

Financial

STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Terra Mauricia Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Terra Mauricia Ltd and its subsidiaries (the Group), and the Company's separate financial statements on pages 86 to 165 which comprise the statements of financial position as at December 31, 2018 and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 86 to 165 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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 Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

THE COMPANY

KEY AUDIT MATTER

AUDIT RESPONSE

1. Investments

Valuation of investments

The Company's financial investments amount to MUR 14,920.2 million.

The valuation of financial investments held at fair value is based on a range of inputs. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates must be developed based on the most appropriate source data and are subject to significant judgement.

The main risks identified are related to the high value of the items as well as the use of significant judgement in the fair value exercise. There is also a risk of impairment which needs to be assessed.

Refer to notes 8 to 10 of the accompanying financial statements.

We also assessed the reasonableness of the forecasts used in the fair value exercise.

Where independent valuers were involved, we assessed their credentials and the range of inputs used in their valuations.

We have reviewed the classification and accounting treatment of the Company's investment portfolio in line with the accounting policies set out in notes 2.5, 2.6 and 2.7 to the financial statements.

We assessed the reasonableness of assumptions and forecasts used in the fair value models.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Shareholders of Terra Mauricia Ltd

Report on the Audit of the Financial Statements (Cont'd)

THE GROUP

KEY AUDIT MATTER	AUDIT RESPONSE
2. Property, Plant & Equipment (PPE)	
Valuation of land and buildings	Valuation
As set out in the critical accounting estimates and judgements in note 4, and in the notes on page 116 of the financial statements, the Group measures its land, buildings and civil works and power plant at fair value and this represents a significant accounting estimate.	We assessed the credentials of the independent property valuer.
PPE assets are measured initially at cost, with land and buildings subsequently measured at fair value. Valuations are performed by an independent professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the Statement of Financial Position date.	We sought alternative opinions from two other independent property valuers as per ISA 620.
The main risks identified are related to the involvement of a range of judgemental assumptions. PPE is valued at MUR 11,671.5 million in the Group's Statement of Financial Position as at 31 December 2018.	We assessed the assumptions used in the valuation report submitted by the independent property valuer.
Refer to note 5 of the accompanying financial statements.	We held discussions with the valuer and the directors to assess the valuation.
	We confirmed that the valuation was correctly accounted for and disclosed in the financial statements.

KEY AUDIT MATTER	AUDIT RESPONSE
3. Consumable Biological assets	
Valuation of consumable biological assets	
The Group's consumable biological assets represent MUR 52.9 million. The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre- tax rate.	We have tested the assumptions and discussed with the relevant heads of departments to assess the reasonableness of the estimates used in the valuation.
The main risks identified relate to the use of significant judgement in the valuation of the consumable biological assets.	
Refer to note 17 of the accompanying financial statements.	

KEY AUDIT MATTER	AUDIT RESPONSE
4. Inventories	
Existence and valuation of inventories	
Inventories for the Group amount MUR 1,011 million at December 31, 2018. Inventories consist mainly of wines and spirits among other consumer products kept in 2 stores and in all the sales and distribution outlets spread across the island. Valuation of the inventories is at the lower of cost and net realizable value.	We assessed the subsidiary's stock taking processes and attended the full inventory count at the bonded warehouse as well as sample counts at the stores. We performed a recalculation of the major inventory balances at the year end and inspected the subsidiary's inventory count rate reports relating to inventory coverage and analyzed inventory differences in order to detect possible deviations.
The main risks identified are related to the nature of the inventories (fast moving consumer products) and their geographical dispersion and logistics, and the high value of these inventories.	We reviewed the principles for accounting inventory write-downs and adequacy of the write-downs recognised in the financial statements.
Refer to note 16 of the accompanying financial statements	

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Shareholders of Terra Mauricia Ltd

Report on the Audit of the Financial Statements (Cont'd)

THE GROUP (CONT'D)

KEY AUDIT MATTER	AUDIT RESPONSE
<p>5. Bearer plants</p> <p>Valuation of bearer plants</p> <p>At December 31, 2018, the Group's and the Company's bearer plants included in Property, plant and equipment amount to MUR 249.7 million. Those bearer biological assets have been tested for impairment based on future cash flows. The main risks identified are related to the assumptions of key inputs used in the forecasts.</p> <p>Refer to note 5 of the accompanying financial statements.</p>	<p>We have assessed the reasonableness of the assumptions used in the forecasts given the uncertainty on certain key inputs in the future cash flows, we have relied on management representation.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance 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 public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of Directors and those Charged with Governance for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Shareholders of Terra Mauricia Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

Companies Act 2001


We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors 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.

Other Matter

This report is made solely to the members of Terra Mauricia Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO & Co
Chartered Accountants



Afsar Ebrahim, F.C.A
Licensed by FRC

Port Louis,
Mauritius.

28 March 2019

STATEMENTS OF FINANCIAL POSITION

December 31, 2018

	Notes	THE GROUP			THE COMPANY	
		2018	Restated 2017	As at January 1, 2017 Restated	2018	2017
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ASSETS						
Non-current assets						
Property, plant and equipment	5	11,671.5	11,401.3	11,294.0	-	-
Investment properties	6	225.0	202.3	208.3	-	-
Intangible assets	7	408.9	407.8	392.2	-	-
Investment in subsidiaries	8	-	-	-	13,344.6	13,458.4
Investment in associates	9	3,455.4	3,245.9	3,012.4	1,031.2	1,177.9
Financial assets at fair value through other comprehensive income	10	529.3	-	-	544.4	-
Financial assets at amortised cost	10A	82.8	-	-	8.0	-
Investment in financial assets	10B	-	383.4	402.1	-	393.6
Non-current receivables	12	-	123.0	27.3	-	102.1
Bearer biological assets	13	7.4	7.4	7.4	-	-
Land development expenditure	14	85.7	27.4	8.6	-	-
Deferred tax assets	15	135.2	105.1	91.0	-	-
		16,601.2	15,903.6	15,443.3	14,928.2	15,132.0
Current assets						
Inventories	16	1,011.0	895.4	845.2	-	-
Consumable biological assets	17	52.9	98.8	214.1	-	-
Trade and other receivables	18	1,002.3	1,625.3	1,367.9	-	106.4
Other financial assets at amortised cost	10A	393.7	-	-	11.8	-
Derivative financial instruments	19	-	-	5.1	-	-
Cash and cash equivalents	33	387.6	174.8	337.3	49.4	21.1
Current tax assets	26	-	-	-	0.2	-
		2,847.5	2,794.3	2,769.6	61.4	127.5
Non-current assets classified as held for sale	20	28.8	46.6	122.9	-	-
Total assets		19,477.5	18,744.5	18,335.8	14,989.6	15,259.5


The notes on pages 94 to 165 from an integral part of these financial statements.
Auditor's report on pages 82 to 85.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

December 31, 2018

	Notes	THE GROUP			THE COMPANY	
		2018	Restated 2017	As at January 1, 2017 Restated	2018	2017
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	21	11,976.0	11,976.0	11,976.0	11,976.0	11,976.0
Revaluation and other reserves	22	1,000.2	351.9	293.1	768.6	934.6
Retained earnings		798.4	930.6	1,037.4	1,696.4	1,713.7
Owners' interest		13,774.6	13,258.5	13,306.5	14,441.0	14,624.3
Non-controlling interests		1,052.5	1,062.3	991.4	-	-
Total equity		14,827.1	14,320.8	14,297.9	14,441.0	14,624.3
Non-current liabilities						
Borrowings	23	243.4	353.0	361.4	-	-
Deferred tax liabilities	15	234.3	196.1	220.6	-	-
Retirement benefit obligations	24	580.4	659.6	597.3	-	-
		1,058.1	1,208.7	1,179.3	-	-
Current liabilities						
Trade and other payables	25	1,069.0	841.5	828.8	21.3	5.1
Current tax liabilities	26	28.3	20.6	29.9	-	0.7
Borrowings	23	2,461.7	2,345.2	1,997.6	527.3	629.4
Derivative financial instruments	19	-	0.3	-	-	-
		3,559.0	3,207.6	2,856.3	548.6	635.2
Liabilities directly associated with non-current assets classified as held for sale	20(b)	33.3	7.4	2.3	-	-
Total liabilities		4,650.4	4,423.7	4,037.9	548.6	635.2
Total equity and liabilities		19,477.5	18,744.5	18,335.8	14,989.6	15,259.5

These financial statements have been approved for issue by the Board of Directors on 28 March 2019



Nicolas Maigrot
Managing Director



Margaret Wong Ping Lun
Director

The notes on pages 94 to 165 from an integral part of these financial statements.
Auditor's report on pages 82 to 85.

STATEMENTS OF PROFIT OR LOSS

Year ended December 31, 2018

	Notes	THE GROUP		THE COMPANY	
		2018 MUR'M	Restated 2017 MUR'M	2018 MUR'M	2017 MUR'M
Revenue	2.23, 41 (c)	5,079.3	5,087.3	244.1	302.0
Compensation from the Sugar Insurance Fund Board	42	37.4	67.2	-	-
Losses arising from changes in fair value of consumable biological assets	17	(45.9)	(115.3)	-	-
		5,070.8	5,039.2	244.1	302.0
Cost of sales	29	(4,043.6)	(3,875.7)	-	-
Gross profit		1,027.2	1,163.5	244.1	302.0
Other income	27	402.2	287.8	0.2	1.9
Administrative expenses	29	(699.6)	(582.5)	(15.9)	(17.5)
Distribution costs	29	(154.5)	(138.4)	-	-
Other expenses	29	(391.8)	(411.7)	-	(4.4)
Profit before finance costs	28	183.5	318.7	228.4	282.0
Finance costs	30	(97.6)	(100.4)	(31.7)	(17.1)
Profit after finance costs		85.9	218.3	196.7	264.9
Share of results of associates - net	9	203.9	42.3	-	-
Impairment of associates	9	-	-	-	(94.9)
Profit before taxation		289.8	260.6	196.7	170.0
Taxation	26	(56.3)	(15.2)	0.5	(0.7)
Profit for the year		233.5	245.4	197.2	169.3
Profit attributable to:					
Owners of the parent		121.5	86.6	197.2	169.3
Non-controlling interests		112.0	158.8	-	-
		233.5	245.4	197.2	169.3
Earnings per share (MUR)	31	0.53	0.38	0.87	0.74

The notes on pages 94 to 165 from an integral part of these financial statements. Auditor's report on pages 82 to 85.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2018

	THE GROUP		THE COMPANY	
	2018 MUR'M	Restated 2017 MUR'M	2018 MUR'M	2017 MUR'M
Profit for the year	233.5	245.4	197.2	169.3
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Revaluation adjustments	372.1	-	-	-
Remeasurements of post employment benefit obligations	91.9	(32.1)	-	-
Deferred tax on remeasurements of post employment benefit obligations	(13.5)	(0.4)	-	-
Share of other comprehensive income of associates	79.8	44.6	-	-
Scrappings of revalued property, plant and equipment	(0.4)	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Increase/(decrease) in fair value of investments	40.6	34.5	(186.7)	(18.6)
Fair value movement on disposal of financial assets	-	2.1	-	2.1
Translation reserve movement	14.6	(21.0)	-	-
Other comprehensive income for the year	585.1	27.7	(186.7)	(16.5)
Total comprehensive income for the year	818.6	273.1	10.5	152.8
Total comprehensive income attributable to:				
Owners of the parent	695.6	120.7	10.5	152.8
Non-controlling interests	123.0	152.4	-	-
	818.6	273.1	10.5	152.8

The notes on pages 94 to 165 from an integral part of these financial statements. Auditor's report on pages 82 to 85.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2018

THE GROUP	Notes	Attributable to owners of the parent					Total Equity
		Share Capital	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	
At January 1, 2018							
- As previously reported	43	11,976.0	358.2	924.1	13,258.3	1,074.6	14,332.9
- Effect on changes in effective tax rate	43	-	(6.3)	6.5	0.2	(12.3)	(12.1)
- as restated		11,976.0	351.9	930.6	13,258.5	1,062.3	14,320.8
- Effect on changes in accounting policies		-	-	(27.3)	(27.3)	-	(27.3)
Profit for the year		-	-	121.5	121.5	112.0	233.5
Other comprehensive income for the year		-	574.1	-	574.1	11.0	585.1
Deconsolidation of subsidiaries		-	-	(8.7)	(8.7)	(5.7)	(14.4)
Transfers to retained earnings		-	20.7	(20.7)	-	-	-
Movement in reserves		-	53.5	-	53.5	-	53.5
Dividends	32	-	-	(193.4)	(193.4)	(117.3)	(310.7)
Consolidation adjustments		-	-	(3.6)	(3.6)	(9.8)	(13.4)
Balance at December 31, 2018		11,976.0	1,000.2	798.4	13,774.6	1,052.5	14,827.1
At January 1, 2017							
- as previously reported		11,976.0	298.8	1,032.0	13,306.8	1,003.7	14,310.5
- effect of changes in effective rate	43	-	(5.7)	5.4	(0.3)	(12.3)	(12.6)
- As restated		11,976.0	293.1	1,037.4	13,306.5	991.4	14,297.9
Profit for the year - restated		-	-	86.6	86.6	158.8	245.4
Other comprehensive income for the year - restated		-	34.1	-	34.1	(6.4)	27.7
Release of deferred tax on excess depreciation over historical cost depreciation		-	1.0	-	1.0	-	1.0
Release on disposal of land		-	-	-	-	30.9	30.9
Movement in reserves		-	23.7	-	23.7	0.7	24.4
Dividends	32	-	-	(193.4)	(193.4)	(113.1)	(306.5)
Balance at December 31, 2017		11,976.0	351.9	930.6	13,258.5	1,062.3	14,320.8

The notes on pages 94 to 165 from an integral part of these financial statements. Auditor's report on pages 82 to 85.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Year ended December 31, 2018

THE COMPANY	Notes	Share Capital	Amalgamation Reserve	Financial Assets at Fair Value through OCI Reserve	Retained Earnings	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
		At January 1, 2018				
- as previously reported		11,976.0	(172.3)	1,106.9	1,713.7	14,624.3
- effect of changes in accounting policies:						
Impact of IFRS 9	43	-	-	-	(0.4)	(0.4)
- as restated		11,976.0	(172.3)	1,106.9	1,713.3	14,623.9
Profit for the year		-	-	-	197.2	197.2
Other comprehensive income for the year		-	-	(186.7)	-	(186.7)
Dividends	32	-	-	-	(193.4)	(193.4)
Transfer to retained earnings		-	-	20.7	(20.7)	-
At December 31, 2018		11,976.0	(172.3)	940.9	1,696.4	14,441.0
At January 1, 2017		11,976.0	(172.3)	1,123.4	1,737.8	14,664.9
Profit for the year		-	-	-	169.3	169.3
Other comprehensive income for the year		-	-	(16.5)	-	(16.5)
Dividends	32	-	-	-	(193.4)	(193.4)
At December 31, 2017		11,976.0	(172.3)	1,106.9	1,713.7	14,624.3

The notes on pages 94 to 165 from an integral part of these financial statements. Auditor's report on pages 82 to 85.

