CONSTANCE LA GAIETÉ

COMPANY LIMITED

Annual Report

2017

CONTENTS

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of **Constance La Gaieté Company Limited** for the year ended 31st December 2017. This report was approved by the Board on 29th March 2018.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of the shareholders of the Company will be held on Friday 22nd June 2018, at 09.30 a.m. in the Boardroom of Constance Group, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, to transact the following business:

1. To consider the Annual Report for the year ended 31st December 2017
2. To receive the report of BDO & Co., the External Auditors of the Company
3. To adopt the Audited Financial Statements of the Company and the Group for the year ended 31st December 2017
4. To authorise the Board of Directors to fix the remuneration of the External Auditors, BDO & Co., who have expressed their willingness to continue to act as external auditors of the Company and will be automatically reappointed
5. By separate resolutions and in accordance with article 21.2 (1) of the Constitution of the Company, to re-elect the following persons who, retiring by rotation, offer themselves for re-election as Directors of the Company:
    a. Mr Jean JUPIN DE FONDAUMIERE
    b. Mr Jean RIBET
    c. Mr Noël Adolphe VALLET
6. Shareholders' questions

By order of the Board

Marie-Anne Adam, ACIS
For La Gaieté Services Ltd
Secretaries

14th May 2018

Notes

A member of the Company who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his/her stead. A proxy needs not be a member of the Company.

The instrument appointing a proxy, any general power of attorney or written resolution appointing a representative should reach the Company Secretary at the registered office of the Company, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, not less than 24 hours prior to the time scheduled for the meeting, i.e. by 09.30 a.m. on Thursday, 21st June 2018 (being the last business day before the meeting). In default, the instrument of proxy shall not be treated as valid.

A proxy form is included in this Annual Report and is also available at the registered office of the Company.

For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 28th May 2018.

Corporate Information

Directors

Name	Country of Residence	Board Appointment	Committee Assignment
George J. DUMBELL	Mauritius	Independent Chairman	Chairman of Corporate Governance (and Nomination & Remuneration)
Nicolas BOULLÉ	Mauritius	Non-executive	
Arnaud DALAIS (up to 13 April 2017)	Mauritius	Non-executive	
Patrick DE LABAUVE D'ARIFAT (as from 12 May 2017)	Mauritius	Non-executive	
Marc FREISMUTH	Mauritius	Independent	Member of Corporate Governance (and Nomination & Remuneration)
Jean JUPPIN DE FONDAUMIÈRE	Mauritius	Independent	Member of Audit (Risk Management)
Clément D. REY	Mauritius	Executive	
Maxime REY	Mauritius	Non-executive	
Jean RIBET	Mauritius	Executive	Member of Corporate Governance (and Nomination & Remuneration)
Georgina ROGERS	Mauritius	Non-executive	Chairperson of Audit (Risk Management)
Jean-Jacques VALLET	Mauritius	Non-executive	
Noël Adolphe VALLET	Mauritius	Non-executive	Member of Audit (Risk Management)

Committees of the Board

Audit (Risk Management) Committee

Georgina ROGERS - *Chairperson*
Jean JUPPIN DE FONDAUMIÈRE
Noël Adolphe VALLET

Corporate Governance (and Nomination & Remuneration) Committee

George J. DUMBELL - *Chairman*
Jean RIBET
Marc FREISMUTH

Management Team – Constance Corporate Management Ltd

Jean RIBET - *Group Chief Executive Officer*
Clément D. REY - *Group Head of Corporate Affairs*
Kevin CHAN TOO - *Group Head of Finance*

Secretaries

La Gaieté Services Limited
5th Floor, Labama House,
35 Sir William Newton Street,
Port Louis

Represented by:

Mrs Marie-Anne Adam, ACIS and Mr Yan Béchard, ACIS

Share Registry and Transfer Office

ECS Secretaries Ltd
3rd Floor, Labama House,
35 Sir William Newton Street,
Port Louis

Auditors

External

BDO & Co.
Chartered accountants
10 Frère Félix de Valois Street,
Port Louis

Partner: Mrs Ameenah Ramdin

Internal

PricewaterhouseCoopers
Chartered accountants
18 CyberCity,
Ébène

Represented by: Mr Michael Ho Wan Kau

Bankers

The Mauritius Commercial Bank Ltd

Barclays Bank plc

State Bank of Mauritius Ltd

Registered Office

5th Floor, Labama House,
35 Sir William Newton Street,
Port Louis

Report of the Directors

Dear Shareholder,

The Directors of Constance La Gaieté Company Limited have pleasure in presenting to you the Annual Report of the Company together with its Audited Financial Statements for the year ended 31st December 2017.

Business Overview

Industry Review

In comparison with 2016, total sugar production was down by 31,064 tonnes to reach 355,213 tonnes. Some 3.713 million tonnes of cane were harvested from 49,972 hectares, yielding 74.31 tonnes per hectare. The sector was heavily affected by the reduction in estimated sugar price, which reached MUR 11,000 per tonne compared with MUR 15,300 per tonne a year earlier.

Industry Comparative Results (2013–17)

Year	2017	2016	2015	2014	2013
Area harvested (hectares)	**49,972**	51,476	52,387	50,694	53,464
Cane harvested (thousand tonnes)	**3,713**	3,798	4,009	4,044	3,816
Cane yield (tonnes/ha)	**74.31**	73.79	76.53	79.78	71.37
Cane crushed (thousand tonnes)	**3,711**	3,796	4,004	4,039	3,812
Sugar produced (thousand tonnes)	**355**	386	366	400	405
Extraction rate (%)	**9.57**	10.18	9.14	9.91	10.62
Sugar yield (tonnes/ha)	**7.11**	7.50	6.99	7.89	7.57

Year in Review

2017 Sugarcane Harvest

2017 growing season followed a similar pattern to that of 2016. After a dry January, rainfall was well distributed until the beginning of the harvest season, which started end of May. Unfortunately, winter rainfall was above average, resulting in a lower sugar content. The cane yield was better than in 2016 with 72.38 TCH but the extraction rate was much lower at 9.98%, resulting in a reduction in sugar produced per hectare at 7.22 TSH.

Estate Cane and Sugar Production

Crop year	2017	2016	2015	2014	2013
Area harvested (hectares)	**1,971**	1,998	2,032	2,032	1,904
Cane yield per hectare (tonnes)	**72.38**	69.66	70.33	76.65	66.90
Total cane harvested (tonnes)	**142,635**	139,211	142,882	155,262	127,358
Sugar produced per hectare (tonnes)	**7.22**	7.34	6.64	7.72	7.35
Sugar produced (tonnes)	**14,231**	14,666	13,495	15,695	13,999
Share of sugar produced (tonnes)	**11,100**	11,439	10,526	12,085	10,919
Extraction (%)	**9.98**	10.53	9.45	10.08	10.99

Year in Review (continued)

Financial Performance

The declining sugar price, estimated at MUR 11,000 per tonne for the year compared to MUR 15,300 per tonne in 2016, had a severe impact on our results. Although accompanying measures totalling some MUR 2,700 per tonne were available for this crop year, Group revenue fell to MUR 262 million compared to MUR 295 million in the previous year. Group operating expenses reached MUR 375 million (2016: 312 million) and included MUR 53 million of impairment/writing down of biological assets pertaining to sugar activity, as a consequence of the prevailing sugar price.

After booking other income of MUR 8.7 million (2016: MUR 45.3 million) and finance costs of MUR 6.2 million (2016: MUR 4.6 million), loss from ordinary activities was MUR 109.6 million (2016: Profit of MUR 23.3 million). Share of results from associates stood at MUR 0.7 million (2016: MUR 17.8 million). Loss for the year, after accounting for taxation, was MUR 117.4 million compared to a profit of MUR 38.3 million last year.

Key Financial Results and Ratios

GROUP		31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013 Restated
Revenue	MUR'000	**262,372**	294,921	289,988	259,338	304,605
Operating and other expenses	MUR'000	**374,544**	312,301	333,478	327,418	327,035
Operating loss	MUR'000	**(112,172)**	(17,380)	(43,490)	(70,765)	(26,418)
(Loss)/profit after taxation	MUR'000	**(117,373)**	38,327	8,931	(15,473)	(802)
Total assets	MUR'000	**867,420**	936,512	908,287	910,017	934,537
Total equity	MUR'000	**394,194**	539,597	524,274	600,693	624,136
Total borrowings	MUR'000	**146,498**	95,303	77,235	28,885	22,845
Net assets per share	MUR	**82.12**	112.42	109.22	125.14	130.03
(Loss)/Earnings per share	MUR	**(24.45)**	7.98	1.86	(3.22)	(0.17)
Dividend per share	MUR	**4.50**	4.50	4.50	4.50	4.50
Share price	MUR	**121.00**	100.50	100.00	136.00	155.00
Price–earnings ratio		**N/A**	12.59	53.76	N/A	N/A
Volume of shares traded		**30,876**	40,134	40,026	28,337	17,076

Non-sugar Activities

In line with the company's objective to develop other activities on marginal lands, farming activity is being expanded in the Belle Mare region with a new cattle rearing operation. Given the good agronomic results from grass planted, the first herd of animals will be introduced on site soon.

Deer farming produced very good results both in terms of birth rate ratio and average kilos produced. New pasture species, more adaptable to dryer weather conditions, are being introduced on a large scale, with a view to reducing costly food complements otherwise needed.

Broiler production was, once again, satisfactory and should benefit from the recent decision to install fully automated tunnel systems on our farms in 2018.

Real Estate

The Company has been experiencing considerable delays in obtaining necessary permits for starting its infrastructural works; Boulet Rouge III morcellement development has not yet received its letter of intent despite our close monitoring and systematic representations to the authorities. In line with the development of an office park in the Constance (ex-factory) area, the construction of an office complex has just started with albeit a six-month delay on original forecasts due to the late receipt of certain permits. The new premises, which will be fully occupied on completion, should be operational within the next 12 months.

The Company is investigating further mixed-used real-estate developments in this area, in line with the growing interest for the Centre de Flacq area.

Report of the Directors
(continued)

Outlook

2018 growing season started relatively well with early rains coming in the beginning of January. However, above average rainfall recorded and lack of sunshine during the subsequent growing phase adversely impacted the cane stems development in certain regions. Expectations are that the 2018 Crop production will be similar to that of last year.

Our de-rocking and mechanisation planning program is maintained, with the objective of mechanising about 80,000 tonnes of sugar harvested, within the next two years. This would represent approximately 60% of the estate sugar cane production.

Dividend

A dividend of MUR 4.50 per share (2016: MUR 4.50 per share) was declared and paid in December 2017, bringing the dividend pay-out for the year under review to MUR 21.6 million.

Corporate Governance

The Board of Directors has overall responsibility for ensuring that your Company complies with standards of good corporate governance and best international practice. It approves risk strategy and policies, and delegates their formulation, implementation and monitoring to Committees of the Board, the Internal and External Auditors, and Senior Management. In turn, line managers have primary responsibility for maintaining and enforcing procedures, practices and controls within their sphere of responsibility, and for ensuring that the Board is kept informed, in a timely manner, of all risk-related issues that may affect the Company.

Code of Ethics and Conduct

Your Company is committed to the highest standards of integrity and ethical conduct in its dealings with all its stakeholders. It has adopted a Code of Ethics and Conduct, as well as a specific Code of Ethics and Conduct for Directors, which emphasise standards that have been part of the Company's unwritten daily code of behaviour, which goes beyond the requirements of law.

Acknowledgements

On behalf of the Board, we extend our gratitude to the Company's Management and staff for their dedication and commitment, in the face of the continuing challenges in the industry.

Approved by the Board of Directors and signed on its behalf on 29th March 2018.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

CORPORATE GOVERNANCE

Statement of Compliance

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: Constance La Gaieté Company Limited

Reporting Period: 1st January 2017 to 31st December 2017

We, the Directors of Constance La Gaieté Company Limited, confirm to the best of our knowledge that the PIE has complied with all its obligations and requirements under the Code of Corporate Governance, except for:

- Section 2.2.6: Annual Re-election of Directors: Non-compliance with this section of the Code is explained in the Corporate Governance report (page 8).
- Section 2.8.2: Remuneration of Directors: The reason for non-compliance is the confidentiality and sensitivity of the information. However, Directors' remuneration is disclosed by category (page 25).

Signed by

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

Date: 29th March 2018

Statement on Corporate Governance

In line with its Statement on Corporate Governance, your Company is engaged in adhering to the Code of Corporate Governance for Mauritius ("the Code") issued by the National Committee on Corporate Governance and in upholding standards of corporate governance, through Company-wide awareness of its business ethics and the stewardship and supervision of its Management by the Board of Directors and Committees of the Board.

The Company's comprehensive Risk Management Programme, which clearly defines responsibility for risk and compliance, and outlines risk coverage and policy as well as the required supporting infrastructure, is now well established and fully operational. It comprises a framework of key Committees of the Board, an Internal Audit function, a Compliance Officer, External Auditors and an array of policies, codes and standards.

The National Code of Corporate Governance for Mauritius (2016), which moves towards an "Apply and Explain" basis has taken effect from the financial year beginning 1st July 2017. The Board acknowledges that the Company has applied the principles of the Code, to the extent relevant to its operations, and is committed to reporting in accordance with this Code as from its annual report 2018.

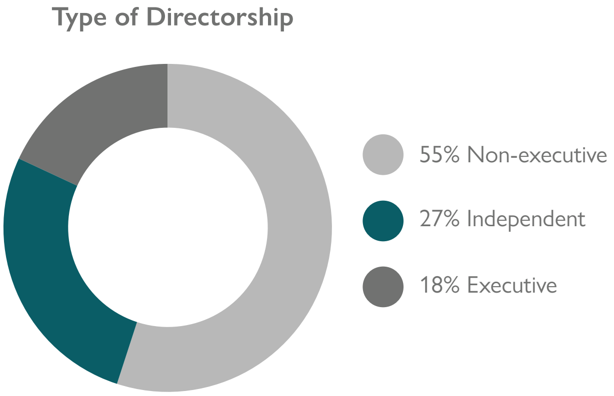
Board of Directors

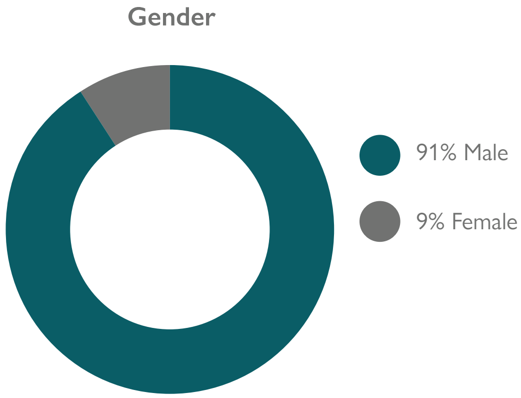
Board Composition

The Company is managed by a unitary Board which comprises three Independent, six Non-executive and two Executive Directors. Considering the nature of the Company's operations and the diversity of skills, experience, knowledge and perspectives of the Directors from different industries and backgrounds, the Board considers that the size and mix of the current Board of Directors are appropriate for maintaining focus and enabling effective decision-making. The Chairman is an Independent Director. A Profile of Directors is given on pages 76 to 78.

Board of Directors (continued)

Board Composition by Type of Directorship and Gender





Directors are aware of their legal duties as outlined in the Board Charter, the Code of Ethics and Conduct for Directors and other related documents handed to them on appointment and during their induction.

