THE MAURITIUS POST LTD AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2022

THE MAURITIUS POST LTD AND ITS SUBSIDIARY
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PART A

Principal activities

The Mauritius Post Ltd (the "Company") provides nationwide and international distribution service, principally of mails and parcels. The Company also provides access to a wide range of services through its network of post office branches. It also has a wholly owned subsidiary company, the Mauritius Post Foreign Exchange Co Ltd, providing money transfer services throughout the world as agent of RIA. The Company and its subsidiary are together referred as the "Group".

The above activities were carried out by the Government Postal Services until 10 March 2003, when they were transferred to The Mauritius Post Ltd pursuant to the Post Office (Transfer of Undertaking) Act 2002.

Results

The Group and the Company made a loss of **Rs 91,094,254** and **Rs 99,749,751** respectively for the year ended 30 June 2022 (2021: Group's and Company's loss: Rs 191,289,813 and Rs 199,740,959 respectively).

The consolidated and separate financial statements for the year ended 30 June 2022 are set out on pages 4 to 44. The auditor's report on these consolidated and separate financial statements is on page 1 to 3.

Dividends

No dividend has been proposed or paid during the year ended 30 June 2022 (30 June 2021: Nil).

Board of Directors

Chairperson	
Mr. Ranna Swamber	(Appointed on 22 July 2021)
Former Chairperson	
Mrs. Gayetree Brojmohun	(Appointed on 21 May 2015) – Ceased on 22 July 2021
Directors	
Mr Kechan Balgobin	(Appointed on 28 July 2021)
Mr Asvind Dookhorun	(Appointed on 22 July 2021)
Mr. Rishi Nand Jhuboo	(Appointed on 08 October 2020)
Mrs. Marie Noelle Doris Sybille Lolochou	(Appointed on 21 May 2015)
Mr. Ashad Mauderbaccus	(Appointed on 22 July 2021)
Ms. Marie Joelle Sandrine Valère	(Appointed on 04 May 2021)
Former Directors	
Ms. Kantabye Babajee	(Appointed on 09 July 2021) – *Resigned on 28 July 2021*
Mr. Medha Gunputh	(Appointed on 21 May 2015) – *Resigned on 08 July 2021*
Mrs. Boomeswary Mooroogen-Saminaden	(Appointed on 22 March 2019) – *Ceased on 22 July 2021*
Mr. Dhurma Ashdeo Soburrun	(Appointed on 04 May 2017) – *Ceased on 22 July 2021*

Secretary
Prime Partners Ltd – appointed on 02 August 2021

Former Secretary
Mr. Koomarsing Dawonauth from 28 August 2020 to 02 August 2021

Significant contracts

No contracts of significance or loans existed during the year under review between the Group and its directors.

Shareholding

The shareholders of the Company as at 30 June 2022 were as follows:

Government of Mauritius	99.99998%
State Investment Corporation	0.00002%

Mauritius Post Foreign Exchange Co Ltd

Mauritius Post Foreign Exchange Co Ltd is a wholly owned subsidiary of The Mauritius Post Ltd. The subsidiary was incorporated on 26 October 2017. It is engaged in money transfer services throughout the world as agent of RIA which is the third largest money transfer service provider. The subsidiary recorded a profit of **Rs 10,155,497** for the financial year ended 30 June 2022 (2021: Rs 8,751,146).

Statement of directors' responsibilities for the consolidated and separate financial statements

The Board is responsible for the proper keeping of accounting records, which disclose, with reasonable accuracy, at any time, the financial position of the Group and the Company.

The Board is also responsible for the preparation of the consolidated and separate financial statements for each financial year in accordance with International Financial Reporting Standards, Mauritius Companies Act 2001 and the Financial Reporting Act 2004. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

In preparing these consolidated and separate financial statements, the Board ensures that:

- The consolidated and separate financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company;
- Suitable accounting policies are selected and applied consistently;
- The external auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented;
- Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Judgements and estimates are reasonable and prudent;
- International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated and separate financial statements;
- The consolidated and separate financial statements have been prepared on the going concern basis; and
- The Group and the Company adhere to good corporate governance principles and procedures in its business strategy, operations and organizational culture.

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

The Board of The Mauritius Post Ltd and its subsidiary recognizes that it is responsible for the process of risk management and to establish an informed opinion on the effectiveness of this process. It has, through the setting up of the Audit and Risk Committee, set the scene for appropriate structures to be put in place for this activity. Management is responsible for identifying, implementing and monitoring the process of risk management and to integrate these within the daily activities of the Group. Management should also ensure accurate reporting thereon.

Statement of Directors' responsibilities for the consolidated and separate financial statements (Continued)

The Internal Audit function is considered vital to the Group and the Company and plays an independent assurance and monitoring role, providing independent opinion on the effectiveness or otherwise of the system of internal control. The Board, through the Internal Audit, which assists both management and the Board by monitoring, examining, evaluating, reporting on and recommending improvement to the adequacy and effectiveness of the Group risk management processes, derives assurance that the risk management process is in place and effective. Regular reports from the Internal Audit Division are sent to the Audit and Risk Committee and to the Board.

Directors' remuneration

Fees paid to directors during the year ended 30 June 2022 were **Rs 1,965,500** (2021: Rs 1,925,613).

Directors' services contracts

There is no service contract agreement with any director of the Company.

There is a service contract agreement with Mr J. Naggea, Managing Director of the subsidiary company.

Directors' share interest

The directors hold no shares in the Group and the Company, whether directly or indirectly.

Donation

No donation was made during the year ended 30 June 2022 (2021: Rs Nil).

Auditor

Auditor's remuneration was as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Audit fees (inclusive of VAT)	**569,250**	626,175	**339,250**	327,750
Others	**74,750**	89,000	-	-
	644,000	715,175	**339,250**	327,750

Approved by the Board of Directors on 25 NOV 2022

Mr Ranna Swamber

Mr Rishi Nand Jhubao

The Mauritius Post Ltd ("MPL" or the "Company") has pleasure in submitting its Corporate Governance Report for the financial year ended 30 June 2022, inclusive of other statutory disclosures as per Section 221 of the Mauritius Companies Act 2001.

MPL is a Public Interest Entity (PIE) as defined in the Financial Reporting Act 2004. This Corporate Governance Report highlights the application of the new Code of Corporate Governance 2016 (the Code).

MPL is headed by an effective Board which assumes responsibility for meeting all legal and regulatory requirements. The Board takes its fiduciary responsibility with great care and diligence. Each director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the Company for it to prosper.

The Board assumes its responsibility for leading and controlling the organization. The Board assumes responsibility for meeting all legal and regulatory requirements through Management and the Company Secretary.

The Company

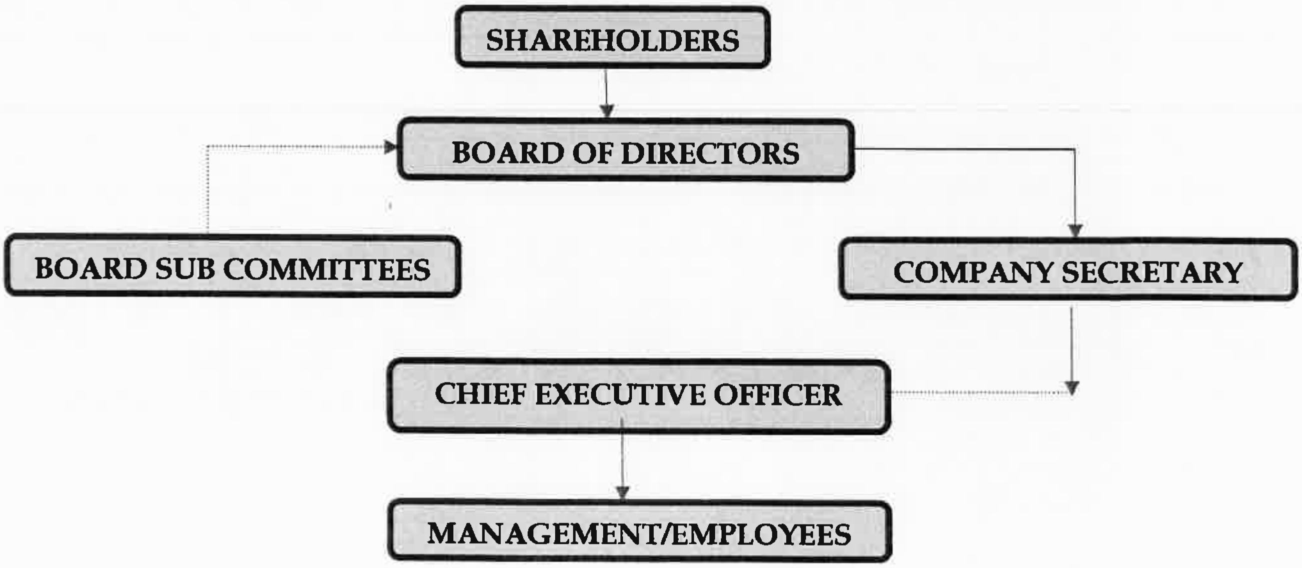
MPL was incorporated in October 2001 as a private company under the Mauritius Companies Act 2001. It was set up to take on the activities operated by the then Government Postal Services until 10 March 2003, when they were transferred to MPL pursuant to the Post Office (Transfer of Undertaking) Act 2002.

MPL provides nationwide and international distribution service, principally of mails and parcels. The Company also provides access to a wide range of services through its network of post office branches.

It has a wholly owned subsidiary company, the Mauritius Post Foreign Exchange Co. Ltd., providing money transfer services. The Company and its subsidiary are together referred as the "Group".

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Corporate Governance Framework of MPL comprises the shareholders, the Board of Directors, Board Committees, the Chief Executive Officer and Management. It also includes Internal and External Auditors as well as established policies and procedures across all its operations. The Governance structure of MPL is set out below. The Chief Executive Officer reports to the Board of Directors through the Company Secretary.



PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

1.1 Shareholders

Government of Mauritius is the ultimate shareholder holding directly 6,261,112 shares and indirectly one (1) share through State Investment Corporation out of the total 6,261,113 Ordinary Shares.

1.2 Board of Directors

As per its Constitution, MPL should have a minimum of two (2) and a maximum of seven (7) directors. The current directors on the Board are:

Chairperson

Mr. Ranna Swamber	Independent Director	(Appointed on 22 July 2021)

Former Chairperson

Mrs. Gayetree Brojmohun	Independent Director	(Appointed on 21 May 2015) Ceased on 22 July 2021

Directors

Mr Kechan Balgobin	Non-Executive Director	(Appointed on 28 July 2021)
Mr Asvind Dookhorun	Independent Director	(Appointed on 22 July 2021)
Mr. Rishi Nand Jhuboo	Independent Director	(Appointed on 08 October 2020)
Mrs. Marie Noelle Doris Sybille Lolochou	Independent Director	(Appointed on 21 May 2015)
Mr. Ashad Mauderbaccus	Independent Director	(Appointed on 22 July 2021)
Ms. Marie Joelle Sandrine Valère	Non-Executive Director	(Appointed on 04 May 2021)

Former Directors

Ms. Kantabye Babajee	Independent Director	Appointed on 09 July 2021	Resigned on 28 July 2021
Mr. Medha Gunputh	Non- Executive Director	Appointed on 21 May 2015	Resigned on 08 July 2021
Mrs. Boomeswary Mooroogen-Saminaden	Independent Director	Appointed on 22 March 2019	Ceased on 22 July 2021
Mr. Dhurma Ashdeo Soburrun	Independent Director	Appointed on 04 May 2017	Ceased on 22 July 2021

Board Charter

A draft Board Charter has been prepared and would be submitted to Board for approval. It would be adhered to by all directors. After approval by Board, the Charter would be published on the website of the Company. The Board Charter sets out the objectives, roles and responsibilities of the directors. It also incorporates MPL policy as regards Conflict of Interest and Related Party Transactions.

Code of Ethics

A Code of Ethics had been adopted by the Company and is adhered to by all directors, Management and employees.