STATEMENTS OF CASH FLOWS

Year ended December 31, 2018

	Notes	THE GROUP		THE COMPANY	
		2018 MUR'M	2017 MUR'M	2018 MUR'M	2017 MUR'M
Operating activities					
Profit before taxation		289.8	260.6	196.7	170.0
Adjustments for:					
Depreciation	5	373.4	371.0	-	-
Profit on sale of property, plant and equipment/non current assets classified as held for sale		(245.8)	(167.8)	-	-
(Profit)/loss on sale of investments		(6.0)	4.8	5.7	2.0
Retirement benefit obligations		4.6	30.2	-	-
Amortisation of intangible assets	7	5.7	1.7	-	-
Depreciation of investment properties	6	6.5	6.0	-	-
Impairment of associate	9	-	-	-	94.9
Impairment of financial assets		-	2.9	-	2.9
Impairment of goodwill		-	58.2	-	-
Derivative financial instruments		-	5.1	-	-
Investment income		(16.8)	(39.7)	(244.1)	(302.0)
Interest expense	30	107.9	101.5	31.7	17.1
Share of results of associates		(203.9)	(42.3)	-	-
Changes in working capital:					
- inventories		(115.6)	(50.2)	-	-
- consumable biological assets	17	45.9	115.3	-	-
- trade and other receivables		229.3	(260.0)	94.6	(60.9)
- trade and other payables		239.9	12.7	16.3	(7.4)
		714.9	410.0	100.9	(83.4)
Interest paid		(107.9)	(101.5)	(31.7)	(17.1)
Net income tax paid		(54.0)	(62.0)	-	-
Net cash from/(used in) operating activities		553.0	246.5	69.2	(100.5)

The notes on pages 94 to 165 from an integral part of these financial statements.
Auditor's report on pages 82 to 85.

STATEMENTS OF CASH FLOWS (CONT'D)

Year ended December 31, 2018

	Notes	THE GROUP		THE COMPANY	
		2018 MUR'M	2017 MUR'M	2018 MUR'M	2017 MUR'M
Investing activities					
Purchase of property, plant and equipment/investment properties		(282.6)	(405.6)	-	-
Intangible assets acquired		(6.8)	(8.9)	-	-
Replantation costs		(52.4)	(62.0)	-	-
Land development expenditure/non-current assets classified as held for sale		(60.1)	(56.9)	-	-
Purchase of investment in					
- subsidiaries		-	(21.3)	-	-
- associates	9	(10.0)	(199.4)	(10.0)	(155.9)
- others	10	(75.7)	-	(75.7)	-
Proceeds on sale of property, plant and equipment/non-current assets classified as held for sale		311.8	259.4	-	-
Proceeds on sale of investments		8.6	0.7	1.9	3.8
Loans recovered from/(granted to) related party		40.5	(95.7)	(1.6)	(87.0)
Interest received		11.6	11.4	-	-
Dividend received		89.2	137.8	244.1	302.0
Net cash from/(used in) investing activities		(25.9)	(440.5)	158.7	62.9
Financing activities					
Proceeds from borrowings		656.2	570.1	95.8	305.2
Redemption of capital		-	3.8	-	3.8
Repayment of loans		(557.2)	(145.3)	(95.1)	(70.0)
Finance lease principle repayment		(10.5)	(9.0)	-	-
Dividends paid to shareholders of Terra Mauricia Ltd	32	(193.4)	(193.4)	(193.4)	(193.4)
Dividends paid to outside shareholders of subsidiaries		(117.3)	(113.1)	-	-
Net cash (used in)/from financing activities		(222.2)	113.1	(192.7)	45.6
Increase/(decrease) in cash and cash equivalents		304.9	(80.9)	35.2	8.0
Movement in cash and cash equivalents					
At January 1,		51.6	136.3	7.9	(0.1)
Increase/(decrease)		304.9	(80.9)	35.2	8.0
Acquisitions through business combinations		-	2.6	-	-
Consolidation adjustment		-	(6.4)	-	-
At December 31,	33	356.5	51.6	43.1	7.9

The notes on pages 94 to 165 from an integral part of these financial statements.
Auditor's report on pages 82 to 85.

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

1. GENERAL INFORMATION

Terra Mauricia Ltd is a public limited company incorporated and domiciled in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd since January 1, 2012. The address of its registered office is Beau Plan Business Park, Pamplemousses.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

Principal activities

Terra Mauricia Ltd is an investment holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Terra Mauricia Ltd and its subsidiary companies (The Group) comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company).

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest million (MUR'M), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) Land, buildings, power plant, building and civil works and certain factory equipment are carried at revalued amounts;
- (ii) Investment in financial assets are stated at their fair value;
- (iii) Consumable biological assets are stated at their fair value; and
- (iv) Relevant financial assets and financial liabilities are carried at their fair value or amortised cost.

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

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.7. The Group has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Group has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.23. In accordance with the transition provisions in IFRS 15, the Group has not restated comparatives for the 2017 financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group's financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group's financial statements.

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Group's financial statements.

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Prepayment Features with negative compensation (Amendments to IFRS 9)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Annual Improvements to IFRSs 2015-2017 Cycle

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

Where relevant, the Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Land and buildings are subsequently shown at their existing use value based on valuations of external independent valuers, less subsequent depreciation for buildings. Power Plant and Building and Civil works and certain factory equipment are shown at their existing use value based on depreciated replacement cost less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Depreciation is calculated on the straight-line method to write off the cost or the revalued amounts of the assets to their residual values over their estimated useful lives as follows:

Buildings on Leasehold Land	2 - 6%
Land improvement	2%
Buildings	2 - 9%
Power Plant	4 - 20%
Building and Civil Works	4 - 10%
Factory Equipment	2 - 10%
Agricultural Equipment	5 - 20%
Motor Vehicles	20 - 25%
Furniture and Office Equipment	5 - 35%
Bearer plants	12 - 5%

Land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (Cont'd)

The assets' residual values, useful lives and depreciation method 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.

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. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2.3 Investment properties

Investment properties, held to earn rentals, are initially stated at cost plus transaction costs. Subsequently they are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual values over the estimated useful life.

The principal annual rate is as follows:

Buildings 2 - 8%

2.4 Intangible assets

Intangible assets consist of Land Conversion Rights (closure costs), brands, goodwill, computer software and legal fees in respect of commercial contracts and distribution rights.

(i) Closure costs

Closure costs represents land conversion rights and are shown at cost. These are expected to be recovered from the profit on disposal of earmarked freehold land (note 7(e)) and are tested annually for impairment.

(ii) Brands/distribution rights

Brands/distribution rights are shown at cost and tested annually for impairment.

(iii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.5) less accumulated impairment losses, if any.

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. losses on disposal.

(iv) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets (Cont'd)

(v) Legal fees

Legal fees incurred in respect of commercial contracts are capitalised on the basis that future economic benefits are expected to be derived from these contracts and can be reliably measured (10 years).

2.5 Investment in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (Cont'd)

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Investment in associates

Separate financial statements of the investor

In the separate financial statements of the investor, investments in associated companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.7 Financial assets

The Group/Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

(i) *Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (Cont'd)

(i) Amortised cost (Cont'd)

Impairment provisions for trade receivables are 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 the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, 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 where the 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.

From time to time, the Company/Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Company/Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

(ii) Fair value through other comprehensive income

The Company/Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company/Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company/Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The Company/Group has debt securities whose objective is achieved by both holding these securities in order to collect contractual cash flows and having the intention to sell the debt securities before maturity. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial liabilities

The Company/Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

(i) Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest payable while the liability is outstanding.

2.9 Biological assets

(i) Bearer biological assets

Bearer biological assets, excluding bearer plants are stated at their fair value.

(ii) Consumable biological assets

Standing canes are measured at their fair value. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

2.10 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) Accounting for leases - where Company is the lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised as borrowing costs.

(b) Accounting for leases - where Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

2.11 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Current and deferred income tax (Cont'd)

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences can be utilised.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.13 Derivative financial instruments

Derivative financial instruments relate to currency swaps. These are initially recognised at cost on the date a derivative contract is entered into and subsequently remeasured at their fair value. Fair values of derivatives between two external currencies are based on interest rate differential between the two currencies. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Transaction costs are charged immediately through profit or loss. The fair values of derivative financial instruments held for trading are disclosed in note 19.

2.14 Non-current assets classified as held for sale

The Group

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Events or circumstances may extend the period to complete the sale beyond one year if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Stated capital

Ordinary shares are classified as equity.

2.16 Hedge accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's/Company's risk management objective and strategy for undertaking the hedge;
- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not dominate the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

(i) Cash flow hedges

The effective part of forward contracts designated as a hedge of the variability in cash flows of foreign currency risk arising from firm commitments, and highly probable forecast transactions, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The Group/Company uses such contracts to fix the cost of equipment, inventories and services, and the income from foreign currency sales, in the functional currency of the entity concerned.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/ (subtracted from) the cost of the asset acquired ("basis adjustment"). The same approach is followed where a cash flow hedge of a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied. Otherwise the cumulative gain or loss recognised in other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income is frozen and recognised in profit or loss in accordance with the policy set out in the paragraph above. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Group/Company closes out its position before the transaction takes place (even though it is still expected to take place) the cumulative gain or loss on changes in fair value of the derivative is similarly recognised in accordance with the policy set out in the paragraph above. If, at any point, the hedged transaction is no longer expected to occur, the cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss immediately.

The effective portion of gains and losses on derivatives used to manage cash flow interest rate risk (such as floating to fixed interest rate swaps) are also recognised in other comprehensive income and accumulated in the cash flow hedge reserve. However, if the Group/Company closes out its position early, the cumulative gains and losses recognised in other comprehensive income are frozen and reclassified from the cash flow hedge reserve to profit or loss using the effective interest method. The ineffective portion of gains and losses on derivatives used to manage cash flow interest rate risk are recognised in profit or loss within finance expense or finance income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.18 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated by qualified actuaries and provided for. The obligations arising under this item are not funded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Provisions

Provisions are recognised when: the Group has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.21 Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying as cash flow hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents is presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) *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 and other currency instruments designated as hedges, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.23 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the Group still has physical possession only if:

- the arrangement is substantive (i.e. requested by the customer);
- the finished goods have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the Company does not have the ability to use the product to direct it to another customer.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Practical Exemptions

The Company has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Revenue recognition (Cont'd)

(b) Other revenues earned by the Group/Company are recognised on the following bases:

- Royalty income - on an accruals basis in accordance with the substance of the relevant agreements.
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.25 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group endeavors to manage its exposure to market risks and to minimize the impact of volatility in exchange rates and interest rates on the bottom line of Group companies. To this end, it uses appropriate derivative financial instruments along with other hedging tools with a proactive approach.

The Group's activities expose it to a variety of financial risks which have to be effectively managed so as to protect its long term sustainability and to safeguard the interests of its stakeholders.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A description of the significant risk factors is given below together with risk management policies where applicable.

- (a) Market risk
- (b) Credit risk
- (c) Liquidity risk and
- (d) Cash flow and fair value interest rate risk.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro and the US dollar. This risk affects both the crop proceeds and the fair value of the biological assets.

The Group also has investments in foreign entities, whose net assets are exposed to currency translation risk.