Directors' Duties

The Board of Directors is ultimately responsible and accountable for all the affairs and general performance of the Company within the terms of reference outlined in the Board of Directors Charter.

Appointment and Re-election

Nominations to the Board comply with the Company's Director Nomination Policy. Some Directors are nominated by virtue of an existing *protocole d'accord* between the Company's four main shareholders. The Board, through the Nomination & Remuneration Committee, follows a rigorous, formal and transparent procedure to select and appoint new Directors. The Nomination & Remuneration Committee leads the process according to the Company's Constitution and Nominations Policy.

The Committee makes recommendations to the Board, based on specific criteria, either to fill a casual vacancy or to appoint additional Directors to add to the existing Directors and shall not be less than eight or more than eleven as per the Constitution of the Company.

An induction programme is provided to newly appointed Directors, who are given an information pack, which includes, inter alia, financial and performance-related reports, a copy of the Company's Code of Ethics and Conduct for Directors, Board Charter and key policies. Site visits and meetings with Senior Management are also arranged.

The Board does not favour the re-election of Directors on an annual basis, as it does not consider this practice to be in the best interest of the Company. However, in accordance with the amendment made to the Company's Constitution at the Company's 2012 Annual Shareholders' Meeting, not more than one third of the Directors in office shall retire at every Annual Meeting and be eligible for re-election. An assessment of the performance of each retiring Director who makes himself/herself available for re-election is conducted by the Nomination & Remuneration Committee, which submits its nominations to the Board. The latter, in turn, makes its recommendations to the shareholders for their approval.

Board Evaluation

Directors are invited to participate, every two years, in an individual and collective assessment, by means of a questionnaire completed by each Director and based on predetermined and approved performance criteria.

Board of Directors (continued)

Board Evaluation (continued)

When deliberating on the performance of a Director, the latter abstains from the assessment to avoid any conflict of interests.

The findings are reviewed by the Nomination & Remuneration Committee and tabled to the Board of Directors, which validates an Action Plan on corrective measures to be taken. The last assessment was carried out in 2017 and the evaluation process confirmed that a majority of Directors considers the Board to be effective and well balanced. All corrective measures have been implemented.

The results pertaining to each Board Committees were also communicated to the Chairman of the concerned Committee, for the appropriate corrective measures.

The Board, on recommendation of the Nomination & Remuneration Committee, considered that the current assessment of the Board and its Committees conducted in 2017 were in line with the Company's requirements. It opted not to have recourse to an independent Board and Committee evaluator.

Training and Development

The Board also recognises the importance of ongoing professional development and training to sustain an effective, well-informed and functional Board. During the last financial year under review, some Directors and Senior Officers received training, dispensed by local institutions, notably on corporate governance and financial and industry-related matters.

Information to the Board and Committees

The Chairman and the Company Secretary ensure that Directors receive the right information in a timely manner to enable them to make informed business decisions. The prime responsibility for setting the agenda of Board meetings and ensuring that key information, both quantitative and qualitative, is made available to the Board lies with the Chairman, who decides on the adequacy of information to ensure that the Board's information needs are met. At the last assessment, the Board and its Committees found the information provided to them adequate.

Key roles and responsibilities

There is a clear division of responsibility between the Chairman of the Board and the Group CEO. Whilst the Chairman has the overall responsibility to lead the Board and ensure its effectiveness, the Group CEO is responsible for managing and leading the business of the Company.

Chairman

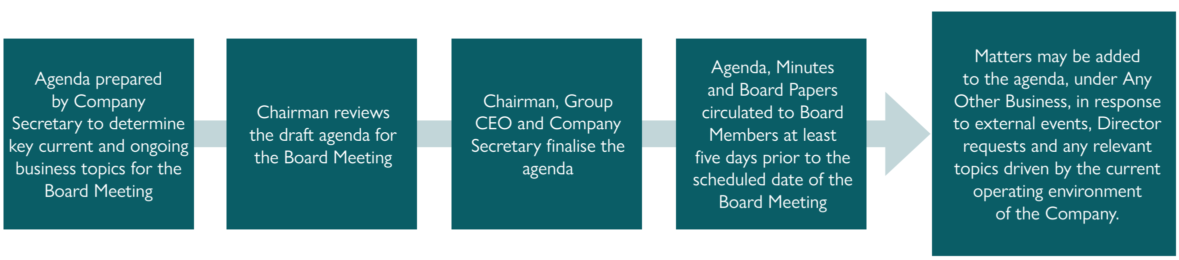
The attributions of the Chairman are: to ensure the smooth and efficient functioning of the Board and its Committees, to see to it that corporate governance matters are dealt with, to represent the Group externally and, particularly, to communicate with shareholders at their Annual Meeting. Working closely, but independently, with the Group Chief Executive Officer, the Group Head of Corporate Affairs and the Company Secretary, the Chairman also ensures that new Directors receive a full and formal induction to the Group and its businesses, and that all Directors are kept fully informed of relevant matters.

Independent, Non-executive and Executive Directors

Our team of Directors is a strong source of internal and external experience, advice and judgement.

Group Chief Executive Officer

The Group Chief Executive Officer has the responsibility of making recommendations to the Board and of achieving the Group's strategic objectives. He is responsible for the executive management of the Company and works closely with members of the Estate and Corporate Management teams.



Company Secretary & Company Secretariat

All Directors have access to the advice and services of the Company Secretary. The Company Secretariat ensures good flow of information to the Board and its Committees and between Senior Management and the Directors. The Secretariat facilitates the induction of Directors and assists them in fulfilling their duties and responsibilities. Through the Chairman, The Secretariat is responsible for advising the Board on corporate governance matters and generally keeping the Board up to date on all legal, regulatory and other developments. It ensures effective communication with shareholders and provides assurance that shareholders' interests are duly taken care of.

Share Registry and Transfer Office

The Company's Share Registry and Transfer Office is at ECS Secretaries Ltd, which is responsible for the management of its Share Register. Shareholders may address, in writing, any administrative enquiries regarding their personal details, dividend payments and the like to ECS Secretaries Ltd.

Statement of Remuneration Philosophy

The Board's Corporate Governance (and Nomination & Remuneration) Committee has responsibility for, inter alia, implementing and reviewing the Company's Remuneration Policy and making recommendations to the Board accordingly. Four key principles underpin this policy:

i. Remuneration must reflect the market in which the Company operates.

ii. Key performance indicators will apply in order to deliver results to the Company.

iii. Remuneration is to be linked to the creation of value to shareholders.

iv. Remuneration is to reward both financial and non-financial performance.

The Nomination & Remuneration Committee affirms that the fees paid to the Board and its Committee Members and Senior Officers in 2017 are in line with the above principles and hence adequate. At its last review, the Nomination & Remuneration Committee has proposed not to change the fees pertaining to the Board and its Committee for 2018 but to undertake a market review for application in 2019.

For 2017, Directors' annual fees amounted to MUR 130,000 for the Chairman and MUR 80,000 for other Board members.

In addition to the above, the annual fees for Members of Committees of the Board for 2017 were as follows:

	Audit (Risk Management) Committee MUR	Corporate Governance (and Nomination & Remuneration) Committee MUR
Chairman	70,000	40,000
Member	50,000	30,000

Remuneration and benefits paid by the Company and its Subsidiaries to Directors are reported under Other Statutory Disclosures.

Committees of the Board

Two Committees of the Board have been constituted to assist the Directors in the discharge of their duties. Each Committee of the Board has written terms of reference incorporated in a charter, which has been approved by the Board and is subject to regular review as dictated by changes in regulations and the Company's environment. The Chairmen of the Committees are invited to report during Board meetings on matters addressed by their Committees.

Audit (Risk Management) Committee

The Company's Audit Committee, which is also responsible for the Company's Risk Management function, consists of three Directors, one Independent and two Non-executives. The Board has elected a Non-executive Director as Chairperson of this Committee. Whilst the Code recommends that this Committee be chaired by an independent Non-executive Director, the Board of the Company believes that the Chairperson of this Committee has the relevant qualifications and financial expertise and experience to discharge her responsibilities. Other members of the Committee are financially literate and have relevant expertise, as indicated in their respective profile. The Committee is scheduled to meet at least four times a year, and operates within the scope of its charter, which has been approved by the Board. Its principal functions are to ensure the integrity of the financial statements, oversee the financial-reporting process and direct the Risk Management function, with the support of the Internal and External Auditors, and the Compliance function. The Committee reports to the Board of Directors at each Board meeting. The Group Chief Executive Officer, the Internal and External Auditors and the Compliance Officer attend the Committee's meetings when it is deemed necessary.

During the year under review, the Committee met on four occasions. In 2017, it continued to focus on its key objectives and considered the following matters:

- Review and recommend to the Board, the 2016 Audited Financial Statements, the Annual Report, Unaudited Quarterly Financial Statements and, for publication, the Quarterly Abridged Financial Statements.
- Review and assess the completed reports of the Internal Auditors.
- Recommend to the Board of Directors the declaration of dividend.
- Approve the re-appointment, remuneration and terms of engagement of the External Auditors.
- Assess and monitor the Company's underlying risk profile.

Corporate Governance (and Nomination & Remuneration) Committee

The Corporate Governance Committee, which also has responsibility for the Nomination & Remuneration function, consists of three Directors (two Independent and one Executive). The Committee operates within the scope of its charter, which has been approved by the Board.

Its principal functions are to direct and monitor implementation of the Company's Corporate Governance Programme as well as matters pertaining to nominations and the performance and remuneration of Directors and Senior Executives. The Committee reports to the Board of Directors at each Board meeting. The Group Chief Executive Officer is a member of the Committee.

During the year under review, the Committee met on five occasions. Its broad achievements were as follows:

Corporate Governance

1. Review the Company's Annual Report for 2016, with focus on the Corporate Governance and Corporate Social Responsibility Report and the Statutory Disclosures.
2. Approve the Group Corporate Social Responsibility Plan for 2017, under the banner of Fondation Constance, and monitor its progress.
3. Review Compliance and Health & Safety reports.
4. Review and approve new policies.
5. Review the implications of the new Code of Corporate Governance for Mauritius and establish an Action Plan for compliance.
6. Review the letters from the Financial Reporting Council, in respect of the Company's 2016 Annual Report, and pertaining to compliance with IFRS regulations and the Code of Corporate Governance.

Committees of the Board (continued)

Corporate Governance (and Nomination & Remuneration) Committee (continued)

Nomination and Remuneration

1. Evaluate nominees for the annual re-election of Directors, as well as propose new nomination, and make recommendations to the Board.
2. Ongoing review of the Board's composition and present recommendations to the Board.
3. Assess the effectiveness/performance of the Board and Committees and establish Action Plan for improvement.
4. Approve the performance awards for 2017 and remunerations of Senior Executives for 2018.
5. Review the Senior Executive HR Development Programme.
6. Enhance and monitor the Directors and Senior Officers' Register of Interest/Insiders Share Dealings/ Conflict of Interest and Related Party.
7. Review the delegation of powers by the Board.
8. Establish a Succession Planning Model.
9. Establish Board and Committee Meeting dates for 2018.

Attendance at Board and Committee Meetings

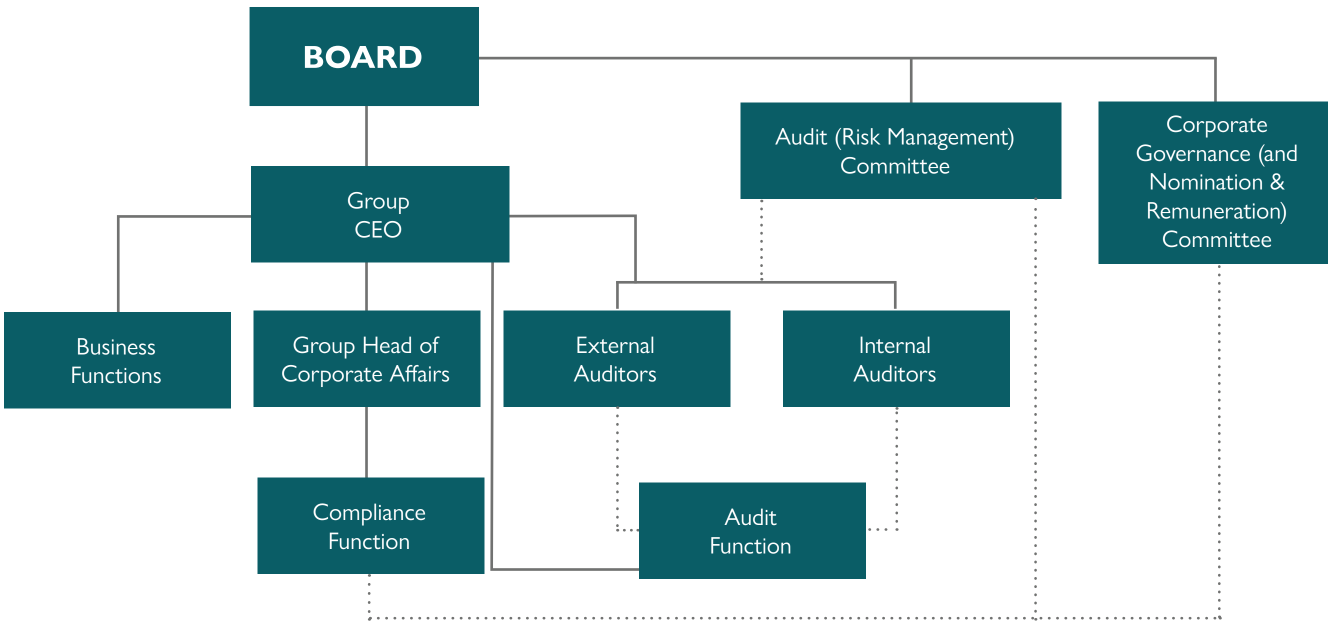
		Committees of the Board	
	Board of Directors	Audit (Risk Management)	Corporate Governance (and Nomination & Remuneration)
Number of meetings held in 2017	**4**	**4**	**5**
Meetings attended			
George J. DUMBELL	4		5
Nicolas BOULLÉ	4		
P. Arnaud DALAIS (up to 13 April)	-		
Patrick DE LABAUVE D'ARIFAT (as from 12 May)	-		
Marc FREISMUTH	4		5
Jean JUPPIN DE FONDAUMIÈRE	3	3	
Clément D. REY	4		
Maxime REY	4		
Jean RIBET	4		5
Georgina ROGERS	4	4	
Noël Adolphe VALLET	4	4	
Jean-Jacques VALLET	3		

Risk Management and Internal Controls

Risk Management Framework

The Company is constantly faced with a variety of risks, which could adversely affect its performance and financial condition. Being responsible for managing these risks, the Board ensures that the Company has in place a system of internal control and risk management and continually monitors and reviews this system's adequacy and effectiveness. The Company's risk management framework, which extends across the Company's business, comprises a top-down approach, with strategy, policies and risk appetite approved by the Board of Directors, and their formulation, implementation and monitoring delegated to the Committees of the Board, the Internal and External Auditors, and Senior Management. In turn, line managers are responsible for continuous compliance with all laws, codes, rules, regulations, procedures, policies, and standards of good industry practice. The Company's Risk Management Programme was instituted in August 2006 and is reviewed periodically.

