CONSTANCE LA GAIETÉ

COMPANY LIMITED

2015 ANNUAL REPORT

CONTENTS

CONSTANCE LA GAIETÉ COMPANY LIMITED

ANNUAL REPORT 2015

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Constance La Gaieté Company Limited for the year ended 31 December 2015. This report was approved by the Board on 31 March 2016.

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, 10 June 2016, 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 31 December 2015
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 31 December 2015
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. To appoint Mr Marc Freismuth as an independent director of the Company
6. 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. Mrs Georgina Rogers
    b. Mr Clément D. Rey
    c. Mr Nicolas Boullé
7. Shareholders' questions.

By order of the Board

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

13 May 2016

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, 9 June 2016 (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 16 May 2016.

Profile of Mr Marc Freismuth is available on page 68 of the Annual report.

Corporate Information

Directors

George J. DUMBELL	Independent – Chairman
Nicolas BOULLÉ	Independent
P. Arnaud DALAIS	Non-executive
Jean DE FONDAUMIÈRE	Independent
Clément D. REY	Executive
Maxime REY	Non-executive
Jean RIBET	Executive
Georgina ROGERS	Independent
Jean-Jacques VALLET	Non-executive
Noël Adolphe VALLET	Non-executive

Alternate Directors

Jean-Pierre DALAIS (up to 31 March 2016)	Alternate to P. Arnaud DALAIS
Patrick D'ARIFAT (as from 31 March 2016)	Alternate to P. Arnaud DALAIS

Committees of the Board

Audit (and Risk Management) Committee

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

Corporate Governance (and Nomination & Remuneration) Committee

George J. DUMBELL - *Chairman*
Jean RIBET

Management Team – Constance Corporate Management Ltd

Jean RIBET	*Group Chief Executive Officer*
Jan BOULLÉ	*Group Head of Projects and Development*
Clément D. REY	*Group Head of Corporate Affairs*
Kevin CHAN TOO	*Group Head of Finance*

Secretaries

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

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

Internal

PricewaterhouseCoopers
Chartered accountants
18 CyberCity
Ébène

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 31 December 2015.

Business Overview

Industry Review

The 2015 cane growth cycle was partly impacted by the late completion of the 2014 harvest, resulting in very low sugar content. Total sugar production was down 34,000 tonnes to reach 366,000 tonnes. Some 4 million tonnes of cane were harvested from 52,397 hectares, yielding 76.53 tonnes per hectare. Market dynamics remain unfavourable and the current low sugar price is not conducive to changing the general downward trend, seen over the past years, in sugar production.

Industry Comparative Results (2011–15)

Year	**2015**	2014	2013	2012	2011
Area harvested (hectares)	**52,397**	50,694	53,464	54,140	56,668
Cane harvested (thousand tonnes)	**4,009**	4,044	3,816	3,947	4,230
Cane yield (tonnes/ha)	**76.53**	79.78	71.37	72.91	74.65
Cane crushed (thousand tonnes)	**4,004**	4,039	3,812	3,942	4,225
Sugar produced (thousand tonnes)	**366**	400	405	409	435
Extraction rate (%)	**9.14**	9.91	10.62	10.38	10.30
Sugar yield (tonnes/ha)	**6.99**	7.89	7.57	7.56	7.68

Year in Review

2015 Sugarcane Harvest

At estate level, the late completion of the 2014 harvest season severely impacted the 2015 crop. The growing season being shorter, cane was unable to develop to its full potential prior to harvest. This resulted in a lower total volume of cane harvested at 142,882 tonnes, representing an adverse average yield of 70.3 tonnes per hectare (2014: 76.6 tonnes per hectare). A disappointing performance compared to the preceding year.

In regard to extraction, sugar content, which was affected by the harvesting of immature cane, coupled with a wet and mild winter, decreased, thereby bringing down the rate of extraction to 9.45% (2014: 10.08%). These factors, also, adversely impacted the sucrose content, resulting in an inferior sugar yield of 6.6 tonnes per hectare compared with 7.7 tonnes per hectare in 2014.

Estate Cane and Sugar Production

Crop year	**2015**	2014*	2013	2012	2011
Area harvested (hectares)	**2,032**	2,032	1,904	1,970	1,890
Cane yield per hectare (tonnes)	**70.325**	76.650	66.900	65.680	70.386
Total cane harvested (tonnes)	**142,882**	155,262	127,358	129,370	133,059
Sugar produced per hectare (tonnes)	**6.640**	7.724	7.354	6.761	7.202
Sugar produced (tonnes)	**13,495**	15,695	13,999	13,316	13,614
Share of sugar produced (tonnes)	**10,526**	12,085	10,919	10,387	10,619
Extraction (%)	**9.45**	10.08	10.99	10.29	10.23

*16,257 tonnes of cane were harvested in January 2015 producing 1,662 tonnes of sugar and 1,139 tonnes as share of sugar produced respectively.

Year in Review *(continued)*

Financial Performance

The Company's financial performance takes into consideration revenues generated by the 2014 sugarcane harvested in 2015. The resulting 1,139 tonnes of sugar accruing were accounted at MUR 12,694 per tonne. In regards to 2015, sugar produced was still affected by a low price of sugar estimated at MUR 13,000 per tonne for the year (2014: MUR 12,500). These effects were, once again, mitigated by a one-off assistance given by the Sugar Insurance Fund Board of MUR 2,000 per tonne of sugar accruing.

As a result, Group revenue as at 31 December 2015, was MUR 290.0 million compared to MUR 259.3 million last year. The operating expenses were slightly higher than last year, reaching MUR 332.0 million (2014: MUR 327.4 million). After accounting for other income of MUR 52.3 million (2014: MUR 51.5 million) and finance costs of MUR 1.6 million (2014: MUR 2.8 million), profit from ordinary activities were MUR 7.2 million (2014: loss MUR 22.1 million). Share of results from associates stood at MUR 4.9 million (2014: loss of MUR 3.0 million). Profit for the year, after accounting for taxation, was MUR 8.9 million compared to a loss of MUR 15.5 million last year.

Key Financial Results and Ratios

GROUP		**31 Dec 2015**	31 Dec 2014	31 Dec 2013 Restated	31 Dec 2012 Restated	31 Dec 2011 Restated
Revenue	MUR '000	**289,988**	259,338	304,605	270,933	288,459
Operating expenses	MUR '000	**332,002**	327,418	327,035	304,903	305,807
Operating loss	MUR '000	**(43,490)**	(70,765)	(26,418)	(20,112)	(9,915)
Profit/(loss) after taxation	MUR '000	**8,931**	(15,473)	(802)	14,094	26,780
Total assets	MUR '000	**908,287**	910,017	934,537	934,765	983,525
Total equity	MUR '000	**524,274**	600,693	624,136	645,992	674,060
Total borrowings	MUR '000	**77,235**	28,885	22,845	2,812	836
Net assets per share	MUR	**109.22**	125.14	130.03	134.58	140.43
Earnings/(loss) per share	MUR	**1.86**	(3.22)	(0.17)	2.94	5.58
Dividend per share	MUR	**4.50**	4.50	4.50	4.50	4.50
Share price	MUR	**100.00**	136.00	155.00	101.00	122.00
Price–earnings ratio		**53.76**	N/A	N/A	34.35	21.86
Volume of shares traded		**40,026**	28,337	17,076	24,576	26,037

Non-sugar Activities

Broiler and deer productions were satisfactory and generated contributions which were in line with the previous year. Pineapple production was equally profitable in 2015. Extension of this line of activity is dependent on additional export opportunities.

Real Estate

All anticipated sale transactions pertaining to the second phase development at Boulet Rouge and Camp Manes were completed during the year. To respond to market demand in this region, a third phase, covering 25 arpents, is currently under study, with the related letter of intent expected to be issued during the course of 2016. We are, also, focusing on further developing lands adjoining previous morcellements at Argy. A mixed-use development concept at Central Flacq is also under active consideration; this would form part of the structured development programme contemplated under the Government's Smart-city Scheme.

Outlook

Although arriving late in the season, the summer rains have been beneficial to the growth of sugarcane and animal pastures. These rains, which have been well distributed, combined with good sunny periods, have contributed, so far, to favourable cane density and stalk development. Given the prevailing climatic conditions, we project a good crop production.

Dividend

A dividend of MUR 4.50 per share (2014: MUR 4.50 per share), was declared and paid in December 2015, bringing the dividend payout 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 wish to express our appreciation to the Company's Management and staff for their dedication and commitment, in face of another challenging year for the industry.

Approved by the Board of Directors and signed on its behalf on 31 March 2016.

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: 1 January 2015 to 31 December 2015

We, the Directors of Constance La Gaieté Company Limited, confirm to the best of our knowledge that the PIE has complied with all of 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 on page 7.
- 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 (see page 22).

Signed by

George J. Dumbell	Jean Ribet
Chairman	*Director*
	Group Chief Executive Officer

31 March 2016

Statement on Corporate Governance

In line with its Statement on Corporate Governance, your Company is engaged in adhering to the Code of Corporate Governance 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 and standards.

The Board

The Board comprises four independent, four non-executive and two executive directors. The Chairman is an independent director. As recommended by the Corporate Governance (Nomination & Remuneration) Committee and validated by the Board of directors, the appointment of Mr Marc Freismuth as Independent director of the Company will be put to the approval of the shareholders at the forthcoming annual meeting. His profile is set out on page 68 of this report. A Profile of Directors is given on pages 66 to 68.

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. 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 five main shareholders. However, all nominations are vetted by the Board's Corporate Governance (and Nomination & Remuneration) Committee and recommended to the Board. Matters relating to directors' remuneration are also dealt with by the Corporate Governance (and Nomination & Remuneration) Committee in accordance with the Company's Remuneration Policy.

The Board *(continued)*

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 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 and Remuneration Committee, which submits its nominations to the Board, which, in turn, makes its appropriate recommendations to the shareholders for their approval.

An induction programme is available for newly appointed directors, who are also given inter alia a copy of the Company's Code of Ethics and Conduct for Directors.

Directors are invited to participate in an individual and collective assessment, every two years, the findings of which are reviewed by the Nomination and Remuneration Committee and tabled to the Board of Directors. Further to the 2015 exercise, which was, overall, satisfactory, improvements recommended have been implemented.

Chairman

The Chairman has responsibility for ensuring the efficient operations of the Board and its committees, for seeing that corporate-governance matters are dealt with, for representing the Group externally, and, particularly, for communicating with shareholders at their Annual Meeting. Working closely 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.

