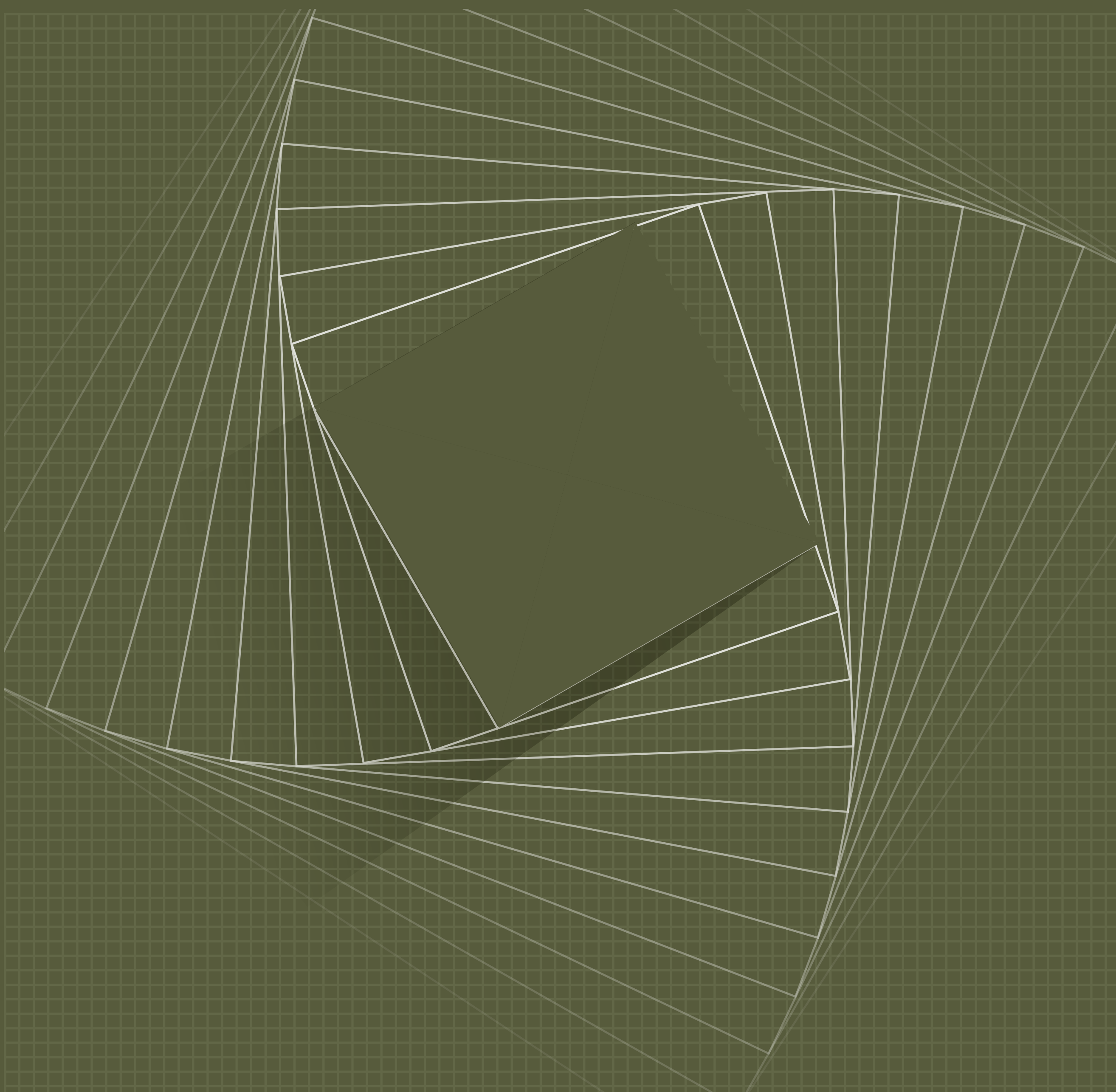
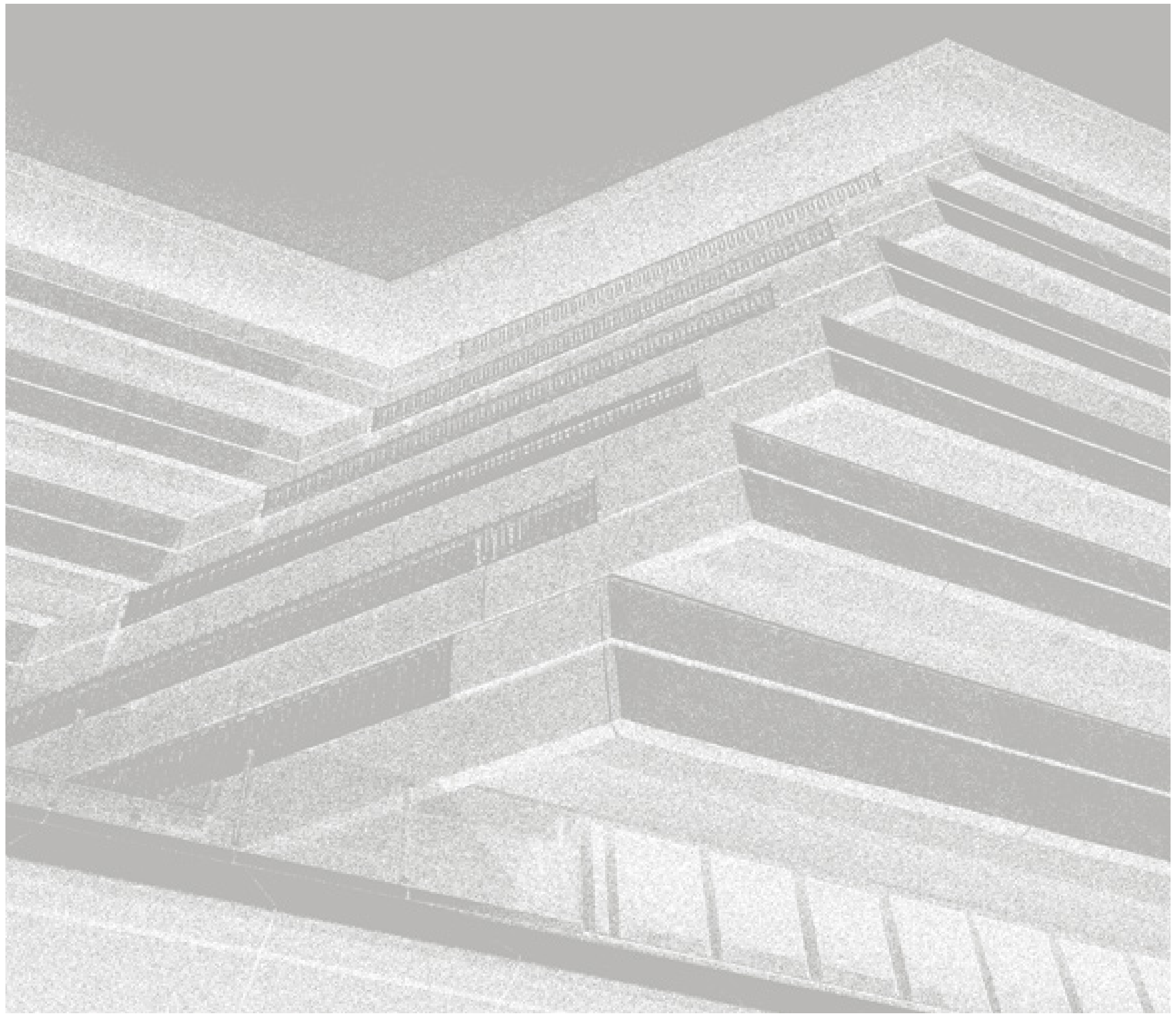
LAVASTONE
PROPERTIES



STEADY GROWTH
IN A CHANGING WORLD

ANNUAL REPORT **2024**



In a fast-paced world that values speed above all, Lavastone embraces a vision rooted in patience and purpose. We choose measured progress over rapid gains, carefully creating spaces that carry meaning and endurance. Our approach lies in building with intention, with every project designed to stand strong through generations, reflecting the same resilience and character as the heritage properties we steward.

REPORTING SCOPE AND BOUNDARY

This integrated report covers the activities and performance of Lavastone Ltd ("Lavastone" or the "Company") for the period 01 October 2023 to 30 September 2024. The reporting boundary includes Lavastone, its subsidiaries and associates, collectively referred to as "Lavastone Properties" or the "Group".

This report communicates both financial and non-financial information relating to Lavastone's strategy, business model, operational performance, materials risks and opportunities, and governance practices. It aims to offer Lavastone's stakeholders with comprehensive, relevant information on how the Group creates value over the short, medium and long term, supporting more informed decision-making.

FRAMEWORKS AND GUIDELINES

- The International Financial Reporting Standards ("IFRS")
- The principles and guidelines contained within the Integrated Reporting Framework provided by the International Integrated Reporting Council ("IIRC")
- The National Code on Corporate Governance 2016 ("the Code")
- The DEM Rules
- The Companies Act 2001
- The Securities Act 2005

OUR APPROACH TO MATERIALITY

This report covers information and matters we believe to be material to our stakeholders, including shareholders, fund providers, regulators, customers, employees and community members. A matter is considered material if Lavastone Properties' senior management and those responsible for the governance of the organisation believe it could significantly impact the value created and delivered in the short, medium and long term.

BOARD'S RESPONSIBILITY STATEMENT

The Board of Directors of Lavastone Properties acknowledges its responsibility for ensuring the integrity of this report. The Board confirms that it has collectively reviewed the report's contents and is satisfied that it offers a fair representation of the Group's integrated performance.

FEEDBACK

Your feedback is important to us and will contribute to improving the quality and relevance of our future reports. We invite you to share your views and comments with us by emailing us on **info@lavastone.mu**.

CONTENTS

A year of steady progress

We sketch an ambitious future together

ABOUT LAVASTONE

OUR MISSION

Partnering with our stakeholders to deliver superior value in design, quality, sustainability and services.

OUR VISION

To be the preferred partner for commercial real estate solutions, while delivering optimum returns, to our shareholders.

OUR VALUES

AGILITY

We seek to unleash our capacity to quickly and best understand opportunities and threats so we can adapt accordingly, choosing the most appropriate course of action and energetically implementing it.

CARE

We foster a family spirit built on integrity to encourage sustainable communities.

HUMILITY

We understand we are not perfect and aim to learn from others through each encounter, in order to keep improving.

PASSION

We constantly push beyond our limits, challenging the status quo with innovative solutions.

OUR MILESTONES

December 2018
Listing of Lavastone Ltd on the Development & Enterprise Market (DEM)

December 2018
Acquisition of Compagnie Valome Ltd (CVL/Owner of Mourouk Ebony Hotel in Rodrigues)

April 2019
Start of construction work on the hotel in Belle Mare for Attitude Hotels

December 2019
Opening of 246 Edith Cavell Court in Port Louis

June 2020
Integration of Lochiel Property Services Ltd into Lavastone Ltd

April 2021
Start of renovations and extension of Mourouk Ebony Hotel

October 2021
Opening of Sunrise Attitude

April 2022
Rebranding of EDITH

June 2022
Acquisition of Absa House

July 2022
Inauguration of Victoria Urban Terminal

November 2022
LEED Gold Certification of EDITH

November 2023
Opening of C Rodrigues Mourouk

November 2023
Acquisition of SOFAP Industrial Buildings

April 2024
Acquisition of Integrity Industrial Building

BOARD OF DIRECTORS

Colin Taylor

Non-Executive Director and Chairman

Colin holds an MSc in Management from Imperial College, London, and a BSc (Hons) in Engineering with Business Studies from Portsmouth Polytechnic. He is the Chairman and CEO of Taylor Smith Investment Ltd, a diversified group of companies operating in marine services, logistics, cement importation, manufacturing and property. He also serves on the board of several private companies.

Directorship in other listed companies: CIM Financial Services Ltd

Gaetan Ah Kang

Non-Executive Director

Gaetan spent the first six years of his career working in an audit firm in the UK, before returning to Mauritius in 1992 to join De Chazal Du Mée in an Audit role.

He subsequently moved to the Risk and Audit Team of the Rogers Group in 1994, before becoming the Finance Manager of the Rogers Group's Engineering Cluster in 1999. In 2004, Gaetan was appointed the Group Finance Director of the Taylor Smith Group, as well as a member of the Audit and Risk Committee.

In 2021, he headed the financial aspect and due diligence process of the TSI Group's acquisition of Lafarge Holcim Indian Ocean, now known as Cementis. Gaetan is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Directorship in other listed companies: None

Ann Charlotte Vallet

Non-Executive Director

Ann Charlotte Vallet is the Founder, Chairperson and Manager of the Taylor Smith Foundation, an entity created in 2010 through the Taylor Smith Group and whose mission is to contribute to sustainable development, with a focus on economic, social and environmental pillars. The foundation promotes education and youth development, the empowerment of women and families, sports and the protection of the environment.

Directorship in other listed companies: None

Nicolas Vaudin

Executive Director and Managing Director

Nicolas holds an MBA from Surrey European Management School, University of Surrey, Guildford, UK, and a Bachelor of Applied Science in Hospitality Administration from Southern New Hampshire University, Manchester, USA.

In February 2017, he joined Cim Group as the Managing Director for the Cim Property cluster. He played a significant role in the rebranding and restructuring of the cluster, which led to the listing of Lavastone Ltd on the DEM in December 2018. Following this, Nicolas was appointed as the Managing Director of the Lavastone Group.

Prior to his tenure with Cim Group, Nicolas amassed significant experience in real estate. He spent over six years at Ciel Properties Ltd, where he played a pivotal role in the development of Anahita. Thereafter, he spent another six years at PricewaterhouseCoopers Ltd, leading the real estate advisory practice.

Directorship in other listed companies: None

Philip Simon Taylor

Non-Executive Director

After obtaining a BSC in Hotel Management at the University of Surrey (England) in 1989 and an MBA in Corporate Finance in 1994 also at the University of Surrey, Philip relocated to Mauritius and assumed a leadership role in the international development division of the Rogers Group. In 2010, Philip established his own business development advisory firm, which undertakes diverse projects including property development, energy, logistics, financial services, hospitality, and tourism. Currently, Philip is at the helm of an innovative hospitality digital services and travel & tourism intelligence company entitled www.hospitality-plus.travel.

Furthermore, he is a Non-Executive Director on the Board of CIM Financial Services Ltd, Lavastone Ltd, and several other non-listed companies. He serves as a member of the Corporate Governance and Conduct Review Committee of CIM Financial Services Ltd. Philip is also the Honorary Consul of Finland in Mauritius.

Directorship in other listed companies: CIM Financial Services Ltd

Jose Arunasalom

Independent Director

Jose holds a Bachelor's degree in Economics and a Master's degree in International Relations. He has held various senior executive positions within the private sector in Mauritius, after which he filled significant governmental roles over a remarkable 23-year period, including a tenure as Minister of Tourism.

Jose's expertise extends beyond his domestic involvement, as he serves as a Director on the Board of two Equity Funds, and has advised governments in Madagascar and Africa. Additionally, he has been elected as a Member of the National Assembly for five consecutive terms.

Jose is the Economic Adviser of the Rodrigues Regional Assembly and a fellow member of the Mauritius Institute of Directors.

Directorship in other listed companies: None

BOARD OF DIRECTORS

Vijaya Lakshmi Anna (Ruby) Saha

Independent Director

Vijaya holds an LLB (Hons) from the University of London and a Diploma in Code Civil Mauricien from Université de La Réunion. She also holds a BA (Hons) degree in Geography and an MSC in Town Planning from the University of Wales.

She is a Barrister at Law, specialising in private legal practice, with an impressive 17 years of experience at the bar. While this is, in fact, her second career, her first career was in the planning practice, which she started in the United Kingdom following her professional training. Fueled by a desire to serve her country, she returned to Mauritius to pursue her planning career, where she held the esteemed position of Chief Technical Officer at the Ministry of Housing and Land Use Planning in Mauritius up to December 2005. She joined the Bar in March 2007, following her pupillage at the State Law Office and Mardemootoo Solicitors (now Dentons).

Vijaya's professional journey includes serving as a consultant for the European Union's Decentralised Cooperation Programme and the United Nations Development Programme in Mauritius. Her expertise also extends to the global stage, as she has assumed the role of Lead Author for the Review of Impacts of Climate Change at the Intergovernmental Panel on Climate Change (IPCC) based in Geneva. Her active involvement in various climate change initiatives is a testament to her dedication, which has also led to her being invited, since the 1990s, to speak on the effects of climate change on small island nations.

Vijaya's latest venture is the recent launch of "44, Rue du Pouce" at Caudan Arts Centre on 16 October 2023, authored under her maiden name Annaruby Soopramanien. The book is a deep dive into the pre-independence era of Port Louis, in particular, the almost arcadian Ward IV region of the capital where she grew up in the 1950s.

Vijaya looks forward to contributing further to sustainable development in Mauritius and promotion of greater social justice through her interventions at the Bar in favour of aggrieved Parties. During her career, she has also appeared twice before the Privy Council as Junior Counsel.

Directorship in other listed companies: None

Vedanand Singh (Shyam) Mohadeb

Independent Director

Shyam, Chartered Accountant and former Senior Assurance Partner at PwC (Mauritius), is a financial consultant specialising in the financial and realty sectors. He qualified as a Chartered Accountant in Belfast , Northern Ireland, with the local representative of Touche Ross.

Upon his return to Mauritius, he joined Kemp Chatteris as an audit senior, until he was made a partner in January 1985. He managed a varied audit portfolio of companies operating in the banking, sugar,manufacturing and commercial sectors, enabling him to garner deep industry knowledge.

In 1987, Shyam left Kemp Chatteris to form Price Waterhouse, alongside other founder partners. Between 1988 and his retirement as a senior assurance partner, he continued to serve several companies in different sectors of the economy, including acting as a financial advisor to two major textile companies and helping to turn them around. During his tenure at PwC, and also at Kemp Chatteris, he carried out several insolvency assignments.

Since July 2015 , Shyam has been serving as an Independent Director and financial consultant serving the realty and financial sectors.

Directorship in other listed companies: None

KEY SENIOR OFFICERS AND EXECUTIVES

Jessica Sumputh

HR Manager

Jessica is a qualified HR professional, with 10 years of extensive HR experience spanning the hospitality, manufacturing, services and real estate sectors. She earned her Diploma in Management, with a specialisation in Human Resource Management, from the University of Mauritius in 2014, and also holds a Master's Certification in Neuro-Linguistic Programming and a Certification in Enneagram Practitioner, offering a synergistic approach to personal and professional development of our people.

Employed by Taylor Smith Group, Jessica joined Lavastone Properties as the outsourced HR and People Development Manager in October 2020. She provides hands-on HR solutions bringing her problem-solving skills, coaching skills and empathetic nature to create a positive work environment at Lavastone Properties, where employees feel empowered to thrive in their roles.

Alex Lan Pak Kee

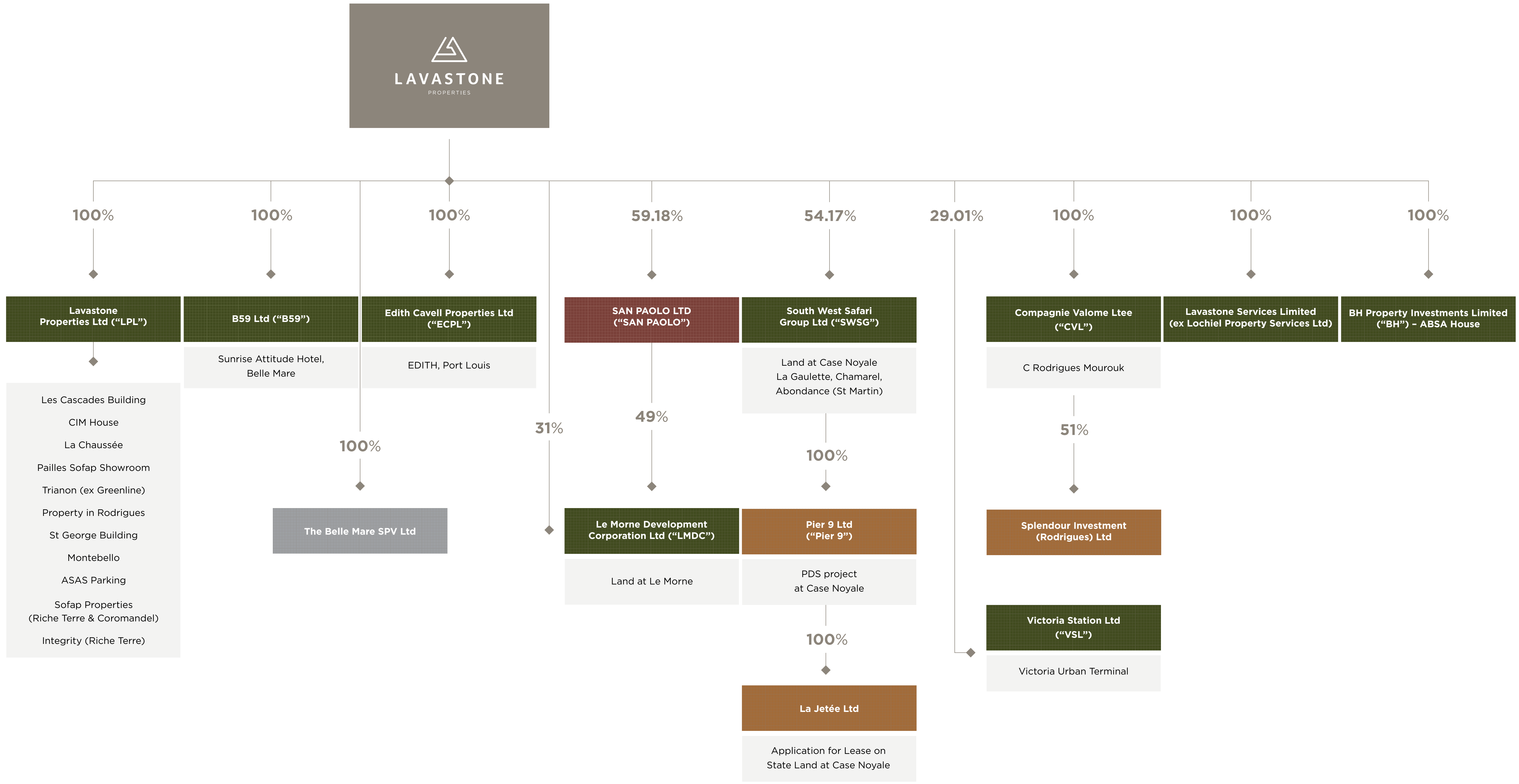
Head of Finance

Alex holds a BA (Hons) in Accounting and Finance from the University of Manchester. He joined Lavastone Properties as a Finance Manager in March 2020 and subsequently became the Financial Controller of the Group in October 2021. Alex was promoted to Head of Finance of the Group in January 2024.

Before joining Lavastone Properties, he worked as an Accountant within Medine Limited's property cluster from May 2017 to March 2020. Prior to that, from August 2013 to April 2017, Alex was a Senior Associate within the assurance department at PwC (Mauritius), where he was in charge of external audit assignments in sectors ranging from property and hospitality to textile, life insurance and petroleum.

Alex is a member of the Institute of Chartered Accountants of England & Wales (ICAEW).

Our Organisational Structure
as at 30 September 2024



Parent company
Holding company
Holds yielding and non-yielding assets
Pipeline project for development
Inactive company

OUR ACTIVITIES

Property Investment & Development

We allocate capital towards the acquisition and development of new properties and the redevelopment of existing assets to attract quality tenants, participate in growing our existing tenants' businesses, and deliver better returns to our shareholders. To achieve this, we develop modern, sustainable and enriching properties to increase their yielding value.

Property Management

Through Lavastone Services Limited, we diligently evaluate and respond to our tenants' changing needs with respect to their day-to-day operations, security, maintenance, repairs and general upkeep. To facilitate this, and to become more energy-efficient, we invest in smart technologies across all our properties.

Portfolio Management

We actively manage our existing properties, whilst also investigating new acquisition opportunities that enable us to strengthen and diversify our portfolio. We regularly perform building surveys and asset reports to identify assets we can dispose of, using the capital to invest in sites with higher long-term yields and capital growth prospects.

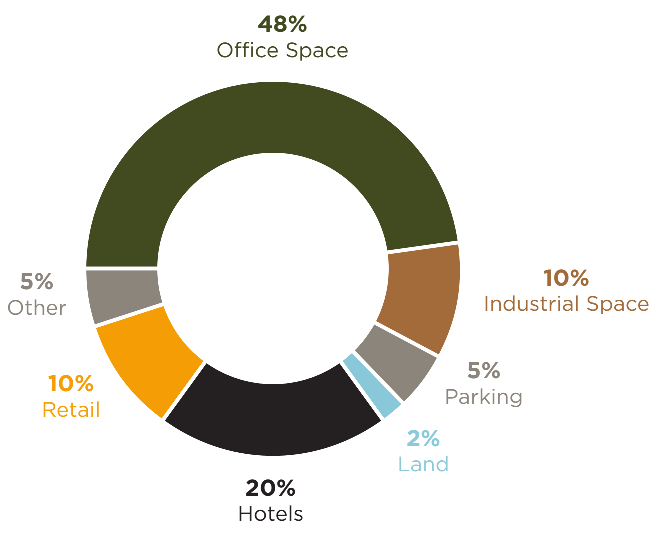
AT A GLANCE

96%
Occupancy rate

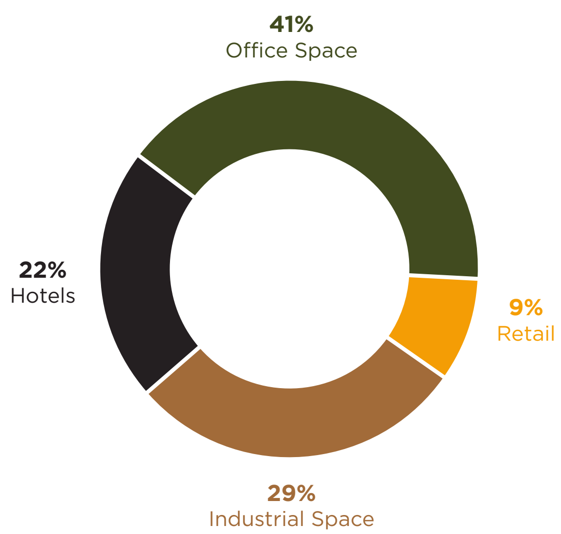
53,612 m²
Gross Leasable Area

6.61 years
Weighted average lease expiry (WALE)

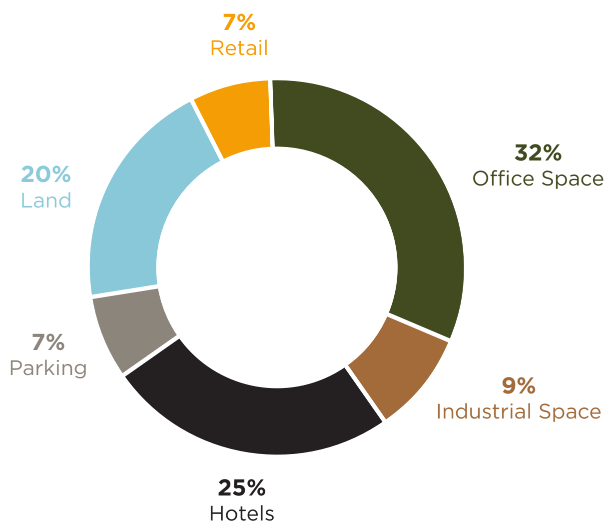
Sector split by revenue



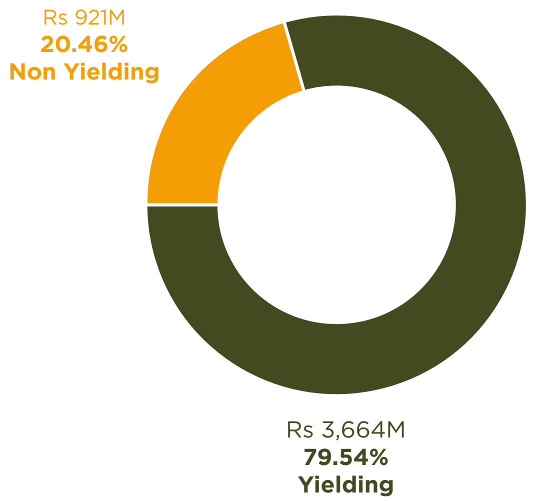
Sector split by GLA



Sector split by value

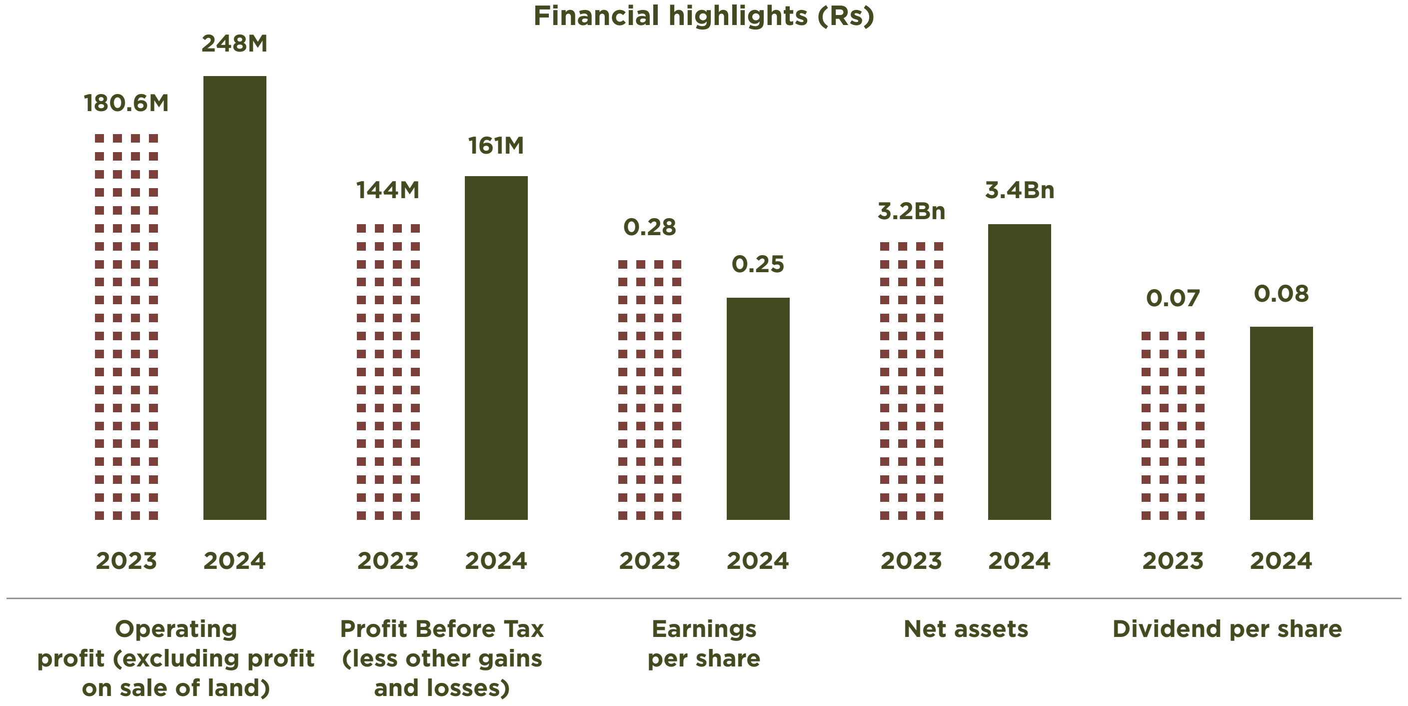


Yielding vs non yielding



HIGHLIGHTS

Financial highlights (Rs)



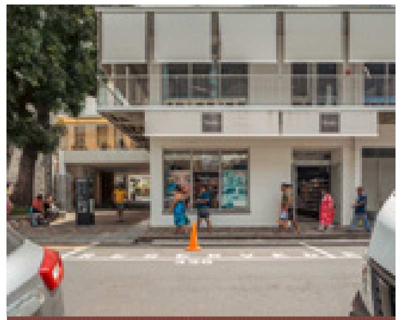
Non-Financial highlights

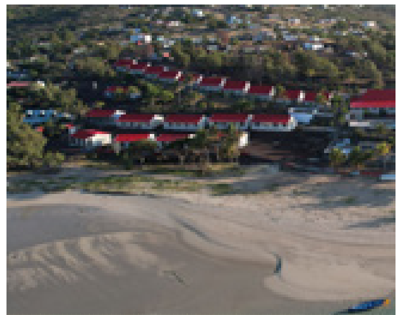
49
Number of employees

3,083
Number of shareholders as at 30 September 2024


Office space | 22,201 m²


Industrial space | 15,069 m²


Retail space | 4,798 m²


Hotel | 11,544 m²


Arpents of bare land | 1,374A

Building strength through stability

We shape a pattern of growth through continuous adaptation

STRATEGIC REPORT

OUR VALUE CREATION MODEL

Understanding stakeholder needs and expectations to strategically allocate resources and capitals to material areas

INPUTS

- FINANCIAL
- MANUFACTURED
- INTELLECTUAL
- NATURAL
- SOCIAL
- HUMAN

VALUE-ADDING ACTIVITIES

IN PURSUIT OF OUR STRATEGIC OBJECTIVES

- Operational excellencence
- Customer service and retention
- Sustainability
- Maximise shareholder value
- Employee engagement

OUTPUTS

- PROFITABLE GROWTH AND SUSTAINABLE SHAREHOLDER RETURNS
- HIGH-QUALITY ASSETS ATTRACTING QUALITY TENANTS
- STREAMLINED PROCESSES, BOOSTING EFFICIENCY AND CUSTOMER SERVICE
- INCREASINGLY ENERGY-EFFICIENT PROPERTIES, WORKING TOWARDS LEED STANDARDS
- LONG-TERM RELATIONSHIPS WITH OUR STAKEHOLDERS, BASED ON TRUST AND SHARED SUCCESS
- ENGAGED AND HIGH PERFORMING TEAM MEMBERS

OUTCOMES AND VALUE CREATED FOR OUR STAKEHOLDERS

ENVIRONMENT

- More resource-efficient buildings
- Progressive shift towards decarbonisation
- Contributions to projects focusing on environmental conservation

SOCIAL

- Promoting strong tenant relationships
- Valorising our people by nurturing a work environment that enables them to grow in their roles and feel fulfilled at work

GOVERNANCE

- Leading with effective oversight and business ethics
- Compliance with regulations and best practices

- SHAREHOLDERS
- TENANTS
- CUSTOMERS
- PARTNERS
- COMMUNITIES
- EMPLOYEES

Clear vision and strategy

Continuous monitoring of the external environment to mitigate challenges and seize opportunities

Proactive risk management

Good governance

OUR STRATEGY

STRATEGIC INTENT & VISION

To be the preferred partner for commercial real estate solutions, while delivering optimum returns to our shareholders.

