Cays Associates
Public Accountants

Scott Investments Ltd

Annual Report & Financial Statements

Year ended 30 September 2019

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Scott Investments Ltd
Annual Report for the Year ended 30 September 2019

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 2019.

Principal activities

The main continuing business activities of the Group consist of

- Holding of investments
- Distribution of consumer goods
- The import of pharmaceutical products for sale on the domestic market
- Trading in audio visual equipment, home appliances and sundry goods
- Distribution of Nespresso products
- Investment property for rental & capital appreciation.
- Manufacturing, processing and bottling of fruit juices

Directors

The directors of the Company holding office at 30 September 2019 were as follows: -

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

Approved by the Board of Directors on......02-03-2020..........
and signed on its behalf by:

Director **Director**

Port Louis
Republic of Mauritius.

Date 02-03-2020

Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

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

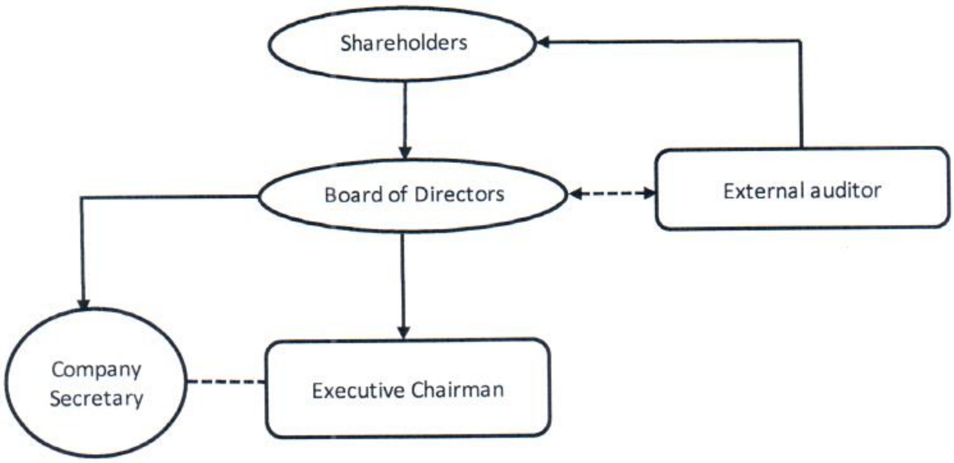
Although the Company's revenue decreased by 17% compared to the previous year, Profit After Tax increased by 72% to reach Rs 183,634k this year.

2. Governance Structure

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

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

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



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

The Board of Directors comprising of six directors, two executives, two non-executive and two independent, 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, Howard John Buttery	Independent	3 of 3	South Africa
Mr. Marc Lagesse	Independent	3 of 3	Mauritius
Mr. Timothy Taylor	Executive	3 of 3	Mauritius
Mr. Alexander Matthew Taylor	Non-Executive	3 of 3	Mauritius
Mrs Fiona Melissa Taylor	Non-Executive	3 of 3	Mauritius
Mr Sebastian Taylor	Executive	3 of 3	Mauritius

All directors reside in Mauritius save for Mr Buttery who resides in South Africa.

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

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

- examines all statutory matters;
- reviews the Company's performance;
- approves the Company's budget;
- monitors revised forecasts;
- approves the audited financial statements;
- oversees governance issues relating to the Company and its subsidiaries
- 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.

Board Committees

The board of SIL considered that the setting up of board committees was not warranted as board committees were 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 could be considered no longer independent if his/her tenure exceeds nine years. The Board noted that Mr Buttery had been appointed for more than nine years but still considered that he qualifies as independent with an independent mind and judgement.
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.

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 35 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 and receivable were as follows:

From the Company

	2019 (Rs'000)			2018 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
Timothy Taylor	600	-	-	600	-	-
Alexander Matthew Taylor	-	3,677	-	-	2,026	-
Fiona Taylor	-	180	-	-	180	-
Sebastian Taylor	1,600	-	-	990	-	-
Marc Lagesse	-	-	240	-	-	120
Colin Hare	-	-	-	-	-	120
Howard John Buttery	-	-	240	-	-	240
TOTAL	2,200	3,857	480	1,590	2,206	480

Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

From the company and other related corporations

	2019 (Rs'000)			2018 (Rs'000)		
	Executive	Non-Executive	Independent	Executive	Non-Executive	Independent
The Company	2,200	3,857	480	1,590	2,206	480
The subsidiaries	1,123	5,403	898	923	4,455	540
TOTAL	3,323	9,260	1,378	2,513	6,661	990

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.

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 will be 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 2019

	% Direct holding	% Indirect holding
Timothy Taylor	-	32%
Alexander Matthew Taylor	-	4%
Fiona Melissa Taylor	-	4%
Howard John Buttery	-	-
Marc Lagesse	-	-
Sebastian Taylor		4%

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 2019

Internal Control, Internal Audit and Risk Management

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

Smartree Consulting Ltd, appointed by the Board to review the internal control system of the Company, has carried out their first assignment during the year and made some few recommendations in order to improve the supervision of the accounting process. These have immediately been implemented.

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

External auditors

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

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

Corporate social responsibility, ethics and health & safety

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

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

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

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

8. Relations with shareholders and key stakeholders

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

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

The next Annual Meeting of Shareholders ('AMS') of the Company is scheduled in March 2020 and the shareholders will receive the notice of the AMS at least 21 days prior to the meeting in accordance with law.

Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

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

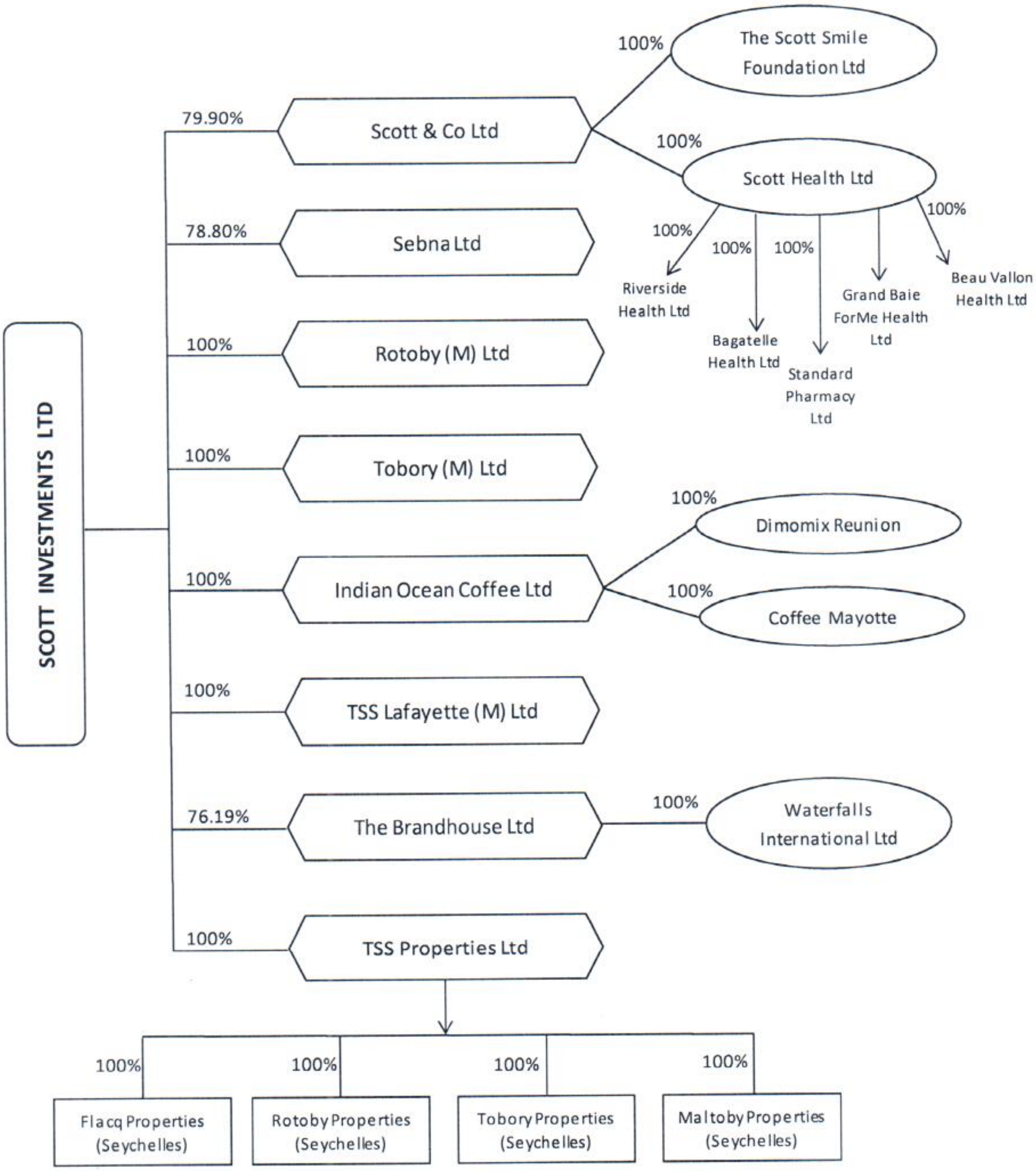
Holding structure

The Company is a public company limited by shares. The shareholders holding more than 5% as at 30 September 2019 are:

Name	%
Societe Rotoby	35.79%
TAYLOR, Estate Alexander Dennis	32.03%
Sylvia Scott Taylor, Jean Margaret Taylor, Dorothy Crocker, Emma Louise Farrar as Trustees of *The Donald Alastair Taylor No 1 Discretionary Settlement*	7.87%
TAYLOR, Sarah Anne	5.96%
Vorster, Danton I. Vorster, Peter D. Vorster and Irene M.	5.65%
VORSTER, Mrs Dorothy	5.65%

Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

Cascade holding structure is as follows:



Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

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.