Group Chief Executive Officer

The Group Chief Executive Officer has responsibility for making recommendations to the Board and for 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.

Independent, Non-executive and Executive Directors

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

Company Secretariat

All directors have access to the advice and services of the Company Secretariat, which ensures good information flow 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, it is responsible for advising the Board on corporate governance and for generally keeping the Board up to date on all legal, regulatory and other developments.

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 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.

Statement of Remuneration Philosophy *(continued)*

For 2015, directors' fees were MUR 130,000 for the Chairman and MUR 70,000 for other Board members.

In addition to the above, the fees for members of committees of the Board for 2015 were:

	Audit (and Risk Management) Committee MUR	Corporate Governance (and Nomination & Remuneration) Committee MUR
Chairman	60,000	40,000
Member	40,000	30,000

No change to director's fees is proposed for 2016.

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. The chairmen of the committees are invited to report during Board meetings on matters addressed by the committees.

Audit (and Risk Management) Committee

The Company's Audit Committee, which also has responsibility for the Company's Risk Management function, consists of three directors (two independent and one non-executive). The Committee 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 auditors and the Compliance Officer attend the Committee's meetings when it is deemed necessary.

During the year, the Committee met on five occasions. It reviewed, inter alia, the 2014 Audited Financial Statements and Annual Report, the 2015 budget and the unaudited quarterly financial statements and abridged unaudited financial statements for publication; reviewed, assessed and made recommendations in regard to the reports of the internal auditors; made recommendations to the Board for the appointment, remuneration and terms of engagement of the external auditors; and assessed 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 two directors (one 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 to the Board 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, the committee met on five occasions. Its broad achievements were:

Corporate Governance

1. Reviewing the Company's Annual Report for 2014, specific to the Corporate Governance and Corporate Social Responsibility Report and Statutory Disclosures.
2. Approving the Group Corporate Social Responsibility Plan for 2015 under the banner of Fondation Constance.
3. Monitoring matters relating to Conflict of Interest and Related Party Transactions, with no issues of an unusual nature reported.
4. Revising the Policies for Conflict of Interest and Related Party Transactions and Share Dealing.
5. Recommended for Board approval a Code of Ethics and Conduct for Directors.

Committees of the Board *(continued)*

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

Corporate Governance (continued)

6. Undertake a detailed review of the Group Risk Management Programme, which included Policies, Charters and Codes.
7. Introducing a Business Compliance Structure, with bi-annual reporting on compliance as well as Health and Safety.
8. Ensuring corrective action is taken in regard to recommendations made by the FRC on the Company's 2014 Annual Report.
9. Making recommendations to the Board in regard to the preparation of the annual Business Plan and to the related quarterly operational and financial performance reports.

Nomination and Remuneration

1. Reviewing nominees for the Annual Re-election of Directors and make recommendations to the Board.
2. Reviewing the composition of the Board and Committees and make recommendations to the Board.
3. Evaluating the completed Board and Committee self-assessments and make recommendations on corrective measures to be taken, where necessary.
4. Approving the performance awards for 2015 and remunerations for 2016 of Senior Executives.
5. Assessing the succession planning process and make recommendations to the Board.
6. Reviewing the Directors and Officers Liability Insurance Policy to ensure appropriate cover is held.

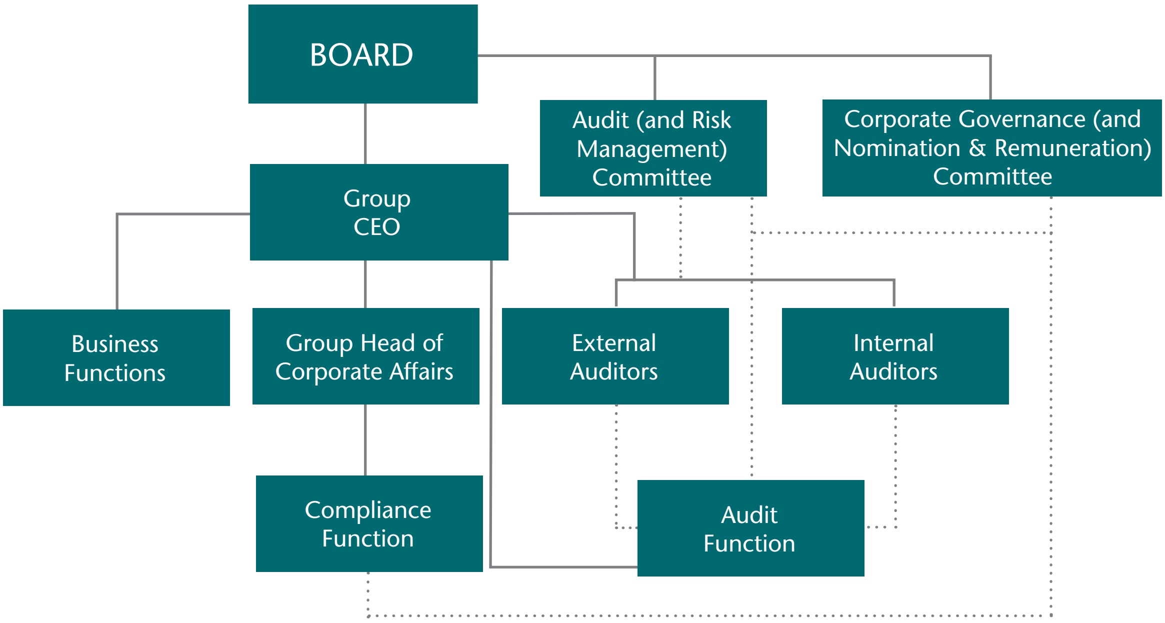
Board and Committee Attendance

		Committees of the Board	
	Board of Directors	Audit (and Risk Management)	Corporate Governance (Nomination & Remuneration)
Number of meetings held in 2015	3	5	5
Meetings attended			
George J. DUMBELL	3		5
Nicolas BOULLE	3		
P. Arnaud DALAIS	1		
Jean de FONDAUMIÈRE	3	4	
Clément D. REY	3		
Maxime REY	3		
Jean RIBET	3		5
Georgina ROGERS	3	5	
Noël Adolphe VALLET	3	5	
Jean-Jacques VALLET	3		

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, your Board ensures that your 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 43 and 44, 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.
- ***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, we apply a policy of recruitment and recognition of performance that is fair, transparent and based on merit. Also, we strive to ensure that we have an attractive and safe working environment and a competitive remuneration structure. We also develop, monitor and maintain succession planning 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.
- ***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 prompt decisions are taken to safeguard the value of the Company.

  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.

Risks and Mitigation Initiatives *(continued)*

- ***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 and society 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 effectively manage its statement of financial position. If the Company does not manage its finances in a responsible manner, it may lose its credibility and, as a result, its favourable terms and ability to borrow. To ensure prudent financial management the Company prepares detailed budgets and projected cash flows, which are reviewed on a regular basis by the Audit 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 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.

Your Company has various policies and methods to counter these risks effectively, as elaborated in this Corporate Governance Report and in the Notes to the Financial Statements, on pages 43 and 44. The Company, also, has various insurance covers, including a Directors & Officers Liability Insurance.

Compliance Function

The Compliance Officer has the responsibility for coordinating the Compliance function within the Company, with a functional reporting line to the Audit and Corporate Governance Committees of the Company. During 2015, 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

BDO & Co. have expressed their willingness to continue as the Company's external auditors and, in accordance with the provisions of the Companies Act 2001, will be automatically reappointed at the forthcoming Annual Meeting of Shareholders.

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. The internal auditors are entrusted with the responsibility for appraising the policies and procedures and the operating, financial and management controls of the Company to ensure that the business is properly managed, and for promoting effective controls at reasonable cost. The internal auditors report to the Group CEO but also have a functional reporting line to the Audit 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 which the internal auditors have in regard to the records, Management, and employees of the Company.

Auditors *(continued)*

Internal Audit *(continued)*

During 2015, the internal auditors conducted two audits namely "IT General Controls", "Monitoring of Fixed Assets, Procurement and Stock", and four follow-up audits covering "Health & Safety", "Physical Security", "Payroll", and "Deer Breeding and Hunting". The outcomes were, in general, positive and remedial actions were taken, where necessary.

Messrs PricewaterhouseCoopers continue as the Company's internal auditors under the terms of a three-year contract, which took effect on 1st January 2016.

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 a wide range of corporate and management services to the Company in the fields of corporate affairs, financial accounting, company secretarial, planning and project development, and includes the Group Chief Executive Officer, Group Head of Projects and Development, Group Head of Corporate Affairs and Group Head of Finance. The fees under the Management Services Agreement are composed of a fixed element and a percentage mix of net asset value, market capitalisation, and net profit and amounted to MUR 19.1 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 Policy
Anti-trust Policy
Conflicts of Interest and Related Party Transactions Policy
Corporate Social Responsibility Policy
Data Protection Policy
Director Nomination Policy
Dividend Policy
Environmental Policy
Equal Opportunities Policy
Health & Safety Policy
IT Code of Practice
Printing Policy
Procurement Policy
Remuneration Policy
Risk Management Policy
Share Dealing Policy

Charters
Audit Committee Charter
Board of Directors Charter
Compliance Charter
Corporate Governance Committee Charter
Fondation Constance Charter
Internal Audit Charter
Nomination and Remuneration Committee Charter
Risk Management Charter

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

Directors' and Senior Officers' Interests and Dealings in Shares

The Company's Share Dealing Policy gives clear guidance on the practice to be followed when dealing in shares of the Company or 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 in the Companies Act 2001 as well as the Securities Act 2005 and 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 directors and senior officers of the Company or associates of directors or senior officers of the Company in the Company's shares during the year 2015.

Directors' and Senior Officers' Share Interests

The interests of directors and senior officers in the securities of the Company as at 31 December 2015 were as follows:

	Direct		Indirect
	No of Shares	% Held	% Held
Directors			
George J. Dumbell	-	-	-
P. Arnaud Dalais	-	-	-
Jean de Fondaumière	-	-	-
Clément D. Rey	-	-	2.02
Maxime Rey	-	-	-
Jean Ribet	-	-	3.45
Georgina Rogers	51,839	1.08	-
Noël Adolphe Vallet	400	0.01	3.03
Jean-Jacques Vallet	46	0.00	3.45
Alternate Director			
Jean-Pierre Dalais	-	-	-
Senior Officers			
Jan Boullé	-	-	3.47
Kevin Chan Too	1,300	0.03	-

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.
For disclosure of related-party transactions, please refer to page 63 of the Annual Report.

