TOGETHER

Integrated Report 2018

Contents

Making it happen **together.**

Reporting Principles

For the second year in a row, IBL Ltd ("IBL") has prepared its annual report in accordance with the IIRC's Integrated Reporting <IR> Framework. Adopting <IR> is a journey. For the benefit of our shareholders and wider stakeholders, IBL aims to continue to improve how we report on our activities year on year.

This report seeks to provide the information needed to make an informed assessment of IBL's ability to create value over time. It describes our business model, including our use of resources and how it enables us to deliver on our values (p. 56); our long-term strategy (p. 62); and the risks we face (p. 138). It also assesses our performance over the year (p. 82) and explains how we intend to deliver value to our stakeholders in a rapidly evolving economic and social environment.

IBL's Board believes that this report addresses matters that are material to the Group, and that it presents a complete, balanced and fair account of the Group's performance over the financial 01 July 2017 to 30 June 2018.

The financial statements within this report comply with the standards set out in the Mauritius Companies Act 2001. They have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been externally assured. The external auditors' report is available on page 184.

This document contains certain assumptions and projections, for instance regarding IBL's operational results, the future demand for our products and services and the macro-economic context that we operate in. These forecasts involve uncertainty and risk. Actual results may differ from the projected future results implied by these statements.

We invite our stakeholders to read this report and to provide feedback about our annual report's design and content. Please send comments or questions to iblcommunication@iblgroup.com.

A version of this report is also available online at www.iblgroup.com.

Materiality criteria

In line with IFRS standards, we consider information to be material when its omission or misstatement could influence the decisions of those making financial decisions based on this report.

This report includes information about IBL businesses that are considered material on the basis of:

- The percentage of the Group's turnover that they represent;
- Whether they are listed entities;
- Their contribution to the Group's strategy, and particularly to its regional and/or international growth;
- Whether the business underwent significant changes during the financial year;
- Whether the business made an exceptional profit or loss during the financial year; and
- The number of people they employ.

Who We Are

IBL at a Glance

Group Structure

IBL at a Glance

Revenue

Rs 37.1Bn

Profit from operations

Rs 2.3Bn

Mauritius' largest business group

+25,750
Team members

+12,700
Shareholders

Active in 280 companies

255
Subsidiaries

3
Companies on the SEMSI

5
Joint ventures

9
Listed companies

28
Associate companies

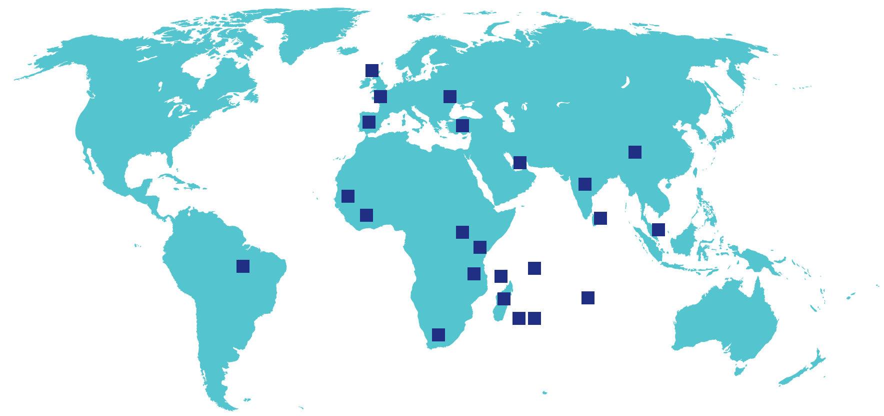
IBL at a Glance

A Mauritan first

1st
Mauritian Group in terms of Market Capitalisation
(excluding financial institutions)

9 Clusters

An international presence



IBL is present in 23 countries:

Brazil
Comoros
China
Dubai
France
Gabon
India
Ivory Coast
Kenya
Madagascar
Maldives
Mauritius
Romania
Reunion
Seychelles
Singapore
South Africa
Sri Lanka
Tanzania
Turkey
Uganda
UK
Zambia

Our Mission

As a diverse and responsible corporate citizen, we enhance the talent of our people and inspire them to better serve our stakeholders in a trustful, open and efficient way.

Our Vision

Creating a brighter future for all.

Our Values

People First, Passion, Integrity, Excellence, Responsibility & Creativity.

Group Structure

IBL GROUP

AGRO
- Alteo — 27.64% — A

BUILDING & ENGINEERING
- UBP — 33.14% — S
- Manser Saxon — 92.5% — S
- CMH — 100% — S
- Scomat — 100% — S
- ServEquip — 100% — S
- DieselActiv — 100% — S
- CNOI — 60% — S
- Blychem — 100% — S

COMMERCIAL
- BrandActiv — O
- HealthActiv — O
- Winner's — 100% — S
- Monoprix — 100% — S
- Intergraph — 100% — S

FINANCIAL & OTHER SERVICES
- AfrAsia — 30.29% — A
- DTOS — 100% — S
- Mauritian Eagle Insurance — 60% — S
- City Brokers — 50% — JV
- EllGeo Re — 33.3% — A
- LCF Holdings — 60% — S
- The Bee Equity Partners — 34.95% — S
- Alentaris — 75.51% — S
- IBL Link — 100% — S
- GWS Technologies — 45% — A
- Universal Media — 55% — S

HOSPITALITY
- LUX* Hotels & Resorts — 56.47% — S

Key Table:
A: Associate
JV: Joint Venture
S: Subsidiary
O: Operation

WHO WE ARE

Group Structure

LIFE
- IBL Life — 100% — S
- CIDP — 90% — S
- QuantiLab Holding — 50% — A
- Proximed — 50% — JV

LOGISTICS
- Logidis — 100% — S
- Somatrans — 75% — S
- Ground2Air — 100% — S
- Australair — 25% — S
- Arcadia Travel — 100% — S
- Reefer Operations — 100% — S
- G2ACamas — 50% — S

MANUFACTURING & PROCESSING
- Phoenix Beverages — 23.28% — S
- Seafood Hub — 85% — S
- Froid des Mascareignes — 59.50% — S
- Marine Biotechnology Products — 56.95% — S
- Cervonic — 85% — S
- Mer des Mascareignes — 42.50% — A
- Princes Tuna (Mauritius) — 40.64% — A
- Nutrifish — 24.97% — A
- Fresh Cuts — 100% — S
- La Tropicale Mauricienne — 100% — S

PROPERTY
- Bloomage — 100% — S
- BlueLife — 48.99% — S

CSR
- Fondation Joseph Lagesse — S
- Small Step Matters — S
- Chemin Rail & Amaury Housing Co. Ltd — S

How We Lead

Chairman's Message

Dear Shareholders,

It is my privilege to report on another year of solid performance and growth for the IBL Group, only two years after the amalgamation of GML Investissement Ltée and Ireland Blyth Limited.

IBL has continued its transformation over the past year, and its Corporate Centre is now positioned to provide support and advice to the Group's entities, in line with the strategic plan defined during the 2016-17 financial year.

Indeed, as announced in our Integrated Report last year, the Group has adopted a long-term growth strategy based on three pillars:

1. The strengthening of our "core Mauritian" activities;
2. The growth of Group entities with the competences and potential for regional expansion; and
3. The expansion of Group entities with world-class expertise and the potential for international growth.

Major transactions in 2017-18

In accordance with this strategy, the following major transactions took place this year:

- In Mauritius, IBL acquired retailer Monoprix and will shortly open a new Winner's hypermarket in Trianon Shopping Park, thereby diversifying its client offer.

- IBL also increased its stake in BlueLife Limited, strengthening the Property Cluster with property development expertise.

- Regionally, our Nairobi office is now open, and will act as an in-house business development and investment advisor to the Group in East Africa. The aim is to identify viable business opportunities in the region and bring them to fruition. I have no doubt that the Nairobi office will be a key contributor to IBL's regional growth in the future.

- Internationally, IBL increased its shareholding in leading hospitality operator LUX*. We have also started to implement a revised strategy for our Life Cluster, which is active in clinical research and the derma-pharmaceutical industries.

"IBL has continued its transformation over the past year, and its Corporate Centre is now positioned to provide support and advice to the Group's entities."

Consolidating the Group functions that support our strategy

IBL intends to strengthen each of the key functions that underpin its strategic plan. Our Human Capital Strategy has therefore been a priority this year, and we have made considerable progress in harmonising our practices and processes to attract and retain the right talent.

The Board of Directors (the "Board") also firmly believes that IBL must focus on innovation in order to capitalise on emerging opportunities, drive the Group's long-term development and create value for its shareholders. A three-year digital transformation plan has therefore been devised at Group level and will be carried out by a dedicated team in order to provide Group entities with access to the digital tools they need to grow.

Chairman's Message

Any strategy inherently involves a certain amount of risk. IBL's main risks at Group level are outlined in the Risk Management section of this report (p.138) and are closely linked both to the concentration of our activities in Mauritius and to our intended expansion into new geographical areas. However, IBL's diversification across a wide range of geographical markets and economic sectors in itself lessens its exposure to risk and contributes to the Group's financial stability.

To continue to improve our risk management systems and better define, mitigate and monitor emerging risks, IBL has now appointed a new Head of Risk Management, Compliance & Regulatory Affairs. We have also strengthened our internal Audit function thanks to the appointment of a new Head of Internal Audit in October 2018.

Financial results

Figures as at 30 June 2018	
Increase in share price since June 2017	24.28%
Dividends paid	Rs 0.73 per share Total: Rs 496,563,549
Market capitalisation	Rs 33,943,179,596

Creating a brighter future for all

IBL's commitment to sustainability is rooted in its Vision of "creating a brighter future for all". The Board is convinced that sustainability must guide the way we think and do business day after day if we are to create value for both stakeholders and our society in the long term.

IBL has therefore defined a Group-level sustainable development strategy (p.72). We will report on our progress against Global Reporting Initiative (GRI) standards and are currently conducting a materiality study to establish a baseline. Alongside this, we are exploring the potential of "Circular Economy" approaches to help us capitalise on the complementarities between the Group's different business activities.

IBL also constantly seeks to create a positive social impact through its CSR activities (p.78). This commitment is continuously delivered upon by numerous foundations and individual CSR programmes across the Group. Our CSR activities had a broad reach over the past year, despite an increasingly complex legal context; and we are aware that we will need to find new resources and ways of operating in order to deliver on our commitments to vulnerable communities and NGOs in the future.

Good governance: a prerequisite to achieving our ambitions

The Board firmly believes that good corporate governance enhances decision-making processes and investor trust, thereby creating value for shareholders.

Our Group engaged early on with the process of complying with Mauritius' Code of Corporate Governance, which came into force in February 2017. The composition of the Board of Directors and of its Committees is in line with the Code's recommendations, and a new Governance Charter was approved in February 2018. A new Code of Ethics has also now been adopted.

Over the past year, the Board has improved its diversity and gender balance by bringing new skills into play: it now consists of eight Non-Executive Directors, two Executive Directors and four Independent Directors, and includes two women.

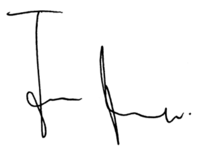
The future

IBL is in a phase of sustained growth. In the coming years, our priority will be to support our businesses' growth by providing them with the resources they require to be successful. Our future achievements will be anchored in our outstanding Human Capital, and the Board of Directors is committed to maintaining the bold entrepreneurial culture that we have inherited from the Group's visionary founders.

Acknowledgements

I would like to thank my fellow Directors for their support over the past year. On behalf of the Board of Directors, I would like to thank IBL's Group Chief Executive Officer, Arnaud Lagesse, for a year of achievements and significant progress.

I am also grateful to the teams within the IBL Corporate Centre, as well as to the managerial and operational teams in all of our subsidiaries and associates, for their ongoing commitment to the success of our Group and their dedication and engagement over the past year. The Group's performance is the result of their daily efforts.



Jan Boullé
Chairman of the Board of Directors

"IBL was built by visionary founders. The bold entrepreneurial culture that we have inherited from them is what drives our Group strategy today."

JAN BOULLÉ
Chairman of the Board of IBL Ltd

Board of Directors

IBL is led by an effective and highly committed unitary Board. It plays a key role in determining the Company's trajectory, monitoring its performance and overseeing its risk management, and is responsible for its long-term success. The Board of Directors is committed to the highest standards of business integrity, transparency and professionalism in all of its activities so as to ensure the continued prosperity of the Company and the Group.

Jean-Claude Béga
Executive Director and Group Head of Financial Services & Business Development

Jan Boullé
Non-Executive Chairman

Martine de Fleuriot de la Colinière
Non-Executive Director

Pierre Guénant
Independent Non-Executive Director

Jason Harel
Independent Non-Executive Director

Arnaud Lagesse
Executive Director & Group CEO

Board of Directors

Benoit Lagesse
Non-Executive Director

Hugues Lagesse
Non-Executive Director

Jean-Pierre Lagesse
Non-Executive Director

Thierry Lagesse
Non-Executive Director

Gilles Michel
Independent Non-Executive Director

Maxime Rey
Non-Executive Director

Jean Ribet
Non-Executive Director

San T. Singaravelloo
Independent Non-Executive Director

Directors' Profiles

Jean-Claude Béga
Executive Director and Group Head of Financial Services & Business Development

Citizen and Resident of Mauritius

Appointed: 01/08/2018

Skills and experience
Born in 1963, Jean-Claude started his career in 1980, spending seven years as external auditor before moving to a sugar group to perform various functions within accounting and finance. He joined GML in 1997 as Finance Manager. He is currently the Group Head of Financial Services and Business Development and was also appointed Executive Director of the company in August 2018.

Qualifications
- Fellow of the Association of Chartered Certified Accountants

External appointments
- AfrAsia Bank Limited
- AfrAsia Capital Management Ltd
- Alteo Limited
- Anahita Estates Limited
- Anahita Residences & Villas Limited
- Anglo African Investments Ltd
- Camp Investment Company Limited
- DTOS Ltd
- Knights & Johns Management Ltd
- Lux Island Resorts Ltd
- Mauritian Eagle Insurance Co Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Bee Equity Partners Ltd

Core competencies
Finance, Mergers and Acquisitions, Strategic Development.

Jan Boullé
Chairman

Citizen and Resident of Mauritius

Appointed: 01/03/2006
Chairman: 01/07/2016

Skills and experience
Jan Boullé worked for The Constance Group from 1984 to 2016 and occupied various executive positions and directorships. He has a particular expertise in hospitality and real estate development.

Qualifications
- "Ingenieur Statisticien Economiste" France
- Sciences Économiques – Université de Laval - Canada

External appointments
- Alteo Limited
- BlueLife Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Bee Equity Partners Limited
- Camp Investment Company Limited

Core competencies
Strategic Development, Hospitality, Real Estate Development.