STRATEGIC OBJECTIVES

OPERATIONAL EXCELLENCE

Achieve an operating profit as a percentage of revenue of at least

60%

SUSTAINABILITY

Implement development projects in line with LEED principles

CUSTOMER SERVICE AND RETENTION

Maintain at least

95%

occupancy across the portfolio

MAXIMISE SHAREHOLDER VALUE

Explore new investment opportunities that rebalance our portfolio

EMPLOYEE ENGAGEMENT

Achieve employee turnover below

5%

and employee satisfaction above

85%

CHAIRMAN'S MESSAGE

"Our prudent, long-term approach to decision-making is yielding results, allowing us to shift our focus on portfolio optimisation for sustained growth in the years to come."

Dear Stakeholders,

As we look back on FY 24, I am pleased to report on an encouraging and resilient performance by Lavastone Properties. Despite facing high inflation, rising interest rates, and heightened competition in the real estate sector, Lavastone Properties delivered results that reflect its approach to steady, measured growth and disciplined financial stewardship. The Group ended the year with an improved turnover and operating profit, driven by strategic acquisitions and the near full-year contribution of the C Rodrigues Mourouk hotel.

Strategic progress and portfolio management

A focus on long-term capital growth appreciation continues to guide our decision-making. During the year, we successfully executed our ongoing diversification strategy by acquiring two yielding properties in the industrial segment, rebalancing both our asset class mix and geographical footprint.

We maintained a prudent approach to balance sheet management, which served us particularly well in navigating the past year's high-interest-rate environment. The cash flow generated from our operations is allowing us to comfortably service our debt, while maintaining a healthy gearing ratio. Strong relationships with our tenants continue to underpin the stability of our portfolio, helping us achieve a commendable 96% occupancy rate for the year.

With the acquisition phase almost complete, our sights have now shifted to portfolio optimisation. The Board has undertaken a strategic review to rebalance its holdings, strategically divesting from certain properties and reallocating investments into assets that offer superior long-term value creation potential, notably in the industrial and hospitality segments. We are also exploring opportunities to expand our footprint beyond Port Louis, where we have historically concentrated our investments, to position Lavastone Properties for sustained growth in the years to come.

Delivering shareholder value

Lavastone Properties' dedication to maximising shareholder returns remains unwavering, evident in our consistent dividend distributions and growth in Net Asset Value (NAV), a crucial metric of asset appreciation. A strong operational performance in FY 24 drove NAV growth to Rs 4.39 per share, up from Rs 4.18 last year. This resulted in Rs 54.4 million in dividend distributions to our shareholders, compared to Rs 47.6 million in FY 23. This performance, along with Lavastone Properties' maintained A-grade rating from CARE Ratings Africa, further reaffirms our financial health and creditworthiness.

The path to decarbonisation

Lavastone Properties is committed to joining the collective global and national efforts to mitigate the impact of climate change. Enhancing the environmental sustainability of our operations and reducing our greenhouse gas emissions (GHG) are not simply a matter of compliance, but integral to our vision. A significant step in this direction was the assessment of Lavastone Properties' carbon footprint in 2023, which established baseline data and a clear methodology for measuring and managing energy consumption in our buildings. I am particularly proud that we have decided to initiate a photovoltaic (PV) project at Case Noyale under the Central Electricity Board's Medium-Scale Distributed Generation (MSDG) scheme, marking a milestone in pursuit of this goal.

CHAIRMAN'S MESSAGE

Enhancing Board effectiveness

Effective governance is essential to building sustainable value, with the Board dedicated to upholding best practices. Recognising the importance of an adequate balance of skills, independence and experience in decision-making, the Board actively seeks opportunities to enhance its diversity and effectiveness. On 30 September 2024, a formal evaluation of all directors was conducted to ensure that the Board's composition aligns with the company's long-term objectives.

Looking ahead

As we look to 2025, Lavastone Properties has reached a phase of stability, allowing us to sharpen our focus on tenant retention and stakeholder management. We see promising opportunities ahead, particularly with our PV farm at Case Noyale and the potential to explore additional renewable energy projects. In Rodrigues, the upcoming airstrip project is poised to boost accessibility and tourism, opening new avenues for future development.

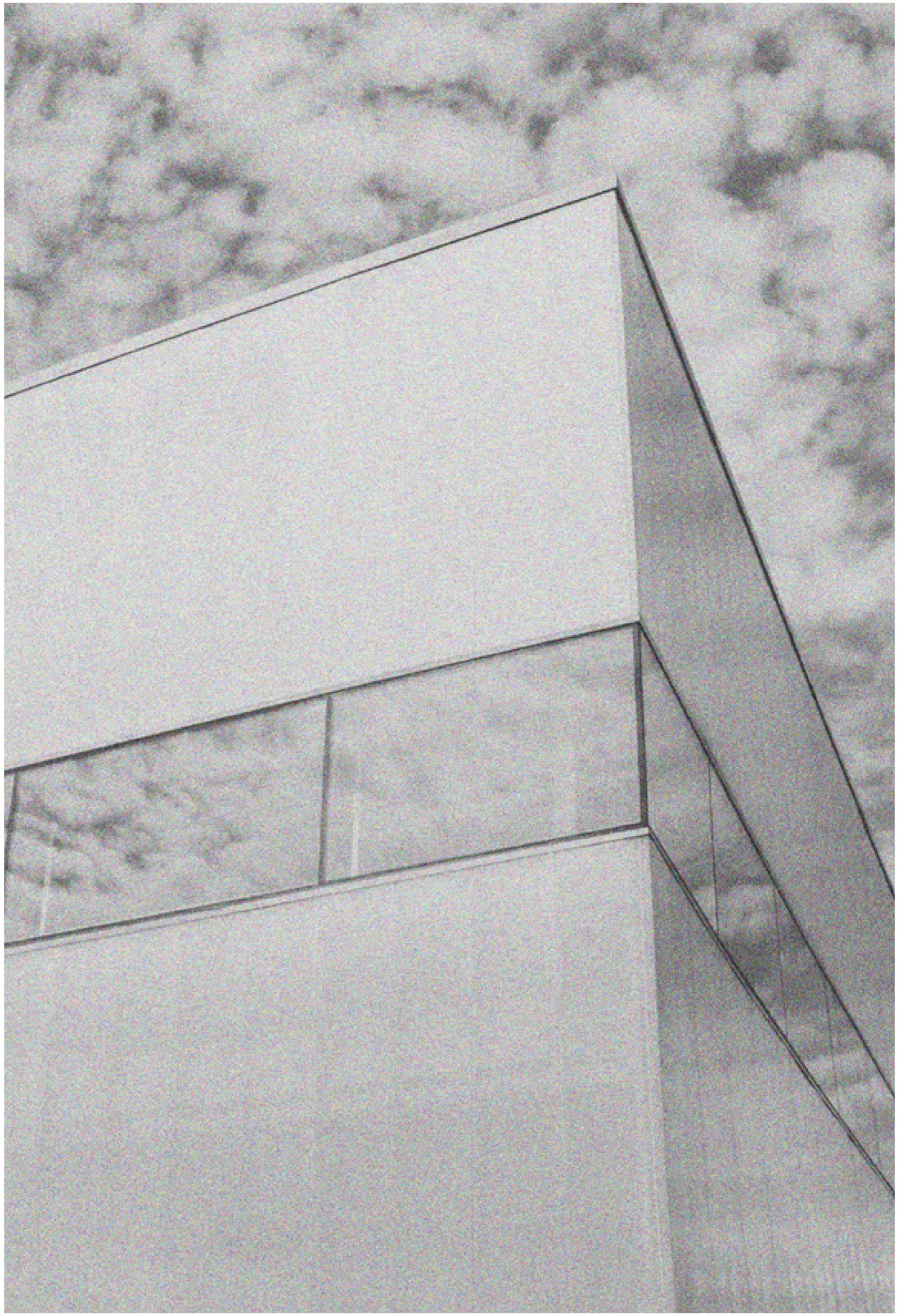
That said, we remain mindful of the complex business environment facing our tenants, shaped by geopolitical uncertainties, supply chain pressures, and rising costs in Mauritius. Our priority will be to maintain high-quality assets that support our tenants' needs, ensuring that we weather challenges together and continue to grow as a community.

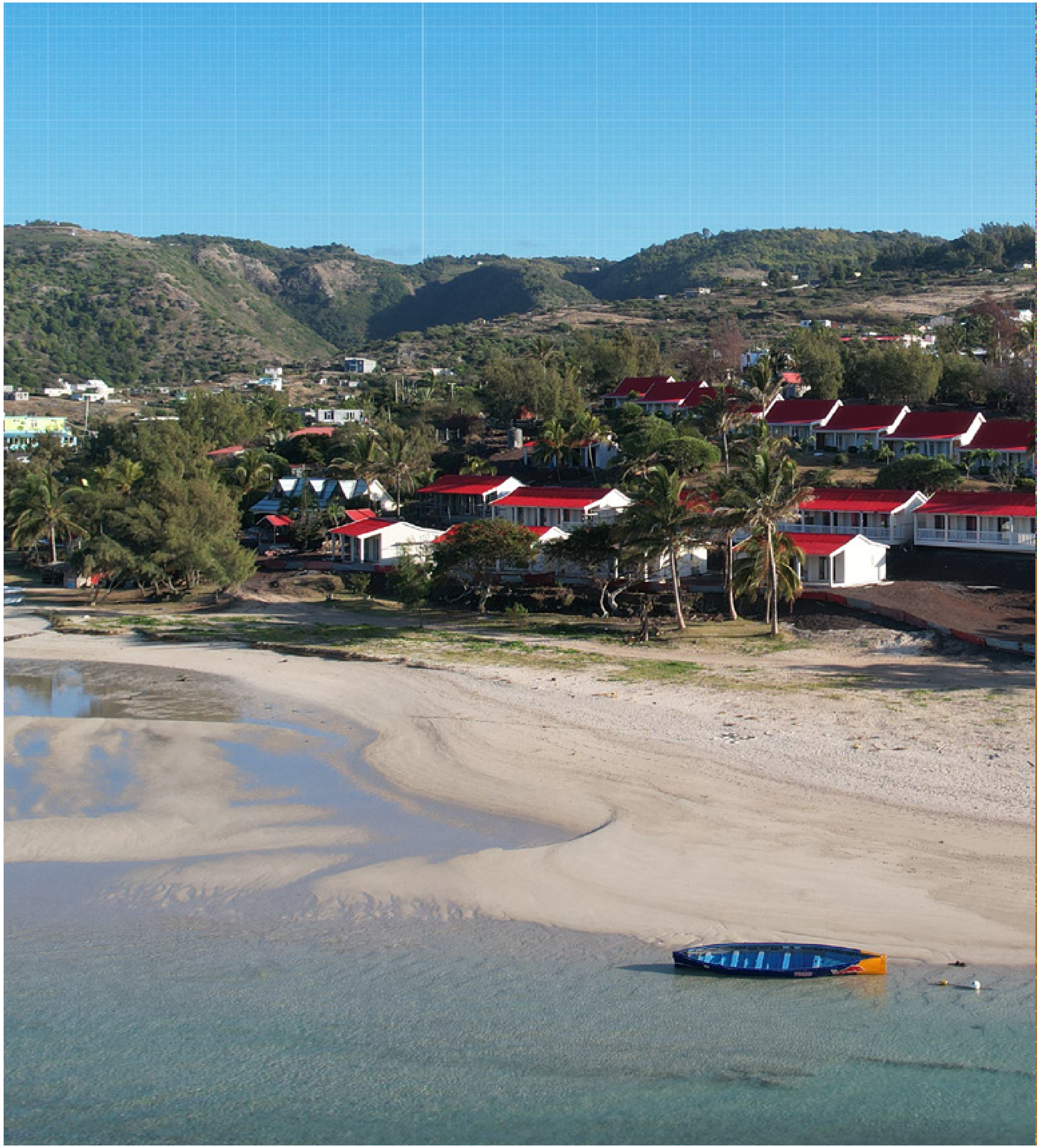
Acknowledgments

I extend my heartfelt gratitude to our Board of Directors for their continued guidance, and to Nicolas Vaudin and the management team for their swift decision-making and tireless efforts.

To Lavastone Properties' shareholders and stakeholders, thank you for your loyalty and trust in us. We look forward to creating not just greener properties, but also building a legacy of responsible growth—one that reflects our care for our business, society and the environment.

Colin Taylor
Chairman





Turning strategy into tangible results

Experience is the blueprint we build upon

PERFORMANCE REPORT

MANAGING DIRECTOR'S MESSAGE

"Carefully planned strategic investments over recent years have allowed us to navigate uncertainty, and drive positive momentum in our core business operations. A growing commitment to ESG, alongside our financial goals, is now guiding our path forward."

Dear Stakeholders,

In an unpredictable, rapidly changing landscape marked by ongoing conflicts in Eastern Europe and the Middle East, high oil prices and freight costs, and elevated interest rates, Lavastone Properties delivered a satisfactory performance in FY 24. The groundwork laid in recent years, through carefully planned strategic investments, has positioned Lavastone Properties to not only withstand these external pressures, but reap the returns of our well-timed investments. A growing commitment to ESG (Environment, Social and Governance), alongside our financial goals, is now guiding our path forward.

Strategic milestones and growth avenues

This past year, our focus on three key initiatives—completing the Mourouk development in Rodrigues and securing two high-yield acquisitions—has contributed to our improved financial performance. These moves reduce our dependence on the office segment and balance our exposure across a more diverse asset base.

We have also undertaken a strategic review of our portfolio to maximise the potential of our existing assets and identify select properties for divestment. This approach will allow us to reinvest in projects with high potential for long-term value creation, and finance the refurbishment of key assets, whilst remaining within our conservative borrowing parameters. Consistent with this strategy, we expect to close on the acquisition of an industrial site for further development by mid-2025.

Looking ahead, the Case Noyale project represents a strategic expansion aligned closely with Lavastone Properties' long-term growth and sustainability objectives. With permits secured and the Environmental Impact Assessment complete, we are awaiting final clearances and expect to break ground early next year. Case Noyale will also host a photovoltaic (PV) farm, reinforcing our ESG goals in alignment with Mauritius's renewable energy aspirations.

Operational highlights

Our portfolio performed commendably in FY 24, driven primarily by additional revenue contributions from C Rodrigues Mourouk and the newly acquired yielding industrial spaces. This resulted in a 29.6% growth in turnover (excluding sale of land) and a 37.4% increase in operating profit (excluding profit of sale of land), which reflects organic growth and positive momentum in our core business operations.

That said, this year's financial results were impacted by increased operating expenses, notably from higher labour costs and the newly introduced Corporate Climate Responsibility Levy of Rs 1.2 million, which affected Lavastone Properties due to our September year-end. Consequently, we also incurred a 2% increase in deferred tax liability (a non-cash item), resulting in an Rs 11 million reduction in reported profits. Given this tax's broader impact on our business, we remain hopeful that future iterations will evolve towards rewarding businesses like ours that demonstrate clear ESG commitments and a verifiable carbon reduction strategy.

Alongside this, delays in the Government's occupancy of the 7th floor office space at Victoria Station Limited (an associate company), combined with sustained high interest rates, negatively impacted its anticipated returns. However, we are optimistic about a positive turnaround at Victoria Station, encouraged by the strong interest shown in the 7th floor and consistently high occupancy of the retail spaces.

Across our portfolio, overall occupancy stood at 96% and rental collection rates exceeded 98%, indicating that our properties continue to hold strong appeal, consistently retaining and attracting quality tenants, and contributing to the stability of our portfolio. Staying close to our tenants has been key to these outcomes, involving open communication and regular discussions to ensure that we create spaces that not only meet, but often anticipate, their changing needs and business requirements. READ MORE in our Financial, Intellectual and Manufactured Capital sections.

Digital transformation, driven by targeted automation projects, has also been a key enabler of operational efficiency, as outlined more extensively in the intellectual capital section on page 40.

MANAGING DIRECTOR'S MESSAGE

Toward a greener, more inclusive future

ESG considerations have become central priorities for Lavastone Properties, materialising through focused decarbonisation initiatives and the publication of an ESG report, which, while not yet comprehensive, reflects our commitment to more sustainable operations and transparency in our reporting practices. In 2023, a comprehensive assessment of our carbon footprint using the Bilan Carbone® methodology revealed that tenant activities contribute the largest share (75%) of our emissions, prompting us to initiate diverse engagement strategies—from in-depth discussions to workshops and sharing best practices—to drive collective progress toward our carbon reduction goals. READ MORE in our Natural Capital section on page 42 and ESG report on page 48.

Pursuing the LEED certification, a recognised standard for energy-efficient and environmentally friendly buildings, is another essential step in elevating the environmental performance and resilience of our properties. Achieving the LEED Gold (O+M) certification for EDITH in 2022—a first for a mixed-use building in Africa—set a high standard for Lavastone Properties' other assets, sparking strong interest from our tenants to participate meaningfully in these efforts. During the year, LEED gap analyses were conducted at Les Cascades Building and Absa House, while the implementation of the certification process is already underway at Cim House. Once operational, the solar farm at Case Noyale is expected to considerably offset energy consumption, supporting our ambition to more than halve our carbon emissions by 2030.

Lavastone Properties values long-term, quality relationships with all stakeholders, which includes employees, tenants, investors, and the broader community as outlined in our Stakeholder Engagement section on page 68. Recognising that our people are the driving force behind our success, we are committed to nurturing their growth through tailored training and development programs that align with departmental needs and individual career aspirations. Read more in our Human Capital section on page 46 and ESG report on page 48.

Sound governance practices anchor our business foundation, as discussed by our Chairman on page 26, and further detailed in our Corporate Governance Report on page 72.

Outlook for FY 25

Our priorities for 2025 are clear. We aim to finalise a key acquisition in the industrial space, set to further broaden our portfolio as part of our ongoing diversification strategy. We are also planning significant reinvestments in key assets, Absa House and Les Cascades Building, with major renovation projects designed to elevate their quality, attractiveness, and alignment with LEED standards.

Proactive engagement with our tenants will remain paramount in the current economic climate. We remain vigilant to economic shifts, and more attuned than ever to our tenants' evolving needs, ensuring they are well-supported to meet their rental commitments.

The recent general elections in Mauritius present a promising outlook for economic growth, with anticipated business-friendly policies that encourage sustainable development—a vision that aligns well with Lavastone Properties' ESG commitments.

Acknowledgments

To our Board of Directors, steered by Colin Taylor, thank you for your pivotal guidance and oversight, which have enabled us to seize new opportunities with confidence.

I extend my deepest appreciation to the entire Lavastone Properties team for their hard work and dedication throughout the year. We are fortunate to have an agile and dynamic team, willing to embrace new challenges and drive our objectives forward. A special congratulations goes to Alex Lan Pak Kee on his promotion to Head of Finance—a well-deserved recognition of his efforts, and a reflection of our commitment to nurturing talent from within and supporting leadership development.

I would also like to thank Nicolas Pougnet for his invaluable role in bringing the C Rodrigues Mourouk project to final completion under very challenging conditions. Nicolas brings extensive experience in the construction industry and his expertise, wisdom and guidance will be valuable for our ongoing and future development projects.

In closing, I extend my gratitude to all our stakeholders—shareholders, partners, tenants, and the community—for your continued trust and partnership. We look forward to building on the achievements of this year, with a shared commitment to a low-carbon future.

Nicolas Vaudin
Managing Director

PERFORMANCE REVIEW

FINANCIAL CAPITAL

Financial capital provides a strong foundation to pursue acquisitive opportunities, meet our growth objectives, and maximise shareholder returns. Through disciplined financial management and expansion into different asset classes, we navigated the volatile business landscape and maintained healthy financial ratios.

Stakeholders who benefit:

Shareholders

READ MORE

Financial statements page 166

KEY INPUTS

Rs 303M
invested in C Rodrigues Mourouk

Rs 240M
invested in two acquisitive opportunities

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Maximise shareholder value

- Achieved **29.6%** revenue growth (excluding sale of land)
- Completed C Rodrigues Mourouk in November 2023
- Concluded the acquisition of two high-yielding industrial properties in Coromandel and Riche Terre, contributing **6.2%** to rental income
- Diversified Group portfolio, reducing concentration in office segment and improving risk profile
- Focused on treasury management
- Reaffirmed Grade A rating from CARE Ratings Africa for MCB bond and Absa loan

Operational excellence

- Reduced administrative and operating costs from **39.9%** to **36.8 %** of revenue
- Improved rental collections, ensuring cash flow stability

OUTPUTS AND VALUE CREATED

↔ **Rs 1089M** Market Capitalisation	↑ **Rs 396M** Revenue (excluding sale of land)	↑ **Rs 161M** Profit before tax (excluding revaluation gains)	↑ **Rs 4.39** NAV per share
↓ **35%** Gearing level, within acceptable limits	↑ **Rs 0.08** Dividend paid per share	↓ **Rs 0.25** Profit per share	↑ **98%** Rental collection

PRIORITIES FOR FY 25

- Maintain Grade A rating from CARE Ratings Africa
- Conclude acquisition and development of an industrial site by end of Q2 FY 25
- Improve rental collection above **98%**
- Achieve revenue growth of at least **5%**
- Monitor and control administrative and operating costs to remain below **40%** of revenue
- Improve EBITDA by **5%**

PERFORMANCE REVIEW

MANUFACTURED CAPITAL

Manufactured capital supports growth and operational excellence across our portfolio. By investing in high-quality renovations, tenant-focused upgrades, and sustainable building certifications such as LEED, we continually enhance the value, appeal and resilience of our assets.

Stakeholders who benefit:

Tenants | Shareholders | Customers

KEY INPUTS

22,201 m²
Office space

15,069 m²
Industrial space

4,798 m²
Retail space

11,544 m²
Hotel space

Rs 4.7M
invested in refurbishments

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Maximise shareholder value

- Enhanced portfolio value through selective high-yield acquisitions and strategic renovations
- Advanced green building standards, supporting investor appeal

Operational excellence and Customer service & retention

- Acquired 18 new tenants
- Achieved 96% occupancy
- Obtained EIA license for morcellement at La Gaulette, awaiting letter of intent from the morcellement Boards
- Revamped ground-floor office spaces at Les Cascades Building for lease to new tenants
- Opened C Rodrigues Mourouk
- Refurbished 5th floor at Absa House and incorporated LEED principles to enhance work environment and advance sustainability goals
- Tenant fit-out coordination for 4 new tenants at EDITH

OUTPUTS AND VALUE CREATED

	Rs 4.5Bn ↑	Rs 5.1Bn ↑	1,374 ↔	6.61 ↓
	Property Assets	Total Assets	Arpents of bare land available	Years Weighted Average Lease Expiry (WALE)

PRIORITIES FOR FY 25

- Obtain permits for the launch of the next morcellements at La Gaulette
- Sign MOU with key tenants for the launch of the commercial development at La Gaulette
- Launch warehouse project at Montebello
- Engage with our tenants for LEED certifications of at least 2 buildings by end of FY 25
- Achieve **98%** occupancy rate at EDITH
- Improve occupancy at Absa House to above **95%**
- Reduce vacancy rate across the portfolio

PERFORMANCE REVIEW

INTELLECTUAL CAPITAL

Our intellectual capital focuses on enhancing our knowledge assets, innovation and process improvements to improve efficiency and service levels. By investing in digital systems and sustainability certifications, we aim to not only advance our technical expertise, but also the employee and tenant experience, supporting differentiation in a competitive landscape.

Stakeholders who benefit:

Tenants

Customers

Employees

Partners

KEY INPUTS

Substantial
investments in new systems and technologies to streamline operations

Increased focus
on digitalisation

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Customer service & retention

- Improved retained clients and renewed contracts following implementation of new systems

Operational excellence

- Implemented a digital procure-to-pay system
- Rolled out 'Upkeep' module within facility management to improve tracking and reduce repairs/ maintenance time
- Deployed an electronic KYC platform
- Carried out monthly data collection at EDITH

Sustainability

- Conducted LEED gap analyses for key assets: Absa House (HVAC Systems Investigation) and Les Cascades (Fresh Air System)
- Supported Cim Finance in implementing LEED standards at Cim House

OUTPUTS AND VALUE CREATED

↑

90%

Client retention rate, indicating strong brand equity

PRIORITIES FOR FY 25

- Maintain LEED certification (O+M) at EDITH and initiate certification at other key property assets
- Implement new parking management system

PERFORMANCE REVIEW

NATURAL CAPITAL

Our commitment to preserving natural resources is centred in reducing our Greenhouse Gas (GHG) emissions, aiming to minimise our carbon footprint across all operations. We continuously assess our environmental performance, implementing targeted measures to reduce our impact and align with national and global sustainability goals. This year, we have also published an ESG report, underscoring our transparency and dedication to environmental stewardship.

Stakeholders who benefit:

Tenants

Shareholders

Customers

Communities

Employees

READ MORE

Environmental performance section of the ESG report on page 53

KEY INPUTS

1,374 A
of bare land, including 50 arpents at Case Noyale available for development opportunities

Rs 4.3M
invested in EV charging for ASAS Parking

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

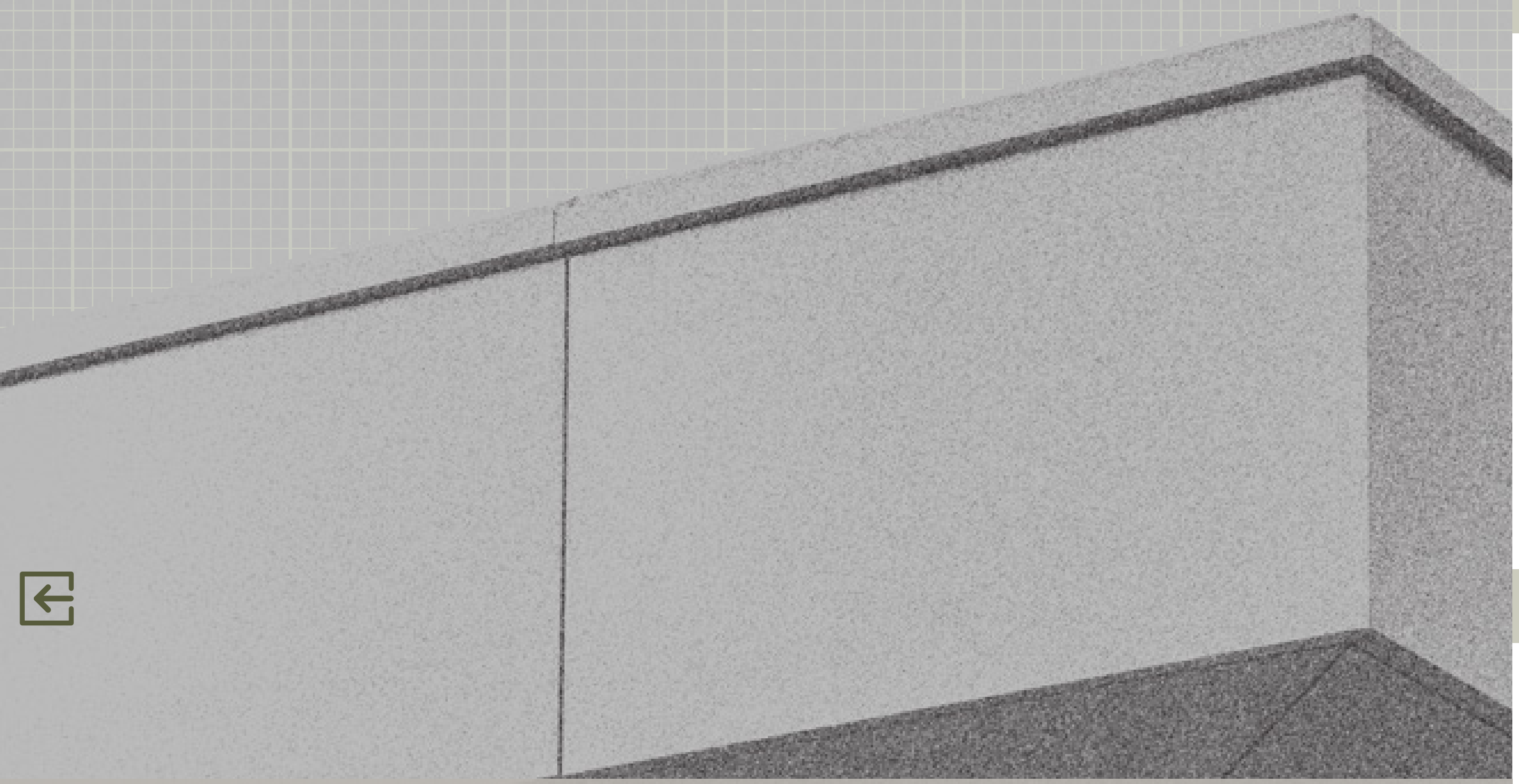
Sustainability

- Conducted a comprehensive carbon footprint analysis, with an enhanced focus on scope 3 emissions
- Ongoing development of our assets in line with LEED principles
- Continued to monitor key assets to identify areas for improvement
- Improved waste collection and recycling performance (detailed in our ESG report)
- Overall decrease in water and energy consumption across portfolio (except in buildings with increased occupancy)
- Implemented a reflective waterproofing membrane to reduce heat load at Cim House
- Produced renewable energy through PV panels installed on the roof of ASAS parking

PRIORITIES FOR FY 25

- Secure the necessary permits and approvals for the implementation of a PV Farm at Case Noyale
- Initiate the LEED certification at other key property assets
- Support an endemic reforestation programme

PERFORMANCE REVIEW



SOCIAL CAPITAL

Fostering strong, long-term relationships with our stakeholders is key to our enduring success. We prioritise customer satisfaction, employee engagement and community empowerment, ensuring we actively listen to their needs, and drive initiatives that meet their expectations. This commitment reinforces our role as a responsible, trusted partner and a positive force in the areas where we operate.