Currency profile

The currency profile of the Group's and the Company's total assets and liabilities are summarised below:

THE GROUP	MUR	EURO	USD	Other	Total
	MUR'M	MUR'M	MUR'M	currencies MUR'M	MUR'M
At December 31, 2018					
Trade and other receivables	862.1	62.2	8.7	69.3	1,002.3
Financial assets at amortised cost	474.5	-	0.3	1.7	476.5
Cash in hand and at bank	366.5	6.6	14.5	-	387.6
Other assets	16,770.2	723.8	117.1	-	17,611.1
Total assets	18,473.3	792.6	140.6	71.0	19,477.5
Liabilities	4,166.2	301.6	182.6	-	4,650.4
At December 31, 2017					
Trade and other receivables	1,376.1	160.6	21.8	66.8	1,625.3
Cash in hand and at bank	140.4	12.9	17.0	4.5	174.8
Other assets	15,134.3	1,736.9	-	73.2	16,944.4
Total assets	16,650.8	1,910.4	38.8	144.5	18,744.5
Liabilities	3,904.8	369.5	2.6	146.8	4,423.7

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

THE COMPANY

At December 31, 2018

Financial assets at amortised cost

Cash in hand and at bank

Other assets

Total assets

Liabilities

At December 31, 2017

Trade and other receivables

Cash in hand and at bank

Other assets

Total assets

Liabilities

	MUR	USD	EURO	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2018				
Financial assets at amortised cost	19.8			19.8
Cash in hand and at bank	38.2	11.0	0.2	49.4
Other assets	14,920.4	-	-	14,920.4
Total assets	14,978.4	11.0	0.2	14,989.6
Liabilities	548.6	-	-	548.6
At December 31, 2017				
Trade and other receivables	106.4	-	-	106.4
Cash in hand and at bank	20.7	0.1	0.3	21.1
Other assets	14,394.0	-	738.0	15,132.0
Total assets	14,521.1	0.1	738.3	15,259.5
Liabilities	635.2	-	-	635.2

At December 31, 2018, if the rupee had weakened/strengthened by 5% against the US dollar/Euro with all other variables held constant, post-tax profit for the year would have impacted as shown in the table below, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro denominated borrowings, financial assets at fair value through profit or loss, bank deposits, trade receivables and payables.

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Rupee strengthened/weakened by 5%	26.0	78.7	0.6	36.9
Post-tax profit and equity				

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in financial assets held by the Group and classified on the consolidated statement of financial position as available-for-sale.

The Group is also exposed to price risk with the incidence of the market price of sugar.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Price risk (Cont'd)

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

THE GROUP		THE COMPANY		
2018	2017	2018	2017	
MUR'M	MUR'M	MUR'M	MUR'M	
+/-5%	+/-5%	+/-5%	+/-5%	
Available- for-sale investments	26.5	19.2	746.7	751.5

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group trade receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position, are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current environment.

As regards the sugar and energy segments, the Group has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through reputable institutions where risk of default is very remote.

As for the Brands segment, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial institution.

(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 implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

Forecasted liquidity reserve as of December 31, 2018 is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
Opening balance	356.5	51.6	43.1	7.9
Cash flows from/(used in) operating activities	370.7	480.4	(41.2)	69.2
Cash flows (used in)/from investing activities	(696.4)	46.7	20.7	168.7
Cash flows used in from financing activities	(14.1)	(222.2)	(2.5)	(202.7)
Closing balance	16.7	356.5	20.1	43.1

The table below analyses the Group's non-derivative financial liabilities and into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	MUR'M	MUR'M	MUR'M
At December 31, 2018			
Borrowings including bank overdrafts	2,461.7	48.8	194.6
Trade and other payables	1,069.0	-	-
At December 31, 2017			
Borrowings including bank overdrafts	2,345.2	66.3	286.7
Trade and other payables	841.5	-	-
THE COMPANY			Less than 1 year
			MUR'M
At December 31, 2018			
Borrowings including bank overdrafts			527.3
Trade and other payables			21.3
At December 31, 2017			
Borrowings including bank overdrafts			629.4
Trade and other payables			5.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(d) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates also expose the Group to fair value interest-rate risk.

- (i) At December 31, 2018, if interest rates on rupee-denominated borrowings and Euro-denominated borrowings had been 10 basis points and 50 basis points respectively higher/lower with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	Rupee denominated borrowings (10 basis points)		Euro denominated borrowings (50 basis points)	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
THE GROUP				
Impact on post-tax profit and shareholders' equity	2.5	2.3	13.8	15.9
THE COMPANY				
Impact on post-tax profit and shareholders' equity	0.5	0.6	N/A	N/A

- (ii) At December 31, 2018, if variable interest rates on deposit at bank had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would not be significantly impacted.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation (Cont'd)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3.3 Biological assets

The Group is exposed to fluctuations in the price of sugar and the incidence of exchange rate. This risk affects both the crop proceeds and the fair value of biological assets. The risk is not hedged.

3.4 Capital Risk Management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e stated capital, revaluation and other reserves, and retained earnings).

During 2018, the Group's strategy, which was unchanged from 2017, was to reduce the debt-to-adjusted capital ratio to a reasonable level in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at December 31, 2018 and December 31, 2017 were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Total debt (note 23)	2,705.1	2,698.2	527.3	629.4
Less: cash in hand and at bank	(387.6)	(174.8)	(49.4)	(21.1)
Net debt	2,317.5	2,523.4	477.9	608.3
Total equity	14,827.1	14,320.7	14,441.0	14,624.3
Debt-to- adjusted capital ratio	0.16:1	0.18:1	0.03:1	0.04:1

There were no changes in the Group's approach to capital risks management during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of securities not quoted in an active market

Level 3 Available-for-sale investments are stated at cost since no reliable estimate could be obtained to compute the fair value of these securities. The directors used their judgement at year-end and reviewed the carrying amount of these investments and in their opinion there were no material difference between the carrying amount and the fair value of the unquoted securities. To their judgement, the carrying amount is an approximate of the fair value of these investments.

(b) Biological assets

(i) Bearer biological assets

Bearer biological assets have been estimated based on the cost of land preparation and planting of bearer canes.

(ii) Consumable biological assets - Standing Canes

The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets of the Company.

(c) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(d) Pension benefits

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (Cont'd)

(e) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(f) Assets lives and residual lives

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

(g) Revaluation of property, plant and equipment

The Group carries land, buildings and civil works and power plant at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value at December 31, 2016.

(h) Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is allocated to the other assets of a cash-generating unit.

(i) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Land	Buildings on Leasehold Land and Land Improvement	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2018											
- Cost	3,811.4	274.5	391.2	338.3	27.1	836.5	432.2	614.5	444.1	586.9	7,756.7
- Valuation	4,547.5	-	1,257.3	2,107.9	370.4	1,343.7	-	-	-	-	9,626.8
	8,358.9	274.5	1,648.5	2,446.2	397.5	2,180.2	432.2	614.5	444.1	586.9	17,383.5
Additions	-	7.5	52.8	20.7	11.7	60.8	36.9	24.6	38.4	52.4	305.8
Revaluation adjustments	408.7	-	(36.6)	-	-	-	-	-	-	-	372.1
Disposals of subsidiaries	-	-	-	(3.7)	-	-	-	(3.5)	(6.0)	-	(13.2)
Disposals/Scrapped assets	(11.4)	-	(9.9)	(3.2)	(6.1)	(6.3)	(10.1)	(25.5)	(0.7)	-	(73.2)
Translation differences	-	-	(0.8)	-	-	-	-	(0.5)	(0.6)	-	(1.9)
Consolidation adjustments	(1.8)	(2.7)	-	-	-	-	-	-	-	-	(4.5)
At December 31, 2018											
- Cost	3,798.2	279.3	433.3	352.1	32.7	891.0	459.0	609.6	475.2	639.3	7,969.7
- Valuation	4,956.2	-	1,220.7	2,107.9	370.4	1,343.7	-	-	-	-	9,998.9
	8,754.4	279.3	1,654.0	2,460.0	403.1	2,234.7	459.0	609.6	475.2	639.3	17,968.6
DEPRECIATION											
At January 1, 2018	-	96.7	1,331.0	1,318.3	212.7	1,535.4	421.0	434.8	319.1	313.2	5,982.2
Charge for the year	-	4.3	34.8	58.3	9.4	78.1	20.5	54.1	37.5	76.4	373.4
Disposals of subsidiaries	-	-	-	(0.5)	-	-	-	(0.8)	(1.5)	-	(2.8)
Disposals/Scrapped assets	-	-	(10.0)	(1.9)	(3.6)	(6.3)	(10.1)	(22.6)	(0.4)	-	(54.9)
Translation differences	-	-	(0.1)	-	-	-	-	(0.4)	(0.3)	-	(0.8)
At December 31, 2018	-	101.0	1,355.7	1,374.2	218.5	1,607.2	431.4	465.1	354.4	389.6	6,297.1
NET BOOK VALUES											
At December 31, 2018	8,754.4	178.3	298.3	1,085.8	184.6	627.5	27.6	144.5	120.8	249.7	11,671.5

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE GROUP	Land	Buildings on Leasehold Land and Land Improvement	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2017											
- Cost	3,801.6	270.3	330.9	237.9	23.1	755.4	412.6	563.9	379.0	580.0	7,354.7
- Valuation	4,547.5	-	1,257.3	2,107.9	370.4	1,343.7	-	-	-	-	9,626.8
	8,349.1	270.3	1,588.2	2,345.8	393.5	2,099.1	412.6	563.9	379.0	580.0	16,981.5
Additions	27.9	4.2	45.1	106.3	4.0	88.4	21.6	66.6	42.7	62.0	468.8
Additions through business combinations	-	-	17.2	-	-	-	-	9.7	19.5	-	46.4
Disposals/Scrapped assets	(18.1)	-	(2.0)	(5.9)	-	(7.3)	(2.0)	(25.7)	2.9	-	(58.1)
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(55.1)	(55.1)
At December 31, 2017											
- Cost	3,811.4	274.5	391.2	338.3	27.1	836.5	432.2	614.5	444.1	586.9	7,756.7
- Valuation	4,547.5	-	1,257.3	2,107.9	370.4	1,343.7	-	-	-	-	9,626.8
	8,358.9	274.5	1,648.5	2,446.2	397.5	2,180.2	432.2	614.5	444.1	586.9	17,383.5
DEPRECIATION											
At January 1, 2017	-	92.7	1,297.6	1,263.8	203.5	1,465.3	403.5	389.0	280.5	291.6	5,687.5
Charge for the year	-	4.0	31.8	57.9	9.2	73.1	19.5	62.9	35.9	76.7	371.0
Additions through business combinations	-	-	1.6	-	-	-	-	5.0	5.6	-	12.2
Disposals/Scrapped assets	-	-	-	(3.4)	-	(3.0)	(2.0)	(22.1)	(2.9)	-	(33.4)
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(55.1)	(55.1)
At December 31, 2017	-	96.7	1,331.0	1,318.3	212.7	1,535.4	421.0	434.8	319.1	313.2	5,982.2
NET BOOK VALUES											
At December 31, 2017	8,358.9	177.8	317.5	1,127.9	184.8	644.8	11.2	179.7	125.0	273.7	11,401.3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Land and buildings

Details of the Group's freehold land and buildings measured at fair value and information about the fair value hierarchy is as follows:

December 31,	Level 2	
	2018	2017
	MUR'M	MUR'M
Freehold land	8,754.4	8,358.9
Buildings	298.3	317.5
Power plant	1,085.8	1,127.9
Building and civil works	184.6	184.8
Factory equipment	627.5	644.8
Total	10,950.6	10,633.9

The fair value of the freehold land and buildings were derived using the sales comparison approach. This approach considers the sales of similar or substitute properties and related market data, and establishes value estimate by process involving comparison.

Land and buildings were revalued at December 31, 2016 by an independent valuer at MUR 8.5 billion on the basis of open market value in accordance solely to their existing/current (agricultural) uses, after taking into account the market risks, time and effort in eventually realising the Land bank. This valuation basis excludes potential incremental value from advantageous location attributes such as along or near main routes, along or near limits of defined settlements, along or near built-up zones, along or near coastal roads and proximity to existing infrastructure, should the land be converted to other uses. The Directors are of opinion that this basis best reflects the fair value of the properties based on existing basis and use.

During the year ended December 31, 2018, the Group earmarked a plot of land (230.69 ha) for the development of Beau Plan Smart City project. The plot of land was revalued by an independent valuer at MUR'M 756.8.

For certain types of buildings where comparison remain difficult with available market data, then the depreciated replacement cost approach is adopted.

During 2012, the Group conducted an operational efficiency review of its Power Plant which resulted in changes in the expected usage. The plant is now expected to remain in production for 24 years from 2012.

(d) The Group has applied for and obtained permits for the conversion of 1,154.17 arpents of agricultural land to other purposes in the context of the implementation of the following schemes under the provision of the SIE Act 2001, namely:

- 1,200 Ap scheme with 229.15 arpents.
- 800 Ap scheme with 64.04 arpents.
- Voluntary Retirement Scheme/Early Retirement Scheme with 357.42 arpents.
- Closure of Beau Plan Sugar Factory with 58.49 arpents.
- Upgrading and modernization of Belle Vue Sugar Factory with 165.59 arpents.
- Setting up of CTBV Power Plant with 279.48 arpents.

(e) Financing of compensation payments following closure of Beau Plan Sugar Factory

The Group will recoup the closure costs through the disposal of 37 hectares of freehold land for which application has been submitted to the Ministry of Agriculture, Food, Technology and Natural Resources.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Cost of sales	212.2	137.8
Other expenses	161.2	233.2
	373.4	371.0

(g) If property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

THE GROUP	Land	Buildings	Factory Equipment	Power Plant	Building and Civil Works
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2018					
Cost	3,798.2	434.2	891.0	355.8	32.7
Accumulated depreciation	-	(326.9)	(672.2)	(242.0)	(26.9)
Net book value	3,798.2	107.3	218.8	113.8	5.8
2017					
Cost	3,811.4	391.3	836.5	342.0	27.1
Accumulated depreciation	-	(302.1)	(600.4)	(186.1)	(21.1)
Net book value	3,811.4	89.2	236.1	155.9	6.0

(h) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including property, plant and equipment (note 23(f)).

(i) Additions include MUR'M Nil (2017: MUR'M 1.2) of assets leased under finance leases.