Martine de Fleuriot de la Colinière
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 12/11/2016

Skills and experience
Martine de Fleuriot heads the Commercial, Corporate and Banking department of ENSafrica (Mauritius), one of the largest law firms in Mauritius. She is an experienced barrister and is recognised as a leading lawyer by international directories such as The Global Guide of Chambers and Partners, IFLR 1000 and Legal 500.

Qualifications
- Diplômes d'Etudes Approfondies – Mention Droit Privé - Université de Droit, d'Economie et des Sciences Sociales – Aix Marseille III
- Barrister's Examination – Council of Legal Education Mauritius

External appointments
- None

Core competencies
Law, Mergers and Acquisitions, Corporate Restructuring, Banking, Security Law.

Directors' Profiles

Pierre Guénant
Independent Non-Executive Director

Non-Citizen and Non-Resident of Mauritius

Appointed: 27/07/2015

Skills and experience
Pierre Guénant is an accomplished entrepreneur. He founded and developed the PGA Group, whose turnover is €5.2Bn and which employs about 11,000 people in France, Belgium, Holland and Poland; and is currently chairman of PGA Holding. He is also involved in the hotel industry and the wine industry as well as in investment funds. He serves as a director on the Boards of several listed companies outside of Mauritius.

Qualifications
- Ecole Supérieure de Commerce de Paris

External appointments
- None

Core competencies
Entrepreneurship, Strategic Development, International Business, Management.

Jason Harel
Independent Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 01/07/2016

Skills and experience
Jason Harel is the co-founder and partner of BLC Robert & Associates, which is ranked as a top-tier business law firm by all leading legal directories. He leads their corporate and M&A practice which includes non-contentious restructuring and taxation. Jason's practice mainly involves the real estate (including construction and hospitality) and financial services sectors (including the banking and global business sectors).

Qualifications
- Chartered Accountant - England & Wales
- Barrister-at-Law - England & Wales and Mauritius

External appointments
- None

Core competencies
Corporate and Business Law, Taxation, Mergers and Acquisitions, Hospitality Sector including Real Estate, Financial Services Sector including Banking and Global Business.

Arnaud Lagesse
Executive Director and Group CEO

Citizen and Resident of Mauritius

Appointed: 23/03/2015
Group CEO: 01/07/2016
2005-2016: 11 years' experience as CEO

Skills and experience
Arnaud Lagesse is the Group CEO of IBL Ltd, the largest business group on the island of Mauritius. He is one of the Mauritian private sector's most prominent leaders and is known to drive the Group he leads with innovative and challenging undertakings. Two years ago, he initiated the merger of GML Investissement Ltée and Ireland Blyth Limited, creating both a successful Group and substantial shareholder value for all stakeholders since the Group's introduction onto the local stock market.

Qualifications
- Breakthrough Executive Program, Egon Zehnder-Mobius - Portugal
- Advanced Management Program (AMP180) - Harvard Business School - United States
- Executive Education Program at INSEAD - France
- Master's in Management, Université d'Aix-Marseille - France and graduated from the Institut Supérieur de Gestion de Paris.

External appointments
Chairman
- Fondation Joseph Lagesse
- Alteo Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited

Member of the Board of Directors
- BlueLife Limited
- The United Basalts Products Ltd
- Non-listed Mauritian Companies

Core competencies
Business and Finance, Deal Structuring, Strategic Business Development.

Directors' Profiles

Benoit Lagesse
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 12/02/2018

Skills and experience

Benoit Lagesse started his career with Touche Ross, before working at Canadian Pacific in London then moving to Zimbabwe to manage a farming business.

Qualifications

- Bachelor of Science (Computers) – Manchester University – England
- Chartered Accountant – England & Wales

External appointments

- Chairman of GML Ineo Ltée
- Chairman of Mon Loisir Ltée
- Alteo Energy Ltd
- Compagnie Sucrière de Saint Antoine

Core competencies

Finance, Accounting, Agriculture.

Hugues Lagesse
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 01/07/2015

Skills and experience

Hugues Lagesse is the Head of Project and Strategic Property Development of BlueLife Limited, a real estate company that develops property in Mauritius. He has acquired considerable experience and competence in high-end residential and mixed-use real estate.

Qualifications

- Diploma in administration and Finance – Ecole Superieure de Gestion – Paris
- Management Program - INSEAD - France
- Real Estate Program – Harvard Business School – United States
- General Management Program for Mauritius and South East Africa - ESSEC

External appointments

- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited

Core competencies

Real Estate, Property Development, Management.

Jean-Pierre Lagesse
Non-Executive Director

Citizen and Non-Resident of Mauritius

Appointed: 01/07/2015

Skills and experience

Jean-Pierre Lagesse is a specialist in property investment, development, asset enhancement and portfolio management in London, having been a partner at 10 Ant Group since 2007, and is responsible for the purchase and redevelopment of real estate. He has more than twenty years of experience in the sector, in Europe and Africa.

Qualifications

- MBA – from Cramfield School of Management – UK

External appointments

- None

Core competencies

Property Development, Real Estate.

Directors' Profiles

Thierry Lagesse
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 24/09/1983

Skills and experience

Thierry Lagesse is the Founder and Executive Chairman of the Palmar Group of Companies, one of the pioneers in the development of the textile industry in Mauritius. A visionary entrepreneur, he also launched a Direct To Home (DTC) satellite television company in the Indian Ocean islands.

Qualifications

- Maîtrise des Sciences de Gestion – Université de Paris Dauphine

External appointments

- Alteo Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The United Basalts Products Ltd
- Camp Investment Company Limited

Core competencies

Entrepreneurship, Business Development and Finance, Strategic Development, Textile, Media.

Gilles Michel
Independent Non-Executive Director

Non-Citizen and Non-Resident of Mauritius

Appointed: 20/06/2012

Skills and experience

Gilles Michel has held executive positions in major international companies and institutions like Saint Gobain Group, PSA Peugeot Citroën and Fonds Stratégique d'Investissement. He was, until 2018, Chairman and CEO of Imerys.

Qualifications

- Ecole Polytechnique, Ecole Nationale de la Statistique et de l'Administration Economique (ENSAE)
- Institut d'Etudes Politiques (IEP) - Paris

External appointments

- Chairman of Imerys (Paris)
- Valeo (Paris)
- Solvay (Bruxelles)

Core competencies

Automobile Industry, Mathematics, Strategic Development, Management.

Maxime Rey
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 01/07/2016

Skills and experience

Maxime Rey has extensive experience in the Insurance sector. He worked for Mauritius' leading insurance company Swan as CFO for more than twenty years until his retirement in 2016. Before that, he also worked in Johannesburg for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions, as Group Financial Director for thirteen years.

Qualifications

- Qualified Accountant

External appointments

- Belle Mare Holding Limited
- Lux Island Resorts Ltd
- MFD Group Limited
- Constance La Gaieté Co. Limited
- Tropical Paradise Co. Limited
- Pharmacie Nouvelle Limited

Core competencies

Finance, Accounting, Risk Management, Insurance.

Directors' Profiles

Jean Ribet
Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 01/07/2016

Skills and experience
Jean Ribet has been the CEO of the Constance Group since 2004, with overall responsibility for its agro-industrial, tourism and investment activities.

Qualifications
- Chartered Accountant – University of Cape Town

External appointments
- Belle Mare Holdings Limited
- Constance Hotels Services Ltd
- Constance La Gaité Co. Ltd
- Hotelest Ltd
- Livestock Feed Ltd

Core competencies
Finance, Strategic Development.

San T. Singaravelloo
Independent Non-Executive Director

Citizen and Resident of Mauritius

Appointed: 25/09/2017

Skills and experience
San T. Singaravelloo has twenty years of experience across the Sub-Saharan African region, the UK and the Netherlands. She has worked for major regional and international companies including Old Mutual, Hymans Robertson Actuaries and Consultants, PwC, ABN Amro and Aon. She is currently the Head of Aon's Africa Unit for Global Benefits.

Qualifications
- Fellow of the Institute and Faculty of Actuaries - UK
- Masters of Law – International Business Law Sorbonne-Assas (Paris II)
- Postgraduate Diploma in Actuarial Science - University of Cape Town
- Bachelor of Science Honours – Operation Research - University of Cape Town
- Bachelor of Science – Statistics and Economics - University of Cape Town

External appointments
- Anglo African Investments Ltd

Core competencies
Pension and Insurance, Business Development, Cross-Border Projects, Corporate and Trustee Consulting, Mergers and Acquisitions.

Stéphane Lagesse
Alternate Director to Thierry Lagesse

Citizen and Resident of Mauritius

Appointed: 01/07/2016

Skills and experience
Stéphane Lagesse is the CEO of the Palmar Group, a garment manufacturing company in Mauritius.

Qualifications
- Degree in Gestion des Entreprises - Paris Dauphine

External appointments
- The United Basalt Products Ltd

Core competencies
Finance, Textile, Manufacturing, Trading.

Organisational Structure

Chairman of the Board of Directors
Jan Boullé

Group Chief Executive Officer
Arnaud Lagesse

Executive Assistant
Annelise Nicolin

- **Alentaris CEO** Thierry Goder
- **Alteo CEO** Patrick D'Arifat
- **Bloomage CEO** Ravi (Robin) Hardin
- **CIDP CEO** Claire Blazy-Jauzac
- **GWS Technologies CEO** David Commarmond
- **Head of IBL Life** Géraldine Jauffret
- **Intergraph CEO** Patrick Macé
- **LUX* CEO** Paul Jones
- **Phoenix Bev CEO** Bernard Theys
- **Proximed CEO** Sanjay Banydeen
- **QuantiLab MD** Bertrand Baudot
- **The United Basalt Products (UBP) CEO** Stéphane Ulcoq
- **Universal Media GM** Patricia Aliphon

Group Head of Operations
Patrice Robert

- **BrandActiv & HealthActiv/ MedActiv COO** Aldo Létimier
- **Engineering COO** Fabrizio Merlo
- **Logistics COO** Daniel (Danny) Ah Chong
- **Marine COO** Jean-Yves Ruellou
- **Retail COO** Jean-Michel Rouillard
- **Seafood COO** Gopalakrishna (Cougen) Naidu Purseramen
- **CFO Group Operations** Preetee Jhamna

Group Head of Financial Services & Business Development
Jean-Claude Béga

- **AfrAsia CEO** Sanjiv Bhasin
- **City Brokers CEO** Patrick Bouic
- **DTOS Group CEO** Jimmy Wong
- **EllGeo Re CEO** Avishan Askurn
- **LCF Securities CEO** Rajiv Lutchmiah
- **Mauritian Eagle Insurance CEO** Derek Wong
- **The Bee Equity Partners CEO** Oliver Fayolle
- **Mergers & Acquisitions Head of Business Development** Hubert Leclézio
- **Strategic Initiatives & Integration Head of Business Development** Jean-Luc Wilain
- **Head of Business Development – East Africa** Jorsen Patten
- **Heads of Financial Services** Laurent de la Hogue & Sattar Jackaria

Organisational Structure

Group Head of Corporate Services
Thierry Labat

- **Group Corporate Secretary** Doris Dardanne
- **Group Chief Human Capital Officer** Hubert Gaspard
- **Head of Communication & Public Relations** Aurélie Antoine
- **Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer** Olivier Decotter
- **Head of Legal Affairs** Anaick Larabi
- **Group Information & Technology Executive** Laurent Fayolle
- **Head of Internal Audit** Kevin Maurymoothoo

Group CFO
Dipak Chummun

- **Head of Group Finance & Analytics** Dev Ramasawmy
- **Head of Treasury** Yannick Ulcoq

Group Strategic Innovation & Excellence Executive
Delphine Lagesse

Head of CSR
Martine Hennequin

Executive Team

Daniel (Danny) Ah Chong
Logistics COO

Patricia Aliphon
Universal Media General Manager

Aurélie Antoine
Head of Communication & Public Relations

Avishan Askurn
EllGeo Re CEO

Sanjay Banydeen
Proximed CEO

Bertrand Baudot
QuantiLab Managing Director

Jean-Claude Béga
Group Head of Financial Services & Business Development

Sanjiv Bhasin
AfrAsia CEO

Claire Blazy-Jauzac
CIDP CEO

Patrick Bouic
City Brokers CEO

Dipak Chummun
Group CFO

David Commarmond
GWS Technologies CEO

Patrick D'Arifat
Alteo CEO

Doris Dardanne
Group Corporate Secretary

Olivier Decotter
Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer

Laurent de la Hogue
Head of Financial Services

Executive Team

Marie-Laurence Dupont
Corporate Manager – Sustainable Development

Laurent Fayolle
Group Information & Technology Executive

Olivier Fayolle
The Bee Equity Partners CEO

Hubert Gaspard
Group Chief Human Capital Officer

Thierry Goder
Alentaris CEO

Ravi (Robin) Hardin
Bloomage CEO

Martine Hennequin
Head of CSR

Sattar Jackaria
Head of Financial Services

Géraldine Jauffret
Head of IBL Life

Preetee Jhamna
CFO Group Operations

Paul Jones
LUX* CEO

Thierry Labat
Group Head of Corporate Services

Arnaud Lagesse
Group Chief Executive Officer

Delphine Lagesse
Group Strategic Innovation & Excellence Executive

Anaick Larabi
Head of Legal Affairs

Hubert Leclézio
Mergers & Acquisitions Head of Business Development

Executive Team

Aldo Létimier
BrandActiv & HealthActiv / MedActiv COO

Rajiv Lutchmiah
LCF Securities CEO

Patrick Macé
Intergraph CEO

Fabrizio Merlo
Engineering COO

Jorsen Patten
Head of Business Development – East Africa

Gopalakrishna (Cougen) Naidu Purseramen
Seafood COO

Dev Ramasawmy
Head of Group Finance & Analytics

Patrice Robert
Group Head of Operations

Jean-Michel Rouillard
Retail COO

Jean-Yves Ruellou
Marine COO

Bernard Theys
Phoenix Bev CEO

Stéphane Ulcoq
UBP CEO

Yannick Ulcoq
Head of Treasury

Jean-Luc Wilain
Strategic Initiatives & Integration
Head of Business Development

Derek Wong
Mauritian Eagle Insurance CEO

Jimmy Wong
DTOS Group CEO

Profiles of Key Senior Officers

Dipak Chummun
Group Chief Financial Officer

Appointed: 01/07/2016

Skills and experience
- Held regional and group head roles with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Hong Kong, Dubai, Singapore and Frankfurt.
- Was Finance Director for strategic financial planning at Deutsche Bank global headquarters.
- Was appointed Group CFO for ex-Ireland Blyth Limited on 01 January 2015.