	2019	**2018**
Dividend paid	**Rs**	**Rs**
Interim	17,000,000	17,000,000
Final	28,000,000	25,000,000

Share price information

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

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

Howard John BUTTERY
Independent Director
Howard Buttery was born in Durban, South Africa in 1946. After completing his studies and accounting articles he started his career with Bell Equipment Limited in March 1973 as Group Financial Director and was appointed as the Executive Chairman in 1977 a position he held until his retirement on the 30 June 2010. Howard also held the post as Chairman of Bank ABC where he served as a Director from 1st December 2004 to 31st December 2014. He has over 40 years of hands on experience in the forestry, mining, construction and sugar industries around the world. His particular interest is the development of trade between South Africa and the Sub Sahara African states. During his career he worked extensively in the West, Central and East African economies and served on a number of boards throughout this region. He is today the Executive Chairman of I.A. Bell & Company (Pty) Limited which holds the Bell family's investment in Bell Equipment Limited and a number of financial services companies. Howard continues to sit on the board of a number of private companies throughout the world and continues to make African inter-regional trade the centre of his interests.

Directorships in listed companies: none

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

Sebastian Taylor
Executive Director
Sebastian Taylor graduated from the University of Western Australia with a Bachelor's degree in Arts majoring in Economics and Politics. He then went onto complete a Master's in Business degree at Bond University. He started his career at Quilter Cheviot Investment Management in London where he assisted with the management of investment portfolios for private clients, trusts and charities. In 2018, he returned to Mauritius and became Investment Manager for Scott Investments
Directorships in listed companies: none

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 20k were made during the year by the Company.
The Company made no political donations for the year under review.

Scott Investments Ltd
Corporate Governance Report – Year ended 30 September 2019

Directors of Subsidiaries of the Company as at 30 September 2019 are:

	Mr Timothy Taylor	Mr Matthew Alexander Taylor	Mrs Fiona Melissa Taylor	Mr Howard John Buttery	Mr Pierre Arnaud Marc De Marigny Lagesse	Mr Charles Clovis Sui Fung Wong Yin Sang	Mr Luigi Peccini	Mr Sebastian Callum Taylor	Mr Jean Philippe Couve De Murville	Mr Richard Albert Hirsch
Bagatelle Health Ltd	√	√		√		√				
Grand Baie ForMe Health Ltd	√	√		√		√				
Riverside Health Ltd	√	√		√		√				
Scott and Co Ltd	√	√		√	√	√	√	√		
Scott Health Ltd	√	√		√	√	√	√	√		
Sebna Ltd	√	√							√	
The Brandhouse Ltd	√	√		√		√				√
The Scott Smile Foundation Ltd	√	√								
Waterfalls International Ltd		√				√				
Indian Ocean Coffee Ltd	√	√	√							
Rotoby (M) Ltd	√	√	√	√						
Tobory (M) Ltd	√	√	√	√						
TSS Lafayette (M) Ltd	√	√	√	√						
TSS Properties Ltd	√	√	√	√						

Auditors' Fees

The fees paid/payable to the auditors were:

	Group		Company	
	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000
Cays Associates				
- External audit	2,300	1,839	301	250
- Internal audit of subsidiaries	1,030	932	1,030	932
- Financial due diligence	325	-	325	-
- Share valuation	-	75	-	75

Contracts of Significance

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

ECS SECRETARIES LTD

ECS SECRETARIES LTD
Company Secretary

Date 02-03-2020

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 2019

Throughout the year ended 30 September 2019 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 02-03-2020

Director **Director**

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.

....	....
Director	**Director**

Scott Investments Ltd
Secretary's Certificate for the Year ended 30 September 2019

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 2019, all such returns, as are required, in terms of the Companies Act 2001.

Company Secretary

ECS SECRETARIES LTD

Port Louis
Republic of Mauritius.

Date 02-03-2020

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 2019 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 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

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

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

Responsibilities of the auditors for the audit of the financial statements
Our objectives are:
- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and
- to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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www.caysassociates.com

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

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

Report on other legal and regulatory requirements

Companies Act 2001

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

Financial Reporting Act 2004

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

Cays Associates

Cays Associates	**C. Ah Yuk Shing FCCA**	Date: 02-03-2020
Public Accountants	**Licensed by FRC**	

Scott Investments Ltd
Statements of Financial Position at 30 September 2019

	Note	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
Non-current assets					
Plant & equipment	7	149,904	160,824	999	1,210
Investment properties	8	130,492	133,608	-	-
Intangible assets	9	371,932	375,151	-	-
Interests in subsidiaries	10	-	-	657,318	638,811
Investment in joint venture	11	1,774,535	1,674,732	1,220,780	1,220,780
Investments in associates	12	12,372	13,492	9,759	9,759
Investments in equity securities	13	404,870	349,718	404,837	349,685
Loans receivable	14	103	6,000	51,500	57,500
Deferred tax assets	21	872	711	-	-
		2,845,080	2,714,236	2,345,193	2,277,745
Current assets					
Inventories	15	1,145,949	1,033,717	-	-
Trade & other receivables	16	711,580	733,571	53,510	70,673
Loans receivable	14	16,250	3,000	18,659	38,082
Deposits receivable	17	92,850	129,657	92,850	129,657
Tax prepaid	21	-	-	1,723	-
Cash at bank & in hand		216,171	129,655	148,480	59,278
		2,182,800	2,029,600	315,222	297,690
Current liabilities					
Bank overdrafts	18	334,445	281,542	-	-
Loans payable	22	78,838	100,555	-	-
Finance lease liabilities	23	12,650	13,154	-	-
Trade & other payables	19	656,197	740,615	13,243	10,430
Provisions	20	57,773	53,757	-	-
Tax payable	21	17,027	9,409	-	5,202
Dividend payable	Page 7(ii)	28,000	25,000	28,000	25,000
		1,184,930	1,224,032	41,243	40,632
Net current assets		997,870	805,568	273,979	257,058
		3,842,950	**3,519,804**	**2,619,172**	**2,534,803**
Capital & reserves					
Share capital		1,683	1,683	1,683	1,683
Reserves		3,554,070	3,280,647	2,613,218	2,527,117
Equity attributable to owners of the Company		3,555,753	3,282,330	2,614,901	2,528,800
Non-controlling interests		185,574	144,168	-	-
	Page 7	3,741,327	3,426,498	2,614,901	2,528,800
Non-current liabilities					
Loans payable	22	27,184	47,556	-	-
Finance lease liabilities	23	29,106	24,006	-	-
Employee benefit liabilities	24	24,163	21,744	4,271	6,003
Redeemable shares	25	21,170	-	-	-
		101,623	93,306	4,271	6,003
		3,842,950	**3,519,804**	**2,619,172**	**2,534,803**

These financial statements were approved & authorised for issue by the Board of Directors on 02-03-2020

Director **Director**

Scott Investments Ltd
Statements of Profit or Loss & Other Comprehensive Income
for the Year ended 30 September 2019

	Note	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
Revenue	26	5,273,891	4,997,567	38,173	45,981
Cost of sales	27	(4,274,654)	(4,075,655)	-	-
Gross profit		999,237	921,912	38,173	45,981
Other income & gains	28	223,936	209,824	110	25,227
Dividend income	29	78,449	19,739	174,155	65,900
Interest income	30	3,741	3,563	7,750	8,069
Share of profit of joint venture	11	144,853	93,100	-	-
Share of loss of associates	12	(1,021)	(867)	-	-
Gain/(loss) on foreign exchange	31	47,848	50,495	2,137	(242)
Administrative & selling expenses	32	(1,012,116)	(966,843)	(33,597)	(26,156)
Other expenses & losses	33	(6,924)	(13,821)	(68)	(3,000)
Interest expenses	34	(24,939)	(25,314)	(229)	(336)
Profit before tax		453,064	291,788	188,431	115,443
Tax expense	21	(41,997)	(33,806)	(4,797)	(8,674)
Profit for the year	Page 7	**411,067**	**257,982**	**183,634**	**106,769**
Other comprehensive (loss)/income					
Items that may be reclassified to profit or loss					
Share of other reserve of joint venture	11	(1,050)	(3,500)	-	-
(Loss) on translation of financial statements of associates	12	(99)	(260)	-	-
(Loss) on translation of financial statements of subsidiaries		(363)	(1,593)	-	-
(Loss) on fair value of investment in equity securities	13	(55,589)	10,492	(55,589)	10,492
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit liabilities	24	(244)	3,023	3,056	-
Other comprehensive (loss)/income		**(57,345)**	**8,162**	**(52,533)**	**10,492**
Comprehensive income for the year		**353,722**	**266,144**	**131,101**	**117,261**

