott Investments Ltd
Statements of Financial Position at 30 September 2022

	Note	Group		Company	
		2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Capital & reserves					
Share capital		1,683	1,683	1,683	1,683
Reserves		3,989,159	3,691,588	3,274,459	3,186,097
Equity attributable to owners of the Company		3,990,842	3,693,271	3,276,142	3,187,780
Non-controlling interests		3,553,450	3,266,892	-	-
	Page 7	<u>7,544,292</u>	<u>6,960,163</u>	<u>3,276,142</u>	<u>3,187,780</u>
Non-current liabilities					
Loans payable	27	4,592,731	6,749,093	-	-
Lease liabilities	28	548,821	638,445	2,551	2,560
Employee benefit liabilities	29	215,190	166,899	5,662	5,662
		<u>5,356,742</u>	<u>7,554,437</u>	<u>8,213</u>	<u>8,222</u>
		<u>12,901,034</u>	<u>14,514,600</u>	<u>3,284,355</u>	<u>3,196,002</u>

These financial statements were approved & authorised for issue by the Board of Directors on **29 MAR 2023**

DocuSigned by:

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Director

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Director

Scott Investments Ltd
Statements of Profit or Loss & Other Comprehensive Income
for the Year ended 30 September 2022

	Note	Group		Company	
		2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Revenue	30	6,043,292	5,146,020	45,329	40,835
Cost of sales	31	(4,821,032)	(4,116,910)	-	-
Gross profit		1,222,260	1,029,110	45,329	40,835
Other income & gains	32	717,187	162,014	122	5
Dividend income	33	10,691	14,213	149,382	91,620
Interest income	34	2,498,395	9,431	7,934	12,944
Share of profit of joint venture	12	-	110,057	-	-
Share of (loss)/profit of associates	13	(300)	2,810	-	-
(Loss)/gain on foreign exchange	35	(6,437)	26,844	(11,758)	17,993
Administrative & selling expenses	36	(2,417,716)	(968,475)	(37,666)	(34,543)
Net impairment losses on receivables &	37	(564,858)	15,597	(2,400)	-
Other expenses & losses	38	(2,530)	(5,275)	-	-
Interest expenses	39	(471,054)	(43,095)	(1,111)	(1,202)
		985,638	353,231	149,832	127,652
Non-recurrent items	40	(11,157)	176,528	(11,157)	394,747
Profit before tax		974,481	529,759	138,675	522,399
Tax expense	26	(148,422)	(26,349)	(575)	(4,825)
Profit for the year	Page 7	826,059	503,410	138,100	517,574
Other comprehensive (loss)/income					
<i>Items that may be reclassified to profit or loss</i>					
Gain/(loss) on translation of financial statements of subsidiaries		(5,058)	14,966	-	-
(Loss)/gain on translation of financial statements of associates	13	(1,870)	1,734	-	-
Share of other reserve of joint venture	12	-	10,304	-	-
Gain/(loss) on fair value of investment in equity securities	14	10,262	78,238	10,262	78,238
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of employee benefit liabilities (net of deferred tax)	29	(28,585)	8,388	-	(391)
Other comprehensive (loss)/income		(25,251)	113,630	10,262	77,847
Comprehensive income for the year		800,808	617,040	148,362	595,421
<i>Profit for the year attributable to</i>					
Owners of the Company		379,459	465,645		
Non-controlling interests		446,600	37,765		
		826,059	503,410		
<i>Comprehensive income for the year attributable to</i>					
Owners of the Company		357,571	577,247		
Non-controlling interests		443,237	39,793		
		800,808	617,040		

Scott Investments Ltd
Statements of Changes in Equity for the Year ended 30 September 2022

	Equity attributable to owners of the Company							Total equity Rs'000	
	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
a 2021									
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)	-	-	-	-	-	465,645	465,645	37,765	503,410
Other comprehensive income for the year (page 6)	-	10,304	16,700	6,360	78,238	-	111,602	2,028	113,630
Comprehensive income for the year (page 6)	-	10,304	16,700	6,360	78,238	465,645	577,247	39,793	617,040
Redeemable shares reclassified as NCI due to amended terms	-	-	-	-	-	-	-	20,549	20,549
Increase in fair value of redeemable shares (note 38)	-	-	-	-	-	-	-	5,275	5,275
Consolidation adjustment	-	-	-	-	-	-	-	3,026,498	3,026,498
Deconsolidation adjustment (note 12)	-	418,582	-	-	-	(849,359)	(430,777)	-	(430,777)
Gain in fair value 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	-	-	-	-	-	-	-	(20,593)	(20,593)
Dividends (page 7 (ii))	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
At 30 September 2021	1,683	-	30,076	(13,409)	53,746	3,621,175	3,693,271	3,266,892	6,960,163
b 2022									
At 01 October 2021	1,683	-	30,076	(13,409)	53,746	3,621,175	3,693,271	3,266,892	6,960,163
Profit for the year (page 6)	-	-	-	-	-	379,459	379,459	446,600	826,059
Other comprehensive income for the year (page 6)	-	-	(17,950)	(14,200)	10,262	-	(21,888)	(3,363)	(25,251)
Comprehensive income/(loss) for the year (page 6)	-	-	(17,950)	(14,200)	10,262	379,459	357,571	443,237	800,808
Increase in fair value of redeemable shares	-	-	-	-	(1,982)	1,982	-	2,530	2,530
Gain in fair value on disposal of investment	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(159,209)	(159,209)
Dividends (page 7 (ii))	-	-	-	-	-	(60,000)	(60,000)	-	(60,000)
At 30 September 2022	1,683	-	12,126	(27,609)	62,026	3,942,616	3,990,842	3,553,450	7,544,292

Scott Investments Ltd
Statements of Changes in Equity for the Year ended 30 September 2022

Company	Equity attributable to owners of the Company					
	Stated capital*	Reserves of joint venture	Remeasurement employee benefit liabilities	Fair value reserve - investment in equity securities	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021						
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
Gain in fair value 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>
2022						
At 01 October 2021	1,683	-	(301)	53,746	3,132,652	3,187,780
Profit for the year (page 6)	-	-	-	-	138,100	138,100
Other comprehensive income/(loss) for the year (page 6)	-	-	-	10,262	-	10,262
Comprehensive income for the year (page 6)	-	-	-	10,262	138,100	148,362
Gain in fair value on disposal of investment	-	-	-	(1,982)	1,982	-
Dividends**	-	-	-	-	(60,000)	(60,000)
At 30 September 2022	<u>1,683</u>	<u>-</u>	<u>(301)</u>	<u>62,026</u>	<u>3,212,734</u>	<u>3,276,142</u>
				Group & Company		
				2022	2021	2022
				No of shares	No of shares	Rs'000
						2021
						Rs'000
* Share capital						
<i>Issued & 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>
** Dividends						
<i>a Declared & paid</i>						
Interim for the current year - Rs 148.55 per share (2021 - Rs 118.84 per share)						25,000
						20,000
<i>b Declared & payable</i>						
Final for the current year - Rs 207.96 per share (2021 - 178.25 per share)						35,000
						<u>60,000</u>
						<u>50,000</u>

Scott Investments Ltd
Statements of Cash Flows for the Year ended 30 September 2022

	Note	Group		Company	
		2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Operating activities					
Profit before tax	Page 6	974,481	529,759	138,675	522,399
<i>Adjustment for:</i>					
Non-recurrent items	40	11,157	(176,528)	11,157	(176,528)
Dividend income	33	(10,691)	(14,213)	(149,382)	(91,620)
Interest income	39	(2,795)	(9,431)	(7,934)	(12,944)
Share of profit of joint venture	12	-	(110,057)	-	-
Share of (loss)/profit of associates	13	300	(2,810)	-	-
Gain on disposal of plant & equipment	32	(3,207)	(2,377)	-	-
Increase in fair value of redeemable shares	38	2,530	5,275	-	-
Depreciation of plant & equipment & investment properties	7 & 8	171,736	49,832	220	218
Depreciation of right-of-use assets	9	160,935	118,305	151	146
Amortisation of intangible assets	10	44,043	5,540	-	-
Net impairment losses on receivables & loans	37	564,858	(15,597)	2,400	-
Gain on disposal of investments in subsidiaries	32	(16,534)	-	-	-
Employee benefit liabilities		16,075	2,273	-	1,000
<i>Change in working capital:</i>					
Receivables under finance leases & credit agreements		(1,636,760)	-	-	-
Inventories		(530,238)	(38,004)	-	-
Trade & other receivables		(275,665)	(28,363)	(3,486)	(5,204)
Trade & other payables		434,701	75,516	(1,472)	5,298
Provisions		16,545	(7,204)	-	-
		(78,529)	381,916	(9,671)	242,765
Interest received	39	153	2,850	5,292	6,364
Interest paid (net)	39	-	(5,000)	-	-
Tax paid (net)	26	(261,836)	(30,463)	(5,452)	(3,350)
Net cash from/(used in) operating activities		(340,212)	349,303	(9,831)	245,779
Investing activities					
Acquisition of plant & equipment		(192,373)	(39,958)	(117)	(2)
Proceeds - disposal of plant & equipment		46,141	1,635	-	-
Acquisition of intangible assets	10	(36,290)	(5,215)	-	-
Acquisition of subsidiary (net of cash)	45	(123,700)	-	(1)	-
Proceeds - disposal of subsidiaries (net of cash)	45	15,125	-	25	-
Other funds invested in subsidiaries		-	-	(5,298)	-
Acquisition of investments in associates	13	(15,000)	-	-	-
Proceeds - buy-back of associates		14,400	-	-	-
Acquisition of investments in equity securities (Investment in) / maturing interest-bearing term deposits	14	(14,450)	(4,438)	(14,450)	(4,438)
		(73,052)	10,780	(16,252)	10,780
Proceeds - disposal of assets held for sale	14	5,233	68,000	5,233	68,000
Dividend received		10,692	30,346	179,837	(157,054)
Loans recouped/(granted) (net)	18	(100,691)	19,882	(115,746)	41,683
Net cash from/(used in) investing activities		(463,965)	81,032	33,231	(41,031)