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 13.

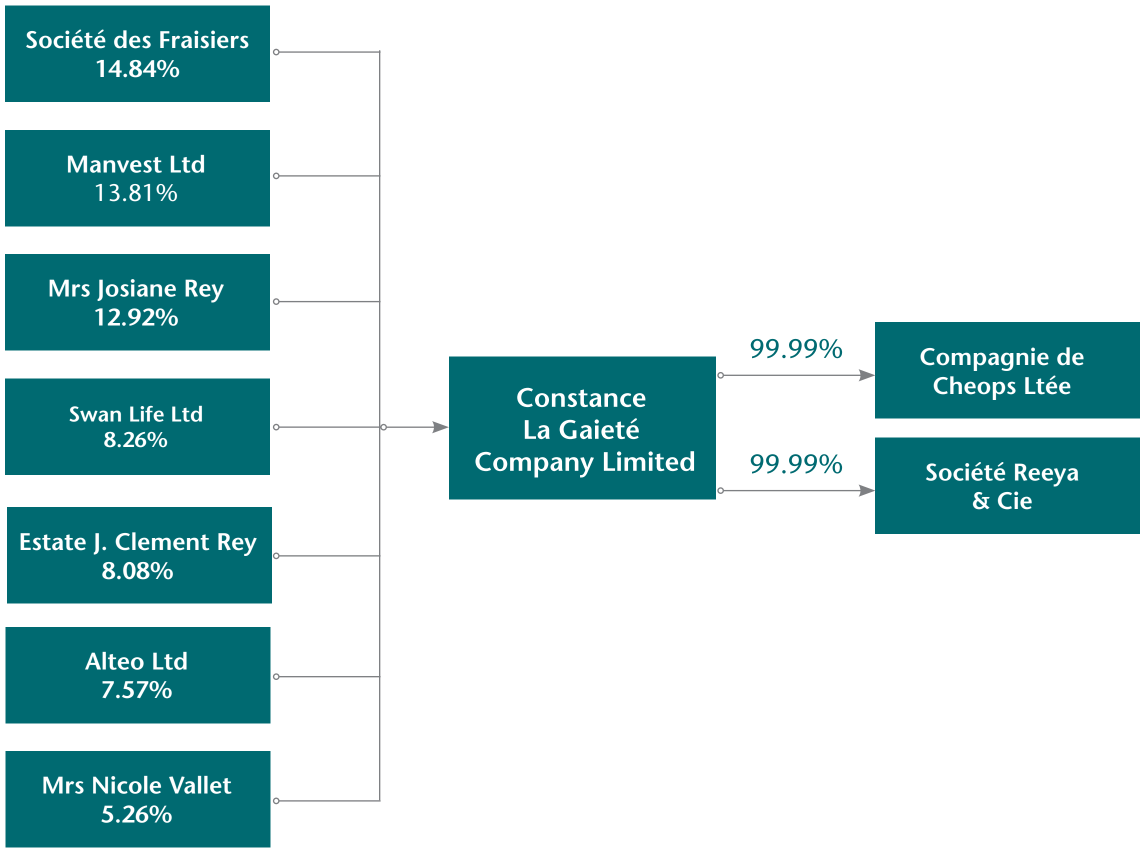
Data Analysis on Shareholdings as at 31 December 2015

Size of Shareholding	Number of Shareholders	Number of Shares Owned	Percentage Shareholding
1–500	271	38,686	0.806
501–1,000	54	40,910	0.852
1,001–5,000	85	190,707	3.973
5,001–10,000	9	65,112	1.357
10,001–50,000	15	318,078	6.627
50,001–100,000	6	384,168	8.004
100,001–250,000	2	366,340	7.632
250,001–500,000	4	1,400,504	29.176
Over 500,000	3	1,995,495	41.573
Total	**449**	**4,800,000**	**100.000**

Data Analysis on Shareholdings as at 31 December 2015 *(continued)*

Shareholder Category	Number of Shareholders	Number of Shares Owned	Percentage Shareholding
Individuals	385	2,245,505	46.781
Insurance and assurance companies	1	396,520	8.261
Pension and provident funds	1	400	0.008
Investment and trust companies	2	14,538	0.303
Other corporate bodies	60	2,143,037	44.647
Total	**449**	**4,800,000**	**100.000**

Substantial shareholders holding more than 5% of the Company's share capital, and Shareholding Structure as at 31 December 2015



Shareholders' Agreement

The Company is aware of the *protocole d'accord* that exists between five of its main shareholders and which, principally, governs the allocation among them of certain seats on the Company's Board.

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 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.

Employee 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 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 better reflect the Group's vision and values. Its ultimate objective in so doing is to fully integrate its values within the business practices of its member companies, with particular emphasis on the management 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 reflect its continuing commitment to maintaining the highest standards of ethics and integrity in its dealings with them.

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY *(continued)*

Corporate Values *(continued)*

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 a comprehensive statement of the guiding principles of conduct which the Company expects its directors and employees to observe in discharging 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 what 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.

Health & Safety

The Company has a Health & Safety Officer and appropriate policies. It carries out ongoing Health & Safety audits as well as provides training to employees and Management to ensure that they are fully aware of the risks at the workplace and 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, which respect the environment.

Corporate Social Responsibility

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 and that its involvement and contributions are not charitable handouts but investments that will have a positive impact on the community.

By virtue of a decision taken by the Board of Directors of the three principal companies of the Constance Group, namely Belle Mare Holding Limited, Constance La Gaieté Company Ltd, and Constance Hotels Services Ltd, the Fondation Constance fund was established in December 2009. Fondation Constance is managed by the Group's CSR Project Committee, with its Annual Programme approved, and its performance monitored on a quarterly basis, by each Company's Corporate Governance Committee.

Corporate Social Responsibility *(continued)*

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:

- Conducting business in a socially responsible and ethical manner
- Protecting the environment and people's safety
- Supporting human rights
- Engaging and learning from respecting and supporting the communities and cultures within which it operates.

While Fondation Constance gives consideration to high-impact projects of a national stature, it tends to give priority to projects in the regions in which its Group member companies operate.

Fund allocation

In 2015, the financial resources available were utilised to fund projects in education development, socio-development, leisure and sports and health protection, targeting 13 NGOs and 407 direct beneficiaries.

13

NGOs

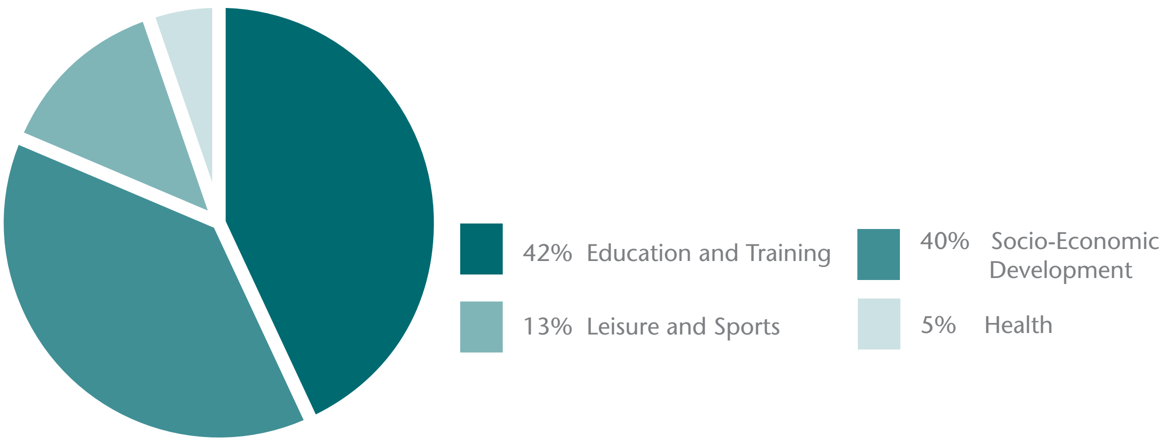
407

Direct Beneficiaries

Our Focus for 2015:

FUND ALLOCATION PER CATEGORY

AT 31 DECEMBER 2015



Corporate Social Responsibility *(continued)*

Education Development

CPE Sponsorship

34 Beneficiaries (since 2002)
21 Beneficiaries in 2015

Scholarships were awarded to the four best CPE pupils of the Poste de Flacq Government and RCA schools to cover their secondary studies. Many of these beneficiaries have pursued their tertiary studies. The positive impact of the sponsorship on the community being visible, Fondation Constance will continue to support this project.

Constance Education Award

The Fondation organised the Constance Education Award 2015 for SC and HSC students of the eastern region. Students had to do research on specific topics and present a report in writing and then orally to a panel of judges. The aim of the Award is to encourage leadership skills, the development of values and general knowledge, help students to prepare themselves for the world of work, bring greater awareness of environmental and other issues, and how to better serve the community.

The two topics chosen for 2015 were:

SC:
93 Participants
12 Colleges

"What are the causes of violence in Mauritian schools? Suggest some violence prevention strategies in our schools."

HSC:
76 Participants
11 Colleges

"***The multiple roles of soils go unnoticed. Soils don't have a voice and few people speak out for them. They are our silent ally in food production***". (José Graziano de Silva, FAO Director). How can the youth contribute to protect soils?

Educational Project

« Colleagues have for the first time seen the support of the private sector in making education more fun and more relevant for the overall development of the students.»
Ag Rector

In 2015, Fondation Constance has sponsored an educational project developed jointly by teachers and students of a college in Central Flacq. The aim was to develop a patriotic response so that they may support the socio-economically vulnerable people of the Mauritian Society and also, to develop entrepreneurial capabilities in the students while implementing the project. Fondation Constance is satisfied that the sponsorship has contributed towards the achievement of the college's objectives and even beyond by obtaining an award.

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

2 NGOs
87 Beneficiaries
2,585 Meals Offered

Fondation Constance sponsored two NGOs which aim was to improve the quality of non-formal education programmes for children from vulnerable groups. Given the positive outcome of this collaboration, it continued to provide lunch for them.

Vulnerable Children School Support

Fondation Constance continued to sponsor "Friends of the Poor" with a view to providing schooling support to vulnerable groups of the eastern region of Mauritius.

Corporate Social Responsibility *(continued)*

Socio-economic Development

Protection of Vulnerable Persons

In 2015, Fondation Constance had contributed towards the construction of an extension to a house to accommodate a battered woman and her four children.