Risk Management Structure



Risks and Mitigation Initiatives

Besides the financial risks highlighted in the notes to the Financial Statements on pages 48 to 49, some of the more prominent risks to which the Company is exposed are:

- **Reputation:** The Company is exposed to the risk that employees may not demonstrate the appropriate ethical values and behavioural attitudes. Any event that materially damages the reputation of the Company and/or any failure to sustain its appeal to its shareholders could adversely affect the market value and attractiveness of the Company. The adverse publicity and impact on operations is mitigated through the strict enforcement of the Company's ethical code of conduct and good corporate governance practices by the Board and Senior Management.

Risks and Mitigation Initiatives (continued)

- **Personnel:** The Company's growth and success depend on its ability to identify, secure and retain quality management and productive employees. Any failure in this regard could undermine the Company's ability to implement its strategic business plan and remain profitable. To mitigate this risk, a policy of recruitment and recognition of performance that is fair, transparent and based on merit is applied. The Company ensures an attractive and safe working environment and a competitive remuneration structure. In addition, succession planning is developed, monitored and maintained for key roles.

- **Health & Safety:** All reasonable precautions are taken to provide and maintain the health and well-being of our employees. Controls are in place to ensure compliance with good practices, all statutory requirements and all legally binding codes of practice.

  Our employees are made aware of the risks they face through training and our Health & Safety Policy, which aims to prevent accidents and maintain the health of employees while at work. A Health and Safety Plan is approved annually and progress, thereof, monitored on a half-yearly basis by the Corporate Governance (and Nomination & Remuneration) Committee.

- **Natural Disasters, Political, Economic and Financial Market Events:** The Company's operations and financial results could be adversely affected by a wide array of events capable of direct or indirect consequences on the performance and production of its numerous activities. Adherence to and close supervision of strict standards, procedures and controls help mitigate certain of these risks. Changes in the macroeconomic and investment environment are regularly assessed by Management and the Board to ensure that prompt decisions are taken to safeguard the value of the Company.

  A comprehensive and appropriate insurance cover is also taken for sugar/non-sugar growing activities.

- **Technologies and Systems:** To varying degrees, the Company is reliant upon certain technologies and systems for the smooth and efficient running of its business. Disruption to these technologies or systems could adversely affect its operating costs and efficiency. To mitigate this risk the Company has invested in preventive maintenance and holds a contract with its IT service provider that caters for the prompt restoration to normal service to minimise any adverse impact on the business.

- **Social Responsibility:** The reputation of the Company is influenced by a variety of factors, including its ability to demonstrate sufficiently responsible practices in such areas as sustainability, environmental management and support for the local community. CSR programmes and initiatives are tailored to the needs of the community in the vicinity of the Company's operations. Regular review and reporting over the progress of the Group's CSR programmes and achievements are brought on a quarterly basis to the Board, through the Corporate Governance Committee.

- **Credit Standing:** The Company is reliant on having access to credit facilities to meet its capital requirements and manage its statement of financial position effectively. If the Company does not manage its finances in a responsible manner, it may lose its credibility and, as a result, its ability to borrow at favourable terms. To ensure prudent financial management the Company prepares detailed budgets and projected cash flows, which are reviewed on a regular basis by the Audit (Risk Management) Committee and quarterly by the Board, both of which also scrutinise Account Receivables and Payables.

- **Financial and Other Regulatory Compliance:** Non-compliance with financial and regulatory requirements may result in fiscal penalties and damage to the Company's image on the market. In mitigation, a robust programme of procedures and internal monitoring has been put in place by the Compliance and Accounting functions, with the aid of Internal Audit, to ensure that financial and regulatory requirements are adhered to. The Quarterly Financial Statements and the Abridged Financial Statements are scrutinised by the Audit (Risk Management) Committee and, subsequently, reviewed and approved by the Board.

- **Project Development:** Risks of new projects being completed off schedule or with significant cost overruns may have a material adverse effect on the Company's performance. Those risks are measured and addressed in a timely manner by the Project Team and quarterly by the Board, to enable appropriate and pro-active decisions to be made.

Risks and Mitigation Initiatives (continued)

The Company has various policies and methods to counter effectively the risks it is exposed to, as elaborated in this Corporate Governance Report and in the Notes to the Financial Statements, on pages 48 and 49. The Company also has Director and Officer Liabilities Insurance cover.

Compliance Function

The Compliance Officer has the responsibility to coordinate the Compliance function within the Company, with a functional reporting line to the Audit (Risk Management) and Corporate Governance Committees of the Company. During 2017, the Compliance Officer operated within the scope of the Company's Compliance Charter and in accordance with professional standards and guidelines approved by the Board.

Auditors

External Audit

The Audit (Risk Management) Committee makes recommendations to the Board in relation to the appointment, termination and oversight of the External Auditor. It also ensures that key partners within the appointed firm are rotated from time to time.

The criteria for the selection, appointment and re-appointment of the External Auditor are:

- Expertise and reputation of the accountancy firm.
- Access to expert international accounting standards research relevant to the sugar industry, demonstrable audit quality control processes and substantial resources to carry out the assignment.
- Competitive fees.
- Ethical, safeguard of objectivity and independence.

The key aspects of the External Auditor selection, appointment and re-appointment process include the following:

- The Board is responsible for appointing the External Auditor, subject to the approval of shareholders.
- The Audit (Risk Management) Committee reviews the External Auditor's performance and independence, and benchmarks the cost and scope of the external audit engagement prior to their appointment and thereon annually.
- The External Auditor is required to present to Management an annual external audit proposal.
- Management, in consultation with Audit (Risk Management) Committee, approves the scope of the audit, the terms of the annual engagement letter and the audit fees.
- The External Auditors prepares the annual engagement letter on behalf of the Audit (Risk Management) Committee.
- Upon engagement, the External Auditor has unfettered access to Management, staff, records and company facilities, and is allowed reasonable, agreed time to conduct its audit.

Prior to approval of the audited financial results by the Board, the External Auditor is invited to attend the Audit (Risk Management) Committee meeting to review all matters related to the audit, covering critical policies, judgements and estimates. The Audit (Risk Management) Committee discusses with the External Auditor and Management matters of significance which are included under "Key Audit Matters" in the Independent Auditor's Report. The Audit (Risk Management) Committee ensures that it is satisfied that these matters have been appropriately addressed. Whenever the need arises, in addition to the review of final accounts, the External Auditor is invited to meet the Members of the Audit (Risk Management) Committee.

BDO & Co. have been the External Auditor of the Company for more than 10 years and have expressed their willingness to continue as the Company's External Auditors and, in accordance with the provisions of the Companies Act 2001. On recommendation of the Audit (Risk Management) Committee, BDO & Co. will be automatically reappointed at the forthcoming Annual Meeting of Shareholders. In view of the mandatory rotation, they will be rotated out in 2020.

Internal Audit

Internal Audit is an appraisal function established to examine and evaluate the activities of the Company independently, as a service to the Board of Directors and to Management in general.

Auditors (continued)

Internal Audit (continued)

The Internal Auditors are entrusted with the responsibility of appraising the policies and procedures as well as the operating, financial and management controls of the Company, so as to ensure that the business is properly managed and to promote effective controls at reasonable cost. The Internal Auditors report to the Group CEO but also have a functional reporting line to the Audit (Risk Management) Committee.

The Company has an Internal Audit Charter, which has been approved by the Board and governs the Internal Audit function in terms of responsibility, role, scope, authority, independence, reporting procedures, auditing standards, and external relationships. It also highlights the unrestricted access that the Internal Auditors have with regards to the records, Management, and employees of the Company.

The Company's Internal Audit function is outsourced to Messrs PricewaterhouseCoopers (PwC) on a three-year contract, which was last renewed on 1st January 2016.

The annual Internal Audit Plan, which is approved by the Group CEO, and ratified by the Audit (Risk Management) Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. During 2017, the Internal Auditors conducted the following audits and reported on their findings and recommendations to the Audit (Risk Management) Committee at its meeting which they attended:

- Store and Inventory Management
- Compliance with Laws
- Follow-up on Deer Breeding and Hunting, IT General Control, Payroll and Fixed Asset Review
- Accounts Receivables and Payables
- HR and Payroll Processes

Management Services Agreement

The Company has a Management Services Agreement with Constance Corporate Management Ltd (CCM), in which the Company holds a 42% interest. Under this agreement, CCM provides the entire range of services to the Company in the fields of strategic planning, general and corporate affairs, financial accounting and management, legal and tax, company secretariat, finance and development.

The fees under the Management Services Agreement which are composed of a fixed element and a percentage mix of net asset value, market capitalisation, and net profit, amounted to MUR 17.6 million for the year under review.

Policies, Charters and Codes

The Board, on the recommendation of its relevant committee, has approved the following key policy documents:

Policies

Anti-Money Laundering
Anti-Trust
Conflicts of Interest and Related Party Transactions
Corporate Social Responsibility
Data Protection
Director Nomination
Dividend
Environmental
Equal Opportunity
Health & Safety
IT Code of Practice
Printing
Procurement
Remuneration
Risk Management
Share Dealing

Charters

Audit (Risk Management) Committee
Board of Directors
Compliance
Corporate Governance Committee
Fondation Constance
Internal Audit
Nomination & Remuneration Committee
Risk Management

Codes

Board and Committees Self Evaluation Questionnaires
Code of Ethics and Conduct
Code of Ethics and Conduct for Directors
Professional Standards and Guidelines
Statement on Corporate Governance

Certain policies and codes are subject to review at least annually whilst charters are reassessed every two years, unless otherwise required.

Conflicts of Interest and Related Party Transactions

The Company's Conflicts of Interest and Related Party Transactions Policy provides a structure which ensures that all transactions pertaining to the operation of the Company and its subsidiaries are properly disclosed and can be adequately managed without detriment to the reputation and integrity of the Company and its stakeholders in so far as it relates to good corporate practice. At each Board meeting, Board Members and Senior Officers are invited to make relevant declarations in addition to those already disclosed.

No related-party transactions were reported by the External Auditors following their audit, apart from those disclosed on pages 72 and 73 of the Annual Report.

Interests and Dealings in Shares of Directors and Senior Officers

The Company's Share Dealing Policy gives clear guidance on the practice to be followed when dealing in shares of the Company or of companies connected with the Company by business or common shareholding. All Directors, Senior Officers and Associates wishing to deal in the securities of the Company or any of its subsidiaries must comply with the statutory provisions concerning insider dealing as specified in the Companies Act 2001 as well as in the Securities Act 2005 and they are aware of the Stock Exchange of Mauritius's Model Code for Securities Transactions by Directors of Listed Companies. Furthermore, Directors and Senior Officers are notified by the Company of the commencement and closure of non-trading periods.

No transactions were undertaken by the Directors and Senior Officer of the Company, or Associates of Directors, or Senior Officer of the Company, in the Company's shares during the year 2017.

Share Interests of Directors and Senior Officer

The interests of the Directors and Senior Officer in the securities of the Company as at 31st December 2017 were as follows:

	No. of shares	Direct % Held	Indirect % Held
Directors			
George J. DUMBELL	-	-	-
Nicolas BOULLÉ	-	-	-
Patrick DE LABAUVE D'ARIFAT	-	-	-
Marc FREISMUTH	-	-	-
Jean JUPPIN DE FONDAUMIÈRE	-	-	-
Clément D. REY	-	-	2.02
Maxime REY	-	-	-
Jean RIBET	-	-	3.45
Georgina ROGERS	51,839	1.08	-
Noël Adolphe VALLET	400	0.08	3.03
Jean-Jacques VALLET	46	-	3.45
Senior Officer			
Kevin CHAN TOO	1,300	0.03	-

Share Interests of Directors and Senior Officer
(continued)

The Company maintains a Register of Interest/Insiders Share Dealings/Conflicts of Interest and Related Party in respect of all Directors and Senior Officer. This Register is kept up-to-date through verbal declarations made by Directors at each Board meeting, written submissions made by the Senior Officer, when appropriate, and written annual returns submitted by the Directors and Senior Officer.

Any disclosure of interest is recorded in the Interest Register, which is available for inspection during normal office hours, upon written request made to the Company Secretary.

Contracts of Significance

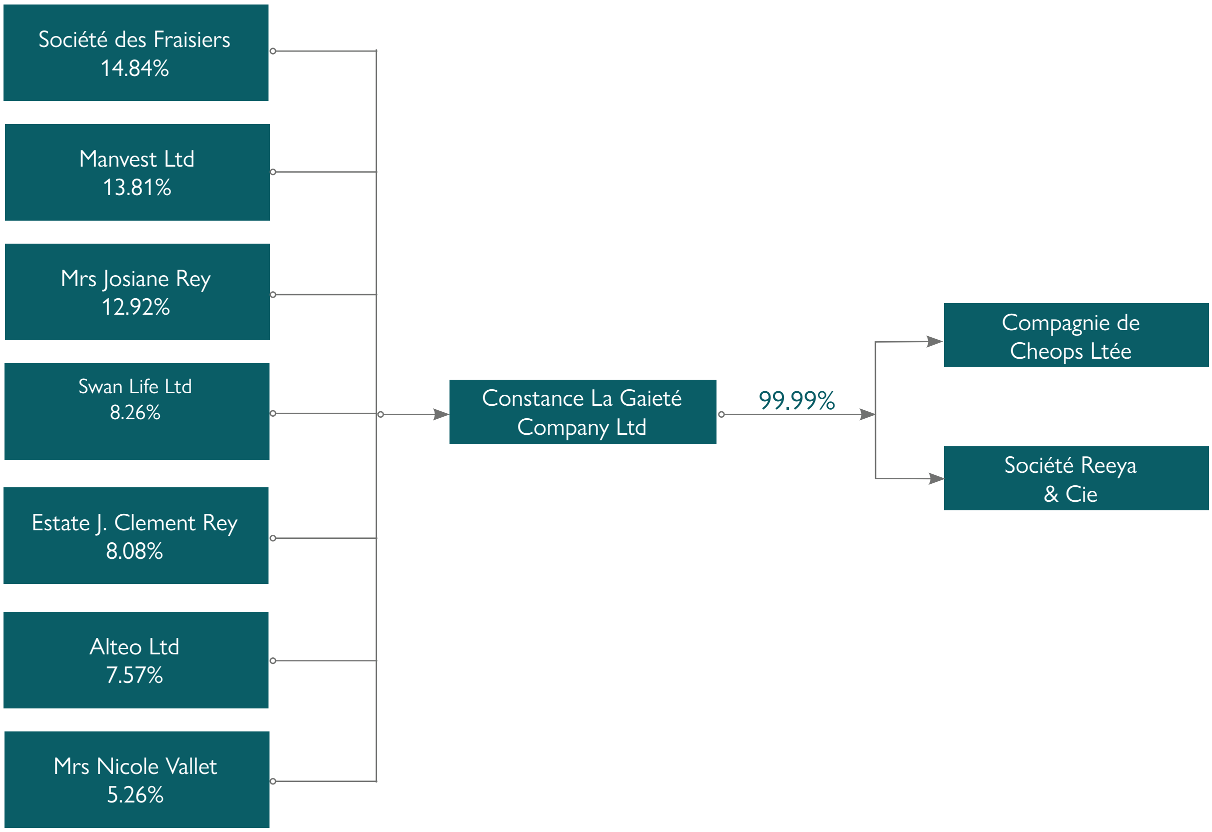
During the year under review there was no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly besides the management services agreement reported in the Corporate Governance Report on page 16.