Scott Investments Ltd
Statements of Cash Flows for the Year ended 30 September 2022

	Note	Group		Company	
		2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Financing activities					
Proceed - loans received (net)		1,260,968	9,721	-	-
Lease capital repayment		(135,262)	(107,342)	(78)	(70)
Dividends paid to NCI in subsidiaries		(168,755)	(6,048)	-	-
Dividends paid	Page 7	(55,000)	(20,000)	(55,000)	(20,000)
Net cash from/(used in) financing activities		<u>901,951</u>	<u>(123,669)</u>	<u>(55,078)</u>	<u>(20,070)</u>
Increase/(decrease) in cash & cash equivalents		97,774	306,666	(31,678)	184,678
Cash & cash equivalents at 1 October		668,498	43,023	252,990	68,312
Cash & cash equivalent in subsidiary acquired		-	317,500	-	-
Effect of foreign exchange on cash & cash equivalent		7,673	1,309	-	-
Cash & cash equivalents at 30 September		<u><u>773,945</u></u>	<u><u>668,498</u></u>	<u><u>221,312</u></u>	<u><u>252,990</u></u>
Cash & cash equivalents are:					
Cash at bank & in hand	Page 5	1,194,782	873,353	221,312	252,990
Bank overdrafts	Page 5	(420,837)	(204,855)	-	-
		<u><u>773,945</u></u>	<u><u>668,498</u></u>	<u><u>221,312</u></u>	<u><u>252,990</u></u>
Non-cash transactions excluded from the above statements of cash flows					
• Acquisition of right-of-use assets		107,333	68,487	-	-
• Disposal proceeds of investment in equity securities & acquisition of additional interest in joint venture (share exchange)		-	357,491	-	-
		<u><u>-</u></u>	<u><u>357,491</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Scott Investments Ltd

Notes for the Year ended 30 September 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 recognised as gain or loss on foreign exchange in profit or loss.

Scott Investments Ltd

Notes for the Year ended 30 September 2022

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 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.

6.23 Interest income

Interest income is recognised using the effective interest method.

6.24 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.

6.25 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 2022

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 2022

7 Plant & equipment

	Group				
	Refurbish- ment of showrooms	Plant & machinery	Furniture & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
<i>Cost</i>					
At 01 October 2021	129,189	544,881	277,176	529,321	1,480,567
Consolidation adjustment	-	3,900	-	16,300	20,200
Acquisitions	25,998	62,962	15,686	86,688	191,334
Transfer from ROU assets	-	939	3,028	10,270	14,237
Disposals	-	(67,102)	(14,549)	(138,591)	(220,242)
Exchange difference	-	(15,050)	(6,876)	-	(21,926)
At 30 September 2022	<u>155,187</u>	<u>530,530</u>	<u>274,465</u>	<u>503,988</u>	<u>1,464,170</u>
<i>Accumulated depreciation & impairment</i>					
At 01 October 2021	105,738	397,539	235,072	202,270	940,619
Consolidation adjustment	-	3,800	-	9,100	12,900
Depreciation charge	13,222	65,454	18,960	70,611	168,247
Transfer from ROU assets	-	752	2,629	10,270	13,651
Disposal adjustment	-	(57,401)	(14,212)	(105,792)	(177,405)
Exchange difference	-	(13,029)	(5,033)	-	(18,062)
At 30 September 2022	<u>118,960</u>	<u>397,115</u>	<u>237,416</u>	<u>186,459</u>	<u>939,950</u>
<i>Carrying amount</i>					
At 30 September 2022	<u>36,227</u>	<u>133,415</u>	<u>37,049</u>	<u>317,529</u>	<u>524,220</u>
2021					
<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 & 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 right-of-use assets	-	-	-	7,370	7,370
Disposals 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>23,451</u>	<u>147,342</u>	<u>42,104</u>	<u>327,051</u>	<u>539,948</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

7 Plant & equipment

(Furniture & equipment)

	<u>Company</u>	
	<u>2022</u> Rs'000	<u>2021</u> Rs'000
<u>2022</u>		
<i>Cost</i>		
At 01 October	1,403	1,401
Acquisitions	117	2
At 30 September	<u>1,520</u>	<u>1,403</u>
 <i>Accumulated depreciation & impairment</i>		
At 01 October	789	571
Depreciation charge	220	218
At 30 September	<u>1,009</u>	<u>789</u>
 <i>Carrying amount</i>		
At 30 September	<u>511</u>	<u>614</u>

8 Investment properties

Cost

	<u>Group</u>	
	<u>2022</u> Rs'000	<u>2021</u> Rs'000
At 01 October	177,093	158,513
Exchange difference	(26,117)	18,580
At 30 September	<u>150,976</u>	<u>177,093</u>
 <i>Accumulated depreciation & impairment</i>		
At 01 October	17,814	12,725
Depreciation charge	3,489	3,504
Exchange difference	(3,051)	1,585
At 30 September	<u>18,252</u>	<u>17,814</u>
 <i>Carrying amount</i>		
At 30 September	<u>132,724</u>	<u>159,279</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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
2022					
<i>Cost</i>					
At 01 October 2021	910,557	6,833	8,048	73,509	998,947
New leases / adjustments during the year	91,125	780	1,077	14,351	107,333
Transfer to plant & equipment	-	(939)	(3,028)	(10,270)	(14,237)
Disposals	(20,990)	-	(563)	(4,630)	(26,183)
Exchange difference	(13,657)	-	(544)	(758)	(14,959)
At 30 September 2022	<u>967,035</u>	<u>6,674</u>	<u>4,990</u>	<u>72,202</u>	<u>1,050,901</u>
<i>Accumulated depreciation & impairment</i>					
At 01 October 2021	228,327	2,349	4,352	48,481	283,509
Transfer to plant & equipment	-	(752)	(2,629)	(10,270)	(13,651)
Depreciation charge	146,113	1,052	1,566	12,204	160,935
Disposal adjustment	(16,356)	-	(563)	(4,630)	(21,549)
Exchange difference	(3,886)	-	(271)	(370)	(4,527)
At 30 September 2022	<u>354,198</u>	<u>2,649</u>	<u>2,455</u>	<u>45,415</u>	<u>404,717</u>
<i>Carrying amount</i>					
At 30 September 2022	<u>612,837</u>	<u>4,025</u>	<u>2,535</u>	<u>26,787</u>	<u>646,184</u>
2021					
<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 & 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>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	<u>Company</u>	
	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000
9 Right-of-use assets (cont'd)		
<i>(Buildings)</i>		
<i>Cost</i>		
At 01 October	2,770	2,719
Adjustment to leases during the year	78	51
At 30 September	<u>2,848</u>	<u>2,770</u>
 <i>Accumulated depreciation & impairment</i>		
At 01 October	289	143
Depreciation charge	151	146
At 30 September	<u>440</u>	<u>289</u>
 <i>Carrying amount</i>		
At 30 September	<u>2,408</u>	<u>2,481</u>

10 Intangible assets

	<u>Group</u>					
	<u>Goodwill</u>	<u>Customer</u>	<u>Registered</u>	<u>Leasehold</u>	<u>Computer</u>	<u>Total</u>
	<u>on</u>	<u>portfolio</u>	<u>brand</u>	<u>rights</u>	<u>software</u>	<u>Total</u>
	<u>consolidation</u>	<u>Rs'000</u>	<u>name</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
<u>2022</u>						
<i>Cost</i>						
At 01 October 2021	302,192	-	80,000	3,312	351,798	737,302
Consolidation adjustment (note 45)	12,800	31,000	-	-	-	43,800
Acquisitions	-	-	-	-	36,290	36,290
Disposals	-	-	-	-	(1,644)	(1,644)
Translation difference	-	-	-	(417)	(1,400)	(1,817)
At 30 September 2022	<u>314,992</u>	<u>31,000</u>	<u>80,000</u>	<u>2,895</u>	<u>385,044</u>	<u>813,931</u>
 <i>Accumulated amortisation & impairment</i>						
At 01 October 2021	117	-	-	653	244,192	244,962
Amortisation & impairment charge	-	1,800	-	150	42,093	44,043
Disposal adjustment	-	-	-	-	(1,644)	(1,644)
Translation difference	-	-	-	(95)	(1,400)	(1,495)
At 30 September 2022	<u>117</u>	<u>1,800</u>	<u>-</u>	<u>708</u>	<u>283,241</u>	<u>285,866</u>
 <i>Carrying amount</i>						
At 30 September 2022	<u>314,875</u>	<u>29,200</u>	<u>80,000</u>	<u>2,187</u>	<u>101,803</u>	<u>528,065</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

10 Intangible assets (cont'd)

	Group				
	Goodwill	Registered	Leasehold	Computer	Total
	on	brand	rights	software	Total
	consolidation	name	rights	software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021					
<i>Cost</i>					
At 01 October 2020	289,904	80,000	3,459	50,739	424,102
Consolidation adjustment	12,288	-	-	296,100	308,388
Acquisitions	-	-	116	5,099	5,215
Disposals	-	-	(430)	(140)	(570)
Translation 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 & 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)
Translation 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>

Company	
2022	2021
Rs'000	Rs'000

11 Interests in subsidiaries

a Investments in equity at cost

At 01 October	1,994,770	416,499
Acquisition	1	-
Reclassified from investment in joint venture (note 12)	-	1,578,271
Disposal	(25)	-
At 30 September	<u>1,994,746</u>	<u>1,994,770</u>

b Other funds as 'deemed' investments in subsidiaries at cost

At 01 October	282,965	282,965
Funds invested during the year (net)	5,298	-
At 30 September	<u>288,263</u>	<u>282,965</u>

c Allowance for impairment

At 01 October & 30 September	3,000	3,000
At 30 September	<u>2,280,009</u>	<u>2,274,735</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

11 Interests in subsidiaries (cont'd)

d 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.

