THE MAURITIUS POST LTD AND ITS SUBSIDIARY

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2023

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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 94,158,685** and **Rs 98,535,065** respectively for the year ended 30 June 2023 (2022: Group's and Company's loss: Rs 91,094,254 and Rs 99,749,751 respectively).

The consolidated and separate financial statements for the year ended 30 June 2023 are set out on pages 4 to 48. The auditor's report on these consolidated and separate financial statements is on pages 1 to 3.

Dividends

No dividend has been proposed or paid during the year ended 30 June 2023 (30 June 2022: Nil).

Board of Directors

Chairperson		
Mr. Ranna Swamber	Independent Director	(Appointed on 22 July 2021)
Directors		
Mrs. Marie Joelle Sandrine Valère	Non-Executive Director	(Appointed on 04 May 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 Asvind Dookhorun	Independent Director	(Appointed on 22 July 2021 up to 19 December 2023)
Mr. Ashad Mauderbaccus	Independent Director	(Appointed on 22 July 2021 up to 19 December 2023)
Dr. Dharamraj Paligadu	Independent Director	(Appointed on 27 February 2023 & Resigned on 09 May 2023
Mr Kechan Balgobin	Non-Executive Director	(Appointed on 28 July 2021 up to 14 November 2023
Appointment after year ended 30 June 2023		
Mrs. Kalpana Devi Gunputh-Lutchumun	Non-Executive Director	(Appointed on 14 November 2023)
Mr. Darmalingum Davasgaium	Independent Director	(Appointed on 14 November 2023)
Mrs. Boomeswary Mooroogen-Saminaden	Independent Director	(Appointed on 19 December 2023)
Mrs. Zeba Huroosa Soogun	Independent Director	(Appointed on 19 December 2023)
Mr. Pramanund Newoor, MSK	Independent Director	(Appointed on 19 December 2023)

Secretary
Prime Partners Ltd – appointed on 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 2023 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 and it also provides money changing services since 05 December 2022. The subsidiary recorded a profit before tax of **Rs 8,471,596** for the financial year ended 30 June 2023 (2022: Rs 12,080,453).

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 2023 were **Rs 2,028,000** (2022: Rs 1,965,500).

Directors' services contracts

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

There is a service contract agreement with Mr V. A. Ramchurn, Chief Executive Officer of the Mauritius Post Ltd as from 16 January 2023 for a period of two years.

There is a service contract agreement with Mr J. Naggea, Managing Director of the subsidiary company as from 01 July 2021 for a period of three years.

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 2023 by the Company and the Group (2022: Company: Rs Nil and the Group: Rs 20,000).

Auditor

Auditor's remuneration was as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Audit fees (inclusive of VAT)	**593,400**	569,250	**350,750**	339,250
Others	**72,000**	74,750	**-**	-
	665,400	644,000	**350,750**	339,250

Approved by the Board of Directors on 18 January 2024 and signed on its behalf by:

Chairman
Ranna Swamber

Director
Rishi Nand Jhuboo

The Mauritius Post Ltd ("MPL" or the "Company") has pleasure in submitting its Corporate Governance Report for the financial year ended 30 June 2023, 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 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.

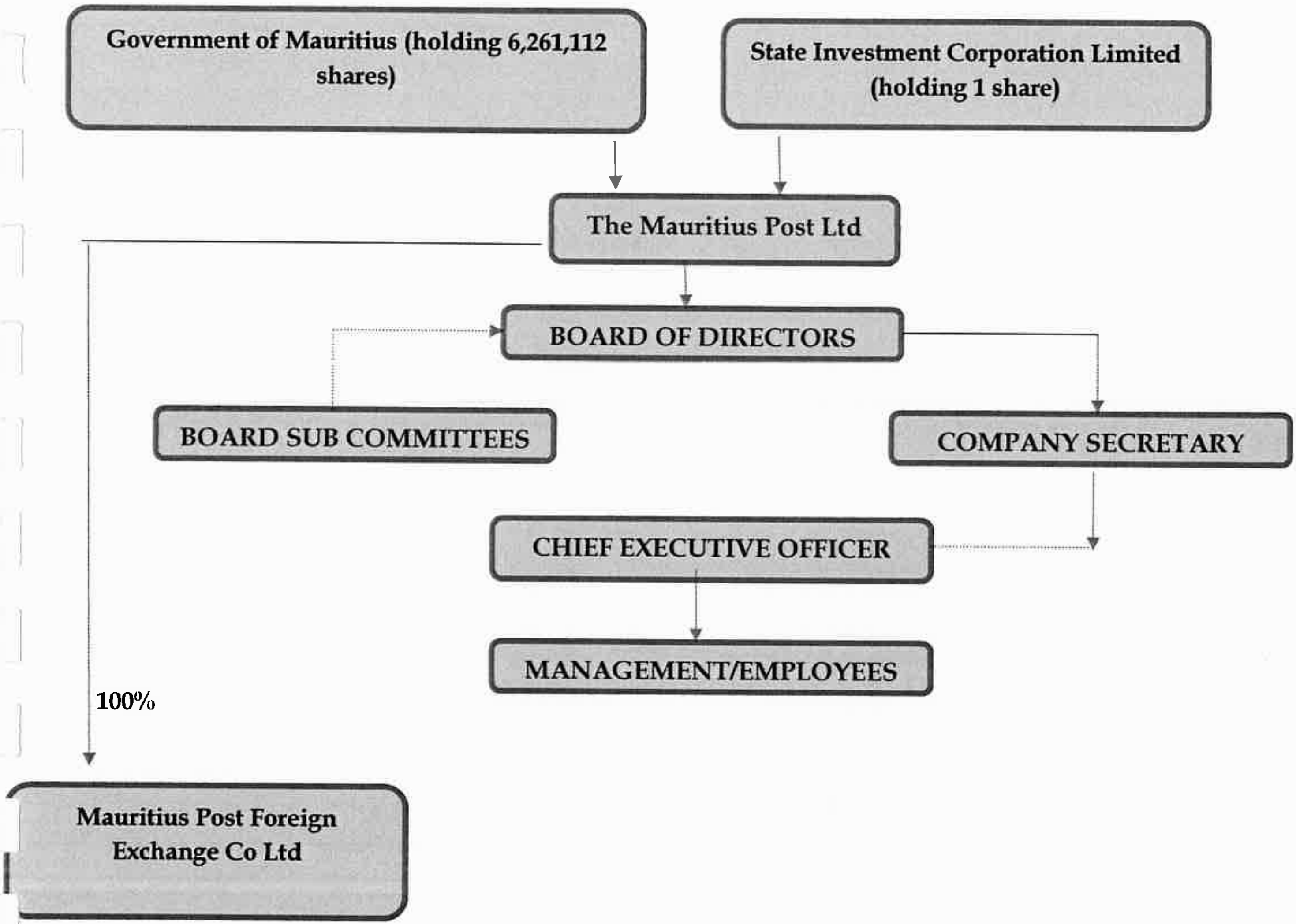
It has a wholly owned subsidiary company, the Mauritius Post Foreign Exchange Co Ltd., providing money transfer services. The Company and its subsidiary are together referred as the "Group".

PRINCIPLE ONE: 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.

THE MAURITIUS POST LTD
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2023

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)



PRINCIPLE ONE: 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 Limited out of the total 6,261,113 Ordinary Shares.

1.2 Board of Directors

As per its Constitution, the number of Directors for MPL shall not be less than two (2) or more than nine (9). The Directors during the financial year ended 30 June 2023 and subsequent changes were as follows: -

Chairperson		
Mr. Ranna Swamber	Independent Director	(Appointed on 22 July 2021)
Directors		
Mrs. Marie Joelle Sandrine Valère	Non-Executive Director	(Appointed on 04 May 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 Asvind Dookhorun	Independent Director	(Appointed on 22 July 2021 up to 19 December 2023)
Mr. Ashad Mauderbaccus	Independent Director	(Appointed on 22 July 2021 up to 19 December 2023)
Dr. Dharamraj Paligadu	Independent Director	(Appointed on 27 February 2023 & Resigned on 09 May 2023)
Mr Kechan Balgobin	Non-Executive Director	(Appointed on 28 July 2021 up to 14 November 2023
Appointment after year ended 30 June 2023		
Mrs. Kalpana Devi Gunputh-Lutchumun	Non-Executive Director	(Appointed on 14 November 2023)
Mr. Darmalingum Davasgaium	Independent Director	(Appointed on 14 November 2023)
Mrs. Boomeswary Mooroogen-Saminaden	Independent Director	(Appointed on 19 December 2023)
Mrs. Zeba Huroosa Soogun	Independent Director	(Appointed on 19 December 2023)
Mr. Pramanund Newoor, MSK	Independent Director	(Appointed on 19 December 2023)

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

Board Charter

The Company has a Board Charter in place and same was approved by the Board at its Meeting held on 28 December 2022. 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. The Board Charter is reviewed on a yearly basis.

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.

Key Governance Responsibilities

The Board ensures that the key governance positions within the organisation are matched with the corresponding accountabilities.

Key Governance Positions

1.3 The Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties to shareholders under the relevant legal frameworks. The Company Secretary is also responsible for organization and coordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of The Mauritius Post Ltd, a wholly owned subsidiary of The State Investment Corporation Limited. It is actively involved in the provision of statutory corporate secretarial services, registrar and transfer office services and accounting services to domestic companies registered in Mauritius.

1.4 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.