Staff Engagement

Employees of the Group were encouraged to organize a Christmas party for vulnerable persons. Fondation Constance had supported the initiative which objective was to encourage employees to partake in various community projects. In that context, they generously donated gifts to the 47 beneficiaries.

Empowerment Through Training and Placement

13 Direct Beneficiaries *5 Offers of Employment in one hotel of the group*	Fondation Constance continued to provide a year's training at the Constance Hospitality Training Centre (CHTC) to 13 persons from vulnerable groups of the eastern region to give them skills which will help in making them employable. During the year under review, 8 women successfully completed a three-months course in housekeeping techniques. Five of them had the opportunity of being offered employment in one hotel of the group.
5 NC3 Students	Furthermore, five National Course (NC3) students, sponsored by the Fondation in 2015, received training at CHTC, with a view to increasing their employability. They showed high interest and perseverance towards their certification due around April 2016.
3 Beneficiaries	Fondation Constance sponsored youths who demonstrated a keen desire to uplift themselves and secure future employment, through tertiary education and vocational training. Among the beneficiaries from vulnerable groups were: - one student at university level, - one student attending St Gabriel Technical School - one from Saint Joseph Technical School

Leisure and Sports

"Sport unites and contributes towards self-fufillment whilst promoting values such as self-discipline and team spirit whilst resisting social evils" Jean-Philippe Laganne, Faucon Flacq – Commission Cycliste.

Fondation Constance encourages the promotion of recreational, leisure as well as sports activities in the eastern region. In 2015, Fondation Constance continued to sponsor Faucon Flacq Sporting Club's (FFSC) sports activities. It is pleased to note that this collaboration has contributed towards the remarkable achievements of FFSC in winning awards in Boxing and athletics at the JIOI 2015.

Constance Challenge Cup

Fondation Constance organised the Constance Challenge Cup during the year under review. Seventeen football teams of various clubs around the island participated.

Corporate Social Responsibility *(continued)*

Environmental and Health Protection

The Group recognises its obligation to respect the environment. At Company level, staff are encouraged to apply environment best practices across its operations.

During the year, Fondation Constance provided support to various NGOs such as PILS, TiDiams and Lizie dan Lamain in their effort to promoting health.

Donations

The Company has a Donations Policy stating that it is committed to:

- Ensuring that all its donations are compatible with its business activities and reflect its respective values and objectives
- Supporting people and communities at both local and national level, with the aim of making their lives better and giving them opportunities that they may otherwise not have
- Enhancing and safeguarding the natural environment.

	THE GROUP AND THE COMPANY	
	2015 MUR '000	2014 MUR '000
CSR Contribution	**750**	750
Political	**-**	1,500
Others	**40**	101
	790	2,351

George J. Dumbell
Chairman

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

Other Statutory Disclosures

(pursuant to section 221 of the Companies Act 2001)

Directors' Remuneration and Benefits

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:

	2015 MUR '000	2014 MUR '000
Directors of Constance La Gaieté Co. Ltd		
Executive	70	50
Non-executive	800	640
Directors of subsidiary companies		
Executive	-	-
Non-executive	-	-
	870	690

Directors' Service Contracts

Mr George J. Dumbell, Chairman of the Company, has a two-year service contract which expires on 31 December 2017. 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	*
Jan Boullé	*
Clément D. Rey	*

Auditors' Remuneration

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

	THE GROUP		THE COMPANY	
	2015 MUR '000	2014 MUR '000	2015 MUR '000	2014 MUR '000
Audit fees paid to:				
BDO & Co.	783	740	730	685
Other firms	-	-	-	-
Fees for other services paid to:				
BDO & Co.	-	40	-	40
Other firms	-	-	-	-

Fees for other services relate to compliance review of internal controls.

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the directors are required to ensure:

a) Adequate accounting records and maintenance of effective internal control systems

b) 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 cash flows for that period, and which comply with International Financial Reporting Standards (IFRS)

c) The use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

a) Adequate accounting records and an effective system of internal controls and risk management have been maintained

b) Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently

c) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

31 March 2016

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

31 March 2016

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 auditors' 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 Financial Statements

We have audited the group financial statements of Constance La Gaieté Company Limited (the "Group") and the Company's separate financial statements on pages 27 to 65 which comprise the statements of financial position at December 31, 2015, the statements of profit or loss, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 27 to 65 give a true and fair view of the financial position of the Group and of the Company at December 31, 2015, and 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.

Independent Auditors' Report to the Members
(continued)

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 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 disclosures 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

31 March 2016

Statements of Financial Position - December 31, 2015

		THE GROUP		THE COMPANY	
	Notes	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Assets					
Non-current assets					
Property, plant and equipment	5	**315,888**	314,468	**314,483**	312,975
Investment properties	6	**12,761**	14,556	**12,761**	14,556
Investments in subsidiary companies	7	**-**	-	**1,250**	1,250
Investments in associates	8	**199,358**	194,503	**172,139**	164,286
Investments in financial assets	9	**44,916**	45,551	**44,895**	45,530
Deferred tax assets	10	**61,436**	53,857	**61,436**	53,857
Bearer biological assets	11(a)	**44,418**	41,224	**44,418**	41,224
		678,777	664,159	**651,382**	633,678
Current assets					
Consumable biological assets	11(b)	**25,558**	30,228	**25,558**	30,228
Inventories	12	**6,996**	5,061	**6,996**	5,061
Trade and other receivables	13	**195,678**	165,955	**197,642**	167,940
Cash and cash equivalents	29(b)	**1,278**	945	**1,265**	874
		229,510	202,189	**231,461**	204,103
Non-current assets classified as held for sale	14	**-**	43,669	**-**	43,669
Total assets		**908,287**	910,017	**882,843**	881,450
Equity and Liabilities					
Capital and reserves					
Stated capital	15	**120,000**	120,000	**120,000**	120,000
Reserves		**77,571**	141,321	**75,648**	136,850
Retained earnings		**326,703**	339,372	**303,807**	315,964
Total equity		**524,274**	600,693	**499,455**	572,814
Non-current liabilities					
Borrowings	16	**823**	823	**823**	823
Retirement benefit obligations	17	**204,713**	129,171	**204,713**	129,171
		205,536	129,994	**205,536**	129,994
Current liabilities					
Trade and other payables	18	**102,065**	129,668	**101,454**	128,980
Borrowings	16	**76,412**	28,062	**76,398**	28,062
Dividend payable	19	**-**	21,600	**-**	21,600
		178,477	179,330	**177,852**	178,642
Total liabilities		**384,013**	309,324	**383,388**	308,636
Total equity and liabilities		**908,287**	910,017	**882,843**	881,450

These financial statements have been approved for issue by the Board of Directors on 31 March 2016.

George J. Dumbell
Chairman

Jean Ribet
Director
Group Chief Executive Officer

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

Statements of Profit or Loss - Year ended December 31, 2015

	Notes	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Revenue					
Sugar, molasses and bagasse	2(l) & 20	**174,866**	143,078	**174,866**	143,078
Other operating revenue	21	**90,890**	93,311	**90,067**	92,442
		265,756	236,389	**264,933**	235,520
SIFB compensation	2(l) & 22	**24,232**	22,949	**24,232**	22,949
		289,988	259,338	**289,165**	258,469
Biological assets					
- bearer	11(a)	**3,194**	1,974	**3,194**	1,974
- consumable	11(b)	**(4,670)**	(4,659)	**(4,670)**	(4,659)
Operating expenses		**(332,002)**	(327,418)	**(331,050)**	(326,465)
Operating loss	23	**(43,490)**	(70,765)	**(43,361)**	(70,681)
Other income	24	**52,261**	51,471	**57,506**	55,654
		8,771	(19,294)	**14,145**	(15,027)
Finance costs	25	**(1,593)**	(2,760)	**(1,593)**	(2,760)
Profit/(loss) from ordinary activities		**7,178**	(22,054)	**12,552**	(17,787)
Share of profit/(loss) of associates	8	**4,862**	(3,044)	**-**	-
Profit/(loss) before taxation		**12,040**	(25,098)	**12,552**	(17,787)
Taxation	26	**(3,109)**	9,625	**(3,109)**	9,625
Profit/(loss) for the year		**8,931**	(15,473)	**9,443**	(8,162)
Earnings/(loss) per share (Rs)	27	**1.86**	(3.22)	**1.97**	(1.70)

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

Statements of Profit or Loss and Other Comprehensive Income - Year ended December 31, 2015

	Note	THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit/(loss) for the year		**8,931**	(15,473)	**9,443**	(8,162)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefit obligations	17(vi)	**(71,255)**	7,913	**(71,255)**	7,913
Deferred tax on remeasurement of defined benefit obligations		**10,688**	(1,187)	**10,688**	(1,187)
Share of other comprehensive income of associates		**(2,548)**	2,014	-	-
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment		**(635)**	4,890	**(635)**	4,890
Other comprehensive income for the year, net of tax		**(63,750)**	13,630	**(61,202)**	11,616
Total comprehensive income for the year		**(54,819)**	(1,843)	**(51,759)**	3,454

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

Statements of Changes in Equity - Year ended December 31, 2015

THE GROUP	Stated capital Rs'000	Fair value reserve Rs'000	Reserve on conso-lidation Rs'000	Reserve of associated companies Rs'000	Other reserves Rs'000	Retained earnings Rs'000	Actuarial losses reserve Rs'000	Total Rs'000
Balance at January 1, 2015	120,000	11,769	361	4,089	162,556	339,372	(37,454)	600,693
Profit for the year	-	-	-	-	-	8,931	-	8,931
Other comprehensive income for the year	-	(635)	-	(2,548)	-	-	(60,567)	(63,750)
Dividends (note 19)	-	-	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2015	**120,000**	**11,134**	**361**	**1,541**	**162,556**	**326,703**	**(98,021)**	**524,274**

THE GROUP	Stated capital Rs'000	Fair value reserve Rs'000	Reserve on conso-lidation Rs'000	Reserve of associated companies Rs'000	Other reserves Rs'000	Retained earnings Rs'000	Actuarial losses reserve Rs'000	Total Rs'000
Balance at January 1, 2014	120,000	6,879	361	2,075	163,389	375,612	(44,180)	624,136
Loss for the year	-	-	-	-	-	(15,473)	-	(15,473)
Other comprehensive income for the year	-	4,890	-	2,014	-	-	6,726	13,630
Transfer to retained earnings	-	-	-	-	(833)	833	-	-
Dividends (note 19)	-	-	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2014	120,000	11,769	361	4,089	162,556	339,372	(37,454)	600,693

Fair value reserve

The fair value reserve comprises 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.