			<u>Company</u>	
			<u>2022</u>	<u>2021</u>
			<u>%</u>	<u>%</u>
e	The subsidiaries, are as follows:			
	<u>held directly by the Company</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
	• Mobisil Ltd	Rep. of Mauritius	Home furniture & consumer electronics	100.00
	• Scott & Co Ltd	Rep. of Mauritius	Consumer goods	79.90
	• Sebna Ltd	Rep. of Mauritius	Fruit juice	78.80
	• The Brand House Ltd	Rep. of Mauritius	Home appliances & consumer electronics	76.20
	• Tobory (M) Ltd	Rep. of Mauritius	Dormant	-
	• TSS Lafayette (M) Ltd	Rep. of Mauritius	Dormant	100.00
	• TSS Properties Ltd	Rep. of Seychelles	Investment	100.00
	<u>held by other group companies (effective holding)</u>			
	• Bagatelle Health Ltd	Rep. of Mauritius	Retail Pharmacy	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 Lt	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
	• Copharma Ltd	Rep. of Mauritius	Dormant	79.90
	• Dimomix SASU	Reunion Island	Nespresso products	100.00
	• Flacq Properties Ltd	Rep. of Seychelles	Investment property	100.00
	• Grand Baie ForMe Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90
	• Key Financial Services Ltd	Rep. of Mauritius	Investment	34.03
	• Maltoby Properties Ltd	Rep. of Seychelles	Investment property	100.00
	• Riverside Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90
	• Rotoby Properties Ltd	Rep. of Seychelles	Investment property	100.00
	• Scott Health Ltd	Rep. of Mauritius	Pharmaceutical	79.90
	• Standard Pharmacy Ltd	Rep. of Mauritius	Retail Pharmacy	79.90
	• Scott Pharmacy Tribeca Ltd	Rep. of Mauritius	Retail Pharmacy	79.90
	• Swan Forex Ltd	Rep. of Mauritius	Forex dealer	-
	• Beau Vallon Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90
	• The Scott Smile Foundation Ltd	Rep. of Mauritius	CSR	79.90
	• Tobory Properties Ltd	Rep. of Seychelles	Investment property	100.00
	• Tsusho Capital (Mauritius) Ltd*	Rep. of Mauritius	Corporate trustee	34.03
	• The Oceanic Trust Ltd	Rep. of Mauritius	Corporate trustee	34.03

* Tsusho Capital (Mauritius) Ltd was acquired In March 2022 & amalgamated in and into CIM Financial Services Ltd on 01.12.2022.

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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>				
2022				
Assets	18,784,500	1,521,297	1,320,650	453,047
Liabilities	13,815,300	954,211	823,305	254,815
Shareholders equity	4,969,200	567,086	497,345	198,232
Owners of the Company	1,710,095	432,120	397,379	158,387
Non-controlling interests	3,289,105	134,966	99,966	39,845
	4,999,200	567,086	497,345	198,232
2021				
Assets	16,647,500	1,209,999	1,022,893	425,378
Liabilities	12,060,000	693,507	585,342	281,928
Shareholders' equity	4,587,500	516,492	437,551	143,450
Owners of the Company	1,560,943	393,567	349,603	114,617
Non-controlling interests	3,026,557	122,925	87,948	28,833
	4,587,500	516,492	437,551	143,450
<i>Statement of Profit or Loss & Other Comprehensive income</i>				
2022				
Revenue	3,000,200	2,875,638	1,723,474	689,265
Profit before tax	734,800	99,757	133,260	62,913
Tax expense	(133,500)	(9,501)	(20,292)	(10,693)
Profit for the year	601,300	90,256	112,968	52,220
Other comprehensive income	(2,100)	338	(5,056)	-
Comprehensive income for the year	599,200	90,594	107,912	52,220
Owners of the Company	203,908	69,033	86,222	41,724
Non-controlling interests	395,292	21,561	21,690	10,496
	599,200	90,594	107,912	52,220

Scott Investments Ltd
Notes for the Year ended 30 September 2022

11 Interests in subsidiaries (cont'd)

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

	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 Profit or Loss & Other Comprehensive income (cont'd)</i>				
2021				
Revenue		2,615,638	1,351,080	565,211
Profit before tax		145,672	36,691	40,177
Tax expense		(15,906)	(656)	(4,167)
Profit for the year		129,766	36,035	36,010
Other comprehensive income		7,113	1,954	(288)
Comprehensive income for the year		136,879	37,989	35,722
Owners of the Company		104,288	30,353	28,542
Non-controlling interests		32,591	7,636	7,180
		136,879	37,989	35,722
<i>Statement of Cash Flows</i>				
2022				
Net cash from/(used in) operating activities	(281,000)	(128,815)	13,353	29,198
Net cash from/(used in) investing activities	(212,300)	(37,920)	1,895	19,487
Net cash from/(used in) financing activities	773,900	89,376	(114,875)	(53,738)
Increase/(decrease) in cash & cash equivalents	280,600	(77,359)	(99,627)	(5,053)
Dividends paid to non-controlling interests	11,060	9,048	-	-
2021				
Net cash from/(used in) operating activities		199,373	37,651	113,935
Net cash from/(used in) investing activities		(15,891)	(10,937)	465
Net cash from/(used in) financing activities		(100,220)	(22,845)	(11,061)
Increase/(decrease) in cash & cash equivalents		83,262	3,869	103,339
Dividends paid to non-controlling interests		19,211	7,842	-

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
12 Investment in joint venture				
<i>a Cost (company)/equity (group)</i>				
At 01 October	-	1,762,135	-	1,220,780
Share of profit for the year (page 6)	-	110,057	-	-
Share of other reserves	-	10,304	-	-
Dividend income for the year (note 33)	-	(18,000)	-	-
Dividend 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)	-	-
	-	1,215,500	-	1,220,780
Acquisitions on share exchange (note 14)	-	357,491	-	357,491
Reclassify as interest in subsidiary	-	(1,572,991)	-	(1,578,271)
At 30 September	-	-	-	-

- 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 2022, the Company acquired additional shares in Elgin Ltd thus gaining control over it.

	Group
	2021
	Rs'000
<i>d</i> Summarised financial information of Elgin Ltd (as a joint venture)	
Net assets	4,587,100
Revenue	2,652,900
Profit/(loss) for the year	416,150
Other comprehensive loss for the year	38,900
Share of above profit attributable to the Company	110,057
Share of above other comprehensive income	10,304

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000	Rs'000	Rs'000
13 Investments in associates				
<i>a Cost (company)/equity (group)</i>				
At 01 October	13,228	8,684	9,759	9,759
Acquisitions during the year	15,000	-	-	-
Share of (loss)/profit for the year	(300)	2,810	-	-
Share of loss on foreign exchange on retranslation	(1,870)	1,734	-	-
Reclassified as assets held for sale	(12,822)	-	(9,259)	-
At 30 September	<u>13,236</u>	<u>13,228</u>	<u>500</u>	<u>9,759</u>

b The associates, are as follows:

held directly by the Company

- Savignac Proprietary Limited
- SmarTree Consulting Ltd

<u>Registered in</u>	<u>%</u>	<u>%</u>
S. Africa	34.50	34.50
S. Africa	<u>20.00</u>	<u>20.00</u>

held by other group companies

- Li & Fung (Mauritius) Ltd
- Dodwell (Mauritius) Ltd
- Fundkiss Technologies Ltd

Mauritius	40.0	40.0
H. Kong	40.0	40.0
Mauritius	25.0	-

c Activities carried out by the associates are as follows :

- Savignac Proprietary Limited
 - creates and distributes its own branded hardware for aluminium windows and doors throughout Africa.
- SmarTree Consulting Ltd
 - provides internal audit, risk advisory, statutory reporting services and related specialised training.
- Li & Fung (Mauritius) Ltd
 - acts as buying agent in Mauritius
- Dodwell (Mauritius) Ltd
 - acts as buying agent in Mauritius
- Fundkiss Technologies Ltd
 - operates a digital lending platform in Mauritius

c *Assets held for sale*

The shares in Savignac Proprietary Limited have been disposed of after the end of the current reporting year.

d Refer to note 44 for additional information on associates.