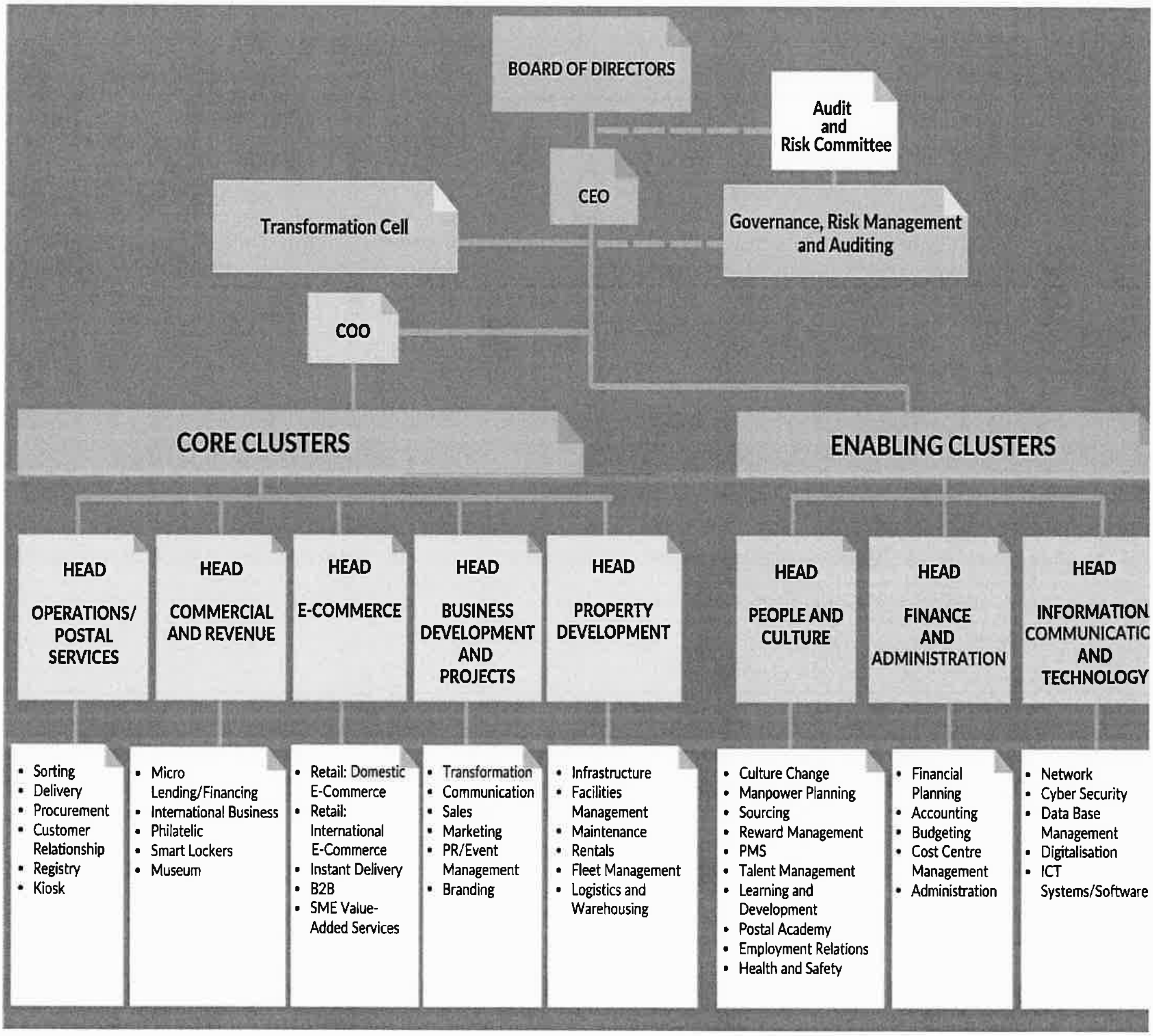
1.5 Senior Management

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.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.5 Senior Management (Continued)

Organisational Chart



PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

1.5 Senior Management (Continued)

Key Senior Management Team

RAMCHURN Vijaye Anand (joined on 16 January 2023)
Chief Executive Officer
B. Tech. (Hons) in Mechanical Engineering, M.Sc. in Project Engineering Management, MBA, 31 years of experience in Training Standards, Quality Assurance, Management and Corporate Strategy Developments

MOTEEA Giandev, OSK (retired on 01 February 2023)
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 01 August 2022)
Corporate Affairs and Administrative Manager
FCCA, MBA (Finance)
38 years of experience in Finance, Accounting, Management, Administration and Corporate Strategy

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

BALLYRAZ Pravin
Human Resources Manager
Degree in Management, MSc in Human Resources Studies, LLB (Hons)
22 years of experience in Human Resource Management

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

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

SEEWOOGOBIN Varsha
Internal Auditor
Degree in Accounting and Finance, FCCA with 21 years of experience in Finance, Accounting and Auditing, MBA (University of South Wales)

BANDHOA Iswarparsadsing (retired on 09 September 2023)
Ag. Operations Manager
43 years of experience in the Postal Sector

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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 not less than two (2) or more than nine (9) as per its Constitution. There is a mix of 7 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.

Attendance of the directors at the Board meetings

The following table depicts the attendance at Board/Board Committees meeting of the directors during the year under review: -

Name of Directors	Attendance *(13 Meetings)*
Mr. Ranna Swamber	13/13
Mrs. Marie Joelle Sandrine Valère	13/13
Mrs. Marie Noelle Doris Sybille Lolochou	7/13
Mr. Rishi Nand Jhuboo	10/13
Mr. Asvind Dookhorun (Appointed on 22 July 2021 up to 19 December 2023)	10/13
Mr. Ashad Mauderbaccus(Appointed on 22 July 2021 up to 19 December 2023)	11/13
Dr. Dharamraj Paligadu (appointed on 27 February 2023 and resigned on 09 May 2023)	1/13
Mr. Kechan Balgobin (appointed on 28 July 2021 up to 14 November 2023)	8/13

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.

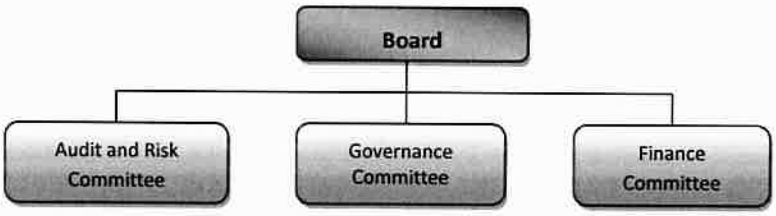
PRINCIPLE TWO: STRUCTURE OF BOARD AND ITS COMMITTEES (CONTINUED)

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 *(5 Meetings)*	Governance Committee *(9 Meetings)*	Finance Committee *(7 Meetings)*
Mrs. Marie Noelle Doris Sybille Lolochou	N/a	N/a	5/7
Mr. Ashad Mauderbaccus	4/5	N/a	N/a
Mr. Asvind Dookhorun	N/a	8/9	6/7
Mr. Rishi Nand Jhuboo	5/5	8/9	N/a
Mrs. Marie Joelle Sandrine Valère	4/5	9/9	N/a
Mr. Kechan Balgobin (appointed on 28 July 2021 up to 14 November 2023)	N/a	N/a	7/7



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 2022/23)

Mr. Rishi Nand Jhuboo - Chairperson
Mrs. Marie Joelle Sandrine Valere - Member
Mr. Ashad Mauderbaccus - Member

NOTE: The Audit and Risk Committee has been re-constituted at the Board Meeting of The Mauritius Post Ltd held on 28 December 2023. As at date, the Audit and Risk Committee is constituted as follows:-

Mr. Rishi Nand Jhuboo - Chairperson
Mrs. Marie Joelle Sandrine Valere - Member
Mrs. Boomeswary Mooroogen-Saminaden - Member
Mrs. Zeba Huroosa Soogun - Member

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

2.3 Audit and Risk Committee (Continued)

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 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.

Composition (financial year 2022/23)

Mrs. Marie Joelle Sandrine Valere	-	Chairperson
Mr. Rishi Nand Jhuboo	-	Member
Mr Asvind Dookhorun	-	Member

NOTE: The Governance Committee has been re-constituted at the Board Meeting of The Mauritius Post Ltd held on 28 December 2023. As at date, the Governance Committee is constituted as follows:-

Mrs. Marie Joelle Sandrine Valere	- Chairperson
Mr. Rishi Nand Jhuboo	- Member
Mrs. Boomeswary Mooroogen-Saminaden	- Member
Mr. Pramanund Newoor, MSK	- Member

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

2.4 Governance Committee (Continued)

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 2022/23)

Mr. Kechan Balgobin	- Chairperson
Mrs. Marie Noelle Doris Sybille Lolochou	-Member
Mr Asvind Dookhorun	- Member

NOTE: The Finance Committee has been re-constituted at the Board Meeting of The Mauritius Post Ltd held on 28 December 2023. As at date, the Finance Committee is constituted as follows:-

Mr. Darmalingum Davasgaium	- Chairperson
Mrs. Marie Noelle Doris Sybille Lolochou	- Member
Mrs. Kalpana Devi Gunputh-Lutchumun	- Member
Mr. Pramanund Newoor, MSK	- 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.

2.6 Profile of Directors

Existing Directors

(i) **Mr. Ranna Swamber (Chairman)** is currently an Educator and Head of Physics Department at St. Andrews School. He holds a degree in physics from University of Poona (India), a Post Graduate Certificate in Education (PGCE) and a Master Degree in Business Administration (MBA) with specialisation in Human Resource Management from University of Mauritius. He has a vast experience in the Education Sector.

(ii) **Mrs. Marie Joelle Sandrine Valère** is currently the Permanent Secretary at the Ministry of Information Technology, Communication and Innovation. She joined the Administrative Cadre of the Civil Service in Mauritius in November 1995 as an Assistant Secretary and has since then served several Ministries including the Ministry of Energy and Public Utilities, the Ministry of Education, the Ministry of Environment, the Prime Minister's Office, the Ministry of Blue Economy and the Ministry of Youth and Sports.