Equal Opportunity Policy

In compliance to the Equal Opportunity Act 2008, MPL has developed and approved an Equal Opportunity Policy.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

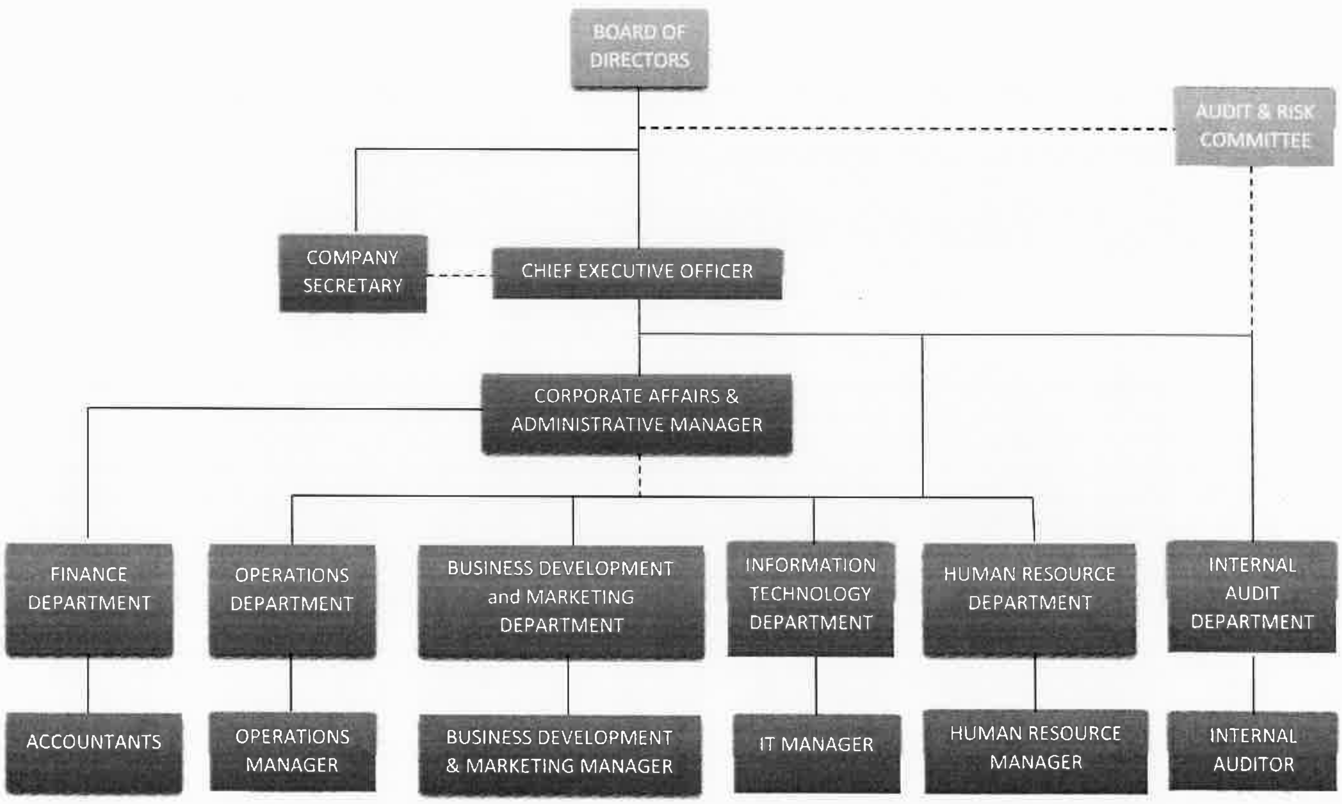
1.3 Chief Executive Officer

The Chief Executive Officer appointed by the Board is responsible for the conduct of the business under the authority of the Board of directors. He is responsible for formulating and implementing the strategies of the Company and overseeing the overall operations of the Company to achieve its objectives.

1.4 Senior Management

The organisational chart of MPL and list of key members of senior management team is set out below and published on the website of the Company.

Organisational Chart



PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

1.4 Senior Management (Continued)

Key Senior Management Team

MOTEEA Giandev, OSK
Chief Executive Officer
Chartered Institute of Bankers, MBA (Marketing)
34 years of experience in banking and 18 years in Postal Sector

DAWONAUTH Koomarsing *(retired on 01st August 2022)*
Corporate Affairs and Administrative Manager
FCCA, MBA (Finance)
38 years of experience in Finance, Accounting, Management, Administration and Corporate Strategy

JEBODH Rajendra (retired on 03 July 2021)
Ag. Operations Manager
45 years of experience in the Postal Sector

ITTOO Jayraj
Business Development, Sales and Marketing Manager
Degree in Business Studies with specialization in Human Resources Management, MBA (Marketing)
33 years of experience in Business Development, Sales and Marketing

BALLYRAZ Pravin
Human Resources Manager
Degree in Management, MSc in Human Resources
21 years of experience in Human Resource Management

ELLIAH Enkanah
IT Manager
MSc Computer Engineering, MBA (Information Technology)
26 years of experience in Networking, IT Security, Server technologies & System, System Administration and Database Administration

TOOFANEE Khalid
Accountant
FCCA
31 years of experience in Finance and Accounting

SEEWOOGOBIN Varsha
Internal Auditor
MBA (University of South Wales)
Degree in Accounting and Finance, FCCA with 20 years of experience in Finance, Accounting and Auditing, MBA (University of South Wales)

BANDHOA Iswarparsadsing (as from 03 July 2021)
Ag. Operations Manager
43 years of experience in the Postal Sector

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES

2.1 Board of Directors

The Board of Directors of MPL is a unitary board consisting of a maximum number of seven (7) directors as per its Constitution. There is a mix of 5 independent and 2 non-executive directors but no executive directors. Although the Code of Corporate Governance for Mauritius recommends having executive directors on the Board, the Shareholders believe that the Company has an appropriate mix of directors with necessary skills and experience and level of diversity relevant to the business of the Company.

All the directors are appointed or re-appointed by the shareholders at the Annual Meeting of the Company. The Company ensures a fair gender representation by having at least one female director on its board and on its sub committees.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.1 Board of Directors (Continued)

Attendance of the directors at the Board meetings

Name of Directors	Attendance *(12 Meetings)*
Mrs. Gayetree Brojmohun	1/12
Mr. Ranna Swamber	11/12
Mrs. Marie Noelle Doris Sybille Lolochou	10/12
Mr. Kechan Balgobin	6/12
Mr. Ashad Mauderbaccus	10/12
Mr. Dhurma Ashdeo Soburrun	1/12
Mr. Asvind Dookhorun	11/12
Mrs. Boomeswary Mooroogen-Saminaden	1/12
Mr. Rishi Nand Jhuboo	12/12
Ms. Marie Joelle Sandrine Valère	11/12

Responsibilities of the Board

The Board responsibilities, among others, include:

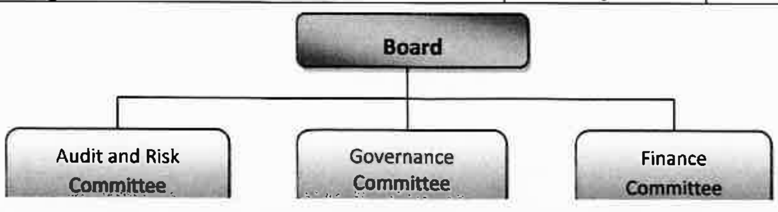
- Providing strategic direction and leadership;
- Monitoring and evaluating the implementation of strategies, policies and implementation plans;
- Providing guidance and maintain effective control over the Company;
- Approving the budget of the Company;
- Ensure that procedures and practices are in place to protect the Company's assets and reputation;
- Ensuring that strategies for identifying and managing risk are developed and implemented effectively; and
- Appointment of senior management and ensure that succession is professionally planned in good time.

2.2 Sub Committees of the Board

The Board of Directors has delegated some of its powers, namely the Audit & Risk Committee (ARC), the Governance Committee (GC) and the Finance Committee (FC) to assist the Board in the effective performance of its duties. The Company Secretary is also the secretary of the sub-Committees. In establishing board sub-committees, the Board does not discharge itself from its own duties and responsibilities for the proper management of the Company. It has set up the mandate, terms of reference, role and functions of each sub-committee and adopted an Audit Charter for the Audit & Risk Committee. It has set up a reporting procedure whereby the sub-committees report on each of their meetings to the main Board to ensure transparency and full disclosure from the sub-committees to the Board.

Attendance at Sub Committees

Name of Directors	Audit & Risk Committee *(3 Meetings)*	Governance Committee *(5 Meetings)*	Finance Committee *(7 Meetings)*
Mrs. Marie Noelle Doris Sybille Lolochou	N/a	N/a	7/7
Mr. Ashad Mauderbaccus	3/3	N/a	N/a
Mr. Asvind Dookhorun	N/a	3/5	7/7
Mr. Rishi Nand Jhuboo	3/3	5/5	N/a
Ms. Marie Joelle Sandrine Valère	3/3	5/5	N/a
Mr. Kechan Balgobin	N/a	N/a	7/7



PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.3 Audit and Risk Committee

In line with the Code of Corporate governance, an Audit and Risk Committee (ARC) was set up to assist the Board to ensure the implementation of an effective policy and plan for risk management that will enhance the organisation's ability to achieve its strategic objectives.

Composition (financial year 2021/22)

Mr R.N. Jhuboo	-	Chairperson
Ms. S. Valere	-	Member
Mr. Ashad Mauderbaccus	-	Member

They collectively have the relevant expertise and are familiar with accounting and auditing. The Board of Directors is of the view that the members of the Audit and Risk Committee have sufficient financial management expertise and experience to discharge its responsibilities properly. The ARC gives the Board a means to monitor an effective internal control system. In addition, it reinforces both the internal control system and the internal audit function.

The ARC makes recommendations to the Board on any area within the ambit of its terms of reference where action and/or improvement is required. The ARC also aims to set up procedures for the mitigation of risks faced.

The ARC's main responsibilities include:

- Review of the Company's financial statements and other financial documents to be submitted for Board approval;
- Review of the financial reporting process with a view to ensuring compliance with accounting standards and relevant legislations;
- Review of the Company's internal audit function and its relationship with external auditor;
- Ensuring that internal control procedures are in place and assesses their adequacy;
- Ensuring that the Company complies with laws and regulations in force, conducts its affairs ethically and maintains effective control against employee conflict of interest and fraud;
- Reviews and approves risk policies;
- Establishing of the systematic and continuous identification, evaluation, measurement and mitigation of risks;
- Defining and approving risk management practices and prudential limits and its strategy covering management philosophy and responsibilities throughout the Company;
- Reducing and mitigating identified risks to an acceptable level or considering transfer of same; and
- Ensuring that adequate controls and measures are in place and their effectiveness to manage the most significant risk factors and to respond in a manner that is appropriate and proportional to the risks identified.

2.4 Governance Committee

The Governance Committee comprising of three members reviews all aspects of the terms and conditions of service of managerial staff. It also ensures that the Company complies with the reporting requirements on Corporate Governance.

PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

2.4 Governance Committee (Continued)

Composition (financial year 2021/22)

Ms. S. Valere	-	Chairperson
Mr. Rishi Nand Jhuboo	-	Member
Mr Asvind Dookhorun	-	Member

The main responsibilities of the Governance Committee are:

- Determining, developing and agreeing the Company's general policy on executive and senior management remuneration;
- Dealing with the selection, appointment and appraisal of Senior Management including approval of service contracts and performance objectives; and
- Determining any criteria necessary to measure the performance of the executive director in discharging his functions and responsibilities.

2.5 Finance Committee

The Finance Committee oversees the financial and procurement aspects of the Company.

Composition (financial year 2021/22)

Mr. Kechan Balgobin	-	Chairperson
Mrs. S. Lolochou	-	Member
Mr Asvind Dookhorun	-	Member

The main responsibility of the Finance Committee is to advise Board on financial decisions which are in the best interest of the Company. It ensures that the procurement process covers the best practice in purchasing arrangements and that suppliers are treated fairly and equitably.

PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES

3.1 Appointment

The procedures for the appointment, re-appointment and removal of directors are outlined in the Constitution of the Company. Directors are normally appointed or re-appointed by the shareholders at the Annual Meeting or by the Board of Directors when filling any casual vacancy.

The following factors are considered for director's selection, training and development. The Board assumes its responsibility for succession planning.

(i) Directors are selected/appointed by the shareholders through their own process. The Board assumes the responsibilities for the induction of new directors to the Board which is normally carried through the Company Secretary.

(ii) All directors of The Mauritius Post Ltd have access at all times to the advice and services of the Company Secretary who is responsible for providing such guidance as to their duties, responsibilities and powers.

PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES (CONTINUED)

3.1 Appointment (Continued)

(iii) Where necessary additional information on the operations/management of the Company are sought from and provided by the Chief Executive Officer to the directors during their on-going interactions and consultations whether at level of Board meeting or otherwise.

Other Directorship

Mrs Marie Joelle Sandrine Valere is also director on the Board of the MPL's wholly owned subsidiary company, Mauritius Post Foreign Exchange Co. Ltd.

PRINCIPLE FOUR: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Directors' Remuneration

The directors are paid a fixed monthly fee. Fees paid to directors during the year ended 30 June 2022 were **Rs 1,965,500** (2021: Rs 1,925,613).

All directors are aware of their legal duties as well as of their fiduciary duties at the time of their appointment.

The directors' remuneration is disclosed in total in view of the confidentiality and sensitivity of the information.

4.2 Directors' Interests in Shares

No director holds any shares in the Company whether directly or indirectly. Moreover, MPL does not have any share option plan for its directors and employees.

4.3 Statement of Remuneration Philosophy

The remuneration of the directors including non-executive directors is determined by the shareholders at the Annual Meeting of the Company. The director fees are a monthly fixed fee while the director fees for sub-committees of the Board are paid on a per sitting basis.

The CEO is entitled to a performance bonus based on the profit of the Company.

4.4 Directors' Service Contracts

No director has a service contract agreement with the Company.

The Company has an employment contract with its Chief Executive Officer, Mr. Giandev Moteea, on a month-to-month basis.

4.5 Significant Contracts

No contracts of significance or loans existed during the year under review between the Company and its directors.

PRINCIPLE FOUR: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

4.6 Board Evaluation

A Board evaluation exercise had been carried out for financial year 2021/22 and the results discussed at Board level.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL

Internal Audit provides the Audit and Risk Committee and Management with independent assurance on controls, risk management and governance so as to ensure that the Company's operations are of highest standards. The Internal Audit Department is headed by an Internal Auditor whose duties include testing the design and implementation of the internal control procedures of the major activities of the MPL.