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
14 Investments in equity securities				
<i>a</i> Equity securities at FVOCI (b)	376,107	387,347	376,074	387,314
Equity securities at FVTPL (c)	800	800	-	-
	<u>376,907</u>	<u>388,147</u>	<u>376,074</u>	<u>387,314</u>
<i>b</i> <i>Equity securities at FVOCI</i>				
<i>b.1</i> At 01 October	387,347	381,262	387,314	381,229
Acquisitions	14,450	4,438	14,450	4,438
Reclassified as assets held for sale	(35,952)	(30,744)	(35,952)	(30,744)
Reclassified as loans receivable	-	(45,847)	-	(45,847)
Gain/(loss) in fair value	10,262	78,238	10,262	78,238
At 30 September	<u>376,107</u>	<u>387,347</u>	<u>376,074</u>	<u>387,314</u>
<i>b.2</i> The investments are made up as follows:				
Mauritian equity securities - quoted (level 1 : at fair value)	231,075	209,971	231,075	209,971
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)	94,924	127,267	94,891	127,235
	<u>376,107</u>	<u>387,346</u>	<u>376,074</u>	<u>387,314</u>
<i>b.3</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.4</i> Assuming a 1% change + (-) in the relevant quoted equity prices, the investments in equity shares would increase/(decrease) by Rs 2.3m (2021 - Rs 2.1m).				
<i>c</i> <i>Equity securities at FVTPL</i>				
<i>c.1</i> At 01 October	800	-	-	-
Consolidation adjustment	-	15,200	-	-
Reclassified as assets held for sale	-	(14,400)	-	-
At 30 September	<u>800</u>	<u>800</u>	<u>-</u>	<u>-</u>
These consist of unquoted foreign securities (level 2 : net assets value).				
<i>d</i> <i>Assets held for sale</i>				
Reclassified from equity securities at FVOCI	35,952	30,744	35,952	30,744
Dividend in species (note 40)	-	218,219	-	218,219
Loss in fair value (note 40)	(8,896)	163,370	(8,896)	163,370
Disposal proceeds on share exchange (note 12)	-	(357,491)	-	(357,491)
Cash proceeds received on disposal	(5,233)	(68,000)	(5,233)	(68,000)
Gain/(loss) on disposal of investment in equity securities held for sale (note 40)	(2,261)	13,158	(2,261)	13,158
Reclassified from equity securities at FVTPL	-	14,400	-	-
	<u>19,562</u>	<u>14,400</u>	<u>19,562</u>	<u>-</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	<u>2022</u> Rs'000	<u>2021</u> Rs'000	<u>2022</u> Rs'000	<u>2021</u> Rs'000
15 Investments in debt instruments				
<i>a</i> At 01 October	161,887	34,187.00	34,187	34,187
Consolidation adjustment	(8,100)	127,700	-	-
At 30 September	<u>153,787</u>	<u>161,887</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	119,600	-	-
• other	-	8,100	-	-
	<u>153,787</u>	<u>161,887</u>	<u>34,187</u>	<u>34,187</u>

16 Receivables under finance leases & credit agreements

	Group		Rs'000
	Finance leases Rs'000	Other credit agreements Rs'000	
<u>2022</u>			
<i>a</i> <i>Gross receivables</i>			
Current - Not later than 1 year	1,198,001	4,231,800	5,429,801
Non-current - Later than 1 year & not later than 5 years	1,970,698	3,445,400	5,416,098
Non-current - Later than 5 years	512,200	-	512,200
	<u>3,680,899</u>	<u>7,677,200</u>	<u>11,358,099</u>
Unearned finance income	(465,373)	(1,068,100)	(1,533,473)
Present value of minimum lease payments (b)	3,215,526	6,609,100	9,824,626
Accumulated allowance for credit losses ((e) and (h))	(165,400)	(778,500)	(943,900)
	<u>3,050,126</u>	<u>5,830,600</u>	<u>8,880,726</u>
<i>Analysed as follows :</i>			
Current receivables	1,222,360	2,867,900.0	4,090,260
Non-current receivables	1,827,766	2,962,700.0	4,790,466
	<u>3,050,126</u>	<u>5,830,600</u>	<u>8,880,726</u>
<i>b</i> <i>Present value of minimum lease payments analysed as follows:-</i>			
Current - Not later than 1 year	1,014,760	3,549,200	4,563,960
Non-current - Later than 1 year & not later than 5 years	1,548,866	3,059,900	4,608,766
Non-current - Later than 5 years	651,900	-	651,900
	<u>2,200,766</u>	<u>3,059,900</u>	<u>5,260,666</u>
	<u>3,215,526</u>	<u>6,609,100</u>	<u>9,824,626</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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	2,664,326	-	-	2,664,326
Watchlist	-	299,100	-	299,100
Non-performing	-	-	252,100	252,100
	<u>2,664,326</u>	<u>299,100</u>	<u>252,100</u>	<u>3,215,526</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 2021	1,766,800	443,300	291,900	2,502,000
Consolidation adjustment	900,200	88,200	62,100	1,050,500
New assets originated	730,226	45,900	3,000	779,126
Assets derecognised or repaid (excl. write-offs)	(866,900)	(118,000)	(102,000)	(1,086,900)
Transfers between stages	134,300	(160,200)	25,900	-
Amounts written off	(300)	(100)	(28,800)	(29,200)
At 30 September 2022	<u>2,664,326</u>	<u>299,100</u>	<u>252,100</u>	<u>3,215,526</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 2021	26,700	27,100	150,800	204,600
Consolidation adjustment	19,300	3,200	26,100	48,600
New assets originated	3,700	3,200	5,200	12,100
Assets derecognised or repaid (excl. write offs)	(10,600)	(3,600)	(27,700)	(41,900)
Transfers between stages	18,800	5,500	(24,300)	-
Impact of impairment losses and year end adjustment	(19,400)	(14,700)	29,400	(4,700)
Changes to estimates and assumptions used	(1,400)	(2,000)	(22,000)	(25,400)
Amounts written off	-	-	(27,900)	(27,900)
At 30 September 2022	<u>37,100</u>	<u>18,700</u>	<u>109,600</u>	<u>165,400</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	5,116,000	-	-	5,116,000
Watchlist	-	460,900	-	460,900
Non-performing	-	-	1,032,200	1,032,200
	<u>5,116,000</u>	<u>460,900</u>	<u>1,032,200</u>	<u>6,609,100</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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

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 2021	4,501,300	570,600	1,093,400	6,165,300
New assets originated	3,597,000	285,000	327,000	4,209,000
Assets derecognised or repaid (excl. write offs)	(2,786,800)	(275,800)	(511,200)	(3,573,800)
Transfers between stages	(194,100)	(117,100)	311,200	-
Amounts written off	(1,400)	(1,800)	(188,200)	(191,400)
At 30 September 2022	<u>5,116,000</u>	<u>460,900</u>	<u>1,032,200</u>	<u>6,609,100</u>
<i>h Accumulated allowances on credit losses receivables under other credit agreements</i>				
At 01 October 2021	46,100	32,000	597,600	675,700
New assets originated	34,700	6,200	195,200	236,100
Assets derecognised or repaid (excl. write offs)	(11,600)	(1,800)	(41,200)	(54,600)
Transfers between stages	2,100	(1,700)	(400)	-
Impact of impairment losses and year end adjustment	(3,800)	(400)	90,600	86,400
Changes to estimates and assumptions used	9,900	(14,400)	25,000	20,500
Amounts written off	-	-	(185,600)	(185,600)
At 30 September 2022	<u>77,400</u>	<u>19,900</u>	<u>681,200</u>	<u>778,500</u>

Group

	<u>Finance leases</u>	<u>Other credit agreements</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000
2021			
<i>a Gross receivables</i>			
Current - Not later than 1 year	998,900	4,092,800	5,091,700
Non-current - Later than 1 year & not later than 5 years	1,715,500	2,996,600	4,712,100
Non-current - Later than 5 years	102,400	-	102,400
	<u>2,816,800</u>	<u>7,089,400</u>	<u>9,906,200</u>
Unearned finance income	(314,800)	(924,100)	(1,238,900)
Present value of minimum lease payments	2,502,000	6,165,300	8,667,300
Accumulated allowance for credit losses ((e) and (h))	(204,600)	(675,700)	(880,300)
	<u>2,297,400</u>	<u>5,489,600</u>	<u>7,787,000</u>
<i>Analysed as follows :</i>			
Current receivables	708,700	2,833,900	3,542,600
Non-current receivables	1,588,700	2,655,700	4,244,400
	<u>2,297,400</u>	<u>5,489,600</u>	<u>7,787,000</u>
<i>b Present value of minimum lease payments analysed as follows:-</i>			
Current - Not later than 1 year	<u>858,900</u>	<u>3,431,500</u>	<u>4,290,400</u>
Non-current - Later than 1 year & not later than 5 years	1,546,000	2,733,800	4,279,800
Non-current - Later than 5 years	97,100	-	97,100
	<u>1,643,100</u>	<u>2,733,800</u>	<u>4,376,900</u>
	<u>2,502,000</u>	<u>6,165,300</u>	<u>8,667,300</u>

Scott Investments Ltd
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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	1,766,800	-	-	1,766,800
Watchlist	-	443,300	-	443,300
Non-performing	-	-	291,900	291,900
	<u>1,766,800</u>	<u>443,300</u>	<u>291,900</u>	<u>2,502,000</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	1,766,800	443,300	291,900	2,502,000
At 30 September 2021	<u>1,766,800</u>	<u>443,300</u>	<u>291,900</u>	<u>2,502,000</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	4,501,300	-	-	4,501,300
Watchlist	-	570,600	-	570,600
Non-performing	-	-	1,093,400	1,093,400
	<u>4,501,300</u>	<u>570,600</u>	<u>1,093,400</u>	<u>6,165,300</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	4,501,300	570,600	1,093,400	6,165,300
At 30 September 2021	<u>4,501,300</u>	<u>570,600</u>	<u>1,093,400</u>	<u>6,165,300</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 2022

	Group	
	2022	2021
	Rs'000	Rs'000
17 Loans receivable (finance sector activity)		
<i>a.1 Credit facilities (b)</i>	7,343,200	6,313,300
Corporate loans (c)	202,500	162,200
Factoring receivables (d)	98,000	139,000
Cards receivables (e)	307,000	-
	<u>7,950,700</u>	<u>6,614,500</u>
Cumulative allowance for credit losses (f)	<u>(870,900)</u>	<u>(580,100)</u>
	<u>7,079,800</u>	<u>6,034,400</u>
<i>a.2 Current - Not later than 1 year</i>	<u>3,298,500</u>	<u>2,719,500</u>
Non current - Later than 1 year & not later than 5 years	3,776,900	3,604,000
Non current - Later than 5 years	4,400	14,800
	<u>3,781,300</u>	<u>3,618,800</u>
<i>b Credit facilities</i>		
<i>b.1 Credit facilities receivables breakdown before impairment</i>		
Current - Not later than 1 year	2,769,800	2,184,400
Non current - Later than 1 year & not later than 5 years	4,573,400	4,125,800
Non current - Later than 5 years	-	3,100
	<u>7,343,200</u>	<u>6,313,300</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.