Qualifications
- Degree in Computer Science – University of Manchester – United Kingdom
- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)

Thierry Labat
Group Head of Corporate Services

Appointed: 01/07/2017

Skills and experience
- Was appointed Company Secretary of GML in 2001, and Group Company Secretary of IBL Ltd in 2016, in which capacity he led the corporate secretarial teams.
- In these positions, he played a role in the successful closing of significant mergers and acquisitions of listed companies.
- During the course of his career at GML and IBL, he displayed valuable skills such as a cross-functional agility, solution-based approaches, collaborative enhancement and leadership.
- Was appointed Group Head of Corporate Services for the IBL Group in 2017.
- He now leads the following Corporate Functions within the Corporate Centre: Group Secretary, Legal, Human Capital, Communications and PR, Risk Management, IT and Internal Audit.

Qualifications
- Fellow of the Institute of Chartered Secretaries and Administrators (ICSA) – United Kingdom
- Executive Management Programme – ESSEC Business School

Patrice Robert
Group Head of Operations

Appointed: 01/08/2018

Skills and experience
- Joined IBL Group 10 years ago and played a key role in the development of IBL Seafood cluster. Was the Chief Operations Officer of the Seafood cluster until 31 July 2018.

Qualifications
- Bachelor's Degree in Engineering – University of Portsmouth
- MBA – University of Chicago – United States

Jean-Claude Béga
Group Head of Financial Services & Business Development

See profile on page 20.

Arnaud Lagesse
Group Chief Executive Officer

See profile on page 21.

Introduction

IBL Ltd (IBL), a public interest entity as defined by the Financial Reporting Act 2004, has applied the principles of the National Code of Corporate Governance (2016) since the last financial year. This corporate governance report sets out how IBL is applying the Code's principles.

Good governance is crucial to IBL's success and its ability to deliver on its strategy. The Board is therefore committed to ensuring that good governance principles are entrenched within the Group and reflected in its business activities.

This report, part of IBL's Integrated Report for 2017-18 is also available on IBL's website: www.iblgroup.com.

Governance Structure

Governance Charter

IBL's governance structure is set out in its Governance Charter. The Charter defines the role, function and objectives of the Board of Directors, Board Committees, Chairman, Group CEO and senior executives. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision-making processes within the Group. In the same spirit, a "Charte de Déontologie Boursière" has been approved and signed by all the Directors and Senior Officers of IBL.

To ensure that good governance is applied throughout the Group, the Board oversees the operations of each business cluster via monthly management committee meetings attended by executives appointed by IBL's Corporate Governance Committee (which also acts as Nomination and Remuneration Committee). Proceedings of these meetings are then reported to the Board of IBL.

The Governance Charter ("Charte de Gouvernance") and the "Charte de Déontologie Boursière" are available on IBL's website: www.iblgroup.com.

Code of Business Ethics

A Code of Business Ethics has been drafted, reviewed and finalised by the Board in September 2018. Whistle-blowing procedures are also included in the Code. The Board has recommended that this Code be adopted by all the companies of the Group. The Code is available on IBL's website at www.iblgroup.com.

Organisational chart and Accountability Statement

Additional details regarding the Company's senior positions and reporting lines are set out in the "How we lead" section of this Integrated Report.

The Structure of the Board and its Committees

The Board

IBL is led by an effective and highly committed unitary Board comprising fourteen Directors who possess the appropriate skills, knowledge, independence and experience in core and other business sectors, and for both local and international markets, to enable them to discharge their duties and responsibilities effectively. The Board plays a key role in determining the Company's direction, monitoring its performance and overseeing risks and is collectively responsible for the long-term success of the Company. The Board of IBL believes that, based on its size, geographical spread of operations and its multiple operations, it possesses the right balance.

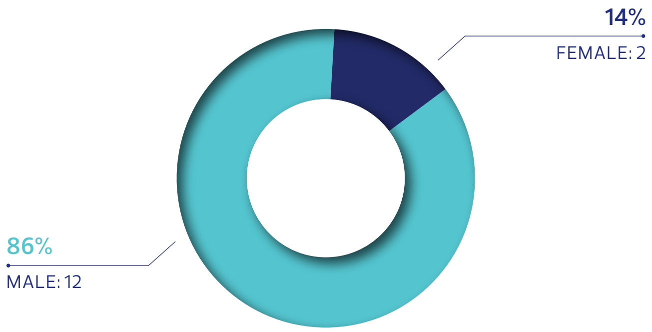
Directors' profiles and details of external appointments

Directors' profiles have been disclosed in the "How we lead" section of this Integrated Report (p.20).

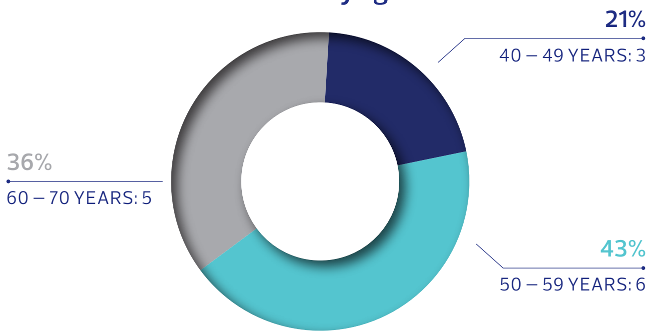
Details of external appointments are available on IBL's website: www.iblgroup.com.

Balance and diversity

Directors by gender

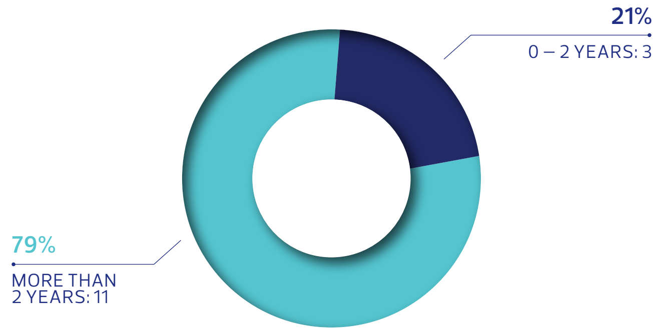


Directors by age



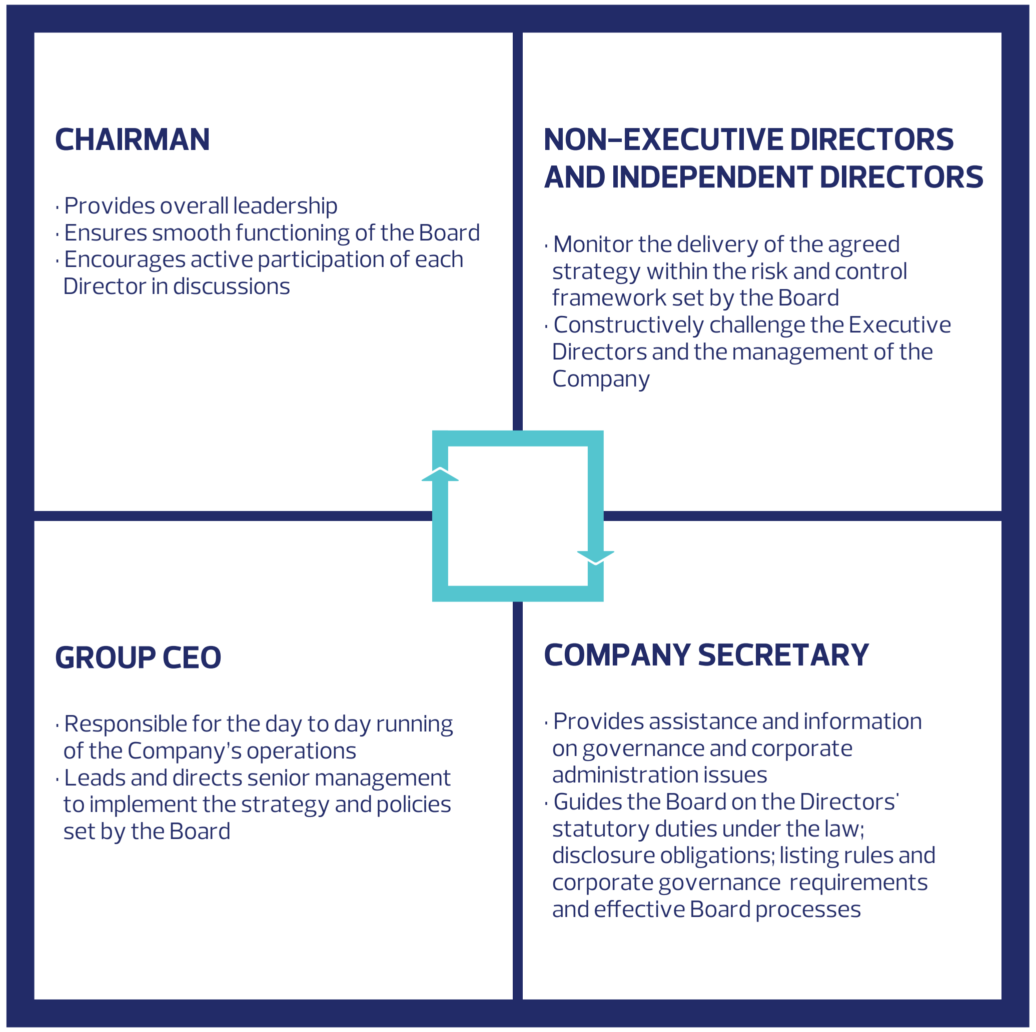
Corporate Governance Report
HOW WE LEAD

Duration of Director's tenure



Note: The above reflects the duration of Directors' tenure in office as from 1 July 2016, date of the amalgamation.

Board and Directors' roles and responsibilities



Note: The four Independent Non-Executive Directors are considered independent based on the independence criteria set out in the National Code of Corporate Governance for Mauritius.

Board processes, meetings and activities in 2017-18

Board meeting process

BEGINNING OF THE YEAR	SETTING OF AGENDA	BEFORE BOARD MEETING	BOARD MEETING	AFTER BOARD MEETING
· Planning for Board Meetings for the ensuing year is set by the Group Corporate Secretary	· Draft agendas for the Board are finalised by the CEO and the Chairman prior to each meeting · Agendas are finalised at least one week before the scheduled date of the meeting	· Agenda and all relevant Board papers are sent to the Directors one week before the scheduled meeting · Necessary arrangements (video conferencing, etc.) are made for those Directors not able to be physically present	· Regular matters such as the review of activities of the various clusters of IBL or reports from the Committee Chairpersons are discussed	· Minutes are produced and sent to the Group CEO and Chairman for review and comments prior to circulating these to the Board · Follow-up on certain Board decisions (update of authorised signatories, etc.) are then ensured by the Company Secretary

Board meetings and activities

During the year under review, the Board met seven times. Below is a list of the main issues discussed at these meetings. Decisions were also taken by way of written resolutions signed by all the Directors.

REGULAR AGENDA ITEMS	FINANCIAL ITEMS	STRATEGY	GOVERNANCE	OTHER MATTERS
· Review of the activities of the various clusters · Review of investments · Reports from the Committees' Chairmen	· Abridged audited annual financial statements and full audited financial statements · Abridged financial statements for the first, second and third quarters · Dividends declaration · Budget 2017-18 · Original budget 2018-19 · CAPEX 2018-19 · Approval of a multi-currency medium term secured and unsecured note programme · Recommendation of the appointment of EY as external auditors	· Acquisition of additional shareholding in Lux Island Resorts Ltd · Acquisition of the total shareholding in Compagnie des Magasins Populaires Ltée · Sale of assets to Bloomage Ltd, a wholly-owned subsidiary of IBL · Disposal of the entire shareholding in ABAX Holding Ltd · Subscription to the Rights Issue of AfrAsia Bank Limited · Disposal of the entire shareholding in Mauritian Eagle Leasing Company Limited · Disposal of the entire shareholding in Volaille & Traditions Ltée · Digital transformation	· Appointment of an Independent Non-Executive Director · Appointment of a Non-Executive Director · Approval of the Corporate Governance Report · Approval of Insider Trading Rules · Approval of a Long Term Incentive Plan · Appointment of a Group Head of Operations · Appointment of a new Executive Director, effective on 1 August 2018 · Management of situations of potential conflict of interest of a director	· Approval of communiqués/announcements as required by the relevant rules and regulations · Subscription and underwriting of the Rights Issue of BlueLife Limited · Mandatory offer to shareholders of BlueLife Limited · Voluntary offer to shareholders of Lux Island Resorts Ltd · Considered the strategies presented by BrandActiv and HealthActiv

Attendance at Board meetings in 2017-18

	11/08/17	25/09/17	13/11/17	14/12/17	15/01/18	12/02/18	04/06/18	Total No. of meetings attended
Jan Boullé	✓	✓	✓	✓	✓	✓	✓	7
Martine de Fleuriot de la Colinière	✓	✓	✓	✓	✓	✓	✓	7
Yann Duchesne	✗	✓	✓	✓	✓	✓	✓	6
Pierre Guénant	✓	✓	✓	✓	✓	✓	✓	7
Jason Harel	✓	✓	✓	✓	✓	✓	✓	7
Jean-Claude Harel [1]	✓	✓	✓	✓	-	-	-	4
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	7
Benoit Lagesse [2]	-	-	-	-	-	-	✓	1
Hugues Lagesse	✗	✓	✓	✓	✓	✓	✓	6
Jean-Pierre Lagesse	✗	✓	✓	✓	✓	✓	✓	6
Thierry Lagesse	✗	✓	✓	✗	✓	✗	✓	4
Gilles Michel	✓	✓	✓	✗	✓	✓	✓	6
Maxime Rey	✓	✓	✓	✓	✓	✓	✓	7
Jean Ribet	✓	✓	✓	✓	✓	✓	✓	7
San T. Singaravelloo [3]	-	-	✓	✓	✓	✓	✓	5
Stéphane Lagesse (Alternate to Thierry Lagesse)	-	-	-	✓	-	✓	-	2

1) Resigned on 31 December 2017
2) Appointed on 12 February 2018
3) Appointed on 25 September 2017

Annual effectiveness review

The Board confirms that, for the year under review, it has met its key objectives and effectively carried out its responsibilities in accordance with its Charter.

Board Committees

The Board is assisted in its functions by three main sub-Committees: (i) an Audit and Risk Committee, (ii) a Corporate Governance Committee, which also acts as a Remuneration and Nomination Committee, and (iii) a Strategic Committee. These committees operate within defined terms of reference and may not exceed the authority delegated to them by the Board. The sub-Committees are chaired by experienced Chairmen who report to the Board on the issues discussed at each Committee meeting.

The Company Secretary also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of the Board Committee in question or not.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities. It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the internal and external auditors. A copy of the Audit and Risk Committee's Charter is available on the Company's website at www.iblgroup.com.

Corporate Governance Report

Composition

At 30 June 2018, the Committee was chaired by Maxime Rey, a Non-Executive Director. Though the Code recommends that the Audit and Risk Committee be chaired by an Independent Non-Executive Director, the Board considered that Maxime Rey has the accounting and financial experience necessary to chair this Committee.