The Internal Audit Department has the responsibility to carry out audit to cover the whole areas within the organization such as operations, finance, marketing, human resources and infrastructure department. The core business being the operations unit, the Internal Audit Department conducts regular unannounced visits of post offices around the island.

The following are the major areas where the internal audit lays focus:

- Cash and stock holdings of MPL branches and the good running of other departments;
- Security risk assessment;
- Compliance with standing procedures;
- Optimal use of MPL resources;
- Cost efficiency; and
- Effectiveness of risk management control and governance processes.

The Company has an Anti-Fraud and Corruption Prevention Policy, which includes a policy on whistleblowing. The whistleblowing policy is designed to enable employees of the Company to raise concerns internally and at a high level, and also disclose any information which the employee believes shows irregularities.

The Internal Auditor communicates regularly to the Audit and Risk Committee on issues arising and its implementation status for any further discussion if necessary with the relevant department. The quarterly audit plans, identified issues, recommendations, progress regarding implementation thereof are major items on the agenda.

5.1 Risk Management

The key risks identified are highlighted below.

Operational Risk

The Company is exposed to various risks associated with its business functions. These include the fall in demand due to electronic substitutions and competition in courier business. To mitigate the negative impact, the Company has continued to diversify with the introduction of new products and services as well as agency services.

Business Continuity Risk

A range of events can disrupt the business and bring it to a standstill. The Company has considered all foreseeable eventualities and has identified the action it needs to take to respond to a crisis into a formalized Business Continuity Plan.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

5.1 Risk Management (Continued)

Reputation Risk

The Company recognizes reputation as an ongoing risk that can adversely impact the organisation's reputation and that the very survival of its business depends on continued credibility and trust. It believes that its reputation and brand is of significant commercial value and has in place a formal strategy to manage brand and reputation risk. It is constantly working to improve its image with all stakeholders, maintaining their trust and confidence.

Technology Risk

The modern working environment relies heavily on technology. The impact of unavailability and breakdown of IT Services hosting critical business may be potentially harmful to the business. Latest version of servers with higher performance is purchased to host critical systems. Moreover, computer security standards, including ongoing back-up structures have been developed. Systems are also protected against threats of hackers and viruses.

Human Resource Risk

The Company is labour intensive, and loss of key personnel and regular labour turnover may negatively impact on its business. In order, to maintain its labour force, the Company ensures that its employees are adequately remunerated. Regular workload assessments are carried out for a fair distribution of tasks and adequate training are provided to them.

Financial Risk

The Company performs a SWOT analysis to assess its business activities and to take appropriate actions thereon whereby a Restructuring Plan has been prepared and is being implemented.

Liquidity Risk

The Company manages its liquidity risk by maintaining sufficient cash reserve by daily monitoring of cash at post offices and taking advantage of the banking facilities. The Company is not insolvent.

Credit Risk

The Company has adopted a policy of dealing only with creditworthy counterparties. Moreover, debtors are closely monitored to ensure timely settlement of debts.

Foreign Exchange Risk

To avoid any loss arising from foreign exchange exposure, all foreign currencies are transferred to MUR account on the day of receipt, if no immediate payment is to be made.

Physical Risk

In order to ensure that the Company is sufficiently protected from physical risk, security has been upgraded at post offices with the installation of wire mesh metal doors, and iron bars on windows. Moreover, CCTV camera surveillance and alarm system with 24-hour monitoring have been installed at selected post offices.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

5.1 Risk Management (Continued)

Strategic Risk

The Company prepared a ten-year strategic plan duly approved by the Board. The Strategic Plan is updated as an when needed.

Compliance Risk

The postal activities of the Company are governed by legislations. The Company ensures that it is compliant with these regulations and legislations.

5.2 Internal Control

The Board is responsible for maintaining a sound system of risk management and internal control and for regularly reviewing its effectiveness. It has delegated authority to the Audit and Risk Committee to assist in fulfilling its responsibilities in relation to internal control. The Board is also responsible for the governance of risks, and it is responsible for determining the nature and extent of the principal risks.

A single overall control framework is in place for the Company and is designed to manage rather than eliminate risk of failure to achieve business objectives.

The system of risk management and internal control over the Company activities is an integral part of the control framework. Regular reviews are performed by management to identify the significant risk and the key control designed to address them. These controls are documented, responsibility is assigned, and they are monitored for design and operating effectiveness. Controls found not to be effective are remediated.

Management has in place a risk matrix that identifies the major risks facing the Company, measures to mitigate the risks and its evolution over a one-year period. Audit and Risk Committee assess the effectiveness of the risk matrix every year and ensure that measures are in place to contain major risks. MPL integrate effective governance structures and processes with appropriate risk management and internal control at every level and across all operations.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant roles to the achievement of the Company's objectives.

PRINCIPLE SIX: REPORTING WITH INTEGRITY

6.1 Accounting Records

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation based on International Financial Reporting Standards and International Accounting Standards.

6.2 Corporate Social Responsibility

MPL undertakes its operations taking into consideration both the welfare of its employees and that of the community, thus helping to contribute to the social and economic upliftment of the country and its various communities.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3 Conduct of Business

The following pillars guide MPL in its conduct of business:

(i) *Ethics*

MPL has a Code of Ethics in place and undertakes to:

- conduct business in a socially responsible manner by providing quality goods and services, in compliance with ethical standards and all applicable laws, rules and regulations;
- combat any abusive practice and any form of corruption;
- abide by the rules of professional ethics and good governance, contributing to the sustainable development of society;
- exercise sound and fair corporate practices to earn the trust of stakeholders such as customers, shareholders, employees, business partners, and society; and
- act as a responsible corporate citizen.

(ii) *Employees*

The MPL undertakes to:

- promote gender equality and be an equal opportunity employer;
- respect diversity and individual human rights;
- provide a healthy and safe working environment and promote well-being in the workplace;
- give its employees a fair treatment and combat all forms of discrimination in terms of recruitment, pay and professional development;
- respect fundamental human rights as well as workers' rights;
- develop the full potential of its employees;
- respect and value each of its employees;
- fairly compensate its employees for their contributions and provide meaningful performance feedback to them;
- offer its employees professional development and training opportunities;
- encourage accountability and employee involvement in issues affecting the workplace to help improve safety and work conditions, as well as efficiency in its business;
- promote the careers of its employees and further their skills and development;
- bring to its employees' attention the importance of a living healthy lifestyle (nutrition and sports etc); and
- promote cohesion within the Company by creating and maintaining social dialogue.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3 Conduct of Business (Continued)

(iii) Community

MPL plays a responsible role in society by supporting and promoting social cohesion. It undertakes to:

- carry out corporate activities that take into account the cultures and practices of the community;
- proactively engage in activities that contribute to society as a good corporate citizen;
- fully consider social, cultural, environmental, governmental and economic factors when evaluating project development opportunities;
- interact with local residents, government, non-governmental organizations and other interested groups to facilitate long-term and beneficial resource development;
- give priority to building partnerships in entrepreneurial endeavors that contribute to enhancing local capacity;
- provide financial support to organizations through its sponsorships and donations;
- respect the interests of all members of the communities in which it conducts business and encourage open and constructive dialogue and interaction with them;
- to listen carefully, be responsive and provide information that is accurate, appropriate and timely; and
- contribute for the promotion of sports activities.

(iv) Environment, Health and Safety

MPL oversees the respect of the environment, health and safety and its protection. It undertakes to:

- promote green post, sustainable development, protection and preservation of environment including reduction in fuel emission, achieve energy efficiency, use of recycled materials, planting of trees and maintenance of National Heritage;
- proactively engage in environmental efforts and work to protect and enhance the natural environment;
- provide valuable products and services to society, endeavouring to increase the satisfaction and trust of its customers;
- contribute to the healthy development of society;
- through its comprehensive environmental management programs, it is committed to ensuring that environmental effects are being adequately addressed; controls are in place to ensure compliance with corporate environmental policies and obligations; environmental management activities are supported by adequate resources and financial provisions, and that plans are in place to ensure that the environment is protected for future generations and that the sustainability of nearby communities is safeguarded;
- perform every job in a safe and healthy manner. The MPL expects all employees to work in accordance with Company safety and occupational health management policies for the benefit of each one of their colleagues, families, communities and business; and
- provide the equipment, training and resources necessary to enable employees to work safely. The goal is to have every employee go home in good health and uninjured, after every shift, each and every day.

(v) Carbon Reduction Commitment (CRC)

MPL has focus on streamlining its delivery routes to minimize environmental impact and fleet of vehicles are renewed on a regular basis.

Drivers are trained in respect of Eco Driving.

PRINCIPLE SEVEN: AUDIT

Directors' Responsibilities

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

7.1 Internal Audit

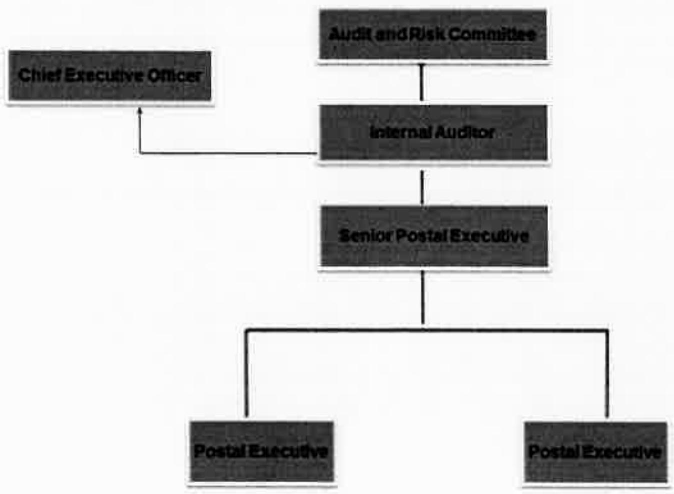
The Company has its own permanent Internal Audit Department reporting to the Audit and Risk Committee. The Internal Audit Team comprises of one fully qualified accountant and five employees who work under the direct supervision of the former.

The Internal Audit function is considered vital to the Company and plays an independent assurance and monitoring role, providing independent opinion on the effectiveness or otherwise of the system of Internal Control. The Board, through the Internal Audit, which assists both management and the Board by monitoring, examining, evaluating, reporting on, and recommending improvement to the adequacy and effectiveness of the Company risk management processes, derives assurance that the risk management process is in place and effective. Regular reports from the Internal Audit Division are sent to the Audit and Risk Committee and to the Board.

Internal Audit provides the Audit and Risk Committee and the Board with independent assurance on controls, risk management and governance so as to ensure that the Company's operations are of highest standards. The Internal Audit Department is headed by an Internal Auditor whose duties include testing the design and implementation of the internal control procedures of the major activities of the MPL.

The Internal Audit has the responsibility to carry out audit in order to cover the whole areas within the organization such as operations, finance, marketing, human resources and infrastructure department. The core business being the operations unit, the internal audit department conducts regular unannounced visits of post offices around the island. For administrative purposes, the Internal Auditor reports to the CEO.

Structure of the Internal Audit



PRINCIPLE SEVEN: AUDIT (CONTINUED)

7.1 Internal Audit (Continued)

Profile of key members of Internal Audit

Internal Auditor

Qualifications : FCCA, BSc (Hons) Accounting and Finance
Experience : 20 years in Finance, Management accounting and Auditing (15 years of managerial experience including 10 years in Auditing)

7.2 External Audit

Baker Tilly Mauritius was appointed as external auditor by the Board for a period of five years following a tender exercise carried out in year 2020, to safeguard the external auditor's objectivity and independence.

Auditor's remuneration was as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Audit fees (inclusive of VAT)	**569,250**	626,175	**339,250**	327,750
Others	**74,750**	89,000	-	-
	644,000	715,175	**339,250**	327,750

Meeting with Audit & Risk Committee

The external auditor usually meets the Members of the Audit Committee once in a year without the presence of Management. During the meeting, the financial statements of The Mauritius Post Ltd and its subsidiary and the accounting principles adopted are discussed.

Evaluation of the External Auditor

The Audit Committee evaluates the external auditor in fulfilling their duty annually, to make an informed recommendation to the Board for the reappointment of the auditor. The evaluation encompasses an assessment of the qualifications and performance of the auditor; the quality and frankness of the auditor's communications with the Audit Committee and the Group; and the auditor's independence, objectivity and professionalism.

PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

8.1 Communication

The majority shareholder of the MPL is the Government of Mauritius holding 99.99998% and is represented by the Ministry of Technology, Communication and Innovation as shareholding ministry. MPL maintains regular meetings with the representatives of Ministry of Technology, Communication and Innovation to discuss the Company's operations and performance. The Company also issues Newsletter annually to inform all its employees/staff on its activities. Regular meetings are held with the trade unions of the Company to discuss matters/issues affecting the operations of the Company.

PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

8.1 Communication (Continued)

The Board is responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board respects the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

The Company holds an Annual Meeting of Shareholders, and all the shareholders are required to express their vote on matters including the approval of accounts, appointment/re-appointment of directors, determination of their fees and appointment/re-appointment of external auditors.

The Annual Report of the Company is published in full on its website.

8.2 Related Party Transactions

Government

The Company offers agency services against payment of a service fee to Government entities namely:

(i) Payment of old-aged pension for the Ministry of Social Security;
(ii) Collection of motor vehicles license fees and parking fine for the National Land Transport Authority;
(iii) Collection of utility bills of Central Electricity Board and Central Water Authority and Mauritius Telecom; and
(iv) Banking transactions, namely deposits, withdrawals and cheque encashments on behalf of MauBank Ltd. The Company has been authorised to operate as an agent for MauBank Ltd by the Bank of Mauritius. However, it is not required to comply to requirements of the Bank of Mauritius applicable to banks.