(j) Leased assets included above comprise of agricultural equipment and motor vehicles:

	THE GROUP		
	Agricultural Equipment	Motor Vehicles	Total
	MUR'M	MUR'M	MUR'M
2018			
Cost - capitalised finance leases	62.3	5.9	68.2
Accumulated depreciation	(36.1)	(5.9)	(42.0)
Net book value	26.2	-	26.2
2017			
Cost - capitalised finance leases	62.3	5.9	68.2
Accumulated depreciation	(33.1)	(4.6)	(37.7)
Net book value	29.2	1.3	30.5

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

6. INVESTMENT PROPERTIES

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
COST		
At January 1,	299.6	299.6
Additions	29.2	-
At December 31,	328.8	299.6
DEPRECIATION		
At January 1,	97.3	91.3
Charge for the year	6.5	6.0
At December 31,	103.8	97.3
NET BOOK VALUES		
At December 31,	225.0	202.3
Fair Value	267.7	267.7

(a) Details of the Group's investment properties and information about the fair value hierarchy is as follows:

December 31,	Level 3	
	2018	2017
	MUR'M	MUR'M
Buildings	267.7	267.7

Fair value is based on market value and directors' valuation.

(b) The following amounts have been recognised in profit or loss:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Rental income	44.2	36.8
Direct operating expenses from investment properties that generate rental income	17.0	16.3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

7. INTANGIBLE ASSETS

(a) THE GROUP	Land Conversion Rights-Closure Costs	Brands	Goodwill	Computer Software	Legal Fees	Distribution Rights	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST							
At January 1, 2018	319.6	54.6	22.3	59.1	47.8	2.1	505.5
Additions	-	1.7	-	5.1	-	-	6.8
At December 31, 2018	319.6	56.3	22.3	64.2	47.8	2.1	512.3
AMORTISATION							
At January 1, 2018	-	-	-	49.9	47.8	-	97.7
Charge for the year	-	-	-	5.7	-	-	5.7
At December 31, 2018	-	-	-	55.6	47.8	-	103.4
NET BOOK VALUES							
At December 31, 2018	319.6	56.3	22.3	8.6	-	2.1	408.9

(b) THE GROUP

	Land Conversion Rights-Closure Costs	Brands	Goodwill	Computer Software	Legal Fees	Distribution Rights	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST							
At January 1, 2017	319.6	46.1	13.9	58.7	47.8	2.1	488.2
Additions	-	8.5	8.4	0.4	-	-	17.3
At December 31, 2017	319.6	54.6	22.3	59.1	47.8	2.1	505.5
AMORTISATION							
At January 1, 2017	-	-	-	48.2	47.8	-	96.0
Charge for the year	-	-	-	1.7	-	-	1.7
At December 31, 2017	-	-	-	49.9	47.8	-	97.7
NET BOOK VALUES							
At December 31, 2017	319.6	54.6	22.3	9.2	-	2.1	407.8

(c) Amortisation charge of MUR'M 5.7 (2017: MUR'M 1.7) has been charged to other expenses.

(d) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including investment properties (note 23(f)).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

8. INVESTMENT IN SUBSIDIARIES

Level 3

At January 1,
Redemption of shares
Transfer to deposit on investments
Disposals
Decrease in fair value
At December 31,

THE COMPANY	
2018	2017
MUR'M	MUR'M
13,458.4	13,618.2
-	(3.4)
(0.9)	-
(7.7)	-
(105.2)	(156.4)
13,344.6	13,458.4

Details of subsidiaries are set out in note 35.

9. INVESTMENT IN ASSOCIATES

(a) THE GROUP

(i) Group's share of net assets
Goodwill
At December 31,

THE GROUP	
2018	2017
MUR'M	MUR'M
3,156.4	2,946.9
299.0	299.0
3,455.4	3,245.9

Details of associates are set out in note 36.

(ii) At January 1,
Transfer from investment in financial assets
Transfer to financial assets through other comprehensive income
Transfer to investment in subsidiaries
Additions
Share of profit after tax and minority interest
Impairment of associate
Dividend paid
Movement on reserves
At December 31,

THE GROUP	
2018	2017
MUR'M	MUR'M
3,245.9	3,012.4
-	56.9
(34.3)	-
-	(15.5)
10.0	199.4
203.9	100.5
-	(58.2)
(84.2)	(109.5)
114.1	59.9
3,455.4	3,245.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

9. INVESTMENT IN ASSOCIATES (CONT'D)

(b) THE COMPANY

Level 3

At January 1,
Additions
Impairment of associates
Transfer to financial assets
(Decrease)/increase in fair value
At December 31,

2018	2017
MUR'M	MUR'M
1,177.9	1,020.4
10.0	155.9
-	(94.9)
(30.5)	-
(126.2)	96.5
1,031.2	1,177.9

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

At January 1

Additions
Transfer from investments in associates
Change in fair value recognised in OCI

At December 31

THE GROUP	THE COMPANY
2018	2018
MUR'M	MUR'M
378.7	393.6
75.7	75.7
34.3	30.5
40.6	44.6
529.3	544.4

(ii) Fair value through other comprehensive income financial assets include the following:

Quoted:

Equity securities - [Mauritius] - Level 1

Unquoted:

Equity securities - [Mauritius] - Level 1

Equity securities - [Mauritius] - Level 3

2018	2018
MUR'M	MUR'M
273.9	289.4
95.5	95.5
159.9	159.5
529.3	544.4

(iii) Financial assets measured at fair value through other comprehensive income include the Company's/Group's strategic equity investments not held for trading and debt securities held to collect and sell. The Company/Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. In 2017, the Company/Group had designated the investments as available-for-sale where management intended to hold them for the medium to long-term. See note 10 A.

(iv) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on observable market data and at cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(v) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	THE COMPANY
	2018	2018
	MUR'M	MUR'M
Quoted:		
Harel Mallac Ltd	192.6	192.6
United Docks Ltd	63.8	63.8
SWAN General Ltd	-	15.5
Forges Tardieu Ltd	17.5	17.5
Unquoted:		
BanyanTree Bank Ltd	55.6	55.6
Inside Equity Fund	92.2	92.2
Sociétés A-K	95.5	95.5
Others	12.1	11.7
	529.3	544.4

(vi) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP	THE COMPANY
	2018	2018
	MUR'M	MUR'M
Mauritian rupee	437.1	452.2
USD	92.2	92.2
	529.3	544.4

(vii) One of the Company/Group's strategic investments is a 52.8% interest in Inside Equity Fund. This investment is not accounted for using the equity method (as an associate) as the Company/Group does not have the power to participate in the fund's operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level and a contractual arrangement which enables the board to take all operational and strategic decisions without consultation with shareholders of the fund.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

10A. FINANCIAL ASSETS AT AMORTISED COST

(a)

Loans to related parties (see note 39)

Other receivables (see note b)

Less: Loss allowance for debt investments at amortised cost

	THE GROUP		THE COMPANY	
	2018		2018	
	MUR'M	MUR'M	MUR'M	MUR'M
	Current	Non-current	Current	Non-current
Loans to related parties (see note 39)	-	82.2	6.0	8.0
Other receivables (see note b)	393.7	0.6	5.8	-
	393.7	82.8	11.8	8.0
Less: Loss allowance for debt investments at amortised cost	-	-	-	-
	393.7	82.8	11.8	8.0

(b) **Other receivables**

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(c) **Impairment and risk exposure**

The loss allowance for financial assets at amortised cost as at December 31, 2017 reconciles to the opening loss allowance on January 1, 2018 and to the closing loss allowance as at December 31, 2018 as follows:

THE COMPANY	Related parties	Other receivables	Total
	MUR'M	MUR'M	MUR'M
Loss allowance at December 31, 2017 (IAS 39)	-	-	-
Amounts restated through opening retained earnings	0.1	-	0.1
Loss allowance at January 1, 2018 (IFRS 9)	0.1	-	0.1
Allowance recognised in profit or loss during the period	(0.1)	-	(0.1)
Loss allowance at December 31, 2018	-	-	-

(d) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	THE GROUP	THE COMPANY
	2018	2018
	MUR'M	MUR'M
Rupees	474.5	19.8
US Dollar	0.3	-
Other currencies	1.7	-
	476.5	19.8

There is no exposure to price risk as the investments will be held to maturity.

(e) In 2017, the Company/Group classified the investments as held-to-maturity as they were non-derivative financial assets with fixed or determinable payments and fixed maturities the Company/Group intended to, and was able to, hold them to maturity (see note 10B). The other financial assets at amortised cost were accounted for as receivables in the previous year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

10B. INVESTMENT IN FINANCIAL ASSETS

THE GROUP	Available-for-sale			
	Listed			
	Official Market	DEM	Unquoted	Total
	MUR'M	MUR'M	MUR'M	MUR'M
(a) At January 1, 2017	165.3	22.2	214.6	402.1
Transfer to associates	-	-	(46.9)	(46.9)
Disposals	(5.5)	-	-	(5.5)
Impairment	-	-	(2.9)	(2.9)
Increase in fair value	36.6	-	-	36.6
At December 31, 2017	196.4	22.2	164.8	383.4
(b) Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2017	218.6	28.1	136.7	383.4

THE COMPANY	Available-for-sale			
	Listed			
	Official Market	DEM	Unquoted	Total
	MUR'M	MUR'M	MUR'M	MUR'M
(c) At January 1, 2017	178.9	22.2	158.3	359.4
Disposals	(7.2)	-	-	(7.2)
Decrease in fair value	51.6	(2.7)	(7.5)	41.4
At December 31, 2017	223.3	19.5	150.8	393.6
(d) Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2017	242.8	87.9	62.9	393.6

(e) Available-for-sale financial assets are denominated in Mauritian Rupee.

(f) None of the financial assets are impaired.

(g) There were no transfers between levels.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

	Fair value at December 31, 2018	Valuation approach	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
	MUR'M				%	MUR'M
2018						
Sugar	9,196.9	Cost	N/A	-		-
		NAV	N/A	-	0	-
		DCF	Discount rate	10.68%	5	7.0
Energy	681.0	DCF	Discount rate	15.26% - 16.26%	5	54.0
Property & Construction	1,235.7	Cost	N/A	-		-
Finance	1,807.1	Cost	N/A	-		-
Commercial	1,771.4	Cost	N/A	-		-
		P/E ratio	P/E ratio	10.41	5	(6.1)
		DCF	Discount rate	9.99% - 14%	5	109.3
Other investments	207.8	Cost	N/A	-		-

	Fair value at December 31, 2017	Valuation approach	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
	MUR'M				%	MUR'M
2017						
Sugar	10,251.4	Cost	N/A	-		-
		NAV	N/A	-	0	-
		DCF	Discount rate	9.78%	5	29.0
Energy	667.0	DCF	Discount rate	13.15% - 15.15%	5	39.0
Property & Construction	308.4	Cost	N/A	-		-
Finance	1,840.4	Cost	N/A	-		-
Commercial	1,832.0	Cost	N/A	-		-
		P/E ratio	P/E ratio	8.41 - 9.4	5	(5.8)
		DCF	Discount rate	12.72% - 14%	5	110.5
Other investments	207.8	Cost	N/A	-		-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

12. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Others loans	-	123.0	-	102.1

13. BEARER BIOLOGICAL ASSETS

	THE GROUP	
	Level 2	
	2018	2017
	MUR'M	MUR'M
COST		
At January 1 & December 31,	7.4	7.4

There is no active market for bearer biological assets which consist of deer farming and cost is considered as fair value.

14. LAND DEVELOPMENT EXPENDITURE

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	27.4	8.6
Reclassified to non current assets classified as held for sale (note 20)	-	(3.0)
Reclassified to liabilities directly associated with non current assets classified as held for sale	-	(6.5)
Additions	58.3	28.3
At December 31,	85.7	27.4

15. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 5%/17%/25% (2017: 3%/15%/17/25%).

Deferred income tax assets and liabilities are offset when the income taxes relate to the same entity and the same fiscal authority. The following amounts are shown in the statements of financial position:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Deferred tax assets	(135.2)	(105.1)
Deferred tax liabilities	234.3	196.1
	99.1	91.0

Unused tax losses available for offset against future taxable profits

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Unused tax losses available for offset against future taxable profits	813.3	551.2

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

15. DEFERRED INCOME TAXES (CONT'D)

The movement on the deferred income tax account is as follows:

At January 1,
Impact of changes in effective rate (note 43(d))
As restated
Credited to profit or loss (note 26(b))
Credited to equity
At December 31,

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	78.8	117.0
Impact of changes in effective rate (note 43(d))	12.2	12.6
As restated	91.0	129.6
Credited to profit or loss (note 26(b))	(5.4)	(33.2)
Credited to equity	13.5	(5.4)
At December 31,	99.1	91.0

Deferred tax assets and liabilities, deferred tax movement in profit or loss and equity are attributable to the following items:

THE GROUP	At	Effect of	As	Profit or	Release to	At
	January 1, 2018	changes in accounting policies	restated	loss	Equity	December 31, 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Deferred income tax liabilities						
Accelerated tax depreciation	144.4	17.4	161.8	(5.4)	-	156.4
Asset revaluations	25.8	3.8	29.6	(1.7)	(1.9)	26.0
	170.2	21.2	191.4	(7.1)	(1.9)	182.4
Deferred income tax assets						
Tax losses carried forward	5.0	0.2	5.2	-	(0.1)	5.1
Provisions for VRS costs	0.2	0.1	0.3	-	-	0.3
Retirement benefit obligations	86.2	8.7	94.9	(1.7)	(15.3)	77.9
	91.4	9.0	100.4	(1.7)	(15.4)	83.3
Net deferred income tax liabilities	78.8	12.2	91.0	(5.4)	13.5	99.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

16. INVENTORIES

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
(a) Raw materials	314.8	304.0
Finished goods	394.2	321.4
Spare parts and consumables	302.0	270.0
	1,011.0	895.4

(b) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including inventories (see note 23(f)).

(c) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Cost of inventories consumed	3,108.8	2,447.7

17. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	98.8	214.1
Losses from changes in fair value	(45.9)	(115.3)
At December 31,	52.9	98.8

The fair value measurements for standing canes have been categorised as level 3 fair values based on the inputs.