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

2.6 Profile of Directors (Continued)

She holds a degree in Economics, from the University of Mauritius, a Diplome en Administration Publique from the Ecole Nationale d'Administration (Strasbourg, France) and a Master's degree in Business Administration (with specialization in Human Resource Management) from the University of Mauritius.

She has had the opportunity to serve as director on several statutory bodies and Government-Owned Companies, including the Information and Communication Technologies Authority, the Mauritius Post Ltd, the Mauritius Post Foreign Exchange Company Ltd, and the Multi Carrier (Mauritius) Ltd.

(iii) **Mr. Rishi Nand Jhuboo** currently work as Adviser on Project Implementation and ICT Promotion_at Ministry of Information Technology, Communication and Innovation. He was Ex-Executive Member & Assistant Treasurer at Mauritius Federation of UNESCO Club and has worked as Public Relations Officer at Ministry of Public Infrastructure, Land Transport & Shipping. He also possesses vast experience in the Education Sector.

(iv) **Mrs. Marie Noelle Doris Sybille Lolochou** is the Vice President of Health Committee at the Municipality of Curepipe. She has also been the Mayor of Curepipe and has worked as Senior Marketing Executives / Assistant Manager at Phoenix Insurance Co. Ltd. She is involved in many social works in Curepipe.

(v) **Mrs. Kalpana Devi Gunputh-Lutchumun**, the newly appointed director is currently the Deputy Permanent Secretary at the Prime Minister's Office. She holds a degree in Public Administration and Management, from the University of Technology, Mauritius and a Diploma in Quality Management from the University of Mauritius.

(vi) **Mr. Darmalingum Davasgaium**, the newly appointed director is currently the Acting Deputy Permanent Secretary at the Minister of Finance, Economic Planning and Development.

(vii) **Mrs. Boomeswary Mooroogen-Saminaden**, the newly appointed director is currently an Educator at John Kennedy College, and a part time lecturer at University of Mauritius, and Open University of Mauritius. She holds a Bachelor of Arts degree and a Master's degree in mass communication. She is a Member of the English Union and has vast experience in the education sector.

(viii) **Mrs. Zeba Huroosa Soogun**, the newly appointed director is currently holding the post of Finance Manager at Freshline Marketing Ltd. She was also the Relationship Manager at MauBank Ltd (from March 2013 to December 2022). She has 10 years of experience in the Banking sector.

(ix) **Mr. Pramanund Newoor**, MSK, the newly appointed director is currently the Advisor to the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping. Previously he was the Advisor to the Ministry of Environment, Solid Waste Management and Climate Change (from 2015 to 2017). He has participated in International Conferences of Environment, Local Authorities, Religious and Cultural matters. Mr Newoor has also received recognition for services rendered to the Community.

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.
(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.

3.2 Professional Development

The Board has reviewed the professional development and on-going education of directors. During the Board evaluation exercise, the Board Members will be invited to indicate the training and development programme they require.

3.3 Induction of Directors

On appointment to the Board, all directors receive a formal induction program designed to provide them with sufficient knowledge and understanding of the nature of business, opportunity and challenge, to enable them to effectively contribute to strategic discussions and overnight of the Company.

PRINCIPLE FOUR: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Legal Duties

All directors are fully aware of their fiduciary duties. The duties of directors are listed in the Mauritius Companies Act 2001, but other legal obligations are contained in other legislations. Directors are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise.

4.2 Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests of the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company.

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

4.2 Conflict of Interest (Continued)

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member's obligations owed to the Company and the Board Member's personal, business or other interests.

The Company ensures that directors declare any interest and report to the Chairman and Company Secretary any related party transactions. A register of conflicts of interests is kept by the Company Secretary and is available to shareholders upon written request to the Company Secretary.

All conflict of interest and related-party transactions are conducted in accordance with the Code of Ethics.

4.3 Information, IT and Information Security Governance

The Board ensures that appropriate resources are allocated for the implementation of an information and IT Security framework. The following aspects of IT Security are taken care of:

(i) Physical and environmental security;
(ii) Access control and access management;
(iii) IT security practices; and
(iv) Incident management.

4.4 Identification of Any Restrictions Placed Over the Right of Access to Information

To prevent employees from revealing sensitive information that could jeopardize the business of the Company, any employee is required to sign an employee confidentiality agreement at the start of service which remains valid for a period of time after the employment ends.

Access to information on IT System is defined by Managers of concerned departments and implemented by IT unit. Managers decide which officer has access to what information. Additionally, password is used to restrict access to information on IT system. Management decides on the type of information that is posted on the Company's website.

4.5 Board Information

The Chairman is responsible for ensuring that the directors receive accurate, timely and clear information. The Company's Secretray's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive drectors. Management has an obligation to provide accurate, timely and clear information. Directors seek clarification or amplification where necessary.

The Board ensures that directors have access to independent professional advice at the Company's expense in cases where directors judge it ncessary for discharging their responsibilities as directors.

All directors keep information relating to the Company, gathered in their capacity as Directors, strictly confidential and private and do not divulge them to anyone without the authority of the Board.

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

4.6 Board Evaluation

The Mauritius Post Ltd is in the process of establishing a system of Board appraisal to assess the effectiveness and performance of the Board and sub-committees.

As of 30 June 2023, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake continual appraisal discussions on a regular basis with the members of the Board and Board Committees with a view to improving the overall effectiveness in decision making and governance.

4.7 Directors' Remuneration

The directors are paid a fixed monthly fee. Fees paid to directors during the year ended 30 June 2023 were **Rs 2,028,000** (2022: Rs 1,965,500).

Details of remuneration paid to Chairman and Directors for the financial year ended 30 June 2023 (12months) are as follows:

NAME OF DIRECTORS	Total Directors' Fees (Rs)
Ms. Ranna Swamber	810,000
Ms. Marie Joelle Sandrine Valere	208,500
Ms. Marie Joelle Sandrine Lolochou	189,000
Mr Rishi Nand Jhuboo	202,000
Mr Asvind Dookhurun	202,500
Mr Ashad Mauderbaccus	186,000
Mr. Kechan Balgobin	200,000
Dr. Dharamraj Paligadu	30,000

4.8 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.

4.9 Statement of Remuneration Philosophy

The Company's philosophy on directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality individuals capable of achieving the objectives of the Company and creating shareholder value. The directors are remunerated for their knowledge, experience and insight.

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.

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

4.10 Directors' Service Contracts

No director has a service contract agreement with the Company.

The Company had an employment contract with its Chief Executive Officer, Mr. Giandev Moteea, on a month-to-month basis. Mr Giandev Moteea retired on 01 February 2023.

Me Vijaye Anand Ramchurn was appointed on 16 January 2023 as Chief Executive Officer and has a service contract as from 16 January 2023 for a period of two years.

4.11 Significant Contracts

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

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.

Based on the Internal Audit Report, no major risk or deficiency has been found in the Company's system of internal controls.

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.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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.

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.

PRINCIPLE FIVE: RISKS GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

5.1 Risk Management (Continued)

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 Mauritian Rupees ("Rs") 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.

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.

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.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

6.3 Conduct of Business (Continued)

(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.

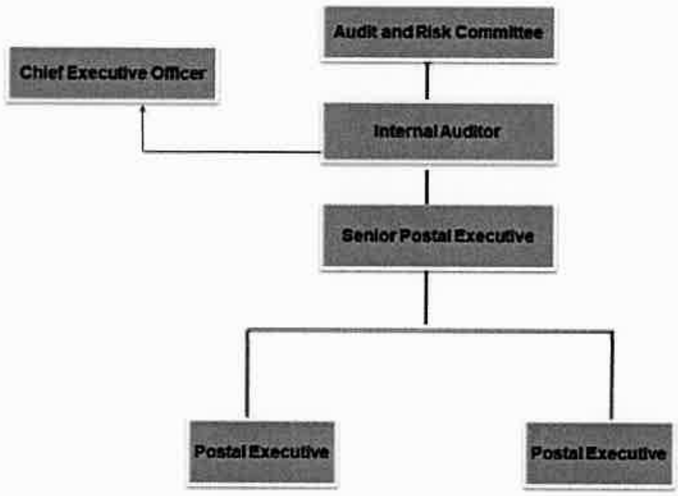
The Internal Audit has the responsibility to carry out audit in order to cover the whole areas within the organization such as operations, finance, marketing, human resources and infrastructure department. The core business being the operations unit, the internal audit department conducts regular unannounced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

The Internal Auditor reports directly to the Audit Committee, has unrestricted access to review all activities and transactions undertaken within the Company and to appraise the report thereon. There was no restriction placed over the right of access by Internal Audit to the records, management or employees of the organisation.

PRINCIPLE SEVEN: AUDIT (CONTINUED)

7.1 Internal Audit (Continued)

Structure of the Internal Audit



Profile of key members of Internal Audit

Internal Auditor

Qualifications : FCCA, BSc (Hons) Accounting and Finance
Experience : 21 years in Finance, Management accounting and Auditing (16 years of managerial experience including 11 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	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Audit fees (inclusive of VAT)	**593,400**	569,250	**350,750**	339,250
Others	**72,000**	74,750	**-**	-
	665,400	644,000	**350,750**	339,250

Information on Non-Audit Service

Baker Tilly Mauritius has not provided any non-audit services to the Company during the year ended 30 June 2023.

PRINCIPLE SEVEN: AUDIT (CONTINUED)

7.2 External Audit (Continued)

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.

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.

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

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 funding 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 of The Mauritius Post Ltd, the "Company" confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance, except for the following section:

Reasons for non-compliance with the section of the Code:

Principle Three: Directors Appointment Procedures

- The website does not provide the Constitution of The Mauritius Post Ltd as it is considered as sensitive and confidential information.