As of the financial year 2018-19, the chairmanship of this Committee has been entrusted to San T. Singaravelloo, an Independent Non-Executive Director. The other members of the Committee are Jason Harel, Maxime Rey and Thierry Lagesse. The Committee's meetings are also attended by the Group CEO, the CEO Operations, the Group CFO, the CFO – Group Operations and the Group's internal auditors.

Attendance at Audit and Risk Committee meetings in 2017-18

	28/08/17	19/09/17	07/11/17	07/02/18	08/05/18	Total No. of meetings attended
Maxime Rey	✓	✓	✓	✓	✓	5
Jason Harel	✓	✓	✓	✗	✓	4
Thierry Lagesse	✓	✓	✓	✗	✓	4
San T. Singaravelloo [1]	-	-	✓	✓	✓	3

1) Appointed on 25 September 2017

Matters considered in 2017-18

During the year under review, the Audit and Risk Committee met five times. Matters discussed included:

REGULAR FINANCIAL MATTERS

- Abridged audited annual financial statements and full audited financial statements
- Abridged financial statements for the first, second and third quarters
- Dividends declaration
- Budget 2017-18
- Original budget 2018-19
- CAPEX 2018-19
- Group CFO's report

INTERNAL AUDIT REPORTS

- Logidis Ltd & Somatrans SDV Ltd: Review of controls over accounts receivable
- Winner's: Review of HR & payroll-related processes
- HealthActiv & BrandActiv: Review of inventory management & monitoring of product expiry dates
- HealthActiv, BrandActiv, DieselActiv, Scomat & Arcadia Travel: Review of controls over cash sales
- Ground2Air: Review of controls over the order to cash process
- Manser Saxon: Review of payroll processes
- Scomat: Procurement to payment process & inventory management process
- DTOS: Revisiting of project management for new services & review of procedures for compliance to regulatory framework
- Manser Saxon Contracting: Review of payroll process

OTHER MATTERS

- Process for appointing external auditors
- Follow-up on internal audit reports & implementation of recommendations
- Impact of the new EU General Data Protection Regulations on the operations of IBL Ltd
- Measures to mitigate risks following an attempt to fraud
- Discussion on the risk management framework
- Process for recruitment of a Head of Internal Audit
- Ratification and recommendation to the Board for approval of audit fees payable to the external auditors
- Change in chairmanship of the Committee, effective 1 July 2018

HOW WE LEAD

Corporate Governance Report

Annual effectiveness review

The Audit and Risk Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Corporate Governance Committee

The Corporate Governance Committee advises the Board on matters pertaining to corporate governance and ensures that the principles of the National Code of Corporate Governance are applied. This Committee also acts as Nomination & Remuneration Committee.

A copy of the Corporate Governance Committee's Charter is available on IBL's website at www.iblgroup.com.

Composition

The Committee is chaired by Gilles Michel, an Independent Non-Executive Director. The other members of the Committee are Jan Boullé, Thierry Lagesse and Jean Ribet, who are Non-Executive Directors and Arnaud Lagesse, who is an Executive Director.

Attendance at Corporate Governance Committee meetings in 2017-18

	28/07/17	18/09/17	26/10/17	05/12/17	08/02/18	01/06/18	Total No. of meetings attended
Gilles Michel	✓	✓	✓	✓	✓	✓	6
Jan Boullé	✓	✓	✓	✓	✓	✓	6
Arnaud Lagesse	✓	✗	✓	✗	✓	✓	4
Thierry Lagesse	✗	✓	✓	✗	✗	✓	3
Jean Ribet	✓	✓	✓	✓	✓	✓	6

Matters considered in 2017-18

During the year under review, the Corporate Governance Committee met six times. Matters discussed included:

NOMINATION

- Appointment of an Independent Non-Executive Director
- Appointment of a Non-Executive Director
- Appointment of an Executive Director
- Appointment of Directors on subsidiary / associate companies of the Group
- Review of the succession plan
- Management of situations of potential conflict of interest of a director

REMUNERATION

- Review of fees payable to the Directors of the subsidiary / associate companies of the Group
- Formulate a Long Term Incentive Plan for key executives of IBL

CORPORATE GOVERNANCE

- Review of the Code of Business Ethics
- Approval of Insider Trading Rules
- Approval of Corporate Governance Report
- Approval of a political donation
- Approval of the mechanism of the Long Term Incentive Plan

Annual effectiveness review
The Corporate Governance Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Remuneration Sub-Committee
The Corporate Governance Committee has assigned its remuneration functions to a sub-committee, hereinafter referred to as Remuneration Sub-Committee. The Sub-Committee has also been entrusted with the Corporate Governance Committee's mandate to review the remuneration of staff members, managers and senior management.

Composition
While the Corporate Governance Committee is chaired by Gilles Michel, an Independent Non-Executive Director, the Remuneration Sub-Committee is chaired by Marc Freismuth, who is neither an Independent Non-Executive Director nor a Board member. Marc Freismuth was the previous chairperson of the Remuneration Committee of IBL Management Ltd. The Board of IBL is of the view that Marc Freismuth possesses the relevant expertise and knowledge of Mauritian remuneration practices to effectively act as the chairperson of this Sub-Committee.

The other members of the Sub-Committee are Jean Ribet and Jan Boullé, both Non-Executive Directors.

Attendance at Remuneration Sub-Committee meetings in 2017-18

	21/07/17	18/10/17	29/11/17	19/03/18	29/06/18	Total No. of meetings attended
Marc Freismuth	✓	✓	✓	✓	✓	5
Jan Boullé	✓	✓	✓	✓	✓	5
Jean Ribet	✓	✓	✓	✓	✓	5

Matters considered in 2017-18
During the year under review, the Remuneration Sub-Committee met five times. Matters discussed are set out below:

Review of salaries and career development	Review of performance bonuses	Review and finalisation of a short-term incentive scheme and a long-term incentive scheme

Strategic Committee
The Strategic Committee was established for the purpose of advising the Board about the Company's strategy. This Committee also assists the Board in analysing, negotiating, reporting on and making recommendations on potential strategic transactions involving the Company.

The Strategic Committee Charter is available on the website of IBL at www.iblgroup.com.

Composition
The Committee is chaired by Pierre Guénant, an Independent Non-Executive Director. The other members of the Committee are Gilles Michel, an Independent Non-Executive Director; Jan Boullé, Thierry Lagesse and Jean Ribet, all Non-Executive Directors; and Arnaud Lagesse and Yann Duchesne, Executive Directors.

Attendance at Strategic Committee meetings in 2017-18

	03/08/17	12/09/17	03/11/17	13/12/17	20/04/18	09/05/18	27/06/18	Total No. of meetings attended
Pierre Guénant	✓	✓	✓	✓	✓	✓	✓	7
Jan Boullé	✓	✓	✓	✓	✓	✓	✓	7
Yann Duchesne	✗	✗	✓	✓	✓	✓	✓	5
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	7
Thierry Lagesse	✗	✗	✓	✓	✗	✗	✓	3
Gilles Michel	✓	✗	✓	✓	✗	✓	✓	5
Jean Ribet	✓	✓	✓	✓	✗	✓	✓	6

Matters considered in 2017-18
During the year under review, the Strategic Committee met seven times. The following matters were discussed:

INCREASE IN SHAREHOLDING
- Acquisition of additional shareholding in Lux Island Resorts Ltd
- Acquisition of the entire shareholding in Compagnie des Magasins Populaires Ltée

DISINVESTMENTS
- Disposal of entire shareholding in the capital of the following companies: ABAX Holding Ltd, Mauritian Eagle Leasing Co Ltd, Volaille & Traditions Ltée

OTHER MATTERS
- Subscription to and underwriting of the Rights Issue of BlueLife Limited
- Subscription to the Rights Issue of AfrAsia Bank Limited
- Mandatory Offer to the shareholders of BlueLife Limited
- Reorganisation of CIDP Group Structure
- African Strategy
- Digital transformation
- Sale of assets to Bloomage Ltd, a wholly-owned subsidiary of IBL

Annual effectiveness review
The Strategic Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively.

Director appointment procedures

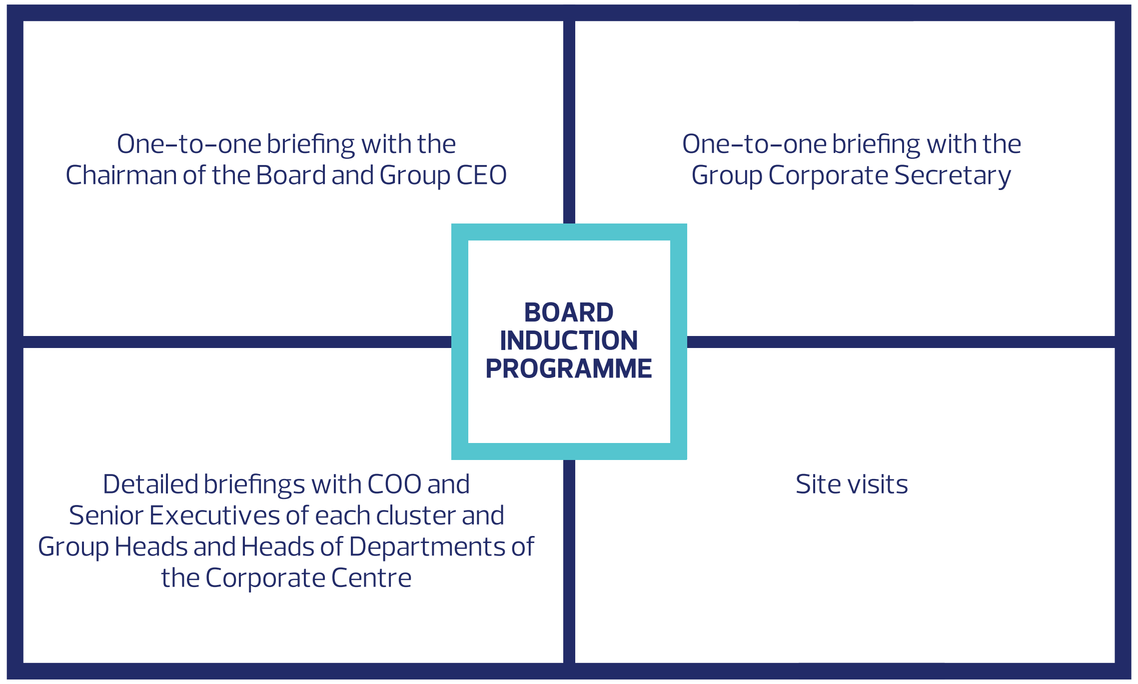
Potential Directors identified and selected by Nomination Committee	Recommendation by the Nomination Committee to the Board of Directors	Appointment of new Director by the Board of Directors	Newly appointed Director is subject to election in first year of appointment by the shareholders at the Annual Meeting	Once appointed and in accordance with the Constitution of IBL Ltd, Directors must stand for re-election at the Company's Annual Meeting every 3 years

At the forthcoming Annual Meeting of the Company, scheduled for 6 December 2018, and on the recommendation of the Corporate Governance Committee, the shareholders will be asked to take a vote on:

- The appointment of Mr. Benoit Lagesse who has been nominated by the Board of Directors and who offers himself for election.
- The appointment of Mr. Jean-Claude Béga who has been nominated by the Board of Directors and who offers himself for election.

Board induction

The Company Secretary assists the Chairman in ensuring that an induction programme is in place for all new Directors to enable them to develop a good understanding of the Company and the Group. Additionally, as per the Governance Charter, each newly appointed Director receives an induction pack containing documents pertaining to his or her role, duties and responsibilities.



Corporate Governance Report
HOW WE LEAD

Professional development and training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices. They are also encouraged to participate in various workshops organised by the Company.

Time commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. The Board must give its approval prior to an Executive Director accepting a seat on the board of any other company outside of the IBL Group. Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of IBL.

Succession plan

The Board believes that good succession planning is a key contributor to the delivery of the Group's strategy and its ability to create value in the long term. The Board is committed to recognising and nurturing talent across the Group's executive and management teams in order to develop current and future leaders. Succession planning, which is reviewed on an annual basis, is within the purview of the Nomination Committee.

Directors' duties, remuneration and performance

Directors' duties

Directors are aware of their legal duties. Once appointed on the Board, the Director receives the following documents pertaining to his or her duties and responsibilities:

- Directors' Code of Conduct
- Governance Charter
- Charter of Values and Ethics
- The Constitution
- Salient features of the Listing Rules and the Securities Act

Interest register, conflicts of interest and related party transactions policy

The Directors' Code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Information, information technology and information security governance

The Board is responsible for information governance within IBL. The management of information technology and information security governance are delegated to the Group's IT function.

Following the amalgamation of ex-Ireland Blyth Limited and ex-GML Investissement Ltée, an exercise was undertaken with Ernst & Young to create a new IT Governance Framework, which will be enforced as of this financial year. As a result, all the existing policies will be reviewed internally and others will be created to ensure security of information and proper management of information technology as a whole. The enforcement of these policies will be delegated to each business unit's management, with the help of the Group IT Department. A list of existing key policies is available below.

- Acceptable Use Policy: The purpose of this policy is to ensure that employees, contractors and third parties are aware of the appropriate and acceptable use of assets.

- Email Acceptable Use Policy: The objective of this policy is to outline appropriate and inappropriate use of e-mail systems and services in order to minimise disruptions to services and activities, as well as comply with applicable policies and laws.

- Internet Acceptable Use Policy: The objective of this policy is to outline appropriate and inappropriate use of Internet resources, including the World Wide Web, electronic mail, the intranet, FTP (file transfer protocol), and USENET.

- System Administrator Policy: The purpose of this policy is to establish expectations for employees who have administrative and privileged access rights to the Company's IT systems and to confidential Information.

- Remote Access Policy: The purpose of this policy is to define standards for connecting to IBL Group's network from any host outside of the Group's boundaries. The standards detailed below are designed to minimise IBL potential exposure to damages that may result from the unauthorised use of IBL Group resources. Damages include the loss of sensitive or company confidential data, intellectual property, damage to public image, damage to critical IBL internal systems, and fines or other financial liabilities incurred as a result of those losses.

- **Teleworking Policy**: The purpose of this policy is to ensure that the security of information and systems accessed through teleworking is given due importance. It is essential for staff to be aware of, understand and adhere to security procedures and policies. Information that is related to and can identify an individual is personal data and protected by the principles of the Data Protection Regulations 2009. As such, appropriate technical and organisational measures shall be taken against the accidental or deliberate loss, change, destruction of or damage to personal data. These procedures have been created to ensure that protection of personal and corporate data is maintained during remote working.

- **Logical Access Policy**: The objective of this policy is to limit access to information, information processing facilities, and business processes within IBL Group.