At December 31, 2018, standing canes comprised of approximately 4,763 hectares of cane plantations (2017: 4,921 hectares).

During the year, the Group harvested approximately 356,494 tonnes of canes (2017: 424,871 tonnes), which had a fair value less costs to sell of MUR'M 52.9 (2017: MUR'M 98.8) at the date of harvest.

THE GROUP	Fair value at December 31, 2018	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
	MUR'M			%	MUR'M
2018					
Standing cane	52.9	Discount rate	5.25%	1	3.6
		Price of sugar	8,800	5	0.9
		Extraction rate	10.5%	1	1.8
		Estimated cane production in metric tonnes	380,000	5	0.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

17. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

THE GROUP	Fair value at December 31, 2018	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
	MUR'M			%	MUR'M
2017					
Standing cane	98.8	Discount rate	4.4%	1	4.5
		Price of sugar	11,000	5	0.9
		Extraction rate	10.5%	1	1.9
		Estimated cane production in metric tonnes	390,000	5	1.0

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Trade receivables	917.3	1,149.0	-	-
Less: provision for impairment	(26.9)	(15.8)	-	-
Trade receivables - net	890.4	1,133.2	-	-
Sugar proceeds receivable	68.1	150.0	-	-
Molasses proceeds receivable	8.5	13.3	-	-
Bagasse proceeds receivable	35.3	5.0	-	-
Other receivables	-	323.8	-	106.4
	1,002.3	1,625.3	-	106.4

The carrying amounts of trade and other receivables approximate their fair value.

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Rupee	832.0	1,376.1	-	106.4
US Dollar	9.7	21.8	-	-
Euro	41.1	160.6	-	-
Other currencies	119.5	66.8	-	-
	1,002.3	1,625.3	-	106.4

(i) Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Impairment of trade receivables (Cont'd)

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at December 31, 2018 and January 1, 2018 (on adoption of IFRS 9) was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
At December 31, 2018	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Expected loss rate	3%	3%	12%	76%	3%
Gross carrying amount - trade receivable	908.3	3.9	1.7	3.4	917.3
Loss allowance	24.0	0.1	0.2	2.6	26.9

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
At January 1, 2018	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Expected loss rate	3%	1%	14%	94%	3%
Gross carrying amount - trade receivable	1,136.5	7.8	1.4	3.3	1,149.0
Loss allowance	32.3	0.1	0.2	3.1	35.7

The closing loss allowances for trade receivables as at December 31, 2018 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2018	2017
	Rs.	Rs.
At December 31 (IAS 39)	15.8	10.6
Amounts restated through opening retained earnings	19.9	-
Loss allowance as at January 1, 2018 (IFRS 9)	35.7	10.6
Loss allowance recognised in profit or loss during the year	(8.8)	-
Provision	-	5.2
At December 31, 2018	26.9	15.8

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Impairment of trade receivables (Cont'd)

In 2017, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

(ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group/Company does not hold any collateral as security.

(iii) In 2017, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the Group/Company would not be able to collect all amounts due according to the original terms of receivables.

19. DERIVATIVE FINANCIAL INSTRUMENTS

THE GROUP	Contractual/ Nominal amount		Fair value (liabilities)/assets	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Currency swaps	146.0	117.1	-	(0.3)

Currency swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies.

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	46.6	122.9
Expenditure incurred during the year	1.8	28.6
Reclassified from land development expenditure (note 14)	-	3.0
Release to profit or loss on disposal	(19.6)	(107.9)
At December 31,	28.8	46.6

Non-current assets held for sale consist of plots of land and their related development costs, available for sale under the "1200 Ap" scheme and VRS financing scheme for residential purpose.

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
(a) Disposal proceeds	286.1	165.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
(b) Liabilities directly associated with non-current assets held-for-sale Accruals and provisions	33.3	7.4

21. STATED CAPITAL

	THE GROUP AND THE COMPANY 2017 & 2018	
	No. of shares	MUR'M
<u>Issued and fully paid</u>	(M)	
Ordinary shares At December 31 ,	227.5	11,976.0

The total issued number of ordinary shares of Terra Mauricia Ltd is 227,545,624 shares of no par value (2017: 227,545,624 shares). All issued shares are fully paid.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

22. REVALUATION AND OTHER RESERVES

THE GROUP - Restated	Associates	Revaluation	Actuarial	Translation	Financial	Total
	Reserves	and Other	Losses	Reserve	Assets at	
	MUR'M	Capital	MUR'M	MUR'M	FVOCI	MUR'M
		Reserves			Reserve	
(i) At January 1, 2018						
-As previously reported	6.3	960.5	(266.5)	(3.0)	(339.1)	358.2
-Effect of changes in effective tax rate	-	-	(6.3)	-	-	(6.3)
- as restated	6.3	960.5	(272.8)	(3.0)	(339.1)	351.9
Revaluation of land and buildings	-	372.1	-	-	-	372.1
Remeasurements of post employment benefit obligations	-	-	78.4	-	-	78.4
Release to retained earnings	-	-	-	-	20.7	20.7
Increase in fair value of financial assets	-	-	-	-	40.6	40.6
Transfer to investment in subsidiaries	-	-	-	14.6	-	14.6
Share of other comprehensive income of associates	79.8	-	-	-	-	79.8
Movements on reserves	42.1	-	-	-	-	42.1
At December 31, 2018	128.2	1,332.6	(194.4)	11.6	(277.8)	1,000.2
(ii) At January 1, 2017	(38.3)	935.8	(237.1)	14.1	(375.7)	298.8
Decrease in fair value of available-for-sale financial assets	-	-	-	-	34.5	34.5
Remeasurements of post employment benefit obligations	-	-	(35.9)	-	-	(35.9)
Deferred tax on remeasurements of post employment benefit obligations	-	-	0.2	-	-	0.2
Release upon disposal of investments	-	-	-	-	2.1	2.1
Release of deferred tax on excess depreciation over historical cost depreciation	-	1.0	-	-	-	1.0
Transfer to investment in subsidiaries	(15.3)	15.3	-	-	-	-
Translation reserve movement	-	-	-	(17.1)	-	(17.1)
Share of other comprehensive income of associates	59.9	-	-	-	-	59.9
Movements on reserves	-	8.4	-	-	-	8.4
At December 31, 2017	6.3	960.5	(272.8)	(3.0)	(339.1)	351.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

22. REVALUATION AND OTHER RESERVES (CONT'D)

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments that has been recognised in other comprehensive income until the investments are derecognised.

Translation reserve

The translation reserve consists of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to the hedged transactions that have not yet occurred and of the foreign currency differences arising from the translation of the financial statements of foreign operations.

Amalgamation reserve

Amalgamation reserve represents the excess of assets over liabilities and reserves of subsidiaries following amalgamation.

Revaluation reserve

The revaluation surplus relates to the revaluation of property, plant and equipment.

Actuarial losses

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligation recognised.

23. BORROWINGS

Non-current

Bank loans
Loans from related parties
Finance lease liabilities
Total non-current

Current

Bank overdrafts

Bank loans
Loans from related parties
Finance lease liabilities

Total current

Total borrowings

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Non-current				
Bank loans	232.1	346.3	-	-
Loans from related parties	10.5	-	-	-
Finance lease liabilities	0.8	6.7	-	-
Total non-current	243.4	353.0	-	-
Current				
Bank overdrafts	31.1	123.2	6.3	13.2
Bank loans	2,425.1	2,211.9	-	-
Loans from related parties	-	-	521.0	616.2
Finance lease liabilities	5.5	10.1	-	-
Total current	2,461.7	2,345.2	527.3	629.4
Total borrowings	2,705.1	2,698.2	527.3	629.4

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

23. BORROWINGS (CONT'D)

(a) Breakdown of loans

Loan in EUR
Bank loan
Other loans

Less: Repayable within one year
Repayable after one year

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Loan in EUR	275.5	318.1	-	-
Bank loan	245.0	165.5	-	-
Other loans	2,136.7	2,074.6	521.0	616.2
	2,657.2	2,558.2	521.0	616.2
Less: Repayable within one year	(2,425.1)	(2,211.9)	(521.0)	(616.2)
Repayable after one year	232.1	346.3	-	-

(b) The maturity of non-current loans is as follows:

- after one year and before two years
- after two years and before three years
- after three years and before five years

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
- after one year and before two years	48.4	60.5
- after two years and before three years	45.9	191.5
- after three years and before five years	137.8	94.3
	232.1	346.3

(c) Finance lease liabilities - minimum lease payments

Not later than one year
After 1 year and before 2 years
After 2 years and before 3 years

Future finance charges
Present value of finance lease liabilities

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Not later than one year	5.7	10.6
After 1 year and before 2 years	0.4	5.9
After 2 years and before 3 years	0.4	1.0
	6.5	17.5
Future finance charges	(0.2)	(0.7)
Present value of finance lease liabilities	6.3	16.8

The present value of finance lease liabilities may be analysed as follows:

Current

Not later than one year

Non Current

After 1 year and before 2 years
After 2 years and before 3 years

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Not later than one year	5.5	10.1
After 1 year and before 2 years	0.4	5.8
After 2 years and before 3 years	0.4	0.9
	0.8	6.7

The rate of interest on the finance leases varies between 2.75% - 7.0% (2017: 2.75% - 8.15%) during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

23. BORROWINGS (CONT'D)

(d) The carrying amounts of non-current borrowings are not materially different from the fair value.

Non-current borrowings can be analysed as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
- After one year and before two years		
Bank borrowings	48.4	60.5
Finance lease liabilities	0.4	5.8
	48.8	66.3
- After two years and before three years		
Bank borrowings	45.9	191.5
Finance lease liabilities	0.4	0.9
	46.3	192.4
- After three years and before five years		
Bank borrowings	137.8	94.3
Loans from related parties	10.5	-
	148.3	94.3
Total	243.4	353.0

(e) The rates of interest on MUR loans and other short term loans vary from 1% to 6.25% (2017: 1.85% to 6.25%) annually and on foreign currency loans - EUR Euribor 3 months +2.8% (2017: Libor 1 month + 4.25%) annually.

(f) Borrowings are secured by fixed and floating charges on the assets of the borrowing entities.

24. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
Defined pension benefits	566.7	645.9
Other post retirement benefits	13.7	13.7
	580.4	659.6
Amount charged to profit or loss:		
- Defined pension benefits	63.5	64.1
- Other post retirement benefits	0.1	1.0
- Defined contribution plan	0.9	0.7
	64.5	65.8
Amount charged to other comprehensive income		
- Defined pension benefits	(67.7)	30.5
- Other post retirement benefits	(0.2)	1.6
	(67.9)	32.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits

(i) Retirement benefit obligations comprise of the Company's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans based on final salary and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF) and a pension arrangement with Swan Life Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2018 by Swan Life Ltd. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statement of financial position are as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Present value of funded obligations	1,016.8	1,088.4
Fair value of plan assets	(641.0)	(614.3)
	375.8	474.1
Present value of unfunded obligations	190.9	171.8
Liability in the statement of financial position	566.7	645.9

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

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	645.9	586.2
Charged to profit or loss	63.5	64.1
(Credited)/charged to other comprehensive income	(67.7)	30.5
Employer's contributions	(59.8)	(34.9)
Fair value adjustment on plan assets	(15.2)	-
At December 31,	566.7	645.9

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

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	1,260.2	1,200.1
Current service cost	29.5	27.1
Interest cost	61.1	71.3
Employee's contribution	2.0	1.9
Actuarial (gains)/losses	(69.7)	57.7
Benefits paid	(75.4)	(97.9)
At December 31,	1,207.7	1,260.2

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	614.3	617.0
Interest income	30.5	35.1
Actuarial (gains)/losses	(2.2)	18.6
Employers' contributions	59.8	40.3
Employee contributions	2.0	1.9
Scheme expenses	(2.3)	(1.2)
Benefits paid	(75.4)	(97.9)
Cost of insuring risk benefits	(0.9)	0.5
Fair value adjustment on plan assets	15.2	-
At December 31,	641.0	614.3

(v) The amount recognised in profit or loss are as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Current service cost	29.5	27.1
Scheme expense	2.3	1.2
Cost of insuring risk benefits	0.9	2.2
Interest expense	30.8	36.2
Contributions by employer	-	(2.6)
Total included in employee benefit expense	63.5	64.1

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Remeasurement on the net defined benefit liability:		
Losses/(gains) on pension scheme assets	2.2	18.6
Experience (losses)/gains on the liabilities	(10.6)	(30.7)
Changes in assumption underlying the present value of the scheme	(59.3)	42.6
Actuarial (gains)/losses recognised in OCI	(67.7)	30.5

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Local equities	136.6	115.2
Overseas equities	183.6	139.4
Fixed interest and properties	260.6	290.5
Qualifying insurance policies	60.2	69.2
Total market value of assets	641.0	614.3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows: (cont'd)

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

The company's ordinary shares are not included in the pension plan assets.

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP	
	2018	2017
Discount rate	5.5%-6.1%	5.0%
Future salary growth rate	3%-4%	3.5% - 3.6%
Future pension growth rate	0.0%	1.0%

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2018	2017
	MUR'M	MUR'M
Decrease due to a 1% increase in discount rate	115.8	53.7
Increase due to a 1% increase in future salary growth rate	52.5	116.4

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the company to actuarial risks, such as longevity risks, currency risk, interest rate risk and market risk.

(xi) The funding requirement are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group is expected to contribute MUR'M 28.5 to the pension scheme for the year ending December 31, 2019.

(xiii) The actual return of the total assets for the year 2018 is MUR'M 27.2 (2017: MUR'M 53.2).