Principle Four: Directors Duties, Remuneration and Performance

- Evaluation of Board and assessment of Directors would be carried out.

Signed on behalf of the Board of Directors :

....
Chairperson
Ranna Seeamber

....
Director
Resni Nand Jhuboo

Date: ....18 January 2024....

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.

....

PRIME PARTNERS LTD
CORPORATE SECRETARY

18 January 2024

PART B

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Mauritius

T: +230 460 8800
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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 subsidiary (the "Group"), which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the 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 51 give a true and fair view of the financial position of the Group and the Company as at 30 June 2023, 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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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

We draw attention to Note 31 in the consolidated and separate financial statements and, which indicates that the Group and the Company incurred a net loss of Rs 94,158,685 and Rs 98,535,065, respectively, during the year ended June 30, 2023 and, as of that date, the Group's and the Company's current liabilities exceeded its total assets by Rs 1,502,359,817 and Rs 1,518,723,190, respectively. As stated in Note 31, these events or conditions, along with other matters as set forth in Note 31, indicate that a material uncertainty exists that 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 respect of this matter.

Report on the Audit of the Consolidated and Separate 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 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 Group's and the Company's internal control.

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

► Conclude on the appropriateness of 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

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 the annual report, corporate governance report, statement of compliance and secretary's report.

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 capacity as auditor.

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 of non–application of the Code for which directors have given satisfactory explanation, the disclosure in the financial statements is consistent with the principles of the Code.

Baker Tilly

Baker Tilly

Date: 18 January 2024

Sin C. LI, CPA, CGMA
Licensed by FRC

	Notes	The Group 2023	The Group 2022	The Company 2023	The Company 2022
		Rs	Rs	Rs	Rs
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	**552,083,577**	553,324,233	**550,854,169**	552,969,448
Intangible assets	6	**13,128,960**	7,421,129	**6,553,585**	7,294,319
Investment in subsidiary	8	**-**	-	**40,000,000**	40,000,000
Right-of-use assets	9	**37,340,106**	42,851,519	**37,340,106**	42,851,519
Investment at fair value through OCI	10	**842,846**	379,695	**842,846**	379,695
TOTAL NON-CURRENT ASSETS		**603,395,489**	603,976,576	**635,590,706**	643,494,981
CURRENT ASSETS					
Inventories	11	**14,393,745**	14,736,261	**14,393,745**	14,736,261
Trade and other receivables	12	**184,497,089**	169,378,314	**180,650,235**	159,862,767
Investment in debt instrument	13	**15,285,450**	14,049,240	**-**	-
Current tax assets	24	**118,347**	89,596	**118,347**	89,596
Deposits	14 (ii)	**22,300,731**	19,154,915	**-**	-
Cash and cash equivalents	14 (i)	**252,132,014**	270,114,316	**240,147,141**	260,172,918
TOTAL CURRENT ASSETS		**488,727,376**	487,522,642	**435,309,468**	434,861,542
TOTAL ASSETS		**1,092,122,865**	1,091,499,218	**1,070,900,174**	1,078,356,523
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated capital	15	**626,111,300**	626,111,300	**626,111,300**	626,111,300
Accumulated losses		**(808,425,598)**	(714,266,913)	**(824,788,971)**	(726,253,906)
Other reserves		**(1,682,916,021)**	(1,503,779,086)	**(1,682,916,021)**	(1,503,779,086)
Revaluation reserve		**362,870,502**	362,469,867	**362,870,502**	362,469,867
SHAREHOLDERS' DEFICIT		**(1,502,359,817)**	(1,229,464,832)	**(1,518,723,190)**	(1,241,451,825)
NON-CURRENT LIABILITIES					
Employee benefit liabilities and other benefits	16	**2,188,324,195**	1,904,555,285	**2,188,324,195**	1,904,555,285
Lease liabilities	9	**28,640,945**	40,424,042	**28,640,945**	40,424,042
TOTAL NON-CURRENT LIABILITIES		**2,216,965,140**	1,944,979,327	**2,216,965,140**	1,944,979,327
CURRENT LIABILITIES					
Trade and other payables	17	**365,898,644**	369,261,698	**362,223,396**	370,030,952
Tax liabilities	24	**1,184,070**	1,924,956	**-**	-
Lease liabilities	9	**10,434,828**	4,798,069	**10,434,828**	4,798,069
TOTAL CURRENT LIABILITIES		**377,517,542**	375,984,723	**372,658,224**	374,829,021
TOTAL LIABILITIES		**2,594,482,682**	2,320,964,050	**2,589,623,364**	2,319,808,348
TOTAL EQUITY AND LIABILITIES		**1,092,122,865**	1,091,499,218	**1,070,900,174**	1,078,356,523

Approved by the Board of Directors and authorised for issue on 18 January 2024

) CHAIRPERSON
Ranna Swamber

) DIRECTOR
Resni Nand Jhuboo

The notes on pages 9 to 51 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	**2023**	2022	**2023**	2022
		Rs	Rs	**Rs**	Rs
REVENUE	19	**679,769,222**	613,781,403	**675,302,508**	610,449,603
OPERATING EXPENSES	18	**(826,370,708)**	(748,052,368)	**(809,112,380)**	(738,287,238)
OTHER OPERATING GAINS	20	**25,323,117**	21,159,205	**7,729,622**	4,619,644
INVETSMENT INCOME	21	**7.917.250**	3.372.220	**7.383.739**	3.081.741
OTHER INCOME	22	**25.225.058**	25.183.743	**25.000.000**	25.000.000
FINANCE COSTS	23	**(4,838,554)**	(4,613,501)	**(4,838,554)**	(4,613,501)
LOSS BEFORE TAXATION		**(92,974,615)**	(89,169,298)	**(98,535,065)**	(99,749,751)
TAXATION	24	**(1,184,070)**	(1,924,956)	**-**	-
LOSS FOR THE YEAR		**(94,158,685)**	(91,094,254)	**(98,535,065)**	(99,749,751)
OTHER COMPREHENSIVE LOSS, NET OF TAX					
Items that will not be reclassified to profit or loss					
Revaluation of land and buildings	5	**-**	79,424,505	**-**	79,424,505
Increase in Investment at fair value through OCI	10	**400,635**	-	**400,635**	-
Re-measurement losses on defined benefit plans	16	**(179,136,935)**	(73,454,266)	**(179,136,935)**	(73,454,266)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(272,894,985)**	(85,124,015)	**(277,271,365)**	(93,779,512)

The notes on pages 9 to 51 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 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)
Revaluation gain on land and buildings during the year	-	-	-	79,424,505	79,424,505
Other comprehensive loss for the year	-	-	(73,454,266)	-	(73,454,266)
Total comprehensive loss for the year	-	(91,094,254)	(73,454,266)	79,424,505	(85,124,015)
At 30 June 2022	626,111,300	(714,266,913)	(1,503,779,086)	362,469,867	(1,229,464,832)
At 01 July 2022	**626,111,300**	**(714,266,913)**	**(1,503,779,086)**	**362,469,867**	**(1,229,464,832)**
Loss for the year	-	**(94,158,685)**	-	-	**(94,158,685)**
Increase in Investment at fair value through OCI	-	-	-	**400,635**	**400,635**
Other comprehensive loss for the year	-	-	**(179,136,935)**	-	**(179,136,935)**
Total comprehensive (loss)/income for the year	-	**(94,158,685)**	**(179,136,935)**	**400,635**	**(272,894,985)**
At 30 June 2023	**626,111,300**	**(808,425,598)**	**(1,682,916,021)**	**362,870,502**	**(1,502,359,817)**

* 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 property.

THE COMPANY	Stated capital	Accumulated losses	Other reserves *	Revaluation reserve **	Shareholders' deficit
	Rs	Rs	Rs	Rs	Rs
At 1 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 gain on land and buildings during the year	-	-	-	79,424,505	79,424,505
Other comprehensive loss for the year	-	-	(73,454,266)	-	(73,454,266)
Total comprehensive (loss)/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)
At 01 July 2022	**626,111,300**	**(726,253,906)**	**(1,503,779,086)**	**362,469,867**	**(1,241,451,825)**
Loss for the year	-	**(98,535,065)**	-	-	**(98,535,065)**
Increase in investment at fair value through OCI	-	-	-	**400,635**	**400,635**
Other comprehensive loss for the year	-	-	**(179,136,935)**	-	**(179,136,935)**
Total comprehensive (loss)/income for the year	-	**(98,535,065)**	**(179,136,935)**	**400,635**	**(277,271,365)**
At 30 June 2023	**626,111,300**	**(824,788,971)**	**(1,682,916,021)**	**362,870,502**	**(1,518,723,190)**

* Other reserves relate 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 property.

The notes on pages 9 to 51 form an integral part of these consolidated and separate financial statements.
Independent auditor's report is on pages 1 to 3.