2022

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	5,564,600	-	-	5,564,600
Watchlist	-	523,500	-	523,500
Non-performing	-	-	1,255,100	1,255,100
	<u>5,564,600</u>	<u>523,500</u>	<u>1,255,100</u>	<u>7,343,200</u>

2021

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	4,758,200	-	-	4,758,200
Watchlist	-	640,000	-	640,000
Non-performing	-	-	915,100	915,100
	<u>4,758,200</u>	<u>640,000</u>	<u>915,100</u>	<u>6,313,300</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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

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:

2022

	<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 2021	4,758,200	640,000	915,100	6,313,300
New assets originated	3,028,700	252,400	329,700	3,610,800
Assets derecognised or repaid (excl. write-offs)	(1,944,700)	(203,700)	(370,400)	(2,518,800)
Transfers between stages	(276,100)	(163,200)	439,300	-
Amounts written off	(1,500)	(2,000)	(58,600)	(62,100)
At 30 September 2022	<u>5,564,600</u>	<u>523,500</u>	<u>1,255,100</u>	<u>7,343,200</u>

2021

	<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	4,758,200	642,000	915,100	6,315,300
At 30 September 2021	<u>4,758,200</u>	<u>642,000</u>	<u>915,100</u>	<u>6,315,300</u>

b.4 Allowance for credit losses

2022

	<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 2021	50,400	39,300	386,200	475,900
New assets originated	33,100	9,100	189,400	231,600
Assets derecognised or repaid (excl. write offs)	(8,700)	(100)	(4,300)	(13,100)
Transfers between stages	9,500	(4,300)	(5,200)	-
Impact of impairment losses and year end adjustments	(3,100)	1,400	120,000	118,300
Changes to estimates and assumptions used	8,900	(13,900)	27,800	22,800
Amounts written off	(200)	(1,000)	(52,900)	(54,100)
At 30 September 2022	<u>89,900</u>	<u>30,500</u>	<u>661,000</u>	<u>781,400</u>

2021

	<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	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>2022</u>	<u>2021</u>
	Rs'000	Rs'000
Current - Not later than 1 year	123,700	92,200
Non current - Later than 1 year & not later than 5 years	74,400	58,300
Non current - Later than 5 years	4,400	11,700
	<u>202,500</u>	<u>162,200</u>

c Corporate loans

c.1 Analysis of corporate loan (for allowance for credit losses)

Current - Not later than 1 year	123,700	92,200
Non current - Later than 1 year & not later than 5 years	74,400	58,300
Non current - Later than 5 years	4,400	11,700
	<u>202,500</u>	<u>162,200</u>

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

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.

2022

	<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	112,100	-	-	112,100
Watchlist	-	1,600	-	1,600
Non-performing	-	-	88,800	88,800
	<u>112,100</u>	<u>1,600</u>	<u>88,800</u>	<u>202,500</u>

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	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:

2022

	<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 2021	74,000	300	87,900	162,200
Consolidation adjustment	28,500	-	-	28,500
New assets originated	56,600	1,500	6,100	64,200
Assets derecognised or repaid (excl. write offs)	(47,300)	(500)	(4,600)	(52,400)
Transfers between stages	300	300	(600)	-
At 30 September 2022	<u>112,100</u>	<u>1,600</u>	<u>88,800</u>	<u>202,500</u>

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	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>

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

c.4 Expected credit loss - Corporate credit facilities

2022

	<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 2021	3,000	100	44,200	47,300
New assets originated	5,100	100	-	5,200
Assets derecognised or repaid (excl. write offs)	(1,000)	-	(2,800)	(3,800)
Transfers between stages	-	600	(600)	-
Impact of impairment losses and year end adjustments	-	(600)	-	(600)
Changes to estimates and assumptions used	1,500	400	6,200	8,100
At 30 September 2022	<u>8,600</u>	<u>600</u>	<u>47,000</u>	<u>56,200</u>

2021

	<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	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>2022</u>	<u>2021</u>
Rs'000	Rs'000

d Factoring receivables

d.1 Factoring receivables breakdown before impairment

Receivable from customers	194,800	264,700
Fund of guarantee	(96,800)	(125,700)
	<u>98,000</u>	<u>139,000</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.

2022

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	90,100	-	-	90,100
Watchlist	-	-	-	-
Non-performing	-	-	7,900	7,900
	<u>90,100</u>	<u>-</u>	<u>7,900</u>	<u>98,000</u>

2021

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	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>

Scott Investments Ltd
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17 Loans receivable (finance sector activity) (cont'd)

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:

2022

	<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 2021	123,700	2,000	13,300	139,000
New assets originated	29,400	-	800	30,200
Assets derecognised or repaid (excl. write offs)	(62,800)	(1,800)	(5,300)	(69,900)
Transfers between stages	(200)	(200)	400	-
Amounts written off	-	-	(1,300)	(1,300)
At 30 September 2022	<u>90,100</u>	<u>-</u>	<u>7,900</u>	<u>98,000</u>

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	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>

d.4 Expected credit loss - Factoring receivables

2022

	<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 2021	2,300	-	13,300	15,600
New assets originated	200	-	900	1,100
Assets derecognised or repaid (excl. write offs)	(1,000)	-	(5,100)	(6,100)
Transfers between stages	(100)	-	100	-
Changes to estimates and assumptions used	700	-	100	800
Amounts written off	-	-	(1,300)	(1,300)
At 30 September 2022	<u>2,100</u>	<u>-</u>	<u>8,000</u>	<u>10,100</u>

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.

Scott Investments Ltd
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17 Loans receivable (finance sector activity) (cont'd)

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.

2022

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
Performing	268,000	-	-	268,000
Watchlist	-	16,800	-	16,800
Non-performing	-	-	22,200	22,200
	<u>268,000</u>	<u>16,800</u>	<u>22,200</u>	<u>307,000</u>

2021

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
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:

2022

	<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 2021	205,600	44,700	53,600	303,900
New assets originated	85,300	4,400	5,000	94,700
Assets derecognised or repaid (excl. write offs)	(70,000)	(2,100)	(2,600)	(74,700)
Transfers between stages	47,400	(29,500)	(17,900)	-
Amounts written off	(300)	(700)	(15,900)	(16,900)
At 30 September 2022	<u>268,000</u>	<u>16,800</u>	<u>22,200</u>	<u>307,000</u>

2021

	<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	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>

Scott Investments Ltd
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	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
19 Assets held for sale				
Investments disposed after the reporting year				
• equity securities	19,562	14,400	19,562	-
• associates	12,822	-	9,259	-
	<u>32,384</u>	<u>14,400</u>	<u>28,821</u>	<u>-</u>
20 Inventories				
a Goods held for resale	1,597,263	1,146,337	-	-
Raw materials & consumables	33,269	13,764	-	-
Goods in transit	128,003	81,287	-	-
	<u>1,758,535</u>	<u>1,241,388</u>	<u>-</u>	<u>-</u>
b Inventories of borrowing companies of the Group have been pledged for banking facilities granted to them.				
21 Trade & other receivables				
a Trade receivables	577,995	531,754	-	-
Accumulated allowance for credit losses	(20,438)	(19,657)	-	-
Net trade receivables	<u>557,557</u>	<u>512,097</u>	<u>-</u>	<u>-</u>
Prepayments & other receivables	574,582	468,849	19,155	14,892
Accumulated allowance for credit losses	(2,400)	(1,056)	(2,400)	-
	<u>572,182</u>	<u>467,793</u>	<u>16,755</u>	<u>14,892</u>
Amount receivable from subsidiaries	-	-	18,859	47,464
Amount receivable from parent company	110	-	110	95
	<u>110</u>	<u>-</u>	<u>18,969</u>	<u>47,559</u>
	<u>1,129,849</u>	<u>979,890</u>	<u>35,724</u>	<u>62,451</u>
b Accumulated allowance for credit losses				
At 01 October	20,713	47,236	-	-
Receivable written off as uncollectible	(1,625)	(11,222)	-	-
Allowance for credit losses	4,158	(15,598)	2,400	-
Exchange difference	(408)	297	-	-
At 30 September	<u>22,838</u>	<u>20,713</u>	<u>2,400</u>	<u>-</u>
c Ageing of net trade receivables				
Less than 6 months	548,205	442,661	-	-
More than 6 months	9,040	5,500	-	-
Later than 12 months	312	3,515	-	-
	<u>557,557</u>	<u>451,676</u>	<u>-</u>	<u>-</u>
d 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).				

