

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

6. INTANGIBLE ASSETS (continued)

Goodwill

The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC) of 7.63% (2021: 6.11%). The WACC takes into account both debt and equity.

Trademarks

The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC) of 6.65% (2021: 5.12%). The WACC takes into account both debt and equity.

The Directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena Group to exceed their aggregate recoverable amount.

7. INVESTMENTS IN SUBSIDIARIES

(a) Unquoted

	THE COMPANY	
	2022 MUR '000	2021 MUR '000
At 1 July	1 478 976	1 183 246
Addition	442	50
Impairment*	(442)	–
(Decrease)/increase in fair value	(100 037)	295 680
At 30 June	1 378 939	1 478 976

* An additional investment made in a subsidiary company namely, The (Mauritius) Glass Gallery Ltd, has been impaired during the year.

Investments in subsidiaries are classified as financial assets measured at fair value through other comprehensive income. The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because it is considered to be more appropriate for these strategic investments.

Investments in subsidiaries comprise unquoted equity securities and are measured at fair value in the Company's separate financial statements.

In financial year ended 30 June 2021, with a steady economic recovery, the future cash flows forecast were adjusted positively, thereby resulting in an increase in fair value of Euro 4.5m equivalent to MUR 228.3m. Moreover, with the appreciation of the MUR vs Euro, a gain of MUR 158.4m was accounted upon retranslation of the Euro denominated investment. In financial year ended 30 June 2022, with a steady economic recovery, the future cash flows forecast were adjusted positively, thereby resulting in an increase in fair value of Euro 326.7k equivalent to MUR 15.1m. However, with the depreciation of the MUR vs Euro, a loss of MUR 107.8m was accounted upon retranslation of the Euro denominated investment.

On 16 June 2022, the Company acquired an additional 24% of the issued shares of The (Mauritius) Glass Gallery Ltd for a purchase consideration of USD 10 000 equivalent to MUR 442 000. The Group derecognised the accumulated share of loss attributable to the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of MUR 9 477 000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022 MUR '000
Cash consideration paid to non-controlling interests	442
Add: Carrying amount of accumulated share of loss of non-controlling interests acquired	9 035
Adjustment recognised in retained earnings	9 477

(b) Details of the Company's subsidiaries are as follows:

Name of company	Country of operation and incorporation	Year ended	Main business	Class of shares held	Share capital (MUR)	Percentage holding and voting power			
						The Company		Other Group companies	
						2022	2021	2022	2021
Edena S.A.	Réunion	30 June	Bottling and sale of soft drinks, table water and alternative beverages	Ordinary	138 594 435	100.00%	100.00%	–	–
Espace Solution Réunion S.A.S.	Réunion	30 June	Distributor of beverages and other commodities	Ordinary	54 313 672	–	–	100.00%	100.00%
Helping Hands Foundation	Mauritius	30 June	Charitable institution	Ordinary	10 000	48.00%	48.00%	52.00%	52.00%
MBL Off-shore Ltd (ii)	Mauritius	30 June	Investment holding	Ordinary	27 215 400	100.00%	100.00%	–	–
Phoenix Beverages Overseas Ltd	Mauritius	30 June	Export of beverages	Ordinary	25 000	99.96%	99.96%	–	–
Phoenix Camp Minerals Offshore Ltd	Mauritius	30 June	Investment holding	Ordinary	86	100.00%	100.00%	–	–
Phoenix Distributors Ltd (ii)	Mauritius	30 June	Distributor of beverages	Ordinary	206 000	97.33%	97.33%	–	–
Phoenix Foundation	Mauritius	30 June	Charitable institution	Ordinary	1 000	100.00%	100.00%	–	–
Phoenix Réunion SARL	Réunion	30 June	Distributor of beverages and other commodities	Ordinary	342 640	–	–	100.00%	100.00%
SCI Edena	Réunion	30 June	Property holding	Ordinary	40 250	–	–	100.00%	100.00%
The (Mauritius) Glass Gallery Ltd (i)	Mauritius	30 June	Manufacture and sale of glass related products	Ordinary	5 110 000	100.00%	76.00%	–	–
The Traditional Green Mill Ltd	Mauritius	30 June	Restaurants	Ordinary	50 000	100.00%	100.0%	–	–

Note:

(i) Change in shareholding did not result in change in control for this subsidiary.

(ii) Dormant companies