	Group 2019 Rs'000	Group 2018 Rs'000
Profit for the year attributable to		
Owners of the Company	372,776	235,531
Non-controlling interests	38,291	22,451
	411,067	**257,982**
Comprehensive income for the year attributable to		
Owners of the Company	316,290	242,914
Non-controlling interests	37,432	23,230
	353,722	**266,144**

Group

	Equity attributable to owners of the Company									
	Stated capital* **Rs'000**	**Reserves of joint venture** **Rs'000**	**Exchange difference on translation of associates & foreign subsidiaries** **Rs'000**	**Treasury shares** **Rs'000**	**Remeasurement employee benefit liabilities** **Rs'000**	**Fair value reserve - investment in equity securities** **Rs'000**	**Retained earnings** **Rs'000**	**Total** **Rs'000**	**Non-controlling interests** **Rs'000**	**Total equity** **Rs'000**
a **2018**										
At 01 October 2017	1,693	806,839	(1,610)	-	(68)	30,746	2,254,022	3,091,622	131,086	3,222,708
Profit for the year (page 6)	-	-	-	-	-	-	235,531	235,531	22,451	257,982
Other comprehensive loss for the year (page 6)	-	(3,500)	(1,853)	-	2,244	10,492	-	7,383	779	8,162
Comprehensive income / (loss) for the year (page 6)	-	(3,500)	(1,853)	-	2,244	10,492	235,531	242,914	23,230	266,144
Acquisition of treasury shares ***	-	-	-	(11,015)	-			(11,015)	-	(11,015)
Cancellation of treasury shares	(10)	-	-	11,015	-		(11,005)	-		-
Acquisition of additional shares in subsidiaries	-	-	-	-	(73)	-	882	809	(809)	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(9,339)	(9,339)
Dividends (page 7 (ii))	-	-	-	-	-	-	(42,000)	(42,000)	-	(42,000)
At 30 September 2018	**1,683**	**803,339**	**(3,463)**	**-**	**2,103**	**41,238**	**2,437,430**	**3,282,330**	**144,168**	**3,426,498**
b **2019**										
At 01 October 2018	1,683	803,339	(3,463)	-	2,103	41,238	2,437,430	3,282,330	144,168	3,426,498
Profit for the year (page 6)	-	-	-	-	-	-	372,776	372,776	38,291	411,067
[illegible]er comprehensive loss for the year (page	-	(1,050)	(462)	-	615	(55,589)	-	(56,486)	(859)	(57,345)
Comprehensive income / (loss) for the year (page 6)	-	(1,050)	(462)	-	615	(55,589)	372,776	316,290	37,432	353,722
Increase in NCI in subsidiaries	-	-	-	-	-	-	-	-	23,000	23,000
Reclassification adjustment	-	-	-	-	(36)	-	2,169	2,133	(2,133)	-
Realised loss on disposal of investments	-	-	-	-	-	902	(902)	-	-	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(16,893)	(16,893)
Dividends (page 7 (ii))	-	-	-	-	-	-	(45,000)	(45,000)	-	(45,000)
At 30 September 2019	**1,683**	**802,289**	**(3,925)**	**-**	**2,682**	**(13,449)**	**2,766,473**	**3,555,753**	**185,574**	**3,741,327**

Scott Investments Ltd
Statements of Changes in Equity for the Year ended 30 September 2019

Company

	Equity attributable to owners of the Company						
	Stated capital*	Reserves of joint venture	Treasury shares***	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	Rs'000
a **2018**							
At 01 October 2017	1,693	1,220,775	-	(2,966)	30,746	1,214,306	2,464,554
Profit for the year (page 6)	-	-	-	-	-	106,769	106,769
Other comprehensive income for the year (page 6)	-		-	-	10,492	-	10,492
Comprehensive income for the year (page 6)	-	-	-	-	10,492	106,769	117,261
Acquisition of treasury shares	-	-	(11,015)	-	-	-	(11,015)
Cancellation of treasury shares	(10)	-	11,015	-	-	(11,005)	-
Dividends**	-	-	-	-	-	(42,000)	(42,000)
At 30 September 2018	**1,683**	**1,220,775**	-	**(2,966)**	**41,238**	**1,268,070**	**2,528,800**
b **2019**							
At 01 October 2018	1,683	1,220,775	-	(2,966)	41,238	1,268,070	2,528,800
Profit for the year (page 6)	-		-	-	-	183,634	183,634
Other comprehensive income for the year (page 6)	-	-	-	3,056	(55,589)	-	(52,533)
Comprehensive income for the year (page 6)	-	-	-	3,056	(55,589)	183,634	131,101
Realised loss on disposal of investments	-	-	-	-	902	(902)	-
Dividends**	-	-	-	-	-	(45,000)	(45,000)
At 30 September 2019	**1,683**	**1,220,775**	-	**90**	**(13,449)**	**1,405,802**	**2,614,901**

	Group & Company			
	2019 No of shares	2018 No of shares	2019 Rs'000	2018 Rs'000
* **Share capital**				
Issued & fully paid				
Ordinary shares of Rs 10 each	168,299	168,299	1,693	1,693

** **Dividends**		
a *Declared & paid*		
Interim for the current year		
(Rs 101.01/per share: 2018 - Rs 101.01 per share)	17,000	17,000
b *Declared & payable*		
Final for the current year		
(Rs 166.37/per share : 2018 - Rs 148.55 per share)	28,000	25,000
	45,000	42,000

Scott Investments Ltd
Statements of Cash Flows for the Year ended 30 September 2019

		Group		Company	
	Note	2019	2018	2019	2018
		Rs'000	Rs'000	Rs'000	Rs'000
Operating activities					
Profit before tax	Page 6	453,064	291,788	188,431	115,443
Adjustment for:					
Dividend income	29	(78,449)	(19,739)	(174,155)	(65,900)
Interest income	34	(3,741)	(3,563)	(7,750)	(8,069)
Share of profit of joint venture	11	(144,853)	(93,100)	-	-
Share of loss of associates	12	1,021	867	-	-
Gain on disposal of plant & equipment	28	(2,381)	(497)	-	-
Loss on disposal of investment in equity securities	33	68	-	68	-
Loss on redemption of preference shares	33	-	13,821	-	-
Increase in fair value of redeemable shares	33	6,856	-	-	-
Depreciation	7	64,336	70,752	211	144
Amortisation		5,787	5,538	-	-
Allowance for credit losses	32	4,935	5,941	-	-
Impairment of investments in subsidiaries	33	-	-	-	3,000
Interest expenses	34	24,939	25,314	229	336
Employee benefit liabilities		2,175	3,410	1,324	-
Change in working capital:					
Inventories		(112,345)	108,296	-	-
Trade & other receivables		20,596	(139,485)	1,854	(8,056)
Trade & other payables		(93,652)	(171,556)	2,813	5,938
Provisions		4,043	5,684	-	-
		152,399	103,471	13,025	42,836
Interest received	34	4,269	30,311	8,278	7,844
Interest paid	34	(24,939)	(52,287)	(229)	(336)
Tax paid	21	(34,540)	(44,191)	(11,722)	(3,215)
Net cash from operating activities		97,189	37,304	9,352	47,129
Investing activities					
Acquisition of plant & equipment		(31,836)	(56,574)	-	(1,354)
Acquisition of intangible assets	9	(2,571)	(94,612)	-	-
Payment to creditors on acquisition of subsidiaries		-	(13,413)	-	-
Acquisition of additional investments in subsidiaries	Page 7	-	-	-	(92,477)
Other funds invested in subsidiaries		-	-	(18,507)	(57,190)
Grant received on acquisition of investments in subsidiaries		24,290	-	24,290	-
Acquisition of investments in associates		-	(500)	-	(500)
Acquisition of investments in equity securities	13	(44,362)	(9,026)	(44,362)	(9,026)
Proceeds from disposal of investments in equity securities		1,873	-	1,873	-
Proceeds from disposal of plant & equipment		3,368	2,339	-	-
Dividend received		52,930	138,040	96,326	167,429
Loans recouped/(granted) (net)	14	-	-	25,423	(23,082)
Net cash from/(used in) investing activities		3,692	(33,746)	85,043	(16,200)

Scott Investments Ltd
Statements of Cash Flows for the Year ended 30 September 2019

	Note	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
Financing activities					
Acquisition of treasury shares		-	(11,015)	-	(11,015)
Redemption of preference shares		-	(18,361)	-	-
Issue of redeemable shares		14,314	-	-	-
Loans received		40,042	54,196	-	-
Loans repaid		(88,162)	(101,469)	-	-
Finance lease capital repayment		(15,295)	(14,350)	-	-
Dividends paid to NCI in subsidiaries		(11,802)	(8,088)	-	-
Dividends paid	Page 7	(42,000)	(40,000)	(42,000)	(40,000)
Net cash (used in) financing activities		(102,903)	(139,087)	(42,000)	(51,015)
(Decrease)/increase in cash & cash equivalents		(2,022)	(135,529)	52,395	(20,086)
Cash & cash equivalents at 1 October		(22,230)	111,860	188,935	209,021
(Loss)/gain on foreign exchange on cash & cash equivalent		(1,172)	1,439	-	-
Cash & cash equivalents at 30 September		**(25,424)**	**(22,230)**	**241,330**	**188,935**
Cash & cash equivalents are:					
Cash at bank & in hand	Page 5	216,171	129,655	148,480	59,278
Deposits receivable	Page 5	92,850	129,657	92,850	129,657
Bank overdrafts	Page 5	(334,445)	(281,542)	-	-
		(25,424)	**(22,230)**	**241,330**	**188,935**

Non cash transactions

	Group 2019	Group 2018	Company 2019	Company 2018
Non cash transactions excluded from the above Statements of Cash Flows are acquisition of plant & equipment by means of finance lease	**19,893**	**16,931**	-	-

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
- 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
- Investment property for rental & capital appreciation
- 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:

- *Depreciation of investment properties and plant & equipment*

Estimated useful lives of investment properties and of plant & equipment are determined based on management's historical experience and comparable market available data.