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
22 Deposits receivable				
<i>a</i> Interest bearing deposits receivable from				
• banks	604,543	531,491	121,643	105,391
<i>b</i> <i>Receivable</i>				
Not later than 1 year	604,543	230,591	121,643	105,391
Later than 1 year but less than 2 years	-	300,900	-	-
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.				
24 Trade & other payables				
<i>a</i> Trade payables	933,275	962,661	-	-
Trade payable-goods in transit	104,940	77,797	-	-
Accruals & other payables	1,148,392	1,033,397	13,429	12,658
Amount payable to subsidiaries	-	-	145	1,816
Amount payable to other related parties	-	9,545	-	-
Deferred revenue	11,361	12,644	28	-
Amount payable - CSR Fund	32,635	26,878	209	809
	2,230,603	2,122,922	13,811	15,283
<i>b</i> Trade payables are non-interest bearing and are generally on 30 to 90 days' term.				
25 Provisions				
For bulk discounts & incentives	40,405	26,815	-	-
For warranty repairs	18,981	17,579	-	-
For termination benefits	6,455	7,385	-	-
For vacation leaves	2,198	-	-	-
	68,039	51,779	-	-
26 Income tax				
<i>a</i> <i>Tax expense</i>				
Income tax on the adjusted profit for the year	223,808	35,449	644	5,001
Adjustment for previous year	(10,205)	(497)	(69)	(176)
	213,603	34,952	575	4,825
Deferred tax credit for the year	(65,181)	(8,603)	-	-
	148,422	26,349	575	4,825

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
26 Income tax (cont'd)				
<i>b Tax payable/(prepaid)</i>				
At 01 October	255,789	4,853	1,840	365
Consolidation adjustment		246,400	-	-
Income tax on the adjusted profit for the year	223,808	35,449	644	5,001
Adjustment for previous year	(10,205)	(497)	(69)	(176)
Exchange difference	(1,231)	47	-	-
Tax paid (net)	<u>(261,836)</u>	<u>(30,463)</u>	<u>(5,452)</u>	<u>(3,350)</u>
At 30 September	<u>206,325</u>	<u>255,789</u>	<u>(3,037)</u>	<u>1,840</u>
<i>c Reconciliation of tax expense & tax on accounting profit</i>				
Profit before tax	974,481	529,759	138,675	522,399
<i>Adjustment for:</i>				
Share of profit of joint venture & associates	300	(112,867)	-	-
Difference between capital allowance & depreciation	48,707	10,852	72	47
Expenses not deductible for income tax purposes	832,326	105,261	21,888	66,637
Income not subject to tax	(381,030)	(128,700)	(156,342)	(555,742)
Tax losses of previous years	(71,319)	(60,250)	-	-
Tax losses no longer available	140	-	-	-
Tax losses for future use	81,692	71,319	-	-
Exchange difference	5,189	(3,524)	-	-
Adjusted chargeable profit for the year	<u>1,490,486</u>	<u>411,850</u>	<u>4,293</u>	<u>33,341</u>
Enacted tax rate	15 % - 26.5%	15 % - 28%	15%	15%
Income tax on the adjusted profit for the year	<u>223,808</u>	<u>35,449</u>	<u>644</u>	<u>5,001</u>
Average effective tax rate	<u>23%</u>	<u>7%</u>	<u>0%</u>	<u>1%</u>
<i>d Deferred tax assets</i>				
At 01 October	253,207	2,004	-	-
Consolidation adjustment	8,700	242,600	-	-
Deferred tax credit for the year				
• through profit or loss	65,181	8,603	-	-
• through other comprehensive income	2,831	-	-	-
At 30 September	<u>329,919</u>	<u>253,207</u>	<u>-</u>	<u>-</u>
Made up of				
Difference between capital allowance & depreciation	(19,559)	(26,198)	-	-
Employee benefit liabilities	29,615	23,805	-	-
Impairment allowance	310,500	251,100	-	-
Others	9,363	4,500	-	-
	<u>329,919</u>	<u>253,207</u>	<u>-</u>	<u>-</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
27 Loans payable				
<i>a</i> Bank loans - secured	6,780,127	5,726,556	-	-
Bank loans on imports	344,532	53,523	-	-
Other unsecured loans	5,004,600	4,194,400	-	-
	12,129,259	9,974,479	-	-
<i>b</i> <i>Current loans payable</i>				
Not later than 1 year	7,536,528	3,225,386	-	-
<i>Non-current loans payable</i>				
Later than 1 year & not later than 5 years	4,311,060	6,452,993	-	-
Later than 5 years	281,671	296,100	-	-
	4,592,731	6,749,093	-	-
<i>c</i> The loans are secured by fixed and floating charges on the assets of the borrowing companies.				
<i>d</i> Interest rates are based on commercial rates as negotiated with the borrowing companies' bankers and varies from time to time.				
28 Lease liabilities				
<i>a</i> <i>Present value of lease liabilities</i>				
Current - Not later than 1 year	140,734	136,713	85	76
Non-current - Later than 1 year & not later than 5 years	486,883	545,383	415	372
Non-current - Later than 5 years	61,938	93,062	2,136	2,188
	689,555	775,158	2,636	2,636
29 Employee benefit liabilities				
Defined benefit plan (a)	71,445	51,997	-	-
Other post-retirement benefit liabilities (b)	110,545	79,202	5,662	5,662
Unfunded pension liabilities (c)	23,600	24,400	-	-
Other long term employee benefit plan (d)	9,600	11,300	-	-
	215,190	166,899	5,662	5,662

a *Description of 'Defined benefit plan'*

The Group operates a final salary defined benefit pension plan for some employees. The assets are held separately from the Group under the control of the Management Committee of Rogers Pension Fund (RPF). The Group contributes to the pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) so that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

Scott Investments Ltd
Notes for the Year ended 30 September 2022

29 Employee benefit liabilities (cont'd)

a Description of 'Defined benefit plan' (cont'd)

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 (NWOG) 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 2022

29 Employee benefit liabilities (cont'd)

a.1 Reconciliation of Defined benefit plan

	Present value of liabilities Rs'000	Fair value of assets Rs'000	Net liabilities Rs'000
2022			
At 01 October 2021	134,121	(82,124)	51,997
<i>Expenses (in profit or loss)</i>			
Current service cost	4,495	-	4,495
Settlement gain	(1,027)	-	(1,027)
Interest expense/(income)	5,671	(3,402)	2,269
	<u>9,139</u>	<u>(3,402)</u>	<u>5,737</u>
<i>Remeasurements (in other comprehensive income)</i>			
Expected return on plan assets	-	4,105	4,105
Gain/(loss) on liability experience	2,374	-	2,374
(Gain)/loss on liability experience due to change in financial assumptions	13,016	-	13,016
	<u>15,390</u>	<u>4,105</u>	<u>19,495</u>
<i>Cash transactions</i>			
Employer's contributions	-	(6,811)	(6,811)
Benefits paid from plan	(11,773)	12,800	1,027
	<u>(11,773)</u>	<u>5,989</u>	<u>(5,784)</u>
At 30 September 2022	<u>146,877</u>	<u>(75,432)</u>	<u>71,445</u>
2021			
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>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group	
	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000
29 Employee benefit liabilities (cont'd)		
<i>a.2 Distribution of plan assets</i>		
Domestic equities & debts instruments	41,585	40,417
Foreign equities & debts instruments	25,647	32,087
Cash & other	8,200	9,620
	<u>75,432</u>	<u>82,124</u>

No assets are held in the Company's own financial instruments

	%	%
<i>a.3 Principal assumptions used</i>		
Discount rate	4.9 - 5.4	4.5 - 4.8
Future salary increases	4.0 - 4.6	1.0 - 4.0
Future pension increases	1.5 - 2.0	0.0 - 1.0
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>44,208</u>	<u>43,736</u>
Decrease due to 1% increase in discount rate	<u>35,556</u>	<u>35,089</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.

a.5 Future cashflows

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>17,377</u>	<u>4,271</u>
• Weighted average duration of the defined benefit obligation.	<u>4 - 7 years</u>	<u>5 - 19 years</u>

	Group		Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<i>b Other post-retirement benefit liabilities</i>	<u>110,545</u>	<u>79,202</u>	<u>5,662</u>	<u>5,662</u>
(Gratuity on retirement under the Workers Rights Act 2020)				

The Company's policy is to have an actuarial valuation of its retirement benefit liabilities every 2 years. The last valuation was carried out in 2021.