- **Malicious and Mobile Code Policy**: The objective of this policy is to protect the integrity of software and information. This policy lays the instructions as to measures that must be taken by employees to help achieve effective malware detection and prevention.

- **Information Security Policy**: The objective of this policy is:
  - To ensure IBL's business continuity by protecting its information assets from all threats, whether internal or external, deliberate, environmental or accidental; and
  - To minimise the risk of damage by preventing security incidents and reducing their potential impact.

- **Media Handling Policy**: The objective of this policy is to ensure that media are controlled and physically protected, and to prevent unauthorised disclosure, modification, removal or destruction of information stored on media and the consequent interruption of business activities.

- **Backup Policy**: The objective of this policy is to protect against data loss and to maintain the integrity and availability of information and information processing facilities by regularly making and testing back-up copies of information and software.

- **Network Security Policy**: The objective of this policy is to ensure the protection of information in networks and the protection of supporting infrastructure.

- **Password Policy**: The objective of this policy is to set a standard for creating, protecting, and changing passwords in order to ensure that they are strong, secure, and protected.

- **Information Security Incident Management Policy**: The objective of this policy is to ensure that information security events and weaknesses associated with information systems are communicated in a manner that allows timely corrective action to be taken. It also ensures that a consistent and effective approach is applied to the management of information security incidents.

- **Compliance Policy**: The objective of the Compliance Policy is to avoid any breaches of law, of statutory, regulatory or contractual obligations, or of any security requirements; and to ensure the compliance of systems with organisational security policies and standards.

- **Laptop Policy**: The purpose of this policy is to provide guidance to minimise any information security risks that may affect laptops.

- **BYOD Policy**: The purpose of this policy is to set out the controls that must be in place when using mobile devices that are not owned or provided by the organisation but used for business purposes.

- **IT Business Continuity Policy**: The objective of this policy is to ensure that an IT Business Continuity Plan is developed, documented, continuously tested, reviewed and updated in order to enable the IBL Group to recover as quickly and effectively as possible from any unforeseen disaster or emergency with minimised business interruptions.

Remuneration policy

No pre-determined criteria have been established with regard to remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required.

Directors' fees consist of a fixed fee and an attendance fee per Board meeting. Any changes to Directors' remuneration are submitted to the shareholders of the Company for approval at the annual meeting of shareholders.

A remuneration framework has been established to ensure that individual and joint contributions to the Group's results are properly rewarded. This framework provides a benchmark for salaries based on general market practices and includes guidelines for the retention of key talent.

The following table depicts the fees paid to Non-Executive Directors for their involvement in the Board and Committees during the year under review.

	Board Fees (Rs)		Audit & Risk Commitee Fees (Rs)		Corporate Governance Fees (Rs)		Strategic Commitee Fees (Rs)		Total Fees
Directors	**Fixed**	**Variable**	**Fixed**	**Variable**	**Fixed**	**Variable**	**Fixed**	**Variable**	**(Rs)**
Martine de Fleuriot de la Colinière	200,000	280,000	Nil	Nil	Nil	Nil	-	-	480,000
Pierre Guénant	400,000	280,000	Nil	Nil	Nil	Nil	60,000	70,000	810,000
Jean-Claude Harel	100,000	160,000	Nil	Nil	Nil	Nil	Nil	Nil	260,000
Jason Harel	400,000	280,000	60,000	40,000	Nil	Nil	Nil	Nil	780,000
Benoit Lagesse	83,333	40,000	Nil	Nil	Nil	Nil	Nil	Nil	123,333
Hugues Lagesse	200,000	240,000	Nil	Nil	Nil	Nil	Nil	Nil	440,000
Thierry Lagesse	200,000	240,000	60,000	40,000	35,000	15,000	30,000	15,000	635,000
Gilles Michel	400,000	240,000	Nil	Nil	55,000	90,000	30,000	25,000	840,000
Maxime Rey	200,000	280,000	90,000	75,000	Nil	Nil	Nil	Nil	645,000
Jean Ribet	200,000	280,000	Nil	Nil	35,000	30,000	30,000	30,000	605,000
San T. Singaravelloo	300,000	200,000	45,000	30,000	Nil	Nil	Nil	Nil	575,000

Notes:
- Fixed fees refer to annual fees and variable fees to attendance fees.
- Jan Boullé is the full-time Non-Executive Chairman of the Group and is paid an annual fee of Rs 6 M. He did not receive any attendance fees or committee fees for the year under review and no fees were paid to him for attending meetings of the Group's subsidiary or associate companies.
- Arnaud Lagesse and Yann Duchesne are Executive Directors. They received no fees for attending IBL's Board or Committee meetings nor for attending meetings of subsidiary or associate companies of the Group. Their remuneration and benefits are disclosed in the table below.
- Jean-Pierre Lagesse did not receive any fees for attending Board meetings.
- Jean-Claude Harel resigned as Director on 31 December 2017 and fees were paid to him on a pro-rata basis.
- Benoit Lagesse was appointed as Director on 12 February 2018 and fees were paid to him on a pro-rata basis.
- San T. Singaravelloo was appointed as Director on 25 September 2017 and fees were paid to her on a pro-rata basis.

Remuneration and benefits paid to IBL's Executive Directors for the year ended 30 June 2018 are set out below. For confidentiality reasons and due to the commercial sensitivity of such information, the total of their remuneration has been disclosed.

	Total Fees (Rs)
Executive Directors	51,026,522

The Corporate Governance Committee of IBL Ltd has also approved the following schedule of fees for Marc Freismuth, the Chairman of the Remuneration Sub-committee, as follows: an annual fixed fee of Rs 150,000 and an attendance fee of Rs 10,000 per meeting. Details of the fees paid to the members of the Remuneration Sub-committee are set out below:

Members	Annual Fixed Fee (Rs)	Attendance Fees (Rs)	Total Fees (Rs)
Marc Freismuth	150,000	50,000	200,000
Jan Boullé	-	-	-
Jean Ribet	-	-	-

Long-term incentive scheme

As recommended by the Corporate Governance Committee, the Board has approved a long-term incentive scheme targeting its executives. This scheme, also referred to as long-term incentive plan, is set out in more detail in the Human Capital Report of the Integrated Report.

Short-term incentive scheme

The short-term incentive scheme, also referred to as a performance bonus, benefits employees based upon their achievement of defined objectives and subject to the Company's profitability. Additional details are available in the Human Capital Report of the Integrated Report.

Board evaluation

The Board of IBL has deemed it appropriate to carry out a board evaluation in the financial year 2018-19 in view of the recent changes in Board composition. Furthermore, in line with its Corporate Governance Charter, IBL shall carry out a Board evaluation exercise every two years.

Risk governance and internal control

The Directors are responsible for maintaining an effective system of internal control and risk management. While the Audit and Risk Committee oversees the Group's risk governance and internal controls, the nature of the risks facing IBL and the Group's risk appetite remain the ultimate responsibility of the Board.

The Board is also responsible for:

- Ensuring that structures and processes are in place to effectively manage risks;
- Identifying the principal risks and uncertainties that could potentially affect the Company and Group;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls;
- Identifying any deficiencies in the internal control system; and
- Ensuring that whistle-blowing rules and procedures are in place.

To assist the Board in its duties, the day-to-day management of risks has been delegated to IBL's Head of Risk Management whose main task is to design, implement and monitor a dynamic Group Enterprise Risk Management Framework to support IBL's strategic objectives. The Head of Risk Management regularly reports to the Audit and Risk Committee on the Group's risk environment.

The risks potentially affecting IBL are explained in a risk management report set out in the "How we manage risk" section of this Integrated Report (see p.138).

Reporting with integrity

The Directors are responsible for preparing an annual report and financial statements in accordance with applicable laws and regulations. Company law further requires the Directors to prepare financial statements for each financial year in accordance with International Financial Reporting Standards.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy and at any time, the financial position of the Company and the Group. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps to prevent and detect fraud and other irregularities.

Detailed information regarding IBL's financial, environmental and performance outlook is set out in the "Group Chief Finance Officer's Review" and the "Corporate Social Responsibility" section of this Integrated Report.

Audit

Internal audit

Until 30 June 2018, IBL outsourced its internal audit function to Ernst & Young ("EY"). EY operates with defined boundaries of authority set out by the Audit and Risk Committee and the Board. Annual audit plans are presented in advance to the Audit and Risk Committee. These are based on EY's internal audit team's assessment of risk areas for the Group based on its discussions with the Group's leaders and its own independent analysis of the key risks that the Group and its components are exposed to. The internal audit plan typically assesses the effectiveness of controls that address high risk areas that lend themselves to audits within business units that are deemed significant in terms of their revenue, employee headcount and/or impact on the local economy perspective.

A new Head of Internal Audit will join IBL in the financial year 2018-19 and will report to the Audit and Risk Committee and on an administrative level to the Group Head of Corporate Services.

Internal audit process

Internal audit function outsourced to EY with a clearly defined road map	EY carries out the relevant assignments as agreed by the Audit and Risk Committee	Reports are sent to the Group CFO for follow-up actions	EY final reports and the management response are then sent to the Audit and Risk Committee for consideration/ implementation of EY's recommendation	The reports are consequently used by the Board in making an assessment of the Group's system of internal controls and risk management

The internal audit exercises carried out by EY during the year are detailed in the "Audit and Risk Committee – Matters considered in 2017-18" section of this report.

External audit

Working with the external auditors before the audit commences, the Audit and Risk Committee is responsible for reviewing the auditors' letter of engagement; the terms, nature and scope of the audit; and its approach. It is also responsible for ensuring that no unjustified restrictions or limitations have been placed on its scope. The external auditors, Deloitte, have direct access to the Committee should they wish to discuss any matters privately.

Following the amendment of the Finance Act 2016 and subsequent regulation regarding the rotation of auditors, the Board has decided to rotate its auditors as from the financial year ending 30 June 2019. The rotation exercise is depicted below.

The rotation process

SEPTEMBER 2016	MAY 2017	JANUARY 2018	FEBRUARY 2018	MAY 2018
Finance Act 2016 amended to cater for auditors' rotation every seven years for listed companies	New regulation providing for existing audit firm holding office > seven years to continue for an additional period of three years	Request for Proposal issued by IBL	Meetings held with interested bidders	Finalisation of selection and recommendation made by the Audit Committee to the Board of IBL

Following the completion of the above process, the Board of IBL shall recommend to its shareholders the appointment of Messrs. Ernst & Young as external auditors.

Auditors' independence

The Audit and Risk Committee is responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements; and for maintaining control over the provision of non-audit services.

The external auditors are prohibited from providing non-audit services which might compromise their independence by requiring them to subsequently audit their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

Relations with shareholders and other key stakeholders

IBL's key stakeholders

The following diagram illustrates the key stakeholders of IBL.

Corporate Governance Report
HOW WE LEAD

Stakeholders' engagement

IBL's engagement with its shareholders and various stakeholders is detailed in the "How we create value" section of this Integrated Report.

Shareholding profile

The Company's stated capital is made up of 680,224,040 ordinary shares and 1,510,666,650 restricted redeemable shares.

Main shareholders – ordinary shares

As at 30 June 2018, there were 12,683 shareholders recorded in the Company's share register. The ten largest shareholders as at that date are set out in the table below.

Name of Shareholder	No. of shares	% holding
Espérance & Compagnie Limitée	73,652,775	10.8277
Société Portland	50,200,000	7.3799
Swan Life Ltd	47,777,211	7.0237
Belle Mare Holding Limited	37,510,992	5.5145
Stam Investment Limited	27,937,929	4.1072
Compagnie du Vas Ltée	26,556,573	3.9041
Mon Souci Limited	26,451,450	3.8886
Mon Désir Limited	25,988,861	3.8206
Mr. Marie Joseph Benoit Lagesse	20,498,419	3.0135
Mr. Marie Joseph Marc Lagesse	20,446,559	3.0059

Substantial shareholders

The table below highlights IBL's shareholders who hold 5% or more of the ordinary shares as at 30 June 2018.

Name of Shareholder	% holding
Espérance et Compagnie Limitée	10.8277
Société Portland	7.3799
Swan Life Ltd	7.0237
Belle Mare Holding Limited	5.5145

Shares in public hands

The percentage of ordinary shares of IBL Ltd in public hands as at 30 June 2018 is 55.63%.

Breakdown of share ownership as at 30 June 2018

Size of shareholding	No. of shareholders	No. of shares	% holding
1 – 500 shares	6,701	1,146,729	0.1686
501 – 1,000 shares	1,128	937,921	0.1379
1,001 – 5,000 shares	2,744	8,246,172	1.2123
5,001 – 10,000 shares	1,182	7,840,467	1.1526
10,001 – 50,000 shares	585	11,659,616	1.7141
50,001 – 100,000 shares	89	6,229,808	0.9158
Above 100,000 shares	132	644,163,327	94.6987

Category	No. of shareholders	No. of shares	% holding
Individuals	11,984	244,361,632	35.9237
Insurance & Assurance Companies	19	52,290,956	7.6873
Investment & Trust Companies	47	44,764,753	6.5809
Pensions & Provident Funds	51	22,370,394	3.2887
Other corporate bodies	460	316,436,305	46.5194

Note: The above number of shareholders is indicative, due to consolidation of multi-portfolios for reporting purposes.
The total number of active ordinary shareholders as at 30 June 2018 was 12,683.

Restricted redeemable shares

GML Ltée is the holder of 1,510,666,650 restricted redeemable shares ("RRS"), representing 68.95% of the voting rights. Each RRS confers the right to vote at general meetings and to participate in a rights issue alongside holders of ordinary shares. RRS holders have no right to dividends or distribution or to any surplus from the Company in case of winding up.

Calendar of forthcoming shareholders' events

NOVEMBER 2018	DECEMBER 2018	FEBRUARY 2019	MAY 2019	JUNE 2019
· Publication of Q1 results · Declaration of interim dividend	· Payment of interim dividend · Annual Meeting of Shareholders	· Publication of Q2 results	· Publication of Q3 results · Declaration of final dividend	· Payment of final dividend

Jan Boullé
Chairman

San T. Singaravelloo
Director

24 September 2018

How We Create Value

Group Chief Executive Officer's Report

Dear Shareholder and IBL Stakeholder,

It is my privilege to present IBL Ltd's Integrated Report for the 2017-18 financial year. Our Group has seen strong growth, with turnover up 11% and profit before tax up 22% year on year. I firmly believe that IBL is now well-positioned to deliver strong and sustainable growth, today and in the long term.