	Notes	The Group 2023	The Group 2022	The Company 2023	The Company 2022
		Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		**(92,974,615)**	(89,169,298)	**(98,535,065)**	(99,749,751)
Adjustments for:					
Gain on disposal of property, plant and equipment	20	**(1,072,618)**	(789,688)	**(1,072,618)**	(789,688)
Employee benefit liabilities		**89,661,903**	79,089,646	**89,661,903**	79,089,646
Depreciation of property, plant and equipment	5	**12,865,928**	9,968,281	**12,660,652**	9,827,205
Amortisation of rights-of use assets	9	**5,511,413**	5,565,638	**5,511,413**	5,565,638
Amortisation of intangible assets	6	**2,206,269**	1,943,964	**1,590,754**	1,920,358
Unrealised foreign exchange gain		**1,067,622**	(3,137,092)	**(497,173)**	(1,409,411)
Adjustment for fixed assets		**-**	7,503,135	**-**	7,503,135
Interest income	21	**(7,907,248)**	(3,372,220)	**(7,373,737)**	(3,081,741)
Interest expense	23	**4,838,554**	4,613,501	**4,838,554**	4,613,501
Provision for sick leave and passage benefits		**14,970,074**	469,153	**14,970,074**	469,153
Expected credit loss on trade receivables		**1,916,566**	1,075,648	**1,916,566**	1,075,648
Operating profit before working capital changes		**31,083,848**	13,760,668	**23,671,323**	5,033,693
Changes in inventories		**342,516**	(1,318,899)	**342,516**	(1,318,899)
Changes in trade and other receivables		**(17,035,338)**	23,127,486	**(22,206,860)**	30,539,884
Changes in trade and other payables		**(3,363,053)**	(86,793,117)	**(7,807,556)**	(85,722,659)
Cash generated from/(used in) operations		**11,027,973**	(51,223,862)	**(6,000,577)**	(51,467,981)
Tax paid	24	**(2,045,908)**	(786,185)	**(120,952)**	(111,030)
Tax refund	24	**92,201**	104,177	**92,201**	104,177
Interest paid		**(1,883,893)**	(4,613,501)	**(1,883,893)**	(4,613,501)
Net cash generated from/(used in) operating activities		**7,190,373**	(56,519,371)	**(7,913,221)**	(56,088,335)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	5	**(11,625,272)**	(4,245,796)	**(10,545,375)**	(3,914,589)
Addition to intangible assets	6	**(7,914,100)**	(988,162)	**(850,020)**	(945,037)
Proceeds from disposal of property, plant and equipment		**1,072,617**	789,688	**1,072,617**	789,688
Investment in Treasury Bills	13	**(15,052,670)**	(15,052,902)	**-**	-
Investment in deposits	14 (ii)	**(22,000,000)**	(19,000,000)	**-**	-
Proceeds from matured deposits	14 (ii)	**19,000,000**	15,165,000	**-**	-
Additional acquisition of investment at fair value through OCI	10	**(62,516)**	-	**(62,516)**	-
Proceeds from redemption of Treasury Bills	13	**14,049,240**	14,100,000	**-**	-
Interest received		**7,907,248**	4,184,128	**7,373,737**	3,081,741
Net cash used in investing activities		**(14,625,453)**	(5,048,044)	**(3,011,557)**	(988,197)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities	9	**(9,100,999)**	(7,292,720)	**(9,100,999)**	(7,292,720)
Net cash used in financing activities		**(9,100,999)**	(7,292,720)	**(9,100,999)**	(7,292,720)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(16,536,079)**	(68,860,135)	**(20,025,777)**	(64,369,252)
CASH AND CASH EQUIVALENTS AT 01 JULY	14 (i)	**270,114,316**	336,787,241	**260,172,918**	322,264,752
Effect of foreign exchange rate changes		**(1,446,223)**	2,187,210	**-**	2,277,418
CASH AND CASH EQUIVALENTS AT 30 JUNE		**252,132,014**	270,114,316	**240,147,141**	260,172,918

The notes on pages 9 to 51 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 2023 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").

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

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

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.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Company.

All inter-company transactions, balances, and unrealised gains on transactions between the Group and Companies are eliminated in full on consolidation. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Business Combination

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

2 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

Business Combination (Continued)

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition.Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's. In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

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 2022.

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 July 2022:

- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020
- Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 01 July 2022.

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The amendments to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of Property, Plant and Equipment any proceeds received from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity will recognise such sales proceeds and related cost in the profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether the asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. Therefore, the financial performance of the asset is not relevant to this assessment. The entity must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

In accordance with the transitional provisions, the entity applies the amendments retrospectively only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract

IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs directly related to contracts activities (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract (Continued)

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets apply for annual periods beginning on or after 01 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments brought to IFRS 3 Business Combinations:

- replace a reference of the previous version of the IASB's Conceptual Framework (Framework for the Preparation and Presentation of Financial Statements, issued in 1989) with a reference to the current version (Conceptual Framework for Financial Reporting, issued in March 2018) without significantly changing its requirements.

- detail specific requirements for transactions and other events within the scope of IAS 37 or IFRIC 21:

(i) For a provision or contingent liability that would be within the scope of IAS 37, the acquirer shall apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

(ii)For a levy that would be within the scope of IFRIC 21, the acquirer shall apply IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

(iii)The acquirer shall not recognise a contingent asset at the acquisition date.

These specific requirements to IFRS 3 Business Combinations add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

In accordance with the transitional provisions, the entity applies the amendments prospectively, i.e., to business combinations occurring after the annual periods beginning on or after 01 January 2022 in which it first applies the amendments (the date of initial application).

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

Annual Improvements to IFRS Accounting Standards 2018-2020

The Annual Improvements to IFRS Accounting Standards 2018-2020 include amendments to four standards:

(a) IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example (non-obligatory part of IFRS), so no effective date is stated.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount ratcs and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendment.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 30 June 2023.

Expected manner of realisation of deferred tax:

Management have reviewed the investment property portfolio of the company in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis.

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 Company has not early adopted them. The directors have assessed that the below standards would not have an impact on the financial statements.

Amendments to:	**Effective for accounting period beginning on or after**
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)	01 January 2023
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)	01 January 2023
IFRS 4 Insurance Contracts (Extension of the Temporary Exemption from Applying IFRS 9)	01 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023
IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)	01 January 2023
IFRS 7 Financial Instruments: Disclosures (Amendments regarding supplier finance arrangements)	01 January 2024
IFRS 16 Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendments - Classification of Liabilities as Current or Non-current)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendments - Non-current Liabilities with Covenants)	01 January 2024
IAS 7 Statement of Cash Flows (Amendments regarding supplier finance arrangements)	01 January 2024
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely

The directors are in the process of assessing 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 Company's financial statements.

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.

Commission

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. Lease liabilities are discounted using the interest rate implicit in the lease or if the rate cannot be readily determined, the Group's and the Company's incremental borrowing rate is used.

Property, plant and equipment

Land and buildings held for use in 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

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 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.

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. In the separate financial statements, investment in subsidiary is accounted at cost less impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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.

Employee benefit liabilities

(i) Defined benefit pension plan

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.
Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefit liabilities (Continued)

(i) Defined benefit pension plan (continued)

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.
To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.
Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.
Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.
When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduces by the fair value of plan assets.
Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and subsequent measurement (Continued)

Financial assets (Continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Business model assessment (Continued)

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

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets (Continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Credit-impaired financial assets (Continued)

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.

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.

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

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date:
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Value added tax (continued)

- 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 and the Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 21) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group and the Company is a lessee are presented in note 9 Leases (Group and Company as lessee).

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 by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the Group and the Company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group and the Company is reasonably certain to exercise an extension option; and

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note xx).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 21).

The Group and the Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.
Lease payments included in the measurement of the lease liability comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

When the Group and the Company incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position in note 15 Provisions.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Right of use assets (continued)

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

As an exception, when the underlying assets are land and buildings, the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the Group and the Company.

The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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.

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

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.

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.

The Group and the Company use Expected Credit Loss ("ECL") for trade and other receivables. The provision rates are based on days past due for groupings that have similar loss patterns.

A provision matrix is developed based on the Group's and the Company's historical observed default rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements.

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 31 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 have 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 are of the opinion that the carrying value of the equity investment at 30 June 2023, which has been based on the equity book value of the investee company, approximates its fair value.

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

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.

Pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include a selection of discount rate.

The Group and the Company determine the appropriate discount rate at the end of each year. Other key assumptions for pension obligations are based in part on current markets conditions.

These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's and the Company's financial statements within the next year. Further information on the carrying amounts of the Group's and the Company's defined benefit obligation and the sensitivity of those amount to changes in discount rate are provided in Note 16.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Buildings	Motor vehicles	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
COST OR VALUATION	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
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
At 01 July 2022	**224,650,000**	**35,558,019**	**9,287,064**	**8,914,339**	**21,114,247**	**312,425,000**	**-**	**611,948,669**
Additions	**-**	**3,539,491**	**1,873,515**	**558,887**	**5,605,529**	**-**	**47,850**	**11,625,272**
Disposal	**-**	**(5,224,420)**	**-**	**-**	**(69,689)**	**-**	**-**	**(5,294,109)**
At 30 June 2023	**224,650,000**	**33,873,090**	**11,160,579**	**9,473,226**	**26,650,087**	**312,425,000**	**47,850**	**618,279,832**
ACCUMULATED DEPRECIATION								
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	(11,877,892)	-	-	-	-	-	-	(11,877,892)
Accumulated depreciation transfer to Disposal account	(330,000)	-	-	-	-	-	-	(330,000)
At 30 June 2022	-	27,501,905	6,694,671	7,196,967	17,230,893	-	-	58,624,436
At 01 July 2022	**-**	**27,501,905**	**6,694,671**	**7,196,967**	**17,230,893**	**-**	**-**	**58,624,436**
Charge for year	**4,493,000**	**4,158,326**	**1,167,591**	**893,948**	**2,153,063**	**-**	**-**	**12,865,928**
Disposal adjustment	**-**	**(5,224,420)**	**-**	**-**	**(69,689)**	**-**	**-**	**(5,294,109)**
At 30 June 2023	**4,493,000**	**26,435,811**	**7,862,262**	**8,090,915**	**19,314,267**	**-**	**-**	**66,196,255**
NET BOOK VALUE								
At 30 June 2023	**220,157,000**	**7,437,279**	**3,298,317**	**1,382,311**	**7,335,820**	**312,425,000**	**47,850**	**552,083,577**
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

The land and buildings were fair valued at Rs 312,425,000 and Rs 224,650,000 respectively by an incependent 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.