Stakeholders who benefit:

Tenants | Shareholders | Customers

Communities | Employees | Partners

READ MORE

Details on our social capital are available in the Stakeholder engagement and Social performance sections in our ESG report on page 66

KEY INPUTS

Rs 1.3M
spent in CSR contributions

10 partner NGOs
for community projects

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Customer service and retention

- Communicated a monthly Marketing & Communication report to EDITH tenants
- Maintained close engagement with tenants

Sustainability

- Contributed funds to Taylor Smith Foundation to support projects in education & youth development, women & family empowerment, sports, and environmental conservation

OUTPUTS AND VALUE CREATED

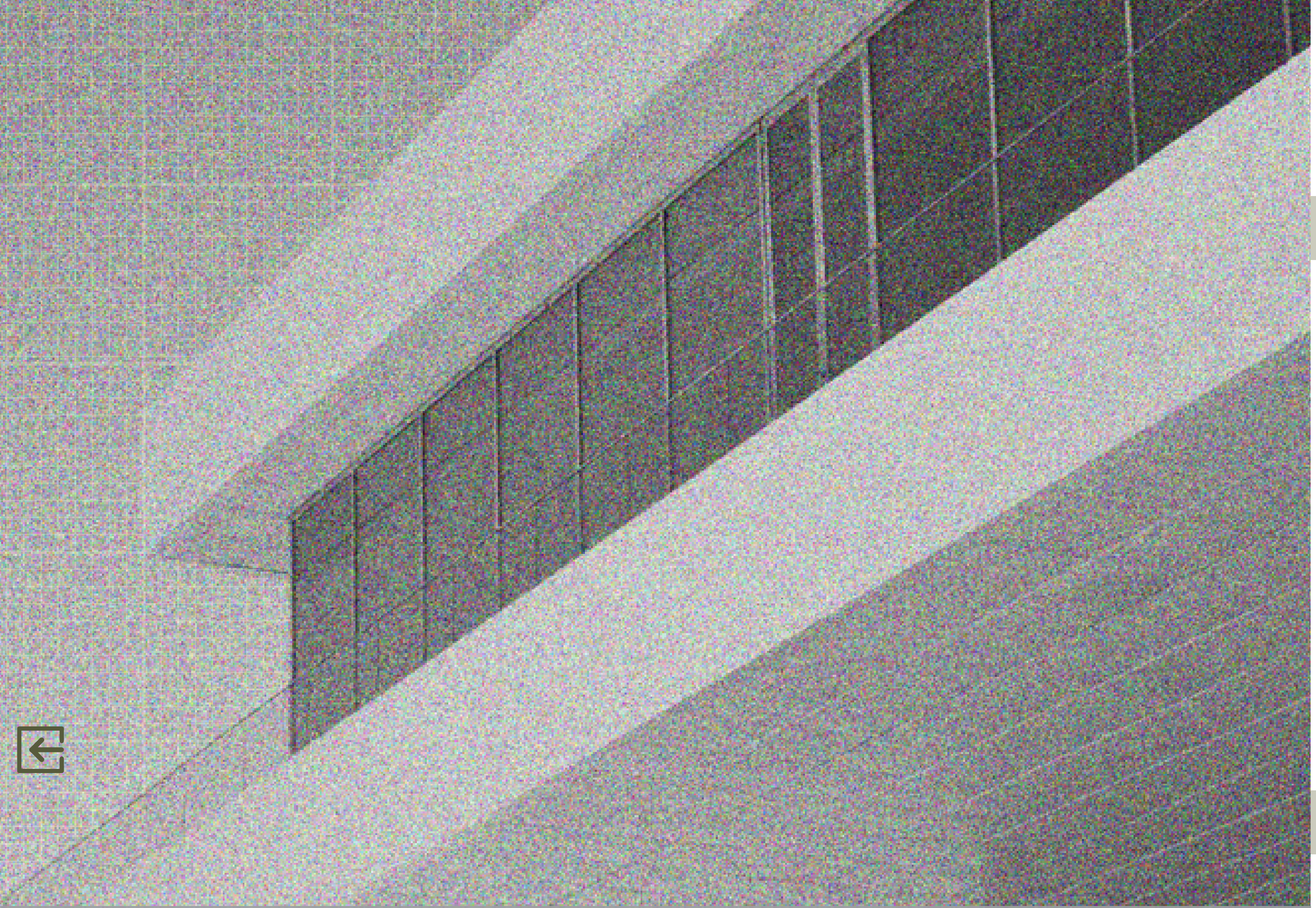
↑ **90%**
Client retention rate

↑ **19%**
Increase in social media engagement

PRIORITIES FOR FY 25

- Continue contributing to sustainable development, with a focus on economic, social and environmental pillars
- Continue focusing on education is a top priority in our CSR activities
- Support NGOs and community groups in social impact endeavours
- Conduct an annual customer satisfaction survey
- Continue the implementation of the communication strategy at EDITH
- Maintain client retention rate to above **95%**

PERFORMANCE REVIEW



HUMAN CAPITAL

Our team members are the lifeblood of our business. We prioritise their development through training, career advancement opportunities and clear performance metrics, ensuring that they are both engaged and equipped to contribute meaningfully to our goals and to their individual aspirations. We actively listen to their needs to ensure we nurture a work environment in which they feel valued and fulfilled.

Stakeholders who benefit:

Employees

READ MORE

Social performance section of the ESG report on page 66

KEY INPUTS

49 employees
forming a diverse workforce

Rs 1,631M
invested in employee training, including managers and leaders

485 hours
in training

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Employee engagement

- Continued to focus on enhancing diversity and inclusion in our teams, at all levels
- Conducted townhall meetings and off-site team-building activities, with a focus on upskilling in Communication, Coordination and Time Management
- Introduced work-from-home policies for applicable roles
- Progressed on the development of a Competency Framework
- Continued to improve the business continuity plan to ensure smooth succession in key roles
- Management Leadership Program (L.I.F.T.) conducted for managers

OUTPUTS AND VALUE CREATED

↑	↔	↓	↔
84.5%	**25%**	**8%**	**4.2**
employee satisfaction score	female Board members	employee turnover	years of average employee tenure

PRIORITIES FOR FY 25

- Launch the Performance Management System (PMS) online, based on the findings of the Competency Framework
- Develop career development plans for employees
- Continue the Management Leadership Program (L.I.F.T) conducted for managers
- Staff turnover rate of below **5%**

Committing to sustainable, responsible growth

Passion outlines our projects

ESG REPORT

FY24 SNAPSHOT

ENVIRONMENTAL IMPACT

421 smart metres installed

67MWh renewable energy produced

Establishment of a Sustainability Management Committee

A clear carbon reduction roadmap

1 LEED Gold (O+M) certification achieved in between FY 22 and FY 25, and 3 additional initiatives for LEED certifications underway

SOCIAL IMPACT

84.5% employee satisfaction score

Rs 1,3 million contributed in CSR

11.3% increase in employee retention

GOVERNANCE IMPACT

Adequate balance of skills, expertise and experience on the Board, including 25% women

3 Board-level committees

Appointment of a Data Protection Officer

Training of Board members on anti money laundering policies

Audit of financial statements by an external independent auditor

OUR ESG STRATEGY

Our ESG strategy reflects our commitment to sustainability as an integral part of our property development and leasing activities, guided by international standards and aligned with both our vision and risk appetite. Far from being an optional add-on, sustainability is embedded into our values, driving us to grow responsibly while enhancing the wellbeing of our employees, communities, and the environment. Recognising the broad scope of sustainability, our material matters are shaped by close stakeholder engagement, ensuring we address the issues that create the greatest value for them, while remaining aligned with our business objectives.

Through this vision, we aim to make our buildings vibrant, community-oriented spaces that offer environmental benefits, social value and optimal returns to our shareholders.

Frameworks and methodologies that guide our strategy

ACT | ASSESSING LOW CARBON TRANSITION®

GRESB®

GREENHOUSE GAS PROTOCOL

NCCG NATIONAL COMMITTEE ON CORPORATE GOVERNANCE

SUSTAINABLE DEVELOPMENT GOALS

Global Reporting Initiative™

NET ZERO INITIATIVE

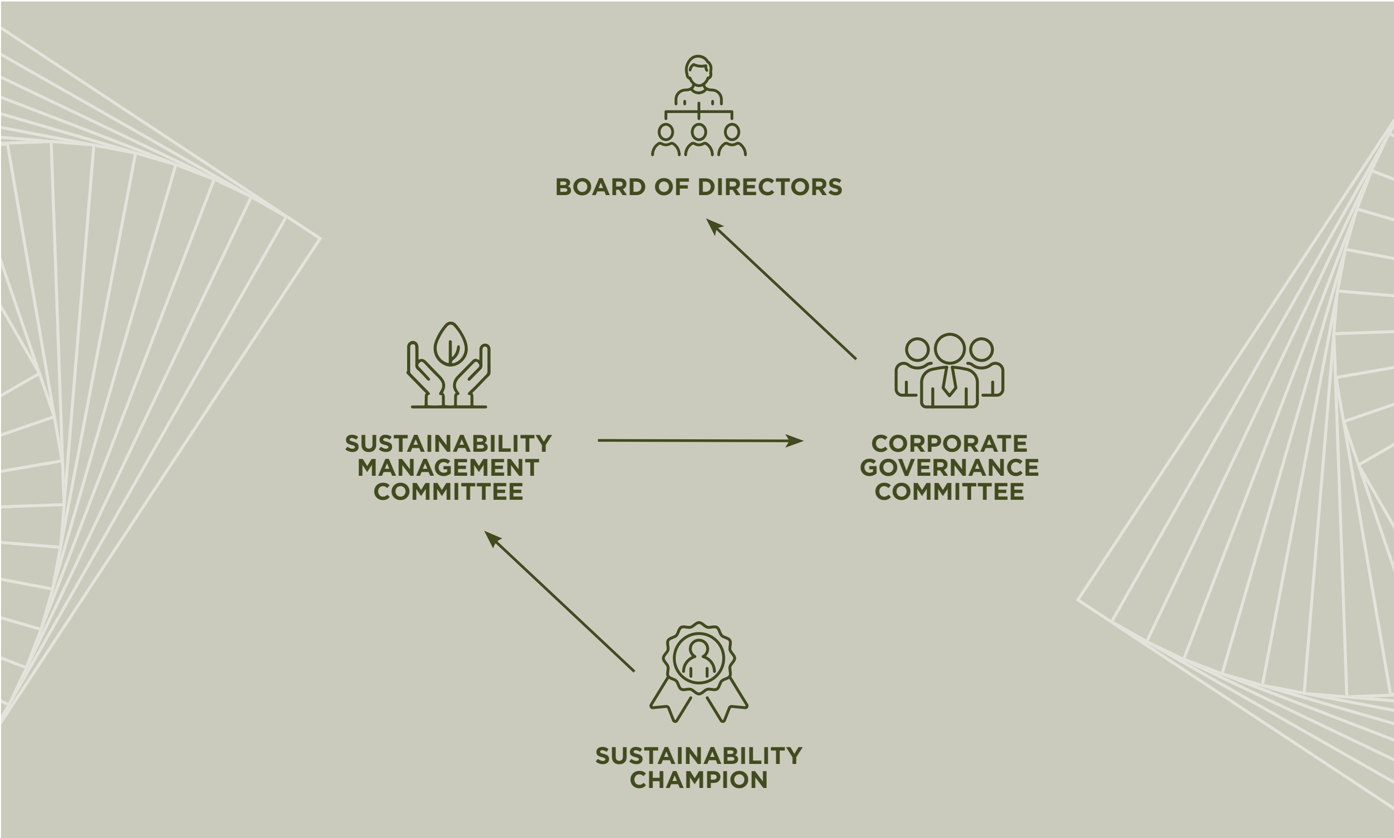
BC BILAN CARBONE®

SCIENCE BASED TARGETS

OUR ESG STRATEGY

Governing ESG

To ensure our ESG commitments achieve meaningful results, we have established an adequate governance structure, with the ultimate accountability resting with the Board of Directors, further supported by the Sustainability Management Committee and the Corporate Governance Committee. This oversight promotes accountability, aligns ESG priorities across the business, and creates opportunities to embed ESG deeper into our core operations and behaviours. This framework is initiating a company-wide culture shift, fostering a shared sense of responsibility for advancing our sustainability goals.



1. **The Sustainability Champion** leads and executes day-to-day ESG initiatives across the organisation, coordinates ESG projects with different heads of departments, and reports progress to the Sustainability Management Committee.
2. **The Sustainability Management Committee** oversees ESG initiatives and evaluates progress against set performance targets. The Chair reports on ESG performance to the Corporate Governance Committee.
3. **The Corporate Governance Committee** ensures ESG integration into the organisation's strategy, addresses high-level ESG risks and opportunities, and reviews reports from the Sustainability Management Committee. The Chair communicates those outcomes to the Board of Directors.
4. **The Board of Directors** holds the ultimate responsibility for setting the ESG vision and priorities, approving major policies and initiatives, and communicating outcomes to shareholders.

OUR ENVIRONMENTAL PERFORMANCE

Climate change is a critical focus worldwide, urging countries, businesses and individuals to step up efforts in mitigating its impacts. In Mauritius, this urgency is underscored by recent patterns of extreme rainfall and shifting heat conditions. Lavastone Properties is committed to making environmental considerations a core part of its operations—from asset acquisition and fitouts, to planned maintenance and property management. By fostering collaborative partnerships and open dialogue with stakeholders, we aim to achieve shared environmental goals and build a portfolio of energy-efficient, sustainable properties.

MATERIAL TOPICS AND STRATEGIC PILLARS

CLIMATE ACTION

- CARBON FOOTPRINT
- LEED (O+M) CERTIFICATION

WATER, WASTE AND ENERGY MANAGEMENT

SUSTAINABLE PROCUREMENT

Contribution to SDGs

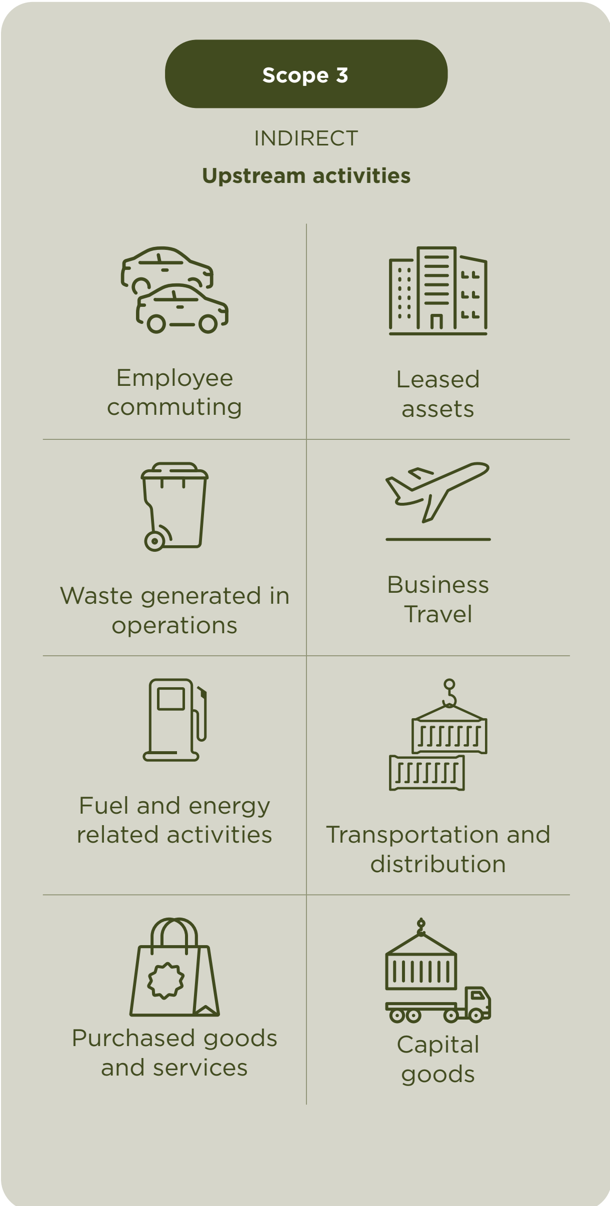
OUR ENVIRONMENTAL PERFORMANCE

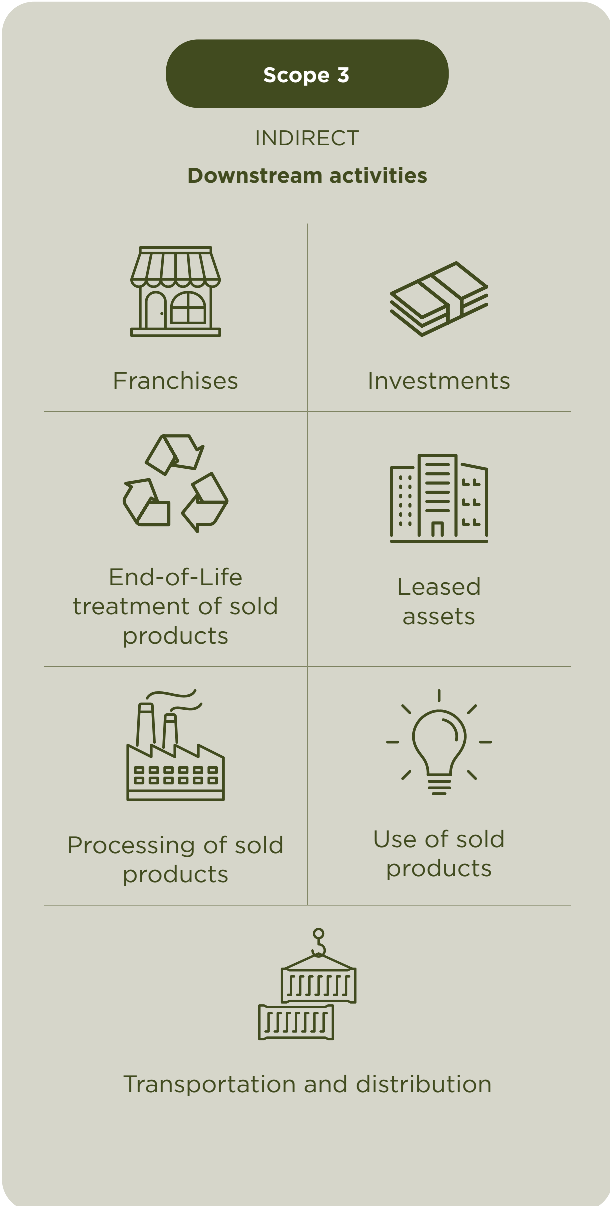
CLIMATE ACTION - CARBON FOOTPRINT

Carbon reduction strategy

The property sector is inherently shaped by long-term environmental concerns like global warming, while also being a significant contributor to those impacts. Lavastone Properties is committed to reducing its carbon footprint, aligned with Mauritius' national goals to reduce greenhouse gas emissions by 40% and increase green energy's share in the energy mix to 60% by 2030.

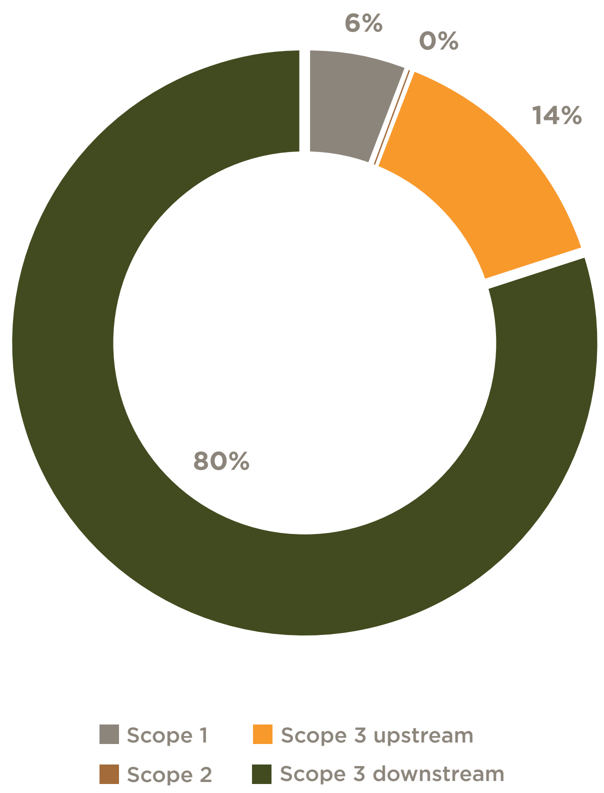
Determined to play our part in these ambitions, we embarked on our carbon footprint journey in FY 22, with an initial assessment conducted in collaboration with Dynamia. This foundational exercise focused on Scope 1 and Scope 2 emissions, capturing energy-related impacts within our direct operations. In FY 23, we deepened our understanding with a second, more comprehensive assessment conducted with WillChange, applying the Bilan Carbone® methodology and the GHG protocol to include Scope 3 emissions, offering a more complete picture of our value chain's environmental impact.





Carbon footprint calculation results

In addition to using the Bilan Carbone methodology to assess the sources of our emissions, we also conducted a separate evaluation under the GHG Protocol. While both frameworks serve similar purposes, the GHG Protocol offers a globally recognised and standardised approach that enhances comparability across industries. For our reporting purposes, we have chosen to disclose our data under the GHG Protocol. Its broader international adoption ensures that our emissions are measured in a way that is consistent and relevant, making it easier to compare our performance with global and local peers, and track our progress over time. By using both methodologies, we gain a more thorough understanding of our emissions, while ensuring that our reporting practices meet global standards.



8233 tCO2e

80%

OF LAVASTONE PROPERTIES' EMISSIONS COME FROM THE USE OF PREMISES BY TENANTS.

Legend

Scope 1: Direct GHG emissions from sources that the organisation directly owns or controls. This generally includes emissions from on-site fuel combustion, such as emissions from company vehicles, boilers, back-up generators, etc.

Scope 2: Indirect GHG emissions associated with the production of electricity, heat or steam that the organisation purchases from third parties. This includes emissions generated by the production of electricity by electricity suppliers, but which are indirectly linked to the company's activities.

Scope 3 Upstream: Other indirect GHG emissions associated with the company's upstream activities, but which do not fall into Scope 1 or Scope 2 categories. These may include supply chain emissions, employee travel, waste, etc. Scope 3 emissions are often the most difficult to measure as they can be extensive and complex.

Scope 3 Downstream: Other indirect GHG emissions associated with the downstream activities, namely leased assets.

OUR ENVIRONMENTAL PERFORMANCE

CLIMATE ACTION (CONT'D) - CARBON FOOTPRINT (CONT'D)

Carbon footprint calculation results (cont'd)

The properties managed by Lavastone Properties are leased, which means tenant activities significantly contribute to our carbon footprint. These activities—categorised as Scope 3 emissions under the GHG Protocol—represent the largest source of emissions for Lavastone Properties. In FY 23, our total emissions amounted to 7,460 tCO2e, with approximately 67% (5,000 tCO2e) linked to tenant energy usage within their premises.

While our initial carbon footprint assessment in FY 23 provided a valuable foundation, it also revealed the complexities of addressing Scope 3 emissions. This category encompasses a wide range of activities, such as the production of vehicles, transportation of materials, waste generation, and building management, making it one of the most challenging to measure and manage. Recognising these limitations, we intensified our efforts in FY 24 with guidance from WillChange, collecting more comprehensive tenant data and refining our strategies to address the most critical emission sources effectively.

However, due to business expansion and the addition of new assets—including acquisitions and the launch of a hotel in Rodrigues—our total GHG emissions for FY 24 grew to 8,233 tCO2e.

The path to carbon reduction

The findings from both carbon footprint assessments have highlighted key areas where targeted efforts will yield the greatest impact on our path to carbon reduction. Chief among these is the importance of collaborative engagement with our tenants, whose activities represent a substantial portion of emissions across our properties. This collaboration is vital to driving meaningful carbon reduction initiatives and aligns with our broader sustainability objectives.

The increase from FY 23 to FY 24 highlights the impact of our initial actions as we await the operationalisation of our PV farm—a cornerstone of our long-term strategy. These insights have also informed a set of strategic guidelines and levers, applicable across both our existing properties and future developments:

CARBON FOOTPRINT DATA AND REPORTING

Improve data collection processes for higher quality, more accurate information on tenants' fossil fuel consumption. This is a necessary prerequisite to be able to connect carbon footprint calculator tools with Lavastone Properties' databases in the future.

RENEWABLE ENERGY PRODUCTION

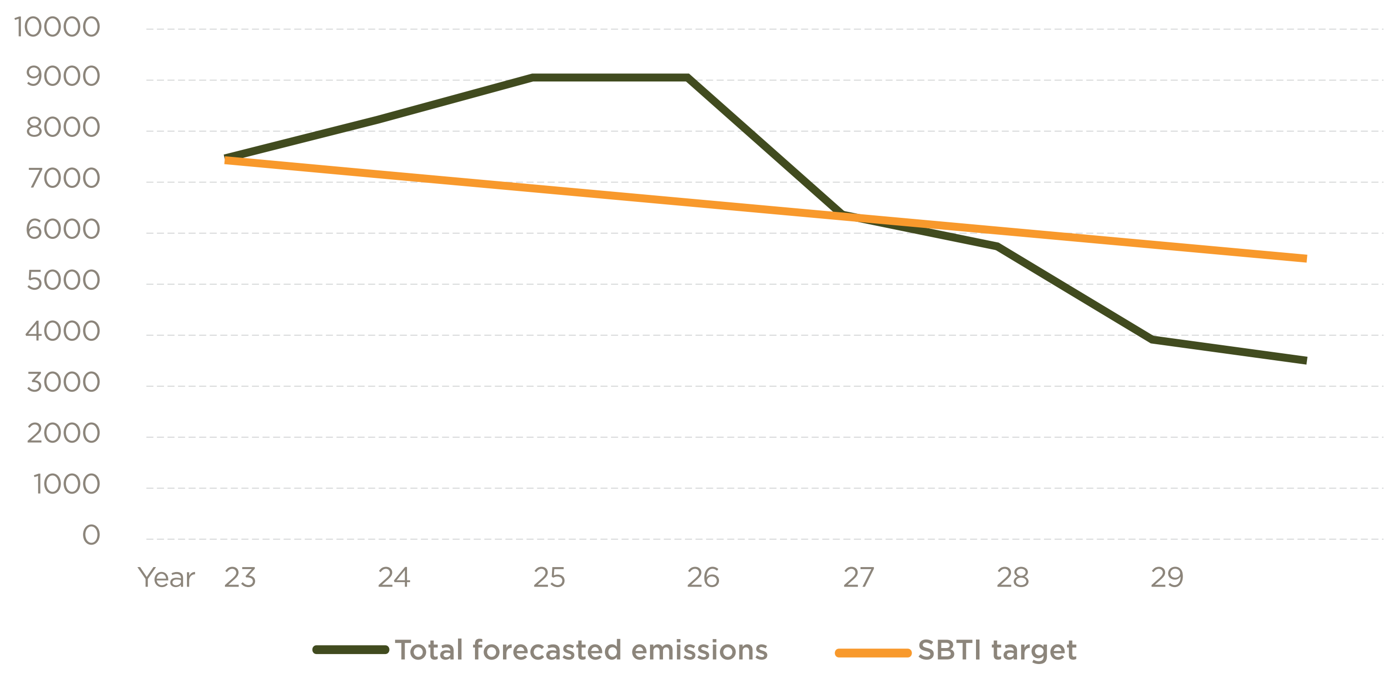
Project launch for the solar farm installation at Case Noyale scheduled in 2025

CARBON OFFSETTING AND REDUCTION

- Embed carbon reduction criteria when identifying any future investments, ensuring they hold fewer climate risks
- Pursue and obtain LEED (O+M) certification for key assets, and align other properties with LEED standards
- Implement tenant engagement strategies, with a particular focus on Operations & Maintenance, aimed at promoting sustainable practices across energy use, waste management and operational efficiency

The path to carbon reduction (cont'd)

PROJECTED EMISSIONS VS SBTIS TARGET (TCO2E)



As we continue to expand and manage additional assets, we expect a temporary increase in GHG emissions in the coming year. This anticipated rise reflects the increased energy use and operational activity typically associated with onboarding new properties. Despite this short-term growth in emissions, our projections indicate a significant long-term reduction. Total emissions are expected to decrease by 54%, from 7,460 tCO2e in FY 23 to 3,500 tCO2e in FY 30, as a result of our comprehensive reduction plan.

By the end of this period, Lavastone Properties aims to not only meet its reduction targets, but also achieve a surplus, allowing us to contribute positively to carbon reduction efforts beyond our direct operations.

OUR ENVIRONMENTAL PERFORMANCE

CLIMATE ACTION (CONT'D) - LEED CERTIFICATION

CASE STUDY

LEED Gold (O+M) Certification at EDITH
Better for business, people and the planet

AT A GLANCE

Building name
EDITH

Location
Port Louis, Mauritius

Primary use
Grade A Offices, Retail and F&B outlets, Exhibition and Entertainment venue

Area
6,588 m2

Project consultant
Prodesign Engineering Consultant

THE FIRST LEED GOLD (O+M) CERTIFICATION FOR A MIXED-USE BUILDING IN AFRICA

LEED-certified buildings are designed to

- **Reduce contribution to global climate change**
- **Protect and restore water resources**
- **Promote sustainable and regenerative material cycles**
- **Enhance individual humain health**
- **Protect and enhance blodiversity and ecosystem services**
- **Enhance community quality of life**

Context

Sustainability has always been at the core of our strategic objectives. As players in property development and management, Lavastone Properties' direct emissions are comparatively low to more energy-intensive industries, owing to the nature of our activities and smaller workforce size. Buildings themselves, however, are substantial contributors to indirect carbon emissions, driven by energy requirements for cooling, lighting and other operations. Globally, buildings account for almost 40% of global energy use and resource consumption, making it crucial for us to focus on reducing these indirect emissions across our properties. Our recent carbon footprint analysis this past year reaffirmed this insight. **Our carbon footprint calculation page 54**

READ MORE

This understanding led us to embark on a major initiative in 2022 that marked a significant milestone in our journey toward a greener future. This project focused on EDITH, one of our key assets located in the heart of Port Louis. Fast forward to today, EDITH stands as the first existing mixed-use building in Africa to achieve the LEED Gold (O+M) certification, setting a new benchmark for our existing assets and future developments alike.

OUR ENVIRONMENTAL PERFORMANCE

CLIMATE ACTION (CONT'D) - LEED CERTIFICATION (CONT'D)

LEED Gold (O+M) Certification at EDITH (cond't)

CASE STUDY

Why EDITH?

The decision to select EDITH as the pilot project for the LEED certification journey was driven by two primary reasons. Firstly, EDITH is a culturally and historically significant landmark for Mauritius, with over a century of rich history. Lavastone Properties has always valued it as an enriching community-driven space, where people gather, connect, and create shared experiences. LEED similarly envisions buildings as dynamic environments that enhance health and quality of life, while also lowering global carbon emissions, reducing operating costs and conserving resources. This holistic approach considers all critical elements that work together to create a high-performing building with environmental, economic, and social benefits. By aligning EDITH with this globally recognised symbol of excellence in green building, Lavastone Properties aimed to set an example of how the preservation of heritage buildings and environmental stewardship can coexist.

Secondly, EDITH's attributes made it highly suitable for the certification process. Its strategic location, offering excellent access to public transportation, including light rail and urban bus services, enabled EDITH to fulfill many of the prerequisites in the transportation category, accelerating the certification process.

Key strategies

Located in the heart of Mauritius, EDITH is a unique property combining Grade A offices, retail & F&B spaces, and an exhibition & entertainment venue across a gross floor area of 6,588 m2. Achieving LEED Gold (O+M) certification required a comprehensive strategy to meet the prerequisites and credits across nine key metrics for building excellence, including integrative design, energy and water use, and occupant wellbeing. This process challenged the project team to innovate and develop creative solutions that aligned with our commitment to sustainability. Key initiatives implemented include:

Water conservation: Installation of water-efficient fixtures, such as dual flush toilets, low-flow faucets, and water-efficient urinals, which significantly reduced water consumption.
Energy efficiency: Implementation of LED lighting, inverter-based air conditioning units, and variable speed fans to minimise energy usage. The use of smart sensors and timers also optimises lighting and HVAC systems, ensuring they are powered on or off based on room occupancy.
Daylight and indoor air quality: Maximising natural light in regularly occupied areas reduced the need for artificial lighting, while a robust ventilation system maintains high indoor air quality.
Waste Management: Implementation of food composting and recycling systems to minimise solid waste sent to landfills.
Operational policies: Adoption of green cleaning practices, sustainable purchasing, and regular upgrades to operational and maintenance policies to ensure ongoing sustainability.
Insulation and cooling: Use of roof insulation to achieve low U-values, alongside cool waterproofing material with a high Solar Reflectance Index (SRI) to reduce heat gain. Additionally, the restoration and reuse of EDITH's historic stone walls leveraged their inherent thermal properties, which are superior to standard concrete wall structures, further reducing energy loss and the need for energy-intensive cooling systems.

OUTCOMES | 3.7% reduction in Greenhouse Gas Emissions

< 50% saved	**> 60% saved** (vs a typical Mauritian baseline)	**Fresh air supply exceeding** the ASHRAE 62.1-2016 minimum requirements **by 30%**	**3.2 tonnes recycled**	**3 policies** introduced	Lower energy loss through the preservation of historic stone walls

OUR ENVIRONMENTAL PERFORMANCE

CLIMATE ACTION (CONT'D) - LEED CERTIFICATION (CONT'D)

LEED Gold (O+M) Certification at EDITH (cond't)

CASE STUDY

Environmental, Social and Economic impact

Lavastone Properties remains committed to upholding the LEED Gold (O+M) status at EDITH, through continuous monitoring and engagement initiatives with tenants. This achievement has set a new benchmark for green buildings across our portfolio, with major tenants in our other buildings expressing strong interest in aligning with similar environmental goals for the spaces they occupy. We proactively conducted gap analyses in three of our key buildings to take stock of their standing against LEED standards, identify the investments and operational improvements required to achieve LEED certification, and engage with our tenants on the process towards certification. This commitment is shaping both our existing assets and future developments, progressively aligning our entire portfolio with today's environmental standards and strengthening their resilience in a way that benefits not just our tenants, but also the surrounding community.