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
29 Employee benefit liabilities (cont'd)				
<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	79,202	23,941	5,662	4,271
Consolidation adjustment	900	50,300	-	-
Expenses (b.2)	22,621	2,416	-	1,000
Remeasurement (b.3)	10,221	2,820	-	391
Benefits paid during the year	(2,165)	-	-	-
Employers' contributions	(234)	(275)	-	-
At 30 September	<u>110,545</u>	<u>79,202</u>	<u>5,662</u>	<u>5,662</u>
<i>b.2 Expenses (in profit & loss)</i>				
Current service cost	8,994	1,382	-	494
Past service cost	10,497	-	-	-
Interest expenses	3,130	1,034	-	506
	<u>22,621</u>	<u>2,416</u>	<u>-</u>	<u>1,000</u>
<i>b.3 Remeasurements (in other comprehensive income)</i>				
Liability experience (gain)/loss	7,320	(3,366)	-	(736)
Liability loss/(gain) due to change in financial assumptions	-	-	-	1,127
	<u>2,901</u>	<u>6,186</u>	<u>-</u>	<u>-</u>
	<u>10,221</u>	<u>2,820</u>	<u>-</u>	<u>391</u>
<i>b.4 Principal assumptions used</i>	%	%	%	%
Discount rate	4.6 - 5.4	4.5 - 4.8	4.6	4.6
Future salary increase	4.0 - 5.0	4.0 - 5.0	5.0	5.0
Future pension increase	1.0 - 2.0	1.0	1.0	1.0
Average retirement age (ARA)	60/65 years	60/65 years	65 years	65 years
Average life expectancy for				
Male at ARA	15.9 years	15.9 years	15.9 years	15.9 years
Female at ARA	<u>20.0 years</u>	<u>20.0 years</u>	<u>20.0 years</u>	<u>20.0 years</u>
<i>b.5 Sensitivity analysis on actuarial assumption</i>				
Increase due to 1% decrease in discount rate	<u>38,412</u>	<u>31,818</u>	<u>-</u>	<u>1,190</u>
Decrease due to 1% increase in discount rate	<u>30,239</u>	<u>24,804</u>	<u>-</u>	<u>1,071</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 2022

	Group		Company	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
29 Employee benefit liabilities (cont'd)				
<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	720	430	-	-
Weighted average duration of the defined benefit obligation.	9 - 34 years	9 - 27 years	10 years	10 years
<i>c. Unfunded pension liabilities</i>				
Present value of unfunded pension liabilities (c.2)	23,600	24,400	-	-
<i>c.1 Reconciliation of the liability recognised in the Statement of Financial Position</i>				
At 1 October	24,400	-	-	-
Consolidation adjustment	-	24,400	-	-
Expenses (c.2)	1,000	-	-	-
Remeasurement (c.3)	1,700	-	-	-
Payment during the year	(3,500)	-	-	-
At 30 September	23,600	24,400	-	-
<i>c.2 Expenses (in profit & loss)</i>				
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest expenses	1,000	-	-	-
	1,000	-	-	-
<i>c.3 Remeasurements (in other comprehensive income)</i>				
Liability experience (gain)/loss	2,100	-	-	-
Liability loss/(gain) due to change in financial assumptions	(400)	-	-	-
	1,700	-	-	-
<i>c.4 Sensitivity analysis on unfunded pension liabilities</i>				
Increase due to 1% decrease in discount rate	1,100	1,300	n/a	n/a
Decrease due to 1% increase in discount rate	1,000	1,200	n/a	n/a
<i>c.5 Principal actuarial assumptions :</i>				
Discount rate	4.6%	4.5%	n/a	n/a
Future pension increases	5.0%	5.0%	n/a	n/a
Average retirement age (ARA)	60 yrs	60 yrs	n/a	n/a
Average life expectancy for				
• Male at ARA	19.5 yrs	19.5 yrs	n/a	n/a
• Female at ARA	24.2 yrs	24.2 yrs	n/a	n/a

Scott Investments Ltd
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	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
29 Employee benefit liabilities (cont'd)				
<i>d. Other long term employee benefit plan</i>				
At 01 October	11,300	-	-	-
Consolidation adjustment	-	11,300	-	-
Credit to profit or loss	(1,700)	-	-	-
At 30 September	<u>9,600</u>	<u>11,300</u>	<u>-</u>	<u>-</u>
<i>d.1 Section 47 (1) of the Workers Right Act 19 (WRA 2020) 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 2020 to meet the requirement of the WRA 2020.</i>				
<i>e Contributions to defined contribution plan</i>				
Recognised in profit or loss	<u>33,809</u>	<u>17,092</u>	<u>1,064</u>	<u>930</u>

30 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.

Scott Investments Ltd
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	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
30 Revenue (cont'd)				
<i>c.1 Sales of goods</i>				
On the domestic market				
Audio vision equipment/home appliances & other electronic goods	2,810,982	2,453,524	-	-
Beverages	1,063,238	760,198	-	-
Pharmacy products	894,487	729,961	-	-
Dry goods/home & personal care products	659,316	590,147	-	-
On the foreign market				
Beverages	543,823	549,411	-	-
	<u>5,971,846</u>	<u>5,083,241</u>	<u>-</u>	<u>-</u>
<i>c.2 Sales of services</i>				
On the domestic market				
Management fees	-	-	45,329	40,835
Aftersales service	65,576	58,275	-	-
On the foreign market				
Rent of property	5,870	4,504	-	-
	<u>71,446</u>	<u>62,779</u>	<u>45,329</u>	<u>40,835</u>
	<u>6,043,292</u>	<u>5,146,020</u>	<u>45,329</u>	<u>40,835</u>
<i>c.3 Revenue recognised</i>				
At a point in time	6,037,422	5,141,516	-	-
Over time	5,870	4,504	45,329	40,835
	<u>6,043,292</u>	<u>5,146,020</u>	<u>45,329</u>	<u>40,835</u>
31 Cost of sales				
Cost of inventories sold/used & write-down	4,809,887	4,110,766	-	-
General cost of sales expenses	5,164	304	-	-
Cost of renting and managing the property	2,492	2,336	-	-
Depreciation of property, plant & equipment	3,489	3,504	-	-
	<u>4,821,032</u>	<u>4,116,910</u>	<u>-</u>	<u>-</u>
32 Other income & gains				
Income relating to merchant and agency activities	264,400	-	-	-
Income relating to factoring activities	10,500	-	-	-
Operating lease income	90,700	-	-	-
Leasing residual value	6,500	-	-	-
Other lending and agency related income	125,200	-	-	-
Commission & rebate receivable from suppliers	80,054	64,188	-	-
Refund - Advertising & promotion expenses	104,277	70,665	-	-
Gain on disposal of plant & equipment	3,207	2,377	-	-
Gain on disposal of investments in subsidiaries	16,534	-	-	-
Other income & gains	15,815	24,784	122	5
	<u>717,187</u>	<u>162,014</u>	<u>122</u>	<u>5</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000	Rs'000	Rs'000
33 Dividend income				
Interests in subsidiaries	-	-	138,691	59,407
Investment in joint venture	-	-	-	18,000
Investments in equity securities	10,691	14,213	10,691	14,213
	<u>10,691</u>	<u>14,213</u>	<u>149,382</u>	<u>91,620</u>
34 Interest income				
Finance leases	187,261	-	-	-
Other credit agreements	1,058,200	-	-	-
Credit facilities	1,142,500	-	-	-
Corporate credit facilities	14,300	-	-	-
Factoring	8,400	-	-	-
Credit cards	69,900	-	-	-
Placements with financial institutions	15,834	9,137	4,290	8,482
Deposits receivable from subsidiaries	-	-	3,526	4,331
Loans receivable from associates	118	131	118	131
Overdue trade receivables & others	1,882	163	-	-
	<u>2,498,395</u>	<u>9,431</u>	<u>7,934</u>	<u>12,944</u>
35 Foreign exchange				
<i>a (Loss)/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.				
36 Administrative & selling expenses				
<i>a</i> Short term employee benefits	1,174,091	468,794	24,876	19,278
Advertising & promotion expenses	149,319	101,562	289	1,339
Other administrative & selling expenses	691,133	223,372	12,060	12,915
Depreciation of property, plant & equipment	168,247	46,328	220	218
Depreciation of right-of-use assets	160,935	118,305	151	146
Amortisation of intangible assets	44,043	5,540	-	-
Corporate social responsibility expenses	29,948	4,574	70	647
	<u>2,417,716</u>	<u>968,475</u>	<u>37,666</u>	<u>34,543</u>
37 Net impairment losses on receivables & loans				
Allowance for credit losses				
• Receivables under finance leases	(59,900)	-	-	-
• Receivables under credit agreements	288,400	-	-	-
• Trade receivables	1,758	(15,597)	-	-
• Other receivables	2,400	-	2,400	-
• Loans receivable - consumers credit facilities	359,600	-	-	-
• Loans receivable - other than consumers credit faci	(6,000)	-	-	-
	<u>586,258</u>	<u>(15,597)</u>	<u>2,400</u>	<u>-</u>
Bad debts written off / (recovered) (net)	(21,400)	-	-	-
	<u>564,858</u>	<u>(15,597)</u>	<u>2,400</u>	<u>-</u>

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
38 Other expenses & losses				
Increase in fair value of redeemable shares	2,530	5,275	-	-
39 Interest expenses				
Bank overdrafts	10,016	8,975	-	-
Loans payable	424,378	4,058	-	-
Lease liabilities	36,305	30,062	214	214
Deposit payable to subsidiary	-	-	543	988
Negative interest on bank deposits	355	-	354	-
	<u>471,054</u>	<u>43,095</u>	<u>1,111</u>	<u>1,202</u>
40 Non-recurrent items				
Dividend income in species from joint venture	-	-	-	218,219
Gain/(loss) on fair value of investments in equity securities held for sale (note 14).	(8,896)	163,370	(8,896)	163,370
Gain/(loss) on disposal of investments in equity securities held for sale (note 14)	(2,261)	13,158	(2,261)	13,158
	<u>(11,157)</u>	<u>176,528</u>	<u>(11,157)</u>	<u>394,747</u>

41 Assets & liabilities arising from leases

	Group		
	Finance leases Rs'000	Operating leases Rs'000	Total Rs'000
2022			
<i>a Assets (in statement of financial position)</i>			
Carrying amount of right-of-use assets			
• external parties	28,783	617,402	646,185
<i>b Liabilities (in statement of financial position)</i>			
Carrying amount of lease liabilities			
• external parties	969	688,585	689,554
<i>c Expenses (in profit & loss)</i>			
Depreciation of right-of-use assets	10,967	149,968	160,935
Interest costs on lease liabilities	91	36,212	36,303
	<u>11,058</u>	<u>186,180</u>	<u>197,238</u>
<i>d Cash outflows (in statement of cash flows)</i>			
Interest costs on lease liabilities	91	36,212	36,303
Lease capital payment	722	134,540	135,262
	<u>813</u>	<u>170,752</u>	<u>171,565</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
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41 Assets & liabilities arising from leases (cont'd)

	Group		
	Finance leases Rs'000	Operating leases Rs'000	Total Rs'000
2021			
<i>a Assets (in statement of financial position)</i>			
Carrying amount of right-of-use assets			
• external parties	35,973	679,464	715,437
<i>b Liabilities (in statement of financial position)</i>			
Carrying amount of lease liabilities			
• external parties	30,209	744,949	775,158
<i>c Expenses (in profit & loss)</i>			
Depreciation of right-of-use assets	11,531	106,773	118,304
Interest costs on lease liabilities	2,081	27,981	30,062
	<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	13,583	93,759	107,342
	<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.