(xiv) The weighted average duration of the defined benefit obligation is 8.5 years at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

(xv) Risks Associated with the Pension promise/Obligation The Pension promise expose the Group to actuarial risks such as longevity risk, interest rate risk, market (investment) risk, and salary risk.

- longevity risk - The liabilities disclosed are based on the mortality tables PA(92) for post-retirement mortality. Should the experience be less favorable than the standard mortality tables, the liabilities will increase.
- interest rate risk - If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
- investment risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
- salary risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(b) Other post retirement benefits

Other post-retirement benefits relate mainly to gratuities on death and on retirement that are based on length of service and salary at date of death or retirement.

Other post retirement benefits comprise mainly of gratuity on retirement payable under the Employment Rights Act 2008 and other benefits.

Movement in the other post retirement benefits

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
At January 1,	13.7	11.1
Charged to profit or loss	-	1.6
Charged to other comprehensive income	-	1.0
At December 31,	13.7	13.7

It has been assumed that the rate of future salary increases will be equal to the discount rate.

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Trade creditors	637.1	471.3	0.1	-
Provision for compensation payments for centralisation in accordance with the Blue Print provisions	54.1	71.2	-	-
Provision for VRS costs	-	0.2	-	-
Amounts due to subsidiaries	-	-	1.1	0.7
Other payables and accruals	377.8	298.8	20.1	4.4
	1,069.0	841.5	21.3	5.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

26. TAXATION

(a) Liability in the statements of financial position

At January 1,	20.6	29.9	0.7	-
Additions through business combinations	-	1.2	-	-
Over provision in previous years	(0.1)	(6.9)	(1.4)	-
Consolidation adjustment	-	4.2	-	-
Tax paid on account	(20.5)	(34.9)	-	-
	-	(6.5)	(0.7)	-
Current tax on the adjusted profits for the year	61.8	54.2	0.5	0.7
@ 3%/15%/25%/30% (2017: 3%/15%/25%/30%)				
Tax paid	(33.5)	(27.1)	-	-
At December 31,	28.3	20.6	(0.2)	0.7

(b) Charge in profit or loss

Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2017: 15%/30%)	61.8	56.0	-	0.7
Overprovision in previous years	(0.1)	(7.6)	(0.5)	-
Deferred taxation (note 15)	(5.4)	(33.2)	-	-
Charge for the year	56.3	15.2	(0.5)	0.7

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Profit before taxation	289.8	260.6	196.7	170.0
Tax calculated at a rate of 3%/15%/25%/30% (2017: 3%/15%/25%/30%)	48.3	91.0	29.5	25.5
Income not subject to tax	(42.4)	(55.0)	(36.0)	(45.3)
Expenses not deductible for tax purposes	5.1	16.3	6.5	20.5
Overprovision in previous years	(0.1)	(7.6)	(0.5)	-
Tax adjustments relating to prior years	-	2.1	-	-
Effect on changes in tax rate in deferred tax liabilities	45.4	(31.6)	-	-
	56.3	15.2	(0.5)	0.7

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

27. OTHER INCOME

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Interest income	11.6	11.4	0.2	1.9
Dividend income	5.2	28.3	-	-
Investment income	16.8	39.7	0.2	1.9
Profit on disposal of property, plant and equipment/ non-current assets held for sale	245.8	167.8	-	-
Others	139.6	80.3	-	-
	402.2	287.8	0.2	1.9

28. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
The profit before finance costs is arrived at after: Crediting:				
Rental of land and buildings	140.6	128.3	-	-
Profit on sale of property, plant and equipment/ non-current assets held for sale	245.8	167.8	-	-
Profit on sale of investment	6.0	-	-	-
and charging:				
Depreciation on property, plant and equipment				
- owned assets	368.9	367.6	-	-
- leased assets	4.5	3.4	-	-
Depreciation on investment properties	6.5	6.0	-	-
Amortisation of intangible assets	5.7	1.7	-	-
Loss on sale of investments	-	4.8	-	-
Employee benefit expense (note 28(a))	842.4	922.7	-	-

(a) Employee benefit expense

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Wages, salaries and other costs	778.9	855.8
Pension costs	63.5	66.9
	842.4	922.7

29. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Depreciation and amortisation	385.6	378.7	-	-
Raw materials and consumables used	3,108.8	2,447.7	-	-
Employee benefit expense	842.4	922.7	-	-
Cultivation and irrigation expenses	329.0	297.0	-	-
Others	623.7	962.2	15.9	21.9
Total cost of sales, administrative expenses, distribution costs and other expenses	5,289.5	5,008.3	15.9	21.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

30. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Net foreign exchange gain	(10.3)	(1.1)	-	-
Interest expense:				
- Bank overdrafts	1.5	1.2	-	-
- Loans repayable by instalments	14.7	13.4	-	-
- Other loans not repayable by instalments	91.7	86.9	31.7	17.1
	107.9	101.5	31.7	17.1
Total	97.6	100.4	31.7	17.1

31. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Profit attributable to equityholders	121.5	85.5	197.2	169.3
Number of ordinary shares in issue	227.5	227.5	227.5	227.5
Basic earnings per share	MUR 0.53	0.38	0.87	0.74

32. DIVIDENDS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, Final ordinary declared - 85 cents per share (2017: 85 cents)	-	-	-	-
Dividends paid during the year	193.4	193.4	193.4	193.4
At December 31,	(193.4)	(193.4)	(193.4)	(193.4)
	-	-	-	-

33. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

	THE GROUP				
	Non-cash changes				
	At January 1, 2018	Cash flows	Acquisition	Foreign exchange movement	At December 31, 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Long-term borrowings	2,558.2	(557.2)	656.2	-	2,657.2
Lease liabilities	16.8	(10.5)	-	-	6.3
Total liabilities from financing activities	2,575.0	(567.7)	656.2	-	2,663.5

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

33. NOTES TO STATEMENT OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Cash in hand and at bank	387.6	174.8	49.4	21.1
Bank overdrafts	(31.1)	(123.2)	(6.3)	(13.2)
	<u>356.5</u>	<u>51.6</u>	<u>43.1</u>	<u>7.9</u>

34. BUSINESS COMBINATIONS

(a) Disposal of interest in subsidiary

Grays Uganda Limited

In the prior year, one of our subsidiaries held a 95% interest in Grays Uganda Limited. On December 31, 2018, the subsidiary disposed 65% interest in Grays Uganda Limited to a third party for proceeds MUR 6,649,692. The Company has accounted for the remaining 30% interest as investment in associates and are accounted for using equity method.

Analysis of asset and liabilities over which control was lost

	2018
	MUR'M
Current assets	
Inventories	2.3
Trade and other receivables	3.1
Cash and cash equivalents	0.5
Current tax assets	0.6
Non-current assets	
Property, plant and equipment	5.3
Deferred tax assets	-
Current liabilities	
Trade and other payables	(8.4)
Net assets as at December 31, 2018	<u>3.4</u>

Percentage interest where control has been lost at 65%

Consideration receivable	6.7
Net assets disposed	(2.2)
Non-controlling interest	(0.2)
Gain on disposal	<u>4.3</u>

	2018
	MUR'M
Net cash inflow on disposal of subsidiary	
Consideration received in cash & cash equivalents	6.7
Less : cash and cash equivalent balances disposed of	(0.5)
Total consideration received	<u>6.2</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

34. BUSINESS COMBINATIONS (CONT'D)

(b) Aceter Global Ltd

During the year, the Group disposed of the whole of its 88% stake in Aceter Global Ltd for a net cash consideration of MUR 1.9 million.

Analysis of asset and liabilities over which control was lost

	2018
	MUR'M
Current assets	
Trade and other receivables	5.4
Cash and cash equivalents	0.1
Non-current assets	
Property, plant and equipment	2.8
Intangible assets	0.5
Investment	0.1
Current liabilities	
Trade and other payables	(8.7)
Net assets as at December 31, 2018	<u>0.2</u>
Percentage interest where control has been lost at 88%	<u>0.2</u>
Consideration receivable	1.9
Net assets disposed	(0.2)
Gain on disposal	<u>1.7</u>

Net cash inflow on disposal of subsidiary

Consideration received in cash & cash equivalents	1.9
Less : cash and cash equivalent balances disposed of	(0.1)
Total consideration received	<u>1.8</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

35. SUBSIDIARIES

(a) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Type of shares held	Stated capital	2018		2017		Principal activity		
			% held by other holding	% held by other group companies	% held by other holding	% held by other group companies			
		MUR							
Terra Milling Ltd	Ordinary	56,657,480	-	80.00	20.00	-	80.00	20.00	Sugar
Terragen Ltd	Ordinary	520,523,500	-	51.00	49.00	-	51.00	49.00	Energy
Terra Brands Ltd	Ordinary	24,342,000	100.00	-	-	100.00	-	-	Investment
Grays Inc.Ltd	Ordinary	83,280,000	-	74.00	26.00	-	74.00	26.00	Commercial
Grays Uganda Ltd *	Ordinary	6,800,000	-	-	-	-	95.00	5.00	Commercial
Grays Distilling Ltd	Ordinary	20,738,000	-	66.67	33.33	-	66.67	33.33	Manufacturing
Terra Services Ltd	Ordinary	25,000	100.00	-	-	100.00	-	-	Services
Ivoirel Limitée	Ordinary	35,130,000	100.00	-	-	100.00	-	-	Investment
Sagittera Ltd	Ordinary	25,000	100.00	-	-	100.00	-	-	Property management
Société Proban	Parts	8,100,000	83.34	-	16.66	83.34	-	16.66	Investment
International Brands Ltd	Ordinary	3,440	-	100.00	-	-	-	-	Investment
Terra Foundation	Ordinary	10,000	100.00	-	-	100.00	-	-	Social activities
Fondation Nemours Harel	Ordinary	10,000	75.00	-	25.00	75.00	-	25.00	Cultural activities
Société Evapo	Parts	16,525,000	-	66.67	33.33	-	66.67	33.33	Investment
Terrarock Ltd	Ordinary	15,000,000	-	54.00	46.00	-	54.00	46.00	Manufacturing
Terragri Ltd	Ordinary	722,455,070	100.00	-	-	100.00	-	-	Sugar
Terra Finance Ltd	Ordinary	500,000	100.00	-	-	100.00	-	-	Treasury
Terravest Holding Ltd	Ordinary	122,178,926	100.00	-	-	100.00	-	-	Investment
Sugarworld Limited	Ordinary	45,238,456	95.24	-	4.76	95.24	-	4.76	Commercial
Les Chais de L'Isle de France Ltée	Ordinary	3,000,000	-	100.00	-	-	100.00	-	Commercial
Aceter Global Ltd **	Ordinary	8,500,000	-	-	-	88.12	-	11.88	Fund management
Terragen Management Ltd	Ordinary	100,000	-	61.75	38.25	-	61.75	38.25	Services
AG Holdings Ltd **	Ordinary	25,000	-	-	-	-	100.00	-	Fund management
Intendance Holding Ltd	Ordinary	1,647,700	100.00	-	-	100.00	-	-	Investment
Beau Plan Cellars Ltd	Ordinary	10,000,000	-	100.00	-	-	100.00	-	Manufacturing
Beau Plan Retail Park ***	Ordinary	1	-	100.00	-	-	-	-	Commercial
Providence Warehouse Ltd	Ordinary	10,000	-	50.00	-	-	50.00	-	Commercial
Beau Plan Development Ltd***	Ordinary	905,000,000	-	100.00	-	-	-	-	Property management

(a) The above subsidiaries are incorporated and operate in Mauritius except for the following:

(i) Ivoirel Limitée, whose country of operation is Côte d'Ivoire;

(ii) Grays Uganda Ltd, whose country of operation is Uganda;

(iii) Providence Warehouse Ltd, whose country of operations is Seychelles.

* The investment in Grays Uganda Ltd has been transferred to investment in associates as at December 31, 2018.

** The investment in Aceter Global Ltd and AG Holdings Ltd have been disposed during the year.

*** Beau Plan Development Ltd and Beau Plan Retail Park Ltd have been incorporated during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

35. SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the entity:

Name	Profit/(loss) allocated to Non-controlling interests during the year	Accumulated Non-controlling interests at Dec 31,
	MUR'M	MUR'M
2018		
Terragen Ltd	96.8	787.4
Terra Milling Ltd	(17.1)	85.8
Grays Inc Ltd	15.8	127.6
2017		
Terragen Ltd	114.3	779.1
Terra Milling Ltd	4.5	89.7
Grays Inc Ltd	14.8	101.4

(c) Summarised financial information on subsidiaries with material non-controlling interests

(i) Summarised statement of financial position of Terragen Ltd:

	2018	2017
	MUR'M	MUR'M
Non-current assets	1,506.0	1,496.1
Current assets	585.1	594.5
Non-current liabilities	(224.9)	(238.6)
Current liabilities	(290.3)	(310.1)
Total equity	1,575.9	1,541.9

Summarised statement of profit or loss and other comprehensive income of Terragen Ltd:

	2018	2017
	MUR'M	MUR'M
Revenue	1,467.1	1,355.2
Expenses	(1,244.7)	(1,112.1)
Other income	2.9	5.7
Profit before tax	225.3	248.8
Taxation	(31.5)	(37.6)
Profit for the year	193.8	211.2
Other comprehensive income	15.4	(4.7)
Total comprehensive income	209.2	206.5

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

35. SUBSIDIARIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

Summarised cash flow information of Terragen Ltd:

	2018	2017
	MUR'M	MUR'M
Net cash inflow from operating activities	423.2	180.8
Net cash outflow from investing activities	(95.7)	(137.8)
Net cash outflow from financing activities	(245.0)	(138.0)
Net cash inflow/(outflow)	82.5	(95.0)

The summarised financial information above is the amount before intra-group eliminations.