Data Analysis on Shareholdings as at 31st December 2017

Size of shareholding	Number of shareholders	Number of shares owned	Percentage shareholding
1–500	249	36,047	0.751
501–1,000	47	36,051	0.751
1,001–5,000	79	168,776	3.516
5,001–10,000	12	88,018	1.834
10,001–50,000	11	240,235	5.005
50,001–100,000	7	468,534	9.761
100,001–250,000	2	366,340	7.632
250,001–500,000	4	1,400,504	29.177
Over 500,000	3	1,995,495	41.573
Total	**414**	**4,800,000**	**100.000**

Shareholder category	Number of shareholders	Number of shares owned	Percentage shareholding
Individuals	359	2,275,631	47.409
Insurance and Assurance Companies	1	396,520	8.260
Investment and Trust Companies	2	1,038	0.022
Other Corporate Bodies	52	2,126,811	44.309
Total	**414**	**4,800,000**	**100.000**

Substantial shareholders holding more than 5% of the Company's share capital, and shareholding structure as at 31st December 2017



Shareholders' Agreement

The Company is aware of the *protocole d'accord* that exists between five of its main shareholders and which, together hold the majority of the Company's share capital. The *protocole d'accord*, which is important in the Company's governance process, principally governs the allocation, among shareholders concerned, of certain seats on the Company's Board, votes at Shareholders Meetings and the manner in which shares held by them can be disposed of.

According to the provisions of the said *protocole d'accord*, nominees for five of the ten seats on the Company's Board are put forward by these shareholders. The Company's Corporate Governance (and Nomination & Remuneration) Committee ensures that the nominees meet the qualification criteria prescribed by the Companies Act 2001, the Code of Corporate Governance for Mauritius, and the Company's Director Nomination Policy, and that they are able to discharge their responsibilities effectively and in a transparent manner for the benefit of the Company as a whole.

Dividend

The Company's dividend policy is to distribute to its Shareholders, whenever possible, an adequate dividend, subject to the Company's performance, cash flow position and capital expenditure requirements. The dividend payment is subject to the solvency test being satisfied, as required under section 61(2) of the Companies Act 2001.

Share Option Plan

No such scheme exists at present within the Company.

Material Clauses of the Constitution

There are no clauses of the Company's Constitution deemed material enough for special disclosure.

Timetable – Important Events

March	Approval of audited financial statements
May	Approval of first-quarter results
June	Annual Meeting of Shareholders
August	Approval of second-quarter results
November	Approval of third-quarter results
November/ December	Declaration of dividend
December	Payment of dividend

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Values

The Constance Group pursues the enhancement of corporate values through sound and ethical business practices. To fulfil this objective, it continually undertakes Group-wide initiatives to strengthen its corporate governance structure; maintain sound employment practices: a healthy and safe workplace, with quality and job-related training; and to protect and conserve the environment in which its member companies operate, with efficient resource management and utilisation; as well as play an active role in poverty eradication; and the furtherance of a sustainable society through social-contribution programmes.

In recent years, the Group has more closely aligned its social and environmental responsibilities with its business strategy to reflect the Group's vision and values in a relevant manner. Its ultimate objective in so doing is to fully integrate its values within the business practices of its member companies, with emphasis on the management of their economic, social and environmental obligations. These initiatives are driven by the Compliance Officer in each Group member company.

Shareholders

The Company communicates with its shareholders through its Annual Report, publication of its quarterly results and other communiqués in the press, and face to face at its Annual Meeting.

Employees

The Company places great emphasis on the training and development of its employees and is committed to providing and maintaining a safe and healthy working environment for them. Regular feedback is sought to ascertain their level of performance and satisfaction and to ensure their continual improvement and motivation.

Contractors and Suppliers

The positive feedback received from the Company's suppliers reflects its continuing commitment to maintaining the highest standards of ethics and integrity in its dealings with them.

Code of Ethics and Conduct

The Company is committed to a code of ethics, which is outlined in its Code of Ethics and Conduct, as well as in its Code of Ethics and Conduct for Directors. These documents are comprehensive statements of the guiding principles of conduct which the Company expects its Directors and employees to observe in the discharge of their responsibilities. The codes state the high moral, ethical and legal standards for which the Company stands and by which it professes to do its business. It states publicly to all the Company's stakeholders the standards of behaviour they can expect from the Company's Directors and employees.

Anti-Money-Laundering

It is the Constance Group's objective to make a positive contribution towards the combat against money laundering and terrorist financing by ensuring that its Management and employees adhere to the highest standards of anti-money laundering compliance, in line with the Financial Intelligence and Anti-Money Laundering Act (2002) and subsequent regulations in preventing the use of their product and services for money laundering purposes. The Constance Group's Anti-Money-Laundering Policy and actions are coordinated by the Compliance Officer and Group Head of Finance.

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY (continued)

Corporate Values (continued)

Health & Safety

The Company has a Health & Safety Officer and appropriate policies. It carries out ongoing Health & Safety audits as well as it provides training to employees and Management to ensure that they are fully aware of the risks at the workplace and are able to undertake their tasks in a safe and conducive working environment.

Environment

The Company recognises its obligations to respect the environment and has always striven to achieve environmental best practices right across its operations. As a responsible entity, it strives to do business with partners that respect the environment.

Corporate Social Responsibility (CSR)

Mission

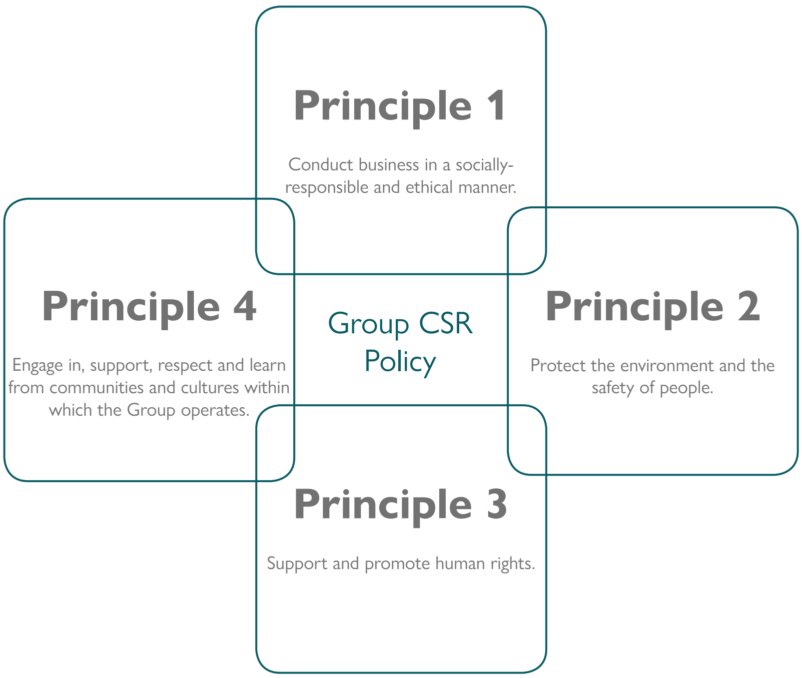
The Constance Group believes that it has a duty to care for the well-being and development of the communities in which it operates. It considers its Corporate Social Responsibility (CSR) involvement and contributions as investments that bolster the sustainable development of the community.

Fondation Constance

Fondation Constance is the special entity responsible for the implementation of the Group's Corporate Social Responsibility (CSR) programme. It reports to the Corporate Governance Committee that approves its annual programme and budget, and monitors its performance on a quarterly basis.

Principles

Fondation Constance has a Charter and the Company has a policy on Corporate Social Responsibility, which commits it to the following set of principles:



Whilst Fondation Constance extends its consideration to high-impact projects at national level, it tends to give priority to projects in the region in which its Group member companies operate.

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY (continued)

Corporate Social Responsibility (CSR) (continued)

Funding

The allocation of funds follows a specific donations policy that is meant to:

- Ensure that all its donations are compatible with its business activities and reflect its respective values and objectives,
- Support people and communities at both local and national level, with the aim of making their lives better and giving them opportunities that they might otherwise not have access to,
- Enhance and safeguard the natural environment.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Under the aegis of Fondation Constance	**750**	750	**750**	750

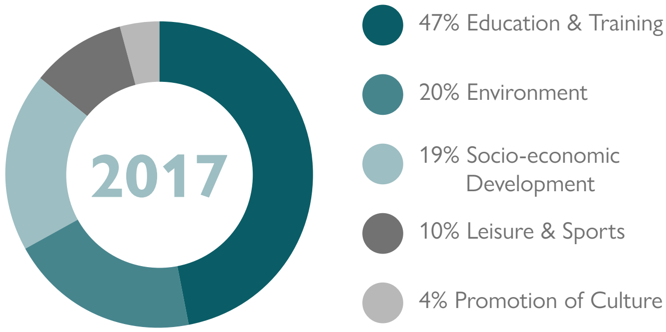
Fondation Constance Fund Allocation

In 2017, the financial resources available to Fondation Constance were used to fund projects in Education & Training, Environment Protection, Socio-economic Development, Leisure & Sports and the Promotion of Culture. It supported 12 NGOs, reaching a total of 270 direct beneficiaries.

Fondation Constance focus in 2017:

- Education and Training
- Environment
- Socio-economic Development
- Leisure and Sports
- Promotion of Culture

Fondation Constance Fund Allocation per category at 31st December 2017



CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY (continued)

Corporate Social Responsibility (CSR) (continued)

Education and Training

CPE Sponsorship

Since 2002, scholarships are awarded every year to the four best Certificate of Primary Education (CPE) pupils from the Poste de Flacq Government and RCA schools to cover their secondary studies. Number of beneficiaries in 2017 totalled twenty-two. Since 2002, many of the beneficiaries have been able to access higher studies.

Constance Award for Education

In 2017, the Group was pleased to organise its 30th edition of Constance Award for Education for SC and HSC students from the eastern region. The aim of the Award is to develop the human values, to increase knowledge and foster the analytical and leadership skills of the participants so that they are better equipped to serve the community and prosper in their future working environments. For this award, the students had to conduct research on specific topics and present a report in writing and then orally to a panel of judges.

	The two topics covered:
SC Level: **60 Participants** **12 Colleges**	*How could the Tourism Sector contribute to the sustainable development of Mauritius?*
HSC Level: **60 Participants** **13 Colleges**	*Mauritius has achieved a successful economic development, during the last thirty years, through a shift from an agricultural economy to a multi-sector one, which has contributed to a significant improvement in standard of living and quality of life.* *As young students, what is your vision of Mauritius in the next thirty years?*

Non-formal education and Breakfast Support Programme for children from vulnerable groups

2 NGOs **85 Beneficiaries** **4,615 meals served**	Fondation Constance sponsored two NGOs dedicated to the development of quality non-formal education programmes for children from vulnerable groups. This project benefitted 85 persons; 4,615 meals were served.

Zippy's Friends

Zippy's Friends is a recognised international programme that helps young children, aged between five and seven years, to develop their ability to cope with everyday difficulties, to identify and talk about their feelings and to explore ways of dealing with them. It is an integrated project which aims at maintaining good mental health, which in turn impacts positively the academic performance of students and the long-term economic development of vulnerable people. In this connection, Fondation Constance elected to sponsor the Poste de Flacq RCA school. The programme was deployed during the year under review. Grade II teachers and Deputy Headmasters were trained in the first instance to be able to facilitate and implement the programme with the Grade II children throughout the year. A team from the *Service Diocésain de l'Education Catholique* (SeDEC) visits the school on a regular basis to provide the necessary support to ensure the effective implementation of the programme.

Socio-economic Development

Schooling support

During the year under review, Fondation Constance continued to sponsor "Friends of the Poor" with a view to providing support to ten children from vulnerable groups of the east of the island.

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY (continued)

Corporate Social Responsibility (CSR) (continued)

Socio-economic Development (continued)

Empowerment through training and placement

11 Direct Beneficiaries ***1 Employment offer***	Fondation Constance continued to sponsor training at the Constance Hospitality Training Centre (CHTC) to 11 persons from vulnerable groups of the eastern region with a view to developing their skills towards enhanced employability. Following their internship in the hotels of the Group, one participant has been employed by Constance Hotels whilst some are pursuing NC3 courses in Housekeeping.
TWEF winner	In 2012, sponsored by Fondation Constance, one of the participants took advantage of the training in Housekeeping Techniques provided by CHTC. She was subsequently employed at Constance Prince Maurice. The Group is honoured that she was one of the two winners of the 2017 Tourism Employees Welfare Fund (TEWF) Housekeeping Competition.
1 beneficiary	Fondation Constance sponsors youths who demonstrate a keen desire to uplift themselves and secure future employment, through vocational training. One student attending "*Collège Technique Saint Gabriel*" took advantage of the scheme and completed the course in 2017. It is encouraging to note that many of those sponsored by the Fondation have secured employment and are progressing in their careers.

Supporting persons with disabilities

In 2017, Fondation Constance supported NGOs such as Lizié dan Lamain, promoting the integration of persons with physical disabilities into the society.

During the year under review, Constance Belle Mare Plage has teamed up with MCB and supported *Association des Parents de Déficients Auditifs (APDA)*. Fondation Constance had contributed towards the fund-raising activity with a view to providing hearing aids to children suffering from hearing deficiency.

Leisure and Sports

Fondation Constance encourages the promotion of recreational, leisure as well as sports activities in the eastern region of Mauritius. In 2017, Fondation Constance maintained its ongoing support to the sports activities carried out by the Faucon Flacq Sporting Club (FFSC) for the benefit of young people from underprivileged families. This collaboration has led to remarkable achievements, with the FFSC winning awards in various disciplines.

2017 also saw the investment of Fondation Constance in its Cycling Academy. The Academy now counts 10 teenagers of the following categories: 1 "Feminine", 4 "Minimes" and 4 "Cadets". Fondation Constance is proud to report that they are performing very well.

Environment

In 2017, Fondation Constance supported the initiative of *Porlwi by Nature*. With the view to raising awareness to environmental issues within the children of the eastern region of Mauritius, the Fondation facilitated the participation of some 75 of them to the sensitisation workshop that was held at "Le Moulin" in the context of this event.

National CSR Foundation

Further to the amendments brought to the National CSR Foundation - whereby companies are compelled to contribute 50% of their CSR monies to the National CSR Foundation, corporates have had to implement significant cuts to their long-term commitments and review their capacity to engage in new programmes.

George J Dumbell
Chairman

Marie-Anne Adam, ACIS
For La Gaieté Services Ltd
Secretaries

Date: 29th March 2018

Other Statutory Disclosures
(pursuant to section 221 of the Companies Act 2001)

Remuneration and Benefits of Directors

The Executive Directors are employees of the management service company, Constance Corporate Management Ltd, and their emoluments have not been disclosed individually for this reason and because of their commercially sensitive nature.

Remuneration and benefits paid by the Company and its subsidiaries were as follows:

	2017 MUR'000	2016 MUR'000
Directors of Constance La Gaieté Co. Ltd		
Executive	**80**	70
Non-executive	**988**	875
Directors of subsidiary companies		
Executive	**-**	-
Non-executive	**-**	-
	1,068	945

Service Contracts of Directors

Mr George J. Dumbell, Chairman of the Company, has a two-year service contract that expires on 31st December 2019. The other Directors do not have service contracts with the Company, but letters of appointment.