Had the land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	The Group	
	2023	2022
	Rs	Rs
Feehold land	**49,085,000**	49,085,000
Buildings	**44,025,000**	44,025,000
Total	**93,110,000**	93,110,000
Accumulated depreciation	**(17,610,000)**	(16,729,500)
Net Book Value	**75,500,000**	76,380,500

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Buildings	Motor vehicles	Furniture and fittings	Office equipment	Electronic equipment	Land	Work in progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION								
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
At 01 July 2022	224,650,000	35,558,019	9,287,064	8,914,339	20,340,836	312,425,000	-	611,175,258
Additions		3,539,491	793,616	558,887	5,605,529	-	47,850	10,545,375
Disposal	-	(5,224,420)	-	-	(69,689)	-	-	(5,294,109)
At 30 June 2023	**224,650,000**	**33,873,090**	**10,080,680**	**9,473,226**	**25,876,676**	**312,425,000**	**47,850**	**616,426,524**
ACCUMULATED DEPRECIATION								
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	(11,877,892)	-	-	-	-	-	-	(11,877,892)
Accumulated depreciation transfer to Disposal account	(330,000)	-	-	-	-	-	-	(330,000)
At 30 June 2022	-	27,501,905	6,694,671	7,196,967	16,812,267	-	-	58,205,810
At 01 July 2022	-	27,501,905	6,694,671	7,196,967	16,812,267	-	-	58,205,810
Charge for year	4,493,000	4,158,326	962,315	893,948	2,153,063	-	-	12,660,652
Disposal	-	(5,224,420)	-	-	(69,689)	-	-	(5,294,109)
At 30 June 2023	**4,493,000**	**26,435,811**	**7,656,986**	**8,090,915**	**18,895,641**	**-**	**-**	**65,572,353**
NET BOOK VALUE								
At 30 June 2023	**220,157,000**	**7,437,279**	**2,423,694**	**1,382,311**	**6,981,035**	**312,425,000**	**47,850**	**550,854,169**
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

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.

Had the land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	The Company	
	2023	2022
	Rs	Rs
Feehold land	**49,085,000**	49,085,000
Buildings	**44,025,000**	44,025,000
Total	**93,110,000**	93,110,000
Accumulated depreciation	(17,610,000)	(16,729,500)
Net Book Value	**75,500,000**	76,380,500

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

The value of land and buildings is as follows:

	The Group and the Company	
	Land	Buildings
	Rs	Rs
At 01 July 2021	273,650,000	191,706,793
Disposals	(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
At 01 July 2022	**312,425,000**	**224,650,000**
Charge during the year	**-**	**(4,493,000)**
At 30 June 2023	**312,425,000**	**220,157,000**

6. INTANGIBLE ASSETS

	The Group	The Company
	Software	
COST	Rs	Rs
At 01 July 2021	14,439,432	14,306,532
Additions	988,162	945,037
At 30 June 2022	15,427,594	15,251,569
At 01 July 2022	**15,427,594**	**15,251,569**
Additions	**7,914,100**	**850,020**
At 30 June 2023	**23,341,694**	**16,101,589**
AMORTISATION		
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
At 01 July 2022	**8,006,465**	**7,957,250**
Charge for the year	**2,206,269**	**1,590,754**
At 30 June 2023	**10,212,734**	**9,548,004**
NET BOOK VALUE		
At 30 June 2023	**13,128,960**	**6,553,585**
At 30 June 2022	7,421,129	7,294,319

Intangible assets pertain to computer software used in the Group's and the Company's operations.

7. DEFERRED TAX

Deferred tax is calculated on all temporary differences under the liability method at **15%** (2022: 15%).

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 290,930,772** (2022: Rs 308,973,471) and do not expect to fully recognise them against future profits. As a result no deferred tax asset has been recognised. The unrecognised deferred tax asset is as follows:

	The Group and the Company	
	2023	2022
	Rs	Rs
Unrecognised deferred tax assets	**278,731,568**	246,154,685

The movement on unrecognised deferred tax account is as follows:

	The Group and the Company	
	2023	2022
	Rs	Rs
At 01 July	**246,154,685**	246,909,297
Profit or loss movement	**2,123,604**	(13,798,949)
Credit to the other comprehensive income	**30,453,279**	13,044,337
At 30 June	**278,731,568**	246,154,685

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 2022**	**Profit or loss**	**OCI**	**At 30 June 2023**
Deferred tax	**Rs**	**Rs**	**Rs**	**Rs**
Accelerated tax depreciation	(68,470,920)	**2,123,604**	**-**	**(66,347,316)**
Employee benefit	314,625,605	**-**	**30,453,279**	**345,078,884**
Net deferred tax asset	246,154,685	**2,123,604**	**30,453,279**	**278,731,568**

8. INVESTMENT IN SUBSIDIARY

	The Company	
	2023	2022
	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	
	2023	2022
	Rs	Rs
Balance as at 01 July	**42,851,519**	48,417,157
Amortisation charge for the year	**(5,511,413)**	(5,565,638)
Balance as at 30 June	**37,340,106**	42,851,519

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

Lease liabilities	The Group and the Company 2023	2022
	Rs	Rs
Balance as at 01 July	**45,222,111**	49,732,447
Interest charge	**2,478,781**	2,445,181
Changes in lease terms	**475,880**	337,203
Repayments	**(9,100,999)**	(7,292,720)
Balance as at 30 June	**39,075,773**	45,222,111

	The Group and the Company 2023	2022
	Rs	Rs
Balance as at 30 June	**41,554,054**	47,667,292

	The Group and the Company 2023	2022
	Rs	Rs
Current liabilties	**10,434,828**	4,798,069
Non-current liabilities	**28,640,945**	40,424,042
Balance as at 30 June	**39,075,773**	45,222,111

	Lease liabilities 2023	Lease liabilities 2022
	Rs	Rs
Amount payable under lease contracts:		
Within one year	**10,434,828**	4,798,069
In the second to third years inclusive	**11,583,972**	10,434,828
In the fourth to fifth years inclusive	**17,056,973**	11,583,972
Above fifth years	**-**	18,405,242
	39,075,773	45,222,111

Amounts recognised in profit and loss are as follows:

	The Group and the Company 2023	2022
	Rs	Rs
Finance cost on lease liabilities	**2,478,281**	2,445,181
Depreciation charge for the year	**5,511,413**	5,565,638
	7,989,694	8,010,819

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

	The Group and the Company 2023	2022
	Rs	Rs
Repayments of lease liabilities	**9,100,999**	7,292,720

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 2023	2022
	Rs	Rs
At 01 July	**379,695**	379,695
Additional Investment during the year	**62,516**	-
Increase in book value of existing shares	**400,635**	-
At 30 June	**842,846**	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. During the financial year, the investee has acquired 136,262 additional shares at a total cost of Rs 62,516. The Company has invested 1,837,125 shares in Maubank Ltd which represent 0.026% shareholding in Maubank Ltd.

11. INVENTORIES

	The Group and the Company	
	2023	2022
At lower of cost or net realisable value	Rs	Rs
Phone cards	-	375
Museum stamps	**115,742**	124,618
Philatelic stamps	**188,553**	231,332
Consumables	**6,004,932**	4,959,927
Retail stamps	**8,084,518**	9,420,009
	14,393,745	14,736,261

No amount in connection with retail stamps has been written off during the year (2022: Rs Nil). The cost of inventories recognised as an expense amounted to **Rs 540,613** (2022: Rs 671,066).

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Trade receivables	**128,862,318**	86,449,424	**126,517,889**	83,073,371
Allowance for expected credit losses	**(9,901,896)**	(10,423,537)	**(9,901,896)**	(10,423,537)
	118,960,422	76,025,887	**116,615,993**	72,649,834
Other receivables and prepayments	**10,630,602**	16,017,831	**9,128,177**	9,878,337
Spring London	**29,379,937**	24,570,297	**29,379,937**	24,570,297
Mailatinamerica-Usuaka	**25,526,128**	52,764,299	**25,526,128**	52,764,299
	184,497,089	169,378,314	**180,650,235**	159,862,767

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 115,138,192** (2022: Rs 72,839,060) 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. INVESTMENT IN DEBT INSTRUMENT

	The Group	
Investment in Treasury Bills	2023	2022
	Rs	Rs
Opening balance	**14,049,240**	13,027,835
Interest income	**232,780**	68,503
Additional investments during the year	**15,052,670**	15,052,902
Redemption during the year	**(14,049,240)**	(14,100,000)
At amortised cost	**15,285,450**	14,049,240

During the year ended 30 June 2023, the subsidiary invested an amount of **Rs 15,052,670** (2022: Rs 15,052,902) in Treasury Bills with Yield of 3.40% for 319 days. Accrued interest on the securities amounted to **Rs 232,780** (2022: Rs 68,503) as at 30 June 2023.

14 (i). CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Cash at bank	**155,174,924**	218,031,791	**143,190,051**	208,090,393
Cash in hand	**96,957,090**	52,082,525	**96,957,090**	52,082,525
	252,132,014	270,114,316	**240,147,141**	260,172,918

14 (ii). DEPOSITS

	The Group	
	2023	2022
	Rs	Rs
Opening balance	**19,154,915**	15,165,000
Investment in deposits	**22,000,000**	19,000,000
Proceeds from matured deposits	**(19,000,000)**	(15,165,000)
Interest receivable	**145,816**	154,915
	22,300,731	19,154,915

As at 30 June 2023, the subsidiary had fixed deposit of **Rs 22M** (2022: Rs 19M) with a local bank. The fixed deposit will mature on 27 October 2023.