(ii) Summarised statement of financial position of Terra Milling Ltd:

	2018	2017
	MUR'M	MUR'M
Non-current assets	854.2	896.3
Current assets	228.6	312.0
Non-current liabilities	(312.3)	(349.6)
Current liabilities	(341.6)	(372.6)
Total equity	428.9	486.1

Summarised statement of profit or loss and other comprehensive income of Terra Milling Ltd:

	2018	2017
	MUR'M	MUR'M
Revenue	383.1	527.9
Sugar Insurance Fund Board Compensation	-	24.9
Expenses	(464.2)	(521.7)
Other income	32.7	29.7
Finance costs	(31.5)	(28.7)
(Loss)/profit before tax	(79.9)	32.1
Taxation	(5.6)	30.3
(Loss)/profit for the year	(85.5)	62.4

Other comprehensive income

Total comprehensive income

Summarised cash flow information of Terra Milling Ltd:

	2018	2017
	MUR'M	MUR'M
Net cash inflow from operating activities	38.3	65.2
Net cash outflow from investing activities	(18.3)	(51.7)
Net cash outflow from financing activities	(42.0)	(6.9)
Net cash (outflow)/inflow	(22.0)	2.0

The summarised financial information above is the amount before intra-group eliminations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

35. SUBSIDIARIES (CONT'D)

(iii) Summarised statement of financial position of Grays Inc Ltd:

	2018	2017
	MUR'M	MUR'M
Non-current assets	201.9	190.2
Current assets	1,050.5	931.1
Non-current liabilities	(130.8)	(118.3)
Current liabilities	(861.4)	(666.6)
Total equity	260.2	336.4

Summarised statement of profit or loss and other comprehensive income of Grays Inc Ltd:

	2018	2017
	MUR'M	MUR'M
Revenue	1,920.5	1,903.2
Expenses	(1,860.6)	(1,808.6)
Other income	21.4	2.4
Finance costs	(11.3)	(10.0)
Exceptional items	(4.4)	(68.8)
Profit before tax	65.6	18.2
Taxation	(12.3)	(13.1)
Profit for the year (continuing operations)	53.3	5.1

Other comprehensive income

Total comprehensive income

Summarised cash flow information of Grays Inc Ltd:

	2018	2017
	MUR'M	MUR'M
Net cash inflow from operating activities	36.7	141.0
Net cash outflow from investing activities	(35.6)	(79.8)
Net cash inflow/(outflow) from financing activities	191.9	(5.9)
Net cash inflow	193.0	55.3

The summarised financial information above is the amount before intra-group eliminations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

36. ASSOCIATES

(a) Summarised financial information in respect of each of the material associates is set out below:

2018	Assets	Liabilities	Revenues	Profit/(loss)	2018 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	31.8	8.4	71.5	42.7	41.87	June 30,
Anytime Investment Ltd	0.1	0.1	-	-	24.50	June 30,
Coal Terminal (Management) Co Ltd	20.8	17.3	82.4	0.2	15.43	December 31,
Horus Ltée	193.0	2.1	-	4.0	50.00	June 30,
Swan General Ltd	5,129.9	2,846.8	1,642.0	327.6	34.03	December 31,
New Fabulous Investment Ltd	0.1	0.1	-	-	24.50	June 30,
New Goodwill Co. Ltd	470.3	265.8	978.0	50.8	33.33	June 30,
Rehm Grinaker Construction Co. Ltd	720.2	693.0	950.5	11.0	35.49	June 30,
Rehm Grinaker Properties Co Ltd	169.8	90.1	14.8	10.2	35.49	June 30,
Topterra Ltd	91.4	55.8	17.8	(3.6)	33.33	June 30,
Commada Ltd	284.6	141.2	-	0.1	50.00	December 31,
Distillerie de Bois Rouge Ltd	4.4	11.2	-	(0.6)	33.33	July 31,
Sucrivoire S.A	5,359.1	2,459.2	3,303.8	(14.7)	25.50	December 31,
United Investment Limited	2,738.2	436.5	30.3	63.9	29.03	June 30,
Terravest Limited	382.6	233.0	419.0	31.3	26.67	December 31,
Thermal Valorisation Co Ltd	931.6	648.9	57.6	(1.0)	34.99	December 31,
Belle Vue Rum Ltd	17.5	12.4	7.7	1.5	50.00	December 31,
Inside Capital Partners Ltd	14.2	11.7	28.2	(8.7)	24.50	December 31,
Payment Express Ltd	253.9	141.5	149.3	11.6	27.80	June 30,
Beau Plan Campus Ltd	583.4	307.0	44.2	30.1	40.00	December 31,
Grays Uganda Ltd	11.8	8.4	14.2	(9.6)	22.20	December 31,

(b) For associates with year ended June 30, and July 31, the management accounts at December 31, 2018 have been used to calculate the share of profit and net assets.

The Group accounts for its investments in Coal Terminal (Management) Co Ltd as associate although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the Board of directors of this associated company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

36. ASSOCIATES (CONT'D)

(c) Summarised financial information in respect of each of the material associates is set out below.

2017	Assets	Liabilities	Revenues	Profit/(loss)	2017 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	35.2	15.2	71.5	(8.8)	41.87	June 30,
Anytime Investment Ltd	0.1	0.1	-	-	24.50	June 30,
Coal Terminal (Management) Co Ltd	25.4	24.7	70.5	(2.2)	15.43	December 31,
Horus Ltée	166.9	2.0	-	17.1	50.00	June 30,
Swan General Ltd	4,859.1	2,022.0	1,448.3	236.6	34.03	December 31,
New Fabulous Investment Ltd	0.1	0.1	-	-	24.50	June 30,
New Goodwill Co. Ltd	352.2	152.7	997.1	93.9	33.33	June 30,
Rehm Grinaker Construction Co. Ltd	1,107.8	1,089.9	1,181.2	-	35.49	June 30,
Rehm Grinaker Properties Co Ltd	169.7	97.2	7.0	3.1	35.49	June 30,
Topterra Ltd	94.0	59.3	9.4	(1.7)	33.33	June 30,
Commada Ltd	298.5	144.8	-	-	50.00	December 31,
Distillerie de Bois Rouge Ltd	4.4	11.2	-	(0.6)	33.33	July 31,
Sucrivoire S.A	2,888.9	806.6	3,482.0	195.1	25.50	December 31,
United Investment Limited	3,622.0	1,384.1	34.6	(144.7)	29.03	June 30,
Terravest Limited	337.2	237.5	445.6	8.1	26.67	December 31,
Thermal Valorisation Co Ltd	908.6	625.3	25.1	(13.5)	34.99	December 31,
Belle Vue Rum Ltd	19.1	12.4	11.3	2.1	50.00	December 31,
Inside Equity Fund	94.7	16.5	-	(32.5)	38.97	December 31,
Inside Capital Partners Ltd	11.2	10.2	18.4	(14.5)	24.50	December 31,
Payment Express Ltd	178.9	78.1	47.8	(7.2)	27.80	June 30,
Beau Plan Campus Ltd	489.1	254.5	-	-	40.00	December 31,

For associates with year ended June 30, and July 31, the management accounts at December 31, 2018 have been used to calculate the share of profit and net assets.

The Group accounts for its investments in Coal Terminal (Management) Co Ltd as associate although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the Board of directors of this associated company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

37. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Property, plant and equipment	696.5	97.6

38. ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the ultimate holding entity of Terra Mauricia Ltd.

39. RELATED PARTY TRANSACTIONS

(i) THE GROUP	Remuneration	Purchases of services	Sales of services and others	Management Fees Receivable	Throughput and storage fees payable	Amount receivable
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2018						
Associates	-	75.8	0.3	9.4	18.6	6.0
Key management personnel	105.0	-	-	-	-	-
Enterprises with common directors	-	332.9	225.3	-	-	-
2017						
Associates	-	67.3	-	14.4	16.8	7.4
Key management personnel	103.7	-	-	-	-	-
Enterprises with common directors	-	188.3	178.6	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

39. RELATED PARTY TRANSACTIONS (CONT'D)

(ii) THE COMPANY	Remuneration	Amount receivable	Amount payable
	MUR'M	MUR'M	MUR'M
2018			
Associates	-	14.4	-
Key management personnel	-	-	-
Subsidiaries	-	4.1	522.0
2017			
Associates	-	44.2	-
Key management personnel	-	-	-
Subsidiaries	-	61.3	616.7

(iii) Key management personnel	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Salaries and short term employee benefits	96.2	97.8	-	-
Other benefits	8.8	5.9	-	-
	105.0	103.7	-	-

(iv) The transactions to and from related parties are made at normal market prices. There has been no guarantees provided or received for any related party receivables or payables and outstanding balances at year end are unsecured. For the year ended December 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Intercompany receivables and payables carries interest at market rate.

40. CONTINGENT LIABILITIES

(a) Court cases

(i) Previous distillers

An agreement was reached in 1979 between five enterprises (including a subsidiary of the Group) for the sale and sharing thereof of alcohol produced from molasses and sold in Mauritius. The agreement was terminated in 2000. There is currently a dispute over the compensation payable upon termination to two partners, who are claiming MUR 58.4 million from the other partners, (including a subsidiary of the Group). A ruling was delivered in August 2012 by the Judge of the Commercial Court to the effect that the matter should be referred to arbitration. However, the parties have given notice of appeal of that judgement. The appeal was called in March 2014, when some points of laws were raised. On 20 November 2014, arguments were heard on the points of law and the judge has delivered his ruling on 11 December 2015, allowing the appeal to proceed. The appeal was heard on 22 February 2017 and the Court has ruled, on 1st November 2018, that the case should be referred to the Supreme Court (Commercial Division).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

40. CONTINGENT LIABILITIES (CONT'D)

(a) Court cases (Cont'd)

(ii) *Ex-employees of Beau Plan Sugar Factory*

There is currently a claim to a subsidiary for damages from ex-employees of Beau Plan Sugar Factory for MUR 130.0M in respect of breach of contract. The court case is still ongoing.

(iii) *Irrigation Authority*

There is a dispute in respect of irrigation dues by Terragri Ltd for the period 2005 to 30th June 2018 amounting to MUR 45.1M. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and the Company.

(iv) *Dissenting shareholders*

Following the special meeting of Harel Frères Limited (now Terragri Ltd) held on November 23, 2011 at which the shareholders of Terragri Ltd approved a scheme of arrangement under sections 261 to 264 of the Companies Act 2001 (the "Scheme") pursuant to which the shares of Terragri Ltd were, on January 01, 2012, exchanged for shares of Terra Mauricia Ltd ("Terra") in the ratio of 1:1, that is one (1) ordinary share of Terra for one (1) ordinary share of Terragri Ltd, certain dissenting shareholders (the "Dissenting Shareholders"), representing some 6.4% of the share capital have initiated legal proceedings against Terragri Ltd and Terra. The Dissenting Shareholders claim that they have been unfairly prejudiced by the Scheme and have applied for an order of the court requiring the buy back of their shares at fair value or the payment of compensation in a sum in excess of MUR 64 per share held by them. Terragri Ltd and Terra have been advised that the claim of the Dissenting Shareholders is misconceived. Counsel has further opined that the claim amounts to an abuse of process of the court. The claim of the Dissenting Shareholders has been resisted both by Terragri Ltd and Terra. The matter has been heard by the Bankruptcy Division of the Supreme Court of Mauritius and a judgement was issued on February 11, 2014. The Supreme Court dismissed the applications with costs and confirmed that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders have given notice of appeal, which was resisted. The appeal, which was scheduled to be heard on May 25, 2015 has been postponed to July 11, 2016, to June 19, 2017, to January 15, 2018 and then to July 02, 2018. It was finally heard on July 16, 2018 and the judgement, which was delivered on March 25, 2019, dismissed the appeal with costs.

(v) *The Mauritius Revenue Authority (MRA)*

In October 2011 the MRA raised assessments totaling MUR 30.9M in respect of corporate tax on Mauricia Limitee which was subsequently amalgamated with Terragri Ltd (formerly Harel Frères Limited). An amount of MUR 9.3M, representing the statutory 30% payment, was paid when objections were made against the assessments. Following the decision of the Alternative Tax Dispute Resolution Panel held on February 27, 2018, a final agreement was reached. Both parties agreed that the downpayment of MUR 9.3M represented the revised tax payable including penalties and interests. Since the said amount had already been paid, no further tax was due.

(vi) *Breach of contract*

A subsidiary has claimed an amount of MUR 1.8M to one of its clients in respect of overdue selling fees. The client has submitted a counterclaim of MUR 60M to the subsidiary for breach of contract and damages. The dispute is still pending.

Following the termination of a transport contract by a subsidiary, a supplier has claimed MUR 6M to the former for breach of contract. The case is still ongoing.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

40. CONTINGENT LIABILITIES (CONT'D)

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 166.0 (2017: MUR'M 166.0) as at December 31, 2018.

(c) Letter of comfort

In the ordinary course of business, the Company has provided letters of comfort and undertaking in favour of commercial banks in Mauritius in respect of short term banking facilities availed by its wholly owned subsidiary, Terra Finance Ltd.