Delivering on our growth strategy

In the past year, we have executed a substantial part of the three-year strategy set out in last year's integrated report. Its aim is to strengthen IBL's Mauritian core while expanding regionally and internationally, positioning us as the region's leading diversified group. In order to create ongoing value for our stakeholders, we have continued to transform our Group and our business model (see p. 56 for an illustration). Our Corporate Centre functions now work more closely with our operations' management teams to help them achieve robust, sustainable growth. We have also created a number of key roles that allow us to take a Group-level view of innovation, strategy, internal audit, risk and sustainability. These include a Group Head of Corporate Services, a Head of Risk Management, Compliance & Regulatory Affairs; Ethics Officer and a Group Strategic Innovation & Excellence Executive.

Digital strategy

The board has now approved our digital transformation strategy and an ambitious IT plan is being rolled out to support our business' development and enable its growth.

We strongly believe that digitalisation will allow us to transform the experience we offer our customers and team members for the better. It will help us improve the efficiency of our internal and customer-facing processes, seize new opportunities and grow our businesses, thereby increasing our revenue.

Over the past year, and in consultation with team members from across IBL, our new digital transformation team has drawn up a roadmap consisting of 466 digital initiatives to support our businesses' development and growth. Of these, 139 are being addressed as a priority, while 27 are considered strategic for the future of our Group.

Going forward, our digital transformation team will continue to deliver on our roadmap in partnership with the Group's IT function and working closely with managers from the Corporate Centre and from Group entities. Please see the Digital Transformation chapter of this report for more information.

Human Capital strategy

IBL's central value is "People First". We recognise that having highly skilled and motivated employees is crucial to our Group's success in the long term, and we have made considerable progress in implementing the Human Capital strategy announced last year. Its aim is to help IBL attract, retain and engage the talent it needs, now and in the future, by offering attractive remuneration, training and development opportunities, and a supportive, engaging workplace underpinned by our unique IBL Together" corporate culture.

This year, in partnership with Korn Ferry, our Human Capital team therefore completed a review of job descriptions for all Corporate Centre staff, harmonising the terms and conditions of their employment and aligning their salaries and benefits with the market. We also launched a new Long-Term Incentive Plan for Group executives and made headway in implementing a new Performance Management System.

"We recognise that having highly skilled and motivated employees is crucial to our Group's success in the long term, and we have made considerable progress in implementing the Human Capital strategy announced last year."

Group Chief Executive Officer's Report

Alongside this, IBL is offering our teams an increasing amount of training and opportunities for professional development. 32 managers attended the second iteration of our Management Development Programme, run in partnership with Stellenbosch University. We have also launched a new Leadership Executive Acceleration Programme for Corporate Centre executives and high-potential managers.

IBL also carried out a Great Place to Work survey within its Corporate Centre and operations. Its results highlight our team members' sense of pride in working for IBL, and reveal that the career progression and learning and development opportunities we offer are among our greatest assets. Our next step will be to establish a roadmap to improve our corporate culture even further, based on the areas of opportunity identified in the survey. For an in-depth review of our Human Capital strategy, I invite you to read our Human Capital Report on page 66.

Sustainability approach

We have also defined a Group-level sustainability approach that allows us to create value for our businesses and stakeholders while managing our environmental, social and governance-related risks and impact. Sustainability underpins IBL's vision and mission. We believe it is integral to our Group's strategy and our ability to perform profitably in the long term, and that it should shape how we run our businesses every day.

This year, our sustainability team has:

- Undertaken an assessment of existing sustainability initiatives across the Group;
- Established Group-wide sustainability policies; and
- Embarked upon a pilot project to report against Global Reporting Initiative standards, which represent international best practice in sustainability reporting.

The intention is to roll out GRI-based sustainability reporting to our Corporate Centre and IBL operations, based on data collection systems now being put into place. This will also strengthen our integrated reporting, which is itself a reflection of our desire to improve transparency and accountability across our Group.

With the help of Dr Gunter Pauli, we are also exploring circular economy projects that will allow us to reuse waste from our operations, thereby creating new revenue streams and reducing our environmental impact. More information is available on page 72 of this report.

IBL remains committed to its Corporate Social Responsibility programmes in the context of increasingly challenging context for CSR in Mauritius. The Fondation Joseph Lagesse, which drives most of IBL's CSR initiatives, continues to develop long-term community development and poverty-reduction programmes in Mauritius. However, its funding has been substantially cut since 2016 due to new government regulations requiring 50% of corporate CSR monies to be paid into a new National CSF Fund. The Government is set to increase this levy on corporate CSR funds to 75%. Our Foundation is seeking out international funding and is focusing on improving the efficacy of its programmes. It is imperative that the National CSR Fund support local NGOs if they are to continue their invaluable work in Mauritius. Please see page 78 for our CSR Report.

Major transactions / operations this year

In line with our Group's strategy to strengthen IBL's Mauritian core, expand regionally and grow internationally, we executed a number of major transactions this year.

In Mauritius:

- We acquired a new retail chain, Monoprix, to strengthen our Commercial Cluster and complement the offering of Winner's, our existing chain.
- We also increased our stake in real estate developer BlueLife to 48.99% and purchased a new hotel, La Palmeraie, to capitalise on current opportunities in property development and hospitality in Mauritius. The management of this property has been offered to LUX*, who will market it as part of a new brand due to be unveiled in November.
- We transferred our property assets from IBL to Bloomage and embarked upon a 5-year strategic plan for the business, which includes a rebrand and refreshed communications. Our ultimate aim is for the IBL Property Cluster to build a yield fund alongside a property development fund.
- IBL sold a number of assets in our Financial Services Cluster, including MELCO, our former leasing operation, and ABAX, one of our global business firms. Alongside this, we increased our stake in LCF Holding to 75% in early August 2018. These operations will allow us to strengthen our positions in strategic sectors such as stockbroking, while the sale of ABAX will allow us to focus on our remaining global business firm, DTOS.

Regionally, we have now opened an office in Nairobi and appointed a business development executive to help IBL companies expand into the Indian Ocean and sub-Saharan African regions.

Internationally, IBL increased its stake in its Hospitality business, Lux Island Resorts Ltd, to 56.47%. The business plans to move the headquarters of LUX* Hospitality, its management company, to Singapore as of January 2019, thereby becoming a truly international hospitality group.

Group Chief Executive Officer's Report

Challenges

Overall, IBL's strategic plan is moving forward as expected. However, certain operations planned for this year were delayed for various reasons.

The ongoing slump in global sugar prices remains a concern for IBL's Agro Cluster. IBL nonetheless remains cautiously optimistic about the business' prospects in Tanzania and Kenya, which are both sugar deficit markets. Alteo has also now created a separate entity, with a specialised management team, to manage its agricultural activities more effectively. The business is continuing its expansion into the energy sector with the launch of a new 15 MW photovoltaic power installation and the future construction of a new bagasse-coal plant able to generate 2 x 35 MW. These activities reinforce our Group's positioning in Mauritius' renewable energy sector and align with IBL's Group-level sustainability strategy.

Within our Manufacturing & Processing Cluster, the impact of the EU quotas on the supply of yellowfin tuna for our Seafood activities remains a challenge. However, we believe there is a substantial opportunity in value-added products such as fish oils and proteins, and we are set to open a new facility in Abidjan, Ivory Coast, in December 2018.

At a Group level, IBL believes that a regional approach to the production, collection and recycling of plastics is becoming urgent. We are currently looking for alternative to petroleum-based packaging, including for the Beverage segment of our Manufacturing & Processing Cluster for instance, to improve the sustainability of our operations.

Risk management

Managing strategic risk is a key priority for IBL. While the diversification of our activities reduces our exposure to any one industry or market, we are extremely conscious of the risks associated with our expansion strategy. Our central Risk Management function allows us to take a Group-level view of these risks and adjust our strategy to minimise their potential impact on our performance. Our new Head of Risk is also driving a review of our risk management systems. The aim is to continuously improve how we identify and manage key risks, and to disseminate this best practice to group operations. The Risk Management report on p.138 sets out our risk identification and management processes in detail.

Priorities for our Group going forward

Thanks to our efforts over the past two years and our strong corporate culture, I believe that IBL is now firmly positioned for future expansion. We are already reaping solid growth from our strategy. In the coming years, we will continue to transform our Group's business model and our operations in order to seize the business opportunities of tomorrow.

While we have invested considerable time and effort into engraining our Mission, Vision and Values within our Group culture, it will be more important than ever to cultivate our "IBL Together" spirit going forward. Only by working together as a team, and by continuing to encourage the entrepreneurship that has defined IBL so far, can we achieve our long-term goals. We will also move ahead with our Human Capital strategy, building buy-in and continuing to transform our managerial culture. We intend to select and implement a new Human Capital Information System, fine-tune our evaluation processes and team performance objectives, and digitalise our on-boarding, learning and development platforms and recruitment processes.

In the short term, it will be crucial to ensure smooth transfers of leadership in the Agro and Hospitality Clusters among others, in which senior executives will soon be moving on. We will also need to drive the implementation of our digital transformation plan, rolling out strategic initiatives across the Group's entities and Corporate Centre.

We will continue to focus on sustainability and the circular economy initiatives we are currently developing. We believe this will help to strengthen IBL's operational performance and competitiveness. We will also make every effort to find solutions to our CSR funding gap by seeking out international grants and focusing on improving our impact.

Acknowledgements

I would like to thank our committed and proactive Board of Directors and Committee members, and in particular IBL's Chairman, Jan Boullé, for their efforts and their support as we transform our Group.

I would also like to express my gratitude and sincere appreciation to our team members for their hard work and dedication over the past year. It is thanks to you that IBL is seeing such enormous change and building such momentum for the future.

Arnaud Lagesse
Group Chief Executive Officer

Business Model

INPUTS

Financial Capital

- A solid financial structure **(G)**
- Substantial liquidity reserves **(G)**
- Banking clients in over 130 countries (F)
- 18,000 insurance claims handled per annum (F)

Human Capital

- 25,750 employees **(G)**
- Well-established health and safety procedures **(G)**
- An increasingly embedded culture of "IBL Together" **(G)**
- ±120,000 hours of training dispensed
- Equal opportunity hiring policies **(G)**
- Retention and succession policies **(G)**

Natural Capital

- Soil / Land (A) (P)
- Water (M&P)
- Energy from the sun (H) (A)
- Fish (M&P)
- Trees (B&E)

Intellectual Capital

- Investments and operations in 9 Clusters **(G)**
- Expertise in a wide range of industries / professions **(G)**
- Distribution and manufacturing rights to strong brands (C)
- World-class expertise in international growth sectors (L) (B&E) (H) (F)

Social Capital

- Longstanding presence in the Mauritian economy **(G)**
- Strong presence and investment in the community via a number of foundations including the Fondation Joseph Lagesse **(G)**
- Well-regarded CSR schemes **(G)**

Manufactured Capital

- 15,000m² of warehousing (L)
- 11 manufacturing plants (onshore and offshore) (M&P)
- 1 chemical plant (Blychem) (B&E)
- 3 bagasse-coal power plants (A)
- 1 photovoltaic energy facility (A)
- Approximately 100,000m² of Gross Letting Area (P)
- Equipment
- 12 resorts in 5 countries (H)

GOVERNANCE

- Unitary board: 14 Directors, of which 4 Independent Non-Executive Directors
- 3 Committees: Audit and Risk, Corporate Governance (including Remuneration Sub-Committee), Strategic

GROWTH ENABLERS

Exceptional performance and growth

Robust finances

Ethics and integrity enshrined in Group values

Forward-looking leadership

Operational approach: providing Group entities with the resources they need to thrive

Operational excellence in the professions that make up the Group

Expert, engaged people

Dynamic, innovative, entrepreneurial IBL Culture

OUR STRATEGIES

Strengthening Mauritian core

Regional growth

International expansion

Human Capital roadmap

Digital transformation

Sustainability approach

OUR VALUES

People 1st

Passion

Integrity

Creativity

Responsibility

Excellence

OUR VISION & MISSION

Creating a brighter future for all.

As a diverse and responsible corporate citizen, we enhance the talent of our people and inspire them to better serve our stakeholders in a trustful, open and efficient way.

RISK MANAGEMENT FRAMEWORK

Our dedicated Risk Management department works with Group businesses as a strategic enabler and to provide business support.

OUTPUTS

Financial Capital

- Revenue: Rs 37.1Bn **(G)**
- Profit after tax: Rs 2.4Bn **(G)**
- Dividend paid: Rs 496M **(G)**
- Total assets: Rs 59Bn **(G)**

Human Capital

- Skilled, engaged, healthy employees **(G)**
- Key talent deployed regionally / internationally **(G)**

Natural Capital

- 3,490 additional hectares under cane in 2017-18 (A)
- 344 GWh of energy exported to the grid (A)
- 282,000 tonnes of sugar produced (A)
- 2M HL of beverages sold **(M&P)**

Intellectual Capital

- New businesses acquired: Monoprix (C)
- Transformed team functions and creation of Group-level policies for human capital, risk management, sustainability, internal audit, strategy **(G)**
- Increased stake in hospitality firm LUX*Island Resorts Ltd, stockbroker LCF Holding, property developer BlueLife (H) (F) (P)

Social Capital

- Longstanding, constructive relationship with stakeholders (See p. 58) **(G)**
- IBL as a trusted, recognisable brand **(G)**
- Funding of long-term CSR programmes benefitting the local community, including via Fondation Joseph Lagesse **(G)**
- Pilot project at Froid des Mascareignes to report against Global Reporting Initiative standards **(M&P) (G)**

Manufactured Capital

- Opening of new IBL Office in Nairobi **(G)**
- Additional 5,500m² of warehousing to be added next year (L)
- Efficient Logistics Cluster supporting the Group and the Mauritian economy (L)
- Acquisition and revamp of La Palmeraie hotel (H)
- Re-opening of LUX* Grand Gaube (H)
- Opening of LUX* North Male Atoll in 2018-19 and Phu Quoc in 2020 (H)
- 7 pharmacies, 24 retail spaces (C)

Key: Group level: (G) / Agro Cluster: (A) / Building & Engineering Cluster: (B&E) / Commercial Cluster: (C) / Financial & Other Services Cluster: (F) / Hospitality Cluster: (H) / Life Cluster: (L) / Logistics Cluster: (L) / Manufacturing & Processing Cluster: (M&P) / Property Cluster: (P)

How we engage with our Stakeholders

Stakeholders	Expectations	Channels
Investors and shareholders, analysts	· Profitability · Accurate information about performance · Access to board and management team · A clear strategy and risk-management approach · Compliance · A clearly defined sustainability approach	· Analysts' briefings · Annual general meetings · Transparent, complete integrated report · Quarterly earnings reports and investor presentations · Public relations work that accurately communicates IBL's activities
Government and regulatory and institutional bodies	· Regular dialogue between government/regulatory body officials and IBL senior management · Ethical business practices and compliance with national regulation · Fair labour practices · Community investment · A clearly defined sustainability approach	· Meetings between senior executives and government/regulatory representatives · Participation in public policy forums · Transparent, complete annual and quarterly reports · Regular PR activities
IBL team members	· Regular, timely communication regarding the Group's activities and strategy · Involvement in decision-making · Equitable pay and labour practices · Training and development opportunities · Performance incentives · Become an employer of choice	· Function-specific networks e.g. for IT, Human Capital, Sustainability · Designation of IBL Together culture/values champions · Regular email memos circulated to all staff · Regular meetings held between IBL management and team member representatives
Community (including NGOs and voluntary organisations)	· Transparency and involvement in decisions that affect the local community · Ethical business practices · A clearly defined sustainability approach · Fair labour practices · Funding and sponsorship	· Community events · Website with information about sponsorship, upcoming events, blog with latest news · Public relations · Social media