Environmental Impact

- Our Natural capital section on page 42 outlines the environmental value we created, including a reduction in energy and water usage. READ MORE

Social Impact

The improved quality of the internal and external environment of the building has enhanced the comfort and wellbeing of our tenants, contributing to more productive workplaces.

- Our Human capital section on page 46 offers details on how our people practices aim to enhance the wellbeing of our team members. READ MORE
- Our Social capital section on page 44 provides information on how we deliver on our customer promise and contribute to our communities. READ MORE
- Our Stakeholder relationships section on page 68 delves into how we engage with our stakeholder groups and the value we place on fostering strong relationships with them. READ MORE

Economic Impact

This economic impact has been substantial for both Lavastone Properties and the tenants housed at EDITH. Increased energy and water efficiency has led to reduced utilities bills for tenants, improving their bottom line.

- Our Financial capital section on page 36 offers details into the financial value delivered to our shareholders. READ MORE

Testimonials

"Moving to EDITH has brought significant benefits to our business. Despite now operating in a space twice the size of our previous office, our electricity costs have dropped to less than half. The building's credentials not only align with Evershed's own ESG commitments, but they also allow us to meet the stringent ESG criteria set by some of our international clients, many of whom view strong sustainability practices as a prerequisite for partnerships. Lavastone Properties has truly supported us in driving sustainability forward."

Eversheds Sutherland

"When we decided to relocate our offices, it wasn't just about finding a suitable location; we were determined to find a space that prioritises sustainability and energy efficiency. This naturally led us to choose EDITH, whose LEED-certified spaces and environmental initiatives align perfectly with our values. While this decision required significant investment, particularly in upgrading our air conditioning systems, it formed part of a long-term commitment to the island's sustainability, and has already led to a noticeable reduction in electricity consumption each month. Since moving to our new premises, we have advanced further in our environmental efforts, such as participating in Lavastone Properties' EV charging programme."

Legis and Partners Ltd

OUR ENVIRONMENTAL PERFORMANCE

WATER, WASTE AND ENERGY MANAGEMENT

WATER

19%

decrease in water consumption at St Georges Building, Les Cascades Building, and CIM House

ENERGY

67,000 KWH

renewable energy produced by PV installation

1.19% AND 7.5%

increase in electricity consumption at Absa House and EDITH respectively, due to higher occupancy

5 % (KWH/M2)

decrease in electricity consumption per gross leasable area across our portfolio

WASTE

18,200 KG

glass collected

720.05 KG

cardboard collected

297.5 KG

plastic polystyrene collected

297.5 KG

PET collected

3.2 TONNES

of food waste recycled with BIO Bins and converted into **8m3 of compost**

SUSTAINABLE PROCUREMENT

Lavastone Properties is committed to responsible procurement as a crucial step in achieving its environmental goals, particularly aiming for ongoing compliance with its purchasing policy, which forms part of the LEED certification. This comprehensive purchasing policy was first implemented at Lavastone Properties to prioritise sustainable sourcing. This policy mandates that specific consumables and electronic equipment under Lavastone Properties' management meet stringent eco-friendly standards, particularly in high-consumption categories such as coffee, paper, toner cartridges, batteries, and electronic equipment. Purchases conducted by tenants are currently excluded. We oversee vendor compliance with the policy's sustainability criteria, and actively involves tenants and management in adopting these practices. Ongoing quality control measures are in place, with quarterly evaluations to track progress and report on progress toward Lavastone Properties' sustainable procurement goals.

40
Rechargeable batteries purchased

17
Toners and cartridges recycled

720.5 KG
Carton recycled

Mandatory procurement standards we adhere to

FOREST STEWARDSHIP COUNCIL FSC | ENERGY STAR | RAINFOREST ALLIANCE CERTIFIED | epeat SILVER

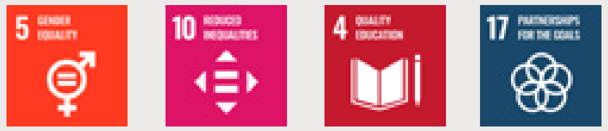
OUR SOCIAL PERFORMANCE

Lavastone Properties' social capital strategy is centred on building long-term, mutually beneficial relationships with our stakeholders. Externally, this involves maintaining open, transparent communication and actively engaging in partnerships that support community wellbeing and sustainable development. Internally, we are committed to cultivating a dynamic and supportive workplace for our team members. Through tailored training and development programmes, regular feedback loops, and clear paths for career progression, we empower our employees to reach their full potential.

MATERIAL TOPICS AND STRATEGIC PILLARS

- EMPLOYEE ENGAGEMENT AND WELLBEING
- TALENT MANAGEMENT AND DEVELOPMENT
- STAKEHOLDER AND COMMUNITY ENGAGEMENT

Contribution to SDGs



EMPLOYEE ENGAGEMENT AND WELLBEING

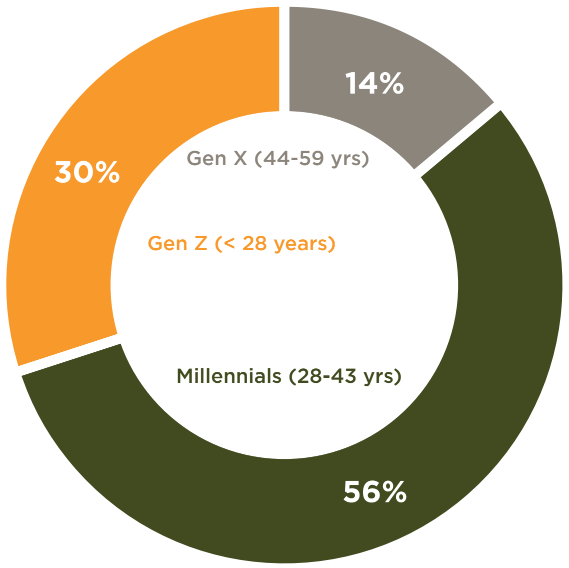
Key demographics

Diversity and inclusion are critical pillars of a vibrant, engaging workplace. Having a wide range of perspectives—across different backgrounds, age groups, and genders—promotes richer discussions, fresh ideas, and a more innovative approach to problem-solving.

49 EMPLOYEES

Total headcount

40% | 60%



38 YEARS

Average age

46% WOMEN

In management

Engagement strategies

Team-building activities - Off-site learning activities promote cross-departmental collaboration and team alignment, contributing to a positive work culture. The past year's sessions focused on communication, coordination, and time management skills.

Townhall meetings - Townhall gatherings offer opportunities for colleagues to connect, share insights, and celebrate milestones together. They also serve as a forum for updates on Lavastone Properties' performance, organisational changes, and introductions to new team members.

Performance management - Our performance management system drives an incentive scheme that rewards employees based on Group performance, individual contributions, and team success. Clear performance objectives, a mid-year review, a final year-end assessment guide the process.

84.5%

Employee satisfaction index

8%

Employee turnover

OUR SOCIAL PERFORMANCE

TALENT MANAGEMENT AND DEVELOPMENT

Learning and development are central to building a skilled and capable workforce. Over the past year, we invested significantly in training, and progressed on a comprehensive Competency Framework, mapping out expected competencies and behaviours for each role. This framework, paired with a tailored appraisal system, offers employees clear insights into their performance and growth opportunities, paving the way for promotion and career development. Our Management Development Programme further strengthens our leadership team, equipping managers to lead effectively in a dynamic world.

Rs 1,631M

Invested in training over

485 HOURS

90%

competency framework completed

10

managers trained over

12 HOURS

STAKEHOLDER ENGAGEMENT

Stakeholder group	Why we engage with them	Their expectations	Our response and material matters
Shareholders	As providers of capital, our shareholders provide the financial resources to fund our growth and expansion plans	• Solid financial controls • A clearly-articulated long-term strategy • Sustained and consistent returns • High standards of business conduct • Transparent communication on the Group's performance	• Prudent financial controls • A clear diversification strategy for long-term growth • A portfolio of yielding properties in key locations around the island • Ethical leadership and business practices • Periodic communication on financial results • Quality tenants with strong lease covenants
Employees	Their individual and collective skills and capabilities underpin our success. They embody our values, deliver high-quality services to our customers and drive our growth plans	• A caring employer • A positive work environment where they can thrive • Opportunities for mentorship, career growth and personal development • Reward and recognition	• Clear performance metrics • One-on-one feedback sessions • Team-building activities and town hall meetings to foster a strong team spirit and ensure all have a clear understanding of the Group's objectives • Training and development
Customers	As direct users of our products and services, our customers inform the relevance of our offerings and brand reputation	• A good understanding of their changing needs • Quality infrastructure, facilities and services that enhance their wellbeing	• Activities and events that spark life into our buildings and city centres, and bring people together • The creation of enriching spaces that attract shoppers and keep up with consumer trends
Tenants	They are the occupiers of our spaces and provide the cash flow needed to operate and manage our properties	• A good understanding of their business objectives • Safe, cost-efficient and sustainable properties that enhance their working and leisure experiences • A responsible landlord, providing quality amenities and services • Competitive and market-aligned rentals • Prompt resolution of issues	• Participation in the fit-out of buildings to make the spaces suitable for tenants • Renovations, maintenance and repairs to ensure our properties are of high standing and enable our tenants to attract and retain their talents • Proactive communication plan and feedback mechanisms • Engagement in ambitious environmental goals
Partners	Our partners and suppliers provide us with the inputs and raw materials that are critical to our ability to develop and maintain high-quality properties	• Fair tender processes and Service Level Agreements (SLAs) • Fair procurement practices • Timely settlement of accounts	• Transparent tender processes • Clear terms of contracts in SLAs • Timely payments through well-controlled processes • Opportunities for local suppliers • Qualitative reviews with suppliers to better understand their operational challenges and improve service levels
Communities	Our communities give us our social license to operate	• Harmonious relationships with communities • Contribution to the vitality of the areas where we operate • Participation in socioeconomic development • Job opportunities • Sustainable use of resources	• CSR interventions through the Taylor Smith Foundation • Direct sponsorship of sports teams (beyond CSR) • Transformation of heritage buildings and urban centres into enriching spaces • Adherence to LEED principles to enhance the resilience of buildings and reduce the carbon footprint of our activities

OUR SOCIAL PERFORMANCE

COMMUNITY ENGAGEMENT

Lavastone Properties' commitment to community engagement is channeled through meaningful partnerships and initiatives aimed at fostering long-term positive impact, guided by the United Nations' Sustainable Development Goals (SDGs). Through the Taylor Smith Foundation, Lavastone Properties supports programmes across education, youth development, women's empowerment, sports, and environmental protection, providing resources to uplift and strengthen communities. In FY 24, our contributions funded several projects through a number of trusted local partners, working closely with them to ensure that our resources are aligned with community needs and make a tangible difference.

Rs 1,3 MILLION

in CSR contributions

PROTECTION OF THE ENVIRONMENT

Partner: The Mauritius Wildlife Foundation
Conservation project at l'Ile Aux Aigrettes in Mauritius & Anse Quitor in Rodrigues

Partner: Coral Garden Conservation Mauritius
Rebuilding coral reefs in the southwest of the island & raising awareness among the local community and tourists

Partner: Odysseo
Sponsorship for an educational programme in Rodrigues

SPORTS

Sponsorship for a ladies' football team in Rodrigues

Partner: Batatran Government School
Donation for annual sports day

EDUCATION & YOUTH DEVELOPMENT

Partner: Konekté
Implementation of 'Skills for life' programmes in schools in Mauritius and Rodrigues

Partner: Anfen

Partner: Organisation ST Education de Roches Bois
Offering educational support to children after school hours

OUR GOVERNANCE PERFORMANCE

Lavastone Properties' governance framework is built on independence, accountability, and a dedication to going beyond compliance standards. With regular evaluations of both the Board and individual directors, we ensure continuous oversight and improvement. Specialised sub-committees with distinct delegated roles bring focused attention to critical areas, enhancing governance effectiveness. Our diverse Board composition brings multiple perspectives to strategic discussions, enabling us to navigate complex challenges with insight and integrity, while aligning decisions with stakeholder interests.

MATERIAL TOPICS AND STRATEGIC PILLARS

- A DIVERSE BOARD COMPOSITION
- LEADING RESPONSIBLY AND WITH INTEGRITY
- RISK MANAGEMENT

Contribution to SDGs

CORPORATE GOVERNANCE REPORT

COMPLIANCE STATEMENT

Lavastone Ltd (hereinafter referred to as “Lavastone” or the “Company”) is classified as a public interest entity under the Financial Reporting Act 2004.

As a company listed on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius, it is required to adopt and report on its corporate governance practices in accordance with the National Code of Corporate Governance (2016) (the “Code”).

This Corporate Governance Report sets out how the Code’s principles have been applied by Lavastone. The Company hereby confirms that it has materially applied the principles set out in the Code except for the following:

Principle 2 (The Structure of the Board and its Committees) - There is only one executive Director on the Board of Lavastone. The Board is aware of the need to have a strong executive management presence in the Company and is of the opinion that the attendance of the Head of Finance at the meetings and sub-committees of the Board fulfils the spirit of the Code.

Principle 4 (Director Duties, Remuneration and Performance) - The information, information technology and information security policies of the Company have not published on the Company's website given that these documents are considered as highly confidential and sensitive.

On behalf of the Board

Colin Taylor
Non-Executive Director and Chairman

Nicolas Vaudin
Executive Director and Managing Director

GOVERNANCE STRUCTURE

1.1 The Board

At Lavastone, we hold that strong business ethics, a deep commitment to our values, effective risk management, and integrity are rooted in the leadership of our Board of Directors and senior management.

The governance of Lavastone is led by the Board of Directors (the “Board”) which is fully dedicated to applying the principles of the Code, thus ensuring the Company’s commitment to upholding business sustainability and creating value for its stakeholders.

The Board is responsible for promoting a culture of accountability, transparency and ethics in order to ensure an efficient and ethical decision-making process.

1.1.1 The Board’s Size and Composition

Lavastone is led by a unitary Board consisting of eight directors under the Chairmanship of Mr Colin Taylor. For the financial year under review, the Board comprises eight members, of which four non-executive directors, including the Chairman, one executive director and three independent directors who operate collectively within a clearly defined governance framework.

Although there is only one executive director on the Board, the Board is of the view that the input of the Head of Finance , who is in attendance at Board meetings and sub-committees of the Board, provides an appropriate balance to Board deliberations.

The Board is also of the view that, considering the Company’s shareholding structure, there is an adequate balance between independent and non-executive directors on the Board, and that Board members have the necessary skills, expertise and experience to discharge their respective duties and responsibilities effectively.

Acknowledging that a diverse Board enhances decision-making and fosters innovative insights, the Company has appointed two female directors to its Board. Understanding the significant benefits of diversity in Board discussions, the Board of Lavastone is committed to going beyond mere compliance to enhance gender diversity and will consider appointing additional female directors as opportunities arise.

The profiles and the full directorship list of the members of the Board are set out on pages 10 to 13. It is to be noted that all directors of the Company reside in Mauritius.

The skillsets of the members of the Board are set out in the chart below.

- Business strategy and property
- Commercial and investment
- Accounting and finance
- Risk, compliance and legal
- ESG acumen

Skills of Directors

CORPORATE GOVERNANCE REPORT

1.1.2 The Board's Responsibilities

The Board assumes the collective responsibility for leading and controlling the organisation. It is also committed to providing strategic guidance and ensuring, with the collaboration of Management, the sustainability of Lavastone's business model, reviewing financial plans and monitoring performance, while ensuring that a robust risk management system and internal controls are in place, and that good corporate governance practices are being adhered to. Additionally, it is responsible for ensuring the creation of sustainable value for its stakeholders, monitoring the implementation of operational decisions, and providing accurate information to shareholders, the public and regulators. It also ensures that all Group companies meet their legal and regulatory requirements and abide by applicable corporate governance practices and relevant sustainability principles.

The Constitution of Lavastone complies with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius ("SEM"). It is available for consultation on the Company's website: **https://www.lavastone.mu**.

In line with the Code, the Board has:

- on 08 August 2019, adopted a Board Charter which provides a concise overview of the Board's objectives, role, composition and responsibilities. The Board Charter is assessed regularly for any changes. The Board Charter is subject to the provisions of the Companies Act 2001, the Company's constitution and any applicable law or regulatory provisions;
- adopted a Code of Ethics, which highlights areas such as personal conduct, conflicts of interest, personal dealings in securities and related investments, and employment practices which the Company believes are essential in maintaining fair business practices. The Board regularly monitors and evaluates compliance with its Code of Ethics;
- approved a Statement of Accountabilities and an Organisational Chart which provides for clear lines of responsibility and delegation of authority, while enabling the Board to retain effective control; and
- identified key senior governance positions which provide clear definitions of the roles and responsibilities of the Chairman, the Managing Director ('MD'), the Company Secretary, the executive and non-executive directors, as well as the Chairperson of the Board's sub-committees. The function and role of the Chairman and those of the Managing Director are separate and they each have well-defined responsibilities.

The above-mentioned documents, as approved by the Board, are available for consultation on the Company's website: **https://www.lavastone.mu**.

The processes and frequency to review, monitor and approve the Board Charter, the organisation's Code of Ethics, the position statements, the organisational chart and the statement of main accountabilities are determined by the Board on an ad-hoc basis and may be delegated to sub-committees as appropriate.

The Board Charter was reviewed and approved by the Board on 16 December 2024.

The Board believes the Company provides for the promotion of equal opportunity and prohibits discrimination on the grounds of status and victimisation. To that effect, the Board approved an Equal Opportunity Policy on 08 August 2019, which is in line with the "Guidelines for Employers" issued by the Equal Opportunity Commission in April 2013. The said policy sets out the Company's position on equal opportunity in each and every stage of the employment process, and is applicable to all Board members and employees. The Company regularly reviews its procedures and selection criteria to ensure individuals are selected, promoted and treated in accordance with their individual abilities and merits.

To promote a culture of integrity, the Group has adopted a Whistleblowing policy, which provides a channel of effective communication of concerns. Employees are encouraged to report any malpractice of which they become aware. The policy outlines the reporting mechanism and the defined process for how the reported concerns will be handled and investigated.

1.1.3 Focus Areas of the Board for the financial year 2024

Regular agenda items	Review of the performance of the Company and its subsidiaries Take note of reports from sub-committees
Finance	Quarterly reports from Board and interim results Preliminary results and Annual Report for the year ended 30 September 2023 Dividend declarations Review of budget
Strategy	Review of projects, including the disposal and acquisition of properties Review of the Group's funding strategy
Governance	Approval of the Corporate Governance Report
Risk Management	Overseeing the identification, assessment, and mitigation of risks associated with property investments, market fluctuations, and regulatory changes
ESG	Integrating ESG principles into the organisation's strategic framework, ensuring that environmental sustainability, social responsibility, and governance best practices are prioritised in decision-making
Other Matters	Approval of Communiques / announcements as statutorily required

1.1.4 Board Attendance and Remuneration

The directors' attendance at Board and committee meetings, as well as their remuneration during the financial year ended 30 September 2024, are as follows:

	Attendance			Interests		Remuneration
	Board meetings	**CGC**	**RMAC**	**Direct (%)**	**Indirect(%)**	**Rs**
Mr Colin Taylor	4/4	N/A	N/A	0.2288	12.04	297,000
Mr Nicolas Vaudin[1]	4/4	2/2	N/A	0.3035	0.0088	*1
Mr Gaetan Ah Khang	4/4	N/A	4/4	0.1131	-	255,000
Mr Jose Arunasalom	4/4	2/2	4/4	0.0015	-	267,500
Mr Vedanad Singh (Shyam) Mohadeb	3/4	N/A	3/4	NIL	-	250,000
Mrs Vijaya Lakshmi Saha	4/4	2/2	N/A	NIL	-	237,500
Mr Philip Taylor	4/4	2/2	N/A	NIL	12.04	250,000
Mrs Ann Charlotte Vallet	4/4	N/A	N/A	NIL	12.04	225,000

[1] The remuneration of the executive director has been disclosed within Note 161 of the financial statements.

The table above indicates that the directors were able to allocate sufficient time and focus to the organisation and discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE REPORT

1.2 The Board sub-committees

The Board of Lavastone is assisted in its functions by three main sub-committees: (i) Risk Management and Audit Committee ("RMAC"), (ii) Corporate Governance Committee ("CGC") and (iii) Board Investment Committee ("BIC"). These three committees play a key role in supporting the Board and providing in-depth focus and specialist guidance on particular matters relating to Lavastone's activities according to their terms of reference. Where appropriate, the committees make recommendations on items requiring the approval of the Board. For the year under review, the Board is satisfied that all committees have effectively honoured their responsibilities and fulfilled their role of providing oversight to the Board on specific matters, while assisting the Board in dealing with existing and emerging challenges.

The Chairman of each committee provides regular reports of the proceedings of the committees to the Board. Furthermore, the Board has access to the minutes of the committee meetings. Each committee has its own charter/term of reference, which is reviewed as and when necessary, and any proposed amendments are recommended to the Board for approval.

For the year under review, no changes were made to the terms of reference of the Corporate Governance Committee, to the Charter of the Risk Management and Audit Committee and to the terms of reference of the Board Investment Committee.

When necessary, other committees can be set up by the Board on an ad-hoc basis to consider specific matters.

1.2.1 Risk Management and Audit Committee ("RMAC")

1.2.1.1 Composition

The directors who served on the RMAC for the financial year under review are:

Member	Appointment Date	Board Status
Mr Vedanand Singh (Shyam) Mohadeb	28 December 2018	Independent Non-Executive Director (Chairman)
Mr Jose Arunasalom	28 December 2018	Independent Non-Executive Director
Mr Gaetan Ah Kang	28 December 2018	Non-Executive Director

1.2.1.2 Meeting Schedule

During the year under review, the RMAC met 4 times. The attendance of individual directors at these meetings is disclosed on page xx.

1.2.1.3 Terms of Reference

As per its charter, the RMAC oversees the risk and audit-related issues, and reviews and monitors the financial statements of the Company and its subsidiaries. It also monitors the implementation of internal audit recommendations, as well as the integrity of the Annual Report and financial statements. Furthermore, the RMAC makes recommendations to the Board with regard to the appointment or removal of the external auditor. It also reports to the Board on significant financial reporting issues and judgements relating to financial statements. The RMAC also helps in maintaining an effective internal control system and risk management systems.

The RMAC Charter is available on the Company's website: **https://www.lavastone.mu**. The RMAC Charter was last reviewed at the Board meeting of 08 February 2019 and the Board will reassess any changes to be made to the RMAC Charter as and when the need arises.

1.2.1.4 Focus of the RMAC for the financial year 2024

Regular Financial Matters	Quarterly Preliminary results Preliminary results and Annual Report for the year ended 30 September 2024 Review of dividend proposals Discussion on the main management letter points received from the external auditor and the remedial actions to be taken
Risk management items	Consideration of the quarterly risk report on the Company and its subsidiaries Discussion on the various risks impacting the Group as detailed in the Business Risk Register and considering emerging risks Review the findings contained in the IT audit carried out by the independent external consultant
Internal Audit matters	Review and approval of the internal audit plans Discussion on the internal audit reports
Other Matters	Discussion on the audit plan as proposed by the external auditors Discussion on the appointment of a Data Protection Officer

1.2.2 Corporate Governance Committee (CGC)

1.2.2.1 Composition

The directors who served on the CGC for the financial year under review are:

Member	Appointment Date	Board Status
Mrs Vijaya Lakshmi Saha	28 December 2018	Independent non-executive director (Chairperson)
Mr Jose Arunasalom	28 December 2018	Independent non-executive director
Mr Nicolas Vaudin	15 February 2017	Executive director
Mr Philip Taylor	18 February 2022	Non-executive director

1.2.2.2 Meeting Schedule

During the year under review, the CGC met 2 times. The attendance of individual directors at these meetings is disclosed on page 75.

1.2.2.3 Terms of Reference

As per its terms of reference, the CGC makes recommendations to the Board on all corporate governance provisions and ensures that the disclosure requirements with regard to corporate governance are in accordance with the principles of the Code. The CGC's responsibilities also encompass the functions of the Remuneration and the Nomination Committees.

The Terms of Reference of the CGC are available on the Company's website: **https://www.lavastone.mu**. The Terms of Reference of the CGC was last reviewed at the Board meeting of 08 February 2019 and the Board will reassess any changes to be made to the said document as and when the need arises.

1.2.2.4 Focus of the CGC for the financial year 2024

Corporate Governance	Approval of the Board evaluation questionnaire and discussion on results obtained and implementation plans Recommendation to the Board of the Corporate Governance Report and the Statement of Compliance Review of the gap analysis to assess areas to be addressed to improve the Company's governance
Remuneration	Approve the remuneration/bonus of the executives
ESG	Discuss the progress made with regard to ESG initiatives

CORPORATE GOVERNANCE REPORT

1.2.3 Board Investment Committee ("BIC")

1.2.3.1 Composition

The BIC was Chaired during the year by Mr Colin Taylor.

The composition of the BIC was reviewed such that it is now Chaired by Mr Gaetan Ah Kang with Messrs Colin Taylor, Philip Taylor, Nicolas Vaudin and Shyam Mohadeb as members.

Member	Appointment Date	Board Status
Mr Gaetan Ah Kang	28 December 2018	Non-Executive Director
Mr Colin Taylor	08 April 2015	Non-Executive Director (Chairman)
Mr Philip Taylor	10 February 2022	Non-Executive Director
Mr Nicolas Vaudin	15 February 2017	Executive Director
Mr Vedanand Singh (Shyam) Mohadeb	28 December 2018	Independent Non-Executive Director

1.2.3.2 Meeting Schedule

During the year under review, no BIC meeting was held.

1.2.3.3 Terms of Reference

The BIC shall assist the Board of Lavastone in reviewing any investment or disposal decision, as well as any related transaction documents with regard to any project within or outside the territory of the Republic of Mauritius. It then recommends worthwhile investment projects and disposal decisions to the Board.

The terms of reference of the BIC are available on the Company's website: **https://www.lavastone.mu**. The terms of reference of the BIC were last reviewed by the Board at the Board meeting on 12 May 2022, and the Board will reassess any changes to be made to the said document as and when the need arises.

1.3 Other Board matters

1.3.1 Appointment

Lavastone has implemented a formal and transparent process for the nomination and appointment of directors. When appointing directors, the Board considers its needs in terms of size, experience, skills and diversity. The total number of directors shall not at any time exceed twelve directors, to be in line with the number fixed in accordance with the constitution.

The CGC, in its capacity as the Nomination Committee of the Company, recommends to the Board the directors to be re-elected/appointed. It is to be noted that any director over the age of 70 is appointed at the Annual Meeting of Shareholders ("AMS"), in accordance with section 138(6) of the Companies Act 2001. Furthermore, all directors appointed by the Board will hold office until the next Annual Meeting of Shareholders where they will be eligible for re-election. The nomination and appointment process for directors is available for consultation on the Company's website: **https://www.lavastone.mu**.

All directors will stand for re-election by way of separate resolutions at the Annual Meeting of Shareholders of the Company, scheduled in February 2025.

The names of the directors of the Company, their profiles and categories, are listed on pages 10 to 12.

The Board, with the support of the CGC, assumes responsibility for the implementation of a succession plan in order to ensure appointments to the Board as well as for senior management positions within the organisation, thus guaranteeing business continuity and creating value in the long term.

1.3.2 Induction and orientation

The Board, with the assistance of the Company Secretary, is responsible for the induction and orientation of new directors to the Board. Upon his or her appointment, each new director is provided with a comprehensive induction pack containing documents relating to directors' legal duties. This induction pack allows newly appointed directors to have an in-depth understanding of the Company's activities, challenges, governance framework, business model and strategy, as well as have an overview of compliance and regulatory matters.

No new director was appointed during the financial year under review.

We recognise the importance of equipping new directors with the necessary information and support to be effective in their roles. To this end, site visits are organised to all Lavastone properties as part of the induction and orientation process, designed to provide directors with a good understanding of our assets. Additional site visits are conducted following any new property acquisitions, ensuring directors remain well-informed about our evolving portfolio.

1.3.3 Professional development

The Board reviews the professional development needs of directors during the Board evaluation process, and directors are encouraged to develop their skills and expertise continuously. They also receive regular updates on the latest trends and legislations affecting business from management and/or other industry experts. Training is provided to directors based on the Company's needs and/or training needs.

The directors participated in a refresher training on 'AML/CFT' delivered by SmarTree Consulting in December 2024, ensuring they remain up-to-date with best practices.

1.3.4 Board access to information and advice

All directors have access to the Company Secretary, the Managing Director and the Head of Finance to discuss issues or obtain information on specific areas or items to be considered at Board meetings or any other areas they consider appropriate.

Furthermore, directors have access to the Company's records and hold the right to request independent professional advice at the Company's expense.

1.3.5 Directors' duties, remuneration and performance

The directors are aware of their legal duties and may seek independent professional or legal advice, at the Company's expense, relating to any aspect of their duties and responsibilities. The Code of Ethics and the Board Charter of Lavastone provide guidance to the directors in fulfilling their roles.

All directors have a duty to act in the best interests of the Company and are expected to ensure that their other responsibilities do not encroach on their responsibilities as directors of Lavastone.

1.3.6 Interests of directors and conflicts of interest

All directors, including the Chairman, declare their direct and indirect interests in the shares of the Company, as well as their interests in any transaction undertaken by the Company in accordance with the rules applied for Development & Enterprise Market companies, whenever the directors deal in the shares of the Company with the Company Secretary keeping the Directors informed of the closed periods. The interests register of the Company is maintained by the Company Secretary and is available for consultation by shareholders, upon written request to the Company Secretary.

Any conflicts-of-interest and related-party transactions are in accordance with the Conflict of interest, Related Party Transactions Policy and Code of Ethics. For the year under review, all conflicts of interest were effectively managed.

The Code of Ethics of the Company sets out instances which could lead to a conflict of interest and the procedure for dealing with such potential conflicts.

The Board is also responsible for instituting and applying appropriate policies on related party transactions.

CORPORATE GOVERNANCE REPORT

For the year under review the following directors dealt in the shares of the Company:

Directors	No of ordinary shares acquired
Mr Colin Taylor	499,000
Mr Gaetan Ah Kang	400,000
Mr Nicolas Vaudin	765,600

All relevant disclosures and notifications were made in line with the Company's Share/Listed Debt Trade Policy.

1.3.7 Information, information technology and information security policy

The Company has reinforced the safety and security measures in place to protect the data it collects, stores and processes, in order to comply with the Data Protection Act 2017. To this end, RAW IT has been appointed to support Lavastone Properties in its role as Data Controller and Processor, and Lavastone and its subsidiaries are registered with the Data Protection Office (DPO). In addition, a Data Protection Officer was appointed to ensure compliance with the Data Protection Act.

The Board oversees information governance within the organisation and ensures that the performance of information and Information Technology (IT) systems leads to business benefits and creates value.

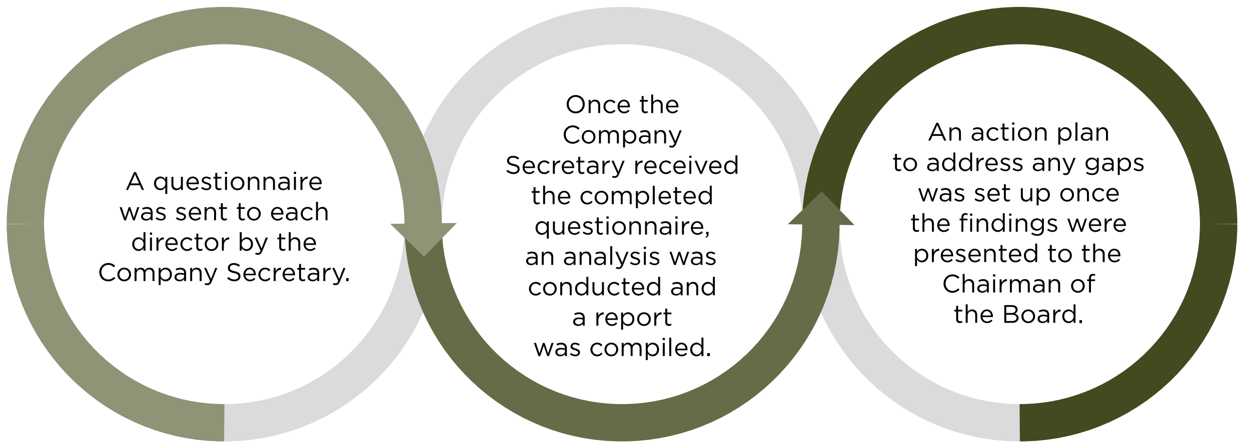
The Board approves material investments in information technology and security, as set out in the annual budget, according to the Company's business needs.

In December 2021, the Board approved the 'Data Protection / Information Security Policy' to address the IT and cyber security requirements of the business. For confidentiality and security reasons, the 'Data Protection/ Information Security Policy' has not been published on the website of the Company.