- *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 investments in equity securities*

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. Refer also to note 13.

- *Provision for warranty repairs*

Refer to para. 6.14.

4 Critical accounting estimates & judgements (cont'd)

- *Employee benefit liabilities*

The present value of employee benefit liabilities depends on a number of factors that are assessed annually by an independent firm of consulting actuaries except for the Company where the valuation is carried out every 2 years. The actuarial valuation involves making assumptions on discount rates, future pension increases, mortality rates, salary increases and expected rates of return on plan assets (note 24).

5 Application of new IFRS & interpretations

New IFRS & interpretations to existing standards – effective for the reporting period

Certain new standards & interpretations to existing standards (effective for the reporting period) that are relevant to the Group's operations are as follows:

- IFRS 15 'Revenue from contracts with customers' (effective for period beginning on or after 01 January 2018) establishes a single comprehensive model to use in accounting for revenue arising from contracts with customers. The new standard is based on the principle that revenue is recognised when control of a good is transferred to a customer or services performed.

  Impact

  Management has extensively reviewed the revenue streams within the Group. Adoption of this standard has had no impact on the revenue for the Group due to the nature of its business activities.

  Disclosure

  The new standard also introduces expanded disclosure requirements and changes in presentation. These have not changed extensively the nature and extent of the Group's disclosures in respect of its revenue.

  Transition

  The Group has applied the new standard retrospectively from 01 October 2018, with the practical expedients permitted under the standard using the modified retrospective approach. Comparatives have been restated.

- IFRS 9 'Financial Instruments' (effective for period beginning on or after 01 January 2018) addresses:
  - ✓ The recognition, classification, measurement and de-recognition of financial assets and liabilities
  - ✓ a new impairment model for financial assets.

  Impact
  - ✓ Financial assets (under the ambit of IFRS 9) held by the Group are primarily investments in equity securities, loans and deposits receivable, trade & other receivables. There is no impact on the measurement and classification of these financial assets held within the same business model.
  - ✓ The loans and deposits receivable qualify for the general impairment approach where the consequences and probabilities of possible defaults are considered only for the next 12 months, unless a significant increase in credit risk is noted. There is no impact on the measurement and classification of these financial assets.
  - ✓ Trade & other receivables qualify for the simplified impairment approach under IFRS 9 using the provision matrix approach i.e. the recognition of lifetime expected credit losses. The simplified impairment approach will have no impact on the impairment losses that have been recognised previously.

5 Application of new IFRS & interpretations (cont'd)

✓ IFRS 9 affects only financial liabilities designed at fair value through profit or loss. There is no impact on the financial liabilities of the Group, which does not have any such liabilities.

Disclosure
The new standard also introduces expanded disclosure requirements and changes in presentation. These have not changed the nature and extent of the Group's disclosures in respect of its financial assets.

Transition
The Group has applied the new standard retrospectively from 01 October 2018, with the practical expedients permitted under the standard using the modified retrospective approach. Comparatives have been restated.

New IFRS & interpretations to existing standards – not yet effective
The Group is still evaluating the applicability & relevance of certain new standards & interpretations to existing standards (which are not yet effective) on the its operations and its impact on the financial statements of the Group in terms of results, presentation or disclosure. The one that may be relevant to the Group is set out below:

- IFRS 16 'Leases', (effective for period beginning on or after 01 January 2019) introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases or leases of low-value items.

Impact
✓ *On operating leases*
The Group will have to recognise new assets (right-of-use) and liabilities for its operating leases of premises and equipment. The Group's future minimum lease payments under non-cancellable operating leases amounted to Rs 44,431k on an undiscounted basis as at 30 September 2019. The straight line operating lease expense will be replaced with a depreciation charge for right-of-use assets and interest expense on lease liabilities. There will be no impact on the Statement of Cash Flows.

✓ *On finance leases*
There will be no impact on the finance leases of the Group.

Disclosure
The new standard also introduces expanded disclosure requirements. The Group will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Group as a lessee

Transition
The Group will apply IFRS 16 retrospectively from 01 October 2019, with the practical expedients permitted under the standard using the modified retrospective approach.

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 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.

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.

6.2 Intangible assets

- ***Computer software***

Intangible assets, which consist of purchased computer software, are initially recognised at cost and are subsequently, measured at cost less accumulated amortisation and any impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets is calculated, using the straight line method, so as to allocate their cost less their residual values over their estimated useful lives of 2 – 7 years and is recognised in profit or loss.

6 Accounting policies (cont'd)

6.2 Intangible assets (cont'd)

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

- ***Goodwill on consolidation***

Goodwill on consolidation (as more fully described in para. 6.3) is initially recognised at cost and is subsequently measured at cost less any impairment losses.

6.3 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).
- 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 Accounting policies (cont'd)

6.4 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.

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.

6.5 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 Accounting policies (cont'd)

6.6 Loans receivable

Loans and deposits 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.

Loans and deposits receivable 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.

6.7 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.

6.8 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.

6.9 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.

6.10 Cash & cash equivalents

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

6.11 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 Accounting policies (cont'd)

6.12 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.

6.13 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.

6.14 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.

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

6.15 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

6 Accounting policies (cont'd)

6.15 Income tax (cont'd)

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.

6.16 Share capital

Ordinary share capital is classified as equity.

Redeemable share capital is classified either as equity or as liability, depending on the redemption or dividend payment terms.

Acquisition cost of treasury shares is deducted against share capital and share premium on cancellation.

6.17 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 Employment Rights Act (if any).

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 liabilities is recognized as a non-current liability after adjusting for the fair value of plan assets and any unrecognized past service cost. The assessment of these liabilities is carried out by professional actuaries. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

6 Accounting policies (cont'd)

6.17 Employee benefits (cont'd)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) ate recognised immediately in the other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other post-retirement benefit liabilities
The net present value of gratuity on retirement payable under the Employment Rights Act 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 liabilities arising under this item are not funded.

State plan
Contributions to the National Pension Scheme are recognised as short-term employee benefits in profit or loss in the period in which these fall due.

6.18 Foreign currency translation

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

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

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

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

6 Accounting policies (cont'd)

6.19 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.

6.20 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.

6.21 Interest income

Interest income is recognised using the effective interest method.

6.22 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.

6.23 Dividends payable

Dividends payable to the Company's shareholders are recognised as a current liability in the period in which the dividends are declared.

7 Plant & equipment

	Group					
	Refurbishment of showrooms Rs'000	Plant & machinery Rs'000	Furniture & equipment Rs'000	Motor vehicles Rs'000	Assets in progress Rs'000	Total Rs'000
a **2019**						
Cost						
At 01 October 2018	115,206	158,719	252,389	116,905	-	643,219
Acquisitions	4,307	14,226	14,556	18,640	-	51,729
Disposals	(253)	(27,112)	(5,131)	(13,794)	-	(46,290)
Exchange difference	-	(193)	(137)	-	-	(330)
At 30 September 2019	119,260	145,640	261,677	121,751	-	648,328
Accumulated depreciation & impairment						
At 01 October 2018	74,624	129,559	193,482	84,730	-	482,395
Depreciation charge	15,585	10,037	22,536	13,408	-	61,566
Disposals adjustment	(169)	(27,101)	(5,088)	(12,945)	-	(45,303)
Exchange difference	-	(178)	(56)	-	-	(234)
At 30 September 2019	90,040	112,317	210,874	85,193	-	498,424
Carrying amount						
At 30 September 2019	29,220	33,323	50,803	36,558	-	149,904
b **2018**						
Cost						
At 01 October 2017	104,613	128,997	261,641	114,895	245	610,391
Reclassification adjustment	245	14,664	(11,854)	(2,810)	(245)	-
Acquisitions	13,077	16,685	24,477	14,503	-	68,742
Disposals	(2,729)	(1,406)	(21,800)	(9,683)	-	(35,618)
Exchange difference	-	(221)	(75)	-	-	(296)
At 30 September 2018	115,206	158,719	252,389	116,905	-	643,219
Accumulated depreciation & impairment						
At 01 October 2017	60,388	102,121	202,164	83,729	-	448,402
Reclassification adjustment	-	16,500	(13,690)	(2,810)	-	-
Depreciation charge	16,320	12,569	26,167	12,911	-	67,967
Disposals adjustment	(2,084)	(1,407)	(21,187)	(9,100)	-	(33,778)
Exchange difference	-	(224)	28	-	-	(196)
At 30 September 2018	74,624	129,559	193,482	84,730	-	482,395
Carrying amount						
At 30 September 2018	40,582	29,160	58,907	32,175	-	160,824

c Carrying amount of leased assets are as follows:

At 30 September 2019	-	3,257	2,081	34,119	-	39,457
At 30 September 2018	-	2,769	2,611	29,125	-	34,505

d Refer to notes 18 & 22 for assets pledged as securities for banking facilities granted to the Group.