The Company also provides services to other entities controlled directly or indirectly by Government namely rental space to SICOM for sale of Post Assurance and hosting of ATMs on its premises for State Bank (Mauritius) Ltd and MauBank Ltd.

The Company receives grant from the Government for the operation and management of the Digital Service Centre.

STATEMENT OF COMPLIANCE

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

We, the directors the Company, confirm to our best knowledge that the Company has partially complied with its obligations and requirements under the Code of Corporate Governance, except for the following:

Principle Two:

The Company's website does not have a Board Charter. A draft Board Charter has been prepared and would be submitted for Board approval and published on the website.

Principle Three:

The website does not provide for the following:

- Details of the nomination and appointment process as they are outlined in the Constitution of the Company.
- Biography of each director and the company secretary as they are considered sensitive and confidential information.

Principle Four:

- Evaluation of Board and assessment of directors would be carried out.
- Remuneration Policy, Conflicts of Interest and Related Party Transactions Policy have been incorporated in the draft Board Charter.

Timely appropriate measures will be taken by Board to remedy non-compliance points.

SIGNED BY:

…………………………	…………………………
CHAIRPERSON	DIRECTOR
Mr. Ranno Swamber	Mr. Rishi Nand Jhuboo

Date: 25 NOV 2022

Secretary's Certificate as per Section 166(d) of the Mauritius Companies Act 2001

We confirm that, based on the records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, all such returns as are required by the Company under Mauritius Companies Act 2001.

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PRIME PARTNERS LTD
CORPORATE SECRETARY

25 NOV 2022

PART B

bakertilly

4th Floor, Eagle House,
Ebene 72201, Mauritius

T: +230 460 8800
BRN: F07000610
info@bakertilly.mu
www.bakertilly.mu

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Mauritius Post Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of The Mauritius Post Ltd (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements on pages 4 to 44 give a true and fair view of the financial position of the Group and the Company as at 30 June 2022, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

As disclosed in Note 29, the Group's and the Company's total liabilities exceeded their total assets by Rs 1,229,464,832 and Rs 1,241,451,825, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Our opinion is not modified in this respect.

Emphasis of Matter – Financial asset at fair value through other comprehensive income

We draw attention to Note 10 of the consolidated and separate financial statements which discloses that the Group's and the Company's investments classified as financial asset at fair value through other comprehensive income have been stated at cost instead of fair value in accordance with IFRS 9 Financial Instruments. Had these financial assets been measured using an appropriate valuation technique, the carrying amounts would have been different from the reported amounts. We have estimated the difference between the cost and the fair value basis to be below our materiality threshold.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of The Mauritius Post Ltd

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs and that comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

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

This opinion has been prepared for and only for the Group's and the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of The Mauritius Post Ltd

Report on the Audit of the Financial Statements (Continued)

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises statutory disclosures and secretary's certificate.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditor of the Company.

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

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of the compliance with the Code of Corporate Governance as disclosed in the corporate governance report and on whether the disclosure is consistent with the requirement of the Code.

The directors have given explanations on the principles of the Code which have not been complied with.

In our opinion, except for areas non–application of the Code for which directors have given satisfactorily explanation, the disclosure in the financial statements is consistent with the principles of the Code.

Baker Tilly

Baker Tilly

Sin C. LI, CPA, CGMA
Licensed by FRC

Date: 25 November 2022

	Notes	The Group 2022	The Group 2021	The Company 2022	The Company 2021
		Rs	Rs	Rs	Rs
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	**553,324,233**	487,328,511	**552,969,448**	487,163,857
Intangible assets	6	**7,421,128**	8,376,931	**7,294,319**	8,269,640
Investment in subsidiary	8	**-**	-	**40,000,000**	40,000,000
Right-of-use assets	9	**42,851,519**	48,417,157	**42,851,519**	48,417,157
Investment at fair value through OCI	10	**379,695**	379,695	**379,695**	379,695
TOTAL NON-CURRENT ASSETS		**603,976,575**	544,502,294	**643,494,981**	584,230,349
CURRENT ASSETS					
Inventories	11	**14,736,261**	13,417,362	**14,736,261**	13,417,362
Trade and other receivables	12	**169,378,314**	192,930,151	**159,862,767**	189,327,000
Debt instrument at amortised cost	13	**14,049,240**	13,027,835	**-**	-
Current tax assets	22	**89,596**	82,742	**89,596**	82,742
Deposits	14 (ii)	**19,154,915**	15,114,822	**-**	-
Cash and cash equivalents	14 (i)	**270,114,316**	336,787,241	**260,172,918**	322,264,752
TOTAL CURRENT ASSETS		**487,522,642**	571,360,153	**434,861,542**	525,091,856
TOTAL ASSETS		**1,091,499,217**	1,115,862,447	**1,078,356,523**	1,109,322,205
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued capital	15	**626,111,300**	626,111,300	**626,111,300**	626,111,300
Accumulated losses		**(714,266,913)**	(623,172,659)	**(726,253,906)**	(626,504,155)
Other reserves		**(1,503,779,086)**	(1,430,324,820)	**(1,503,779,086)**	(1,430,324,820)
Revaluation reserve		**362,469,867**	283,045,362	**362,469,867**	283,045,362
SHAREHOLDERS' DEFICIT		**(1,229,464,832)**	(1,144,340,817)	**(1,241,451,825)**	(1,147,672,313)
NON-CURRENT LIABILITIES					
Employee benefit liabilities and other benefits	16	**1,904,555,285**	1,754,092,013	**1,904,555,285**	1,754,092,013
Lease liabilities	9	**40,424,042**	40,362,815	**40,424,042**	40,362,815
TOTAL NON-CURRENT LIABILITIES		**1,944,979,327**	1,794,454,828	**1,944,979,327**	1,794,454,828
CURRENT LIABILITIES					
Trade and other payables	17	**369,261,697**	455,703,649	**370,030,952**	453,170,058
Tax liabilities	22	**1,924,956**	675,155	**-**	-
Lease liabilities	9	**4,798,069**	9,369,632	**4,798,069**	9,369,632
TOTAL CURRENT LIABILITIES		**375,984,722**	465,748,436	**374,829,021**	462,539,690
TOTAL LIABILITIES		**2,320,964,049**	2,260,203,264	**2,319,808,348**	2,256,994,518
TOTAL EQUITY AND LIABILITIES		**1,091,499,217**	1,115,862,447	**1,078,356,523**	1,109,322,205

Approved by the Board of Directors and authorised for issue on 25 NOV 2022

) Mr Ranna Swamber
) CHAIRPERSON
)
) Mr. Rishi Nand Jhuboo
) DIRECTOR

The notes on pages 9 to 44 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 3.

		The Group		The Company	
	Notes	**2022**	2021	**2022**	2021
		Rs	Rs	**Rs**	Rs
REVENUE	19	**638,781,403**	483,209,879	**635,449,603**	480,095,169
OPERATING EXPENSES	18	**(748,052,368)**	(691,987,854)	**(738,287,238)**	(685,264,670)
OTHER INCOME	20	**24,715,168**	21,693,098	**7,701,385**	8,958,323
FINANCE COSTS	21	**(4,613,501)**	(3,529,781)	**(4,613,501)**	(3,529,781)
LOSS BEFORE TAXATION		**(89,169,298)**	(190,614,658)	**(99,749,751)**	(199,740,959)
TAXATION	22	**(1,924,956)**	(675,155)	**-**	-
LOSS FOR THE YEAR		**(91,094,254)**	(191,289,813)	**(99,749,751)**	(199,740,959)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Items that will not be reclassified to profit or loss					
Revaluation of land and building	5	**79,424,505**	-	**79,424,505**	-
Re-measurement losses on defined benefit plans	16	**(73,454,266)**	(342,608,319)	**(73,454,266)**	(342,608,319)
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(85,124,015)**	(533,898,132)	**(93,779,512)**	(542,349,278)

The notes on pages 9 to 44 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 3.

THE GROUP	Stated capital	Accumulated losses	Other reserves *	Revaluation reserve **	Shareholders' deficit
	Rs	Rs	Rs	Rs	Rs
At 01 July 2020	626,111,300	(431,882,846)	(1,087,716,501)	283,045,362	(610,442,685)
Loss for the year	-	(191,289,813)	-	-	(191,289,813)
Other comprehensive income for the year	-	-	(342,608,319)	-	(342,608,319)
Total comprehensive income for the year	-	(191,289,813)	(342,608,319)	-	(533,898,132)
At 30 June 2021	626,111,300	(623,172,659)	(1,430,324,820)	283,045,362	(1,144,340,817)
At 01 July 2021	**626,111,300**	**(623,172,659)**	**(1,430,324,820)**	**283,045,362**	**(1,144,340,817)**
Loss for the year	-	**(91,094,254)**	-	-	**(91,094,254)**
Gain on revaluation of land and builings				**79,424,505**	**79,424,505**
Other comprehensive income for the year	-	-	**(73,454,266)**	-	**(73,454,266)**
Total comprehensive income for the year	-	**(91,094,254)**	**(73,454,266)**	**79,424,505**	**(85,124,015)**
At 30 June 2021	**626,111,300**	**(714,266,913)**	**(1,503,779,086)**	**362,469,867**	**(1,229,464,832)**

* Other reserves relates to actuarial gains and losses arising on defined benefit pension plans which are recognised in other comprehensive income.

** The revaluation reserves arises on the revaluation of land and building.

THE COMPANY	Stated capital	Accumulated losses	Other reserves *	Revaluation reserve **	Shareholders' deficit
	Rs	Rs	Rs	Rs	Rs
At 1 July 2020	626,111,300	(426,763,196)	(1,087,716,501)	283,045,362	(605,323,035)
Loss for the year	-	(199,740,959)	-	-	(199,740,959)
Other comprehensive income for the year	-	-	(342,608,319)	-	(342,608,319)
Total comprehensive income for the year	-	(199,740,959)	(342,608,319)	-	(542,349,278)
At 30 June 2021	626,111,300	(626,504,155)	(1,430,324,820)	283,045,362	(1,147,672,313)
At 01 July 2021	**626,111,300**	**(626,504,155)**	**(1,430,324,820)**	**283,045,362**	**(1,147,672,313)**
Loss for the year	-	**(99,749,751)**	-	-	**(99,749,751)**
Revaluation during the year				**79,424,505**	**79,424,505**
Other comprehensive income for the year	-	-	**(73,454,266)**	-	**(73,454,266)**
Total comprehensive income for the year	-	**(99,749,751)**	**(73,454,266)**	**79,424,505**	**(93,779,512)**
At 30 June 2022	**626,111,300**	**(726,253,906)**	**(1,503,779,086)**	**362,469,867**	**(1,241,451,825)**

* Other reserves relates to actuarial gains and losses arising on defined benefit pension plans which are recognised in other comprehensive income.

** The revaluation reserves arises on the revaluation of land and building.

The notes on pages 9 to 44 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 3.

	Notes	The Group 2022	The Group 2021	The Company 2022	The Company 2021
		Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		**(89,169,298)**	(190,614,658)	**(99,749,751)**	(199,740,959)
Adjustments for:					
Profit on disposal of property, plant and equipment	20	**(789,688)**	(732,532)	**(789,688)**	(732,532)
Employee benefit liabilities	16	**79,089,646**	40,255,515	**79,089,646**	40,255,515
Depreciation of property, plant and equipment	5	**9,968,283**	16,740,654	**9,827,205**	16,631,369
Depreciation on rights-of use assets	9	**5,565,638**	4,553,965	**5,565,638**	4,553,964
Amortisation of intangible assets	6	**1,943,964**	1,652,751	**1,920,358**	1,642,359
Unrealised foreign exchange gain		**(3,137,092)**	(4,603,662)	**(1,409,411)**	(5,398,370)
Adjustment for fixed assets		**7,503,135**	-	**7,503,135**	-
Interest income	20	**(3,081,741)**	(2,827,421)	**(3,081,741)**	(2,827,421)
Interest on treasury bills	20	**(290,479)**	(352,072)	**-**	-
Interest expense	21	**4,613,501**	3,529,781	**4,613,501**	3,529,781
Provision for sick leave and passage benefits		**469,153**	(3,206,829)	**469,153**	(3,206,829)
Impairment loss	25	**1,075,648**	374,734	**1,075,648**	374,734
Operating loss before working capital changes		**13,760,670**	(135,229,774)	**5,033,693**	(144,918,389)
Changes in inventories		**(1,318,899)**	4,352,156	**(1,318,899)**	4,352,156
Changes in trade and other receivables		**23,127,486**	117,172,165	**30,539,884**	121,332,647
Changes in trade and other payables		**(86,793,117)**	160,152,093	**(85,722,659)**	158,575,205
Cash generated from operations		**(51,223,860)**	146,446,640	**(51,467,981)**	139,341,619
Tax paid	22	**(786,185)**	-	**(111,030)**	-
Tax refund	22	**104,177**	137,674	**104,177**	137,674
Interest paid	21	**(4,613,501)**	(3,529,781)	**(4,613,501)**	(3,529,781)
Net cash generated from/(used in) operating activities		**(56,519,369)**	143,054,533	**(56,088,335)**	135,949,512
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	5	**(4,245,796)**	(3,118,001)	**(3,914,589)**	(3,110,201)
Addition to intangible assets	6	**(988,162)**	(65,625)	**(945,037)**	-
Disposal of property, plant and equipment	20	**789,688**	732,532	**789,688**	732,532
Acquisition of Treasury Bills	13	**(15,052,902)**	(26,035,672)	**-**	-
Investment in deposit	14 (ii)	**(19,000,000)**	(15,000,000)	**-**	-
Proceeds from matured deposits	14 (ii)	**15,165,000**	15,000,000	**-**	-
Redemption of Treasury Bills	13	**14,100,000**	26,050,410	**-**	-
Interest received	20	**4,184,128**	3,929,808	**3,081,741**	2,827,421
Net cash used in/(generated from) investing activities		**(5,048,044)**	1,493,452	**(988,197)**	449,752
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities	9	**(7,292,720)**	(7,356,791)	**(7,292,720)**	(7,356,791)
Net cash used in financing activities		**(7,292,720)**	(7,356,791)	**(7,292,720)**	(7,356,791)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(68,860,133)**	137,191,194	**(64,369,252)**	129,042,473
CASH AND CASH EQUIVALENTS AT 01 JULY	14 (i)	**336,787,241**	194,557,331	**322,264,752**	188,164,201
Effect on foreign exchange rate		**2,187,208**	5,038,716	**2,277,418**	5,058,078
CASH AND CASH EQUIVALENTS AT 30 JUNE		**270,114,316**	336,787,241	**260,172,918**	322,264,752

The notes on pages 9 to 44 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 3.