1.3.8 Board performance review

As part of its yearly exercise, Lavastone has carried out a review of the performance of the Board and its committees for the year under review. A questionnaire was circulated to all it's directors to obtain their views on the effectiveness of the Board, to assess their contribution to the Board's performance, and to identify areas of improvement.

The Board evaluation process was undertaken in three stages:



The Board evaluation review concluded that no material concern had been identified and that all Board members were fully committed to furthering the Company's objectives.

Lavastone believes that a regular review of its directors contributes to healthier Board dynamics and continuous improvements in its decision-making process. In line with its commitment to the broader adoption of good governance practices, Lavastone carried out an evaluation of its directors during the year under review 30 September 2024. Following this review, no material issues were noted, and all directors were found to be effectively fulfilling their roles.

1.3.9 Directors' remuneration

The Executive director is not remunerated for serving on the Board of the Company or its committees. His remuneration package as an employee of the Company, including performance bonuses, is in accordance with market rates.

The remuneration of non-executive directors consists of a mix of attendance and retainer fees and is aligned with market norms. Non- executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

The remuneration of the executive and non-executive directors is reviewed and recommended for approval to the Board on an annual basis by the Corporate Governance Committee. The non-executive directors are not paid any performance bonuses and there are no long-term incentive plans in force within the Company.

The remuneration paid to executive and non-executive directors and/or committee members is set out in the table on page 75.

1.4 Shareholders and other key stakeholders

1.4.1 Holding structure

Lavastone Ltd is a public company limited by shares. Its shareholding structure as at 30 September 2024 is as follows:

1.4.2 Distribution of shareholders as at 30 September 2024

To the best of the directors' knowledge, the share ownership analysis per holding percentage and categories of shareholders as at 30 September 2024 is as follows:

Spread	Number of shareholders	Number of shares held	% holding
1 – 50,000	2,730	18,226,906	2.68
50,001 – 100,000	138	9,952,933	1.46
100,001 – 250,000	105	16,789,173	2.47
250,001 – 500,000	44	15,959,898	2.35
Over 500,000	66	619,594,400	91.05
Total	3,083	680,523,310	100

1.4.3 Spread of shareholders as at 30 September 2024

Category	Number of shareholders	Number of shares held	% holding
Individuals	2,808	82,309,203	12.10
Insurance and Assurance companies	13	66,990,003	9.84
Investment and Trust	27	4 16,483,520	61.20
Pension and Provident funds	59	86,504,678	12.71
Other corporate bodies	176	28,235,906	4.15
Total	3,083	680,523,310	100

CORPORATE GOVERNANCE REPORT

1.4.4 Contract between the Company and its substantial shareholders

There is no shareholders' agreement affecting the governance of the Company by the Board for the year under review.

1.4.5 Communication with shareholders and stakeholders

Communication with shareholders and stakeholders has been mainly through the Annual Report, the published unaudited results, the AMS, dividends declarations, press communiqués and the website. The Lavastone website comprises an "Investor Centre" section which includes information on audited financial statements, interim and final dividends, corporate announcements amongst others, as well as the digital version of the Company's annual report. Moreover, shareholders and stakeholders requesting information can post their queries in the "Investor Inquiry" section of the website.

The external stakeholders of the Company, namely its customers, suppliers, shareholders, the Government/regulators and the public, are reached via social media platforms like Facebook and LinkedIn, as well as through advertisements. As and when required, focus groups are held with clients to assess their expectations from the Company. Regular channels of communication are also maintained with the Government/regulators.

In addition, shareholders are invited annually to the AMS to approve the financial statements and vote on the (re)appointment of directors and the external auditor. The AMS for the year 2024 was held in February. The Company's next AMS is scheduled in February 2025 and shareholders will receive the notice of the AMS at least 21 days prior to the meeting, in accordance with the law.

The annual report, which also includes the notice of the annual meeting, is published in full on the Company's website: **https://www.lavastone.mu**.

1.5 Internal Control, Internal Audit and Risk Management

The Company's internal control and risk management framework, and the key risks and steps taken to manage them, are detailed on pages 93 to 94.

The internal audit function is outsourced to SmarTree Consulting Ltd, which provides independent and objective assurance on the adequacy and effectiveness of the system of internal controls, which have been put in place to manage the significant risks of the business down to an acceptable level.

In line with good governance principles, internal auditors report to the Risk Management & Audit Committee on a quarterly basis. The RMAC approves the Risk-Based Internal Audit plan and evaluates the effectiveness of the Internal Audit function. Moreover, key audit findings are reported to the Board and reports are shared with Board members and senior management. In discharging its duties, the Internal Audit function has unrestricted access to all documents, key personnel and management staff.

All audit activities are performed in accordance with the International Standards for the Professional Practice of Internal Auditing, as provided by the Institute of Internal Auditors (IIA).

During the year under review, areas covered by SmarTree Consulting Ltd were:

- Third party risk management
- Payment
- HR
- AML/CFT

The General Manager of SmarTree Consulting Ltd is Ms Aurelie Sevene, who is ACCA qualified and a Certified Internal Auditor (CIA) by the Institute of Internal Auditors. The qualifications of Ms Aurelie Sevene and other key members of SmarTree Consulting Ltd are listed on its website: https://smartreeconsulting.com

1.6 External Audit

The external auditor of the Company is BDO & Co Ltd (BDO), first appointed as external auditor at the AMS held on 10 July 2020 in replacement of Ernst and Young following a tender issued by the RMAC in January 2020. BDO was re-appointed as the external auditor by the shareholders of Lavastone at the annual meetings held in March 2021, February 2022, February 2023 and February 2024 respectively.

The RMAC discusses critical policies, judgements and estimates, and external audit issues with BDO as and when necessary, and meets them at least once a year without management being present.

The RMAC assesses the effectiveness of the external audit process via feedback received from the management team. Areas of improvement are thereafter discussed with external auditors.

For the year under review, no fees were paid to external auditors for non-audit work. To guarantee objectivity and independence, the Board ensures the team providing non-audit services is different from the one providing audit services.

1.7 Risk Management

Several factors may affect Lavastone's operations, financial performance and growth prospects. Although property is often considered a low-risk asset over the long-term, significant short- and medium-term risk factors are inherent in such asset classes. The Company's performance may be materially and adversely affected by changes in the market and/or economic conditions, and by changes in laws and regulations (including any tax laws and regulations) relating to, or affecting, the Company or the interpretation of such laws and regulations.

One of the commitments of the Board of Lavastone is to establish a robust framework of risk oversight and management, to identify, assess, monitor and manage potential setbacks related to the Company's activities.

Risk management forms an integral part of the Company's culture as it is fully embedded into the day-to-day management and operation of the business.

The Company's internal control and risk management framework, and the key risks and steps taken to manage them, are detailed on pages 88 to 97.

1.8 Reporting With Integrity

This report has been prepared in line with the principles set out by the International Framework established by the International Integrated Reporting Council (IIRC). It provides key information which enables the assessment of the strategy, business model, operating context, material risks and opportunities, governance and operational performance of Lavastone for the period 1 October 2023 to 30 September 2024.

1.9 Corporate Social Responsibility

Lavastone Properties CSR activities are channelled through the Taylor Smith Foundation, which works in collaboration with different NGOs operating in deprived areas of Mauritius and Rodrigues Island.

The Taylor Smith Foundation focuses on the following areas:

1. Education and Youth
2. Empowerment of Women
3. Sports
4. Protection of the environment

The donations made by the company and its subsidiaries during the accounting period amount to Rs 1,278,312/- .

CORPORATE GOVERNANCE REPORT

1.10 Company Secretary

Cim Administrators Ltd, through its representative Mr Tioumitra (Ambrish) Maharahaje, provides corporate secretarial services to Lavastone Ltd and its subsidiaries. Following Mr Maharahaje's appointment as Group CEO of CIM Financial Services Ltd, a new representative has been recruited by Cim Administrators Ltd to replace Mr Maharahaje as from January 2025.

1.10.1 The Company Secretary's profile is as set out below:

Ambrish was appointed Group CEO and Executive Director of CIM Financial Services Ltd in March 2024.

A seasoned executive with a career spanning over more than 20 years, Ambrish has served as the Chief Operating Officer of CFSL since December 2019 and was appointed Interim Group CEO in January 2024.

Prior to working for Cim Group, Ambrish was successively Corporate Manager, Legal Compliance at Rogers and Company Limited and Executive Secretary at the Mauritius Institute of Directors.

Ambrish holds a BSc in Management from the University of Mauritius and is an Associate of The Chartered Governance Institute.

1.11 Number of Employees and Key Senior Officers & Executives

The Group currently has a lean organisational structure, with all 49 full-time employees regrouped under Lavastone Services Ltd. Lavastone Services Ltd is the company overlooking business development and the day-to-day management of the Group's activities, together with project appraisals.

The profiles of the key senior officers and executives are listed on page 13.

1.12 Other Matters

1.12.1 Related party transactions

Please refer to page 161 of the annual report.

1.12.2 Management agreements

The Company has management contracts with Cim Administrators Ltd for the provision of company secretarial services, and with Raw IT Services Ltd for the management of the Group's IT infrastructure.

1.12.3 Dividend policy

An interim dividend is usually declared in May and paid in June, and a final dividend is declared in December and paid in January. The payment of dividends is subject to the net profits of the Company, its cash flow and its needs, with regard to the capital expenditure.

1.12.4 Donations

The Company did not make any political donations during the year under review.

Tioumitra Maharahaje
For Cim Administrators Ltd
Company Secretary
16 December 2024

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Mauritius Companies Act 2001)

Activity of the Company

The activities of Lavastone are disclosed on pages 16 to 17.

Group structure with activities of subsidiaries

The Group structure of Lavastone has been disclosed on pages 14 to 15.

Directors' remuneration

The remuneration of directors who have held office as at 30 September 2024 has been disclosed on page 75.

Moreover, the executive and non-executive directors had received remuneration for holding position as directors in subsidiary companies as per the details set out in the table below:

	2024		2023	
	No of directors	MUR m	No of directors	MUR m
Directors of Subsidiary companies				
Executive	1	Nil	1	Nil
Non Executive	3	50,000	5	100,000
Total	**4**	**50,000**	**6**	**100,000**

Directors' interest in shares

The interests of the directors in the shares of Lavastone as at 30 September 2024 are listed on page 80.

Particulars of entry in the interest register

An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Directors of Subsidiary companies

The list of directorship of subsidiary companies as at 30 September 2024 is listed on page 166.

Audit fees as at 30 September 2024

For the year under review, the fees incurred for audit services by the Company and each of its subsidiary were as follows:

	Group		Company		Auditors
	2024	2023	2024	2023	
COMPANY	Audit Fees (Rs)		Audit Fees (Rs)		
Lavastone Ltd	402,500	350,000	402,500	350,000	BDO & CO
Lavastone Properties Ltd	603,750	525,000	-	-	BDO & CO
Edith Cavell Properties Ltd	175,000	170,000	-	-	BDO & CO
South West Safari Group Ltd	103,500	90,000	-	-	BDO & CO
BH Property Investment Limited	103,500	90,000	-	-	BDO & CO
B59 Ltd	103,500	90,000	-	-	BDO & CO
Lavastone Services Ltd	55,000	55,000	-	-	BDO & CO
Compagnie Valome Ltd	63,250	55,000	-	-	BDO & CO
Total	**1,610,000**	**1,425,000**	**402,500**	**350,000**	

The external auditors have not carried out non-audit activities for the Company and its subsidiaries during the year under review.

CORPORATE GOVERNANCE REPORT

Donations

During the year under review, no political donations were made by Lavastone Ltd and its subsidiaries. Moreover, as at 30 September 2024, Lavastone and some of its subsidiaries contributed the following amount to CSR activities:

Company	Donations (Rs)
The Company	102,232
Lavastone Properties Ltd	1,176,080
Lavastone Services Ltd	Nil
Total	**1,278,312**

Directors' service contracts

None of the directors of the Company and its subsidiaries have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Major Transactions

During the year under review, neither the Company nor its subsidiaries had carried out any major transaction under Section 130 (2) of the Companies Act 2001.

SECRETARY'S CERTIFICATE

In my capacity as Company Secretary of Lavastone Ltd (the "Company"), I hereby confirm that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 September 2024, all such returns as are required of the Company under the Companies Act 2001.

Tioumitra Maharahaje
For Cim Administrators Ltd
Company Secretary
16 December 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS AND INTERNAL CONTROL

The directors are responsible for the preparation of financial statements, which give a true and fair view of the financial position, financial performance and cash flows of the Company. In so doing, they are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the provisions of the Companies Act 2001 and the International Financial Reporting Standards (IFRS), and explain any material departure thereto;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue its business in the foreseeable future.

The directors are also responsible for the proper maintenance of accounting records, which disclose, at any time and with reasonable accuracy, the financial position and performance of the Company. They are also responsible for maintaining an effective system of internal control and risk management, for safeguarding the assets of the Company and for taking all reasonable steps to prevent and detect fraud and other irregularities.

The directors acknowledge they have exercised their responsibilities as described above, and confirm they have complied with the above requirements in preparing the financial statements for the year ended 30 September 2024. They also acknowledge the responsibility of external auditors to report on these financial statements and to express an opinion as to whether they are fairly presented.

The directors confirm they have established an internal audit function and report that proper accounting records have been maintained during the year ended 30 September 2024. They also declare that nothing has come to their attention which could indicate any material breakdown in the functioning of internal control systems and have a material impact on the trading and financial position of the Company.

On behalf of the Board

Colin Taylor
Non-Executive Director and Chairman

Nicolas Vaudin
Executive Director and Managing Director

16 December 2024

RISK MANAGEMENT REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

Effective risk management is crucial for sustaining growth and protecting our assets. ESG (Environmental, Social, and Governance) factors are increasingly important in the real estate sector, influencing investment decisions, property values, and overall sustainability. In our sector in particular, ESG considerations are not only a matter of compliance or risk management but also a strategic imperative for driving sustainable growth and enhancing value in a rapidly changing market.

Over the past year, alongside navigating the cost-of-living crisis that has impacted households and consumers across the country, we proactively addressed an anticipated increase in both human resource and competition risks. We enhanced our recruitment and onboarding procedures, reviewed our remuneration policies, and invested in comprehensive training and development programmes to ensure that we remain well-positioned to attract and retain skilled professionals. We continuously engage with our tenants, listening to their concerns and understanding their needs. Since its introduction in 2020, our annual customer satisfaction survey has become a valuable tool in measuring the success of our tenant retention strategy. To further strengthen our stakeholder engagement efforts, we have a Business Process Analyst whose role is to identify areas for improvement in our existing departmental processes and recommend improvements to drive efficiency.

(Refer to the Top 10 risks in the BRR on page 95)

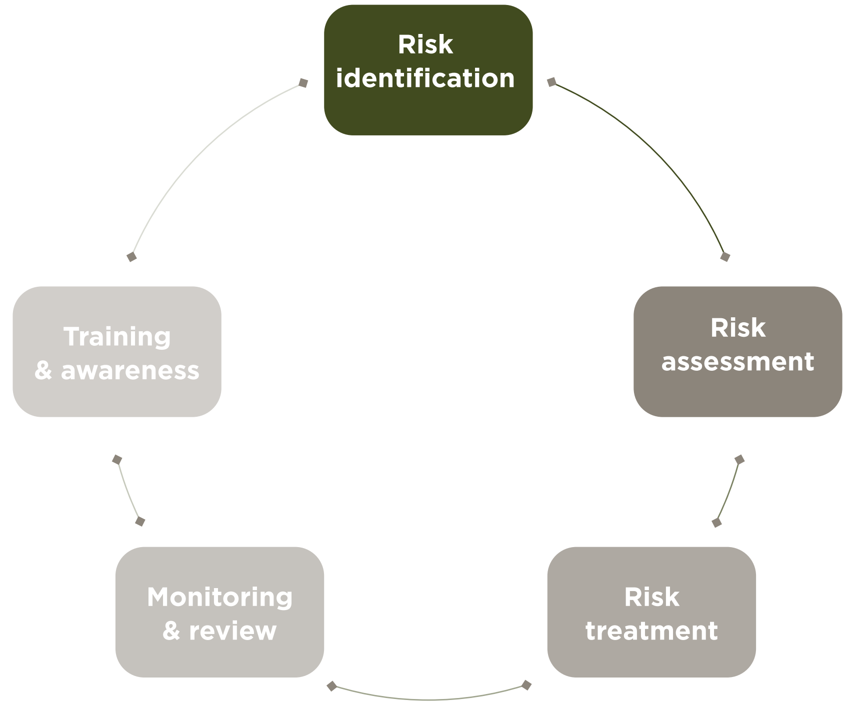
Our risk management framework is designed to identify, assess, and mitigate potential risks that could impact our operations and strategic objectives. At Lavastone Properties, we adopted the ISO 31000 risk management framework, which provides a comprehensive approach for managing risks in our industry. Our framework is based on the following **principles**:

- **Integration**: Risk management is integrated in our governance structure and decision-making process. This means that we embed risk considerations in our financial planning, property management and strategic development.
- **Holistic approach**: We consider all types of risks and how they interact, which is particularly important as various factors can influence current and future property performance.
- **Stakeholder engagement**: We involve our stakeholders in the risk management process by understanding their perspective to enhance mitigation strategies.

The Framework

Leadership and commitment	**Commitment to risk management by establishing a clear risk management policy and culture.**
Context	**Internal and external context such as regulatory requirements, market conditions and stakeholders' expectations.**
Continuous improvement	**Mechanism for ongoing review and improvement and a responsive approach.**

The Process



Risk identification and assessment: We regularly conduct comprehensive risk assessments to identify potential threats across various categories, including market, operational, financial, regulatory, and environmental risks. This proactive approach enables us to understand our risk landscape and prioritise our response strategies. This is done through quarterly workshops with the Management Team and Board of Directors.

Risk treatment: To address identified risks, we implement targeted mitigation strategies, monitor the effectiveness of these strategies, and adjust as needed. Our risk management strategy also includes comprehensive insurance coverage to protect against unforeseen events. We also develop a contingency plan to ensure that we are prepared to respond swiftly to any challenges that may arise.

Monitoring and review: We maintain a continuous monitoring system to track risk indicators and the effectiveness of our mitigation strategies. The Business Risk Register is reported to senior management and the Board to ensure transparency and facilitate informed decision-making. Regular audits and stakeholder feedback also provide valuable insights.

Training and awareness: We invest in ongoing training programmes for our employees to foster a culture of risk awareness throughout the organisation.

Through this risk management framework, Lavastone Properties benefitted from enhanced decision-making regarding its projects, improved resilience, regulatory compliance and sustainable growth by identifying opportunities and mitigating potential threats.

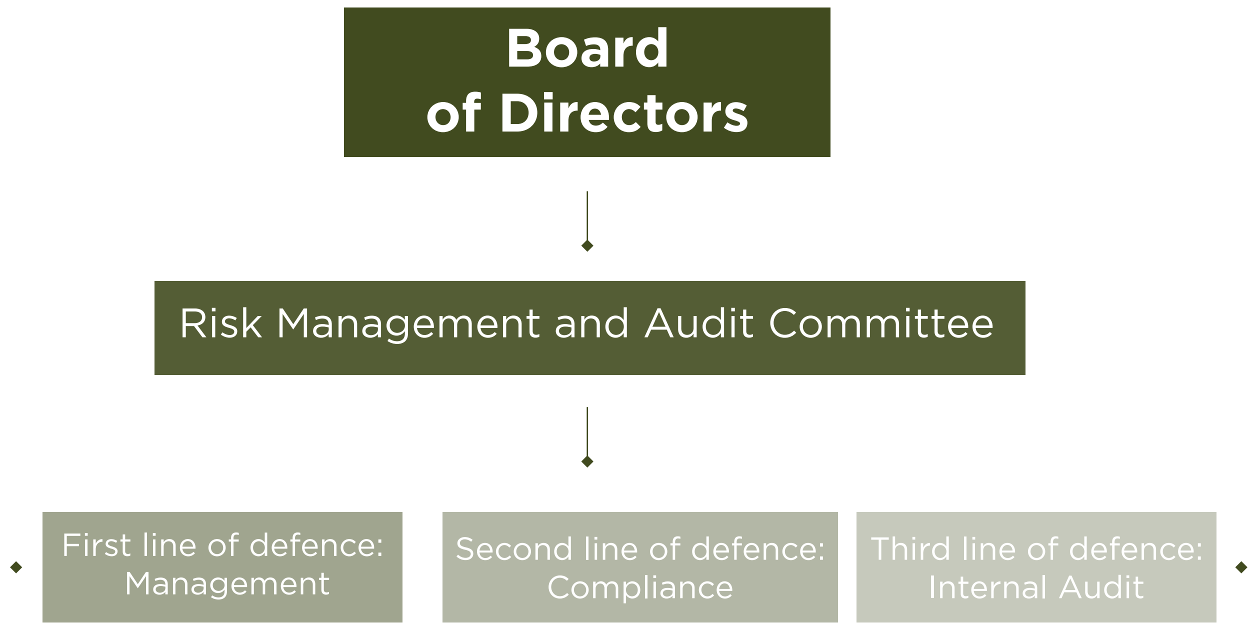
During this financial year, we identified and seized the following opportunities:

- We concluded two acquisitive opportunities that have contributed to the diversification of our portfolio, improving our risk profile.
- We embarked on the journey towards the LEED certification at Absa House, Cim House and Les Cascades Building to improve the buildings' environmental performance, reinforcing our focus on sustainability in facilities and property management.
- We implemented the 'Upkeep' module to better track and manage repairs and maintenance across our properties. This module is designed to reduce maintenance timelines and allow our teams to address issues before they escalate, maintaining the standards expected by our tenants.

RISK MANAGEMENT REPORT

Risk Governance

Our risk governance framework is built on the 'three lines of defence' model:



The **Board** is responsible for risk governance and ensures that the Company develops and executes a comprehensive and robust system of risk management, and maintains a sound internal control system.

The **Risk Management and Audit Committee** ("RMAC"), a sub-committee of the Board, has been delegated the responsibility to provide insights into our risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The committee is guided by a formal and approved charter and performs its role by providing independent insight to the Board. It also assists the Board and management by providing advice and guidance on the adequacy of our initiatives.

Our RMAC comprises 3 non-executive directors and is chaired by an independent non-executive director.

The key role and responsibilities of the Committee is to provide its independent and objective advice on the key components of the controls' framework:

- Financial statements
- Internal Audit
- External Audit
- Reporting and disclosure
- Risk Management

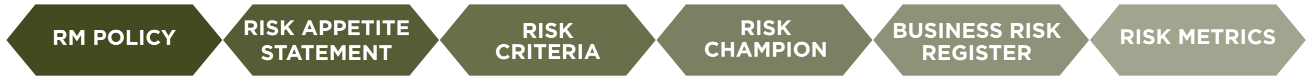
The **Managing Director** and **Management team** are accountable to the Board and the RMAC, and are responsible for the design, implementation, review and report on the risk management process and strategy.

A **risk champion** is designated to promote a risk management culture across the Company.

A **Compliance and Legal Officer** has been appointed and focuses mainly on the regulatory, compliance and legal risks, including AML/CFT.

Our **Internal Audit** function provides assurance to the RMAC and Management on the status of the Risk and Control environment. *Refer to the below section on Internal Audit.*

To remain effective in its risk management process, Lavastone Properties has implemented the following components:



Risk Management ('RM') policy

Our RM policy is approved by the Board of Directors and RMAC. The policy is aligned with our vision and strategic objectives.

Our vision: Lavastone Properties aims to be the preferred partner for commercial real estate solutions, while delivering optimum value to its shareholders.

Our strategic objectives

Risk appetite statement

The risk appetite is the amount and type of risk that an organisation is willing to take in order to meet its strategic objectives. Lavastone Properties has defined its risk appetite statement, which has been approved by the Board of Directors.

We will pursue growth whilst continuously improving customer service and operational **excellence**.

To improve our commitment to **sustainability**, we will strive to meet the criteria for a LEED certification on our new development projects and progressively for our existing building.

We aim to grow regionally and have 10% of our portfolio outside of Mauritius **in 10 years' time**.

However, we will not engage in and tolerate activities which create safety, regulatory and quality concerns.

We will not make decisions which pose a financial risk impact of 10% or more on our revenue or increase our loan to value ratio to above 40%. Our exposure is limited to:

- 25% of Net Asset Value for any one sector (Retail, Hospitality, Office, Industrial, Residential etc)
- 20% of Investment Property Value for any single building
- 20% of Rental Revenues for a single tenant

RISK MANAGEMENT REPORT

Our risk appetite	
	Financial impact on revenue
High	> 10%
Medium	5% - 9%
Low	< 5%

As outlined in our 2023 Annual Report, the office segment accounted for 32% of our property portfolio value in FY 24. For this coming year, we have taken strategic steps to mitigate concentration risks associated with this segment by identifying and moving forward with a new industrial project for acquisition and development, as well as initiating the development of another industrial building at Montebello.

To support these diversification efforts, while staying within our established loan-to-value parameters, we have decided to strategically divest a yielding asset at Plaine Lauzun and a parcel of land in Trianon. Part of the capital generated will be redirected to fund these industrial developments and other superior long term value creation projects.

Lavastone Properties is committed to adhering to its risk appetite statement, with ongoing monitoring by Management and a quarterly review by the Board.

Risk criteria

Our risk criteria take into consideration the elements of probability and impact, and are defined on a scale of 1 to 5.

PROBABILITY

1	Rare	< 10%
2	Unlikely	10% - 30%
3	Possible	30% - 50%
4	Likely	50% - 90%
5	Almost certain	> 90%

IMPACT

1	Negligible
2	Minor
3	Moderate
4	Major
5	Severe

Our impact criteria include aspects such as financial, legal & regulatory, health and safety, reputation and business continuity.

Risk champion

The Head of Finance is identified as our risk champion. His role is to raise awareness on the risk environment across the organisation, and coordinate risk meetings.

Business Risk Register

As part of the Monitoring and Review process, Lavastone Properties has developed a Business Risk Register ("BRR"), which consists of risk identification, assessment and response. The BRR is a recording and monitoring tool designed to assist the Management team of Lavastone Properties for informed decision-making.

Our BRR is reviewed and updated on a quarterly basis through risk management workshops and reported to the RMAC.

Our risk management meetings consist of the Management Team, the Risk Champion and the Internal Auditor. The purpose of these meetings is to identify any changes in existing risks, as well as new and emerging risks.

Refer to the Risk Heatmap and Top 10 risks below.

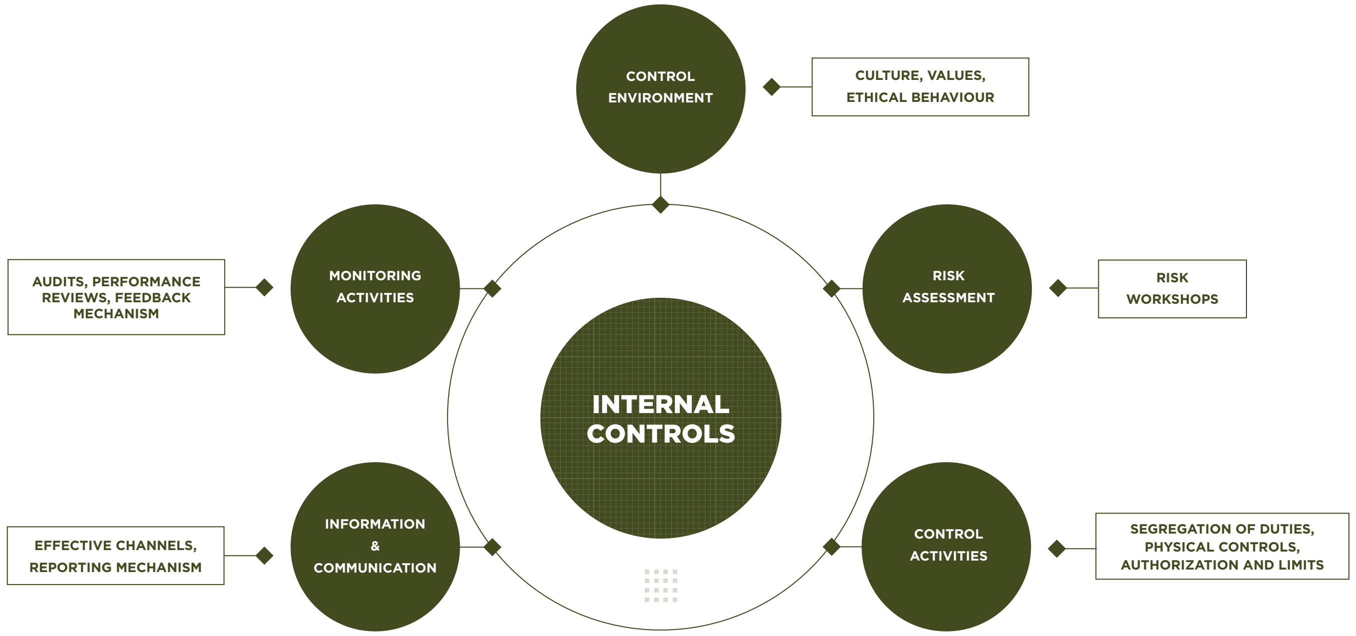
Risk Indicators

Measuring performance is a key monitoring activity to assess how effectively risk management supports our strategic objectives. At Lavastone Properties, we have adopted a data-driven approach to measuring performance. To remain agile, it is important for this risk data to be disseminated throughout the organisation. To enable this, we have defined risk indicators that enable our team to objectively evaluate the risk environment on a regular basis.

SYSTEM OF INTERNAL CONTROLS

The system of internal controls is a crucial component for effective governance and risk management. It encompasses policies, procedures, and practices designed to ensure the integrity of financial reporting, compliance with laws and regulations, and operational efficiency. The foundation of an effective internal control system is the control environment, which includes the organisational culture, values, and commitment to ethical behaviour. A strong control environment fosters accountability and integrity among employees.

Key components of Internal Controls



The Board is committed to its responsibility to keep under review the adequacy and effectiveness of the system of internal controls. The purpose of such a system is to protect the Company, preventing and detecting frauds, and contributing to the achievement of its objectives. The Board, through the RMAC, reviews and challenges the following components:

- Financial statements
- Internal Audit
- External Audit
- Reporting and disclosure
- Internal control and risk management system

INTERNAL AUDIT

The Internal Audit function of the Group is outsourced to SmarTree Consulting Ltd (also referred to as 'SCL' or 'the Internal Auditor'), since 2018. The Internal Audit team consists of professionals who are either Certified Internal Auditors ('CIA'), ACCA-qualified or degree/diploma holders. As part of their continuous professional development and education, the internal auditors attend regular training sessions on key topics.

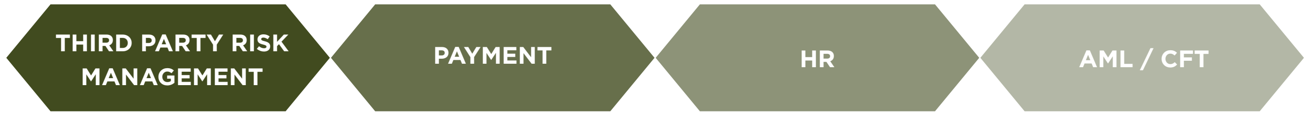
The mission of Internal Audit is to provide independent, objective assurance and consulting services, designed to add value and improve our operations. The Internal Auditor is not responsible for the implementation of controls or the management and mitigation of risk, responsibilities which remain at the Board and management levels.

RISK MANAGEMENT REPORT

The internal audit function is governed by the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework, including the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.

A formal internal audit charter is approved by the RMAC and describes Internal Audit's role, responsibilities, scope, authority and reporting structure, amongst others.