7 Plant & equipment

(Furniture & equipment)

	Company 2019 Rs'000	Company 2018 Rs'000
a **2019**		
Cost		
At 01 October	1,354	-
Acquisitions	-	1,354
At 30 September	1,354	1,354
Accumulated depreciation & impairment		
At 01 October	144	-
Depreciation charge	211	144
At 30 September	355	144
Carrying amount		
At 30 September	999	1,210

8 Investment properties

	Group 2019 Rs'000	Group 2018 Rs'000
Cost		
At 01 October	139,172	141,421
Exchange difference	(356)	(2,249)
At 30 September	138,816	139,172
Accumulated depreciation & impairment		
At 01 October	5,564	2,871
Depreciation charge	2,770	2,785
Exchange difference	(10)	(92)
At 30 September	8,324	5,564
Carrying amount		
At 30 September	130,492	133,608

9 Intangible assets

	Group				
	Goodwill on consolidation	Registered brand name	Leasehold rights	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
a **2019**					
Cost					
At 01 October 2018	281,071	80,000	-	44,400	405,471
Reclassification adjustment	-	-	959	(959)	-
Acquisition	-	-	97	2,474	2,571
Exchange differences	-	-	333	-	333
At 30 September 2019	281,071	80,000	1,389	45,915	408,375
Accumulated amortisation & impairment					
At 01 October 2018	117	-	-	30,203	30,320
Amortisation & impairment charge	-	-	94	5,693	5,787
Exchange differences	-	-	336	-	336
At 30 September 2019	117	-	430	35,896	36,443
Carrying amount					
At 30 September 2019	280,954	80,000	959	10,019	371,932
b **2018**					
Cost					
At 01 October 2017	281,071	-	-	39,052	320,123
Acquisition	-	80,000	-	14,612	94,612
Disposal	-	-	-	(9,252)	(9,252)
Exchange differences	-	-	-	(12)	(12)
At 30 September 2018	281,071	80,000	-	44,400	405,471
Accumulated amortisation & impairment					
At 01 October 2017	117	-	-	33,917	34,034
Amortisation & impairment charge	-	-	-	5,538	5,538
Disposal adjustment	-	-	-	(9,252)	(9,252)
At 30 September 2018	117	-	-	30,203	30,320
Carrying amount					
At 30 September 2018	280,954	80,000	-	14,197	375,151

	Company 2019 Rs'000	Company 2018 Rs'000
10 Interests in subsidiaries		
a Investments in equity at cost		
At 01 October	416,524	324,047
Acquisitions	-	92,477
At 30 September	416,524	416,524
b Other funds as 'deemed' investments in subsidiaries at cost		
At 01 October	225,287	168,097
Funds invested during the year (net)	18,507	57,190
At 30 September	243,794	225,287
c Allowance for impairment		
At 01 October	(3,000)	-
Charge for the year	-	(3,000)
At 30 September	(3,000)	(3,000)
	657,318	638,811

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 necessary as at 30 September 2019.

e The subsidiaries, are as follows:

held directly by the Company	Domiciled in	Principal activity	%	%
• Indian Ocean Coffee Limited	Rep. of Mauritius	Investment	100.00	100.00
• Rotoby (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• Scott & Co Ltd	Rep. of Mauritius	Consumer goods	79.90	79.90
• Sebna Ltd	Rep. of Mauritius	Fruit juice	78.80	78.80
• The Brand House Ltd	Rep. of Mauritius	Home appliances & consumer electronics	76.20	76.20
• Tobory (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Lafayette (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Properties Ltd	Rep. of Seychelles	Investment	100.00	100.00
held by other group companies (effective holding)				
• Bagatelle Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Coffee Mayotte SARL	Mayotte Island	Nespresso products	100.00	100.00
• Copharma Ltd	Rep. of Mauritius	Dormant	79.90	79.90
• Dimomix SARL	Reunion Island	Nespresso products	100.00	100.00
• Flacq Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Grand Baie ForMe Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Maltoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Riverside Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Rotoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Scott Health Ltd	Rep. of Mauritius	Pharmaceutical	79.90	79.90
• Standard Pharmacy Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	79.90
• Beau Vallon Health Ltd	Rep. of Mauritius	Retail Pharmacy	79.90	-
• The Scott Smile Foundation Ltd	Rep. of Mauritius	CSR	79.90	79.90
• Tobory Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00

10 Interests in subsidiaries (cont'd)

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

	The Brand House Ltd	Scott & Co Ltd	Scott Health Ltd	Bagatelle Health Ltd
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Statement of Financial Position				
2019				
Assets	865,029	964,041	336,953	22,201
Liabilities	462,795	535,719	223,213	13,580
Shareholders equity	402,234	428,322	113,740	8,621
Owners of the Company	306,502	339,831	90,241	6,793
Non-controlling interests	95,732	88,491	23,499	1,828
	402,234	428,322	113,740	8,621
2018				
Assets	796,468	1,001,483	264,622	26,670
Liabilities	452,121	612,508	154,669	18,070
Shareholders' equity	344,347	388,975	109,953	8,600
Owners of the Company	262,392	308,613	87,237	6,777
Non-controlling interests	81,955	80,362	22,716	1,823
	344,347	388,975	109,953	8,600
Statement of Profit or Loss & Other Comprehensive income				
2019				
Revenue	2,711,959	1,484,774	458,782	65,565
Profit before tax	129,643	73,909	22,347	4,123
Tax expense	(22,421)	(9,776)	(2,307)	(602)
Profit for the year	107,222	64,133	20,040	3,521
Other comprehensive income	(5,262)	1,214	748	-
Comprehensive income for the year	101,960	65,347	20,788	3,521
Owners of the Company	77,683	52,212	16,610	2,813
Non-controlling interests	24,277	13,135	4,178	708
	101,960	65,347	20,788	3,521
2018				
Revenue	2,594,838	1,363,308	454,867	65,852
Profit before tax	79,927	39,352	7,552	4,229
Tax expense	(16,550)	(6,671)	296	(676)
Profit for the year	63,377	32,681	7,848	3,553
Other comprehensive income	4,863	(2,289)	191	-
Comprehensive income for the year	68,240	30,392	8,039	3,553
Owners of the Company	51,992	24,113	6,378	2,819
Non-controlling interests	16,248	6,279	1,661	734
	68,240	30,392	8,039	3,553

10 Interests in subsidiaries (cont'd)

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

	The Brand House Ltd	Scott & Co Ltd	Scott Health Ltd	Bagatelle Health Ltd
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Statement of Cash Flows				
2019				
Net cash from/(used in) operating activities	(69,753)	108,416	8,221	2,056
Net cash from/(used in) investing activities	(5,831)	(7,434)	12,499	(229)
Net cash from/(used in) financing activities	3,766	(90,409)	(15,665)	(5,000)
Increase/(decrease) in cash & cash equivalents	(71,818)	10,573	5,055	(3,173)
2018				
Net cash from/(used in) operating activities	189,383	(65,813)	(23,847)	8,397
Net cash from/(used in) investing activities	(14,649)	(113,076)	5,421	(56)
Net cash from/(used in) financing activities	(140,926)	126,907	(6,369)	(2,000)
Increase/(decrease) in cash & cash equivalents	33,808	(51,982)	(24,795)	6,341
Dividends paid to non-controlling interests				
2019	11,665	5,228	-	-
2018	5,712	3,627	-	-

	Group		Company	
	2019	**2018**	**2019**	**2018**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
11 Investment in joint venture				
a Cost (company)/equity (group)				
At 01 October	1,674,732	1,597,632	1,220,780	1,220,780
Share of profit for the year (page 6)	144,853	93,100	-	-
Share of other reserves - negative (page 6)	(1,050)	(3,500)	-	-
Dividends receivable for the year	(44,000)	(12,500)	-	-
At 30 September	1,774,535	1,674,732	1,220,780	1,220,780

b The Company and Kingston Asset Management Ltd, both incorporated in the Republic of Mauritius, jointly control in equal proportion, Elgin Ltd which holds 100% of Cim Holding Ltd, the shareholder of 53% of the equity shares of CIM Financial Services Ltd and Lavastone Ltd.