15. STATED CAPITAL

	The Group and the Company	
	2023	2022
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	
	2023	2022
	Rs	Rs
Employee benefit liability (Note (a))	**2,071,587,257**	1,802,788,419
Other benefits (Note (b))	**116,736,938**	101,766,866
	2,188,324,195	1,904,555,285

(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	
	2023	2022
	Rs	Rs
Present value of funded obligations	**2,558,977,518**	2,392,194,603
Fair value of plan assets	**(487,390,261)**	(589,406,184)
Liability in the statement of financial position	**2,071,587,257**	1,802,788,419

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

	The Group and the Company	
	2023	2022
	Rs	Rs
Current service cost	**35,736,460**	36,566,159
Employee contributions	**(11,351,910)**	(12,081,730)
Fund expenses	**818,213**	804,005
Interest cost	**118,106,189**	113,082,924
Expected return on plan assets	**(27,109,301)**	(31,067,056)
Total included in staff costs	**116,199,651**	107,304,302

The plans expose the Group and the Company to normal risks associated with defined benefit plans such as investment, interest, longevity and salary risks.

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

Interest risk: A decrease in the bond interest rate will increase the plan liability: however, this can be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressure on salary and pension increases.

16. EMPLOYEE BENEFIT LIABILITIES AND OTHER BENEFITS (CONTINUED)

(a) Employee benefit liabilities (Continued)

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

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

There has been no plan amendment, curtailment or settlement during the year.

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

	The Group and the Company	
	2023	2022
	Rs	Rs
01 July	**1,802,788,419**	1,650,244,506
Staff cost	**116,199,651**	107,304,302
Contributions paid by employer	**(26,441,588)**	(28,118,495)
Direct benefits paid by employer	**(96,160)**	(96,160)
Amount recognised in other comprehensive income	**179,136,935**	73,454,266
At 30 June	**2,071,587,257**	1,802,788,419

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

	The Group and the Company	
	2023	2022
	%	%
Discount rate	**5.87**	5.10
Future salary increases	**4.50**	3.50
Future pension increases	**3.50**	2.50
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 on reasonably 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 287.7M (increase by Rs 356.10M)** (2022: Rs 274.4M (increase by Rs 341.4M)) 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 125.2M (decrease by Rs 108.6M)** (2022: increase by Rs 125.3 (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 82.2M (decrease by Rs 81.5M)** (2022: increase by Rs 77.2M (decrease by Rs 74.9M)) if all other assumptions were held unchanged.

  In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

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	
	2023	2022
	Rs	Rs
At 01 July	**2,392,194,603**	2,355,894,262
Current service cost	**35,736,460**	36,566,159
Interest cost	**118,106,189**	113,082,924
Benefits paid	**(152,773,971)**	(156,331,237)
Liability loss	**165,714,237**	42,982,495
At 30 June	**2,558,977,518**	2,392,194,603

Reconciliation of fair value of plan assets:

	The Group and the Company	
	2023	2022
	Rs	Rs
At 1 July	**589,406,184**	705,649,756
Expected return on plan assets	**27,109,301**	31,067,056
Employer contributions	**26,441,588**	28,118,495
Employee contributions	**11,351,910**	12,081,730
Benefits paid and other outgoings	**(153,496,024)**	(157,039,082)
Asset experience loss	**(13,422,698)**	(30,471,771)
At 30 June	**487,390,261**	589,406,184

Percentage of assets at 30 June

	The Group and the Company	
	2023	2022
	%	%
Fixed Interest securities and cash	**53.90**	58.00
Loans	**2.80**	2.90
Local equities	**14.00**	13.60
Overseas bonds and equities	**28.80**	25.00
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	
	2023	2022
	Rs	Rs
Remeasurement on the net defined benefit liability:		
Liability experience loss	**(165,714,237)**	(42,982,495)
Asset experience loss	**(13,422,698)**	(30,471,771)
	(179,136,935)	(73,454,266)
Expected employer contributions for the next financial year	**27,822,812**	29,894,403

Employee Benefit liabilities have been based on the report dated 06 October 2023 submitted by State Insurance Company of Mauritius Ltd for the year ended 30 June 2023.

(b) Other benefits

	The Group and the Company	
	2023	2022
	Rs	Rs
Provision for passage benefit	**41,051,173**	43,226,848
Provision for sick leave	**75,685,765**	58,540,018
	116,736,938	101,766,866

(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	
	2023	2022
	Rs	Rs
Contributions expensed	**16,672,572**	16,177,072

(d) State pension plan

National pension scheme contributions expensed	**9,056,330**	9,109,282

17. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Trade payables	**197,307,596**	219,132,686	**197,307,596**	219,132,686
Other payables and accruals	**121,062,006**	107,750,654	**115,042,329**	105,143,855
Amount due to subsidiary	**-**	-	**2,344,429**	3,376,053
Provision for passage benefits and sick leaves	**47,529,042**	42,378,358	**47,529,042**	42,378,358
	365,898,644	369,261,698	**362,223,396**	370,030,952

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.

The amount due to subsidiary of **Rs 2,344,429** (2022: Rs 3,376,053) is interest free, unsecured and does not have a fixed repayment term.

18. OPERATING EXPENSES

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

	The Group		The Company	
	2022	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Staff costs	**674,501,112**	620,127,433	**665,811,485**	615,984,434
Depreciation of property, plant and equipment	**12,865,928**	9,968,281	**12,660,652**	9,827,205
Amortisation of intangible assets	**2,206,269**	1,943,964	**1,590,754**	1,920,358
Impairment losses recognised on receivables	**1,916,566**	735,787	**1,916,566**	735,787
Cost of inventories recognised as an expense	**540,613**	671,066	**540,613**	671,066
Utilities, rent, security expenses, cleaning expenses	**33,959,664**	32,356,364	**33,431,276**	31,843,361
Refund to civil status	**8,055,135**	7,132,575	**8,055,135**	7,132,575
Motor vehicle running expenses	**7,141,005**	6,283,796	**7,141,005**	6,283,796
Expenses - Digital Service Center (CEP/PIAP)	**32,000**	107,282	**32,000**	107,282
Conveyance of Mails/Terminal Dues	**15,831,872**	20,847,824	**15,831,872**	20,847,824
Restructuring & Strategic Plan	**5,655,374**	-	**5,655,374**	-
Remittance at office	**2,866,637**	-	**2,866,637**	-
Realised Gain/(loss) on Debtors and Creditors	**7,161,427**	-	**7,161,427**	-
Others	**53,637,106**	47,877,996	**46,417,584**	42,933,550
	826,370,708	748,052,368	**809,112,380**	738,287,238

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	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Revenue from postal services	**550,223,164**	502,635,925	**550,223,164**	502,635,925
Revenue from agency services	**129,546,058**	111,145,478	**125,079,344**	107,813,678
	679,769,222	613,781,403	**675,302,508**	610,449,603

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Local	**523,300,731**	504,503,070	**526,211,878**	506,663,070
Foreign	**156,468,491**	109,278,333	**149,090,630**	103,786,533
Total revenue from contracts with customers	**679,769,222**	613,781,403	**675,302,508**	610,449,603

Timing of revenue recognition

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Services transferred over time	**156,468,491**	109,278,333	**149,090,630**	103,786,533
Services transferred at one point in time	**523,300,731**	504,503,070	**526,211,878**	506,663,070
	679,769,222	613,781,403	**675,302,508**	610,449,603

Contract duration

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Less than 1 year	**523,300,731**	504,503,070	**526,211,878**	506,663,070
More than 1 year	**156,468,491**	109,278,333	**149,090,630**	103,786,533
	679,769,222	613,781,403	**675,302,508**	610,449,603

Sales channel

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Directly to clients	**523,300,731**	504,503,070	**526,211,878**	506,663,070
Through intermediaries	**156,468,491**	109,278,333	**149,090,630**	103,786,533
	679,769,222	613,781,403	**675,302,508**	610,449,603

20. OTHER OPERATING GAINS

	The Group		The Company	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Exchange gain	21,812,292	20,029,656	4,218,797	3,490,095
Reversal of impairment	2,438,207	339,861	2,438,207	339,861
Gain on disposal of property, plant and equipment	1,072,618	789,688	1,072,618	789,688
	25,323,117	21,159,205	7,729,622	4,619,644

21. Investment income

	The Group		The Company	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Interest income on fixed deposits and bank accounts	7,373,737	3,081,741	7,373,737	3,081,741
Interest income on debt instrument at amortised cost	533,511	290,479	-	-
Dividend income	10,002	-	10,002	-
	7,917,250	3,372,220	7,383,739	3,081,741

22. Other income

	The Group		The Company	
	2023	2022	2023	2022
Government grant	25,000,000	25,000,000	25,000,000	25,000,000
Others	225,058	183,743	-	-
	25,225,058	25,183,743	25,000,000	25,000,000

A yearly grant of Rs 25m is obtained from the government to finance the salaries and related costs of employees working in Digital Service Centres to improve public access to IT services.

23. FINANCE COSTS

	The Group and the Company	
	2023	2022
	Rs	Rs
Interest on bank overdrafts (6.20% p.a)	2,360,273	2,168,320
Interest on lease liabilities (Note 9)	2,478,281	2,445,181
	4,838,554	4,613,501

24. TAXATION

Income tax

Income tax is calculated at the rate of 15% (2022: 15%) 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 2023, the Company had accumulated tax losses of **Rs 290,930,772** (2022: Rs 308,973,471).