How we engage with our Stakeholders

What we delivered this year	Targets
· Held two analysts' briefings (one every six months) to present IBL's performance against strategy · Held one AGM · Published quarterly abridged reports · Communicated in the press regarding all major transactions (Winners rebrand, Monoprix, LUX*, ABAX, BlueLife, MELCO) · Creation of risk management framework (New Head of Risk appointed)	· Continue to improve and embed integrated reporting into Group way of working · Develop more detailed and qualitative quarterly management reports · Launch new, mobile-friendly website with improved investors' corner and newsroom · Further develop IBL risk management framework
· Continued efforts to apply the principles of the new Corporate Governance Code of Mauritius · Membership in sectorial trade organisations including Transparency Mauritius, MIoD · New Group-level function created: Head of Compliance and Regulatory Affairs	· Continue to engage in open, forthright dialogue with national authorities · Launch and enforce updated Code of Ethics
· 2000+ team members took part in a full-day values workshop · Corporate Centre team-building workshop facilitated by Robin Banks · Training needs analysis completed within Corporate Centre and ongoing training and development provided · Reviewed Corporate Centre job descriptions and remuneration to align with market norms · Formalisation of long term and short term performance-related incentives within Corporate Centre to improve retention · Great Place to Work survey completed	· Launch new website with blog communicating latest Group information · Create new Human Capital Information System to allow team members to track performance and annual leave online · Digitalisation of on-boarding, learning and development and recruitment · Based on results of Great Place to Work survey, create roadmap to enhance corporate culture and stakeholder engagement
· Rs 42M disbursed via Fondation Joseph Lagesse, including completion of major social housing project at Chemin Rail · Bursaries provided to 12 Mauritian students for tertiary studies in Mauritius or abroad · IBL scholarship programme available to children of IBL team members · Funding provided to organisations including Caritas, Kinouété, Soleil de L'Ouest, Terre de Paix, Passerelle, Breast Cancer Care, Tipa · Continued support of Small Step Matters, a crowdfunding platform for environmental and community initiatives	· Continue to sponsor community events and NGO initiatives · Source alternative funding for CSR activities and focus on impact · Continue to fund community projects in education, community development and health via Fondation Joseph Lagesse

How we engage with our Stakeholders

HOW WE CREATE VALUE

How we engage with our Stakeholders

Stakeholders	Expectations	Channels	What we delivered this year	Targets
Clients	· Service and product safety and quality · Transparent communication regarding Group activities/decisions that affect clients · Fair and ethical trading practices	· Website and social media · Regular meetings between IBL decision-makers and external stakeholder groups · Public relations	· Launched a dedicated webpage for IBL products and services, linked directly to relevant sales departments · Communications regarding all major transactions affecting clients (Winner's rebrand, acquisition of Monoprix, LUX*, ABAX, BlueLife, MELCO) · Creation of Group-level risk management and ethics function: New Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer appointed · E-commerce platforms created e.g. Winner's online retail platform	· Launch updated website with refreshed products and services page and blog with latest news · Launch of new e-commerce platforms · Launch and enforce updated Code of Ethics
Suppliers	· Transparent communication regarding Group activities/decisions that affect suppliers · Opportunities to learn about / connect to other IBL businesses · Information about changes in decision-making impacting/affecting suppliers · Fair and ethical trading practices	· Supplier meetings and workshops · Site visits · Roadshows in Mauritius and internationally	· Launched a dedicated webpage for IBL products and services, linked directly to relevant sales departments · Made progress in implementing a digital strategy to improve operations' stock management and process flows · Communications regarding all major transactions (Winner's rebrand, acquisition of Monoprix, LUX*, ABAX, BlueLife, MELCO) · Creation of Group-level risk management and ethics function: New Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer appointed	· Launch updated website with refreshed products and services page and blog with latest news · Launch and enforce updated Code of Ethics
Group entities (as IBL Corporate Centre clients)	· Regular, timely communication regarding the Group's activities and strategy · Involvement in decision-making relevant to their businesses · Support from IBL management and Corporate Centre functions in implementing Group policies (operations) · Sharing of best practice and opportunities for cross-fertilisation across businesses	· Regular meetings between IBL management and Group entities' management · Networks and forums (Human Capital, IT, Sustainability, etc.)	· Transformation of IBL Corporate Centre: shared functions as business enablers, working with our operations' management to help them implement their strategies and Group-level policies · Finalisation of digital transformation plan to centralise resources and provide information/key functions online · Rollout of a Human Capital strategy · Strengthening of IBL Together culture: 2000+ team members took part in a full-day values workshop · Opening of representative office in Nairobi and appointment of a business executive to assist IBL's businesses with their expansion in the region · Creation of Group-level roles for innovation, strategy, risk and sustainability, to help business implement policies	· Digitalisation of on-boarding, learning and development and recruitment functions among others · Customer satisfaction survey to be undertaken · Rolling out of digitalisation strategy and provision of information about Group policies and certain functions online (staff on-boarding, learning and development, recruitment, etc.)

Capitals

Financial | Human | Natural | Intellectual | Social | Manufactured

Risk categories

1. Cybersecurity threats
2. Confidentiality breach
3. Foreign exchange fluctuations
4. Sugar cluster performance
5. Sustainability of tuna
6. Geopolitical instability
7. Market concentration
8. Acts of terrorism
9. Property sales performance
10. Stringent regulatory environment
11. Reputation damage
12. Revenue volatility
13. Unfavourable government policies
14. Misallocation of capital investments
15. Increasing competition

Long-term routes to growth

Strategic directions	Achievements this year	Next steps	Risk categories	Capitals impacted
1 Strengthening IBL's Mauritian core	· Overall – delivery on strategy's stated objectives · Reinforcing market share / deepening presence in key sectors and strategic lines of business, eg: – Acquisition of Monoprix and opening of new Winners supermarket in Quatre-Bornes to strengthen position in retail segment – Increased shareholding in property developer BlueLife, purchase of new hotel La Palmeraie, and optimisation of real estate assets to position Property Cluster for growth – Sale of Financial & Other Services businesses including MELCO and ABAX alongside increase in shareholding of LCF Securities among others, to refocus on core lines of business and strengthen presence in key markets such as stockbroking – Life: Change of management, strengthening of governance, hiring of two new independent directors and strategic review of activities in partnership with Roland Berger – Logistics: Substantial investment in warehousing and IT frameworks	· IBL Corporate Centre to continue to work in close collaboration with businesses' management teams and disseminate best-practice · Ongoing execution of strategic roadmap on the part of IBL businesses	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	
2 Regional expansion into the Indian Ocean & East Africa	· Creation of Nairobi office and hiring of a business executive to support IBL's expansion in the region · Regional acquisitions e.g. Reunion-based Edena in Manufacturing & Processing Cluster · Key hires to reinforce businesses' regional performance (e.g. new CEO and Group Finance and Administration manager at CIDP, new CEO at Transmara, new CEO for Lux Island Resorts Ltd and LUX* Hospitality Limited to be announced this year)	· Continued regional expansion of IBL businesses e.g. – Opening of LUX* North Male Atoll in 2018-19 – Life Cluster seeking to develop strategic partnerships and enter new markets (e.g. water treatment) locally and regionally	1 2 3 4 5 6 7 10 11 12 13 14 15	
3 International expansion anchored in world-class professional expertise	· Expansion of shareholding in international businesses e.g. hospitality group LUX* · Clusters expanding internationally – e.g. Hospitality, Seafood expansion into France + Ivory Coast	· IBL Group to continue to support IBL operations as they expand internationally · Clusters to continue to roll out international growth strategies e.g: – LUX* moving headquarters to Singapore, opening of 6 new LUX* resorts in the Maldives, UAE, Italy, China & Vietnam in the period to 2021 – Life recruiting business development executive to build European clientele	1 2 3 5 6 7 10 11 12 13 14	

Group Strategy

Group Strategy

HOW WE CREATE VALUE

Strategic initiatives underpinning IBL's ability to create value long-term				
Strategic directions	**Achievements this year**	**Next steps**	**Risk categories**	**Capitals impacted**
4 Transforming the Corporate Centre	· Creation of Nairobi office · Creation of new Group-level functions including: – Group Strategic Innovation & Excellence Executive – Head of Risk Management, Compliance & Regulatory Affairs – Ethics Officer – Group Head of Corporate Services	· Hiring of Head of Internal Audit to bring audit function in-house · Ongoing efforts to build Group-level oversight of strategy, sustainability and risk management · Continued work with operations' management teams as they devise and implement their own policies	1 2 7 14	
5 Deploying a Human Capital Strategy at Group-level to identify, attract, develop and retain the right talent for the long term (See full report on p. 66)	· Stellenbosch Management Development Programmes: > training aimed at group managers · Leadership training for women delivered · Over 300 values workshops delivered across Corporate Centre and operations · Short-term and long-term incentive plans rolled out · Total remuneration packages within Corporate Centre reviewed and aligned to market rates · Streamlining of job descriptions across Corporate Centre · Great Place to Work survey carried out	· At Group level, digitalisation of on-boarding, learning and development platforms and recruitment processes among other Human Capital practices · Fine-tuning of personnel evaluation process · Selection and implementation of a new Human Capital Information System · Launch of new training and development programmes e.g. Leadership Executive Acceleration Programme, aimed at Executives and some high-potential senior managers · Create roadmap for improvement based on feedback from Great Place to Work survey	1 2 4 6 7 8 9 10 14	
6 Digitalisation Strategy to improve user experience, work better and more efficiently and take advantage of commercial opportunities online (See full report on p. 70)	· Roadmap devised in consultation with Wavestone consulting · 3-year plan deployed at Group level · Appointment of Innovation and Excellence Executive · Large number of e-commerce initiatives underway within Clusters	· 466 digital initiatives undertaken across the Group – 139 qualified as essential · 27 transformational projects identified and set as priority for the Digital Team	1 2 9 10	
7 Sustainability approach to monitor the Group's SG performance, change mindsets and provide training, and adopt better, more sustainable ways of working (See full report on p. 72)	· Creation of Group-level sustainability team · Assessment of existing sustainability initiatives across the group · Creation of a sustainability community with Sustainability Champions that meet regularly to share information and best practice · Establishment of a Sustainability Management Structure: steering committee · Successful completion of pilot materiality analysis / report at Froid des Mascareignes in the aim of reporting on sustainability using the Global Reporting Initiative (GRI) standards	· Formalisation of Group-level sustainability policy · Monitoring and reporting: – Roll out of materiality analyses to group businesses and provision of training to encourage them to report on their environmental, social and governance impact based on GRI standards – Begin to collect Group-level data based on relevant KPIs in order to report on Sustainable Development Goals / United Nations Global Compact at IBL level · Training and awareness-raising: – Roll out sustainable development e-learning modules and sustainability trainings (SDG 4) – Develop sustainable development community / taskforce within IBL, (SDG 17) – Continue to raise awareness of sustainability issues (SDG 4) and grow sustainable development community within IBL: Regular meetings and communication via memos, the IBL blog and newsletter, etc.	2 4 5 9 13	

Human Capital Strategy

Putting People First, and at the heart of our strategy

"People First" is IBL's core value. We care about our people's wellbeing and believe that their engagement and job satisfaction is crucial to IBL's ability to perform and create value sustainably.

The transformation of our Group's Human Capital model therefore represents one of the pillars of IBL's long-term strategy. Its aim is to ensure that IBL has the world-class expertise it needs to thrive, both now and in the future, by:

- Proactively attracting talent;
- Investing in our people's development; and
- Recognising and rewarding their achievements in order to retain them in the long term.

Building an IBL Together culture that reflects our Group's values

IBL recognises that a supportive, trust-based working culture is critical to our team members' wellbeing and job satisfaction. In line with our strategy, we continue to build our "IBL Together" working culture in collaboration with our operations' management teams. This year, more than 2000 team members took part in full-day values workshops to communicate and embed the mission, vision and values that IBL articulated in 2017. We also ran a Great Place to Work survey as well as a series of team-building initiatives across IBL companies and our Corporate Centre.

IBL also constantly seeks to improve how we communicate with and empower our team members and other stakeholders, for instance by providing online resources for on-boarding, learning and development and recruitment, as well as a new website and blog. Please see our Stakeholder Engagement Report on p. 58 for more information.

Great Place to Work Survey

This year, IBL ran a Great Place to Work survey within its Corporate Centre and a number of its businesses. The Survey revealed that while managers and senior managers are more engaged that the general staff, all of our team members feel a strong sense of pride about working for IBL. It also demonstrated that our greatest assets are the career progression and learning and development opportunities that we offer as well as the Group's ability to retain staff over the long term.

The survey identified a number of areas in which IBL can improve, including work-life balance, team member recognition and internal communication. These will form the basis for a roadmap to enrich our corporate culture and the working environment we provide. As a next step, IBL will communicate the survey's results to businesses and encourage them to develop action plans to address these issues.

2,000+
team members took part in Value Day workshops

32
managers took part in second Management Development Programme

8,840
trainees

120,584
hours of training

Rs 50.75M
total training budget:
- **Rs 18M** – Clerical level
- **Rs 11M** – Managers
- **Rs 19M** – Senior professional

1,300
e-payslips generated

Human Capital Strategy

Delivering on our Human Capital roadmap

In 2017-18, IBL made significant progress in delivering on the three-year Human Capital strategy adopted in 2016:

Key objectives	Achievements this year	Next steps
1. Harmonising the Group's Human Capital approach		
Articulate and standardise Human Capital processes across IBL	· Harmonisation of processes within Corporate Centre: recruitment, induction and on-boarding, as well as performance reviews, employee development and stay and exit interviews.	· Pursue Corporate Centre's Human Capital transformation to create value for IBL operations. · In collaboration with operations' management teams, start to standardise operations' HC processes by: – Continuing to bring together HC expertise across the Group via dedicated forums; – Disseminating best practice; – Promoting a culture of performance based on the use of analytics, to help them manage and retain the talent they require.
Review IBL's Human Capital and salary practices in collaboration with the Korn Ferry Hay Group	· Reviewed all Corporate Centre job descriptions (for 150 team members in 43 positions). · Created a remuneration framework (benchmarked against market rates on the basis of total remuneration packages) for all positions with the Corporate Centre as well as across IBL operations.	· Fine-tune the evaluation process. · Based on feedback from IBL companies, tweak system to reflect the specificity of businesses' operations and their different financial realities.