Directors of Subsidiary Companies

Name of Director	**Compagnie de Cheops Ltée**
Jean Ribet	*
Kevin Chan Too	*
Clément D. Rey	*

Remuneration of Auditors

The fees paid to the auditors (exclusive of VAT) were:

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Audit fees paid to:				
BDO & Co.	**862**	827	**805**	770
Other firms	**-**	-	**-**	-
Fees for other services paid to:				
BDO & Co.	**-**	-	**-**	-
Other firms	**-**	-	**-**	-

Donations

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Political	**150**	-	**150**	-
Others	**171**	289	**171**	289
	321	289	**321**	289

Statement of Directors' Responsibilities
in respect of financial statements

The Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS);

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The External Auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified;

(iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

Date: 29th March 2018

Company Secretary's Certificate

In terms of section 166(d) of the Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Act.

Marie-Anne Adam, ACIS
For La Gaieté Services Ltd
Secretaries

29th March 2018

Independent Auditor's Report
to the Shareholders

This report is made solely to the members of Constance La Gaieté Company Limited (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.

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Constance La Gaieté Company Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 33 to 75 which comprise the statements of financial position as at December 31, 2017, and the statements of profit or loss, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the 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 33 to 75 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2017, 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 judgement, 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.

Report on the audit of the Financial Statements (continued)

Key Audit Matters (continued)

KEY AUDIT MATTER	AUDIT RESPONSE
1. Valuation of bearer plants At December 31, 2017, the Group's and the Company's bearer plants amount to MUR 34M. Those bearer plants 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. The bearer plants have been fully impaired. Refer to note 5 of the accompanying financial statements.	Given the uncertainty on certain key inputs in the future cash flows, we have relied on management representation and the proposed measures for the sugar industry in the short, medium and long term that would bring about structural reform.

KEY AUDIT MATTER	AUDIT RESPONSE
2. Retirement benefit obligations The Group contributes to a defined benefit pension plan which results in a significant liability on the statement of financial position. The valuations of the retirement benefit obligations are calculated with reference to a number of actuarial assumptions and inputs including discount rate, salary growth rate and expected return on plan assets. Refer to note 18 of the accompanying financial statements.	- We assessed the key controls over the completeness and accuracy of data used in the actuarial valuation for the calculation of the retirement benefit obligations. - We assessed the reasonableness of actuarial assumptions used including benchmarking to other entities in the industry.

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.

In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group 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.

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & CO
Chartered Accountants

Ameenah Ramdin FCCA, ACA
Licensed by FRC

Port Louis
Mauritius

29th March 2018

Financial Statements

Statements of Financial Position

December 31, 2017

	Notes	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
Assets Employed					
Non-current assets					
Property, plant and equipment	5	**370,945**	379,327	**369,714**	378,010
Investment properties	6	**26,094**	23,648	**26,094**	23,648
Intangible assets	7	**275**	144	**275**	144
Investments in subsidiary companies	8	**-**	-	**4,225**	1,250
Investments in associates	9	**199,337**	218,294	**174,113**	180,208
Investments in financial assets	10	**49,587**	45,142	**49,566**	45,121
Deferred expenditure	11	**5,097**	5,003	**5,097**	5,003
Deferred tax assets	12	**53,505**	59,648	**53,505**	59,648
		704,840	731,206	**682,589**	693,032
Current assets					
Consumable biological assets	13	**15,288**	33,156	**15,288**	33,156
Inventories	14	**6,427**	5,697	**6,427**	5,697
Trade and other receivables	15	**139,794**	165,147	**139,264**	167,502
Cash and cash equivalents	30(b)	**1,071**	1,306	**933**	1,227
		162,580	205,306	**161,912**	207,582
Total assets		**867,420**	936,512	**844,501**	900,614
Equity and Liabilities					
Capital and reserves					
Stated capital	16	**120,000**	120,000	**120,000**	120,000
Reserves		**69,145**	75,611	**61,160**	69,987
Retained earnings		**205,049**	343,986	**190,781**	314,304
Total equity		**394,194**	539,597	**371,941**	504,291
Non-current liabilities					
Borrowings	17	**50,823**	50,823	**50,823**	50,823
Retirement benefit obligations	18	**235,294**	212,074	**235,294**	212,074
		286,117	262,897	**286,117**	262,897
Current liabilities					
Trade and other payables	19	**91,434**	89,538	**90,768**	88,946
Borrowings	17	**95,675**	44,480	**95,675**	44,480
		187,109	134,018	**186,443**	133,426
Total liabilities		**473,226**	396,915	**472,560**	396,323
Total equity and liabilities		**867,420**	936,512	**844,501**	900,614

These financial statements have been approved for issue by the Board of Directors on 29th March 2018.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

The notes on pages 39 to 75 form an integral part of these financial statements.
Auditor's report on pages 28 to 31.

Statements of Profit or Loss

Year ended December 31, 2017

	Notes	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
Revenue					
Sugar, molasses and bagasse	2(o) & 21	**158,986**	202,298	**158,986**	202,298
Other operating revenue	22	**89,022**	92,425	**88,199**	91,602
		248,008	294,723	**247,185**	293,900
SIFB compensation	2(o) & 23	**14,364**	198	**14,364**	198
		262,372	294,921	**261,549**	294,098
Biological assets					
- consumable	13	**(17,868)**	7,598	**(17,868)**	7,598
Operating expenses		**(356,676)**	(319,899)	**(355,601)**	(318,625)
Operating loss	24	**(112,172)**	(17,380)	**(111,920)**	(16,929)
Other income	25	**8,736**	45,319	**24,580**	55,841
		(103,436)	27,939	**(87,340)**	38,912
Finance costs	26	**(6,163)**	(4,642)	**(6,163)**	(4,642)
(Loss)/profit from ordinary activities		**(109,599)**	23,297	**(93,503)**	34,270
Share of profit of associates	9	**682**	17,759	**-**	-
(Loss)/profit before taxation		**(108,917)**	41,056	**(93,503)**	34,270
Taxation	27	**(8,456)**	(2,729)	**(8,456)**	(2,729)
(Loss)/profit for the year		**(117,373)**	38,327	**(101,959)**	31,541
(Loss)/earnings per share (MUR)	28	**(24.45)**	7.98	**(21.24)**	6.57

The notes on pages 39 to 75 form an integral part of these financial statements.

Auditor's report on pages 28 to 31.

Statements of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2017

	Note	THE GROUP		THE COMPANY	
		2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
(Loss)/profit for the year		**(117,373)**	38,327	**(101,959)**	31,541
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefit obligations	18(vi)	**(15,419)**	(6,272)	**(15,419)**	(6,272)
Deferred tax on remeasurement of defined benefit obligations		**2,313**	941	**2,313**	941
Share of other comprehensive income of associates		**(795)**	2,695	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment		**4,315**	226	**4,315**	226
Share of other comprehensive income of associates		**3,156**	1,006	**-**	-
Other comprehensive income for the year, net of tax		**(6,430)**	(1,404)	**(8,791)**	(5,105)
Total comprehensive income for the year		**(123,803)**	36,923	**(110,750)**	26,436

The notes on pages 39 to 75 form an integral part of these financial statements.

Auditor's report on pages 28 to 31.

Statements of Changes in Equity

Year ended December 31, 2017

THE GROUP	Stated capital MUR'000	Fair value reserves MUR'000	Reserve on consoli-dation MUR'000	Reserve of associated companies MUR'000	Other reserves MUR'000	Retained earnings MUR'000	Actuarial loss reserves MUR'000	Total MUR'000
Balance at January 1, 2017	120,000	11,360	361	5,242	162,000	343,986	(103,352)	539,597
Loss for the year	-	-	-	-	-	(117,373)	-	(117,373)
Other comprehensive income for the year	-	4,315	-	2,361	-	-	(13,106)	(6,430)
Transfer to retained earnings	-	-	-	-	(36)	36	-	-
Dividends (note 20)	-	-	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2017	**120,000**	**15,675**	**361**	**7,603**	**161,964**	**205,049**	**(116,458)**	**394,194**

Fair value reserves

The fair value reserves comprise the cumulative net change in the fair value of financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Reserve of associated companies

This reserve relates to movements in the respective reserves of associates.

Other reserves

Other reserves comprise mainly of the revaluation surplus that arose on revaluation of land.

Actuarial loss reserve

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

THE GROUP	Stated capital MUR'000	Fair value reserves MUR'000	Reserve on consoli-dation MUR'000	Reserve of associated companies MUR'000	Other reserves MUR'000	Retained earnings MUR'000	Actuarial loss reserves MUR'000	Total MUR'000
Balance at January 1, 2016	120,000	11,134	361	1,541	162,556	326,703	(98,021)	524,274
Profit for the year	-	-	-	-	-	38,327	-	38,327
Other comprehensive income for the year	-	226	-	3,701	-	-	(5,331)	(1,404)
Transfer to retained earnings	-	-	-	-	(556)	556	-	-
Dividends (note 20)	-	-	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2016	**120,000**	**11,360**	**361**	**5,242**	**162,000**	**343,986**	**(103,352)**	**539,597**

The notes on pages 39 to 75 form an integral part of these financial statements.

Auditor's report on pages 28 to 31.

Statements of Changes in Equity

Year ended December 31, 2017

THE COMPANY	Stated capital MUR'000	Fair value reserves MUR'000	Other reserves MUR'000	Retained earnings MUR'000	Actuarial loss reserves MUR'000	Total MUR'000
Balance at January 1, 2017	120,000	11,339	162,000	314,304	(103,352)	504,291
Loss for the year	-	-	-	(101,959)	-	(101,959)
Other comprehensive income for the year	-	4,315	-	-	(13,106)	(8,791)
Transfer to retained earnings	-	-	(36)	36	-	-
Dividends (note 20)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2017	**120,000**	**15,654**	**161,964**	**190,781**	**(116,458)**	**371,941**
Balance at January 1, 2016	120,000	11,113	162,556	303,807	(98,021)	499,455
Profit for the year	-	-	-	31,541	-	31,541
Other comprehensive income for the year	-	226	-	-	(5,331)	(5,105)
Transfer to retained earnings	-	-	(556)	556	-	-
Dividends (note 20)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2016	**120,000**	**11,339**	**162,000**	**314,304**	**(103,352)**	**504,291**

The notes on pages 39 to 75 form an integral part of these financial statements.

Auditor's report on pages 28 to 31.

Statements of Cash Flows

Year ended December 31, 2017

	Note	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
Cash flows from operating activities					
Cash generated from operations	30(a)	**6,877**	18,704	**6,818**	18,624
Interests received		**55**	9,577	**55**	9,577
VRS paid		**(104)**	-	**(104)**	-
Pension contributions paid		**(11,045)**	(18,810)	**(11,045)**	(18,810)
Interests paid		**(6,163)**	(4,642)	**(6,163)**	(4,642)
Tax paid		**(37)**	-	**(37)**	-
Net cash (used in)/generated from operating activities		**(10,417)**	4,829	**(10,476)**	4,749
Cash flows from investing activities					
Purchase of property, plant and equipment		**(44,262)**	(21,882)	**(44,262)**	(21,882)
Purchase of land development projects		**-**	(2,983)	**-**	(2,983)
Purchase of investment property		**(5,571)**	(13,682)	**(5,571)**	(13,682)
Purchase of investment in financial assets		**(130)**	-	**(130)**	-
Purchase of intangible asset		**(209)**	(180)	**(209)**	(180)
Land development expenditure		**(94)**	(2,953)	**(94)**	(2,953)
Investment in associates		**(7,498)**	(8,069)	**(7,498)**	(8,069)
Proceeds from repayment of shareholder's loan from associate		**13,593**	-	**13,593**	-
Proceeds from sales of property, plant and equipment		**1,078**	7,625	**1,078**	7,625
Proceeds from sales of agricultural land		**403**	29,352	**403**	29,352
Proceeds from sales of developed land		**1,908**	-	**1,908**	-
Dividends received		**21,369**	11,503	**21,369**	11,503
Net cash used in investing activities		**(19,413)**	(1,269)	**(19,413)**	(1,269)
Cash flows from financing activities					
Dividends paid		**(21,600)**	(21,600)	**(21,600)**	(21,600)
Proceeds from borrowings		**-**	50,000	**-**	50,000
Net cash (used in)/generated from financing activities		**(21,600)**	28,400	**(21,600)**	28,400
Net (decrease)/increase in cash and cash equivalents		**(51,430)**	31,960	**(51,489)**	31,880
Movement in cash and cash equivalents					
At January 1,		**(43,161)**	(75,121)	**(43,240)**	(75,120)
(Decrease)/increase		**(51,430)**	31,960	**(51,489)**	31,880
At December 31,	30(b)	**(94,591)**	(43,161)	**(94,729)**	(43,240)

The notes on pages 39 to 75 form an integral part of these financial statements.

Auditor's report on pages 28 to 31.

1 GENERAL INFORMATION

Constance La Gaieté Company Limited, is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is 5th Floor, Labama House, 35 Sir William Newton Street, Port-Louis.

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

(a) Basis of preparation

The financial statements of Constance La Gaieté Company Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group and the Company have net current liabilities of MUR 25M at December 31, 2017. The Board is satisfied that the Group and the Company have the resources to meet their liabilities in the foreseeable future. The financial statements are prepared on a going concern basis.

The financial statements include the consolidated financial statements of the parent company and its subsidiaries (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 thousand (MUR 000), 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 and buildings are carried at deemed cost;

ii) available-for-sale investments are stated at their fair value; and

iii) consumable biological assets are stated at fair value

Amendments to Published Standards effective in the reporting period

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. There has been no movement in financing activities except dividend paid.

Annual Improvements to IFRSs 2014–2016 Cycle

IFRS 12, "Disclosure of Interests in Other Entities". The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Group's financial statements.

Standards, Amendments to Published Standards and Interpretations issued but not yet effective

Certain Standards, Amendments to Published Standards and Interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2018 or later periods, but which the Group has not early adopted.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Standards, Amendments to Published Standards and Interpretations issued but not yet effective (continued)

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

- IFRS 9, "Financial Instruments"
- IFRS 15, "Revenue from Contracts with Customers"
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 16, "Leases"
- Clarifications to IFRS 15, "Revenue from Contracts with Customers"
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9, "Financial Instruments" with IFRS 4, "Insurance Contracts (Amendments to IFRS 4)"
- Annual Improvements to IFRSs 2014–2016 Cycle
- IFRIC 22, "Foreign Currency Transactions and Advance Consideration"
- Transfers of Investment Property (Amendments to IAS 40)
- 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

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.

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.

IFRS 9 Financial Instruments – effective January 1, 2018

In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39, "Financial Instruments: Recognition and Measurement", and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Transition

The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application, with no requirement to restate comparative periods.

IFRS 9 is applicable on the Group as from January 1, 2018. The impact will be mainly on the classification and measurement of the financial assets.

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences will arise.

(b) Property, plant and equipment

Property, plant and equipment (except for freehold land) are stated at historical cost/deemed cost less accumulated depreciation and impairment. Freehold land is stated at deemed cost and is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment (continued)

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.

Bearer plants

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

Depreciation is calculated on the straight-line method to write-off the cost, deemed cost or revalued amounts of the assets to their residual values over their estimated useful lives. The principal annual rates used are as follows:

- Improvement to land	1% - 10%
- Buildings	2% - 20%
- Machinery	5% - 20%
- Vehicles	5% - 20%
- Furniture, fittings and equipment	5% - 20%
- Bearer plants	12.5%

Land is not depreciated.

The assets' residual values, useful lives and depreciation methods 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 disposals 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.

(c) Investment Property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group is carried 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 assets to their residual values over their estimated useful lives (10-50 years).

The principal annual rates used are as follows:

- Buildings	2%-10%
- Furniture & fittings	10%

(d) Intangible assets

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 (3-5 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.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding 3 years).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. 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 interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree 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 the 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.