Reserves 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 losses reserve

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

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

Statements of Changes in Equity - Year ended December 31, 2015

THE COMPANY	Stated capital Rs'000	Fair value reserve Rs'000	Other reserves Rs'000	Retained earnings Rs'000	Actuarial losses reserve Rs'000	Total Rs'000
Balance at January 1, 2015	120,000	11,748	162,556	315,964	(37,454)	572,814
Profit for the year	-	-	-	9,443	-	9,443
Other comprehensive income for the year	-	(635)	-	-	(60,567)	(61,202)
Dividends (note 19)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2015	**120,000**	**11,113**	**162,556**	**303,807**	**(98,021)**	**499,455**
Balance at January 1, 2014	120,000	6,858	163,389	344,893	(44,180)	590,960
Loss for the year	-	-	-	(8,162)	-	(8,162)
Other comprehensive income for the year	-	4,890	-	-	6,726	11,616
Transfer to retained earnings	-	-	(833)	833	-	-
Dividends (note 19)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2014	120,000	11,748	162,556	315,964	(37,454)	572,814

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

Statements of Cash Flows - Year ended December 31, 2015

	Note	THE GROUP		THE COMPANY	
		2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Cash used in operations	29(a)	**(76,733)**	(20,457)	**(76,661)**	(20,435)
VRS		**(139)**	(5,023)	**(139)**	(5,023)
Interests received		**206**	518	**206**	518
Pension contributions paid		**(9,287)**	(12,289)	**(9,287)**	(12,289)
Interests paid		**(1,593)**	(2,760)	**(1,593)**	(2,760)
Tax refunded		**144**	241	**144**	241
Net cash used in operating activities		**(87,402)**	(39,770)	**(87,330)**	(39,748)
Investing activities					
Purchase of property, plant and equipment		**(10,422)**	(10,340)	**(10,422)**	(10,340)
Purchase of investment property		**(190)**	(2,724)	**(190)**	(2,724)
Purchase of investment		**-**	(8,698)	**-**	(8,698)
Investment in associates		**(7,853)**	(3,358)	**(7,853)**	(3,358)
Proceeds from sale of investment		**1,168**	1,870	**1,168**	1,870
Proceeds from sales of property, plant and equipment		**655**	2,181	**655**	2,181
Proceeds from sales of agricultural land		**200**	2,623	**200**	2,623
Proceeds from sales of developped land		**92,765**	48,015	**92,765**	48,015
Dividends received		**6,262**	4,677	**6,262**	4,673
Net cash from investing activities		**82,585**	34,246	**82,585**	34,242
Financing activity					
Dividends paid		**(43,200)**	-	**(43,200)**	-
Net cash used in financing activity		**(43,200)**	-	**(43,200)**	-
Decrease in cash and cash equivalents		**(48,017)**	(5,524)	**(47,945)**	(5,506)
Movement in cash and cash equivalents					
At January 1,		**(27,104)**	(21,580)	**(27,175)**	(21,669)
Decrease		**(48,017)**	(5,524)	**(47,945)**	(5,506)
At December 31,	29(b)	**(75,121)**	(27,104)	**(75,120)**	(27,175)

The notes on pages 33 to 65 form an integral part of these financial statements.
Auditors' report on pages 25 and 26.

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 financial statements include the consolidated financial statements of the parent company and its subsidiaries and the separate financial statements of the parent company. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs 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 revalued amounts;

ii) investment properties are stated at fair value;

iii) investment held for trading, available-for-sale investments and relevant financial assets and liabilities are stated at their fair value;

iv) consumable biological assets are stated at fair value

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.

Amendments to Published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Group's financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

Amendments to Published Standards and Interpretations effective in the reporting period *(continued)*

Annual Improvements 2010 - 2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Group's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Group's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Group's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Group's financial statements.

IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Group's financial statements.

IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Group's financial statements.

Annual Improvements 2011 - 2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.

IFRS 3, 'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Group's financial statements.

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Group's financial statements.

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Group's financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

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, 2016 or later periods, but which the Group has not early adopted.

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

- IFRS 9, "Financial Instruments"
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- IFRS 14, "Regulatory Deferral Accounts"
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- IFRS 15, "Revenue from Contract with Customers"
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Annual Improvements to IFRSs 2012 - 2014 Cycle
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure Initiative (Amendments to IAS 1)

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.

(b) 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 (or at fair value). The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

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

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

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests' is the amount of those interests at intial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Investments in subsidiaries *(continued)*

Consolidated financial statements (continued)

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.

(c) 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.

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. Goodwill arising on the acquisition of an associate is included with the carrying amount of the associate and tested annually for impairment. 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Investments in associates *(continued)*

Consolidated financial statements (continued)

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.

(d) 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 revalued amounts and is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

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

- Buildings	2% - 20%
- Machinery	5% - 20%
- Vehicles	5% - 20%
- Furniture, fittings and equipment	5% - 20%

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

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

- Buildings	2% - 10%
- Furniture & Fittings	10%

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Biological assets

(i) Bearer biological assets

Bearer biological assets relate to land preparation and cane replantation costs and are amortised over a period of 8 years.

Bearer biological assets are valued at cost less amortisation.

(ii) Consumable biological assets

Consumable biological assets relate to standing canes and livestock.

- Standing canes are stated at their fair values. 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 values being the expected net sales proceeds.

(g) 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.

(h) 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, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs.

Available-for-sale financial assets

Available-for-sale financial assets are initially recorded at cost and remeasured at fair value at year end. Changes in fair value are recognised directly in equity, until the financial asset is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net income. They are included in the non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Financial instruments *(continued)*

(ii) Investments in financial assets (continued)

Available-for-sale financial assets (continued)

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 financial assets 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 equity, is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses for an investment in an equity instrument are not reversed through profit or loss.

Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date (or settlement date), 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.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at their fair values. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

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 Company estimates the recoverable amount of the asset being the higher of the asset's net selling 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)*

(h) 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.

Treasury shares

Where any group company purchases its equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in equity attributable to the Company's equity holders.

(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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is 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) 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Retirement benefit plans *(continued)*

Defined benefit plan (continued)

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.

(k) 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) 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.

(m) 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).

(n) Provisions

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

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

(o) Deferred expenditure

Sugar Industry Voluntary Retirement Scheme (VRS)

VRS costs (net of refunds under the Multi Annual Adaptation Scheme (MAAS) and pension obligations previously provided for) can be either:

- amortised over a period of 5 to 7 years with the balance being deferred to the extent that it is expected that the costs will be matched with surplus on sale of earmarked land; or
- written off immediately to profit or loss.

In the case where deferred option is chosen, the yearly amortisation charge is the higher of the amortisation amount or an amount equivalent to the surplus on disposal of land during the year.

(p) Dividend Distribution

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

(q) Non-Current assets held for sale

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

(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 Rs'000	Outside normal credit period < 3mths but not impaired Rs'000	Total Rs'000
2015			
Trade receivables	**78,803**	-	**78,803**
2014			
Trade receivables	66,963	-	66,963

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.

The Group's operating cashflows are exposed to interest risk as it borrows at variable rates. At December 31, 2015, 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 Rs 77k (2014: decreased/increased by Rs 128k) 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 the incidence of the price of sugar in the European Union market. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's activities is also exposed it 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 Rs 1,716k increase/decrease (2014: Rs 1,857k).

Liquidity risk

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

3 FINANCIAL RISK FACTORS *(continued)*

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 and the Company's cash and bank balances exceeded their debts and as such the gearing ratio is not applicable at the end of the reporting period.

Fair value estimation

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

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

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

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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.1 Critical accounting estimates and assumptions *(continued)*

(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 in market conditions and the introduction of new technology may affect this pattern.

An implementation committee set up to analyse the recommendations of the LMC Report has submitted its recommendations to Government. As a consequence of which, several measures have been announced in December 2015 including a special assistance of Rs 2,000/ tonne of sugar accrued for crop 2015, as was the case for crop 2014. This stems from the Actuarial Report of 2014. It is understood that Government would shortly come up with legislation to translate the relevant measures of the LMC Report into legislation. It is also understood that, as recommended in the 2014 Actuarial Report, the SIFB would shortly commission a study to consider the post 2015 period and make appropriate recommendations. The EU Commission document *"Prospects for EU Agricultural Markets and Income"* of December 2015 when comparing the prices for 2014 and 2015 indicates an increase of 60 euros/tonne.

A new EU funded study has been launched for all ACP countries for the post 2017 situation and is expected to come up with recommendations in mid 2016. The objective of this study is to provide policymakers with a comprehensive and structured economic analysis that would facilitate their decision making in considering strategic options in agricultural and sugar policy. In the light of the above, assets and investments in respect of cane growing and milling entities have been maintained at their existing carrying values.

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

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

(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 judgment 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.