	Group 2019 Rs'000	Group 2018 Rs'000
11 Investment in joint venture (cont'd)		
c Summarised financial information of Elgin Ltd:		
Net assets	7,030,226	6,645,800
Revenue	2,389,200	1,943,000
Profit for the year	537,400	351,000
Other comprehensive income for the year	(4,100)	(9,500)
Share of above profit attributable to the Company	144,853	93,100
Share of above other comprehensive income	(1,050)	(3,500)

d Refer to Note 39 for additional financial information on Elgin Ltd.

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
12 Investments in associates				
a *Cost (company)/equity (group)*				
At 01 October	13,492	14,119	9,759	9,259
Acquisition	-	500	-	500
Share of loss for the year	(1,021)	(867)	-	-
Share of loss on foreign exchange on retranslation	(99)	(260)	-	-
At 30 September	12,372	13,492	9,759	9,759

b The associates, are as follows:

held directly by the Company	2019 %	2018 %
• Savignac Proprietary Limited	34.50	34.50
• SmarTree Consulting Ltd	20.00	20.00

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

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

c Summarised financial information of associates are as follows :

	2019 Savignac Proprietary Limited Rs'000	2019 SmarTree Consulting Ltd Rs'000	2018 Savignac Proprietary Limited Rs'000	2018 SmarTree Consulting Ltd Rs'000
Assets	67,278	973	74,997	1,928
Liabilities	(31,176)	(483)	(36,667)	(1,748)
Net assets	36,102	490	38,330	180

12 Investment in associates (cont'd)

c Summarised financial information of associates (cont'd)

	2019 Savignac Proprietary Limited Rs'000	2019 SmarTree Consulting Ltd Rs'000	2018 Savignac Proprietary Limited Rs'000	2018 SmarTree Consulting Ltd Rs'000
Revenue	159,650	5,955	153,504	4,069
Profit/(loss) for the year	(2,386)	(990)	(2,562)	81
Share of profit/(loss) attributable to the Company	(823)	(198)	(884)	17
Share of loss on foreign exchange on retranslation	(99)	-	(260)	-

	Group		Company	
	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000
13 Investments in equity securities				
a At 01 October	349,718	330,200	349,685	330,167
Acquisitions	44,362	9,026	44,362	9,026
Dividend in species	68,320	-	68,320	-
Disposals	(1,941)	-	(1,941)	-
(Loss)/gain in fair value (page 6)	(55,589)	10,492	(55,589)	10,492
At 30 September	404,870	349,718	404,837	349,685
b The investments made up as follows:				
Mauritian equity securities - quoted (level 1 : at fair value)	228,190	220,447	228,190	220,447
Mauritian equity securities - unquoted (level 2 : at latest known transaction price)	52,613	51,098	52,613	51,098
Foreign equity securities - quoted (level 1 : at fair value)	-	1,978	-	1,978
Foreign equity securities - unquoted (level 3 : at cost)	124,067	76,195	124,034	76,162
	404,870	349,718	404,837	349,685

c 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.

d Assuming a 1% change + (-) in the relevant quoted equity prices, the investments in equity shares would increase/(decrease) by Rs 2.3m (2018 - Rs 2.2m).

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
14 Loans receivable				
a Loans granted to subsidiaries	-	-	70,159	86,582
Loans granted to a related party	16,353	9,000	-	9,000
	16,353	9,000	70,159	95,582
b Current loans receivable				
Not later than 1 year	16,250	3,000	18,659	38,082
c Non-current loans receivable				
Later than 1 year	103	6,000	51,500	57,500

		Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
15	**Inventories**				
a	Goods held for resale	1,057,415	945,231	-	-
	Raw materials & consumables	17,312	12,449	-	-
	Goods in transit	71,222	76,037	-	-
		1,145,949	1,033,717	-	-

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

		Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
16	**Trade & other receivables**				
a	Trade receivables	651,572	651,424	-	78
	Less: Accumulated allowance for credit losses	(36,812)	(31,900)	-	-
	Net trade receivables	614,760	619,524	-	78
	Prepayments & other receivables	96,467	115,694	9,291	29,068
	Less: Accumulated allowance for credit losses	(1,647)	(1,647)	-	-
		94,820	114,047	9,291	29,068
	Amount receivable from subsidiaries	-	-	44,219	41,527
	Amount receivable from joint ventures/associates	-	-	-	-
	Amount receivable from other related parties	2,000			
		2,000	-	44,219	41,527
		711,580	733,571	53,510	70,673
b	*Accumulated allowance for credit losses*				
	At 01 October	33,547	27,630	-	-
	Allowance for credit losses (note 32)	4,935	5,941	-	-
	Exchange differences	(23)	(24)	-	-
	At 30 September	38,459	33,547	-	-
c	*Ageing of net trade receivables*				
	Less than 6 months	610,124	609,998	-	-
	More than 6 months	4,636	9,526	-	-
		614,760	619,524	-	-

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).

		Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
17	**Deposits receivable**				
a	Interest bearing deposits receivable from - banks	92,850	129,657	92,850	129,657
b	*Receivable*				
	Not later than 1 year	92,850	129,657	92,850	129,657

18 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 negociated 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 negociations between the borrowing companies and their bankers.

	Group		Company	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
19 Trade & other payables				
a Trade payables	469,167	543,460	161	-
Accruals & other payables	146,976	144,863	12,217	8,712
Amount payable to subsidiaries	-	-	81	479
Amount payable to other related parties	1,400	18,391	-	-
Amount payable on acquisition of investment in subsidiary	22,392	22,522	-	-
Dividends payable to non-controlling interests	10,471	5,380	-	-
Amount payable - CSR Fund	5,791	5,999	784	1,239
	656,197	740,615	13,243	10,430

b Trade payables are non-interest bearing and are generally on 30 to 90 days' term.

	Group 2019	Group 2018	Company 2019	Company 2018
20 Provisions				
For bulk discounts & incentives	29,788	26,418	-	-
For warranty repairs	22,014	21,348	-	-
For termination benefits	5,971	5,991	-	-
	57,773	53,757	-	-
21 Income tax				
a Tax expense				
Tax expense for the year	41,726	33,736	4,794	8,674
Adjustment for previous year	432	(260)	3	-
	42,158	33,476	4,797	8,674
Deferred tax (credit)/expense for the year	(161)	330	-	-
	41,997	33,806	4,797	8,674
b Tax payable/(prepaid)				
At 01 October	9,409	20,074	5,202	(257)
Tax expense for the year	41,726	33,736	4,794	8,674
Adjustment for previous year	432	(260)	3	-
Exchange difference	-	50	-	-
Less: Tax paid	(34,540)	(44,191)	(11,722)	(3,215)
At 30 September	17,027	9,409	(1,723)	5,202

		Group		Company	
		2019	2018	2019	2018
		Rs'000	Rs'000	Rs'000	Rs'000
21	**Income tax (cont'd)**				
c	*Reconciliation of tax expense & tax on accounting profit*				
	Profit before tax	453,064	291,788	188,431	115,443
	Adjustment for:				
	Share of profit of joint venture & associates	(143,832)	(92,233)	-	-
	Difference between capital allowance & depreciation	2,326	(2,951)	(123)	(327)
	Expenses not deductible for income tax purposes	80,496	87,049	22,572	8,733
	Income not subject to tax	(113,111)	(53,530)	(178,920)	(66,019)
	Tax losses of previous year	(41,201)	(46,056)	-	-
	Tax losses for future use	36,924	41,201	-	-
	Exchange differences	603	-	-	-
	Adjusted chargeable profit for the year	275,269	225,268	31,960	57,830
	Income tax on the adjusted profit for the year	41,726	33,943	4,794	8,674
	Foreign tax credit	-	(207)	-	-
	Tax expense for the year	41,726	33,736	4,794	8,674
	Enacted tax rate	15 % - 28%	15 - 33%	15%	15%
	Average effective tax rate	9%	12%	3%	8%
d	*Deferred tax assets*				
	At 01 October	(711)	(1,041)	-	-
	Deferred tax (credit)/expense for the year	(161)	330	-	-
	At 30 September	(872)	(711)	-	-
	Made up of				
	Difference between capital allowance & depreciation	807	920	-	-
	Employee benefit liabilities	(1,636)	(1,601)	-	-
	Others	(43)	(30)	-	-
		(872)	(711)	-	-
22	**Loans payable**				
a	Bank loans - secured	29,361	50,969	-	-
	Bank loans on imports	76,661	97,142	-	-
		106,022	148,111	-	-

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
22 Loans payable (cont'd)				
b Current loans payable				
Not later than 1 year	78,838	100,555	-	-
Non-current loans payable				
Later than 1 year & not later than 2 years	22,562	3,074	-	-
Later than 2 years & not later than 5 years	2,744	10,108	-	-
Later than 5 years	1,878	34,374	-	-
	27,184	47,556	-	-

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

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

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
23 Finance lease liabilities				
a Minimum lease payments				
Not later than 1 year	15,301	15,353	-	-
Later than 1 year & not later than 5 years	28,484	24,067	-	-
Later than 5 years	4,878	2,607	-	-
	48,663	42,027	-	-
Finance charges for future periods	(6,907)	(4,867)	-	-
Present value of finance lease liabilities	41,756	37,160	-	-
b Present value of finance lease liabilities				
Current - Not later than 1 year	12,650	13,154	-	-
Non-current - Later than 1 year & not later than 5 years	28,777	21,540	-	-
Non-current - Later than 5 years	329	2,466	-	-
	41,756	37,160	-	-

c Lease arrangements

Finance leases relate to motor vehicles and equipment with lease terms of 5 years on average. The Group has the option to acquire the assets concerned for a nominal amount at the conclusion of the lease arrangements. Lease liabilities are effectively secured as the rights of the leased assets to the lessor in the event of default.