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.

(f) Investments in associates

Separate financial statements of the investor

In the separate financial statements of the investor, investments in associated companies are carried at cost.

The carrying amount is reduced to recognise any impairment in the value of individual investments.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in associates (continued)

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.

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.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

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.

(g) Financial instruments

The Group's accounting policies in respect of the main financial instruments are set out below.

(i) Trade receivables

Trade receivables are 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 is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

(ii) Investments in financial assets

Investments are recognised on a trade-date basis and are initially measured at cost.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Investments in financial assets (continued)

Recognition and measurement

Purchases and sales of financial assets are recognised on a trade-date basis, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss as gains and losses on financial assets. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using the net asset basis or acquisition cost.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at their fair values.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in other comprehensive income.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

Impairment losses recognised in the profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through the profit or loss.

Impairment of non-financial assets

The carrying amount of non-financials assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Group estimates the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the assets's carrying amount over its recoverable amount and is taken directly to profit or loss.

(iii) 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 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(iv) Trade payables

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

(v) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(vi) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

(h) Deferred expenditure

Land development expenditure

Land development expenditure relates to cost incurred for the development of land into a saleable condition.

(i) Current and deferred income tax

The tax expense for the year comprises 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.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of the 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 period 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.

(j) Biological assets

Consumable biological assets

Consumable biological assets relate to standing canes and livestock.

- 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 determining pre-tax rate.
- Livestocks are stated at their fair value being the expected net sales proceeds.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Retirement benefit plans

Defined benefit plan

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, year 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 comprises 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 benefits 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.

Unfunded plans

Artisans and labourers of sugar companies are entitled to a gratuity on death or retirement based on years of services. This item is not funded. The benefits accruing under this item are calculated by an actuary and have been accounted for in the financial statements.

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

(m) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the distribution is authorised by the board.

(n) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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 Mauritian Rupees 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 translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

(ii) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains-net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of 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 held at fair value through profit or loss, are reported as part of the fair value gain or loss. 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.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

Turnover represents the gross proceeds of sugar and molasses receivable and sale of other diversification products. Gross proceeds of sugar and molasses are based on the tonnage and on the final prices received from the Mauritius Sugar Syndicate and Mauritius Molasses Co. Ltd.

Other revenues earned by the Group and the Company are recognised on the following bases:

- Rental income - as it accrues, unless collectibility is in doubt.
- Interest income - on a time proportion basis using the effective interest method.
- Dividend income - when the shareholders' right to receive payment is established.

(p) Impairment of 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 assets 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).

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and 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).

(r) Segment reporting

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

3 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks. The Board provides guidelines for overall risk management and seeks to minimise potential adverse effects on the Group's financial performance.

The Risk Management Committee provides written principles for overall risk management as well as written policies covering specific areas of risk.

A description of the significant risk factors is given below.

Credit risk

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 economic environment.

	Within normal credit period MUR'000	Outside normal credit period < 3mths but not impaired MUR'000	Total MUR'000
2017			
Trade receivables	**59,190**	**-**	**59,190**
2016			
Trade receivables	84,182	-	84,182

The maximum exposure to credit risk is the fair value of receivables.
The Group does not hold any collateral as security.

Cash flow and fair value interest rate risk

The Group's borrowings as shown in the financial statements are exposed to interest rate risks as it borrows mainly at variable rates.

At December 31, 2017, if interest rate on Rupee denominated borrowings had been 50 basis points higher/lower with all variables held constant, post-tax profit for the year would have decreased/increased by MUR 392k (2016: decreased/increased by MUR 278k) mainly as a result of higher/lower interest rate expense on floating rate borrowings.

Market risk

(i) Currency risk

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

(ii) Price Risk

The Group is exposed to price risk with regards to the incidence of the price of sugar on the European Union market and its investments in equity securities.

The Group's activities is also exposed to the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. If the price of securities had been 5% higher/lower as at the year end, the impact on equity would have been MUR 2,442k increase/decrease (2016: MUR 1,742k).

3 FINANCIAL RISK FACTORS (continued)

Liquidity risk

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

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

In order to ensure the adequacy of its funding requirements, cash flow forecasts are regularly prepared and the relevant credit facilities are closely monitored.

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 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's strategy is to maintain the debt-to-capital ratio at the lower end in order to secure access to finance at a reasonable cost.

The debt-to-capital ratio for 2017 was 27% (2016: 15%).

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 available-for-sale investments.

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.

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.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

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.

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) *Impairment of available-for-sale financial assets*

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(b) *Biological assets*

(i) Bearer biological assets

These relate to land preparation and cane replantation costs and are amortised over a period of 8 years which is the historical pattern of replanting. Changes to market conditions and the introduction of new technology are factors that may affect this pattern.

Sensitivity to changes in assumptions

The Directors have used prudent assumptions in preparing the financial forecast. Any change in the price of sugar, employee benefits liabilities, supplies and services and discount rate may impact the impairment charge.

2017 sugar price was at MUR 11,000 and some accompanying measures were made available. The SIFB made a grant of MUR 500 million translated into MUR 1,250 per ton of sugar accrued and payment of global cess, approximating MUR 500 per ton of sugar, was suspended. Subsequently, Cabinet cognizant of the importance of the sugar industry for Mauritius, economic, social, environmental, protection and preservation, has approved the appointment of a Joint Public-Private Technical Committee (JTC) to make an in-depth study and propose measures for the short, medium and long term that would bring about structural reform. These measures would be finalized shortly.

(ii) Consumable biological assets

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 at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop 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) *Pension benefits*

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) *Pension benefits* (continued)

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.

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

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Certain securities which do not have a quoted price are stated at cost less impairment as their fair value cannot be reliably measured as there is no active market and, an absence of track records for such or similar instruments.

5 PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land MUR'000	Improve-ment to land MUR'000	Land development projects MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost or Deemed Cost									
At January 1, 2017	280,054	9,734	17,937	46,461	65,567	56,295	9,430	109,335	594,813
Additions	4,324	12,482	17,037	616	122	2,976	456	6,249	44,262
Disposals	(50)	-	-	(1,181)	(793)	(2,470)	(598)	-	(5,092)
At December 31, 2017	**284,328**	**22,216**	**34,974**	**45,896**	**64,896**	**56,801**	**9,288**	**115,584**	**633,983**
Depreciation									
At January 1, 2017	-	297	-	30,147	57,669	49,236	7,180	70,957	215,486
Charge for the year	-	786	-	1,247	1,580	3,607	625	10,508	18,353
Disposal adjustment	-	-	-	(1,182)	(686)	(2,470)	(582)	-	(4,920)
Impairment losses	-	-	-	-	-	-	-	34,119	34,119
At December 31, 2017	**-**	**1,083**	**-**	**30,212**	**58,563**	**50,373**	**7,223**	**115,584**	**263,038**
Net Book Values									
At December 31, 2017	**284,328**	**21,133**	**34,974**	**15,684**	**6,333**	**6,428**	**2,065**	**-**	**370,945**

(b) THE GROUP

	Land MUR'000	Improve-ment to land MUR'000	Land development projects MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost or Deemed Cost									
At January 1, 2016	276,232	-	-	45,396	65,504	72,983	9,855	104,365	574,335
Additions	4,520	9,734	2,983	1,087	137	1,180	254	4,970	24,865
Transfer from other receivables	-	-	14,954	-	-	-	-	-	14,954
Disposals	(698)	-	-	(22)	(74)	(17,868)	(679)	-	(19,341)
At December 31, 2016	**280,054**	**9,734**	**17,937**	**46,461**	**65,567**	**56,295**	**9,430**	**109,335**	**594,813**
Depreciation									
At January 1, 2016	-	-	-	28,760	55,831	62,234	7,257	59,947	214,029
Charge for the year	-	297	-	1,398	1,868	3,546	534	11,010	18,653
Disposal adjustment	-	-	-	(11)	(30)	(16,544)	(611)	-	(17,196)
At December 31, 2016	**-**	**297**	**-**	**30,147**	**57,669**	**49,236**	**7,180**	**70,957**	**215,486**
Net Book Values									
At December 31, 2016	**280,054**	**9,437**	**17,937**	**16,314**	**7,898**	**7,059**	**2,250**	**38,378**	**379,327**

5 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) THE COMPANY

	Land MUR'000	Improve-ment to land MUR'000	Land development projects MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost or Deemed Cost									
At January 1, 2017	278,854	9,734	17,937	43,881	65,340	56,295	7,655	109,335	589,031
Additions	4,324	12,482	17,037	616	122	2,976	456	6,249	44,262
Disposals	(50)	-	-	(1,181)	(793)	(2,470)	(598)	-	(5,092)
At December 31, 2017	**283,128**	**22,216**	**34,974**	**43,316**	**64,669**	**56,801**	**7,513**	**115,584**	**628,201**
Depreciation									
At January 1, 2017	-	297	-	27,823	57,147	49,236	5,561	70,957	211,021
Charge for the year	-	786	-	1,247	1,580	3,607	538	10,508	18,266
Disposal adjustment	-	-	-	(1,182)	(686)	(2,470)	(581)	-	(4,919)
Impairment losses	-	-	-	-	-	-	-	34,119	34,119
At December 31, 2017	**-**	**1,083**	**-**	**27,888**	**58,041**	**50,373**	**5,518**	**115,584**	**258,487**
Net Book Values									
At December 31, 2017	**283,128**	**21,133**	**34,974**	**15,428**	**6,628**	**6,428**	**1,995**	**-**	**369,714**

(d) THE COMPANY

	Land MUR'000	Improve-ment to land MUR'000	Land development projects MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost or Deemed Cost									
At January 1, 2016	275,032	-	-	42,816	65,277	72,983	8,080	104,365	568,553
Transfer from other receivables	-	-	14,954	-	-	-	-	-	14,954
Additions	4,520	9,734	2,983	1,087	137	1,180	254	4,970	24,865
Disposals	(698)	-	-	(22)	(74)	(17,868)	(679)	-	(19,341)
At December 31, 2016	**278,854**	**9,734**	**17,937**	**43,881**	**65,340**	**56,295**	**7,655**	**109,335**	**589,031**
Depreciation									
At January 1, 2016	-	-	-	26,436	55,397	62,234	5,638	59,947	209,652
Charge for the year	-	297	-	1,398	1,780	3,546	534	11,010	18,565
Disposal adjustment	-	-	-	(11)	(30)	(16,544)	(611)	-	(17,196)
At December 31, 2016	**-**	**297**	**-**	**27,823**	**57,147**	**49,236**	**5,561**	**70,957**	**211,021**
Net Book Values									
At December 31, 2016	**278,854**	**9,437**	**17,937**	**16,058**	**8,193**	**7,059**	**2,094**	**38,378**	**378,010**

(e) In 2016, the Group adopted the amendments made to IAS 16 and IAS 41 in relation to bearer plants. Bearer plants were reclassified to property, plant and equipment. Comparative figures have been restated accordingly.

5 PROPERTY, PLANT AND EQUIPMENT (continued)

(f) Land has been revalued by the Directors in 1990. The valuation is taken as a deemed cost.

If land was stated at historical cost basis, the amount would be as follows:

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Cost	**74,624**	69,410	**74,624**	69,410

(g) Borrowings are secured on the assets of the Group including property, plant and equipment.

(h) **Impairment of bearer plants**

The recoverable amount of the bearer plants which is based on value in use, is most sensitive to the following assumptions:

- *Sugar prices*

Price of sugar used in the projections amounts to MUR 11,000 for Crop 2018, excluding any financial measures which may be granted in the future. A price escalation of 2% has been applied to the price of sugar as from year 2019.

- *Discount rates*

Discount rates represent the current market assessment of the risks specific to sugar sector, taking into consideration the time value of money and individual risks of the bearer biological asset that have not been incorporated in the cash flows estimates. A discount rate of 9% has been used for this purpose.

6 INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
Computer Software	**2017 MUR'000**	2016 MUR'000
Cost		
At January 1,	**46,950**	33,268
Additions	**5,571**	13,682
At December 31,	**52,521**	46,950
Depreciation		
At January 1,	**23,302**	20,507
Charge for the year	**3,125**	2,795
At December 31,	**26,427**	23,302
Net book value		
At December 31,	**26,094**	23,648

6 INVESTMENT PROPERTIES (continued)

The investment properties have been valued by Directors at MUR 103 million. (2016: MUR 104 million) using income yield method.

The investment properties are classified as Level 3 on the fair value hierachy. Rental income arising from investment properties was MUR 7.23 million (2016: MUR 6.08 million). Direct operating expenses arising from investment properties which generated rental income during the year were MUR 6.85 million (2016: MUR 6.30 million).

7 INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY	
Computer Software	**2017 MUR'000**	2016 MUR'000
Cost		
At January 1,	**1,731**	1,551
Additions	**209**	180
At December 31,	**1,940**	1,731
Amortisation		
At January 1,	**1,587**	1,551
Charge for the year	**78**	36
At December 31,	**1,665**	1,587
Net book value		
At December 31,	**275**	144

8 INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2017 MUR'000	2016 MUR'000
Cost		
At January 1,	**1,250**	1,250
Additions	**2,975**	-
At December 31,	**4,225**	1,250

8 INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

The subsidiary companies of Constance La Gaieté Company Limited (which are all incorporated and operate in Mauritius) are as follows:

Name	Class of shares held	Year end	Stated capital MUR'000	Proportion of ownership interest **2017** & 2016 Direct	Principal activity
Compagnie de Cheops Ltée	Ordinary shares	December 31,	3,000	100%	Domestic Sewage Treatment
Société Reeya & Cie	Share of interest	December 31,	1,000	100%	Cane cultivation

9 INVESTMENTS IN ASSOCIATES

		2017 MUR'000	2016 MUR'000
(a)	THE GROUP		
	Unquoted		
	At January 1,	**218,294**	199,358
	Additions	**7,498**	8,069
	Disposal/repayment	**(13,593)**	-
	Share of results from associates	**682**	17,759
	Dividend from associates	**(15,905)**	(10,593)
	Movement in reserves	**2,361**	3,701
	At December 31,	**199,337**	218,294
(b)	THE COMPANY		
	Unquoted		
	At January 1,	**180,208**	172,139
	Additions	**7,498**	8,069
	Disposal/repayment	**(13,593)**	-
	At December 31,	**174,113**	180,208

9 INVESTMENTS IN ASSOCIATES (continued)

(c) The results of the associated companies stated below have been included in the consolidated financial statements:

(i)

Name	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct	Indirect
					2017 & 2016 %	%
Deep River Beau Champ Milling Co Ltd*	June 30,	Trade	Mauritius	Mauritius	**-**	27.85
Consolidated Energy Co Ltd*	June 30,	Trade	Mauritius	Mauritius	**5.00**	16.25
Eastern Energy Co Ltd*	June 30,	Investment	Mauritius	Mauritius	**32.10**	-
Usinest Limited*	June 30,	Investment	Mauritius	Mauritius	**34.81**	-
Refinest Limited*	June 30,	Trade	Mauritius	Mauritius	**35.77**	-
Constance Corporate Management Limited**	December 31,	Corporate Services	Mauritius	Mauritius	**42.00**	-
La Gaieté Services Ltd	December 31,	Secretarial Services	Mauritius	Mauritius	**-**	42.00

Note:

* The accounting periods of the above companies are not coterminous and end on June 30. In order to synchronise accounting periods in the current year, management accounts have been used for consolidation. All the above associates are accounted for using the equity method.