An internal audit plan is approved by the RMAC on an annual basis and uses a risk-based approach. During the FY 2024, the Internal Auditor covered the following scope:



The objectives of the internal audit assignments were to:

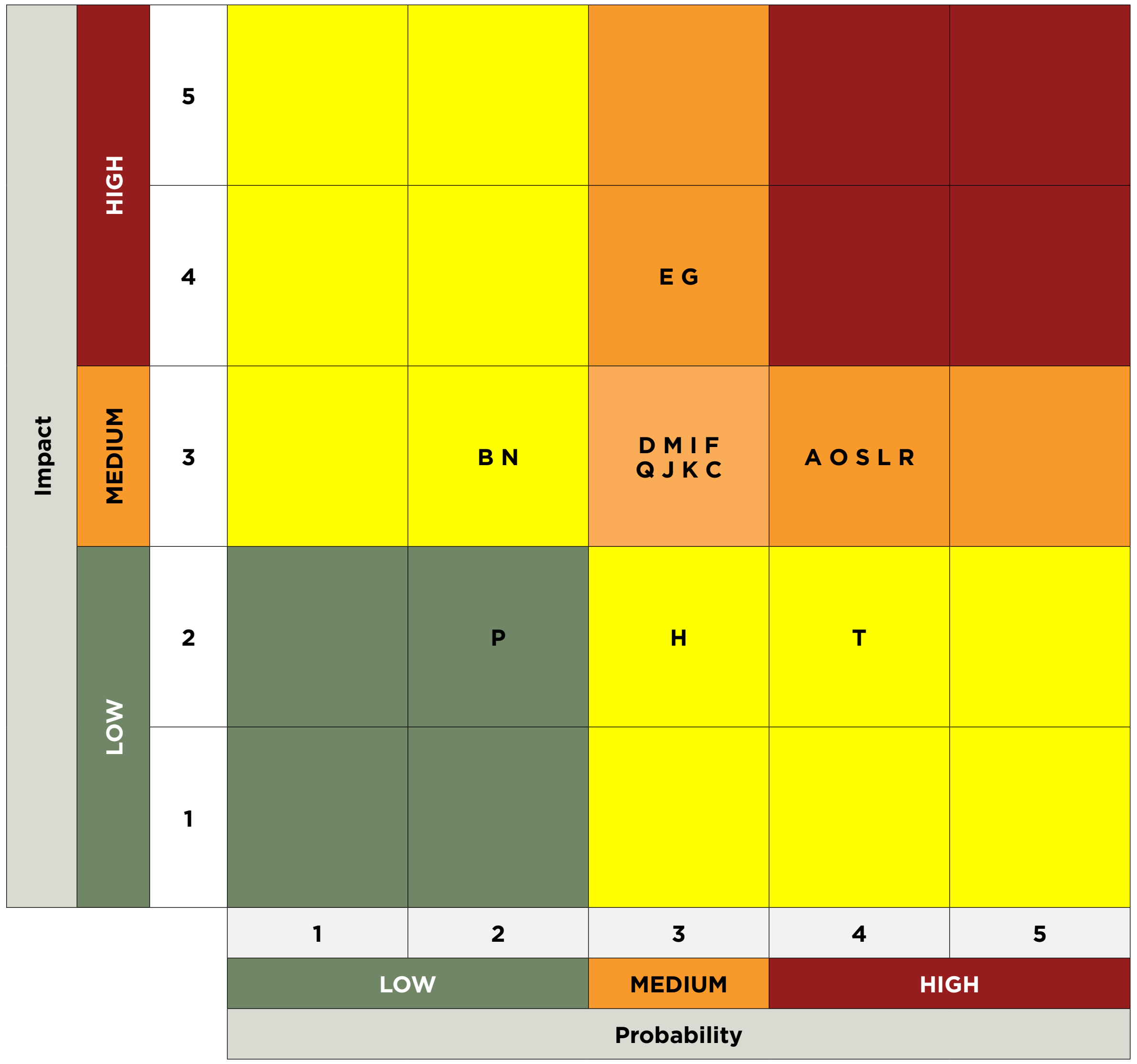
- Provide assurance to the Board, RMAC and Management that risks are mitigated through control measures and adequate procedures.
- Evaluate the controls design.
- Provide risk insights and recommendations on the improvement of the control environment.
- Evaluate adherence to the internal policies and procedures and regulatory framework.

As part of its key responsibilities, the RMAC:

- Reviews and approves the internal audit charter
- Reviews and approves the annual internal audit plan
- Reviews and monitors management's responses and actions to internal audit findings
- Reviews and monitors the effectiveness of the internal audit function

As part of the internal audit process and methodology, the Internal Auditor monitors and assesses their audit recommendations with the Management on a monthly basis, until they are fully implemented. The Internal Auditor reports to the RMAC on a quarterly basis and the status of audit recommendations and Management action plans are reported to the RMAC. The Internal Auditor has unrestricted access to and communicates and interacts directly with the RMAC.

Risk Heatmap September 2024



Comparison FY 22-23 to FY 23-24

A	Macroeconomic	↔	K	Process / Efficiency	↔
B	Liquidity	↔	L	Sustainability and climate change	↑
C	Valuation	↔	M	Health & Safety	↔
D	Regulatory and Compliance	↔	N	Project	↔
E	Financing	↔	O	Pandemic	↔
F	Credit	↔	P	Information security / privacy / cybersecurity	↔
G	Tenant retention	↑	Q	Foreign exchange	↔
H	Geographical concentration	↔	R	Human Resource	↑
I	Third Party	↔	S	Business interruption	↔
J	Competition	↔			

RISK MANAGEMENT REPORT

Top 10 risks

Legend	Ranking	Risk Event	Risk description	Probability			Impact			Overall Risk rating	Mitigating controls
				High	Med	Low	High	Med	Low		
A	1	**Macroeconomic** **[Strategic]**	Changes in economic conditions such as geopolitical consequences may adversely affect the property sector, impacting the NAV and the Company's ability to make distributions to shareholders.	●				●		Medium-High	1. Financial stress test 2. Key ratio analysis 3. Lobby and engaging with key stakeholders in the property sector 4. Price reviews
J	2	**Competition** **[Strategic]**	Actions of competitors or new entrants to the market impair the competitive advantage of the Company. Difficulty in sustaining rental rates or projected increase in rental rates.	●				●		Medium-High	1. Ongoing market intelligence and surveys 2. Strategic alliances 3. Continuous customer service improvement 4. Keeping abreast of developments in the real estate sector 5. ESG initiatives for tenant retention
L	3	**Sustainability and climate change** **[Strategic]**	Natural disasters such as adverse climatic conditions (heatwave) and flooding in the Port Louis region, preventing the Company from providing services to clients, and clients from operating. Negative impacts of climate change such as changing weather patterns, rising sea levels, extreme weather events, and other environmental changes. These risks can affect physical assets, financial performance, and operational stability.	●				●		Medium-High	1. Investment in existing buildings to increase energy efficiency. 2. Carbon footprint calculation and roadmap 3. LEED certification for buildings 4. Recycling projects 5. Insurance covers 6. Environmental and social impact assessment and monitoring
R	4	**Human resource** **[Operational]**	A lack of requisite knowledge, skills and experiences among the company's key personnel and loss of key personnel prevents the achievement of business objectives.	●				●		Medium-High	1. HR strategic plan and Succession plan 2. Improved recruitment and onboarding procedures 3. Training for alternates identified 4. Performance appraisal 5. Review of Remuneration policy following survey and alignment with market expectations 6. Training needs analysis and Competency mapping 7. Staff welfare programmes
G	5	**Tenant retention** **[Operational]**	Challenges and uncertainties associated with retaining tenants. Increased tenant turnover could lead to cash flow difficulties.		●		●			Medium-High	1. Tenant relationship building and continuous communication 2. Long term contracts 3. Involvement of tenant in strategy 4. Tenant survey
D	6	**Regulatory and Compliance** **[Compliance]**	Non-compliance with applicable regulations, leading to fines and penalties and business interruptions. Changing regulations threaten the Company's competitive position and its capacity to efficiently conduct business.		●			●		Medium	1. Lobby authorities 2. Regulatory risk assessment 3. Implementation and review of regulatory framework such as AML/CFT, data protection, Health & Safety 4. Review and monitoring by MLRO / Compliance & Legal Officer 5. Compulsory training for employees 6. Establishment of policies and procedures (Privacy, information security, AML/CFT)
P	7	**Information security / privacy / cybersecurity** **[Technology]**	The potential for cyber-attacks or data breaches, unauthorised use, disruption, modification or destruction of information that can violate privacy, disrupt business, damage assets and facilitate other crimes such as fraud.		●			●		Medium	1. Information security measures such as: - Antivirus and firewall - Password policy - Backup - Regular scanning - Intrusion prevention - Web protection 2. Access control 3. Two-factor authentication 4. IT policies 5. Training and awareness 6. Cybersecurity audit and penetration testing
N	8	**Project** **[Operational]**	Delays in project delivery and/or poor delivery from service providers, leading to an adverse impact on the Group's profitability, reputation and growth.		●			●		Medium	1. Project management framework and procedures 2. Planned procurement 3. Close monitoring of project and costs incurred at each phase 4. Performance indicators 5. Insurance covers
F	9	**Credit** **[Financial]**	Inability of tenants to pay their contractual obligations, leading to financial constraints and cash flow difficulties.		●			●		Medium	1. Close debtors' monitoring and review 2. Adequate and strict onboarding and assessment of clients 3. Regular review of provisioning 4. Increased use of standing orders for client payments 5. Repayment plan
M	10	**Health & Safety** **[Operational]**	The Group is exposed to hazards that can lead to illness or death of a worker in a determined workplace. The nature of the business exposes the Group to the risk of accidents which can impact both people and property.		●			●		Medium	1. Preventive maintenance 2. H&S policies and procedures 3. H&S inspections 4. Training and awareness 5. Fire drills 6. Fire evacuation plan 7. Insurance covers

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FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Lavastone Ltd (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 106 to 165 which comprise the consolidated and separate statements of financial position as at September 30, 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at September 30, 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

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 in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of Investment Properties

Key Audit Matters

The Group has investment properties of Rs 4.43bn as at 30 September 2024. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value with the corresponding changes in fair values being recognised in the consolidated statement of profit or loss in accordance with IAS 40 *Investment Property*. The fair value gains on the investment properties for the year ended 30 September 2024 amounted to Rs 28.9m.

The fair values of the investment properties are determined by an external independent valuation specialist using valuation techniques which involve significant judgements and assumptions. Inappropriate estimates made in the fair valuation of investment properties may result in a significant impact on the results and on the carrying amount of the properties as a result, the valuation of investment properties has been identified to be a key audit matter due to the significant judgements and estimates involved and its significance on the consolidated financial statements.

Related Disclosure

Refer to notes 3(f) (accounting policies), note 5 (significant accounting judgements, estimates and assumptions) and note 15 (Investment properties) of the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

Report on the audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Valuation of Investment Properties (cont'd)

Audit Response

Our procedures in relation to the valuation of investment properties are described below:

- We assessed the design and implementation of the key controls relating to the valuation of investment properties;
- We performed a retrospective review of management judgements and assumptions related to significant accounting estimates in the prior year's financial statements to assess if biases existed for estimates used in the valuation of investment properties;
- We reviewed management judgements and decisions in making significant accounting estimates in the current year's financial statements for estimates used in the valuation of investment properties;
- We have obtained, read and understood all the reports from the external independent valuation specialist;
- We assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialist;
- We engaged with our internal audit expert to ensure the valuation process, valuation methodology used, inputs to the model and the significant judgements and assumptions applied , including yields and capitalisation rates are appropriate and reasonable;
- We tested the data inputs against supporting documentation to ensure it is accurate, reliable and reasonable;
- We discussed with the external independent valuation specialist and challenged the key assumptions comprising the discount rates and capitalisation rates adopted in the valuation;
- We benchmarked and challenged the key assumptions to external industry data and comparable property valuation;
- Where recent transaction price has been used for valuing remaining plot of bare land, we have recomputed the value based on latest sales price;
- We tested the mathematical accuracy of the underlying calculations used in the valuation models;
- We ensured that the measurement basis for the valuation and valuation methods used were in accordance with IFRS Accounting Standards; and

We evaluated whether disclosures in the financial statements in respect of valuation of investment properties were in accordance with the requirements of IFRS Accounting Standards, including disclosure on significant inputs and sensitivity analysis.

2. The Company - Impairment Assessment of Investment in Subsidiaries

Key Audit Matters

As at 30 September 2024, the Company's investment in subsidiaries amounted to Rs 1.25bn. In the Company's separate financial statements, investment in subsidiaries is carried at cost less impairment in accordance with IAS 27 *Separate Financial Statements*. At each reporting date, when there is indication of impairment based on management assessment the recoverable amount of the subsidiaries is determined in line with the requirements of IAS 36 *Impairment of Assets*. An impairment loss arises when the recoverable amount is less than the carrying amount of the investment in subsidiaries and is recognised in profit or loss.

The recoverable amount is the higher of the value in use and fair value less costs of disposal. The determination of the recoverable amounts involves a high level of judgement and estimates, particularly when Discounted Cash Flow (DCF) valuations are used in arriving at the recoverable amount.

We focused on this area due to the significance of the investment in subsidiaries on the Company's assets and because the Company's determination of the recoverable amount of investment in subsidiaries involves significant assumptions and judgements about the future results of the business and the discount rates applied to future cash flow forecasts.

Related disclosure

Refer to note 3(t) (accounting policy on investment in subsidiaries), note 5 (significant accounting judgements, estimates and assumptions) and note 21 (Investment in Subsidiaries) of the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

Report on the audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

2. The Company - Impairment Assessment of Investment in Subsidiaries (cont'd)

Audit Response

Our audit procedures include the following:

- We assessed the design and implementation of the key controls relating to management's impairment assessment of the investment in subsidiaries.
- We compared the carrying amount of the investments held for each investee companies with the net asset value of the respective subsidiaries to identify whether there was any impairment indication.
- For investment in subsidiaries where impairment indicators were identified, we compared the carrying amount of the investments with the recoverable amount of these subsidiaries based on discounted cash flow forecasts provided by management.
- We obtained, understood, evaluated and challenged the composition of management's cash flow forecasts and the process by which they were developed.
- We tested the mathematical accuracy of the underlying calculations of the cash flow forecasts provided by management.
- We assessed the reliability of cash flow forecasts through a review of actual performance compared to previous forecasts.
- We assessed the reasonableness of the key assumptions used in the cash flow forecasts such as growth rates and discount rate.

We also assessed the adequacy of the disclosures made in the financial statements in accordance with the requirements of IFRS Accounting Standards.

3. Assessment of Expected Credit Loss on Receivables from Related Parties

Key Audit Matters

As at 30 September 2024, the Company had receivables from related parties amounting to Rs 1.27bn. Receivables from related parties are measured at amortised cost less expected credit loss allowance in accordance with IFRS 9 *Financial Instruments*.

IFRS 9 requires the Company to recognise expected credit loss (ECL) on financial assets measured at amortised cost, which involves significant judgement and estimates to be made by the Company.

Given the significant judgements and estimates involved in the determination of ECL on receivables from related parties and the significance of the amount of receivables from related parties on the Company's total assets, this audit area is considered a key audit matter.

Related disclosures

Refer to notes 3(n) and 3(q) (accounting policies), note 5 (significant accounting judgements, estimates and assumptions), note 6.1(b) (credit risk) and note 24 (Trade and other receivables) of the accompanying financial statements for details of the receivables from related parties.

Audit Response

Our audit procedures included the following:

- We carried out discussions with management to understand the process around the ECL calculation;
- Obtained confirmations for amounts owed by related parties at the end of the reporting period;
- Discussed with management over future prospects of the Group and the Company;
- We ensured that the current impairment methodology is consistent with the requirements of IFRS 9 principles;
- We assessed the appropriateness of management's determination of credit risk and expected credit loss;
- We also examined management's estimate of future cash flows when determining recoverability of the amount receivable and assessed the reasonableness of the inputs included in the cash flow forecasts; and
- We reviewed the completeness and adequacy of the disclosures in the financial statements for compliance with the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

Other Information

The Directors are responsible for the Other Information. The Other Information comprises the information included in the Annual Report including the Strategic Report, Performance Report, ESG Report, Risk Management Report, Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities, Statutory Disclosures and Secretary's Certificate (all together the Other Information), but does not include the consolidated and separate financial statements and our auditor's report thereon.

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.

Responsibilities of Directors 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 IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the 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/or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors 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.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 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/or 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LAVASTONE LTD

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all 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.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO&Co

BDO & CO
Chartered Accountants
Port Louis,
Mauritius

16 December 2024

RGhanty

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STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

		GROUP		COMPANY	
ASSETS	Notes	**2024**	2023	**2024**	2023
Non-current assets		**Rs 000**	Rs 000	**Rs 000**	Rs 000
Investment properties	15	**4,431,201**	3,838,940	**171,300**	179,265
Investment property under development	16	**25,300**	282,575	**-**	-
Net investment in lease	17	**4,795**	5,523	**-**	-
Plant, property and equipment	18	**17,631**	20,404	**-**	-
Intangible assets	19	**175**	301	**-**	-
Investment in subsidiaries	21	**-**	-	**1,254,799**	1,261,223
Investment in associates	20	**132,616**	148,994	**132,616**	148,994
Loan receivable	24	**78,509**	68,824	**254,282**	254,597
		4,690,227	4,365,561	**1,812,997**	1,844,079
Current assets					
Consumable biological assets	22	**6,866**	5,987	**-**	-
Inventory properties	23	**14,958**	19,305	**-**	-
Net investment in lease	17	**727**	698	**-**	-
Trade and other receivables	24	**71,048**	64,336	**1,014,256**	907,495
Income tax receivable	12	**-**	6,216	**462**	-
Cash in hand and at bank	25	**199,960**	394,980	**117,070**	348,383
		293,559	491,522	**1,131,326**	1,255,878
Non-current assets classified as held for sale	34	**113,227**	-	**-**	-
Total assets		**5,097,013**	4,857,083	**2,944,785**	3,099,957
EQUITY AND LIABILITIES					
Share capital and reserves					
Share capital	26	**1,721,081**	1,721,081	**1,721,081**	1,721,081
Capital and other reserves	26	**172,595**	145,317	**(13,974)**	(13,974)
Retained earnings		**1,096,487**	979,082	**330,129**	377,715
Equity attributable to equity holders of the parent		**2,990,163**	2,845,480	**2,037,236**	2,084,822
Non controlling interests		**367,476**	361,438	**-**	-
Total equity		**3,357,639**	3,206,918	**2,037,236**	2,084,822
Non-current liabilities					
Lease liabilities	31	**81,324**	73,868	**-**	1,727
Deferred tax liability	12	**114,107**	86,809	**-**	-
Retirement benefit obligations	28	**3,993**	3,928	**-**	-
Borrowings	27	**1,340,881**	1,336,223	**900,816**	1,006,957
		1,540,305	1,500,828	**900,816**	1,008,684
Current liabilities					
Trade and other payables	29	**139,522**	107,182	**6,733**	6,074
Lease liabilities	31	**7,101**	3,469	**-**	261
Contract liabilities	29	**-**	2,991	**-**	-
Income tax payable	12	**10,804**	-	**-**	116
Borrowings	27	**39,916**	35,695	**-**	-
		197,343	149,337	**6,733**	6,451
Liabilities directly associated with non-current assets classified as held for sale	34	**1,726**	-	**-**	-
Total equity and liabilities		**5,097,013**	4,857,083	**2,944,785**	3,099,957

These financial statements have been approved for issue by the Board of Directors on 16 December 2024 and signed on its behalf by:

Colin Taylor
Director

Nicolas Vaudin
Director

The notes on pages 111 to 165 form an integral part of these financial statements.
Independent Auditor's report on pages 100 - 105.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2024

		GROUP		COMPANY	
	Notes	**2024**	2023	**2024**	2023
		Rs 000	Rs 000	**Rs 000**	Rs 000
Revenue					
Rental income		**334,566**	253,438	**789**	2,176
Recoveries		**50,188**	42,451	**-**	-
Other operating income		**11,547**	9,944	**-**	-
Sale of land		**17,943**	99,236	**-**	-
Total revenue	7(a)	**414,244**	405,069	**789**	2,176
Operating expenses	8	**(58,502)**	(52,611)	**(272)**	(108)
Morcellement costs	23	**(12,990)**	(62,726)	**-**	-
Net operational income		**342,752**	289,732	**517**	2,068
Administrative expenses	9	**(87,452)**	(69,543)	**(7,887)**	(6,979)
Impairment losses	24(b)/20/21	**(2,174)**	(3,072)	**(23,728)**	(12,611)
Operating profit		**253,126**	217,117	**(31,098)**	(17,522)
Profit on disposal of investment properties		**-**	-	**600**	-
Other gains and losses	11	**52,197**	102,575	**6,800**	2,000
Share of results of associate	20	**(16,378)**	(5,237)	**-**	-
Profit/(loss) before interest income and finance costs		**288,945**	314,455	**(23,698)**	(15,522)
Interest income	10 (b)	**7,722**	11,513	**76,564**	63,718
Net finance costs	10 (a)	**(83,782)**	(79,457)	**(49,362)**	(40,464)
Profit before tax		**212,885**	246,511	**3,504**	7,732
Income tax expense	12	**(37,093)**	(30,108)	**(51)**	(705)
Profit for the year		**175,792**	216,403	**3,453**	7,027
Other comprehensive income					
Items that will be reclassified to profit or loss:					
Foreign exchange difference on retranslation		**27,278**	14,264	**-**	-
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefit obligations	28	**(384)**	(622)	**-**	-
Total comprehensive income, net of tax		**202,686**	230,045	**3,453**	7,027
Attributable to:					
Equity holders of the parent		**199,697**	206,094		
Non-controlling interests		**2,989**	23,951		
Basic earnings per share (Rs)	13	**0.25**	0.28		

The notes on pages 111 to 165 form an integral part of these financial statements.
Independent Auditor's report on pages 100 - 105.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

GROUP	Notes	Share capital	Retained earnings	Capital and other reserves	Total	Non controlling interests	Total equity
		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
At 1 October 2023		**1,721,081**	**979,082**	**145,317**	**2,845,480**	**361,438**	**3,206,918**
Profit for the year		**-**	**172,803**	**-**	**172,803**	**2,989**	**175,792**
Other comprehensive income for the year		**-**	**(384)**	**27,278**	**26,894**	**-**	**26,894**
Total comprehensive income for the year		**-**	**172,419**	**27,278**	**199,697**	**2,989**	**202,686**
Dividend	13(b)	**-**	**(51,039)**	**-**	**(51,039)**	**-**	**(51,039)**
Changes in ownership interest in subsidiaries that do not result in a loss of control	21	**-**	**(3,975)**	**-**	**(3,975)**	**3,049**	**(926)**
At 30 September 2024		**1,721,081**	**1,096,487**	**172,595**	**2,990,163**	**367,476**	**3,357,639**
At 1 October 2022	40	1,721,081	831,486	131,053	2,683,620	330,137	3,013,757
Profit for the year		-	192,452	-	192,452	23,951	216,403
Other comprehensive income for the year		-	(622)	14,264	13,642	-	13,642
Total comprehensive income		-	191,830	14,264	206,094	23,951	230,045
Dividend	13(b)	-	(44,234)	-	(44,234)	-	(44,234)
Non controlling interests on acquisition of subsidiary		-	-	-	-	7,350	7,350
At 30 September 2023		**1,721,081**	**979,082**	**145,317**	**2,845,480**	**361,438**	**3,206,918**

The notes on pages 111 to 165 form an integral part of these financial statements.
Independent Auditor's report on pages 100 - 105.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

COMPANY	Notes	Share capital	Retained earnings	Capital and other reserves	Total
		Rs 000	Rs 000	Rs 000	Rs 000
At 1 October 2023		**1,721,081**	**377,715**	**(13,974)**	**2,084,822**
Profit for the year		**-**	**3,453**	**-**	**3,453**
Total comprehensive income		**-**	**3,453**	**-**	**3,453**
Dividend	13(b)	**-**	**(51,039)**	**-**	**(51,039)**
At 30 September 2024		**1,721,081**	**330,129**	**(13,974)**	**2,037,236**
At 1 October 2022		1,721,081	414,922	(13,974)	2,122,029
Profit for the year		-	7,027	-	7,027
Total comprehensive income		-	7,027	-	7,027
Dividend	13(b)	-	(44,234)	-	(44,234)
At 30 September 2023		1,721,081	377,715	(13,974)	2,084,822

The notes on pages 111 to 165 form an integral part of these financial statements.
Independent Auditor's report on pages 100 - 105.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Operating activities		**Rs 000**	Rs 000	**Rs 000**	Rs 000
Profit before tax		**212,885**	246,511	**3,504**	7,732
Adjustments for:					
Impairment of investment in subsidiaries	21	**-**	-	**7,348**	-
Provision for loss allowance	24(b)/20	**2,174**	3,072	**16,378**	12,611
Profit on disposal of investment properties		**-**	-	**(600)**	-
Lease liability written off		**-**	-	**(1,988)**	-
Foreign exchange (gain)/loss		**(95)**	9,838		
Share of results in associate	20	**16,378**	5,237	**-**	-
Amortisation of intangible assets	19	**126**	125	**-**	-
Depreciation	18	**4,629**	3,821	**-**	-
Retirement benefit obligations		**65**	338	**-**	-
Interest income	10(b)	**(7,722)**	(11,513)	**(76,564)**	(63,718)
Interest expense		**83,877**	69,619	**48,933**	38,067
Other (gains) and losses	11	**(51,318)**	(94,412)	**(6,800)**	(2,000)
Movement in biological assets	11	**(879)**	(1,408)	**-**	-
Changes in working capital:					
Movement in inventory properties	23	**7,442**	50,252	**-**	-
Trade and other receivables		**(8,886)**	(29,783)	**(106,761)**	(133,131)
Trade and other payables		**39,506**	(26,656)	**658**	2,301
Cash generated from/(used in) operations		**298,182**	225,041	**(115,892)**	(138,138)
Income tax received/(paid)	12	**5,595**	(28,120)	**(630)**	(2,002)
Net cash generated from/(used in) operating activities		**303,777**	196,921	**(116,522)**	(140,140)
Investing activities					
Loan granted	24	**(9,685)**	(44,388)	**(105,826)**	(28,040)
Interest received		**2,764**	8,029	**76,564**	63,718
Addition to investment properties	15,16	**(344,678)**	(205,008)	**-**	-
Purchase of property, plant and equipment	18	**(1,856)**	(1,146)	**-**	-
Purchase of investment in associate	20	**-**	(11,605)	**-**	(11,605)
Purchase of investment in subsidiary	21	**(924)**	(7,650)	**(924)**	-
Proceeds from disposal of investment properties	15	**6,555**	-	**15,365**	-
Net cash (used in)/from investing activities		**(347,824)**	(261,768)	**(14,821)**	24,073
Financing activities					
Loan (net repayment)/received net of repayment	33	**(15,779)**	548,110	**-**	598,285
Lease liabilities payment	33	**(6,690)**	(6,708)	**-**	(337)
Interest paid	10(a)	**(78,727)**	(66,905)	**(48,931)**	(37,979)
Dividends paid to shareholders of company	13(b)	**(51,039)**	(44,234)	**(51,039)**	(44,234)
Net cash (used in)/generated from financing activities		**(152,235)**	430,263	**(99,970)**	515,735
Net (decrease)/increase in cash and cash equivalents		**(196,282)**	365,416	**(231,313)**	399,668
Cash and cash equivalents at 1 October		**394,980**	23,824	**348,383**	(51,285)
Effect of foreign exchange rate changes		**1,262**	5,740	**-**	-
Cash and cash equivalents at 30 September	25	**199,960**	394,980	**117,070**	348,383

The notes on pages 111 to 165 form an integral part of these financial statements.
Independent Auditor's report on pages 100 - 105.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. CORPORATE INFORMATION

Lavastone Ltd is a public company and listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd incorporated in Mauritius. The main activity of the Group is to hold investment properties and its registered office is at 1st Floor, EDITH, 6 Edith Cavell Street, Port Louis.

2. BASIS OF PREPARATION

2.1. BASIS OF PREPARATION

The consolidated financial statements comprise the financial statements of Lavastone Ltd and its subsidiaries ("the Group") as at 30 September 2024.

The consolidated and separate financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and complied with the Mauritian Companies Act 2001 and Mauritian Financial Reporting Act 2004.

The financial statements have been prepared on a historical cost basis, except that:

(i) investment property have been measured at fair value; and

(ii) consumable biological assets have been measured at fair value.

The consolidated financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs' 000), except where otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

Going concern

At 30 September 2024, the Group had net current assets of Rs 96,216,000 (2023: net current assets of Rs 342,185,000). The Board of Directors, having considered the adequacy of the Group's funding and operating cash flows for at least the next 12 months from the reporting date, are satisfied that the financial statements are prepared on a going concern basis based on the future operations of the Group.

2.2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Lavastone Ltd and its subsidiaries as at 30 September 2024.

Control is achieved when the Group 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 Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of financial position and statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. BASIS OF PREPARATION (CONTINUED)

2.2. BASIS OF CONSOLIDATION (CONTINUED)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3. MATERIAL ACCOUNTING POLICIES

(a) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not determined to be an acquisition of a business, they are not treated as business combinations. Rather, they are treated as an asset acquisition. In such cases, the Company ("acquirer") identifies and recognises the individual identifiable assets acquired and liabilities assumed. The Company does not recognise any goodwill in an asset acquisition transaction. Acquisition related cost are capitalised.

(b) Business combinations and goodwill

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Foreign currencies

The Group's consolidated financial statements are presented in Mauritian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) Income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and

(c) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings are taken to equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs should be capitalised for construction of any qualifying assets.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties

Investment properties comprises completed properties and properties under development (note 3(g)) or re-development that are held, or to be held, to earn rentals or for capital appreciation or both. Properties held under an operating lease is classified as investment properties when they are held to earn rentals, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment properties comprises principally offices, commercial warehouse and retail properties that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment properties held under a lease) initial leasing commissions to bring the properties to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting, the fair values reported in the financial statements are:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- Adjusted accordingly, if a valuation obtained for a property is net of all payments expected to be made. Any recognised lease liability is added back.

Transfers are made to (or from) investment properties only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment properties to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If inventory properties becomes an investment properties, the difference between the fair value of the properties at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment properties).

Investment properties is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

(g) Investment properties under development

Investment properties under development are assets that are being constructed or developed for future use as investment properties. Investment properties under development are measured at fair value through profit or loss. In the event that the fair value of an investment property under construction is not reliably determinable but can be reliably determinable when construction is completed, that investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed. When the investment property under development is completed, there is a transfer from investment properties under development to investment properties at fair value at the date of transfer. Any difference between the fair value at the date of transfer and it previous carrying amount is recognised in profit or loss.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Inventory properties

Inventory properties is principally made up of property previously held as investment property which has been transferred on evidence of change in use being start of development in view of sale. Inventory property is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(i) Cash and cash equivalents

Cash in hand and at bank in the statement of financial position comprise cash at banks and on hand, bank overdraft and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets:

- Plant and Machinery and motor vehicles 3 to 5 years
- Right-of-use assets that meet definition of investment property are presented as investment property in the statement of financial position.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The Group earns revenue from acting as a lessor mainly from operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Accrued rental income is the aggregate difference between the scheduled rents which vary during the lease term and the income recognized on a straight-line basis.

(k) Rent receivable

Rent receivable is recognised at fair value and subsequently measured at amortised cost.

(l) Revenue recognition

The Group's key sources of income include: rental income, services to tenants and sale of completed property and inventory property. The accounting for each of these elements is discussed below.

i) Rental income

The Group earns revenue from acting as a lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term except for contingent rental income, which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Revenue recognition

ii) Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenants (i.e., customers) including CAM services (such as cleaning, security, landscaping). The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a percentage of the rental income.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis. For more information, please refer to note 5-significant accounting judgements, estimates and assumptions.

(iii) Revenues from the sale of completed inventory property

The Group enters into contracts with customers to sell properties. Inventory property relates to land parcels which are being developed by the Group. Revenue will be recognised at a point in time when development is completed, and the land parcels are delivered to clients.

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer.

Payments are received when legal title transfers which is usually within two months from the date when contracts are signed.

The Group assesses, at each reporting date, whether the carrying amount of inventory properties exceeds the remaining amount of consideration that the entity expects to receive in exchange for the residential development less the costs that relate directly to completing the development and that have not been recognised as expenses. For more information, please refer to note 5-significant accounting judgements, estimates and assumptions.

(m) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Repairs and maintenance costs are recognised in profit or loss as incurred. Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their estimated useful lives as follows:

The annual rates used are:

Equipment	2% - 5%
Motor vehicles	10% - 25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Trade and other receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies on financial assets in this note for more information.

The trade receivables are presented in the statement of financial position under 'Trade and other trade receivables'. For more information, see Note 24.

Internal credit risk rating grade of the Group and Company as follows (refer to note 3(q) for more information):

Category	Description	Basis for Recognising Expected Credit Losses
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12 -Month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime-ECL not credit impaired
In Default	Amount is >30 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime-ECL credit impaired
Write-Off	There is evidence indicating that the debtor in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

(o) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Taxes (continued)

Deferred tax (continued)

• In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if there is new information about changes in facts and circumstances. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of certain properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather through sale (note 5).

(p) Fair value measurements

The Group measures non-financial assets such as investment properties (note 15) and biological assets (note 22) at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES
TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Fair value measurements (continued)

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed. Except where otherwise indicated financial assets and financial liabilities approximate their fair values.

(q) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Group's rent and other trade receivables do not contain a significant financing component or for which the Group has applied the practical expedient, they are measured at the transaction price determined under IFRS 15.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Financial instruments – initial recognition and subsequent measurement (continued)

Financial Assets (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in two categories:

- Financial assets at fair value through profit or loss (derivative financial instruments)
- Financial assets at amortised cost (loan receivable, trade and other receivables and cash in hand and at bank)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at amortised cost.