(e) *Limitation of sensitivity analysis*

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

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

5 PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Motor vehicles Rs'000	Furniture, fixtures & fittings Rs'000	Total Rs'000
Cost/Deemed Cost						
At January 1, 2015	276,232	40,903	62,301	74,871	8,110	462,417
Additions	-	4,659	3,203	655	1,905	10,422
Disposals	-	-	-	(2,543)	-	(2,543)
Scrapped assets	-	(166)	-	-	(160)	(326)
At December 31, 2015	**276,232**	**45,396**	**65,504**	**72,983**	**9,855**	**469,970**
Depreciation						
At January 1, 2015	-	27,304	53,553	60,221	6,871	147,949
Charge for the year	-	1,622	2,278	4,552	531	8,983
Disposal adjustment	-	-	-	(2,539)	-	(2,539)
Scrapped assets	-	(166)	-	-	(145)	(311)
At December 31, 2015	-	**28,760**	**55,831**	**62,234**	**7,257**	**154,082**
Net Book Values						
At December 31, 2015	**276,232**	**16,636**	**9,673**	**10,749**	**2,598**	**315,888**

(b) THE GROUP

	Land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Motor vehicles Rs'000	Furniture, fixtures & fittings Rs'000	Total Rs'000
Cost/Deemed Cost						
At January 1, 2014	277,278	36,328	64,642	75,876	7,834	461,958
Additions	-	4,575	1,301	4,022	442	10,340
Disposals	(546)	-	(3,642)	(5,027)	(3)	(9,218)
Transfer to non-current assets classified as held-for-sale	(500)	-	-	-	-	(500)
Scrapped assets	-	-	-	-	(163)	(163)
At December 31, 2014	**276,232**	**40,903**	**62,301**	**74,871**	**8,110**	**462,417**
Depreciation						
At January 1, 2014	-	25,821	55,089	59,254	6,760	146,924
Charge for the year	-	1,483	2,106	4,962	253	8,804
Disposal adjustment	-	-	(3,642)	(3,995)	-	(7,637)
Scrapped assets	-	-	-	-	(142)	(142)
At December 31, 2014	-	**27,304**	**53,553**	**60,221**	**6,871**	**147,949**
Net Book Values						
At December 31, 2014	**276,232**	**13,599**	**8,748**	**14,650**	**1,239**	**314,468**

5 PROPERTY, PLANT AND EQUIPMENT *(continued)*

(c) THE COMPANY

	Land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Motor vehicles Rs'000	Furniture, fixtures & fittings Rs'000	Total Rs'000
Cost/Deemed Cost						
At January 1, 2015	275,032	38,323	62,074	74,871	6,335	456,635
Additions	-	4,659	3,203	655	1,905	10,422
Disposals	-	-	-	(2,543)	-	(2,543)
Scrapped assets	-	(166)	-	-	(160)	(326)
At December 31, 2015	**275,032**	**42,816**	**65,277**	**72,983**	**8,080**	**464,188**
Depreciation						
At January 1, 2015	-	24,980	53,207	60,221	5,252	143,660
Charge for the year	-	1,622	2,190	4,552	531	8,895
Disposal adjustment	-	-	-	(2,539)	-	(2,539)
Scrapped assets	-	(166)	-	-	(145)	(311)
At December 31, 2015	**-**	**26,436**	**55,397**	**62,234**	**5,638**	**149,705**
Net Book Values						
At December 31, 2015	**275,032**	**16,380**	**9,880**	**10,749**	**2,442**	**314,483**

(d) THE COMPANY

	Land Rs'000	Buildings Rs'000	Agricultural equipment Rs'000	Motor vehicles Rs'000	Furniture, fixtures & fittings Rs'000	Total Rs'000
Cost/Deemed Cost						
At January 1, 2014	276,078	33,748	64,415	75,876	6,059	456,176
Additions	-	4,575	1,301	4,022	442	10,340
Disposals	(546)	-	(3,642)	(5,027)	(3)	(9,218)
Transfer to non-current assets classified as held-for-sale	(500)	-	-	-	-	(500)
Scrapped assets	-	-	-	-	(163)	(163)
At December 31, 2014	**275,032**	**38,323**	**62,074**	**74,871**	**6,335**	**456,635**
Depreciation						
At January 1, 2014	-	23,497	54,831	59,254	5,141	142,723
Charge for the year	-	1,483	2,018	4,962	253	8,716
Disposal adjustment	-	-	(3,642)	(3,995)	-	(7,637)
Scrapped assets	-	-	-	-	(142)	(142)
At December 31, 2014	**-**	**24,980**	**53,207**	**60,221**	**5,252**	**143,660**
Net Book Values						
At December 31, 2014	**275,032**	**13,343**	**8,867**	**14,650**	**1,083**	**312,975**

(e) 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	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Cost	**64,411**	64,411	**64,411**	64,411

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

6 INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Cost		
At January 1,	**33,078**	30,354
Additions	**190**	2,724
At December 31,	**33,268**	33,078
Depreciation		
At January 1,	**18,522**	16,540
Charge for the year	**1,985**	1,982
At December 31,	**20,507**	18,522
Net book value		
At December 31,	**12,761**	14,556

The investment properties have been valued by directors at Rs 89m. (2014: Rs.89m) using income yield method.

The investment properties are classified as Level 3 on the fair value hierachy.

Rental income arising from investment properties was Rs 5.74m (2014: Rs 5.30m).

Direct operating expenses arising from investment properties which generated rental income during the year were Rs 3.82m (2014: Rs 2.78m).

7 INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2015	2014
	Rs'000	Rs'000
COST		
At January 1, and December 31,	**1,250**	1,250

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 Rs'000**	**Proportion of ownership interest 2015 & 2014 Direct**	**Principal activity**
Compagnie de Cheops Ltée	Ordinary shares	December 31,	25	100%	Domestic Sewage Treatment
Société Reeya & Cie	Share of interest	December 31,	1,000	100%	Cane cultivation

8 INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2015 Rs'000	2014 Rs'000
Unquoted		
At January 1,	**194,503**	196,425
Additions	**7,853**	3,358
Share of results from associates	**4,862**	(3,044)
Dividend from associates	**(5,312)**	(4,250)
Movement in reserves	**(2,548)**	2,014
At December 31,	**199,358**	194,503

(b) THE COMPANY

	2015 Rs'000	2014 Rs'000
Unquoted		
At January 1,	**164,286**	160,928
Additions	**7,853**	3,358
At December 31,	**172,139**	164,286

(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 2015 & 2014 Direct	Indirect
Alteo Milling Company Limited*	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,	Trade	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.

8 INVESTMENTS IN ASSOCIATES *(continued)*

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

	Current assets Rs'000	Non-Current assets Rs'000	Current liabilities Rs'000	Non-current liabilities Rs'000	Revenue Rs'000	(Loss)/ profit for the period Rs'000	Other compre-hensive income for the year Rs'000	Dividends received during the year Rs'000
2015								
Consolidated								
Energy Co Ltd	**196,414**	**261,351**	**179,782**	**17,703**	**418,329**	**(39,759)**	**(516)**	**1,250**
Eastern Energy Co Ltd	**199,645**	**114,603**	**166,277**	**16,096**	**418,329**	**(20,199)**	**(261)**	**4,063**
Usinest Limited	**255,093**	**14,234**	**41,460**	**26,544**	**50,872**	**19,427**	**4,335**	-
Refinest Limited	**78,561**	**295,475**	**27,418**	**83,678**	-	**18,371**	**(11,035)**	-
2014								
Consolidated								
Energy Co Ltd	141,821	264,488	59,767	20,987	472,365	(13,700)	(3,340)	1,000
Eastern Energy Co Ltd	130,341	130,220	76,034	19,535	472,365	(6,950)	(1,692)	3,250
Usinest Limited	254,810	9,510	37,167	49,592	5,239	(22,720)	2,336	-
Refinest Limited	24,226	270,435	25,980	91,286	-	21,772	5,323	-

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

	Opening net assets January 1, Rs'000	Additions Rs'000	Results net of dividends Rs'000	Other compre-hensive income for the year Rs'000	Closing net assets Rs'000	Ownership interests %	Interest in associates Rs'000
2015							
Consolidated							
Energy Co Ltd	**325,555**	-	**(64,759)**	**(516)**	**260,280**	**5.00**	**13,015**
Eastern Energy Co Ltd	**164,992**	-	**(32,856)**	**(261)**	**131,875**	**32.10**	**42,333**
Usinest Limited	**177,562**	-	**19,427**	**4,335**	**201,324**	**34.81**	**70,081**
Refinest Limited	**177,395**	**21,949**	**18,371**	**(11,035)**	**206,680**	**35.77**	**73,929**
							199,358
2014							
Consolidated							
Energy Co Ltd	362,595	-	(33,700)	(3,340)	325,555	5.00	16,278
Eastern Energy Co Ltd	183,759	-	(17,075)	(1,692)	164,992	32.10	52,962
Usinest Limited	197,946	-	(22,720)	2,336	177,562	34.81	61,809
Refinest Limited	140,912	9,388	21,772	5,323	177,395	35.77	63,454
							194,503

9 INVESTMENTS IN FINANCIAL ASSETS

		THE GROUP					THE COMPANY				
		2015				2014	2015				2014
	Available-for-sale financial assets	**Listed**		**Unquoted**	**Total**	Total	**Listed**		**Unquoted**	**Total**	Total
		Level 1	**Level 1**	**Level 3**			**Level 1**	**Level 1**	**Level 3**		
		Official Market	**DEM**				**Official Market**	**DEM**			
(a)		**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
	At January 1,	**15,408**	**21,729**	**8,414**	**45,551**	32,463	**15,408**	**21,729**	**8,393**	**45,530**	32,442
	Additions	-	-	-	-	8,698	-	-	-	-	8,698
	Disposals	-	-	**(1,183)**	**(1,183)**	(500)	-	-	**(1,183)**	**(1,183)**	(500)
	Fair value adjustments	**(402)**	**(2,424)**	**3,374**	**548**	4,890	**(402)**	**(2,424)**	**3,374**	**548**	4,890
	At December 31,	**15,006**	**19,305**	**10,605**	**44,916**	45,551	**15,006**	**19,305**	**10,584**	**44,895**	45,530

(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) Investments in financial assets are denominated in Mauritian Rupees.

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

10 DEFERRED INCOME TAX

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2014: 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	
	2015	2014
	Rs'000	Rs'000
Deferred tax assets	**61,436**	53,857

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At January 1,	**53,857**	45,419
(Charge)/credit to profit or loss (note 26(b))	**(3,109)**	9,625
Other comprehensive income	**10,688**	(1,187)
At December 31,	**61,436**	53,857

10 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:

(i) Deferred tax assets

	THE GROUP AND THE COMPANY				
	Accelerated tax depreciation Rs'000	**Retirement benefit obligations Rs'000**	**Tax losses carried forward Rs'000**	**Provisions and other costs Rs'000**	**Total Rs'000**
At January 1, 2014	2,853	19,911	15,625	7,030	45,419
Charged to other comprehensive income	-	(1,187)	-	-	(1,187)
Credited/(charged) to profit or loss	1,482	334	8,562	(753)	9,625
At December 31, 2014	4,335	19,058	24,187	6,277	53,857
Credited to other comprehensive income	-	10,688	-	-	10,688
(Charged)/credited to profit or loss	(728)	960	(3,320)	(21)	(3,109)
At December 31, 2015	**3,607**	**30,706**	**20,867**	**6,256**	**61,436**

11 BIOLOGICAL ASSETS

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
(a) *Bearer*		
Cost		
At January 1,	**197,697**	184,627
Additions	**15,088**	13,070
At December 31,	**212,785**	197,697
Amortisation		
At January 1,	**156,473**	145,377
Charge for the year	**11,894**	11,096
At December 31,	**168,367**	156,473
Net Book Values		
At December 31,	**44,418**	41,224
Analysed as follows:		
Movement during the year	**3,194**	1,974

11 BIOLOGICAL ASSETS *(continued)*

(b) Consumables

	THE GROUP AND THE COMPANY			
	2015			2014
	Standing cane Rs'000	**Livestock Rs'000**	**Total Rs'000**	Total Rs'000
At January 1,	**19,374**	**10,854**	**30,228**	34,887
Changes in fair value	**(7,506)**	**2,836**	**(4,670)**	(4,659)
At December 31,	**11,868**	**13,690**	**25,558**	30,228

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, 2015, standing canes comprised approximately 2,243 hectares of plantations (2014: 2,081 hectares). During the year the Group harvested approximately 159,139 tonnes of canes out of which 16,257 tonnes related to Crop 2014 (2014: 139,005 tonnes).