** The net assets of Constance Corporate Management Ltd at Group level is restricted to nil. Constance La Gaieté Company Limited has not incurred any legal or constructive obligation or made any payment on behalf of the associate.

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

	Current assets MUR'000	Non-current assets MUR'000	Current liabilities MUR'000	Non-current liabilities MUR'000	Non-controlling interest MUR'000	Revenue MUR'000	Profit/(loss) for the period MUR'000	Other comprehensive income for the year MUR'000	Dividend received during the year MUR'000
2017									
Consolidated Energy Co Ltd	**194,397**	**172,605**	**133,592**	**20,537**	**-**	**620,734**	**44,799**	**210**	**3,750**
Eastern Energy Co Ltd	**188,088**	**191,116**	**144,611**	**20,537**	**106,154**	**620,734**	**22,585**	**105**	**12,155**
Usinest Limited	**263,047**	**9,304**	**26,057**	**13,019**	**28,161**	**35,301**	**(19,486)**	**(2,412)**	**-**
Refinest Limited	**17,111**	**285,455**	**18,245**	**53,250**	**-**	**-**	**(5,661)**	**8,823**	**-**
2016									
Consolidated Energy Co Ltd	254,867	211,192	190,715	32,480	-	496,137	32,644	(60)	2,500
Eastern Energy Co Ltd	150,546	235,262	122,636	24,553	115,540	496,137	16,445	(30)	8,093
Usinest Limited	277,578	8,868	16,072	8,452	34,910	49,076	17,908	7,780	-
Refinest Limited	35,506	302,219	24,313	68,464	-	-	12,898	2,812	-

9 INVESTMENTS IN ASSOCIATES (continued)

(d) Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening net assets January 1, MUR'000	Additions MUR'000	Disposal/ repayment MUR'000	Results net of dividends MUR'000	Other comprehensive income for the year MUR'000	Closing net assets MUR'000	Ownership interests %	Interest in associates MUR'000
2017								
Consolidated Energy Co Ltd	**242,864**	**-**	**-**	**(30,201)**	**210**	**212,873**	**5.00**	**10,645**
Eastern Energy Co Ltd	**123,079**	**-**	**-**	**(15,282)**	**105**	**107,902**	**32.10**	**34,638**
Usinest Limited	**227,012**	**-**	**-**	**(19,486)**	**(2,412)**	**205,114**	**34.81**	**71,400**
Refinest Limited	**244,948**	**20,962**	**(38,001)**	**(5,661)**	**8,823**	**231,071**	**35.77**	**82,654**
								199,337
2016								
Consolidated Energy Co Ltd	260,280	-	-	(17,356)	(60)	242,864	5.00	12,144
Eastern Energy Co Ltd	131,875	-	-	(8,766)	(30)	123,079	32.10	39,509
Usinest Limited	201,324	-	-	17,908	7,780	227,012	34.81	79,023
Refinest Limited	206,680	22,558	-	12,898	2,812	244,948	35.77	87,618
								218,294

10 INVESTMENTS IN FINANCIAL ASSETS

		THE GROUP				THE COMPANY				
		2017			2016	**2017**				2016
	Listed		**Unquoted**	**Total**	Total	**Listed**		**Unquoted**	**Total**	Total
Available-for-sale financial assets	**Level 1**		**Level 3**			**Level 1**		**Level 3**		
	Official Market	**DEM**				**Official Market**	**DEM**			
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000
(a) At January 1,	**16,350**	**18,497**	**10,295**	**45,142**	44,916	**16,350**	**18,497**	**10,274**	**45,121**	44,895
Additions	**130**	**-**	**-**	**130**	-	**130**	**-**	**-**	**130**	-
Fair value adjustments	**4,550**	**(780)**	**545**	**4,315**	226	**4,550**	**(780)**	**545**	**4,315**	226
At December 31,	**21,030**	**17,717**	**10,840**	**49,587**	45,142	**21,030**	**17,717**	**10,819**	**49,566**	45,121

(b) The fair value of quoted shares are based on prices listed on the Official Market and DEM respectively. The unquoted shares are valued on the basis of last reference price or acquisition cost as appropriate.

(c) None of the above financial assets are impaired.

11 DEFERRED EXPENDITURE

	THE GROUP AND THE COMPANY
	2017
	MUR'000
Land development expenditure	
At January 1,	**5,003**
Additions	**94**
At December 31,	**5,097**

Land development expenditure relates to cost incurred for the development of land into a saleable condition.

12 DEFERRED INCOME TAX

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2016: 15%). There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
Deferred tax assets	**53,505**	59,648

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

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
At January 1,	**59,648**	61,436
Profit or loss charge (note 27)	**(8,456)**	(2,729)
Other comprehensive income	**2,313**	941
At December 31,	**53,505**	59,648

12 DEFERRED INCOME TAX (continued)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity is as follows:

Deferred tax assets

	THE GROUP AND THE COMPANY				
	Accelerated tax depreciation MUR'000	**Retirement benefit obligations MUR'000**	**Tax losses carried forward MUR'000**	**Provisions and other costs MUR'000**	**Total MUR'000**
At January 1, 2016	3,607	30,706	20,867	6,256	61,436
Credited to other comprehensive income	-	941	-	-	941
(Charged)/credited to profit or loss	773	163	(3,603)	(62)	(2,729)
At December 31, 2016	4,380	31,810	17,264	6,194	59,648
Credited to other comprehensive income	**-**	**2,313**	**-**	**-**	**2,313**
(Charged)/credited to profit or loss	**4,326**	**1,171**	**(13,937)**	**(16)**	**(8,456)**
At December 31, 2017	**8,706**	**35,294**	**3,327**	**6,178**	**53,505**

13 CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP AND THE COMPANY			
	2017			2016
	Standing cane MUR'000	**Livestock MUR'000**	**Total MUR'000**	Total MUR'000
At January 1,	**18,714**	**14,442**	**33,156**	25,558
Changes in fair value	**(18,714)**	**846**	**(17,868)**	7,598
At December 31,	**-**	**15,288**	**15,288**	33,156

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

At December 31, 2017, standing canes comprises approximately 2,122 hectares of plantations (2016: 2,241 hectares). During the year the Group harvested approximately 142,635 tonnes of canes (2016: 139,211 tonnes).

14 INVENTORIES

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
At Cost/Net realisable value		
Spare parts	**522**	512
Fertilizers and herbicides	**4,009**	3,210
Irrigation equipment & others	**1,896**	1,975
	6,427	5,697

The cost of inventories recognised as expense amounted to MUR 42.9 million (2016: MUR 42.9 million).

15 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Proceeds receivable for the current year:				
- Sugar	**54,707**	79,887	**54,707**	79,887
- Non-sugar	**4,483**	4,295	**4,483**	4,295
Other receivables	**79,653**	75,316	**77,720**	73,744
Receivable from group companies:				
- Subsidiary companies	**-**	-	**1,403**	3,927
- Associated companies	**951**	5,649	**951**	5,649
	139,794	165,147	**139,264**	167,502

The carrying amounts of the trade and other receivables approximate their fair values. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group does not hold any collateral as security.

16 STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
Ordinary shares of MUR 25 each	**120,000**	120,000

17 BORROWINGS

		THE GROUP		THE COMPANY	
		2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
(a)	**Non-current**				
	Bank loan	**50,000**	50,000	**50,000**	50,000
	Other loans	**823**	823	**823**	823
		50,823	50,823	**50,823**	50,823
	Current				
	Bank overdraft	**95,662**	44,467	**95,662**	44,467
	Other loans	**13**	13	**13**	13
		95,675	44,480	**95,675**	44,480
	Total borrowings	**146,498**	95,303	**146,498**	95,303

The bank overdraft and borrowings are secured by fixed and floating charges on the assets of the Group. The rate of interest ranges from 6.50% to 6.75%.

(b) Long term borrowings are analysed as follows:

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Later than one year and before two years	**50,000**	50,000
Later than three years and before five years	**823**	823
	50,823	50,823

The carrying amount of borrowings are denominated in Mauritian Rupees.

The carrying amount of borrowings are not materially different from the fair values.

18 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Amounts recognised in the statement of financial position:		
Defined pension benefits (note (a)(ii))	**235,294**	212,074
Analysed as follows :		
Non-current liabilities	**235,294**	212,074
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	**18,846**	19,899
Amounts charged to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	**15,419**	6,272

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined pension benefits

(i) The Group contributes to a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of guaranteed level of pension for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The assets of the fund are held independently and administered by the Sugar Industry Pension Fund under The Sugar Industry Pension Fund Act No 42 of 1955, as subsequently amended.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2017 by AON Hewitt. 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 AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
Present value of funded obligations	**274,939**	254,762
Fair value of plan assets	**(136,740)**	(135,510)
Deficit of funded plans	**138,199**	119,252
Present value of unfunded obligations	**97,095**	92,822
Total deficit of defined benefit pension plans	**235,294**	212,074
Liability in the statement of financial position	**235,294**	212,074

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

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
At January 1,	**212,074**	204,713
Charged to profit or loss	**18,846**	19,899
Charged to other comprehensive income	**15,419**	6,272
Contributions paid	**(11,045)**	(18,810)
At December 31,	**235,294**	212,074

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined pension benefits (continued)

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

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
At January 1,	**347,584**	342,510
Current service cost	**5,427**	6,225
Interest expense	**21,889**	23,176
Employee contributions	**408**	261
Liability experience gain	**(878)**	(250)
Liability loss/(gain) due to change in financial assumptions	**19,639**	(1,092)
Benefits paid	**(22,035)**	(23,246)
At December 31,	**372,034**	347,584

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

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
At January 1,	**135,510**	137,797
Return on plan assets, excluding amounts included in interest expense/(income)	**3,342**	(7,614)
Interest income	**8,470**	9,502
Employee contributions	**408**	261
Contributions by the employer	**5,784**	15,430
Benefits paid	**(16,774)**	(19,866)
At December 31,	**136,740**	135,510

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

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Current service cost	**5,427**	6,225
Net interest expense	**13,419**	13,674
Total included in employee benefit expense	**18,846**	19,899

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined pension benefits (continued)

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

	THE GROUP AND THE COMPANY	
	2017	2016
	MUR'000	MUR'000
Liability experience gain	**(878)**	(250)
Liability loss/(gain) due to change in financial assumptions	**19,639**	(1,092)
Actuarial losses	**18,761**	(1,342)
Return on plan assets excluding interest income	**(3,342)**	7,614
	15,419	6,272

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

	THE GROUP AND THE COMPANY	
	2017	2016
	%	%
Local equities	**29**	29
Overseas equities	**20**	20
Overseas debt	**7**	7
Local debt	**21**	21
Overseas proportion	**2**	2
Local proportion	**21**	21
	100	100

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 are not based on quoted market prices in active markets.

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

	2017	2016
	%	%
Discount rate	**5.5**	6.5
Expected return on plan assets	**5.5**	6.5
Future medical plan increases	**5.5**	6.5
Future salary growth rate	**4.0**	5.0
Future pension growth rate	**1.0**	1.0

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined pension benefits (continued)

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

	Increase MUR'000	Decrease MUR'000
December 31, 2017		
Discount rate (1% movement)	**25,614**	**21,907**

An increase/decrease of 1% in other principal actuarial assumptions would not have material impact on defined benefit obligations at the end of reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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

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

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

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

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

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

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

(xii) The Group expects to pay MUR 5.8 million in contributions to its post-employment benefit plans for the year ending December 31, 2018.

(xiii) The weighted average duration of the defined benefit obligation is 5-9 years at the end of the reporting period (2016: 6-9 years).

19 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Trade payables	**14,250**	10,332	**14,250**	10,332
Payable to group companies:				
- Associated companies	**6,722**	6,744	**6,722**	6,744
Other payables	**38,122**	38,725	**37,456**	38,133
Provision VRS costs (see below)	**25,478**	25,583	**25,478**	25,583
SIFB premium	**6,862**	8,154	**6,862**	8,154
	91,434	89,538	**90,768**	88,946

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

Provision for VRS costs consist mainly of estimates in respect of infrastructural and other eligible costs to be incurred towards implementing the provisions of the VRS II.

20 DIVIDENDS

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Amounts recognised as distributions to equity holders in the year:		
Proposed and paid: MUR 4.50 per share (2016: MUR 4.50 per share)	**21,600**	21,600

21 REVENUE

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Sugar	**141,302**	176,772
Molasses	**10,184**	7,440
Bagasse	**1,549**	3,538
Distillers/bottlers	**2,573**	7,862
Sugar Cane Sustainability Fund	**3,378**	6,686
	158,986	202,298

22 OTHER OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Transport	**6,907**	6,956	**6,907**	6,956
Sale of livestock	**57,586**	58,109	**57,586**	58,109
Rent/leased land	**11,156**	12,476	**11,156**	12,476
Others	**13,373**	14,884	**12,550**	14,061
	89,022	92,425	**88,199**	91,602

23 COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Compensation from the SIFB	**14,364**	198

24 OPERATING LOSS

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Operating loss is arrived at:				
after charging:				
Wages and salaries	**117,281**	118,153	**117,281**	118,153
Cost of inventories	**42,904**	42,882	**42,904**	42,882
Payment to contractors	**25,185**	25,739	**25,185**	25,739
Depreciation and amortisation	**21,556**	21,484	**21,469**	21,396
Impairment loss on bearer plants	**34,119**	-	**34,119**	-
Administrative expenses	**8,040**	9,004	**8,040**	9,004
SIFB Premium	**6,832**	1,245	**6,832**	1,245

25 OTHER INCOME

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Profit on sale of property, plant and equipment	**953**	6,178	**953**	6,178
Profit on sale of land	**1,860**	28,654	**1,860**	28,654
Profit on sale of developed land	**403**	-	**403**	-
Dividend income - Listed	**5,465**	910	**5,465**	910
- Associates	**-**	-	**15,904**	10,593
Interest income	**55**	9,577	**55**	9,577
Share of results from subsidiary	**-**	-	**(60)**	(71)
	8,736	45,319	**24,580**	55,841

26 FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Interest expense		
- bank loans and overdrafts	**(5,758)**	(3,440)
- others	**(405)**	(1,202)
	(6,163)	(4,642)

27 TAXATION

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Deferred income taxes (note 12)	**(8,456)**	(2,729)

27 TAXATION (continued)

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

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
(Loss)/profit before taxation	**(108,917)**	41,056	**(93,503)**	34,270
Share of results of associated companies	**(682)**	(17,759)	**-**	-
	(109,599)	23,297	**(93,503)**	34,270
Tax calculated at a rate of 15% (2016: 15%)	**(16,440)**	3,495	**(14,025)**	5,141
Income not subject to tax	**(1,295)**	(4,866)	**(3,690)**	(6,455)
Expenses not deductible for tax purposes	**225**	440	**225**	440
Utilisation of previously unrecognised tax losses	**-**	-	**-**	-
Tax losses for which no deferred tax asset was recognised	**25,966**	3,660	**25,946**	3,603
	8,456	2,729	**8,456**	2,729

28 (LOSS)/EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2017	2016	**2017**	2016
(Loss)/profit for the year	MUR'000	**(117,373)**	38,327	**(101,959)**	31,541
Number of ordinary shares in issue		**4,800,000**	4,800,000	**4,800,000**	4,800,000
(Loss)/earnings per share	MUR	**(24.45)**	7.98	**(21.24)**	6.57

29 OTHER RESERVES

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Surplus on revaluation of land and buildings	**149,444**	149,480
Reserve for modernisation and agricultural diversification	**12,520**	12,520
	161,964	162,000

30 NOTES TO THE STATEMENTS OF CASH FLOW

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
(a) **Cash generated from operations**				
(Loss)/profit before taxation	**(108,917)**	41,056	**(93,503)**	34,270
Adjustments:				
Retirement benefit obligations	**18,846**	19,899	**18,846**	19,899
Depreciation and amortisation	**21,556**	21,484	**21,469**	21,396
Impairment losses on bearer plants	**34,119**	-	**34,119**	-
Profit on sales of property, plant and equipment	**(953)**	(6,178)	**(953)**	(6,178)
Profit on sales of land	**(1,860)**	(28,654)	**(1,860)**	(28,654)
Profit on sales of developed land	**(403)**	-	**(403)**	-
Dividend income	**(5,465)**	(910)	**(5,465)**	(910)
Interest income	**(55)**	(9,577)	**(55)**	(9,577)
Interest expense	**6,163**	4,642	**6,163**	4,642
Associated companies				
- Share of profit	**(682)**	(17,759)	**-**	-
- Dividend income	**-**	-	**(15,905)**	(10,593)
Changes in working capital				
- consumable biological assets	**17,868**	(7,598)	**17,868**	(7,598)
- trade and other receivables	**25,391**	13,527	**25,300**	13,136
- inventories	**(730)**	1,299	**(730)**	1,299
- trade and other payables	**1,999**	(12,527)	**1,927**	(12,508)
Cash generated from operations	**6,877**	18,704	**6,818**	18,624

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Cash in hand and at bank	**1,071**	1,306	**933**	1,227
Bank overdrafts	**(95,662)**	(44,467)	**(95,662)**	(44,467)
Cash and cash equivalents	**(94,591)**	(43,161)	**(94,729)**	(43,240)

(c) **Non cash transactions**

The principal non cash transaction is the allotment of shares in Compagnie De Cheops Limitée to Constance La Gaieté Company Limited for MUR 2,975k against amount receivables from subsidiary (2016: Nil).