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
24 Employee benefit liabilities				
Defined benefit liabilities (a) & (a.1)	7,797	5,565	-	-
Other post-retirement benefit liabilities (b)	16,366	16,179	4,271	6,003
	24,163	21,744	4,271	6,003

While the subsidiaries carry out an actuarial valuation of their liabilities every year, this is done by the Company every 2 years.

24 Employee benefit liabilities (cont'd)

a Description of 'Defined benefit plan'

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

Risks

The assets are held separately from the Group under the control of the Management Committee of RPF. The Group contributes to RPF in respect to the above No Worse Off Guarantee (NWOG) for certain 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.

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
a.1 Defined benefit liabilities				
Present value of defined benefit liabilities (a.3)	26,974	23,029	-	-
Fair value of plan assets (a.4)	(19,177)	(17,464)	-	-
At 30 September	7,797	5,565	-	-

		Group		Company	
		2019	2018	2019	2018
		Rs'000	Rs'000	Rs'000	Rs'000
24	**Employee benefit liabilities (cont'd)**				
a.2	*Reconciliation of the defined benefit liabilities*				
	At 01 October	5,565	247	-	-
	Expenses (a.6)	1,173	1,408	-	-
	Remeasurement (a.7)	2,505	4,198	-	-
	Contributions paid	(1,446)	(288)	-	-
	At 30 September	7,797	5,565	-	-
a.3	*Present value of defined benefit liabilities*				
	At 01 October	23,029	17,678	-	-
	Current service cost	901	615	-	-
	Past service cost	-	860	-	-
	Interest expenses	1,360	1,025	-	-
	Benefit paid	(632)	(2,580)	-	-
	Liability experience gain	517	671	-	-
	Liability (gain)/loss due to change in financial assumptions	1,799	4,760	-	-
	At 30 September	26,974	23,029	-	-
a.4	*Fair value of plan assets*				
	At 01 October	17,464	17,654	-	-
	Interest income	1,088	1,106	-	-
	Expected return on plan assets	(189)	996	-	-
	Employer contributions	1,446	288	-	-
	Benefit paid	(632)	(2,580)	-	-
	At 30 September	19,177	17,464	-	-
a.5	*Effect of ceiling*				
	At 01 October	-	223	-	-
	Change in effect of asset ceiling	-	(223)	-	-
	At 30 September	-	-	-	-
a.6	*Expenses*				
	Current service cost	901	615	-	-
	Past service cost	-	860	-	-
	Interest expenses	272	(67)	-	-
		1,173	1,408	-	-

		Group		Company	
		2019	2018	2019	2018
		Rs'000	Rs'000	Rs'000	Rs'000
24	**Employee benefit liabilities (cont'd)**				
a.7	*Remeasurements*				
	Return on plan assets (above)/below interest income	189	(996)	-	-
	Liability experience (gain)	517	671	-	-
	Liability loss due to change in financial assumptions	1,799	4,760	-	-
	Change in effect of asset ceiling	-	(237)	-	-
		2,505	4,198	-	-
a.8	*Distribution of plan assets*				
	Domestic equity securities - quoted	6,847	6,505	-	-
	Domestic debt securities - unquoted	4,873	4,715	-	-
	Foreign equity & debt secuirities- quoted	5,291	4,890	-	-
	Property - domestic	384	524	-	-
	Investment funds	384	-		
	Cash & other	1,399	830	-	-
		19,177	17,464	-	-

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

		Group 2019	Group 2018	Company 2019	Company 2018
a.9	*Principal assumptions used*	%	%		
	Discount rate	6.50	5.9 - 6.1	-	-
	Future salary increase	4.50	3.9 - 4.0	-	-
	Future pension increase	0.50	0.5 -1.2	-	-
	Average retirement age (ARA)	60 years	60 years	-	-
	Average life expectancy for				
	Male at ARA	19.5 years	19.5 years	-	-
	Female at ARA	24.2 years	24.2 years	-	-
a.10	*Sensitivity analysis*				
	Increase due to 1% decrease in discount rate	11,509	10,918	-	-
	Decrease due to 1% increase in discount rate	9,265	8,758	-	-

The above 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.

a.11 *Future cashflows*

The funding policy is to pay contributions to an external legal entity at the rate recommended by the Group's actuaries.

	Group 2019	Group 2018	Company 2019	Company 2018
- Expected employer contribution for the next year	1,428	272	-	-
- Weighted average duration of the defined benefit obligation.	6 - 10 years	6 - 10 years	-	-

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
24 Employee benefit liabilities (cont'd)				
b *Other post-retirement benefit liabilities*	16,366	16,179	4,271	6,003
(Gratuity on retirement under the Employment Rights Act)				
The above liability is in respect of :				
• employees whose RPF benefits are not expected to fully offset the retirement gratuity obligations	8,556	10,658	4,271	6,003
• employees only entitled to a retirement gratuity under the Employment Rights Act and who are not members by any supplementary pension plan	7,810	5,521	-	-
	16,366	16,179	4,271	6,003
b.1 *Reconciliation of the liability recognised in the Statement of Financial Position*				
At 01 October	16,179	21,110	6,003	6,003
Expenses (b.2)	2,929	2,694	1,324	-
Remeasurement (b.3)	(2,261)	(7,221)	(3,056)	-
Payment during the year	(481)	(404)	-	-
At 30 September	16,366	16,179	4,271	6,003
b.2 *Expenses*				
Current service cost	1,634	1,724	625	-
Interest expenses	1,295	970	699	-
	2,929	2,694	1,324	-
b.3 *Remeasurements*				
Liability experience (gain)/loss	(3,847)	3,286	(3,026)	-
Liability loss/(gain) due to change in financial assumptions	1,586	(336)	(30)	-
Liability loss/(gain) due to change in demographic assumptions	-	(10,171)	-	-
	(2,261)	(7,221)	(3,056)	-
b.4 *Principal assumptions used*	%	%	%	%
Discount rate	5.3 - 5.6	5.9 - 6.1	5.6	n/a
Future salary increase	2.6 - 5.0	3.4 - 4.0	5.0	n/a
Future pension increase	0.0 - 0.8	0.0 - 1.2	0.8	n/a
Average retirement age (ARA)	60-65 years	60-65 yrs	65 yrs	n/a
Average life expectancy for				
Male at ARA	15.9-19.5 yrs	15.9-19.5 yrs	15.9 yrs	n/a
Female at ARA	20-24.2 yrs	20-24.2 yrs	20.0 yrs	n/a

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
24 Employee benefit liabilities (cont'd)				
b.5 Sensitivity analysis on actuarial assumption				
Increase due to 1% decrease in discount rate	7,539	6,495	963	n/a
Decrease due to 1% increase in discount rate	5,157	3,873	860	n/a

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.

b.6 Future cashflows

The funding policy is to pay benefits out of the Company's cash flow as and when due.

	Group 2019	Group 2018	Company 2019	Company 2018
- Expected employer contribution for the next year	-	305	-	n/a
- Weighted average duration of the defined benefit obligation.	2 - 21 years	2-23 years	11 yrs	n/a
c Contributions to defined contribution plan				
Recognised in profit or loss	14,771	13,439	693	617
d Contributions to state pension plan				
Recognised in profit or loss	9,654	9,283	36	31

25 Redeemable shares	Group 2019 Number of shares	Group 2019 Rs'000	Group 2018 Number of shares	Group 2018 Rs'000
a At 01 October	-	-	-	-
Issue of shares	42,276	14,314	-	-
Increase in fair value of redeemable shares (note 33)	-	6,856	-	-
At 30 September	42,276	21,170	-	-

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

26 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.

26 Revenue (cont'd)

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/- 4 months. Such warranty being considered assurance-type warranty are recognised as warranty obligations (refer to note 20).

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.