1. GENERAL INFORMATION

The Mauritius Post Ltd (the "Company" or "MPL") is a private company limited by shares and incorporated in Mauritius. Its registered office is situated at 1 Sir William Newton Street, Port Louis. The main shareholder of The Mauritius Post Ltd is the Government of Mauritius holding 99.99998% of the stated capital. The consolidated and separate financial statements of The Mauritius Post Ltd and its subsidiary (collectively, the "Group") for the year ended 30 June 2022 were authorised for issue by the Board of Directors on the date as stated in the consolidated and separate statements of financial position on page 4.

The principal activity of The Mauritius Post Ltd is to provide nationwide and international distribution service, principally of mails and parcels. Through its network of post office branches, the Company also provides access to the following main range of non-postal services:

- payment of monthly pensions;
- payment of utilities bills; and
- payment of motor vehicles road tax.

The Company's subsidiary Mauritius Post Foreign Exchange and Co Ltd is the holder of a foreign exchange dealer certificate.

2. BASIS OF PREPARATION

The financial statements of the Group and the Company are presented in Mauritian Rupees ("Rs"), except when otherwise stated.

The consolidated and separate financial statements have been prepared under the historical cost convention except for land and building, and investment at fair value through OCI that have been measured at fair value.

Statement of Compliance

The financial statements of the Group and the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiary as at 30 June each year.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
ii. Exposure, or rights, to variable returns from its involvement with the investee; and
iii. The ability to use its power over the investee to affect its returns.

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The NCI represented by the 0.00002% stake held by the State Investment Corporation has been deemed immaterial and has not been recognised in these financial statements.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

3.(a) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year, the Group and the Company have applied all of the new and revised Standard and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to their operations and effective for accounting periods beginning on 01 July 2021.

3.(a) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONTINUED)

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are effective for annual periods beginning on or after 01 July 2021.

Amendments	Effective for accounting period beginning on or after
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	01 April 2021

Interest* Rate *Benchmark Reform Phase* 2 *(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

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

• A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
• Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
• Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Interest Rate Benchmark Reform – Phase 2 introduces amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 and is not mandatorily effective until annual periods beginning on or after 01 January 2021, however, many entities were expected to adopt the amendments early.

The amendments did not have any major impact on the consolidated and separate financial statements for the year ended 30 June 2022.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

Effective 01 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) The reduction is lease payments affects only payments originally due on or before 30 June 2021; and

(c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

3.(a) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONTINUED)

Covid-19-*Related *Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (Continued)

Accounting for the rent concessions as lease modifications would have resulted in the Group and the Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group and the Company are not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 31 March 2021, the IASB issued another amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This amendment is effective for annual periods beginning on or after 01 April 2021 with earlier application permitted. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions.

The amendments did not have any major impact on the consolidated and separate financial statements for the year ended 30 June 2022.

3.(b) NEW STANDARDS INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group and the Company have not early adopted them.

Amendments	Effective for accounting period beginning on or after
IAS 16 Property, Plant and Equipment (Amendment -Proceeds before Intended Use)	01 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment - Onerous Contracts - Cost of Fulfilling a Contract)	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022
IFRS 3 Business Combinations (Amendment - Reference to the Conceptual Framework)	01 January 2022
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)	01 January 2023

3.(b) NEW STANDARDS INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments	Effective for accounting period beginning on or after
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)	01 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment - Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023

The Group and the Company are in the process of making an assessment of the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. The amendments are not expected to have any major impact on the consolidated and separate financial statement.

4. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

(i) Revenue from postal services and other income

Revenue is measured at the fair value of the consideration received or receivable. Postal services and other related services are recognized upon performance of services.

Revenue is measured based on the consideration to which an entity expects to be entitled in a contract with a customer. Revenue is recognized when or as an entity satisfies a performance obligation by transferring control of a promised service or asset to a customer. Control is either transferred over time or at a point in time. The Group and the Company derive revenue from postal services and by acting as an agent for some local companies.

Other income is recognised on an accrual basis unless collectability is in doubt.

(ii) Interest and dividend income

Interest income is not under IFRS 15 and is accounted separately. It is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Dividend income from investment is recognised when the shareholder's right to receive payment has been established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

(iii) Revenue recognition for the subsidiary

The revenue for the subsidiary company is commission received and receivables and these are accounted on transaction date.

Finance costs

Finance cost consists of interest paid on bank overdraft. Finance expense is recognised using the effective interest method.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated and separate statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

The Group's and the Company's policy for carrying out a revaluation exercise is every three years.

Plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, any borrowing costs capitalised in accordance with the Group's and the Company's accounting policy. Such assets are classified to the appropriate categories of plant and equipment when completed and ready for intended use.

Depreciation of these assets commences when the assets are ready for their intended use. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the expected useful lives of such assets. Plant and equipment additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rates used are as follows:

Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Office equipment	20% - 25 %
Furniture and fittings	15%
Electronic equipment	25%

Land is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

Assets in progress are not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Expenses

All expenses are recognised in profit or loss on an accrual basis as they are incurred.

Investment in subsidiary

Mauritius Post Foreign Exchange Co Ltd (MPFE) is a 100% owned subsidiary of MPL. The subsidiary is the holder of a foreign exchange dealer certificate. On the separate financial statements, investment in subsidiary is accounted at cost less impairment.

Intangible assets

Intangible assets consist of computer software. The software costs are amortised on a straight-line basis over their estimated useful lives of 7 years.

Inventories

Inventories of stamps and Digital Signature Certificate tokens are valued at the lower of cost and net realisable value. Cost is determined on the weighted average price basis and comprises all costs of purchase and other costs incurred in bringing such stocks to their present condition. Net realisable value is an estimate of the selling price in the ordinary course of business less selling expenses.

Foreign currencies

Items included in the consolidated and separate financial statements are measured using Mauritian Rupees ("Rs"), the currency of the primary economic environment in which the Company and the subsidiary operate. The consolidated and separate financial statements are presented in Mauritian Rupees, which is the Company's and the subsidiary's functional and presentation currency.

Transactions in foreign currencies are converted at the exchange rate at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated to Mauritian rupees at the rates of exchange ruling at the end of the reporting period or at the amounts actually settled. Exchange differences arising on translation of assets and liabilities are dealt with in the consolidated and separate statements of profit or loss.

Cash and cash equivalents

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefit liabilities

(i) Defined benefit pension plan

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated and separate statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income
- Remeasurement

The Group and the Company present the first two components of defined benefit costs in profit or loss in the line-item administrative expenses. Curtailment gains and losses are accounted for as past service costs.

(ii) Defined contribution pension plan

Contributions to the pension plan are charged to the consolidated and separate statements of profit or loss in the year in which they fall due.

(iii) State plan

Contributions to the National Pension Scheme are expensed to the consolidated and separate statements of profit or loss in the year in which they fall due.

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and subsequent measurement

Financial assets

The Company classifies its financial assets at amortised cost and at fair value through other comprehensive income (FVOCI) on initial recognition.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised costs

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Business model assessment

The Group and the Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's and the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Business model assessment (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's and the Company's continuing recognition of the assets.

The Group and the Company have determined that they have two business models:

- Held-to-collect business model: this includes cash and cash equivalents, trade and other receivables, and debt instrument at amortised cost; and
- Held-to-collect and sell business model: this includes securities at FVOCI.

Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider: contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's and the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Subsequent measurement and gains and losses (Continued)

Financial assets at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

The Group and the Company classify their financial liabilities at amortised costs. These include trade and other payables and bank overdraft. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company enter into transactions whereby they transfer assets recognised in their consolidated and separate statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets

The Group and the Company recognise loss allowances for ECLs on the following categories of financial assets:

- financial assets measured at amortised cost and investments measured at FVOCI.

The Group and the Company measure loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Credit-impaired financial assets

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated and separate statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group and the Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group and the Company use valuation techniques that maximize the use of relevant observable input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant would take into account in pricing a transaction.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Fair value measurement (Continued)

The Group and the Company recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Group and the Company have used their judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated and separate statements of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted under the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on the investments in subsidiaries and associates, and interest in joint ventures, except where the Group and the Company are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax charged or credited to the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- for receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or payables in the consolidated and separate statements of financial position.

Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") was legislated by Government in July 2009. In terms of the legislation, the Group and the Company are required to allocate 2% of its chargeable income of the preceding financial year to Government approved CSR projects. The required CSR charge for the current year is recognised as income tax expense in profit or loss. The net amount of CSR fund payable to the taxation authority is included as income tax payable in the consolidated and separate statements of financial position.

Provisions

A provision is recognized when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the consolidated and separate statements of profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Group as lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Company allocate consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of office branches the Group and the Company have elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to the office branches. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate. Generally, the Group and the Company use their incremental borrowing rate as the discount rate.

The Group and the Company determine their incremental borrowing rate by analysing their borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Company are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. See Note 9 for further disclosure on leases.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Deposits on leases are treated as prepayments.

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

4.1 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Useful lives of plant and equipment

Plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Impairment of intangible assets

Management exercises a certain level of judgement when assessing whether the intangible assets are impaired or not. It uses the best information available at time of assessment and makes estimates about future recoverability.

4.1 ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of receivables

Management exercises a degree of judgement when assessing whether a receivable is impaired or not. It uses the best information available at time of assessment and makes estimates about future recoverability.

Assessment of going concern

Management has made an assessment of the Group's and Company's ability to continue as a going concern and is satisfied that resources are available to continue in business for the foreseeable future. The uncertainties which may cast doubt about the Company's ability to continue as a going concern, as well as the proposed measures, have been explained in Note 29 to the consolidated and separate financial statements. The consolidated and separate financial statements have been prepared on the going concern basis.

Valuation of land and buildings

Land and buildings are showed at fair value in the consolidated and separate financial statements. Changes in fair values are presented in other comprehensive income as part of revaluation reserve. The valuation was performed by an independent valuer, Saddul & Partners at 30 June 2022. The valuation which conforms to International Valuation Standards was arrived at by reference to current open market value. The land and buildings are classified under level 3 respectively of the fair value hierarchy.

Fair value of financial assets at FVOCI

The Group and the Company hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through OCI. Equity investment has been designated at fair value through other comprehensive income because this is considered to be more appropriate for the type of investment undertaken by the Group and the Company. However, taking into consideration the volatile financial status of MauBank Ltd, during the past few years, the directors concluded that the fair value approximate the cost.