12 INVENTORIES

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
At Cost/Net realisable value		
Spare parts	**558**	576
Fertilizers and herbicides	**4,481**	2,446
Irrigation equipment & others	**1,957**	2,039
	6,996	5,061

The cost of inventories recognised as expense amounted to Rs 51.2m (2014: Rs 45.9m).

13 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Proceeds receivable for the current year:				
- Sugar	**71,418**	58,444	**71,418**	58,444
- Non-sugar	**7,385**	8,519	**7,385**	8,519
Other receivables	**109,259**	92,503	**108,031**	91,498
Receivable from group companies:				
- Subsidiary companies	**-**	-	**3,192**	2,990
- Associated companies	**5,651**	5,213	**5,651**	5,213
Receivable from other related parties	**1,965**	1,276	**1,965**	1,276
	195,678	165,955	**197,642**	167,940

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.

14 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale consist of developed land that has been earmarked for sale and is in the process of finalisation.

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At January 1,	**43,669**	-
Transfer from Property, Plant and Equipment	-	500
Additional costs	-	43,169
Disposal	**(43,669)**	-
At December 31,	-	43,669

15 STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
4,800,000 Ordinary shares of Rs 25 each	**120,000**	120,000

16 BORROWINGS

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	**Non-current**				
	Other loans	**823**	823	**823**	823
	Current				
	Bank overdraft	**76,399**	28,049	**76,385**	28,049
	Other loans	**13**	13	**13**	13
		76,412	28,062	**76,398**	28,062
	Total borrowings	**77,235**	28,885	**77,221**	28,885

The bank overdraft and borrowings are secured by fixed and floating charges on the assets of the Group. The rate of interest ranges from 6.90% to 7.25%.

(b) Long term borrowings are analysed as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
After one year and before five years	**823**	823

The carrying amount of borrowings are denominated in Mauritian Rupees.

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

17 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Amounts recognised in the statement of financial position:		
Defined pension benefits (note (a)(ii))	**204,713**	129,171
Analysed as follows :		
Non-current liabilities	**204,713**	129,171
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	**13,574**	16,636
Amount charged/(credited) to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	**71,255**	(7,913)

(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, 2015 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 statements of financial position are as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Present value of funded obligations	**255,537**	195,690
Fair value of plan assets	**(137,797)**	(141,288)
Deficit of funded plans	**117,740**	54,402
Present value of unfunded obligations	**86,973**	74,769
Total deficit of defined benefit pension plans	**204,713**	129,171
Liability in the statement of financial position	**204,713**	129,171

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At January 1,	**129,171**	132,737
Charged to profit or loss	**13,574**	16,636
Charged/(credited) to other comprehensive income	**71,255**	(7,913)
Contributions paid	**(9,287)**	(12,289)
Balance at December 31,	**204,713**	129,171

17 RETIREMENT BENEFIT OBLIGATIONS *(continued)*

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At January 1,	**270,459**	146,017
Current service cost	**6,520**	5,021
Interest expense	**18,872**	10,381
Employee contributions	**354**	271
Liability experience loss/(gain)	**67,500**	(3,263)
Liability gain due to change in financial assumptions	**(366)**	-
Benefits paid	**(19,661)**	(15,491)
SIPF 1 adjustment	**(1,168)**	127,523
At December 31,	**342,510**	270,459

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At January 1,	**141,288**	13,280
Return on plan assets, excluding amounts included in interest (income)/expense	**(4,121)**	4,650
Interest income	**9,696**	888
Employee contributions	**354**	271
Contributions by the employer	**9,287**	12,289
Benefits paid	**(19,661)**	(15,491)
SIPF 1 adjustment	**954**	125,401
At December 31,	**137,797**	141,288

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Current service cost	**6,520**	5,021
Net interest expense	**9,176**	9,493
SIPF 1 adjustment	**(2,122)**	2,122
Total included in employee benefit expense	**13,574**	16,636

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

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Liability experience loss/(gain)	**67,500**	(3,263)
Liability gain due to change in financial assumptions	**(366)**	-
Actuarial losses	**67,134**	(3,263)
Return on plan assets excluding interest income	**4,121**	(4,650)
	71,255	(7,913)

17 RETIREMENT BENEFIT OBLIGATIONS *(continued)*

(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	
	2015	2014
	%	%
Local equities	**29**	28
Overseas equities	**20**	16
Overseas debt	**7**	7
Local debt	**21**	22
Overseas proportion	**2**	2
Local proportion	**21**	21
Investment funds	**-**	4
	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:

	2015	2014
	%	%
Discount rate	**7.0**	7.5
Expected return on plan assets	**7.0**	7.5
Future medical plan increases	**7.0**	7.5
Future salary growth rate	**4.5-5.5**	5.0-6.0
Future pension growth rate	**1.5**	2.0

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

	Increase	**Decrease**
	Rs'000	**Rs'000**
December 31, 2015		
Discount rate (1% movement)	**19,757**	**23,730**

An increase/decrease of 1% in other principal actuarial assumptions would not have a 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 old 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 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.

17 RETIREMENT BENEFIT OBLIGATIONS *(continued)*

(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.

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

(xii) The Group expects to pay Rs 9.4m in contributions to its post-employment benefit plans for the year ending December 31, 2016.

(xiii) The weighted average duration of the defined benefit obligation is 7-9 years at the end of the reporting period (2014: 7-10 years).

18 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Trade payables	**12,338**	14,975	**12,338**	14,975
Payable to group companies:				
- Associated companies	**11,916**	11,248	**11,916**	11,248
Payable to other related parties	**5,592**	3,748	**5,592**	3,748
Other payables	**39,101**	67,444	**38,490**	66,756
Provision VRS costs (see below)	**25,993**	26,132	**25,993**	26,132
SIFB premium	**7,125**	6,121	**7,125**	6,121
	102,065	129,668	**101,454**	128,980

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.

19 DIVIDENDS

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Dividend Proposed and Paid - Rs 4.50 per share	**21,600**	-
Dividend Proposed - Rs 4.50 per share	-	21,600
	21,600	21,600

20 REVENUE

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Sugar	**158,305**	129,506
Molasses	**11,526**	9,197
Bagasse	**1,549**	1,305
Distillers/Bottlers contribution	**3,486**	3,070
	174,866	143,078

21 OTHER OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Transport	**7,382**	7,590	**7,382**	7,590
Sale of livestock	**51,978**	54,612	**51,978**	54,612
Rent/leased land	**17,662**	14,843	**17,662**	14,843
Others	**13,868**	16,266	**13,045**	15,397
	90,890	93,311	**90,067**	92,442

22 COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Compensation from the SIFB	**24,232**	22,949

The Sugar Insurance Fund Board gave an assistance of Rs 2,000 per tonne of sugar to all its insureds having a sugar accruing of more than 60 tonnes.

23 OPERATING LOSS

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Operating loss is arrived at:				
after charging:				
SIFB Premium	**1,216**	5,885	**1,216**	5,885
Depreciation and amortisation	**10,968**	10,786	**10,880**	10,698
Cost of inventories	**51,176**	45,911	**51,176**	45,911
Payment to contractors	**30,700**	32,929	**30,700**	32,929
Administrative expenses	**9,186**	9,634	**9,186**	9,634
Wages and salaries	**123,788**	111,511	**123,788**	111,511

24 OTHER INCOME

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Profit on sale of property, plant and equipment	**651**	1,125	**651**	1,125
Profit on sale of land	**190**	2,594	**190**	2,594
Profit on sale of developed land	**49,096**	45,437	**49,096**	45,437
Profit on sale of financial assets	**1,168**	1,370	**1,168**	1,370
Dividend income - Listed	**943**	396	**943**	396
- Unquoted	**7**	31	**7**	27
- Associates	**-**	-	**5,312**	4,250
Interest income	**206**	518	**206**	518
Share of results from subsidiary	**-**	-	**(67)**	(63)
	52,261	51,471	**57,506**	55,654

25 FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Interest expense		
- bank overdrafts	**(767)**	(2,288)
- others	**(826)**	**(472)**
	(1,593)	(2,760)

26 TAXATION

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Deferred income taxes (note 10)	**(3,109)**	9,625

The tax on the Group's and the Company's 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	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
Profit/(loss) before taxation	**12,040**	(25,098)	**12,552**	(17,787)
Share of results of associated companies	**(4,862)**	3,044	**-**	-
	7,178	(22,054)	**12,552**	(17,787)
Tax calculated at a rate of 15% (2014: 15%)	**1,077**	(3,308)	**1,883**	(2,668)
Income not subject to tax	**(9,906)**	(13,669)	**(10,712)**	(14,309)
Expenses not deductible for tax purposes	**5,057**	7,352	**5,057**	7,352
Tax losses for which no deferred tax asset was recognised	**6,881**	-	**6,881**	-
	3,109	(9,625)	**3,109**	(9,625)

27 EARNINGS/(LOSS) PER SHARE

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
Profit/(loss) for the year	Rs'000	**8,931**	(15,473)	**9,443**	(8,162)
Number of ordinary shares in issue		**4,800,000**	4,800,000	**4,800,000**	4,800,000
Earnings/(loss) per share	Rs	**1.86**	(3.22)	**1.97**	(1.70)

28 OTHER RESERVES

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Surplus on revaluation of land and buildings	**150,036**	150,036
Reserve for modernisation and agricultural diversification	**12,520**	12,520
	162,556	162,556