	Company	
	2022 Rs'000	2021 Rs'000
<i>(Operating leases)</i>		
<i>a Assets (in statement of financial position)</i>		
Carrying amount of right-of-use assets	2,408	2,480
<i>b Liabilities (in statement of financial position)</i>		
Carrying amount of lease liabilities	2,636	2,636
<i>c Expenses (in profit & loss)</i>		
Depreciation of right-of-use assets	151	146
Interest costs on lease liabilities	214	214
	<u>365</u>	<u>360</u>
<i>d Cash outflows (in statement of cash flows)</i>		
Interest costs on lease liabilities	214	214
Lease capital payment	78	70
	<u>292</u>	<u>284</u>

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Notes for the Year ended 30 September 2022

42 Related parties

a Parent company

The directors of the Company regard Rotoby (M) Ltd incorporated in the Republic of Mauritius as the parent company.

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000	Rs'000	Rs'000
<i>b Transactions with related parties</i>				
<i>Sales of goods & services to</i>				
• subsidiaries	-	-	45,329	40,835
<i>Purchase of goods & services from</i>				
• subsidiaries	-	-	151	71
<i>Interest income from</i>				
• subsidiaries	-	-	3,526	4,331
• associates	118	131	118	131
<i>Interest cost to</i>				
• subsidiary	-	-	543	988

c Outstanding balances with related parties

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.

d Compensation of key management personnel

Short term employee benefits incurred by the Company/subsidiaries	172,685	47,737	18,712	17,312
Post-employment benefits incurred by the Company/subsidiaries	10,279	1,575	-	-

Scott Investments Ltd
Notes for the Year ended 30 September 2022

	Group		Company	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
43 Financial instruments				
43.1 Categories of financial instruments				
<i>a Financial assets at fair value through other comprehensive income</i>				
Investments in equity securities	376,107	387,347	376,074	387,314
<i>b Financial assets at fair value through profit and loss</i>				
Investments in equity securities	800	800	-	-
<i>b Financial assets at amortised cost</i>				
Investments in debt instruments	153,787	161,887	34,187	34,187
Receivables under finance leases & credit agreements	8,880,726	7,787,000	-	-
Loans receivable (finance sector activity)	7,079,800	6,338,300	-	-
Loans receivable	153,439	52,748	229,025	113,279
Trade & other receivables	1,129,849	979,890	35,724	62,451
Deposits receivable	604,543	531,491	121,643	105,391
Cash at bank & in hand	1,194,782	873,353	221,312	252,990
	19,196,926	16,724,669	641,891	568,298
<i>c Financial liabilities at amortised cost</i>				
Bank overdrafts	420,837	204,855	-	-
Loans payable	12,129,259	9,974,479	-	-
Lease liabilities	689,555	775,158	2,636	2,636.00
Trade & other payables	2,230,603	2,122,922	13,811	15,283
Tax payable	206,325	255,789	-	1,840
Dividend payable	35,000	30,000	35,000	30,000
	15,711,579	13,363,203	51,447	49,759

43.2 Financial risk factors

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 16 (receivables under finance leases & credit agreements), 17 (loans receivable (finance sector activity)) & 21 (trade & other receivables) for aged analysis of receivables.

Scott Investments Ltd
Notes for the Year ended 30 September 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(in respective currency)			
<u>Financial assets</u>				
€ ('000)	79,291	78,050	4,456	3,906
Us\$ ('000)	132,805	132,592	4,717	4,573
£ ('000)	214	116	126	86
Zar ('000)	1,995	2,703	614	1,321
Dkk '000	1,430	24	-	-
Chf '000	806	783	544	778
<u>Financial liabilities</u>				
€ ('000)	7,514	5,922	-	-
Us\$ ('000)	21,337	13,789	-	-
£ ('000)	91	4	-	-
Zar ('000)	1,817	1,817	-	-
A\$ ('000)	229	-	-	-
Dkk '000	1,801	395	-	-
Chf '000	440	183	-	-
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>

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>80,186</u>	<u>86,284</u>	<u>4,321</u>	<u>4,303</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>6,989</u>	<u>4,459</u>	<u>-</u>	<u>-</u>
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Scott Investments Ltd
Notes for the Year ended 30 September 2022

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	
	<u>2022</u> Rs'000	<u>2021</u> Rs'000	<u>2022</u> Rs'000	<u>2021</u> Rs'000
<i>b Gearing ratio</i>				
<i>Interest bearing borrowings</i>				
Bank overdrafts	420,837	204,855	-	-
Loans payable	12,129,259	9,974,479	-	-
Lease liabilities	689,555	775,158	2,636	2,636
	<u>13,239,651</u>	<u>10,954,492</u>	<u>2,636</u>	<u>2,636</u>
Cash at bank & in hand	(1,194,782)	(873,353)	(221,312)	(252,990)
Deposits receivable	(604,543)	(531,491)	(121,643)	(105,391)
Net debts	12,044,869	10,081,139	-	-
Shareholders equity	7,544,292	6,960,163	3,276,142	3,187,780
Total capital employed	<u>19,589,161</u>	<u>17,041,302</u>	<u>3,276,142</u>	<u>3,187,780</u>
Gearing ratio	<u>61%</u>	<u>59%</u>	<u>0%</u>	<u>0%</u>

44 Additional information on associates

- a Summarised financial information of material associates are as follows :

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
	Fundkiss Technologies Ltd	Savignac Proprietary Limited	Savignac Proprietary Limited	SmarTree Consulting Ltd
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Assets	19,200	55,940	57,458	2,017
Liabilities	(14,000)	(18,051)	(19,932)	(469)
Net assets	<u>5,200</u>	<u>37,889</u>	<u>37,526</u>	<u>1,548</u>
Revenue	<u>5,200</u>	<u>169,318</u>	<u>150,193</u>	<u>4,987</u>
Profit/(loss) for the year	<u>(9,800)</u>	<u>5,783</u>	<u>7,558</u>	<u>1,013</u>
Share of profit/(loss) attributable to the Company	<u>(2,500)</u>	<u>1,995</u>	<u>2,607</u>	<u>203</u>
Share of loss on foreign exchange on retranslation	<u>-</u>	<u>(1,870)</u>	<u>1,734</u>	<u>-</u>

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Notes for the Year ended 30 September 2022

45 Business combination

a Acquisition of subsidiary

a.1 On 24 March 2022, 100% of the issued share capital of Tsusho Capital (Mauritius) Ltd which is an in-house leasing and insurance agent for the CFAO & Toyota brands, was acquired through the Cim Financial Services group.

a.2 Assets acquired & liabilities assumed

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

	Rs'000
Identifiable assets	1,082,900
Identifiable liabilities	<u>(945,700)</u>
Identifiable net assets at fair value	137,200
Goodwill on consolidation (Note 16)	<u>12,800</u>
Purchase consideration	<u><u>150,000</u></u>

a.3 Net cash outflow from acquisition:

Purchase consideration	150,000
Cash at bank of subsidiary acquired	<u>(26,300)</u>
Acquisition of subsidiary (net of cash)	<u><u>123,700</u></u>

b Disposal of subsidiaries

b.1 During the year, the following subsidiaries were disposed of :

	Cim Forex Ltd	Tobory (M) Ltd	Total
	Rs'000	Rs'000	Rs'000
Proceeds received in cash	72,400	25	72,425
Proceeds receivable (deferred consideration)	5,000	-	5,000
Net (assets)/liabilities disposed of	<u>(61,000)</u>	<u>109</u>	<u>(60,891)</u>
Gain on disposal	<u><u>16,400</u></u>	<u><u>134</u></u>	<u><u>16,534</u></u>

b.2 Cash impact of the disposal :

Disposal proceeds received	72,400	25	72,425
<u>Less</u> cash & cash equivalents of subsidiaries disposed	<u>(57,300)</u>	<u>-</u>	<u>(57,300)</u>
Proceeds - disposal of subsidiaries (net of cash)	<u><u>15,100</u></u>	<u><u>25</u></u>	<u><u>15,125</u></u>

46 Events after the reporting period

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

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47 Value Added Tax (VAT)

- a* One subsidiary of the Group has received several VAT assessment claims totalling 22,047k, made up as follows:

<u>Date</u>	<u>Period</u>	Rs'000
05 December 2021	01 June 2017 to 30 September 2017	1,447
22 November 2022	01 May 2018 to 30 September 2020	<u>20,600</u>
		<u><u>22,047</u></u>

- b* These claims have not been recognised in these financial statements as that subsidiary and its directors strongly resist the claims and have appealed against these assessments on various grounds. The directors of that subsidiary are of the opinion that the grounds of the assessments from the tax authorities are not appropriate and relevant and that there is a high probability that the claims would be set aside in the tax appeal tribunal. A payment of 10% of the amounts claimed has been made in order to preserve the right of making the appeal.