Impairment of investment in subsidiary

The carrying value of investment in subsidiary is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investment, the Company evaluates, amongst other factors, the future profitability of the subsidiary, its financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

Duration of lease periods

The Company rents several offices which act as branches for its operations. Majority of the lease periods are for a period of 3 years which are automatically renewed. Since Management has the intention to renew all its present leases and continue the operations of the various branches, Management believes they will use these offices for at least the next 10 years and has used 10 years in the calculation of rights-of-use assets and lease liabilities under IFRS 16.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Buildings	Motor vehicles	Plant and machinery	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
COST OR VALUATION	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 01 July 2020	203,636,385	33,907,255	-	8,390,725	7,044,519	18,223,042	273,650,000	222,631	545,074,557
Transfer	222,631	-	-	-	-	-	-	(222,631)	-
Additions	55,669	1,650,764	-	174,681	1,020,037	216,850	-	-	3,118,001
At 30 June 2021	203,914,685	35,558,019	-	8,565,406	8,064,556	18,439,892	273,650,000	-	548,192,558
At 01 July 2021	**203,914,685**	**35,558,019**	-	**8,565,406**	**8,064,556**	**18,439,892**	**273,650,000**	-	**548,192,558**
Additions	-	-	-	**721,658**	**849,783**	**2,674,355**	-	-	**4,245,796**
Adjustment	**(36,295)**	-	-	-	-	-	-	-	**(36,295)**
Disposal	**(5,500,000)**	-	-	-	-	-	**(2,500,000)**	-	**(8,000,000)**
Revaluation adjustment	**26,840,842**	-	-	-	-	-	**41,275,000**		**68,115,842**
Write Off	**(569,232)**	-	-	-	-	-	-	-	**(569,232)**
At 30 June 2022	**224,650,000**	**35,558,019**	-	**9,287,064**	**8,914,339**	**21,114,247**	**312,425,000**	-	**611,948,669**
DEPRECIATION									
At 01 July 2020	8,134,700	14,530,517	-	4,833,024	4,338,356	12,286,796	-	-	44,123,393
Charge for year	4,073,192	7,127,598	-	959,950	1,592,085	2,987,829	-	-	16,740,654
At 30 June 2021	12,207,892	21,658,115	-	5,792,974	5,930,441	15,274,625	-	-	60,864,047
At 01 July 2021	**12,207,892**	**21,658,115**	-	**5,792,974**	**5,930,441**	**15,274,625**	-	-	**60,864,047**
Charge for year	-	**5,843,790**		**901,697**	**1,266,526**	**1,956,268**			**9,968,281**
Revaluation adjustment	**(12,207,892)**	-	-	-	-	-	-	-	**(12,207,892)**
At 30 June 2022	-	**27,501,905**	-	**6,694,671**	**7,196,967**	**17,230,893**	-	-	**58,624,436**
NET BOOK VALUE									
At 30 June 2022	**224,650,000**	**8,056,114**	-	**2,592,393**	**1,717,372**	**3,883,354**	**312,425,000**	-	**553,324,233**
At 30 June 2021	191,706,793	13,899,904	-	2,772,432	2,134,115	3,165,267	273,650,000	-	487,328,511

The land and buildings were fair valued at Rs 312,425,000 and Rs 224,650,000 respectively by an independent valuer, Saddul & Partners at 30 June 2022. Saddul & Partners are certified Practising Valuer and Registered Valuer. They have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation which conforms to International Valuation Standards was arrived at by reference to current open market value. The land and buildings are classified under level 3 respectively of the fair value hierarchy. A change in the significant inputs in determining the fair value would result in a significant change in the fair value of the buildings. The next valuation exercise is planned for June 2025.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Buildings	Motor vehicles	Plant and machinery	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION									
At 01 July 2020	203,636,385	33,907,255	-	8,390,725	7,044,519	17,788,638	273,650,000	222,631	544,640,153
Transfer	222,631	-	-	-	-	-	-	(222,631)	-
Additions	55,669	1,650,764	-	174,681	1,020,037	209,050	-	-	3,110,201
At 30 June 2021	203,914,685	35,558,019	-	8,565,406	8,064,556	17,997,688	273,650,000	-	547,750,354
At 01 July 2021	**203,914,685**	**35,558,019**	-	**8,565,406**	**8,064,556**	**17,997,688**	**273,650,000**	-	**547,750,354**
Additions				**721,658**	**849,783**	**2,343,148**			**3,914,589**
Adjustment	**(36,295)**	-	-	-	-	-	-	-	**(36,295)**
Disposal	**(5,500,000)**	-	-	-	-	-	**(2,500,000)**	-	**(8,000,000)**
Revaluation Adjustment	**26,840,842**						**41,275,000**		**68,115,842**
Write Off	**(569,232)**	-	-	-	-	-	-	-	**(569,232)**
At 30 June 2022	**224,650,000**	**35,558,019**	-	**9,287,064**	**8,914,339**	**20,340,836**	**312,425,000**	-	**611,175,258**
DEPRECIATION									
At 01 July 2020	8,134,700	14,530,517	-	4,833,024	4,338,356	12,118,531	-	-	43,955,128
Charge for year	4,073,192	7,127,598	-	959,950	1,592,085	2,878,544	-	-	16,631,369
At 30 June 2021	12,207,892	21,658,115	-	5,792,974	5,930,441	14,997,075	-	-	60,586,497
At 01 July 2021	**12,207,892**	**21,658,115**	-	**5,792,974**	**5,930,441**	**14,997,075**	-	-	**60,586,497**
Charge for year	-	**5,843,790**	-	**901,697**	**1,266,526**	**1,815,192**	-	-	**9,827,205**
Revaluation adjustment	**(12,207,892)**	-	-	-	-	-	-	-	**(12,207,892)**
At 30 June 2022	-	**27,501,905**	-	**6,694,671**	**7,196,967**	**16,812,267**	-	-	**58,205,810**
NET BOOK VALUE									
At 30 June 2022	**224,650,000**	**8,056,114**	-	**2,592,393**	**1,717,372**	**3,528,569**	**312,425,000**	-	**552,969,448**
At 30 June 2021	191,706,793	13,899,904	-	2,772,432	2,134,115	3,000,613	273,650,000	-	487,163,857

The land and buildings were fair valued at Rs 312,425,000 and Rs 224,650,000 respectively by an independent valuer, Saddul & Partners at 30 June 2022. Saddul & Partners are certified Practising Valuer and Registered Valuer. They have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation which conforms to International Valuation Standards was arrived at by reference to current open market value. The land and buildings are classified under level 3 respectively of the fair value hierarchy. A change in the significant inputs in determining the fair value would result in a significant change in the fair value of the buildings. The next valuation exercise is planned for June 2025.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group and the Company have pledged their building, plant and equipment to secure their banking facilities.

The value of land and buildings is as follows:

	The Group and the Company	
	Land	Buildings
	Rs	Rs
At 01 July 2020	273,650,000	195,501,685
Additions during the year	-	278,300
Charged during the year	-	(4,073,192)
At 30 June 2021	273,650,000	191,706,793
At 01 July 2021	**273,650,000**	**191,706,793**
Disposal	**(2,500,000)**	**(5,775,526)**
Revaluation during the year	**41,275,000**	**38,718,733**
At 30 June 2022	**312,425,000**	**224,650,000**

6. INTANGIBLE ASSETS

	The Group	The Company
	Software costs	
	Rs	Rs
<u>COST</u>		
At 01 July 2020	14,373,807	14,306,532
Additions	65,625	-
At 30 June 2021	14,439,432	14,306,532
At 01 July 2021	**14,439,432**	**14,306,532**
Additions	**988,161**	**945,037**
At 30 June 2022	**15,427,593**	**15,251,569**
<u>AMORTISATION</u>		
At 01 July 2020	4,409,750	4,394,533
Charge for the year	1,652,751	1,642,359
At 01 July 2021	**6,062,501**	**6,036,892**
Charge for the year	**1,943,964**	**1,920,358**
At 30 June 2022	**8,006,465**	**7,957,250**
<u>NET BOOK VALUE</u>		
At 30 June 2022	**7,421,128**	**7,294,319**
At 30 June 2021	8,376,931	8,269,640

7. DEFERRED TAX

Deferred tax is calculated on all temporary differences under the liability method at **17%** (2021: 17%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax liabilities when the deferred taxes relate to the same fiscal authority on the same entity. No deferred tax has been recognised as the Company currently has accumulated tax losses of **Rs 308,973,471** (2021: Rs 302,112,459) and do not expect to fully recognise them against future profits. As a result no deferred tax has been recognised. The unrecognised deferred tax is as follows:

	The Group and the Company	
	2022	2021
	Rs	Rs
Unrecognised deferred tax assets	**246,154,685**	246,909,297

The movement on unrecognised deferred tax account is as follows:

	The Group and the Company	
	2022	2021
	Rs	Rs
At 01 July	**246,909,297**	196,460,643
Profit or loss movement	**(13,798,949)**	(7,794,760)
Credit to the other comprehensive income	**13,044,337**	58,243,414
At 30 June	**246,154,685**	246,909,297

Deferred tax liabilities, deferred tax credit in the profit or loss are attributable to the following items:

2022 **The Group and Company**	**At 01 July 2021**	**Profit or loss**	**OCI**	**At 30 June 2022**
Deferred tax	**Rs**	**Rs**	**Rs**	**Rs**
Accelerated tax depreciation	(67,716,308)	**(13,798,949)**	-	**(81,515,257)**
Employee benefit	314,625,605	-	**13,044,337**	**327,669,942**
Net deferred tax asset	246,909,297	(13,798,949)	13,044,337	246,154,685

8. INVESTMENT IN SUBSIDIARY

	The Company	
	2022	2021
	Rs	Rs
At cost		
At 01 July	**40,000,000**	40,000,000
Addition during the year	**-**	-
At 30 June	**40,000,000**	40,000,000

The details of the subsidiary are as follows:

Name of company	**Country of incorporation and operation**	**Class of shares held**	**Number of shares**	**% Holding**
Mauritius Post Foreign Exchange Co Ltd	Mauritius	Ordinary	**400,000**	**100%**

The subsidiary is the holder of a foreign exchange dealer certificate.

The directors have assessed the recoverable amount of the investment and believe that the carrying value is not subject to impairment at reporting date.

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Rights-of-use assets	The Group and the Company	
	2022	2021
	Rs	Rs
Balance as at 01 July	**48,417,157**	52,971,121
Depreciation charge for the year	**(5,565,638)**	(4,553,964)
Balance as at 30 June	**42,851,519**	48,417,157

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities	The Group and the Company 2022 Rs	2021 Rs
Balance as at 01 July	**49,732,447**	54,713,936
Interest charge	**2,445,181**	2,375,302
Changes in lease terms	**337,203**	-
Repayments	**(7,292,720)**	(7,356,791)
Balance as at 30 June	**45,222,111**	49,732,447

	The Group and the Company 2022 Rs	2021 Rs
Current liabilties	**4,798,069**	9,369,632
Non-current liabilities	**40,424,042**	40,362,815
Balance as at 30 June	**45,222,111**	49,732,447

	Lease liabilities 2022 Rs	Lease liabilities 2021 Rs
Amount payable under lease contracts:		
Within one year	**4,798,069**	9,369,632
In the second to third years inclusive	**10,434,828**	10,839,298
In the fourth to fifth years inclusive	**11,583,972**	9,831,562
Above fifth years	**18,405,242**	19,691,955
	45,222,111	49,732,447

Amounts recognised in profit and loss are as follows:	The Group and the Company 2022 Rs	2021 Rs
Finance cost	**2,445,181**	2,375,302
Depreciation charge for the year	**5,565,638**	4,553,964
	8,010,819	6,929,266

Amounts recognised in consolidated and separate statements of cash flows are as follows:

	The Group and the Company 2022 Rs	2021 Rs
Repayments of lease liabilities	**7,292,720**	7,356,791

Extension Options

The Company rents several offices which act as branches for its operations. Majority of the lease periods are for a period of 3 years which are automatically renewed. Since Management has the intention to renew all its present leases and continue the operations of the various branches, Management believes they will use these offices for at least the next 10 years and has used 9 years in the calculation of rights-of-use assets and lease liabilities under IFRS 16.

Refer to Note 23 for additional disclosure on the Group and the Company being a lessor.

10. INVESTMENT AT FAIR VALUE THROUGH OCI

	The Group and the Company 2022 Rs	2021 Rs
At 01 July	**379,695**	379,695
At 30 June	**379,695**	379,695

Equity investment designated at fair value through other comprehensive income (OCI) include the Group strategic equity investment at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for this investment. However, taking into consideration the volatile financial status of MauBank Ltd, the investee, during the past few years, the cost of Rs 379,695 is deemed to be the fair value.

11. INVENTORIES

	The Group and the Company	
	2022	2021
At cost	**Rs**	Rs
Phone cards	**375**	2,250
Museum stamps	**124,618**	139,948
Philatelic stamps	**231,332**	180,768
Consumables	**4,959,927**	3,308,603
Digital Signature Certificate (DSC) Token	**-**	238,450
Retail stamps	**9,420,009**	9,547,343
	14,736,261	13,417,362

No amount in connection with retail stamps has been written off during the year (2021: Rs Nil). The cost of inventories recognised as an expense amounted to **Rs 671,066** (2021: Rs 317,273).

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Trade receivables	**86,449,424**	110,258,172	**83,073,371**	109,951,693
Allowance for expected credit losses	**(10,423,537)**	(9,687,750)	**(10,423,537)**	(9,687,750)
	76,025,887	100,570,422	**72,649,834**	100,263,943
Other receivables and prepayments	**93,352,427**	92,359,729	**87,212,933**	89,063,057
	169,378,314	192,930,151	**159,862,767**	189,327,000

The average credit period on provision of services is 30 days except for terminal dues which is above 2 years and trade receivables are non-interest bearing.

The reconciliation of the expected credit losses/impairment losses have been disclosed in Note 25.

Included in the Group's and the Company's trade receivable balance are debtors with a carrying amount of **Rs 72,839,060** (2021: Rs 5,101,062) aged over 60 days. The average age of these receivables is 150 days. The Group and the Company do not hold any collateral over these balances.

13. DEBT INSTRUMENT AT AMORTISED COST

The Group	
2022	2021
Rs	Rs
14,049,240	13,027,835

During the year ended 30 June 2022, the subsidiary invested an amount of Rs14,049,240 in Treasury Bills with Yield of 0.7% for 357 days. Accrued interest on the securities amounted to Rs 45,120 as at 30 June 2022.

