

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 16. DEFERRED TAX LIABILITIES (continued)

### (b) The Company (continued)

	At July 1 2020 MUR '000	Charge/ (credit) to profit or loss MUR '000	Credit to other comprehensive income MUR '000	At 30 June 2021 MUR '000
<b>2021</b>				
<b>Deferred tax liabilities</b>				
Leases	(2 644)	(499)	–	(3 143)
Asset revaluation	39 507	1 197	–	40 704
Accelerated depreciation	273 568	(2 252)	–	271 316
<b>Deferred tax assets</b>				
Retirement benefit obligations	(88 205)	(2 543)	54 121	(36 627)
Provision on stock and receivables	(29 153)	1 092	–	(28 061)
<b>Net deferred tax liabilities</b>	<b>193 073</b>	<b>(3 005)</b>	<b>54 121</b>	<b>244 189</b>

## 17. EMPLOYEE BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Amounts recognised in the statements of financial position				
Pension scheme (note (i))	222 346	216 775	221 204	215 439
Charge to profit or loss				
- Pension benefits (note (iv))	22 533	34 383	22 327	34 135
Credit to other comprehensive income				
- Pension benefits (note (v))	(727)	(318 729)	(327)	(318 362)

### Pension scheme

The assets of the funded plan are held independently in a registered superannuation fund (IBL Pension Fund). Retirement benefit obligations have been provided for based on the report from Swan Life Ltd dated 25 August 2022.

The plan is a hybrid arrangement in respect of employees who were previously members of a Defined Benefit (DB) plan. These employees have a No Worse Off Guarantee whereby, at retirement, their pension benefits will not be less than what would have been payable under the previous DB plan. An employee forgoes this guarantee if he leaves before normal retirement age.

The unfunded liability relates to employees who are entitled to Retirement Gratuities payable under the Worker's Rights Act 2019 (WRA). The latter provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the Defined Contribution plan or Defined Benefit plan, half of any lump sum and 5 years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

(i) The amounts recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Present value of funded obligations	770 210	722 661	770 210	722 542
Fair value of plan assets	(615 724)	(562 433)	(615 724)	(562 433)
	154 486	160 228	154 486	160 109
Present value of unfunded obligations	67 860	56 547	66 718	55 330
Liability in the statements of financial position	222 346	216 775	221 204	215 439

The reconciliation of the opening balances to the closing balances for the net benefit defined liability is as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
At 1 July	216 775	520 300	215 439	518 845
Amount recognised in other comprehensive income	(727)	(318 729)	(327)	(318 362)
Amount recognised in profit or loss (note 25)	22 533	34 383	22 327	34 135
Contributions paid*	(16 235)	(19 179)	(16 235)	(19 179)
<b>At 30 June</b>	<b>222 346</b>	<b>216 775</b>	<b>221 204</b>	<b>215 439</b>

\* The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the IBL Pension Fund and exclude cash payments which are treated as defined contributions and amounted to MUR 35.4m (2021: MUR 31.1m) for the Group and MUR 35.0m (2021: MUR 30.5m) for the Company.

(ii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Present value of funded obligation at 1 July	722 661	925 018	722 542	925 018
Present value of unfunded obligation at 1 July	56 547	75 228	55 330	73 773
Current service cost	14 244	19 651	14 088	19 448
Interest cost	32 715	28 655	32 665	28 610
Liability loss/(gains) due to change in financial assumptions	19 113	(249 952)	19 513	(249 585)
Transfer from member account*	45 904	25 638	45 904	25 638
Benefit paid	(53 114)	(45 030)	(53 114)	(45 030)
<b>At 30 JUNE</b>	<b>838 070</b>	<b>779 208</b>	<b>836 928</b>	<b>777 872</b>

\* These pertain to transfer of total contributions made by employees under the DC Scheme during their length of services to the annuity fund on their retirement during the year.