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	
	2023	2022
	Rs	Rs
At 1 July	89,596	82,743
Tax refund	(92,201)	(104,177)
Tax paid	120,952	111,030
At 30 June	118,347	89,596

Tax reconciliation

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

	The Group		The Company	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Loss before taxation	(92,974,615)	(89,169,298)	(98,535,065)	(99,749,751)
Tax at 15%	(13,946,192)	(13,375,395)	(14,780,260)	(14,962,463)
Effect of:				
Non-allowable expenses	5,800,908	2,158,539	5,443,309	1,993,855
Corporate Social Responsibility	244,658	-	-	-
Exempt income	13,991,743	10,348,176	13,302,817	11,744,994
Unrecognised deferred tax assets	(4,907,047)	2,793,636	(3,965,866)	1,223,614
	1,184,070	1,924,956	-	-

Tax liabilities

	The Group	
	2023	2022
	Rs	Rs
At 1 July	1,924,956	786,185
Tax expense	1,184,070	1,924,956
Tax paid	(1,924,956)	(786,185)
Tax liabilities	1,184,070	1,924,956

24. TAXATION (CONTINUED)

	The Company	
	2023	2022
History of future tax losses expiring is detailed below:	Rs	Rs
Financial Year		
2023/2024	**78,262,984**	96,305,683
2024/2025	**96,305,683**	96,305,683
2025/2026	**109,499,183**	109,499,183
2026/2027	**6,862,922**	6,862,922
2027/2028	-	-
	290,930,772	308,973,471

25. 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 **3,824,390** (Euro 79,000) is payable for the first 5 years and Rs 1,610,145 (Euro 34,500) for the next 5 years.

- The Company has to pay an annual fee of Rs 711,627 (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 2023 (2022: 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	
	2023	2022
	Rs	Rs
Lease receivables:		
Within one year	**2,135,694**	2,131,585
Between one to two years	**2,338,008**	2,370,000
Between two to three years	**2,388,008**	2,380,000
Between three to four years	**2,626,809**	2,390,000
Between four to five years	**2,889,490**	2,400,000
	12,378,009	11,671,585

26. RELATED PARTY DISCLOSURES

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

		The Company	
		2023	2022
(a)	Transactions during the year (management service fees)	Rs	Rs
	Mauritius Post Foreign Exchange Co Ltd (subsidiary)	**2,370,000**	2,160,000
(b)	Balance at year end		
	Amount due to Mauritius Post Foreign Exchange Co Ltd (subsidiary)	**(2,344,429)**	(3,376,053)
(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	**5,101,163**	4,971,718

27. 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	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Financial assets				
Investment at fair value through OCI	**842,846**	379,695	**842,846**	379,695
Debt instrument at amortised cost	**15,285,450**	14,049,240	**-**	-
Trade and other receivables	**180,923,094**	164,242,003	**177,076,240**	154,726,456
Deposits	**22,300,731**	19,154,915	**-**	-
Cash and cash equivalents	**252,132,014**	270,114,316	**240,147,141**	260,172,918
	471,484,135	467,940,169	**418,066,227**	415,279,069

Prepayments of **Rs 3,342,945** (2022: Rs 4,906,261) and deposits of **Rs 231,050** (2022: 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 simplified approach under IFRS 9 used 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	
	2023	2022
	Rs	Rs
At 01 July	**10,423,537**	9,687,750
Impairment losses recognised	**1,916,566**	1,075,648
Reversal of impairment losses	**(2,438,207)**	(339,861)
As at 30 June	**9,901,896**	10,423,537

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 2023						
Expected loss rate	**1.20%**	**1.96%**	**3.89%**	**12.44%**	**11.75%**	
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Net carrying amount - trade receivables	**17,384,265**	**11,116,036**	**7,804,039**	**23,837,253**	**68,720,725**	**128,862,318**
Loss allowance	**(145,743)**	**(256,025)**	**(297,204)**	**(33,627)**	**(9,169,297)**	**(9,901,896)**
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 receivables	7,947,517	1,176,575	235,908	134,483	76,954,941	86,449,424
Loss allowance	(585,541)	(590,503)	(123,284)	(287,134)	(8,837,075)	(10,423,537)

27. 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 2023						
Expected loss rate	**1.20%**	**1.96%**	**3.89%**	**12.44%**	**11.75%**	
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Net carrying amount - trade receivables	**15,039,836**	**11,116,036**	**7,804,039**	**23,837,253**	**68,720,725**	**126,517,889**
Loss allowance	**(145,743)**	**(256,025)**	**(297,204)**	**(33,627)**	**(9,169,297)**	**(9,901,896)**
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 receivables	4,571,463	1,176,575	235,908	134,483	76,954,941	83,073,370
Loss allowance	(585,541)	(590,503)	(123,284)	(287,134)	(8,837,075)	(10,423,537)

Financial liabilities: Trade and other payables and lease liabilities

	The Group		**The Company**	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Trade and other payables	**365,898,644**	369,261,698	**362,223,396**	370,030,952
Lease liabilities	**39,075,773**	45,222,111	**39,075,773**	45,222,111
	404,974,417	414,483,809	**401,299,169**	415,253,063

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**	
		2023	2022
		% p.a.	% p.a.
Financial assets			
Balance with banks	MUR	**0.00**	0.00
Financial liabilities			
Bank overdraft	MUR	**6.20**	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 2023 would increase by **Rs 715,950** (2022: Rs 1,040,452). 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 bank overdraft facilities of **Rs 179.95M** (2022: 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.

27. 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 2023, the Group and the Company have concentration of risk amounting to **Rs 103M** (2022: Rs 60M), 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
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Currency	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs	**Rs**	Rs
Mauritian Rupee	**193,917,866**	197,597,853	**148,189,505**	153,358,526	**217,310,126**	213,217,256	**213,634,878**	205,232,339
Pound Sterling	**534,767**	2,876,312	**494,763**	2,876,312	-	-	-	-
Special Drawing Rights	**60,985,360**	66,909,070	**60,985,360**	66,909,070	**22,046,045**	22,046,045	**22,046,045**	30,800,217
United States Dollar	**115,616,279**	156,352,141	**108,509,195**	147,930,378	**103,340,120**	123,045,192	**103,340,120**	123,045,192
Euro	**100,279,587**	44,204,783	**99,887,404**	44,204,783	**62,278,126**	56,175,315	**62,278,126**	56,175,315
Others	**150,277**	-	-	-	-	-	-	-
	471,484,136	467,940,159	**418,066,227**	415,279,069	**404,974,417**	414,483,808	**401,299,169**	415,253,063

Prepayments of **Rs 3,342,945** (2022: Rs 4,906,261) and deposits of **Rs 231,050** (2022: 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.

27. 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	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Pound Sterling	**53,477**	287,631	**49,476**	287,631
Special Drawing Rights	**3,893,932**	4,486,303	**3,893,932**	3,610,885
United States Dollar	**1,227,616**	3,330,695	**516,908**	2,488,519
Euro	**3,800,146**	(1,197,053)	**3,760,928**	(1,197,053)

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:

The Group

2023	**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	-	**72,590,261**	**8,313,401**	**284,994,982**	-	**365,898,644**
Lease liabilities	-	-	-	**10,434,828**	**28,640,945**	**39,075,773**
	-	**72,590,261**	**8,313,401**	**295,429,810**	**28,640,945**	**404,974,417**

The Group

2022	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

The Company

2023	**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	-	**68,915,013**	**8,313,401**	**284,994,982**	-	**362,223,396**
Lease liabilities	-	-	-	**10,434,828**	**28,640,945**	**39,075,773**
	-	**68,915,013**	**8,313,401**	**295,429,810**	**28,640,945**	**401,299,169**

The Company

2022	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

28. 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	
	2023	2022
	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.

29. 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	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Cash held on behalf of agencies	496,925,068	259,952,223	499,269,497	259,952,223

30. NOTES TO STATEMENT OF CASH FLOWS

The table below details changes in the Group's and Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's and Company's cash flow statement as cash flows from financing activities.

	Opening balance	Financing cash flows	Non-cash changes	Closing balance
	Rs	Rs	Rs	Rs
2023				
Lease liabilities	45,222,111	(9,100,999)	2,954,661	39,075,773
2022				
Lease liabilities	49,732,447	(7,292,720)	2,782,384	45,222,111

31. GOING CONCERN

As at 30 June 2023, the Group's total liabilities exceeded its total assets by **Rs 1,502,359,817** (2022: Rs 1,229,464,832) and at the same date the Company's total liabilities exceeded its total assets by **Rs 1,518,723,190** (2022: Rs 1,241,451,825). It is to be noted that the Group and the Company have sufficient liquidity to continue business for the foreseeable future. The deficit is mainly attributable to employee benefit liability of **Rs 2,071,587,257** (2022: Rs1,802,788,419) arising on defined benefit pension plans, mainly in respect of past government employees for the Company.

The report on the 10-year restructuring & strategic plan submitted by Deloitte recommends implementation of 11 strategic initiatives in a phase manner so that the Company would be profitable in the future.

During the financial year 2022/2023 money changing has already been implemented, Mastercard & Post Assistance contracts have already been signed, E-commerce platform has already been developed and other initiatives are in progress.

As per the IAS 19 report prepared by SICOM for the year ended 30 June 2023, the average age of the 454 active members was 51 years. The average age of the 479 pensioners was 68 years. The directors consider the actuarial deficit issue to be of a long term nature and that the Company has sufficient liquidity for the foreseeable future to meet its short term liabilities and commitments as they fall due.

An amount of Rs 50 million has been credited into the pension fund by Ministry of Finance, Economic Planning and Development in September 2023.

Management has made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. The Group and the Company have access to own funds and banking facilities to finance future operations and enable the Group and the Company to realise their assets and settle their liabilities in the normal course of business.

The consolidated and separate financial statements continue to be prepared on the going concern basis.

32. SHAREHOLDER

The shareholders of the Company as at 30 June 2023 are as follows:

Government of Mauritius	99.99998%
State Investment Corporation	0.00002%

33. EVENTS AFTER REPORTING DATE

There are no 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 2023.