14 (i). CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Cash at bank	**218,031,791**	309,212,106	**208,090,393**	294,689,617
Cash in hand	**52,082,525**	27,575,135	**52,082,525**	27,575,135
	270,114,316	336,787,241	**260,172,918**	322,264,752

14 (ii). DEPOSITS

The Group	
2022	2021
Rs	Rs
19,154,915	15,114,822

As at 30 June 2022, the subsidiary had fixed deposit of **Rs 19,000,000** (2021: Rs 15,000,000) with a local bank. The fixed deposit will mature on 26 October 2022.

15. ISSUED CAPITAL

	The Group and the Company	
	2022	2021
Issued and fully paid	**Rs**	Rs
6,261,113 ordinary shares of Rs100 each	**626,111,300**	626,111,300

Each share confers on the holder the right to:

- one vote on a poll at a meeting of the Company on any resolution;
- an equal share in dividends authorised by the Board; and
- an equal share in the distribution of the surplus assets of the Company.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS

	The Group and the Company	
	2022	2021
	Rs	Rs
Employee benefit liability (Note (a))	**1,802,788,419**	1,650,244,506
Other benefits (Note (b))	**101,766,866**	103,847,507
	1,904,555,285	1,754,092,013

(a) Employee benefit liability

Defined benefit plan

The employees having joined The Mauritius Post Ltd upon corporatisation on 01 March 2003 are members of a state-managed employee benefit plan. The pension plan is a final salary defined benefit plan and was wholly funded prior to 30 June 2008. As from 01 July 2008, the Company contributes 9% and the employee contributes 6%. As from January 2017, the contribution by employer has increased to 14%.

The assets of the funded plan are held independently and administered by State Insurance Company of Mauritius Ltd.

Amounts recognised in the consolidated and separate statements of financial position are:

	The Group and the Company	
	2022	2021
	Rs	Rs
Present value of funded obligations	**2,392,194,603**	2,355,894,262
Fair value of plan assets	**(589,406,184)**	(705,649,756)
Liability in the statement of financial position	**1,802,788,419**	1,650,244,506

Amounts recognised in the consolidated and separate statements of profit or loss:

	The Group and the Company	
	2022	2021
	Rs	Rs
Current service cost	**36,566,159**	36,683,211
Employee contributions	**(12,081,730)**	(12,792,756)
Fund expenses	**804,005**	852,984
Interest cost	**113,082,924**	70,360,610
Expected return on plan assets	**(31,067,056)**	(24,903,898)
Total included in staff costs	**107,304,302**	70,200,151

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

Movements in the liability recognised in the consolidated and separate statements of financial position:

	The Group and the Company	
	2022	2021
	Rs	Rs
01 July	**1,650,244,506**	1,267,380,671
Add staff cost	**107,304,302**	70,200,151
Less: contributions paid by employer	**(28,118,495)**	(29,848,475)
Less: direct benefits paid employer	**(96,160)**	(96,160)
Amount recognised in other comprehensive income	**73,454,266**	342,608,319
At 30 June	**1,802,788,419**	1,650,244,506

The main actuarial assumptions used for accounting purposes are as follows:

	The Group and the Company	
	2022	2021
	%	%
Discount rate	**5.10**	4.80
Future salary increases	**3.50**	3.00
Future pension increases	**2.50**	2.00
Mortality before retirement	**Nil**	
Mortality in retirement	**Pa 90 Tables rated down by 2 years**	**Pa (90) Tables**
Retirement age	**65 years**	

The discount rate is determined by reference to market yield on bonds.

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

The overall expected rate of return on plan assets is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occuring at the end of the reporting period.

- If the discount rate would be 100 basis points (1%) higher (lower), the defined benefit obligation would decrease by **Rs 274.4M (increase by Rs 341.4M)** (2021: Rs 267.9M (increase by Rs 331.3M)) if all other assumptions were held unchanged.
- If the expected salary growth would increase/(decrease) by 100 basis point, the defined benefit obligation would increase by **Rs 125.3M (decrease by Rs 106.7M)** (2021: increase by Rs 123.1M (decrease by Rs 106.1M)) if all other assumptions were held unchanged.
- If life expectancy would increase/(decrease) by one year, the defined benefit obligation would increase by **Rs 77.2M (decrease by Rs 74.9M)** (2021: increase by Rs 72.2M (decrease by Rs 71.7M)) if all other assumptions were held unchanged.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

Reconciliation of the present value of defined benefit obligations:

	The Group and the Company	
	2022	2021
	Rs	Rs
At 01 July	**2,355,894,262**	2,039,437,972
Current service cost	**36,566,159**	36,683,211
Interest cost	**113,082,924**	70,360,610
Benefits paid	**(156,331,237)**	(142,294,789)
Liability loss	**42,982,495**	351,707,258
At 30 June	**2,392,194,603**	2,355,894,262

Reconciliation of fair value of plan assets:

	The Group and the Company	
	2022	2021
	Rs	Rs
At 1 July	**705,649,756**	772,057,301
Expected return on plan assets	**31,067,056**	24,903,898
Employer contributions	**28,118,495**	29,848,475
Employee contributions	**12,081,730**	12,792,756
Benefits paid and other outgoings	**(157,039,082)**	(143,051,613)
Asset experience (loss)/gain	**(30,471,771)**	9,098,939
At 30 June	**589,406,184**	705,649,756

Percentage of assets at 30 June

	The Group and the Company	
	2022	2021
	%	%
Fixed Interest securities and cash	**58.00**	54.80
Loans	**2.90**	2.80
Local equities	**13.60**	11.80
Overseas bonds and equities	**25.00**	30.10
Property	**0.50**	0.50
	100.00	100.00

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

The amounts recognised in other comprehensive income are as follows:

	The Group and the Company	
	2022	2021
	Rs	Rs
Remeasurement on the net defined benefit liability:		
Liability experience loss	**(42,982,495)**	(351,707,258)
Asset experience (loss)/gain	**(30,471,771)**	9,098,939
	(73,454,266)	(342,608,319)
Expected employer contributions for the next financial year	**27,822,812**	29,894,403

Employee Benefit liabilities have been based on the report submitted by State Insurance Company of Mauritius Ltd for the year ended 30 June 2022.

(b) Other benefits

	The Group and the Company	
	2022	2021
	Rs	Rs
Provision for passage benefit	**43,226,848**	41,713,149
Provision for sick leave	**58,540,018**	62,134,358
	101,766,866	103,847,507

(c) Defined contribution pension scheme

Defined contribution plan

All new entrants as from 01 March 2007 shall join a defined contribution scheme and shall earn benefits according to the new provisions. The contribution rates to the defined contribution scheme for permanent and full time employees shall be 6% from the employee and 12% from the employer.

	The Group and the Company	
	2022	2021
	Rs	Rs
Contributions expensed	**16,177,072**	16,020,658

(d) State pension plan

National pension scheme contributions expensed	**9,109,282**	9,527,965

17. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Trade payables	**219,132,686**	299,860,182	**219,132,686**	299,860,182
Other payables and accruals	**107,750,653**	116,014,903	**108,519,908**	113,481,312
Provision for passage benefits and sick leaves	**42,378,358**	39,828,564	**42,378,358**	39,828,564
	369,261,697	455,703,649	**370,030,952**	453,170,058

The average credit period for local creditors is 45 days and for foreign creditors is over 150 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure all payables are paid within the credit timeframe.

18. OPERATING EXPENSES

Loss for the year is arrived at after charging/(crediting) the following items:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Staff costs	**620,127,433**	587,717,811	**615,984,434**	584,645,662
Depreciation of property, plant and equipment	**9,968,281**	16,740,654	**9,827,205**	16,631,369
Amortisation of intangible assets	**1,943,964**	1,652,751	**1,920,358**	1,642,359
Impairment losses recognised on receivables	**735,787**	1,499,939	**735,787**	1,499,939
Cost of inventories recognised as an expense	**671,066**	317,273	**671,066**	317,273
Utilities,rent, security expenses, cleaning expenses	**32,356,364**	29,915,903	**31,843,361**	29,439,340
Refund to civil status	**7,132,575**	5,924,580	**7,132,575**	5,924,580
Motor vehicle running expenses	**6,283,796**	5,055,351	**6,283,796**	5,055,351
Expenses - Digital Service Center (CEP/PIAP)	**107,282**	220,590	**107,282**	220,590
Conveyance of Mails/Terminal Dues	**20,847,824**	13,590,508	**20,847,824**	13,590,508
Others	**47,877,996**	29,352,494	**42,933,550**	26,297,699
	748,052,368	691,987,854	**738,287,238**	685,264,670

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is an analysis of the Group's and the Company's revenue for the year:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Revenue from postal services	**502,635,925**	374,984,497	**502,635,925**	359,135,013
Revenue from agency services	**136,145,478**	108,225,382	**132,813,678**	120,960,156
	638,781,403	483,209,879	**635,449,603**	480,095,169

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Local	**529,503,070**	433,307,959	**531,663,070**	430,670,344
Foreign	**109,278,333**	49,901,920	**103,786,533**	49,424,825
Total revenue from contracts with customers	**638,781,403**	483,209,879	**635,449,603**	480,095,169

Timing of revenue recognition

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Services transferred over time	**109,278,333**	49,901,920	**103,786,533**	49,424,825
Services transferred at one point in time	**529,503,070**	433,307,959	**531,663,070**	430,670,344
	638,781,403	483,209,879	**635,449,603**	480,095,169

Contract duration

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Less than 1 year	**529,503,070**	433,307,959	**531,663,070**	430,670,344
More than 1 year	**109,278,333**	49,901,920	**103,786,533**	49,424,825
	638,781,403	483,209,879	**635,449,603**	480,095,169

Sales channel

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Directly to clients	**529,503,070**	433,307,959	**531,663,070**	430,670,344
Through intermediaries	**109,278,333**	49,901,920	**103,786,533**	49,424,825
	638,781,403	483,209,879	**635,449,603**	480,095,169

20. OTHER INCOME

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Exchange gain	**20,369,517**	16,281,073	**3,829,956**	5,398,370
Income from disposal of assets	**789,688**	732,532	**789,688**	732,532
Interest income on fixed deposits and bank accounts	**3,081,741**	2,827,421	**3,081,741**	2,827,421
Interest receivables on debt instrument at amortised cost	**290,479**	352,072	-	-
Refund of Licence fee by Continental Exchange Solution Inc	-	1,500,000	-	-
Others	**183,743**	-	-	-
	24,715,168	21,693,098	**7,701,385**	8,958,323

21. FINANCE COSTS

	The Group and the Company	
	2022	2021
	Rs	Rs
Interest on bank overdrafts (3.55% p.a)	**2,168,320**	1,154,479
Interest on leases liabilities (Note 9)	**2,445,181**	2,375,302
	4,613,501	3,529,781

22. TAXATION

Income tax

Income tax is payable at the rate of 17% on the profit for the year as adjusted for income tax purposes. No provision for income tax has been made as the Group and the Company have accumulated tax losses at year end. At 30 June 2022, the Company had accumulated tax losses of **Rs 308,973,471** (2021: Rs 302,112,549).

No provision for deferred tax asset has been made in the consolidated and separate financial statements as it is not probable that the Group will make sufficient future taxable profits against which the unused tax losses can be utilised. The Group can only carry forward its tax losses for a period of 5 years as from the year during which the tax losses arose.

Current tax assets

	The Group and Company	
	2022	2021
	Rs	Rs
At 1 July	**82,742**	220,416
Tax refund	**(104,177)**	(137,674)
Tax Paid	**111,030**	-
At 30 June	**89,595**	82,742

Tax reconciliation

The total charge for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Loss before taxation	**(89,169,298)**	(190,614,658)	**(99,749,751)**	(199,740,959)
Tax at 17%	**(15,158,781)**	(32,404,492)	**(16,957,458)**	(33,955,963)
Effect of:				
Non-allowable expenses	**1,282,268**	4,352,476	**1,227,336**	3,557,645
Corporate Social Responsibility	**90,021**	-	-	-
Exempt income	**(1,134,291)**	(6,718,907)	**(1,166,356)**	(6,718,907)
Movement in unrecognised deferred tax	**16,845,739**	35,446,078	**16,896,478**	37,117,225
	1,924,956	675,155	-	-

Tax liabilities

	The Group	
	2022	2021
	Rs	Rs
Tax liabilities	**1,924,956**	675,155

22. TAXATION (CONTINUED)

	The Company	
	2022	2021
History of future tax losses expiring is detailed below:	Rs	Rs
Financial Year		
2021/2022	-	13,963,518
2022/2023	-	6,965,282
2023/2024	**96,305,683**	-
2024/2025	**96,305,683**	96,305,683
2025/2026	**109,499,183**	-
2026/2027	**6,862,922**	184,878,066
	308,973,471	302,112,549

23. COMMITMENTS

(i) Software - annual licence fee and maintenance

- The Company entered into a contract in October 2014 for its software (Post Global System) where an annual licence fee of **Rs 3,703,520** (Euro 79,000) is payable for the first 5 years and Rs 1,617,350 (Euro 34,500) for the next 5 years.

- The Company has to pay an annual fee of Rs 689,136 (Euro 14,700) for the next 9 years for its software maintenance and support costs.

(ii) Leases

Leases relate to rental of ATM Space to local companies with lease terms between 1 to 5 years. Most lease contracts contain market review clauses in the event that the lessees exercise thier option to renew. The lessees do not have an option to purchase the property at the expiry of the lease period.