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Group's financial assets (loan receivable, trade and other receivables and cash in hand and at bank) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Financial instruments – initial recognition and subsequent measurement (Continued)

Impairment of financial assets

Impairment provision for expected credit losses of trade receivables is recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of trade receivables is assessed. This probability is then multiplied by the amount of expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables which is reported net, such provisions are recorded in a separate provision account with the loss being recognised within profit or loss. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The Group and the Company determine that 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 debtor, a breach of contract such as a default or being past due the agreed credit term or it is probable that the debtor will enter bankruptcy or other financial reorganisation.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Financial instruments – initial recognition and subsequent measurement (Continued)

Financial Liabilities

Initial recognition and measurement

The Group's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities and trade and other payables.

Financial liabilities are classified, at initial recognition, at fair value and net of directly attributable transaction costs. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Share Capital

Ordinary Shares are classed as equity.

(s) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES
TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Investment in associate (Continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'impairment loss on associates' in profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Separate financial statements

Investment in associate in the separate financial statements of the Company is carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(t) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(u) Consumable Biological Asset

Consumable biological assets represent animals on hunting grounds and are stated at fair value less costs to sell. The fair value is measured as the expected net cash flows from the sale of the deer less cost to sell. The changes in fair value less cost to sell of the consumable biological assets is recognised in the statement of profit or loss.

(v) Retirement benefit obligations

Gratuity on retirement

For employees that are not covered under any pension plan, the net present value of gratuity on retirement payable under Workers' Rights Act 2019 is calculated independently by a qualified actuary, AON Hewitt Ltd. The expected cost of these benefits is accrued over the service lives of employees on a similar basis to that for the defined benefit plan. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26). The Group makes Portable Retirement Gratuity Fund contribution ("PRGF") contribution in line with the Workers' Right Act 2019.

Defined contribution plans

Employees in the Group are under a defined contribution scheme, the assets of which are held and administered by an independent fund administrator. All new employees of the Group from that date become members of the defined contribution plan. Payments by the Company to the defined contribution retirement plan are charged as an expense as they fall due.

NOTES
TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Amalgamation reserve

Common control transactions fall outside the scope of IFRS 3 Business combinations because there is no change in control over the assets by the ultimate parent. As a result, the Company adopted accounting principles like the pooling-of-interest method based on the predecessor values. The assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts. The difference between the purchase consideration and the equity interest acquired is presented as a separate amalgamation reserve within equity.

(x) Segmental reporting

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

(c) for which discrete financial information is available.

The Group's business segments consist of core business (which is holding properties for rental income and capital appreciation) and development of residential units for sale. Most of its activity is performed in Mauritius.

(y) Other income

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when the Board of Directors of the investees declare the dividend.

(z) Non-current assets classified as held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Events or circumstances may extend the period to complete the sale beyond one year but if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset, such extension does not preclude the asset from being classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, Amendments to published Standards and Interpretations Effective in the reporting period

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS Accounting Standards. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Standards, Amendments to published Standards and Interpretations Effective in the reporting period (continued)

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective date January 1, 2026.

IFRS 9 Financial Instruments & IFRS 7 Financial Instruments: Disclosures

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Effective date January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS accounting standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Management will apply the standards, amendments to published Standards and Interpretations issued but not yet effective, if relevant, in future periods. No material impact is expected on the Group's financial statements.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Leases

The Group applied the following judgements that significantly affect the determination of the amount and timing of income from lease contracts:

Determination of the lease term

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

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. These options are generally exercisable after an initial period of 4 to 20 years. At commencement date, the Group (supported by the advice of the independent valuation expert) determines whether the lessee is reasonably certain to extend the lease term or to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Group has lease contracts for the use of office space and leasehold land that include an extension and a termination option. The Group applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g construction of significant leasehold improvements or significant customisation to the leased asset). Refer to note 31 for disclosure on the lease liabilities of the Group.

Property lease classification – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial properties, that it retains substantially all the risks and rewards incidental to ownership of the properties (except for property as per note 17) and accounts for the contracts as operating leases. Refer to note 36 for disclosure on operating lease commitments of the Group as a lessor.

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Judgements (Continued)

Leases (continued)

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Determination of performance obligations*

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

- *Principal versus agent considerations – services to tenants*

The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and at the same time, consume the benefits from these services.

- *Determining the timing of revenue recognition on the sale of property*

The Group has evaluated the timing of revenue recognition on the sale of property based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's external counsel. The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied. For contracts relating to the sale of property under development, the Group has generally concluded that the over time criteria are not met and, therefore, recognises revenue at a point in time. These consist mostly of parcels of land being sold once relevant permits have been obtained. Note 7(a) and Note 7(b) detail the Group's revenue and other income for the year.

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that is measured using the fair value model, the directors have reviewed the Group's investment property and have concluded that the Group's Investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale, hence rebutting the sale presumption. As a result, the Group has recognised deferred taxes on changes in fair value of the investment property.

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TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of investment properties

The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. Investment properties are measured based on estimates prepared by independent real estate valuation experts. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Note 15.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses of loan and amounts receivable from related parties

As explained in note 3(q), ECL for loan and amounts receivable from related parties are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime

ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Estimation of net realisable value for inventory properties

At year end, the Group holds inventory property with a carrying value of Rs 14,958,000 (2023: Rs 19,305,000). Inventory property, as set out in note 23, is stated at the lower of cost and net realisable value (NRV).

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

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

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (Continued)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

6. FINANCIAL RISK MANAGEMENT

Whilst risk is inherent in normal activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

6.1 Financial risk factors

A description of the significant risk factors is given below together with the risk management policies applicable. The Group's activities expose it to a variety of financial risks, which consist of market risks, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Written principles have been established throughout the Group for overall risk management.

(a) Market Risk

Market risk include foreign currency risk and interest rate risk.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. The following table demonstrate the sensitivity to a reasonably possible change in interest rates based on historical observations, with all other variables held constant, of the Group's and the Company's profit before tax. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group mitigates this risk by negotiating with financial institutions to obtain the best rates.

	GROUP		COMPANY	
	2024	2023	**2024**	2023
Net Exposure	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Increase of 0.5% in interest rates	**(3,116)**	(15,918)	**(1,024)**	(11,958)
Decrease of 0.5% in interest rates	**3,116**	15,918	**1,024**	11,958

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TO THE FINANCIAL STATEMENTS
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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (Continued)

Foreign Exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in foreign exchange rates. The Group manages foreign exchange risk through revenue billed in EURO which is principally used to service the financial liability denominated in EURO.

	GROUP		COMPANY	
Financial Asset	**2024**	2023	**2024**	2023
	Rs 000	Rs 000	**Rs 000**	Rs 000
IN EUR				
Total financial asset	**23,903**	22,398	**843**	475
IN USD				
Total financial asset	**15,811**	-	**-**	-
Financial Liabilities				
IN EUR				
Total financial liabilities	**295,629**	297,856	**-**	-

The components of financial assets and liabilities at Group and Company levels at 30 September 2024 and 30 September 2023 are detailed below:

- Financial assets in EUR is made up of cash and cash equivalents
- Financial assets in USD relates to cash and cash equivalents
- Financial liabilities in EUR is made up of borrowings

Sensitivity analysis on financial assets and financial liabilities at end of period. To note that the 0.5% sensitivity analysis has been based on historical observations.

	GROUP		COMPANY	
	2024	2023	**2024**	2023
Net Exposure	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Increase of 0.5% in EUR/MUR exchange rate	**(1,598)**	(1,377)	**4**	2
Decrease of 0.5% in EUR/MUR exchange rate	**1,598**	1,377	**(4)**	(2)
Increase of 0.5% in USD/MUR exchange rate	**79**	-	**-**	-
Decrease of 0.5% in USD/MUR exchange rate	**(79)**	-	**-**	-

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its trade and other receivables and cash and cash equivalent.

Trade and other receivables

The Group manages and control its credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Group has policies in place to ensure that credit facilities are granted to customers with appropriate credit history. Credit facilities to customers are monitored and the Group identifies defaults and recovers amounts due according to its policies.

Credit quality of a customer is assessed based on internally defined criteria including the financial position of the counterparties and the business sector they operate. Outstanding customer receivables are regularly monitored. The Group's receivables include amounts due from related entities which are disclosed in note 24. The maximum exposure to credit risk at the reporting date equals the carrying amount of the respective financial assets.

According to IFRS 9, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has rebutted this presumption due to the availability of reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. At 30 September 2024, the impairment losses on trade receivables was Rs 7,457,000 (2023: Rs 5,283,000). The impairment losses reflect the increase in credit risk on the financial assets of the Group since initial recognition. The aged analysis of trade receivables is disclosed in Note 24.

For the year ended September 30, 2024, the Group and Company has assessed the provision for impairment losses relating to amount owed by related parties and no impairment was identified (Year 2023: nil) since ''loss given default'' was determined to be close to zero. This assessment is undertaken each financial year through examining the financial position of related parties and the market in which the related parties operate.

With respect to cash and cash equivalents, the Group's exposure to credit risk arises from the default of the counter party with a maximum exposure equal to the carrying value of the instrument of Rs 199,960,000 (2023: Rs 394,980,000) for the Group and Rs 117,070,000 (2023: Rs 348,383,000) for the Company. Cash at banks are held with reputable financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of credit facilities to settle amounts that fall due. The Group aims at maintaining flexibility in funding by keeping committed credit lines available and monitors its cash flow though forecasting tools.

NOTES
TO THE FINANCIAL STATEMENTS
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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group's/Company's financial liabilities are classified into relevant maturity based on the remaining year at the end of the reporting year to the contractual maturity date.

The maturity of the Group's and Company's financial liabilities is:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	Rs 000	Rs 000	**Rs0**	Rs 000
Trade and other payables				
On demand	**139,522**	107,181	**6,732**	6,074
Borrowings				
Variable				
3 to 12 months	**39,916**	35,695	**-**	-
Between 1 to 5 years	**548,042**	507,546	**348,957**	347,228
Over 5 years	**240,356**	275,712	**-**	-
Fixed				
3 to 12 months	**28,145**	28,222	**28,145**	28,222
Between 1 to 5 years	**619,870**	648,019	**619,870**	648,019
Lease liabilities				
3 to 12 months	**6,270**	6,947	**-**	337
Between 1 to 5 years	**25,505**	25,655	**-**	1,617
Over 5 years	**121,602**	114,432	**-**	-
	1,769,228	1,749,409	**1,003,704**	1,031,497

6.2 Capital management

The primary objective of the Group's capital management is to maximise shareholders' value. The Group aims at distributing an adequate dividend whilst ensuring that sufficient resources are maintained to continue as a going concern and for expansion.

The Group and the Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The ratio of net debt to equity is used to monitor capital and the ratio is kept at a reasonable level. For the purpose of capital management, net debt consists of borrowings net of cash and cash equivalent. Equity consists of stated capital, retained earnings and other reserves. There were no changes in the Group's approach to capital management during the year.

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	Rs 000	Rs 000	**Rs0**	Rs 000
Borrowings (note 27)	**1,380,797**	1,371,918	**900,816**	1,006,957
Lease liabilities (note 31)	**88,425**	77,337	**-**	1,988
Less: cash and cash equivalents (note 25)	**(199,960)**	(394,980)	**(117,070)**	(348,383)
Total borrowings net of cash	**1,269,962**	1,054,275	**783,746**	600,562
Total Equity	**3,357,639**	3,206,918	**2,037,236**	2,084,822
Debt to equity ratio	**37.80%**	32.90%	**38.50%**	28.80%

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.3 Categories of financial instruments

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs 000	Rs 000	Rs 000	Rs 000
Financial assets	**Amortised cost**			
Net investment in lease	**5,522**	6,221	**-**	-
Loan receivable	**78,509**	68,824	**254,282**	254,597
Trade and other receivables	**65,148**	59,058	**959,069**	906,994
Cash in hand and at bank	**199,960**	394,980	**117,070**	348,383
Total financial assets	**349,139**	529,083	**1,330,421**	1,509,974
Financial liabilities	**Amortised cost**			
Interest bearing borrowings	**1,380,797**	1,371,918	**845,881**	1,006,957
Lease liabilities	**88,425**	77,337	**-**	1,988
Trade and other payables	**130,022**	97,682	**6,732**	6,074
Total financial liabilities	**1,599,244**	1,546,937	**852,613**	1,015,019

Prepayments of Rs5.9m (2023: Rs5.3m) and provisions of Rs9.5m (2023: Rs 9.5m) have been excluded from group trade and other receivables balance and group trade and other payables balance respectively.

7. REVENUE AND OTHER INCOME

	GROUP		COMPANY	
(a) **Total revenue**	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Rs 000	Rs 000	Rs 000	Rs 000
Rental income and recoveries	**384,754**	295,889	**789**	2,176
Other operating income	**11,547**	9,944	**-**	-
Sale of land	**17,943**	99,236	**-**	-
	414,244	405,069	**789**	2,176

Disaggregation of revenue from contract with customers

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Over time:	Rs 000	Rs 000	Rs 000	Rs 000
Other operating income	**11,547**	9,944	**-**	-
Recoveries	**50,188**	42,451	**-**	-
Revenue from contracts with customers	**61,735**	52,395	**-**	-
At a point in time:				
Sale of land	**17,943**	99,236	**-**	-
Total revenue from contracts with customers	**79,678**	151,631	**-**	-

The period of leases whereby the Group leases out its properties under operating lease is more than 1 year. Revenue is recognised over the life of the operating leases. Refer to note 36 for minimum lease rentals receivable under non-cancellable operating lease.

Other operating income pertains to other expenses such as water and electricity recharged to tenants. These expenses form part of the lease contract with the tenants. Revenue from contract with customers occur over time.

Sale of land relates to sale of inventory properties, that is, morcellement plots.

NOTES
TO THE FINANCIAL STATEMENTS
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8. OPERATING EXPENSES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Rs 000	Rs 000	Rs 000	Rs 000
Direct operating expenses				
Property and centre management fees	**-**	971	**-**	-
Syndic fees	**9,120**	8,484	**-**	-
Security fees	**8,113**	7,651	**-**	-
Utilities	**9,693**	8,019	**-**	-
Repairs and maintenance	**17,124**	13,595	**-**	-
	44,050	38,720	**-**	-
Indirect operating expenses				
Depreciation	**7,046**	6,378	**-**	-
Amortisation of intangible assets (Note 19)	**125**	125	**-**	-
Rent (Note 31)	**1,778**	1,778	**-**	-
Taxes and licences	**1,779**	1,808	**272**	108
Others	**3,724**	3,802	**-**	-
	14,452	13,891	**272**	108
Total operating expenses	**58,502**	52,611	**272**	108

"Others" consist primarily of insurance costs.

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Rs 000	Rs 000	Rs 000	Rs 000
Operating expenses segregated as:				
Expenses arising from investment property that generate rental income	**52,097**	49,493	**-**	-
Expenses arising from investment property that did not generate rental income	**6,405**	3,118	**272**	108
	58,502	52,611	**272**	108

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. ADMINISTRATIVE EXPENSES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Legal and professional fees	**9,026**	6,980	**2,067**	2,211
Marketing fees	**3,093**	4,066	**-**	-
Staff costs	**62,803**	48,743	**2,033**	2,127
IT expenses	**4,374**	2,932	**44**	34
Others	**8,156**	6,822	**3,743**	2,607
	87,452	69,543	**7,887**	6,979

Included in staff costs is an amount of Rs 2.6m (2023: Rs 2.86m) pertaining to contribution towards a defined contribution plan managed by Rogers Pension Fund.

10. (a) NET FINANCE COST

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Interest on bank loans and overdrafts	**78,727**	66,905	**48,931**	37,979
Effect of exchange difference	**(95)**	9,838	**(70)**	(111)
Less: amounts capitalised (see note 16)	**-**	-	**-**	-
	78,632	76,743	**48,861**	37,868
Interest on lease liabilities	**5,150**	2,714	**7**	88
Interest expense on loan from holding company	**-**	-	**494**	2,508
Net finance cost	**83,782**	79,457	**49,362**	40,464

(b) INTEREST INCOME

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Finance income	**(7,722)**	(11,513)	**(76,564)**	(63,718)
Total interest income	**(7,722)**	(11,513)	**(76,564)**	(63,718)

11. OTHER GAINS AND LOSSES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Increase in fair value of investment properties	**28,946**	76,216	**6,800**	2,000
Effect of straight lining	**22,372**	26,030	**-**	-
Increase in fair value of biological assets	**879**	1,408	**-**	-
Gain on deferred consideration	**-**	6,755	**-**	-
Provisions	**-**	(7,834)	**-**	-
	52,197	102,575	**6,800**	2,000

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

12. INCOME TAX

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
(a) Income tax expense				
Income tax charge on the adjusted profit for the year at 15% (2023: 15%)	**7,311**	11,001	**-**	622
Overprovision of income tax in previous years	**-**	-	**-**	-
Deferred tax (d)	**27,298**	16,358	**-**	-
Corporate Social responsibility tax and corporate climate responsibility levy	**2,484**	2,749	**51**	83
	37,093	30,108	**51**	705

In July 2024, the Finance (Miscellaneous Provisions) Act 2024 was promulgated into law and requires the company to pay a Corporate Climate responsibility ("CCR") Levy equivalent to 2 per cent of its chargeable income.

(b) The tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Profit before tax	**212,885**	246,511	**3,504**	7,732
Tax calculated at a rate of 15% (2022: 15%)	**31,933**	36,977	**526**	1,160
Corporate Social responsibility adjustment	**4,258**	4,930	**70**	155
Corporate Climate Responsibility Levy adjustment	**2,789**	-	**70**	-
Income not subject to tax*	**(24,462)**	(25,424)	**(13,073)**	(9,227)
Expenses not deductible for tax purposes**	**23,107**	21,416	**12,458**	8,617
Overprovision in previous years	**-**	-	**-**	-
Under/(Over)provision of deferred tax in previous years	**-**	-	**-**	-
Utilisation of tax losses	**(531)**	(7,791)	**-**	-
	37,093	30,108	**51**	705

* Income not subject to tax purpose comprise dividend income from companies incorporated in Mauritius and also includes the partial exemption on interest income.

** Expenses not deductible comprise numerous expenses incurred by the Group which are not allowable under the tax act.

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12. INCOME TAX (CONTINUED)

(c) Current tax (asset)/liabilities

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 October	(6,216)	9,566	116	1,414
Charge during the year	7,311	11,001	-	622
Paid during the year	19,001	(20,851)	(544)	(1,853)
Overprovision in previous year	4,687	(1,412)	-	-
Tax deducted at source	(16,463)	(7,269)	(86)	(149)
Corporate social responsibility and corporate climate responsibility levy	2,484	2,749	51	82
At 30 September	10,804	(6,216)	(463)	116

(d) Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method at 17%-19% for the Group (2023: 17%) and at 17% for the Company (2023: 17%)

The movement in deferred tax liability during the period is as follows:

				GROUP
Deferred tax liability/(asset)	Tax losses	Fair value gains (*Note 1)	Accelerated tax depreciation	Total
	Rs 000	Rs 000	Rs 000	Rs 000
At 1 October 2022	(6,320)	31,122	45,649	70,451
Charged to profit or loss	(10,674)	(33,089)	60,121	16,358
Credited to other comprehensive income				-
At 1 October 2023	(16,994)	(1,967)	105,770	86,809
(Credited)/charged to profit or loss	(8,713)	(13,477)	49,488	27,298
At 30 September 2024	(25,707)	(15,444)	155,258	114,107

Note 1: Fair value gains includes movements on retirement benefit obligations and investment properties.

Unused tax losses of the Group that have not been recognised as deferred tax asset amounted to Rs 46.8 m (2023: Rs 79.7m). Deferred tax asset has not been recognised in respect of these losses due to the unpredictability of future profit streams to utilise these losses. Deferrred tax liability arose on the investment properties.

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
2025	9,323	10,306
2026	8,694	10,642
2027	11,617	21,866
2028	12,759	36,857
2029	4,359	-
	46,752	79,672

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. (a) EARNINGS PER SHARE

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Profit attributable to equity shareholder (Rs 000)	199,697	206,094
Number of ordinary shares	680,523,310	680,523,310
	Rs	Rs
Basic earnings per share (Rs)	0.25	0.28

13. (b) DIVIDEND

	GROUP AND COMPANY	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Dividend paid	51,039	44,234
Interim dividend per share (Rs)	0.030	0.025
Final dividend per share (Rs)	0.050	0.045
Total dividend per share (Rs)	0.080	0.07

14. SEGMENTAL REPORTING

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss in the consolidated financial statements.

For the years ended 30 September 2024 and 30 September 2023, the Group was composed of two business units, namely its core business and residential development.

Revenue from four major customers accounted for Rs 206.0m of the Group's total revenue (excluding sale of land) for the year ended 30 September 2024. For the year ended 30 September 2023, four major customers accounted for Rs 195.5m of the Group's total revenue. Core business revenue is detailed below:

Customers

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Customer A	70,047	60,580
Customer B	52,833	46,860
Customer C	44,646	46,120
Customer D	38,492	41,890
	206,018	195,450

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. SEGMENTAL REPORTING (CONTINUED)

Business segment

30 September 24	Core Business	Residential development	TOTAL
	Rs'000	Rs'000	Rs'000
Revenue	396,301	17,943	414,244
Cost and others			
Property operating expenses	(51,331)	-	(51,331)
Depreciation and amortisation	(7,171)	-	(7,171)
Other gains and losses	23,251	-	23,251
Increase in fair value of investment properties	6,046	22,900	28,946
Share of results in associates	(16,378)	-	(16,378)
Morcellement costs	-	(12,990)	(12,990)
Segment profit	350,718	27,853	378,571
Administrative expenses	(86,386)	(1,066)	(87,452)
Impairment losses	(2,174)	-	(2,174)
Net finance cost	(82,494)	(1,288)	(83,782)
Finance income	7,722	-	7,722
Profit before tax	187,386	25,499	212,885
Income tax charge	(37,093)	-	(37,093)
Profit for the year	150,293	25,499	175,792
Segment assets			
Non-current assets	4,557,611	-	4,557,611
Investment in associate	132,616	-	132,616
Inventory property	-	14,958	14,958
Non-current assets classified as held for sale	113,227	-	113,227
Other assets	278,600	-	278,600
Total assets	5,082,054	14,958	5,097,012
Segment liabilities			
Loans and borrowings	1,380,797	-	1,380,797
Current liabilities	100,529	56,898	157,427
Contract liabilities	-	-	-
Other non-current liabilities	199,424	-	199,424
Liabilities directly associated with non-current assets classified as held for sale	1,726	-	1,726
Total liabilities	1,682,476	56,898	1,739,374
Additions:			
Investment properties	334,940	-	334,940
Investment properties under development	9,738	-	9,738
Property, plant and equipment	1,856	-	1,856

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TO THE FINANCIAL STATEMENTS
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14. SEGMENTAL REPORTING (CONTINUED)

30 September 23	Core Business	Residential development	TOTAL
	Rs'000	Rs'000	Rs'000
Revenue	305,833	99,236	405,069
Cost and others			
Property operating expenses	(46,108)	-	(46,108)
Depreciation and amortisation	(6,503)	-	(6,503)
Other gains and losses	26,359	-	26,359
(Decrease)/increase in fair value of investment properties	53,316	22,900	76,216
Share of results in associates	(5,237)	-	(5,237)
Morcellement Costs	-	(62,726)	(62,726)
Segment profit	327,660	59,410	387,070
Administrative expenses	(68,477)	(1,066)	(69,543)
Impairment losses	(3,072)	-	(3,072)
Net Finance cost	(78,169)	(1,288)	(79,457)
Finance income	11,513	-	11,513
Profit before tax	189,455	57,056	246,511
Income tax charge	(30,108)	-	(30,108)
Profit for the year	159,347	57,056	216,403
Segment assets			
Non-current assets	4,216,568	-	4,216,568
Investment in associate	148,994	-	148,994
Inventory property	-	19,305	19,305
Other assets	472,216	-	472,216
Total assets	4,837,778	19,305	4,857,083
Segment liabilities			
Loans and borrowings	1,371,918	-	1,371,918
Current liabilities	53,753	56,898	110,651
Contract liabilities	-	2,991	2,991
Other non-current liabilities	164,605	-	164,605
Total liabilities	1,590,276	59,889	1,650,165
Additions:			
Investment properties	28,581	-	28,581
Investment properties under development	176,427	-	176,427
Property, plant and equipment	1,146	-	1,146

NOTES
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15. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 October	**3,838,940**	3,672,802	**179,265**	177,265
Additions	**334,940**	28,581	**-**	-
Disposals	**(5,117)**	-	**(14,765)**	-
Reclassification from investment property under development (Note 16)	**267,575**	569	**-**	-
Transfer to investment property under development	**(562)**	-	**-**	-
Transfer to non-current assets held for sale (note 34)	**(113,226)**	-	**-**	-
Straight lining accrued rental income	**22,372**	26,030	**-**	-
Increase in fair value	**28,946**	76,216	**6,800**	2,000
Movement due to foreign exchange	**57,333**	34,742	**-**	-
At 30 September	**4,431,201**	3,838,940	**171,300**	179,265

Investment properties held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value annually. Changes in fair values are included in profit or loss in the year in which they arise.

Lessees across the Group are required, through relevant clauses in lease agreements, to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

Additions through acquisitions amount to Rs242.8m (2023: nil) and additions through subsequent expenditure amount to Rs92.1m (2023: Rs28.6m)

Valuation method

(a) The Group's valuation policies and procedures for the investment property valuations are determined by Management. Each year, Management recommends the appointment of an independent external valuer, subject to the approval of the Risk and Management Audit Committee, for the external valuations of the Group's investment properties for disclosure in the annual financial statements.

The Group's investment properties were accounted for at their fair value based on a valuation done during the year by CDDS Land Surveyors and Property Valuer, an independent chartered valuer who has a recognised and relevant professional qualification and numerous years of experience in locations and categories of the investment properties being valued.

At each year end, all valuations of investment properties by the external valuer are analysed by Management. For this analysis, major inputs applied and year-on-year movements are considered by Management

Details of the Group's and Company's investment properties are as follows:

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Land & building	**3,129,741**	2,556,369	**-**	-
Land	**1,230,240**	1,381,030	**171,300**	179,265
Right of Use Asset	**71,220**	67,679	**-**	-
	4,431,201	4,005,078	**171,300**	179,265

Valuation techniques

The different methods used are:

i) Market comparison approach

NOTES
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15. INVESTMENT PROPERTIES (CONTINUED)

ii) Discounted cash flow method (DCF method).

b) For properties with development potential (land), the market comparison approach has been used. The main input used in the valuation pertains to price per square metre. The comparative method of valuation involves the assessment of the space based on comparison of land in close proximity to the property.For the market comparison approach, an insignificant discount rate has been used to value the properties.

For properties which are being rented out on full capacity, the DCF method has been used.

Under the DCF method, the fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

Main assumptions and significant unobservable inputs used in the valuation of the properties under the DCF method are

Exit yield	7.5% - 10.5%
Discount rate	9.3%-15%
Market rental growth	2.5% - 7%
Expense growth	5.00%
DCF period	5 years

Significant increases/(decreases) in estimated rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the property. Significant increases/(decreases) in the discount rate, expense growth and terminal yield would result in a significantly lower/(higher) fair value.

Sensitivity analysis on Investment Properties at End of Period

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
Increase due to 0.5% decrease in discount rate	**47,250**	45,273	**-**	207
Decrease due to 0.5% increase in discount rate	**(47,250)**	(45,273)	**-**	(207)

The fair value of land is classified in level 2 of the fair value hierarchy as it has been valued using observable market data but there is no active market while the fair value of land and buildings that are rented out is classified in level 3 of the fair value hierarchy as it has been valued by management using the DCF technique. There were no transfers made between hierarchy levels.

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Level 2	**1,301,460**	1,448,709	**171,300**	176,500
Level 3	**3,129,741**	2,390,231	**-**	2,765
	4,431,201	3,838,940	**171,300**	179,265

The movements in the opening balance and closing balance of the investment properties categorised within level 2 and level 3 of the fair value hierarchy during the year are as follows:

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TO THE FINANCIAL STATEMENTS
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15. INVESTMENT PROPERTIES (CONTINUED)

GROUP

	2024		
	Level 2	Level 3	Total
	Rs 000	Rs 000	Rs 000
At 1 October	1,448,709	2,390,231	**3,838,940**
Additions	-	334,940	**334,940**
Disposal	-	(5,117)	**(5,117)**
Transfers and reclassifications	(71,263)	225,050	**153,787**
Straight lining of revenues	-	22,372	**22,372**
Fair value movement	(75,986)	104,932	**28,946**
Movement due to foreign exchange	-	57,333	**57,333**
At 30 September	**1,301,460**	**3,129,741**	**4,431,201**

	2023		
	Level 2	Level 3	Total
	Rs 000	Rs 000	Rs 000
At 1 October	1,310,349	2,362,453	**3,672,802**
Additions	-	29,150	**29,150**
Straight lining of revenues	-	26,030	**26,030**
Fair value movement	138,360	(62,144)	**76,216**
Movement due to foreign exchange	-	34,742	**34,742**
At 30 September	**1,448,709**	**2,390,231**	**3,838,940**

	Level 2	
COMPANY	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000
At 1 October	**179,265**	177,265
Disposal	**(14,765)**	-
Fair value movement	**6,800**	2,000
At 30 September	**171,300**	179,265

Some of the investment properties are subject to fixed and floating charges in favour of lenders for borrowings taken by the Group.

Rental income from the investment properties amounted to Rs 330,876,000 (2023 Rs 253,438,000) for the Group and Rs 789,000 (2023 Rs 2,176,000) for the Company (Note 7(a))

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TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. INVESTMENT PROPERTY UNDER DEVELOPMENT

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
At 1 October	**282,575**	106,717
Capital expenditure	**9,738**	176,427
Transfer from investment property (Note 15)	**562**	-
Transfer to investment property (Note 15)	**(267,575)**	(569)
At 30 September	**25,300**	282,575

Investment property under development relates to an asset in progress in Splendour Investment (Rodrigues) Ltd valued at cost of Rs 25.3m at 30 September 2024 (2023:Rs 15m).

The investment property under development has been maintained at cost and will be carried to fair value following the full completion of project since its fair value could not be reliably measured for partial completion of the project. The cost has been determined by external quantity surveyor. At reporting date, management determined the cost to approximate fair value given that its fair value could not be reliably determined at partial completion of the project. The investment property under development is classified as level 3 under the fair value hierarchy.

17. NET INVESTMENT IN LEASE

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
At 1 October	**6,221**	6,984
Repaid	**(699)**	(763)
At 30 September	**5,522**	6,221

Maturity analysis of lease payments	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Within one year	**727**	698
After one year but not more than five years	**3,219**	3,092
More than 5 years	**1,576**	2,431
	5,522	6,221

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TO THE FINANCIAL STATEMENTS
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18. PLANT, PROPERTY AND EQUIPMENT

		Motor vehicles		
	Equipment	Right of use	Own	Total
GROUP	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Cost				
At 1 October 2022	18,432	12,157	1,490	32,079
Additions	912	-	234	1,146
At 1 October 2023	19,344	12,157	1,724	33,225
Additions	**951**	**897**	**8**	**1,856**
At 30 September 2024	**20,295**	**13,054**	**1,732**	**35,081**
Depreciation				
At 1 October 2022	**5,141**	**2,492**	**1,367**	**9,000**
Charge for the year	2,401	1,252	168	3,821
At 1 October 2023	7,542	3,744	1,535	12,821
Charge for the year	**2,506**	**1,955**	**168**	**4,629**
At 30 September 2024	**10,048**	**5,699**	**1,703**	**17,450**
Net Book Value as at 30 September 2024	**10,247**	**7,355**	**29**	**17,631**
Net Book Value as at 30 September 2023	11,802	8,413	189	20,404

Depreciation charge has been charged in direct operating expenses and has been recognised as part of Profit or loss.

Refer to note 30, leases for additional notes regarding right of use asset under plant, property and equipment.

19. INTANGIBLE ASSETS

	Computer software
GROUP	**Rs 000**
Cost	
At 1 October 2022	2,003
At 30 September 2023	2,003
At 30 September 2024	**2,003**
Amortisation	
At 1 October 2023	1,577
Charge for the year	125
At 30 September 2023	1,702
Charge for the year	**126**
At 30 September 2024	**1,828**
Net Book Value as at 30 September 2024	**175**
Net Book Value as at 30 September 2023	301

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20. INVESTMENT IN ASSOCIATE

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 October	**148,994**	142,626	**148,994**	150,000
Additions	**-**	11,605		11,605
Impairment	**-**	-	**(16,378)**	(12,611)
Share of results in associate	**(16,378)**	(5,237)	**-**	-
At 30 September	**132,616**	148,994	**132,616**	148,994

Details of investment in associate				**30-Sep-24**	30-Sep-23
Name	**Country of incorporation**	**Activity**	Class of shares held	**Proportion of ownership interest**	Proportion of ownership interest
Victoria Station Ltd	**Mauritius**	**Property**	Ordinary Shares	**29.01%**	29.01%

The directors believe that investment in Victoria Station Limited is fairly stated.