	Group		Company	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
c.1 Sales of goods				
On the domestic market				
Audio vision equipment/home appliances & other electronic goods	2,643,685	2,510,811	-	-
Beverages	904,864	861,876	-	-
Pharmacy products	621,375	588,102	-	-
Dry goods/home & personal care products	580,006	488,275	-	-
On the foreign market				
Beverages	450,844	460,145	-	-
	5,200,774	4,909,209	-	-
c.2 Sales of services				
On the domestic market				
Management fees	-	-	38,173	45,981
Aftersales service	68,694	84,524	-	-
On the foreign market				
Rent of property	4,423	3,834	-	-
	73,117	88,358	38,173	45,981
	5,273,891	4,997,567	38,173	45,981
c.3 Revenue recognised				
At a point in time	5,269,468	4,993,733	-	-
Over time	4,423	3,834	38,173	45,981
	5,273,891	4,997,567	38,173	45,981

27 Cost of sales

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
Cost of inventories sold/used & write-down	4,264,850	4,047,659	-	-
General cost of sales expenses	7,034	18,708	-	-
Short term employee benefits	-	4,424	-	-
Depreciation	2,770	4,864	-	-
	4,274,654	4,075,655	-	-

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
28 Other income & gains				
Commission & rebate receivable from suppliers	150,117	71,028	-	-
Refund - Advertising & promotion expenses	41,640	61,394	-	-
Grant receivable	-	24,950	-	24,950
Recharge of expenses	24,845	17,675	-	-
Gain on disposal of plant & equipment	2,381	497	-	-
Other income & gains	4,953	34,280	110	277
	223,936	209,824	110	25,227
29 Dividend income				
Interests in subsidiaries	-	-	51,706	33,661
Investment in joint venture	-	-	44,000	12,500
Investments in equity securities				
In species	68,320	-	68,320	-
In cash	10,129	19,739	10,129	19,739
	78,449	19,739	174,155	65,900
30 Interest income				
Deposits receivable from subsidiaries	-	-	4,192	4,748
Bank and other deposits & loans receivable	3,282	3,419	3,558	3,321
Overdue trade receivables & others	459	144	-	-
	3,741	3,563	7,750	8,069

31 Foreign exchange

a Gain/(loss) on foreign exchange

Gain/(loss) 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.

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
32 Administrative & selling expenses				
a Short term employee benefits	452,070	423,790	21,942	12,300
Advertising & promotion expenses	117,184	118,953	145	170
Operating lease rentals	99,116	101,117	317	227
Other administrative & selling expenses	253,163	231,996	10,347	12,159
Allowance for credit losses (note 16)	4,935	5,941	-	-
Warranty repairs	13,150	9,877	-	-
Depreciation	61,566	65,088	211	144
Amortisation	5,787	5,538	-	-
Corporate social responsibility expenses	5,145	4,543	635	1,156
	1,012,116	966,843	33,597	26,156
b Non-cancellable operating lease rentals				
Not later than 1 year	43,796	30,110	214	157
Later than 1 year & not later than 5 years	635	4,432	-	-
	44,431	34,542	214	157

c Operating lease arrangements

The Group leases premises under operating leases for an average period of 5 -10 years with a clause providing for inflationary increase in rental.

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
33 Other expenses & losses				
Loss on redemption of preference shares	-	13,821	-	-
Increase in fair value of redeemable shares (note 25)	6,856	-	-	-
Loss on disposal of investment in equity securities	68	-	68	-
Impairment of investments in subsidiaries	-	-	-	3,000
	6,924	13,821	68	3,000
34 Interest expenses				
Bank overdrafts	13,251	12,899	2	-
Loans payable	7,515	9,554	-	-
Finance lease liabilities	2,773	2,861	-	-
Redeemable shares	1,400	-	-	-
Deposit payable to subsidiary	-	-	227	336
	24,939	25,314	229	336
35 Related parties				
a Transactions with related parties				
Sales of goods & services to				
- subsidiaries	-	-	38,173	45,981
Purchase of goods & services from				
- subsidiaries	-	-	104	88
Interest income from				
- subsidiaries	-	-	4,192	4,748
- other related companies	-	1,118	-	1,118
Interest cost to				
- subsidiary	-	-	227	336

b 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.

c Compensation of key management personnel

	Group 2019 Rs'000	Group 2018 Rs'000	Company 2019 Rs'000	Company 2018 Rs'000
Short term employee benefits incurred by the Company/subsidiaries	45,716	41,195	17,294	11,428
Termination benefits incurred by the Company/subsidiaries	4,496	3,121	-	-

	Group		Company	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
36 Financial instruments				
36.1 Categories of financial instruments				
a Financial assets at fair value through other comprehensive income				
Investments in equity securities	404,870	349,718	404,837	349,685
b Financial assets at amortised cost				
Loans receivable	16,353	9,000	70,159	95,582
Trade & other receivables (excluding prepayments)	711,580	733,571	53,510	70,673
Deposits receivable	92,850	129,657	92,850	129,657
Cash at bank & in hand	216,171	129,655	148,480	59,278
	1,036,954	1,001,883	364,999	355,190
c Financial liabilities at amortised cost				
Bank overdrafts	334,445	281,542	-	-
Loans payable	106,022	148,111	-	-
Finance lease liabilities	41,756	37,160	-	-
Trade & other payables	656,197	740,615	13,243	10,430
Dividend payable	28,000	25,000	28,000	25,000
	1,166,420	1,232,428	41,243	35,430
d Financial liabilities at fair value through profit and loss				
Redeemable shares	21,170	-	-	-

36.2 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 (trade & other receivables) for aged analysis of trade receivables

36 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:

	Group		Company	
	2019	2018	2019	2018
	(in respective currency)			
Financial assets				
€ ('000)	4,915	2,030	3,791	3,222
Us$ ('000)	3,970	4,104	2,113	2,053
£ ('000)	136	531	109	518
Zar ('000)	1,883	2,531	-	-
Dkk '000	1,827	101	-	-
Chf '000	1,153	302	778	778
Financial liabilities				
€ ('000)	1,847	2,276	-	-
Us$ ('000)	4,910	5,392	-	-
£ ('000)	174	72	-	-
Zar ('000)	3,688	991	-	-
A$ ('000)	85	95	-	-
Dkk '000	1,532	504	-	-
Chf '000	503	310	-	-
	Rs'000	Rs'000	Rs'000	Rs'000
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	1,057	305	2,614	2,518

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.

	Group 2019	Group 2018	Company 2019	Company 2018
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	914	818	-	-

36 Financial instruments (cont'd)

36.3 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	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
b *Gearing ratio*				
Interest bearing borrowings				
Bank overdrafts	334,445	281,542	-	-
Loans payable	106,022	148,111	-	-
Finance lease liabilities	41,756	37,160	-	-
Redeemable shares	21,170	-	-	-
	503,393	466,813	-	-
Less: Cash & cash equivalents	(216,171)	(129,655)	(148,480)	(59,278)
Net debts	287,222	337,158	-	-
Shareholders equity	3,741,327	3,426,498	2,614,901	2,528,800
Total capital employed	4,028,549	3,763,656	2,614,901	2,528,800
Gearing ratio	7%	9%	0%	0%

37 Contingent liabilities

The Company had contingent liabilities in respect of securities given to the bank in terms of shares in Cim Financial Services Ltd, mainly for the financing of new investments acquired in 2016, for which it is anticipated that no material liabilities will accrue.

These contingent liabilities are valued at Rs 40m at 30 September 2019.

38 Events after the reporting period

a Acquisition of subsidiaries

a.1 The cost of the investment in Dimomix SARL & Coffee Mayotte SARL acquired in 2016 is subject to a due diligence exercice which is still on-going.

Based on terms of the purchase of shares agreement between Indian Ocean Coffee Ltd (a subsidiary) and the vendors, there is a possibility that the results of the due diligence would impact on the profit and loss of the Group in the year to 30 September 2020.

Scott Investments Ltd
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		2019 Rs'm	2018 Rs'm
39	**Additional financial information of joint venture**		
a	*Assets and liabilities of Elgin Ltd :*		
a.1	*Assets*		
	Cash at bank & in hand	483.3	526.2
	Deposits with banks	507.0	1,026.0
	Receivables under leases & credit agreements	8,769.1	7,637.7
	Loans receivable	3,708.7	2,865.5
	Investments in associates	161.0	177.5
	Investments in financial assets	8.9	1,598.9
	Property, plant & equipment	1,708.5	1,585.8
	Investment properties	1,481.8	1,216.5
	Investment property under development	344.1	-
	Intangible assets	88.5	106.7
	Consumable biological assets	3.1	-
	Inventories	37.0	5.6
	Employee benefit assets		7.2
	Trade & other receivables	572.4	676.2
	Tax receivable	5.8	-
	Deferred tax assets	-	54.6
		17,879.3	17,484.4
a.2	*Liabilities*		
	Contract liabilities	14.3	-
	Deposit from customers	-	3,426.6
	Bank overdrafts	93.5	203.4
	Loans payable	9,114.0	5,746.4
	Trade & other payables	1,527.3	1,328.2
	Tax payable	-	46.4
	Deferred tax liability	5.6	-
	Employee benefit liabilities	94.4	87.6
		10,849.1	10,838.6
b	*Items from the Statement of Comprehensive income of Elgin Ltd :*		
b.1	Operating, administrative and selling expenses	(1,272)	(930)
b.2	Interest income	1,443	1,189
b.3	Interest expense	(390)	(382)
b.4	Other revenue	947	754
b.5	Profit before tax	658	440
b.6	Tax expense	(120)	(89)