The rental income is earned by the Group and the Company on ATM space and office space, all of which are leased out under leases amounts to **Rs 2,131,585** for the year ended 30 June 2021 (2021: Rs 2,650,225).

The following table sets out the maturity analysis of lease payments receivable, showing the undiscounted lease payments to be received after the reporting date.

	The Group and the Company	
	2022	2021
	Rs	Rs
Lease receivables:		
Within one year	**2,131,585**	2,650,225
Between one to two years	**2,370,000**	1,905,258
Between two to three years	**2,380,000**	1,910,000
Between three to four years	**2,390,000**	1,920,000
Between four to five years	**2,400,000**	1,930,000
	11,671,585	10,315,483

24. RELATED PARTY DISCLOSURES

The Group and the Company are making the following disclosures in respect of IAS 24 (Related Party Disclosures):

	The Company	
	2022	2021
(a) Transactions during the year (management service fees)	Rs	Rs
Mauritius Post Foreign Exchange Co Ltd (subsidiary)	**2,160,000**	660,000
(b) Balance at year end		
Amount due to Mauritius Post Foreign Exchange Co Ltd (subsidiary)	**(3,376,053)**	(306,479)
(c) Compensation paid to key management personnel		
The remuneration of directors and other members of key management during the year were as follows:		
Short-term benefits	**4,912,330**	6,026,370

25. FINANCIAL ASSETS AND LIABILITIES

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risk, compliance risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged since 2018.

The capital structure of the Group and the Company consist of debt, equity comprising stated capital, reserve and accumulated losses as disclosed in the statement of changes in equity.

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Financial assets				
Investment at fair value through OCI	**379,695**	379,695	**379,695**	379,695
Debt instrument at amortised cost	**14,049,240**	13,027,835	**-**	-
Trade and other receivables	**164,242,003**	189,972,566	**154,726,456**	186,369,415
Deposits	**19,154,915**	15,114,822	**-**	-
Cash and cash equivalents	**270,114,316**	336,787,241	**260,172,918**	322,264,752
	467,940,169	555,282,159	**415,279,069**	509,013,862

Prepayments of **Rs4,906,261** (2021: Rs 2,727,535) and deposits of **Rs 230,050** (2021: Rs 230,050) are excluded from financial assets for the Group and the Company respectively.

Trade and other receivables

The Group and the Company have adopted the IFRS 9 and simplified approach has been utilised to measure the expected credit losses taking into consideration the lifetime expected loss allowance for all trade and other receivables.

The expected credit loss for trade receivables as at 30 June reconcile to the allowance for impairment as follows:

	The Group and the Company	
	2022	2021
	Rs	Rs
At 01 July	**9,687,750**	9,313,016
Movement during the year	**735,787**	374,734
As at 30 June	**10,423,537**	9,687,750

The Group

	Current	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
At 30 June 2022						
Expected loss rate	**1.20%**	**1.96%**	**3.89%**	**12.44%**	**11.75%**	
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Net carrying amount - trade and other receivables	**36,214,048**	**32,915,194**	**11,455,288**	**2,639,270**	**86,154,514**	**169,378,314**
Loss allowance	**(585,541)**	**(590,503)**	**(123,284)**	**(287,134)**	**(8,837,075)**	**(10,423,537)**
At 30 June 2021						
Expected loss rate	8.00%	0.20%	0.20%	9.80%	5.30%	
	Rs	Rs	Rs	Rs	Rs	Rs
Net carrying amount - trade and other receivables	14,651,703	5,342,789	4,755,133	4,820,034	163,360,492	192,930,151
Loss allowance	(729,835)	(9,809)	(10,362)	(473,318)	(8,464,426)	(9,687,750)

25. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Trade and other receivables (Continued)

	The Company					
	Current	**Less than 30 days past due**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
At 30 June 2022						
Expected loss rate	**1.20%**	**1.96%**	**3.89%**	**12.44%**	**11.75%**	
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Net carrying amount - trade and other receivables	**36,214,048**	**32,915,194**	**11,455,288**	**2,639,270**	**76,638,967**	**159,862,767**
Loss allowance	**(585,541)**	**(590,503)**	**(123,284)**	**(287,134)**	**(8,837,075)**	**(10,423,537)**
At 30 June 2021						
Expected loss rate	5.00%	0.20%	0.20%	9.80%	5.30%	
	Rs	Rs	Rs	Rs	Rs	Rs
Net carrying amount - trade and other receivables	14,651,703	5,342,789	4,755,133	4,820,034	159,757,341	189,327,000
Loss allowance	(729,835)	(9,809)	(10,362)	(473,318)	(8,464,426)	(9,687,750)

Financial liabilities : Trade and other payables and lease liabilities

	The Group		**The Company**	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Trade and other payables	**369,261,697**	455,703,649	**370,030,952**	453,170,058
Lease liabilities	**45,222,111**	49,732,447	**45,222,111**	49,732,447
	414,483,808	505,436,096	**415,253,063**	502,902,505

Trade and other payables are non-interest bearing and are normally settled on 60-day terms.

Interest rate risk

The Group and the Company are exposed to interest rate risk as it borrows funds at floating interest rates. The interest rate profile of the financial assets and financial liabilities at 30 June was:

	Currency	**Balance with bank - Floating interest rate**	
		2022	2021
		% p.a.	% p.a.
Financial assets			
Balance with banks	MUR	**0.00**	0.00
Financial liabilities			
Bank overdraft	MUR	**3.55**	3.55

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's and the Company's profit for the year ended 30 June 2022 would increase by **Rs 1,040,452** (2021: Rs 1,474,002). This is mainly attributable to the Group's and the Company's exposure to interest rates on its variable rate borrowings.

Liquidity risk management

The Group and the Company have an appropriate liquidity risk management framework to manage the short and long term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group and the Company have also at their disposal a bank overdraft facilities of **Rs 178.38M** (2021: Rs 178.38M) at the end of the reporting period. However, the Group and the Company normally expect to meet their obligations from operating cash flows and proceeds of maturing financial assets.

Compliance risk

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

25. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The Group's and the Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated and separate statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk. At 30 June 2022, the Group and the Company have concentration of risk amounting to **Rs 60M** (2021: Rs 88M), representing terminal dues from overseas post offices.

Currency risk

The Group is exposed to the risk that the exchange rate of the Mauritian Rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of its assets and liabilities.

Currency profile

The currency profile of the Group's financial assets and financial liabilities is summarised as follows:

	Financial assets				Financial liabilities			
	The Group	The Group	**The Company**	The Company	**The Group**	The Group	**The Company**	The Company
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Currency	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs
Mauritian Rupee	**197,597,863**	180,445,679	**153,358,526**	140,261,073	**204,463,084**	213,945,682	**205,232,339**	211,412,091
Pound Sterling	**2,876,312**	213,446	**2,876,312**	213,446	**-**	-	**-**	-
Special Drawing Rights	**66,909,070**	95,091,432	**66,909,070**	95,091,432	**210,020,724**	291,490,414	**210,020,724**	291,490,414
United States Dollar	**156,352,141**	84,984,366	**147,930,378**	78,900,675	**-**	-	**-**	-
Euro	**44,204,783**	194,547,236	**44,204,783**	194,547,236	**-**	-	**-**	-
	467,940,169	555,282,159	**415,279,069**	509,013,862	**414,483,808**	505,436,096	**415,253,063**	502,902,505

Prepayments of **Rs 4,906,261** (2021: Rs 2,727,535) and deposits of **Rs 230,050** (2021: Rs 230,050) are excluded from financial assets for the Group and the Company respectively.

Foreign currency sensitivity analysis

The Group and the Company are exposed to Pound Sterling, United States Dollar and Special Drawing Rights.

A special drawing rights (SDR) is essentially an artificial currency instrument used by the International Monetary Fund (IMF), and is built from a basket of important national currencies. The IMF uses SDRs for internal accounting purposes. SDRs are allocated by the IMF to its member countries and are backed by the full faith and credit of the member countries governments.

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the above currencies against the Mauritian Rupee. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase/decrease in profit/(loss) where the above currencies strengthen 10% against the Mauritian Rupee. For a 10% weakening of the above currencies against the Mauritian Rupee, there would be an equal and opposite impact on the profit/(loss), and the balances below would be negative.

25. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Currency profile (Continued)

Impact on profit/(loss) of 10% increase of the above currencies against the Mauritian Rupee:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Pound Sterling	**287,631**	21,345	**287,631**	21,345
Special Drawing Rights	**(14,311,165)**	(19,639,898)	**(14,311,165)**	(19,639,898)
United States Dollar	**15,635,214**	8,498,437	**14,793,038**	7,890,068
Euro	**4,420,478**	19,454,724	**4,420,478**	19,454,724

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Liquidity risk management

The maturity profile of the financial liabilities is summarised as follows:

2022			**The Group**			
	On demand	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**Above one year**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Trade and other payables	-	**84,633,443**	**3,263,516**	**281,364,738**	-	**369,261,697**
Lease liabilities	-	-	-	**4,798,069**	**40,424,042**	**45,222,111**
	-	**84,633,443**	**3,263,516**	**286,162,807**	**40,424,042**	**414,483,808**

2021			The Group			
	On demand	Less than 1 month	1-3 months	3 months to 1 year	Above one year	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Trade and other payables	-	71,609,721	3,984,131	380,109,797	-	455,703,649
Lease liabilities	-	-	-	9,369,632	40,362,815	49,732,447
	-	71,609,721	3,984,131	389,479,429	40,362,815	505,436,096

2022			**The Company**			
	On demand	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**Above one year**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Trade and other payables	-	**82,026,644**	**3,263,516**	**284,740,792**	-	**370,030,952**
Lease liabilities	-	-	-	**4,798,069**	**40,424,042**	**45,222,111**
	-	**82,026,644**	**3,263,516**	**289,538,861**	**40,424,042**	**415,253,063**

2021			The Company			
	On demand	Less than 1 month	1-3 months	3 months to 1 year	Above one year	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Trade and other payables	-	71,609,721	3,984,131	377,576,206	-	453,170,058
Lease liabilities	-	-	-	9,369,632	40,362,815	49,732,447
	-	71,609,721	3,984,131	386,945,838	40,362,815	502,902,505

26. CONTINGENT LIABILITIES

There are contingent liabilities for which no provision has been made in the consolidated and separate financial statements in respect of the following:

	The Group and the Company	
	2022	2021
	Rs	Rs
Bank guarantees	**850,000**	850,000
Claim from legal case	**5,000,000**	5,000,000
Documentary credit (Letter of credit) (Euro 11,995.94)	**-**	588,401
	5,850,000	6,438,401

A case has been entered against the Company by an ex-employee. The latter is claiming an amount of Rs 5m for unfair dismissal. The Company has been advised that it has a strong case to resist the claim.

The Group and Company hold bank guarantees with MauBank Ltd.

The directors consider that no liabilities will arise as the probability for default in respect of the guarantees and the ongoing legal case is remote.

27. CASH HELD ON BEHALF OF AGENCIES

The Company provides agency services to Central Electricity Board (CEB), Central Water Authority (CWA), Mauritius Telecom (MT), National Land Transport Authority (NLTA), MauBank Ltd and Ministry of Social Integration, Social Security and National Solidarity (MSS). The Company collects cash on behalf of these agencies.

At reporting date, cash held on behalf of agencies were as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs	Rs	**Rs**	Rs
Cash held on behalf of agencies	**256,576,170**	167,631,650	**259,952,223**	167,938,129

28. COVID-19 ASSESSMENT

Associated with the COVID-19 virus, the directors have considered possible events and conditions for the purpose of identifying whether these events and

The directors are continuously assessing the impact of the COVID-19 on the Group and the Company on future results and affairs.

29. GOING CONCERN

As at 30 June 2022, the Company's total liabilities exceeded its total assets by **Rs 1,241,451,825** (2021: Rs 1,147,672,313) and at the same date the Group's total liabilities exceeded its total assets by **Rs 1,229,464,832** (2021: Rs 1,144,340,817). It is to be noted that the Group and the Company has insufficient liquidity to continue business in the foreseeable future. The deficit is mainly attributable to actuarial losses of **Rs 1,802,788,419** (2021: Rs1,650,244,506) arising on defined benefit pension plans,mainly in respect of past government employees for the Company.

In order to redress the financial situation, Deloitte submitted a report on the 10-year restrcuturing & Strategic plan whereby it is forecasted that with the implementation of the 11 initiatives in phase manner the company would be profitable as from financial year 2023/2024.

A meeting was held at Ministry of Finance, Planning and Economic Development (MOFED) in the presence of Deloitte and SICOM with regard to the pension fund deficit of the Company.

Members present were informed that a Technical meeting had been set up at the level of Ministry to look into the pension deficits of all the Statutory Bodies.

Members present were also informed by MOFED that provision has been made under vote Grants for Contribution towards Statutory Bodies Pension Funds in Budget 2022/2023. However, cash will only be injected when the actual pension fund has been completely exhausted.

SICOM Ltd, the Pension Fund Manager of the Company, has stated that based on current rate of contribution and market conditions, the pension fund of the MPL is expected to be exhausted in ten years' time.

30. SHAREHOLDER

The shareholders of the Company as at 30 June 2022 are as follows:

Government of Mauritius	99.99998%
State Investment Corporation	0.00002%

31. EVENTS AFTER REPORTING DATE

There are no other subsequent events that have occurred after year end that require further disclosure or amendments to the consolidated and separate financial statements for the year ended 30 June 2022.