29 NOTES TO THE STATEMENTS OF CASH FLOW

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
(a) **Cash used in operations**				
Profit/(loss) before taxation	**12,040**	(25,098)	**12,552**	(17,787)
Adjustments:				
Bearer biological assets	**(3,194)**	(1,974)	**(3,194)**	(1,974)
Retirement benefit obligations	**13,574**	16,636	**13,574**	16,636
Depreciation	**10,968**	10,786	**10,880**	10,698
Profit on sales of property, plant and equipment	**(651)**	(1,125)	**(651)**	(1,125)
Profit on sales of land	**(190)**	(2,594)	**(190)**	(2,594)
Profit on sales of developed land	**(49,096)**	(45,437)	**(49,096)**	(45,437)
Profit on disposal of investment	**(1,168)**	(1,370)	**(1,168)**	(1,370)
Dividend income	**(950)**	(427)	**(950)**	(423)
Interest income	**(206)**	(518)	**(206)**	(518)
Interest expense	**1,593**	2,760	**1,593**	2,760
Associated companies				
- Share of (profit)/loss	**(4,862)**	3,044	-	-
- Dividend income	-	-	**(5,312)**	(4,250)
Changes in working capital				
- consumable biological assets	**4,670**	4,659	**4,670**	4,659
- trade and other receivables	**(29,723)**	39,570	**(29,702)**	39,755
- inventories	**(1,935)**	759	**(1,935)**	759
- trade and other payables	**(27,603)**	(20,128)	**(27,526)**	(20,224)
Cash used in operations	**(76,733)**	(20,457)	**(76,661)**	(20,435)

29 NOTES TO THE STATEMENTS OF CASH FLOW *(continued)*

		THE GROUP		THE COMPANY	
		2015 **Rs'000**	2014 Rs'000	**2015** **Rs'000**	2014 Rs'000
(b)	**Cash and cash equivalents**				
	Cash in hand and at bank	**1,278**	945	**1,265**	874
	Bank overdrafts	**(76,399)**	(28,049)	**(76,385)**	(28,049)
	Cash and cash equivalents	**(75,121)**	(27,104)	**(75,120)**	(27,175)

30 CONTINGENT LIABILITIES

At December 31, 2015, the Group had contigent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of the business from which it is anticipated that no material liabilities would arise. The Group has given guarantees in the ordinary course of business, amounting to Rs 61m (2014: Rs 61m).

The quantum of land to be granted to the Empowerment Program for social and infrastructural projects under the 2,000 Arpents scheme is 83.77A (2014: 83.77A)

31 CAPITAL COMMITMENTS

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

	THE GROUP		THE COMPANY	
	2015 **Rs'000**	2014 Rs'000	**2015** **Rs'000**	2014 Rs'000
Capital expenditure authorised but not yet contracted	**497**	1,891	**497**	1,891

32 RELATED PARTY TRANSACTIONS

	Sale of goods or services		Purchase of goods or services		Finance income		Amount receivable/ (payable)		Management fees	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
THE GROUP										
Associates	**272**	737	**50**	60	-	78	**(6,265)**	(6,035)	**19,145**	18,971
Enterprises that have common shareholders	**2,659**	2,509	**18,630**	14,170	-	-	**(3,894)**	(2,557)	-	-
Directors and key management personnel	**466**	116	-	-	-	-	**267**	85	-	-

	Sale of goods or services		Purchase of goods or services		Finance income		Amount receivable/ (payable)		Management fees	
	2015 Rs'000	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000	**2015 Rs'000**	2014 Rs'000
THE COMPANY										
Subsidiaries	**99**	91	-	-	-	-	**3,192**	2,990	-	-
Associates	**272**	737	-	-	-	78	**(6,265)**	(6,035)	**19,145**	18,971
Enterprises that have common shareholders	**2,659**	2,509	**18,630**	14,170	-	-	**(3,894)**	(2,557)	-	-
Directors and key management personnel	**466**	116	-	-	-	-	**267**	85	-	-

(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 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil).

Key management personnel compensation

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Salaries and short-term employee benefits	**12,290**	12,350
Post-employment benefits	**1,872**	1,719
	14,162	14,069

33 SEGMENTAL INFORMATION

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

THE GROUP	Agricultural products and related activities Rs'000	Livestock and aquaculture Rs'000	Other activities Rs'000	Total Rs'000
(a) **Business segments**				
Year ended December 31, 2015				
Revenue	216,556	53,778	19,654	289,988
Operating segment results	(36,449)	16,103	(23,144)	(43,490)
Other income	-	-	52,261	52,261
Segment results	(36,449)	16,103	29,117	8,771
Finance cost				(1,593)
Profit on ordinary activities				7,178
Share of results of associates				4,862
Profit before taxation				12,040
Taxation				(3,109)
Profit for the year				8,931

	Agricultural products and related activities Rs'000	Livestock and aquaculture Rs'000	Other activities Rs'000	Unallocated Rs'000	Total Rs'000
At December 31, 2015					
Assets					
Segment assets	478,788	33,355	52,652	-	564,795
Unallocated assets	-	-	-	343,492	343,492
					908,287
Liabilities					
Segment liabilities	276,628	32	21,614	-	298,274
Unallocated liabilities	-	-	-	85,739	85,739
					384,013
Other information					
Capital expenditure	9,575	847	190	-	10,612
Depreciation	7,229	1,651	2,087	-	10,967

33 SEGMENTAL INFORMATION *(continued)*

THE GROUP	Agricultural products and related activities Rs'000	Livestock and aquaculture Rs'000	Other activities Rs'000	Total Rs'000
(b) Business segments				
Year ended December 31, 2014				
Revenue	186,397	55,942	16,999	259,338
Operating segment results	(56,155)	16,000	(30,610)	(70,765)
Other income	-	-	51,471	51,471
Segment results	(56,155)	16,000	20,861	(19,294)
Finance cost				(2,760)
Loss on ordinary activities				(22,054)
Share of results of associates				(3,044)
Profit before taxation				(25,098)
Taxation				9,625
Loss for the year				(15,473)

	Agricultural products and related activities Rs'000	Livestock and aquaculture Rs'000	Other activities Rs'000	Unallocated Rs'000	Total Rs'000
At December 31, 2014					
Assets					
Segment assets	453,688	32,321	97,852	-	583,861
Unallocated assets	-	-	-	326,156	326,156
					910,017
Liabilities					
Segment liabilities	200,092	229	20,522	-	220,843
Unallocated liabilities	-	-	-	88,481	88,481
					309,324
Other information					
Capital expenditure	5,764	4,576	2,724	-	13,064
Depreciation and amortisation	7,114	1,587	2,085	-	10,786

Profile of Directors and Senior Officers

DIRECTORS

George J. Dumbell (67) – 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 47 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.

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

Belle Mare Holding Ltd.

Nicolas Boullé (56) – Independent 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.

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

Belle Mare Holding Ltd

P. Arnaud Dalais (61) – Non-executive director

Appointed in 2004

Mr Arnaud Dalais joined the Ciel Group in August 1977 and was appointed its Group Chief Executive in November 1991 and thereafter Chairman in 2010. Under his leadership, the Ciel Group has experienced significant growth both locally and internationally. He is also the Chairman of Alteo Ltd (Ex-Deep River Beau Champ Ltd) and Sun Limited. He plays an active role in the affairs of the Mauritian private sector and has served as Chairman of a number of organisations, including the Mauritius Sugar Syndicate from 1999 to 2000 and the Joint Economic Council from 2000 to 2002. Since November 2015, he is the Chairman of Business Mauritius, the newly formed institution resulting from the merger of the Mauritius Employer Federation and the Joint Economic Council.

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

Alteo Ltd

Caudan Development Ltd

Ciel Ltd

Promotion & Development Ltd

Sun Ltd.

Jean de Fondaumière (62) – Independent director

Appointed in 2007

Mr 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 31 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 Chairperson of the Stock Exchange of Mauritius and is a member of a number of audit and corporate-governance committees.

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

Alteo Ltd

Lux Island Resorts Ltd.

DIRECTORS *(continued)*

Clément D. Rey (46) – 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 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.

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

Belle Mare Holding Ltd.

Maxime Rey (63) – Non-executive director

Appointed in 2014

Mr Rey started an accounting career in 1973 in Mauritius, first in Auditing (with Kemp Chatteris/Touche Ross & DCDM/Coopers & Lybrand), and then in the Sugar Industry (with Deep River Beau Champ S.E.). Immigrating to South Africa in 1981, 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, where he is at present holding the position of Senior Manager, Group Finance, whilst also heading the Loans and Legal Departments of the Group. He serves as a director of a number of companies in the commercial, financial, investment, sugar and tourism sectors, and is a member of various board committees.

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

Belle Mare Holding Ltd

Lux Island Resorts Ltd.

Jean Ribet (56) – 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.

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

Belle Mare Holding Ltd

Ireland Blyth Ltd.

Georgina Rogers (53) – Independent director, chairperson of the Audit 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 Committee.

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

Belle Mare Holding Ltd.

DIRECTORS *(continued)*

Noël Adolphe Vallet (50) – 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 which 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 Mauritius's sugar museum, L'Aventure du Sucre. 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.

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

Belle Mare Holding Ltd.

Jean-Jacques Vallet (47) – 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 the Chief Executive Officer of Constance Hotels and Resorts, he is responsible for the management of all hotels belonging to the Group in Mauritius and abroad. He was also the President of AHRIM, the Association of Hotels and Restaurants in Mauritius, for the periods 2003-2004 and 2011-2012.

DIRECTOR TO BE PROPOSED

Marc Freismuth (64) – Independent director

Appointment as independent director to be proposed at the forthcoming Annual Meeting.

Mr Freismuth holds an 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.

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

Belle Mare Holding Ltd

United Basalt Products Ltd.

SENIOR OFFICERS

Jan Boullé (59) – Group Head of Projects and Development

Mr Boullé qualified as *Ingénieur statisticien économiste* in France and holds a *Diplôme de 3ème cycle, sciences économiques* from Université Laval, Quebec, Canada. He joined the Constance Group in 1984 and is at present the Group Head of Projects and Development. He is also a director of several major companies in Mauritius.

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

Alteo Ltd

Belle Mare Holding Ltd

Phoenix Beverages Ltd.

Kevin Chan Too (38) – 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 the finance, accounting, treasury and internal control functions. 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.

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, 10 June 2016, 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 31 December 2015			
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	To appoint Mr Marc Freismuth as an independent director of the Company			
6	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. Mrs Georgina Rogers b. Mr Clément D. Rey c. Mr Nicolas Boullé			

Dated this day of 2016

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, 9 June 2016 (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 16 May 2016.

Constance La Gaieté Company Limited

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35 Sir William Newton Street
Port Louis

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