The above associated company is accounted for using the equity method in the consolidated financial statements.

Victoria Station Ltd ("VSL") was incorporated on 31 January 2019 and its reporting date is 30 June. VSL is involved in the leasing of both retail and office rental spaces at Victoria Station in Port Louis. VSL's activities are strategic to Lavastone Ltd's activities as they are concentrated in the real estate sector.

For the purposes of applying the equity method of accounting, the financial statements of Victoria Station Ltd for the year ended 30 June 2024 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 September 2024.

The table below presents a summary of financial information in respect of Victoria Station Ltd.

	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Current assets	**67,490**	64,054
Non current assets	**2,146,258**	2,191,144
Current liabilities	**(58,140)**	(45,372)
Non current liabilities	**(1,698,469)**	(1,696,230)
Proportion of Group's ownership	**132,616**	148,994
Equity attributable to other shareholders	**324,523**	364,602
Revenue	**194,879**	180,148
Total comprehensive loss for the period	**(56,456)**	(18,053)
Group's share of loss for the period of the associated company	**(16,378)**	(5,237)
Group's share of loss for previous period for the associated company	**-**	-
Group's total share of loss in associate	**(16,378)**	(5,237)

Dividend income from the associate for the reporting period is Nil.

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21. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
At 1 October	1,261,223	1,261,223
Impairment loss	(7,348)	-
Additions	924	-
At 30 September	1,254,799	1,261,223

Investment in subsidiaries were assessed for impairment at 30 September 2024 and impairment losses recorded.

Details of investment in subsidiaries

Name	Activity	Class of shares held	Stated Capital Rs000	30-Sep-24 Indirect proportion of ownership interest	30-Sep-23 Indirect proportion of ownership interest
Le Morne Development Corporation Ltd	Property	Ordinary	47,025	29.0%	29.0%
*Splendour Investment (Rodrigues) Ltd (Note 1)	Property	Ordinary	5	51.0%	51.0%
Pier9 Ltd	Property	Ordinary	1	54.82%	54.82%
La Jetee Ltd	Property	Ordinary	1	54.82%	54.82%

Name	Activity	Class of shares held	Stated Capital Rs000	30-Sep-24 Direct proportion of ownership interest	30-Sep-23 Direct proportion of ownership interest
Lavastone Properties Ltd	Property	Ordinary	450,000	100%	100%
Belle Mare SPV Ltd	Property	Ordinary	36,000	100%	100%
B59 Ltd	Property	Ordinary	1	100%	100%
Edith Cavell Properties Ltd	Property	Ordinary	176,231	100%	100%
San Paolo Ltd	Property	Ordinary	28,052	59.18%	59.18%
Le Morne Development Corporation Ltd	Property	Ordinary	47,025	31.00%	31.00%
*South West Safari Group Ltd (Note 1)	Property	Ordinary	321,354	54.18%	54.82%
Compagnie Valome Ltee	Property	Ordinary	13,000	100%	100%
BH Property Investments Ltd	Property	Ordinary	0.1	100%	100%
Lavastone Services Ltd	Property and Facility Management	Ordinary	275	100%	100%

All the subsidiaries listed above are incorporated in Mauritius.

* Note 1: In the year ended 30 September 2024, Lavastone Ltd acquired an additional stake of 0.42% in South West Safari Group Ltd. During the financial year ended 30 September 2023, Compagnie Valome Ltee acquired 2,550,000 ordinary shares in Splendour Investment (Rodrigues) Ltd for Rs7.7m. Management deemed this transaction to be an asset acquisition (Note 3(a)).

The Group structure is set out on Page 48 of the annual report.

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21. INVESTMENT IN SUBSIDIARIES (CONTINUED)

MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	30-Sep-24	30-Sep-23
Le Morne Development Corporation Ltd ("LMDC")	Mauritius	40%	40%
South West Safari Group Ltd ("SWSG")	Mauritius	46%	46%

	30-Sep-24	30-Sep-23
Accumulated balances of material non-controling interest	Rs 000	Rs 000
Le Morne Development Corporation Ltd ("LMDC")	(124,930)	(122,651)
South West Safari Group Ltd ("SWSG")	(220,883)	(216,726)
Profit/(loss) allocated to material non-controlling interest		
Le Morne Development Corporation Ltd ("LMDC")	2,278,400	777
South West Safari Group Ltd ("SWSG")	(2,216,772)	23,229

No dividend was paid to non-controlling interest for this financial year (2023: nil)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss:

	30-Sep-24		30-Sep-23	
	SWSG	LMDC	SWSG	LMDC
	Rs 000	Rs 000	Rs 000	Rs 000
Revenue	18,657	7,102	2,648	3,717
Cost of sales	(14,723)	(21)	(705)	(170)
Administrative	(4,955)	(1,374)	(4,259)	(1,245)
Other gains and losses	879	-	24,308	(360)
Profit on sale of land	-	-	36,511	-
Finance cost	(4,696)	(11)	(7,088)	-
(Loss)/profit before tax	(4,838)	5,696	51,415	1,942
Income tax	-	-	-	-
(Loss)/profit for the year from continuing operations	(4,838)	5,696	51,415	1,942
Total comprehensive income	(4,838)	5,696	51,415	1,942
Attributable to non-controlling interests	(2,217)	2,278	23,229	777

Summarised statement of financial position:

	30-Sep-24		30-Sep-23	
	SWSG	LMDC	SWSG	LMDC
	Rs 000	Rs 000	Rs 000	Rs 000
Current assets	27,700	1,673	30,438	3,069
Non-current assets	504,430	325,100	486,672	325,460
Current liabilities	(2,812)	(3,008)	(4,348)	(3,501)
Non-current liabilities	(54,569)	12,065	(56,337)	5,465
Total equity	474,749	335,830	456,425	330,493
Attributable to:				
Equity holders of parent	257,219	97,391	250,212	95,843
Non-controlling interest	217,530	238,439	206,213	234,650

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21. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised cashflow information:

	30-Sep-24		30-Sep-23	
	SWSG	LMDC	SWSG	LMDC
	Rs 000	Rs 000	Rs 000	Rs 000
Operating	2,222	(968)	41,753	1,785
Financing	(1,768)	-	(43,247)	-
Investing	-	-	998	-
Net increase/(decrease) in cash	454	(968)	(496)	1,785

22. CONSUMABLE BIOLOGICAL ASSETS

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
At 1 October	5,987	4,579
Profit arising from changes in fair value	879	1,408
At 30 September	6,866	5,987

The Group has leased hunting grounds together with livestock to a third party. The livestocks have been classified as consumable biological assets. The fair value of livestock is based on local prices of livestock of similar age, breed, and genetic merit in the principal (or most advantageous) market for the livestock.

An Increase/(decrease) in the following significant inputs would result in significantly higher/lower fair value as follows:

	Valuation technique	Significant input	Sensitivity
Livestock	Income approach	Price of deer (Rs280/kg)	5% increase in the price of deer would lead to an increase in fair value of Rs 343,336
		Average weight (34kgs)	5% increase in weight would increase the fair value by Rs 343,336

23. INVENTORY PROPERTIES

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
At 1 October	19,305	69,557
Development costs	-	12,474
Sale of land	(4,347)	(62,726)
At 30 September	14,958	19,305

The Group is involved in the development of residential property (land parcelling), which it sells in the ordinary course of business. During the year, upon receipt of the relevant permits from the authorities, the Group sold these properties at completion.

Balance of deposits received from customers in respect of the land parcelling projects amount to Rs 3.0m (2023: Rs 3.0m).

During the year, no write down was identified.

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24. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Rs 000	Rs 000	Rs 000	Rs 000
Trade and other receivables analysed as follows:				
Current				
Trade receivables	8,452	12,735	-	210
Amount owed by related parties	4,982	-	1,013,284	906,066
Prepayments	5,940	5,278	251	501
Income tax deducted at source receivable	28,068	11,559	71	68
Other receivables	16,256	27,414	650	650
Deposit on shares	7,350	7,350	-	-
	71,048	64,336	1,014,256	907,495
Non-current				
Loan receivable from related parties	78,509	68,824	254,282	254,597

The Group trades only with recognised, creditworthy customers. It is the Group's policy that all related parties who wish to trade on credit terms are subject to credit verification procedures. Amounts owed by related parties were assessed for impairment under the expected credit losses model and no impairment was recognised. Credit risk of trade receivables and related parties is deemed low at recognition and no significant increase in credit risk noted at year end given the strong capacity of repayment of customers and related parties.

Trade and other receivables, amounts and loan receivable from related parties and deposit on shares are categorised as performing (2023: performing, except for loan receivable of Rs 58.8m which was doubtful).

Amount owed by related parties and loan receivable from related parties at Company level carry interest at 5.75%-8.65%, are unsecured and repayable on demand, except for a loan receivable from a related party of Rs 195.8m which the Company will not request payment within the next 12 months.

Rs 24.4m of the loan receivable by the Group and the Company carries interest at 6.0%, is unsecured and was repayable in November 2023. The loan was restructured with interest at 8.5% and repayment date November 2028. An additional Rs 34.4m was loaned by the Group and the Company to the same related party during the year ended 30 September 2023, under the same terms. The total loan receivable from the related party was assessed for impairment under the expected credit losses model. Further to the restructure, the loan was not deemed to be credit-impaired, but a significant increase in credit risk was noted. The expected credit loss estimated was not material and no impairment loss has been recognised at year end. The carrying amount of the loan receivable approximates its fair value.

The Group also gave a new loan of Rs 10m to another related party in the prior year and further Rs10m in the year ended 30 September 2024. Interest rate is 6.75% and the repayment date is September 2026. The credit risk of the related party is deemed low at recognition, given a good capacity of repayment and no significant increase in credit risk was noted at year end.

Deposit on shares relates to an advance made by Compagnie Valome Ltee for an additonal stake (remaining 49% ordinary shares) in Splendour Investment (Rodrigues) Ltd.

(a) The ageing analysis of these trade receivables is as follows:

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Current - Neither past due nor impaired	4,149	10,515
1 to 3 months - Past due but not impaired	2,222	2,034
Over 3 months - Past due and impaired	2,081	186
	8,452	12,735

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) The carrying amount of trade and other receivables approximate their fair value due to their short term nature.

Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

Impairment losses	GROUP	
	30-Sep-24	30-Sep-23
At 1 October	**6,802**	3,730
Impairment losses during the year	**2,174**	3,072
At 30 September	**8,976**	6,802

Impairment losses as at 30 September 2024 was Rs 8,976,000 and was deducted against the trade receivables balance as at 30 September 2024. The impairment losses of Rs 8,976,000 (2023: Rs 6,802,000) relates to trade receivables that were over 3 months past due both at 30 September 2024 and 30 September 2023.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Cash in hand and at bank	**199,960**	394,980	**117,070**	348,383
	199,960	394,980	**117,070**	348,383

The bank overdraft facility accrued interest at 4.10% and the facility expired on 31 January 2023. There were no principal non-cash transactions during the year and in the prior year.

The cash and equivalents are held with banks and financial institution counterparties, which are rated Baa3 to Ba1 (2023: Baa3 to Ba1), based on Moody's ratings. The Company considers that its cash at bank have negligible credit risk based on the external credit ratings of the counterparties. The resulting expected credit loss is considered as immaterial. The carrying amount of cash and cash equivalents approximate their fair value.

26. (a) SHARE CAPITAL

	30-Sep-24		30-Sep-23	
GROUP AND COMPANY	**Number of shares**	**Rs 000**	Number of shares	Rs 000
Authorised, issued and fully paid ordinary share capital of no par value				
At 1 October	**680,523,310**	**1,721,081**	680,523,310	1,721,081
At 30 September	**680,523,310**	**1,721,081**	680,523,310	1,721,081

The rights attaching to the ordinary shares are as follows:

(a) Income: each holder of ordinary shares shall have the right to an equal share in dividends and other distributions made by the Company;

(b) Capital and surplus: each holder of ordinary shares shall have the right to an equal share in the repayment of the capital and the surplus assets of the Company upon liquidation; and

(c) Voting: each holder of the ordinary shares shall have the right to vote at meetings of Shareholders and on a poll to cast one (1) vote for each ordinary share held.

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26. (b) CAPITAL AND OTHER RESERVES

In 2021, SWTD Bis Ltd, a 100% subsidiary of Lavastone Ltd, was amalgamated with Lavastone Ltd. An amalgamation reserve, arising from a difference between the carrying amount of the investment in Lavastone Ltd and the share capital of the subsidiary, was carried forward. The reserve is non-distributable.

In 2019, the Group carried out an internal restructuring and all entities pertaining to the property cluster in the Cim Financial Services Ltd group were transferred to Lavastone Ltd. Capital reserves arose from the restructuring and are non-distributable.

Other reserves relate to foreign exchange difference on translation of B59 Ltd, a subsidiary, from Euro to Mauritian Rupees. This is accumulated in other reserves. B59 Ltd experienced a change in functional currency from MUR to EUR as it started trading in EUR in the financial year ended 30 September 2023. The foreign exchange difference arising on translation of B59 Ltd's balances for consolidation purposes are recorded through other comprehensive income.

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
At 1 October	**145,317**	131,053	**(13,974)**	(13,974)
Movement due to foreign exchange	**27,278**	14,264	**-**	-
At 30 September	**172,595**	145,317	**(13,974)**	(13,974)

27. BORROWINGS

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Current				
Bank loan	**39,916**	35,695	**-**	-
	39,916	35,695	**-**	-
Non-current				
Bank notes	**900,816**	900,193	**900,816**	900,193
Bank loans	**440,065**	436,030	**-**	-
Loan due to related party	**-**	-	**-**	106,764
	1,340,881	1,336,223	**900,816**	1,006,957
Total borrowings	**1,380,797**	1,371,918	**900,816**	1,006,957

During the last financial year, Rs 553m drawdown at fixed interest rate was made out of the bilateral notes programme of Rs 1.5bn. In the last financial year, The Group has also drew facilities of Rs 180m from ABSA Bank (Mauritius) Limited at variable interest rate and settled the Euro loan of EUR 3.3m for the purchase of Absa House. During the year ended 30 September 2024, The Group drew facilities of Rs 20m from ABSA Bank (Mauritius) Limited at variable interest rate.

The fixed and floating charges covering the facilities are

1. First rank floating charge over all assets for an amount of Rs 1.5 bn in principal

2. First rank fixed charge on leased land and floating charge amounting to EUR 8m on all assets

3. Fixed and florating charge amounting to USD 7.9m on all assets

The carrying amount of the long term notes and loans approximates their fair values. The rate of interest of the bank loans ranges from 5.10% to 6.35% (2023: 5.10% to 6.32%) and the rate of interest of the bank note as at 30 September 2024 is 5.10% and 5.75% (2023: 5.10% and 5.75%). The interest on Rs 347m of the bank notes is at a variable rate and the interest on the remaining portion is at a fixed rate. The repayment dates of borrowings are disclosed within Note 6. There were no breaches of covenants nor default of payments during the year.

NOTES
TO THE FINANCIAL STATEMENTS
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28. RETIREMENT BENEFIT OBLIGATIONS

	GROUP	
Reconciliation of net defined benefit liability	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000
At 1 October	**3,928**	3,590
Amount recognised in the profit & loss	**(269)**	(251)
Amount recognised in OCI	**384**	622
Less employer contributions	**(50)**	(33)
At 30 September	**3,993**	3,928
Reconciliation of present value of defined benefit obligation		
At 1 October	**3,928**	3,590
Current service cost	**483**	384
Employer contributions	**-**	(33)
Past service cost	**(941)**	(821)
Interest expense	**197**	186
Liability experience loss/(gain)	**555**	(541)
Return on plan assets excluding interest income	**(68)**	-
Liability (gain)/loss due to change in financial assumptions	**(161)**	1,163
At 30 September	**3,993**	3,928

	GROUP	
	30-Sep-24	30-Sep-23
Components of amount recognised in P&L	**Rs 000**	Rs 000
Current service cost	**483**	384
Past service cost	**(941)**	(821)
Net Interest on net defined benefit liability	**189**	186
	(269)	(251)
Components of amount recognised in OCI		
Liability experience loss/(gain)	**555**	(541)
Return on plan assets (above)/below interest income	**(10)**	-
Liability loss due to change in financial assumptions	**(161)**	1,163
Total	**384**	622
Principal Assumptions used at End of Period		
Discount rate	**5%-5.5%**	4.7%
Rate of salary increases	**4.5%-5%**	4.2%
Rate of pension increases	**2.0%**	2.0%
Average retirement age (ARA)	**60-65**	60-65
Average life expectancy for:		
Male at ARA	**13.4-15.7 years**	13.8-16.2 years
Female at ARA	**16.1-20.0 years**	16.6-19.4 years
Sensitivity analysis on Defined Benefit Obligation at End of Period		
Increase due to 1% decrease in discount rate	**1,121**	1,115
Decrease due to 1% increase in discount rate	**765**	779

NOTES
TO THE FINANCIAL STATEMENTS
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28. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between the pure retirement gratuities under the Worker's Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Group's share of contributions. The latter amounts to Rs 10,127,000 as at 30 September 2024. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation. There has been no change in the Group's pension liability compared to previous reporting period. The plan exposes the Company to normal risks as detailed below associated with defined benefit pension plans:

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

Interest risk: a decrease in the bond interest rate will increase the plan liability;

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; and

Salary risk: the plan liability is caculated by reference to the future projected salaries of plan participants.

Future cash flows

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

Expected employer contribution for the next year	Rs 55,000
Weighted average duration of the defined benefit obligation	22 years

The allocation of plan assets at the end of the reporting period for each category are as follows:

	GROUP	
	30-Sep-24	30-Sep-23
	%	%
Equity- Overseas quoted	**18**	21
Equity: Local Quoted	**30**	57
Debt: Overseas quoted	**3**	-
Debt: Overseas unquoted	**-**	21
Debt: Local quoted	**4**	-
Debt: Local unquoted	**15**	-
Investment Funds	**4**	-
Cash and Other	**26**	1
	100	100

29. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	30-Sep-24	30-Sep-23	**30-Sep-24**	30-Sep-23
	Rs 000	Rs 000	**Rs 000**	Rs 000
Trade payables	**2,319**	2,336	**3**	43
Deposits	**53,615**	50,912	**-**	-
Accruals	**67,845**	39,388	**3,086**	2,927
Amount owed to related parties	**-**	-	**3,486**	2,992
Other payables	**15,743**	14,546	**157**	112
	139,522	107,182	**6,732**	6,074

NOTES
TO THE FINANCIAL STATEMENTS
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29. TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables are non interest bearing and are generally settled on an average term of 0 to 30 days.

Deposits pertain to a deposit from the tenant which will be repaid to the tenant at the end of the lease term.The Deposit is initially recognised and measured at fair value, and then subsequently at amortised cost using the effective interest method. On initial recognition there was no difference between the carrying amount (present value) of the financial liability and the actual consideration received. Deposits are split between current and non-current liabilities based on their due date.

Accruals relate to accrued amounts from suppliers that have not yet invoiced the Group along with a provision for bonus remuneration relating to the financial year ended 30 September 2024 and payable in December 2024.

Amounts due to related parties are unsecured, repayable on demand and bear interest at the rate of 6.00% per annum.

The carrying amounts of payables approximate their fair values due to their short term nature.

Other payables consist of accrual for management fees and VAT payable.

CONTRACT LIABILITIES	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Contract liabilities-customer deposits	**-**	2,991

Contract liabilities include non-refundable deposits received from customers on conditional exchange of contracts relating to sale of completed unit of property as part payment towards the purchase at completion date. This gives the Group protection if the customer withdraws from the conveyancing transaction. If this were to happen, the customers would forfeit their deposits. The standard conditions of sale provide for a 10% to 20% deposit to be paid on exchange of contracts, based on the purchase price and the value of the property and other items that have been agreed to be sold under the contract. The contract liabilities cleared during the year.

30. RIGHT OF USE ASSETS

	Land and buildings	Plant machinery and motor vehicles	Total
GROUP	**Rs 000**	**Rs 000**	**Rs 000**
At 1 October 2022	67,679	9,665	77,344
Amortisation	-	(1,252)	(1,252)
At 1 October 2023	**67,679**	**8,413**	**76,092**
Amortisation	**-**	**(1,955)**	**(1,955)**
Addition	**3,541**	**897**	**4,438**
At 30 September 2024	**71,220**	**7,355**	**78,575**

NOTES
TO THE FINANCIAL STATEMENTS
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30. RIGHT OF USE ASSETS (CONTINUED)

	Land and buildings	Plant machinery and motor vechicles	Total
COMPANY	**Rs 000**	**Rs 000**	**Rs 000**
At 1 October 2022	2,765	-	2,765
Amortisation	-	-	-
At 1 October 2023	**2,765**	**-**	**2,765**
Amortisation	**-**	**-**	-
At 30 September 2024	**2,765**	**-**	**2,765**

As per IFRS 16, right of use for land and buildings has been classified under Note 15 Investment Properties

31. LEASE LIABILITIES

	GROUP		
	Land and buildings	Plant machinery and motor vechicles	Total
	Rs 000	**Rs 000**	**Rs 000**
At 1 October 2022	67,679	9,651	77,330
Addition	-	-	-
Interest expense	2,990	377	3,367
Lease payments	(4,486)	(2,222)	(6,708)
Remeasurement of lease	(710)	58	(653)
Effect of foreign exchange	4,001	-	4,001
At 1 October 2023	**69,473**	**7,864**	**77,337**
Addition	**9,492**	**554**	**10,046**
Interest expense	**3,006**	**388**	**3,394**
Lease payments	**(4,318)**	**(2,372)**	**(6,690)**
Remeasurement of lease	**(141)**	**397**	**256**
Transfer to lease liability held for sale	**(1,726)**	**-**	**(1,726)**
Effect of foreign exchange	**5,808**	**-**	**5,808**
At 30 September 2024	**81,594**	**6,831**	**88,425**

	COMPANY	
	Land and buildings	Total
	Rs 000	**Rs 000**
At 1 October 2022	**2,237**	**2,237**
Interest expense	88	88
Lease payments	(337)	(337)
At 1 October 2023	**1,988**	**1,988**
Disposal	**(1,988)**	**(1,988)**
Interest expense	-	-
Lease payments	-	-
At 30 September 2024	**-**	**-**

NOTES
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31. LEASE LIABILITIES (CONTINUED)

	GROUP	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Current	**7,101**	3,469
Non current	**81,324**	73,868
	88,425	77,337

	COMPANY	
	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
Current	**-**	261
Non current	**-**	1,727
	-	1,988

(a) Nature of leasing activities (in the capacity as lessee)

The Group has land lease agreements with the government at Belle Mare and Mourouk that it classifies as investment property. The lease agreement with the governement for Plaine Lauzun was classified as non-current asset held for sale at 30 September 2024. These leases typically have lease terms between 10 to 60 years. As at 30 September 2024, Rs 66.0m (2023: Rs 69.5m) of the lease liabilities related to right of use assets accounted for as investment property. Variable increase in rental, based on CPI, occurs every 3 years as stipulated in the agreement.

(b) Lease term

The Group's lease with the government typically varies between a period of 10 to 60 years. Lease term for the motor vehicle is 5 years.

(c) Interest rate

The incremental borrowing rate for the land lease has been determined based on prime lending rate of 4.1% at date of recognition.

(d) In 2024, nil was expensed as operating expenses under rent from short term lease (2023: Rs 1.8m). Please refer to note 8 Operating expenses.

(e) The Company does not have variable lease payments. The Group has variable lease payments.

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32. RELATED PARTY DISCLOSURES

The following table provides the details of transactions that have been entered with related parties for the relevant financial year:

THE GROUP

	Rental income	Other income	Management & Secretarial fees payable	Other services	Purchase of investment property	Amount owed by related parties	Amount owed to related parties	Loan to related party
30-Sep-24	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Associate	**-**	**8,199**	**-**	**-**	**-**	**4,982**	**-**	**78,509**
Fellow shareholder of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,000**
Companies with common shareholders	**20,500**	**2,961**	**-**	**(4,724)**	**-**	**-**	**-**	**-**
Companies with common directors	**-**	**-**	**-**	**-**	**(158,400)**	**-**	**-**	**-**

30-Sep-23	Rental income	Other income	Management & Secretarial fees payable	Other services	Purchase of investment property	Amount owed by related parties	Amount owed to related parties	Loan to related party
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	
Associate	**-**	**7,565**	**-**	**-**	**-**	**-**	**-**	**58,824**
Fellow shareholder of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,000**
Companies with common shareholders	**3,156**	**155**	**(1,417)**	**(4,346)**	**-**	**-**	**-**	**-**

KEY MANAGEMENT PERSONNEL

THE GROUP

	30-Sep-24	30-Sep-23
	Rs000	Rs000
Short-term employee benefit	**21,296**	16,192
Post-employment benefit	**1,318**	992
	22,614	17,184

The remuneration benefits of the executive director for the year amounts to 51% (2023: 60%) of the Group's key management personnel remuneration. The executive director does not receive any remuneration from the Company.

THE COMPANY

	30-Sep-24	30-Sep-23
	Rs000	Rs000
Short-term employee benefit	**2,033**	2,055
Post-employment benefit	**-**	-
	2,033	2,055

NOTES
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32. RELATED PARTY DISCLOSURES (CONTINUED)

THE COMPANY	Investment & Other income	Rental income	Interest income	Interest expense	Amount owed by related parties	Amount owed to related parties	Loan to related party
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
30-Sep-24							
Subsidiaries	600	789	68,596	1,535	1,013,284	(3,486)	195,773
Associate	-	-	-	-	-	-	58,509
30-Sep-23							
Subsidiaries	-	2,176	11,978	(2,508)	906,066	(2,992)	195,773
Associate	-	-	-	-	-	-	58,824

(a) The terms and conditions in respect of receivables and payables have been disclosed under respective notes.

All sales and purchases made within the Group are made at commercial rates. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 30 September 2024, no provision has been recognised in relation to impairment of related party. This assessment is undertaken each financial year through examining the financial position of each related party and the market in which the related party operates.

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 October 2023	New lease	Cash inflows	Cash outflows	Other movement	At 30 September 2024
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Borrowings	1,371,917	-	20,000	(35,779)	24,659	1,380,797
Lease liabilities	77,337	10,046	-	(6,690)	7,732	88,425
	1,449,254	10,046	20,000	(42,469)	32,391	1,469,222

	1 October 2022	New lease	Cash inflows	Cash outflows	Other movement	At 30 September 2023
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Borrowings	801,132	-	733,000	(184,890)	22,675	1,371,917
Lease liabilities	77,330	-	-	(6,708)	6,715	77,337
	878,462	-	733,000	(191,598)	29,390	1,449,254

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33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

Company	1 October 2023	New lease	Cash inflows	Cash outflows	Other movement	At 30 September 2024
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Borrowings	1,006,957	-	-	(106,764)	623	900,816
Lease liabilities	1,988	-	-	-	(1,988)	-
	1,008,945	-	-	(106,764)	(1,365)	900,816

	1 October 2022	New lease	Cash inflows	Cash outflows	Other movement	At 30 September 2023
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Borrowings	408,672	-	598,285	-	-	1,006,957
Lease liabilities	2,237	-	-	(337)	88	1,988
	410,909	-	598,285	(337)	88	1,008,945

Other movement pertain to non-cash transactions such as, foreign rate impact and interest accrued and not yet paid at year end accounted in borrowings.

34 NON-CURRENT ASSETS HELD FOR SALE

Investment properties held for sale

As at 30 September 2024, the Group held two investment properties at Plaine Lauzun and Trianon that were under offer from a third party. The assessed fair value of these properties as at 30 September 2024 was Rs 113.2m and they are classified as non-current asset held for sale in the statement of financial position (note 15). The corresponding lease liability of Rs 1.7m was classified as liabilities directly associated with non-current assets classified as held for sale in the statement of financial position (note 31). Total fair value loss of Rs 0.2m and Rs nil was recognised on the investment properties at Plaine Lauzun and Trianon respectively during the year.

35. ULTIMATE HOLDING COMPANY

The ultimate holding company is Kingston Asset Management Ltd which controls more than 50% of the rights attached to the voting shares of Lavastone Ltd.

36. OPERATING LEASES

Operating lease commitments - Group as a lessor

The Group has entered into operating lease for investment properties consisting of buildings for business rental. These leases have terms ranging from 1 to 10 years. The leases include escalation clause to enable upward revision of the rental charge. The escalation relates to Consumer Price Index (CPI) only. Future minimum rental receivable under non-cancellable operating leases as at the reporting date are as follows:

The Group	30-Sep-24	30-Sep-23
	Rs 000	Rs 000
2024	-	253,572
2025	317,986	252,015
2026	308,916	243,620
2027	311,581	239,526
2028	312,216	238,427
More than five years	1,007,082	654,388
	2,257,781	1,881,548

NOTES
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37. CAPITAL COMMITMENTS AND CONTINGENT LIABILITY

CAPITAL COMMITMENT

There were no capital commitments at year end. As at 30 September 2023, the Group entered into contractual commitments amounting to Rs 90m for ongoing development projects

CONTINGENCIES

Lavastone Properties Ltd acts a guarantor for the secured Notes Programme which its parent company, Lavastone Ltd, entered into with the Mauritius Commercial Bank Ltd. The Group does not expect any material liability to arise out of the financial guarantee contract.

38. SUBSEQUENT EVENTS

There were no subsequent events at 30 September 2024.

39. GOING CONCERN

Management continues to track interest rates and short term cash placements in consideration of the Group's gearing levels, development projects and acquisitive opportunities whilst ensuring the Group continues to comfortably service its debt.

Based on the above, the directors concluded that the going concern assumptions are appropriate in the preparation of the financial statements for the year ended 30 September 2024.

40 FINANCIAL REVIEW

	30-Sep-24	30-Sep-23
	Rs'M	Rs'M
GROUP		
Share capital	**1,721.1**	1,721.1
Reserves	**1,269.1**	1,124.4
Equity attributable to shareholders of the parent	**2,990.2**	2,845.5
Assets	**5,097.0**	4,857.1
Liabilities	**1,737.6**	1,650.2
Revenue	**414.2**	405.1
Profit before taxation	**212.9**	246.5
Income tax expense	**(37.1)**	(30.1)
Profit for the year	**175.8**	216.4
Dividend	**(51.0)**	(44.2)

	30-Sep-24	30-Sep-23
	Rs	Rs
Basic net assets value per share	**4.39**	4.18
Basic earnings per share	**0.25**	0.28
Dividend per share	**0.08**	0.07

NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

40 FINANCIAL REVIEW (CONTINUED)

	30-Sep-24	30-Sep-23
	Rs'M	Rs'M
COMPANY		
Share capital	**1,721.1**	1,721.1
Reserves	**316.2**	363.7
Equity attributable to shareholders of the parent	**2,037.2**	2,084.8
Assets	**2,944.8**	3,100.0
Liabilities	**907.5**	1,015.1
Profit before taxation	**3.5**	7.7
Income tax expense	**(0.1)**	(0.7)
Profit for the year	**3.5**	7.0
Dividend	**(51.0)**	(44.2)

	30-Sep-24	30-Sep-23
	Rs	Rs
Basic net assets value per share	**4.39**	4.18
Basic earnings per share	**0.25**	0.28
Dividend per share	**0.08**	0.07

DIRECTORS
OF SUBSIDIARY COMPANIES

	AUGUSTE William	Ah-Kang Jean France Gaetan	Arunasalom Jose	Espitalier-Noel M. H. Philippe	Harel Jerome Guy Antoine	Hart de Keating Edouard Philippe Christopher	Mohadeb Vedanand Singh	Pilot Jacques Christian Jerome	Saha Vijaya Lakshmi (Ruby)	Taylor Colin Geoffrey	Taylor Timothy	Taylor Philip Simon	Vallet Ann Charlotte	Vaudin Dominique Jane	Vaudin Marie Joseph Nicolas
Lavastone Ltd		X	X				X		X	C		X	X		X
Lavastone Properties Ltd										C		X			X
B59 Ltd										X					X
Edith Cavell Properties Ltd										X		X			X
La Jetee Ltd										X					X
Le Morne Development Corporation Ltd.				X						C		X			X
Lavastone Services Limited (ex Lochiel Property Services Ltd)		X										X			X
The Belle Mare SPV Ltd															X
Pier9 Ltd										X					X
San Paolo Ltd.										C	R[3]				X
South West Safari Group Limited					R[1]	R[2]		X		C				X	X
Compagnie Valome Ltee															X
BH Property Investments Limited										X					X
Splendour Investment (Rodrigues) Ltd	X														X

Legend

C	Chairman	A	Appointed as director
X	In office as director	R	Resigned as director

Note:

1. Mr Edouard Philippe Christopher Hart de Keating has resigned on 16 November 2023.

2. Mr Jerome Guy Antoine Harel has resigned on 22 November 2023.

3. Mr Timothy Taylor has resigned on 04 April 2024.

Lavastone Properties

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