As at December 31, 2018, the total comfort provided in respect of the short term banking facilities amounted to MUR 5.5 billion (2017: MUR 5.3 billion) out of which total utilisation amounted to MUR 2.1 billion (2017: MUR 2.1 billion).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

41. SEGMENT INFORMATION

(a) <u>Year ended December 31, 2018</u>	Cane	Power	Brands	Property and Leisure	Others	Group Adjustments	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	884.1	1,467.1	2,410.9	202.5	284.8	-	5,249.4
Intersegment sales	(48.4)	(16.5)	-	(23.5)	(81.7)	-	(170.1)
Revenues from external customers	835.7	1,450.6	2,410.9	179.0	203.1	-	5,079.3
Segment profit	(271.9)	235.0	91.2	171.4	49.7	(91.9)	183.5
Finance costs	(37.6)	(4.1)	(15.9)	(0.1)	(131.8)	91.9	(97.6)
Profit after finance costs	(309.5)	230.9	75.3	171.3	(82.1)	-	85.9
Share of results of associates	(3.7)	(0.3)	28.9	12.1	166.9	-	203.9
Profit before taxation	(313.2)	230.6	104.2	183.4	84.8	-	289.8
Taxation	(5.7)	(31.5)	(20.5)	(2.7)	4.1	-	(56.3)
(Loss)/Profit after taxation	(318.9)	199.1	83.7	180.7	88.9	-	233.5
Non-controlling interests							(112.0)
Profit attributable to equity holders of the company							121.5

<u>Year ended December 31, 2017</u>	Cane	Power	Brands	Property and Leisure	Others	Group Adjustments	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,133.4	1,356.9	2,285.4	194.8	289.8	-	5,260.3
Intersegment sales	(43.5)	(16.9)	-	(23.0)	(89.6)	-	(173.0)
Revenues from external customers	1,089.9	1,340.0	2,285.4	171.8	200.2	-	5,087.3
Segment (loss)/profit	(99.3)	257.3	85.1	109.7	63.6	(97.7)	318.7
Finance (costs)/income	(54.2)	(4.1)	(5.2)	(2.6)	(132.0)	97.7	(100.4)
(Loss)/Profit after finance costs	(153.5)	253.2	79.9	107.1	(68.4)	-	218.3
Share of results of associates	49.8	(4.7)	30.6	-	(33.4)	-	42.3
Profit before taxation	(103.7)	248.5	110.5	107.1	(101.8)	-	260.6
Taxation	31.4	(37.0)	(9.3)	(2.5)	2.2	-	(15.2)
Profit after taxation	(72.3)	211.5	101.2	104.6	(99.6)	-	245.4
Non-controlling interests							(158.8)
Profit attributable to equity holders of the company							86.6

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

41. SEGMENT INFORMATION (CONT'D)

(b) <u>Year ended December 31, 2018</u>	Cane	Power	Brands	Property and Leisure	Others	Group
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Interest revenue	-	0.2	6.4	0.1	4.9	11.6
Interest expense	20.5	(8.9)	(2.2)	(0.1)	(117.2)	(107.9)
Cost of sales	(988.0)	(1,107.2)	(1,793.7)	(25.3)	(129.4)	(4,043.6)
Segment assets	8,129.6	1,974.8	1,870.3	2,937.3	402.9	15,314.9
Associates	792.3	99.0	89.8	110.9	2,363.5	3,455.5
Other assets	0.1	20.5	-	28.8	657.7	707.1
Segment liabilities	565.7	279.6	572.3	78.6	152.8	1,649.0
Borrowings	532.5	-	679.7	1.5	1,491.5	2,705.2
Other liabilities	15.0	223.1	14.4	34.3	9.4	296.2
Capital expenditure	125.8	42.1	114.8	4.7	25.2	312.6
Depreciation and amortisation	(188.9)	(75.8)	(49.9)	(43.0)	(28.0)	(385.6)

<u>Year ended December 31, 2017</u>	Cane	Power	Brands	Property and Leisure	Others	Group
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Interest revenue	0.2	0.5	-	-	10.7	11.4
Interest expense	(22.8)	(4.4)	(13.1)	(2.3)	(58.9)	(101.5)
Cost of sales	(1,060.8)	(987.2)	(1,688.7)	(22.7)	(116.3)	(3,875.7)
Segment assets	8,594.8	1,966.8	1,536.6	2,389.2	533.0	15,020.4
Associates	801.7	99.2	83.0	99.4	2,162.6	3,245.9
Other assets	71.0	28.0	-	74.0	317.3	490.3
Segment liabilities	585.8	220.0	411.8	77.5	206.0	1,501.1
Borrowings	505.7	70.0	500.1	3.5	1,618.9	2,698.2
Other liabilities	10.2	191.9	5.8	8.8	4.3	221.0
Capital expenditure	174.6	124.3	103.2	60.2	15.4	477.7
Depreciation and amortisation	(184.9)	(75.5)	(48.7)	(46.0)	(23.6)	(378.7)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

41. SEGMENT INFORMATION (CONT'D)

The Group is organised into the following main business segments:-

Cane - Cane growing and milling activities

Brands - Manufacturing, bottling and retailing of alcohol products and sale of consumable goods

Power - Production and sale of electricity from coal and bagasse

Property and Leisure - Rental of properties, property development and leisure services

Others - Management and manufacture and sale of building materials, none of which constitute a separately reportable segment

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(c) Geographical segments

The Group's five business segments are managed locally and operate in the following main geographical areas:

	Sales		Total assets		Capital expenditure	
	2018	2017	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Mauritius	4,808.8	4,880.0	18,624.2	18,744.5	341.8	477.7
Côte d'Ivoire	10.4	14.4	723.8	773.4	-	-
Seychelles	260.1	192.9	129.5	113.6	-	-
	5,079.3	5,087.3	19,477.5	19,631.5	341.8	477.7

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

Analysis of sales	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	MUR'M	MUR'M	MUR'M	MUR'M
Sale of sugar, molasses and bagasse	835.7	1,089.9	-	-
Sale of electricity	1,450.6	1,340.0	-	-
Sale of goods	2,699.5	2,529.4	-	-
Revenue from services	93.5	128.0	-	-
Dividend income	-	-	244.1	302.0
	5,079.3	5,087.3	244.1	302.0

All revenues are recognised at one point in time.

For revenue recognition see note 2.23.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

41. SEGMENT INFORMATION (CONT'D)

(d) Remaining performance Obligations

The vast majority of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, certain design contracts and contracts for the delivery of goods have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Company's right to consideration does not correspond directly with the performance.

In addition, sales of extended warranties for periods of greater than one year and material rights relating to discounts on future contracts do not meet these conditions.

42. COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP	
	2018	2017
	MUR'M	MUR'M
Compensation from the SIFB	37.4	67.2

43. CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements

IFRS 9 and IFRS 15 were adopted without restating comparative information. Any adjustments arising from the new accounting policies are not reflected in the comparatives year ended December 31, 2017 but are recognised in the opening reserves on January 1, 2018.

The following tables show the adjustments recognised for each individual line item.

THE GROUP

Balance sheet

	December 31, 2017	IFRS 9	January 1, 2018 Restated
	MUR'M	MUR'M	MUR'M
Non-current assets			
Financial assets at amortised cost	123.0	(7.4)	115.6
Current assets			
Trade receivables	1,625.3	(19.9)	1,605.4
Loss allowance	(15.8)	(19.9)	(35.7)
Current liabilities			
Retained earnings	930.6	(27.3)	903.3

The impact on the retained earnings as at January 1, 2018 is as follows:

	MUR'M	MUR'M
Retained earnings December 31, 2017		924.1
Adjustments from adoption of IFRS 9		
Increase in provision for trade receivables	(19.9)	
Increase in provision for debt investments at amortised cost	(7.4)	
		(27.3)
Prior year adjustment in respect of changes in effective tax rate (note 43(d))		(5.9)
Restated retained earnings January 1, 2018		890.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

43. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(b) IFRS 9 Financial Instruments

(i) Classification and measurement

On January 1, 2018, management has assessed which business models apply to the financial assets held and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

	Notes	FVOCI (Available- for-sale 2017) MUR'M
Financial assets - January 1, 2018		
Balance December 31, 2017		
- IAS 39		
Reclassify investments from available-for-sale to FVOCI	(a)	393.6
		393.6

Opening balance January 1, 2018 - IFRS 9

• Equity investments previously classified as available-for-sale

The Company/Group elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of MUR'M 393.6 were reclassified from available-for-sale financial assets to financial assets at FVOCI.

• Other financial assets

Equity securities - held for trading are required to be held as FVPL under IFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9.

• Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, January 1, 2018, the financial instruments of the Company/Group were as follows, with any reclassifications noted:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original	New	Difference
			MUR'M	MUR'M	MUR'M
Non-current financial assets					
Other receivables	Amortised cost	Amortised cost	123.0	115.6	7.4
Current financial assets					
Trade receivables	Amortised cost	Amortised cost	1,625.3	1,605.4	19.9

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

43. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(b) IFRS 9 Financial Instruments (Cont'd)

(ii) Derivatives and hedging activities

Impact from the adoption of IFRS 9 on prior periods

The foreign currency forwards and interest rate swaps in place as at December 31, 2017 qualified as cash flow hedges under IFRS 9. The Company/Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

For foreign currency forwards, the Company/Group only designates the spot component of the change in fair value in cash flow hedge relationships. The spot component is determined with reference to the relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as forward points. It is discounted, where material. Changes in the fair value related to forward points were recognised in the statement of profit or loss prior to January 1, 2017.

Since adoption of IFRS 9, the Company/Group recognises changes in the fair value of foreign currency forwards attributable to forward points in the costs of hedging reserve within equity. The deferred costs of hedging are included within the initial cost of the related hedged item when it is recognised.

New hedge designations from January 1, 2018

Prior to January 1, 2018, the Company/Group classified foreign currency options as held-for-trading derivatives and accounted for them at FVPL. Following the adoption of IFRS 9, the Company/Group is now designating the intrinsic value of foreign currency options as hedging instruments. The intrinsic value is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material. Changes in the time value of the options that relate to the hedged item are deferred in the costs of hedging reserve and recognised against the related hedge transaction when it occurs.

(iii) Impairment of financial assets

The Company/Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables for sales and from the provisions of services;
- financial assets carried at amortised cost.

The Company/Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's/Group's retained earnings and equity is disclosed above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Year ended December 31, 2018

43. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(b) IFRS 9 Financial Instruments (Cont'd)

(iii) Impairment of financial assets (Cont'd)

Trade receivables and contract assets

The Company/Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in an increase of the loss allowance on January 1, 2018 by MUR'M 27.3 for trade receivables.

The loss allowance decreased by MUR'M 35.7 to MUR'M 26.9 for trade receivables during the current reporting period.

(c) IFRS 15 Revenue from Contracts with customers

There are no changes to the amounts reported in the financial statements year ended December 31, 2018 under IFRS 15 to the amounts that would have been reported had the Company/Group continued to report in accordance with IAS 18, Revenue.

(d) Changes in effective tax rate

Following a review of the effective tax rate in line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is disclosed within the Statement of Profit or Loss and Other Comprehensive Income and the income tax liability on the Statement of Financial Position.

The effect of changes in effective tax rate

The financial statements have been restated retrospectively in accordance with IAS 8. Consequently, the Group has adjusted opening equity, deferred taxation liability and current tax liability as of Jan 1, 2016 and figures for 2017 have been restated as if new accounting policy has always applied.

The effect on the statements of financial position are as follows:

Balance as reported at Jan 1, 2017

- As previously reported
- Effect of changes in effective tax rate
- As restated

THE GROUP		
Deferred tax liabilities	Owners' interest	Non-controlling interest
MUR'M	MUR'M	MUR'M
78.8	13,258.3	1,074.6
12.1	0.2	(12.3)
90.9	13,258.5	1,062.3

Balance as reported at Jan 1, 2016

- As previously reported
- Effect of changes in effective tax rate
- As restated

THE GROUP		
Deferred tax liabilities	Owners' interest	Non-controlling interest
MUR'M	MUR'M	MUR'M
117.0	13,306.8	1,003.7
12.6	(0.3)	(12.3)
129.6	13,306.5	991.4

THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

THE GROUP

	THE GROUP		
	2018 MUR'M	Restated 2017 MUR'M	At Jan 1, Restated 2017 MUR'M
STATEMENT OF PROFIT OR LOSS			
Turnover	5,079.3	5,087.3	4,860.5
Profit before taxation and associates' results	85.9	218.3	381.0
Share of results of associates	203.9	42.3	52.4
Taxation	(56.3)	(15.2)	(70.6)
Profit after taxation	233.5	245.4	362.8
Profit attributable to:			
Owners of the parent	121.5	86.6	213.9
Non Controlling interests	112.0	158.8	148.9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit after taxation	233.5	245.4	362.8
Other comprehensive income for the year net of tax	585.1	27.7	(3,593.3)
Total comprehensive income	818.6	273.1	(3,230.5)
Total comprehensive income attributable to:			
Owners of the parent	695.6	120.7	(3,374.0)
Non controlling interests	123.0	152.4	143.5
	818.6	273.1	(3,230.5)
Percentage of profit on shareholders' interest (%)	0.9	0.5	1.6
Earnings per share (MUR)	0.53	0.38	0.96
Dividends proposed and paid	193.4	193.4	193.4
Dividend per share (MUR)	0.9	0.9	0.9
Dividend cover (times)	0.6	0.4	1.1
Net assets per share (MUR)	60.5	58.2	58.4
Weighted number of ordinary shares used in calculation (M)	227.5	227.5	227.5
Number of ordinary shares at end of year (M)	227.5	227.5	227.5
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	16,601.2	15,903.6	15,443.3
Current assets	2,847.5	2,794.3	2,769.6
Non-current assets classified as held-for-sale	28.8	46.6	122.9
Total assets	19,477.5	18,744.5	18,335.8
Owners' interest	13,774.6	13,258.5	13,306.5
Non Controlling interests	1,052.5	1,062.3	991.4
Non-current liabilities	1,058.1	1,208.7	1,179.3
Current liabilities	3,559.0	3,207.6	2,856.3
Liabilities directly associated with non-current assets held for sale	33.3	7.5	2.3
Total equity and liabilities	19,477.5	18,744.6	18,335.8