31 CONTINGENT LIABILITIES

At December 31, 2017, the Group had no contigent liability (2016: MUR 61 million in respect of bank and other guarantees).

The quantum of land to be granted to the Empowerment Program for social and infrastructural projects under the 2,000 Arpents scheme is 53.76A (2016: 53.76A).

32 CAPITAL COMMITMENTS

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

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Capital expenditure authorised but not yet contracted	**-**	209	**-**	209

33 RELATED PARTY TRANSACTIONS

THE GROUP

	Sale of goods or services		Purchase of goods or services		Finance cost		Management fees		Amount receivable/ (payable)	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Associates	**109**	172	**50**	50	**-**	-	**1,723**	16,481	**(5,771)**	(1,095)
Enterprises that have common shareholders	**3,436**	3,481	**15,090**	21,388	**-**	(788)	**-**	-	**(661)**	(3,276)
Directors and key management personnel	**1,149**	1,003	**-**	-	**-**	-	**-**	-	**639**	428

THE COMPANY

	Sale of goods or services		Purchase of goods or services		Finance cost		Management fees		Amount receivable/ (payable)	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Subsidiaries	**73**	96	**-**	-	**-**	-	**-**	-	**1,403**	3,927
Associates	**109**	172	**-**	-	**-**	-	**17,623**	16,481	**(5,771)**	(1,095)
Enterprises that have common shareholders	**3,436**	3,481	**15,090**	21,388	**-**	(788)	**-**	-	**(661)**	(3,276)
Directors and key management personnel	**1,149**	1,003	**-**	-	**-**	-	**-**	-	**639**	428

(a) Related party transactions have been made in the normal course of business under normal terms and conditions.

(b) The oustanding balances at year end are unsecured, interest free and settlement occurs in cash.

(c) There has been no guarantees provided or received for any related party receivables and payables.

(d) For the year ended 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2016: Nil).

33 RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

	THE GROUP AND THE COMPANY	
	2017 MUR'000	2016 MUR'000
Salaries and short-term employee benefits	**9,664**	9,035
Post-employment benefits	**434**	3,008
	10,098	12,043

34 SEGMENTAL INFORMATION

Operating segments are reported based on strategic business units that offer different products.

THE GROUP

		Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Total MUR'000
(a)	**Business segments**				
	Year ended December 31, 2017				
	Revenue	188,918	58,872	14,582	262,372
	Operating segment results	(103,144)	18,708	(27,736)	(112,172)
	Other income	-	-	8,736	8,736
	Segment results	(103,144)	18,708	(19,000)	(103,436)
	Finance cost				(6,163)
	Loss on ordinary activities				(109,599)
	Share of results of associates				682
	Loss before taxation				(108,917)
	Taxation				(8,456)
	Loss for the year				(117,373)

34 SEGMENTAL INFORMATION (continued)

THE GROUP

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Unallocated MUR'000	Total MUR'000
At December 31, 2017					
Assets					
Segment assets	422,224	31,160	105,334	-	558,718
Unallocated assets	-	-	-	308,702	308,702
					867,420
Liabilities					
Segment liabilities	299,386	3,644	71,493	-	374,523
Unallocated liabilities	-	-	-	98,703	98,703
					473,226
Other information					
Capital expenditure	26,606	628	22,808	-	50,042
Depreciation	17,225	1,084	3,247	-	21,556

Operating segments are reported based on strategic business units that offer different products.

THE GROUP

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Total MUR'000
(b) **Business segments**				
Year ended December 31, 2016				
Revenue	220,550	59,313	15,058	294,921
Operating segment results	(9,152)	17,770	(25,998)	(17,380)
Other income	-	-	45,319	45,319
Segment results	(9,152)	17,770	19,321	27,939
Finance cost				(4,642)
Profit on ordinary activities				23,297
Share of results of associates				17,759
Profit before taxation				41,056
Taxation				(2,729)
Profit for the year				38,327

34 SEGMENTAL INFORMATION (continued)

THE GROUP

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Unallocated MUR'000	Total MUR'000
At December 31, 2016					
Assets					
Segment assets	484,579	29,933	88,416	-	602,928
Unallocated assets	-	-	-	333,584	333,584
					936,512
Liabilities					
Segment liabilities	323,403	2,863	22,573	-	348,839
Unallocated liabilities	-	-	-	48,176	48,176
					397,015
Other information					
Capital expenditure	21,474	588	16,665	-	38,727
Depreciation	17,376	1,210	2,898	-	21,484

Profile of Directors and Senior Officer

DIRECTORS

George J. Dumbell (69) – Independent Director, Chairman

Appointed director in December 2005 and Chairman in 2006

Mr Dumbell is an Associate of the Chartered Institute of Bankers (UK) with over 49 years of financial and commercial experience, including 34 years in various senior management positions, within the HSBC Group across the globe. In 1994, he was seconded for two and a half years to Eurochambres, Association of European Chambers of Commerce and Industry, in Belgium, as Deputy Secretary General and Managing Director of its business arm – an organisation representing over 14 million companies across Western, Central and Eastern Europe.

Mr Dumbell is a former Director of several financial institutions in Asia and Europe, and of a number of listed companies in Mauritius. He sat on the founding board of the Mauritius Institute of Directors, and is currently a fellow of this Institute and member of its Directors' Forum. In 2003, he undertook a two-year consultancy contract with the Mauritius Commercial Bank Ltd in the field of Risk Management. Mr Dumbell is currently a Director of the ChrysCapital Group of Companies.

Nicolas Boullé (58) – Non-executive Director

Appointed in 2014

Me Boullé is a qualified notary, practicing since 1990. He has worked in close collaboration in the first instance with Me Pierre Doger de Spéville and thereafter with Me Jacques Montocchio until 2002. Me Boullé now practices independently but in close collaboration with three other colleagues.

Patrick De Labauve d'Arifat (59) – Non-executive Director

Mr Patrick De Labauve d'Arifat holds a BSC degree in Economics and Accountancy from City University, London. He started his career with the Mauritius Chamber of Agriculture in 1982 and in 1991 he was appointed Director of the Mauritius Sugar Producers Association. He was the Chairman of that same association for four years and that of the Mauritius Sugar Syndicate for two years. He joined CIEL Agro-industry as Chief Executive Officer in July 2001. He has, throughout those years, been closely associated with the policy formulation and implementation of the modernisation process of the sugar industry in Mauritius and in the region. Mr De Labauve d'Arifat is the Chief Executive Officer of ALTEO.

Marc Freismuth (66) – Independent Director

Appointed in 2016

Mr Freismuth holds a MPhil degree in Economics from Sorbonne (Paris) and an *agrégation* in Economics and Management. He was a lecturer at the University of Montpellier (France) until July 1988, when he decided to join the University of Mauritius as lecturer of Management and Finance until July 1994. While in the latter post, Mr Freismuth participated in the setting up of the Stock Exchange of Mauritius as consultant to the Stock Exchange Commission and member of the Listing Committee. He taught Hospitality Management at the University of Réunion from 2000 to 2005. Since this date, he is working as a private consultant in management and finance. He is also a director of several other listed and non-listed companies.

DIRECTORS (continued)

Jean Juppin de Fondaumière (64) – Independent Director

Appointed in 2007

Mr Juppin de Fondaumière qualified as a Chartered Accountant in Edinburgh and held various managerial positions in the fields of audit and merchant banking at Price Waterhouse, Kleinwort Benson, and Security Pacific in Australia between 1980 and 1992. He retired as Chief Executive of the Swan Group on 31st December 2006 after 15 years with the Group. He is a Director of a number of companies involved in economic activities varying from agriculture and commerce to finance and tourism operating in Mauritius and the region. He is a past Chairman of the Stock Exchange of Mauritius and is a member of a number of audit and corporate governance committees.

Clément D. Rey (48) – Group Head of Corporate Affairs, Executive Director

Appointed in 2003

Mr Rey holds a Bachelor's and a Master's degree in Business Law from the United Kingdom. Before joining the Constance Group as Group Head of Corporate Affairs, he held a similar position within the CIEL Group, one of the largest industrial groups in Mauritius. In his present capacity, he has overall responsibility for corporate transactions and regulatory matters relating to the member companies of the Constance Group. He is a Director of a number of companies in the commercial and financial sectors and is a member of various Board Committees.

Maxime Rey (65) – Non-executive Director

Appointed in 2014

Mr Rey qualified as an accountant and started his career in 1973 in Mauritius in auditing before joining the Sugar Industry. He moved to South Africa in 1981 where he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992. Back in Mauritius in 1993 he joined SWAN, one of the market leaders in the local Insurance sector, as Senior Manager - Group Finance, Loans & Legal until he retired in 2016. He is a director of a number of Companies listed on the Stock Exchange of Mauritius and operating in the commercial, investment, sugar and tourism sectors. He was appointed as a Director of the Company in April 2014.

Jean Ribet (58) – Group Chief Executive Officer, Executive Director

Appointed in 2007

Mr Ribet is a member of the South African Institute of Chartered Accountants and holds a Bachelor of Commerce degree. He joined the Constance Group as Group Financial Controller in 1991. He was appointed Group Chief Executive Officer in 2004 and has overall responsibility for the agro-industrial, tourism and investment activities of the Constance Group.

Georgina Rogers (55) – Non-executive Director, Chairperson of the Audit (Risk Management) Committee

Appointed in 1998

Mrs Rogers holds a Bachelor of Commerce degree from the University of Natal in South Africa. She practised as an accountant until 1995 and is now involved in the realisation of real-estate development projects. Mrs Rogers is the Chairperson of the Audit (Risk Management) Committee.

Noël Adolphe Vallet (52) – Non-executive Director

Appointed in 1997

After studying Management in South Africa, Mr Vallet gained professional experience in the UK before returning to Mauritius to take up the position of the Manager of Fleurs des Tropiques Exports Ltée, a company that was then part of the Constance Group. He held that position for two years before moving on to a number of other Management functions within the Group. He was responsible, as Project Manager, for setting up *L'Aventure du Sucre,* Mauritius's sugar museum. He left the Group in 2006 and now runs his own business in the events industry, as Managing Director of Bedouin Tents and Rocket Fireworks. Mr Vallet is very involved in sports activities and holds positions of responsibility in a few clubs and associations.

Profile of Directors and Senior Officer (continued)

DIRECTORS (continued)

Jean-Jacques Vallet (49) – Non-executive Director

Appointed in 2004

Mr Vallet holds a *Maîtrise en Sciences et Gestion* (MSG) and a post-graduate degree (DESS) in the fields of management science, logistical operations and industrial management. As Chief Executive Officer, he is responsible for the overall planning, direction and control of the operations, resources and administration of the Constance Hotels and Resorts Group. He was also the President of AHRIM, the Association of Hotels and Restaurants in Mauritius, for the periods 2003-2004 and 2011-2012.

SENIOR OFFICER

Kevin Chan Too (40) – Group Head of Finance

Mr Chan Too is a Fellow of the Association of Chartered Certified Accountants. He joined the Constance Group in 2007 as Group Financial Accountant and is currently its Group Head of Finance with main responsibility for finance, accounting, treasury and internal control. Prior to joining the Constance Group, Mr Chan Too held various finance and accounting positions within listed companies dealing in the property, finance and investment sectors.

Directorships in companies listed on the official market of the Stock Exchange of Mauritius Ltd:

	Alteo Ltd	Belle Mare Holding Ltd	IBL Ltd	Lux Island Resorts Ltd	The United Basalt Products Ltd
George J. DUMBELL		✓			
Nicolas BOULLÉ		✓			
Patrick DE LABAUVE D'ARIFAT	✓				
Marc FREISMUTH		✓			✓
Jean JUPPIN DE FONDAUMIÈRE	✓			✓	
Clément D. REY		✓			
Maxime REY		✓	✓	✓	
Jean RIBET		✓	✓		
Georgina ROGERS		✓			
Noël Adolphe VALLET		✓			

Proxy Form

I/We

of

being a member of Constance La Gaieté Company Limited, hereby appoint

or failing him/her,

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Friday 22nd June 2018, at 09.30 a.m., and at any adjournment thereof.

I/We desire this proxy to be used (see Note 1) as follows:

		For	Against	Abstain
3	To adopt the Audited Financial Statements of the Company and the Group for the year ended 31st December 2017			
4	To authorise the Board of Directors to fix the remuneration of the External Auditors, BDO & Co., who have expressed their willingness to continue to act as External Auditors of the Company and will be automatically reappointed			
5	By separate resolutions and in accordance with article 21.2 (1) of the Constitution of the Company, to re-elect the following persons who, retiring by rotation, offer themselves for re-election as Directors of the Company: a. Mr Jean JUPIN DE FONDAUMIERE b. Mr Jean RIBET c. Mr Noël Adolphe VALLET			

Dated this day of 2018

Signature (s)

Notes

Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes or whether or not he/she abstains from voting.

The instrument appointing a proxy, any general power of attorney or written resolution appointing a representative should reach the Company Secretary at the registered office of the Company, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, not less than 24 hours prior to the time scheduled for the meeting, i.e. by 9.30 a.m. on Thursday, 21st June 2018 (being the last business day before the meeting). In default, the instrument of proxy shall not be treated as valid.

For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 28th May 2018.

Constance La Gaieté Company Limited

Registered Office
5th Floor, Labama House
35 Sir William Newton Street
Port Louis

Telephone: (230) 260 8800
Facsimile: (230) 208 8295
Email: admin@constancegroup.com