Key objectives	Achievements this year	Next steps
1. Harmonising the Group's Human Capital approach (continued)		
Implement a new Performance Management System	· All executives and managers in IBL's Corporate Centre and operations have undergone a performance review exercise. Corporate Centre team members and some IBL operations staff have now also completed this exercise. · Short-Term Incentive (STI) scheme rolled out for Corporate Centre executives: Team members on the STI receive a bonus equivalent to a defined number of months of their basic salary, based on their individual performance, their company's financial performance and their demonstration of IBL values.	· Select an information system that can automate performance assessment at Group level, particularly for IBL Operations and some of our Financial Cluster businesses. · Define analytics dashboards to monitor Human Capital initiatives and their impact on IBL's performance. · Being to implement STI within IBL Operations: Define an STI framework that takes the specificities of each business into account while encouraging a mindset of entrepreneurship.
Digitally transform the Group's HC practices	· E-payslips implemented. · Medical claims now web-based, facilitating the reimbursement and follow-up of claims.	· Select and implement a new Human Capital Information System (HCIS). · Digitalise our on-boarding, learning and development platform and recruitment process (part of our strategy to improve employee experience). · Finalise and launch automated business travel system.
2. Strengthening the group's succession planning and recruitment strategies		
Reinforce succession planning and recruitment to ensure business continuity / that strategic roles are appropriately staffed at all times	· IBL now reviews its succession plans on an annual basis, alongside salaries. · Defined risk mitigation plans to ensure ongoing staffing of business-critical roles in IBL companies. · Defined development plans and a set of dedicated management development programmes for key talent. · Launched Long-Term Incentive Plan for IBL executives: eligibility is defined by very specific parameters, with nominations signed off by the Board of IBL Ltd after recommendations by the Corporate Governance Committee.	· Succession planning remains a priority, particularly when we are looking to replace executives who have worked for the Group for decades.

Human Capital Strategy

HOW WE CREATE VALUE

Key objectives	Achievements this year	Next steps
3. Helping Businesses transform through learning and development initiatives		
To assist Group businesses with learning and development initiatives that will enhance their performance and enable their sustainable growth	· Ongoing provision of Management Development Programmes (MDP) in partnership with Stellenbosch University: second batch of 32 team members took part in a course this year. · MDP alumni are now part of a "Leaders in Action" network and are called upon to contribute to key issues for IBL. · Alumni have demonstrated tangible improvements in performance and deliverables after their completion of the programme. · Ongoing partnerships with other institutions such as Curtin University to develop IBL managers.	· Launch of a Leadership Executive Acceleration Programme (LEAP) for executives and some high potential senior managers. · Launch of Ignite, an online platform that provide abstracts of business books to management and senior executives, so they can read the latest materials in their fields.
4. Proactively attracting key talent		
To proactively identify and attract top talent by raising awareness of the opportunities that IBL presents; developing future leaders; and offering an appealing working culture and attractive remuneration	· Efforts to improve employee satisfaction and build a supportive, trust-based working culture: provision of Value workshops, team-building, Great Place to Work survey carried out. · Continuing to build a pool of future IBL managers by targeting high-potential employees, managers and executives for training. · National scholarships offered to fourteen children of employees to pursue studies in high professional demand. · Creation of innovative remuneration practices to sustain our short-term and long-term strategy.	· Devise and implement roadmap to reinforce working culture based on data from Great Place to Work survey. · Aim to offer regular salary increases and packages based on the national salary surveys that IBL completed this year in partnership with the Korn Ferry Hay Group, while staying abreast of innovative remuneration practices.

Digital Transformation Journey

IBL has now embarked upon an ambitious digital transformation journey. We strongly believe that customer-centric digitalisation will help us improve IBL's processes and services, ultimately allowing us to offer a better experience to customers and team members alike. It will also help us improve efficiency, grow our businesses, and increase our revenue.

The ultimate aim of this transformation is to help IBL achieve the objectives set out in the Strategy section of this report. To be successful, IBL's digital transformation will need regular, consistent input from senior managers within both the Corporate Centre and each Group entity.

Executing our digital transformation plan

CREATION OF STRATEGIC AND OPERATIONAL FUNCTIONS

1. **Creation of a dedicated digital transformation team to lead on the IBL digital roadmap**
2. **Establishment of governance functions including a steering committee and project committee, both to meet monthly**
3. **Review of IT Group's function: from a technical support role to that of a digital enabler, working closely with Group entities and the digital transformation team**

MAIN OBJECTIVES

- **Turn initiatives into projects** (Name project managers, create scorecards, etc.)
- **Coordinate and lead on the digital transformation roadmap**
- **Develop new digital skills** (Data analysis, digital marketing, etc.)
- **Support Group entities in their digital transformation**

Digital initiatives at IBL

Following over 70 workshops attended by more than 150 team members from across IBL, digital roadmaps were defined for 27 Group entities, including associates, and eight Corporate Centre functions. These roadmaps consist of 466 initiatives in total. Of these, 139 projects have been identified as high-priority in consultation with Group entity CEOs, COOs and Corporate Centre; and 27 are considered strategic at a Group level.

The high-priority projects were selected on the basis of:

- Their ability to strengthen IBL's leadership in a given market and to reinforce the IBL brand;
- The potential improvement they represent for the Group's performance, by underpinning business development and the efficiency of IBL's operations; and
- The extent to which they improve users' digital experience (among both customers and IBL team members).

The digital transformation team will focus on implementing these high-priority initiatives – which are due to run over the short, medium and long term – until December 2018. It will then begin to work on a second wave of initiatives.

Digital Transformation Journey

HOW WE CREATE VALUE

466
digital initiatives in total

139
initiatives considered high-priority by Group entities / Corporate Centre functions

27
Group-level strategic initiatives

Based on an ongoing assessment of the Group's strategic needs

- Approx. 50% of initiatives due to be completed in year 1
- Initiatives in 35 Group entities or Corporate Centre functions
- Approx. 30% of high-priority initiatives currently underway
- An average of 13 initiatives identified per entity, of which 3 high-priority initiatives

IBL's digital roadmap: Where we are now and next steps

Where we are now

STEP 1 PROJECT SCOPING › **STEP 2** PRIORITISING NEEDS › **STEP 3** ARBITRATION AND PLANNING

Current projects
+
New initiatives

›

What we need to do
High-priority initiatives
Current projects
Quick-wins

What we would like to do
Other projects to be considered

›

Economic impact assessments
+
Financial constraints / delivery capacity
+
Progress made on high-priority initiatives
+
Arbitration

›

Programme budget 2018

Trajectory for 2018-20

Sustainability
HOW WE CREATE VALUE

Creating a brighter future for all

Sustainability is at the heart IBL's Mission, Vision and Values. It is also a key part of our strategy. It drives our performance and challenges us to innovate, for instance by targeting new markets and developing increasingly environmentally-friendly and socially responsible products and services.

We believe that the only way we can create value for our Group, stakeholders and wider society in the long term is by placing sustainability considerations at the centre of our business model while managing our social and environmental risks and impact.

How we've begun to deliver on our sustainability approach

OUR AREAS OF CONCERN	STRATEGIC OBJECTIVES	ACHIEVEMENTS THIS YEAR	NEXT STEPS
People and Stakeholders (UNGC 1 to 6)	To be a responsible employer and business in Mauritius and abroad, while taking care of all our stakeholders, including our team members.	· Human Capital Strategy deployed at IBL Group level to invest in our people and reward performance (see report on p. 66) (SDGs 3,4,5,8,10). · Investment within IBL communities via FJL and other CSR vehicles (see report on p. 78) (SDGs 1,3,4,11). · Proactive, transparent engagement with Froid des Mascareignes stakeholders as part of the "learning by doing" sustainability best practices and materiality analysis (see report on p. 72).	· Continue to implement IBL's Human Capital Strategy. · Continue to work with and invest in the communities in which IBL operates. · Continue to improve engagement with stakeholders to understand their concerns.
Ethics and Governance	To apply good business and governance practices and disseminate them to our stakeholders.	· Workshops to embed IBL Group Values and IBL Together culture among staff. · Ongoing compliance with the Corporate Governance Code for Mauritius (SDG 16). · Creation of new Group-level functions such as risk management, compliance and ethics to improve oversight and accountability. · Working with IBL operations' management teams as they roll out these policies to their businesses.	· Continued improvement of Group-level oversight of sustainability, strategy and risk management. · Institutionalisation of sustainability monitoring and reporting in order to improve accountability.
Environment (UNGC 7-8-9)	To manage our environmental footprint by improving business practices, innovating and taking advantage of sustainable business development opportunities.	· Establishment of Group-wide sustainability policies: Sustainability + Waste. · Launch of the Group's sustainability programme with Blue Economy specialist Gunter Pauli (SDGs 9,17). · Supported the Island Bio social entrepreneurs through the donation of a van as well as ad-hoc assistance (on communications, branding, marketing, use of IBL network) (SDGs 1, 2, 8, 10, 11, 12). · Continued to be an active member of the Waste Committee at Business Mauritius and to take part in its waste project as a pilot company (SDGs 11, 12, 17).	· Feasibility study of Blue Economy initiatives (e.g. innovative agro projects and industrial processes to reduce waste while creating value) (SDG 9). · To deploy energy-efficient solutions across the Group (SDGs 7, 9, 11, 12, 13). · Continue to support local entrepreneurs who seek to address sustainability issues. · Create partnerships at national level to implement waste management solutions.

Sustainability

Reporting in line with global standards

IBL is committed to monitoring, assessing and reporting on its sustainability in line with international standards including the UN Global Compact Principles (UNGC), and in order to achieve global aims such as the Sustainable Development Goals (SDGs).

IBL is in the process of institutionalising sustainability reporting based on Global Reporting Initiative (GRI) Standards. (See boxed text below). Our Group has also been a Participant member of the United Nations Global Compact since November 2017 and a Member of the UNGC Advisory Committee and the Local Network since March 2018. Our first Communication On Progress (COP) towards Global Compact goals will be published at the end of 2018.

In addition, IBL adheres to the guiding principles of the Stock Exchange of Mauritius Sustainability Index (SEMSI). These are based on GRI standards (G4), with companies selected for listing based on corporate governance, economy, environment and social sustainability criteria.

Pilot project to identify material sustainability issues at Froid des Mascareignes

Over the past financial year, with support from Ecological Living in Action Ltd, the Group ran a pilot project with Froid des Mascareignes (FdM) to document how the company identifies and reports on its material sustainability issues.

The project's final report reviews the methodology, tools and internal and external stakeholder engagement processes that FdM used to establish its material topics. It also includes a materiality matrix developed using Value Chain Mapping (VCM) and Multi-Criteria Analysis (MCA).

The pilot project was observed by IBL's 20-odd Sustainability Champions, who work in businesses across the Group. The aim was for the Champions to learn about the process in order to implement the materiality analysis in their own companies in the coming year.

FdM is now in the process of writing its first Sustainability Report based on the results of this materiality analysis. It is also establishing a framework to monitor and manage the sustainability issues identified.

Both the Methodology and the Sustainability Reports will be available on IBL's website in the next financial year.

IBL's energy commitment

IBL is aware of the environmental impact of its energy consumption. The Group has committed to reducing its carbon-based energy footprint by a third within the next three years. It will do this by:

- Reducing its use of fossil energy by implementing energy-efficient methods and business practices; and
- Looking into renewable energy sources such as solar or methane from effluents.

Corporate Social Responsibility

Creating a brighter future for all

IBL's corporate social responsibility (CSR) work is a key part of IBL's wider sustainability approach. It is a particularly crucial part of our stakeholder engagement and of our efforts to invest in the communities we work in. IBL delivers CSR work through Fondation Joseph Lagesse, the AfrAsia Foundation, the Helping Hands Foundation at Phoenix Bev, A Small Step Matters as well as via CSR committees within individual IBL businesses.

Fondation Joseph Lagesse

The primary channel through which IBL disburses corporate social responsibility is Fondation Joseph Lagesse (FJL). It was set up in 2005 by Arnaud Lagesse, now IBL's Group CEO.

FJL's vision for 2018-19 onwards is to reduce poverty sustainably in Mauritius by:

- Supporting livelihoods;
- Promoting social justice and human dignity;
- Contributing to young people's growth and development;
- Providing access to high-quality education; and
- Empowering communities.

These aims are in line with the following Sustainable Development Goals (SDGs):

- SDG 1: No Poverty
- SDG 3: Good health & well-being
- SDG 4: Quality education
- SDG 11: Sustainable cities & communities

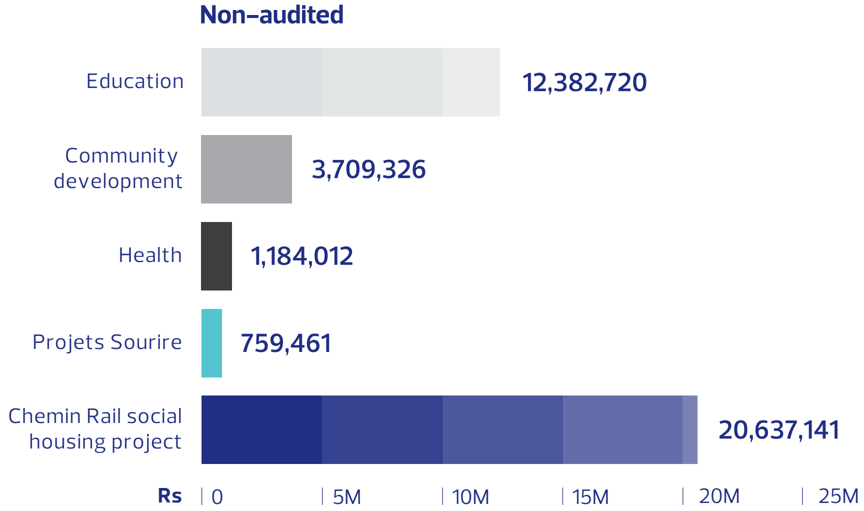
In order to achieve these goals, the foundation runs short-term in-house projects; manages long-term "corporate programmes" focused around each of its priority areas; and supports external NGOs. FJL seeks to reduce poverty by working in the following areas:

Education

Community development
including small-scale community projects known as "Projets Sourire"

Health

Allocation of funding by priority area



Projets Sourire: Strengthening IBL's engagement with the local community

Projets Sourire are local community projects that are managed by CSR Committees within IBL businesses. These small-scale or one-off projects, consisting of donations of supplies for instance, are run in areas where IBL is present or in which its employees live. Their aim is to strengthen local relationships between IBL and the community and to encourage IBL team members to become CSR volunteers.

In 2017-18

- 18 short-term in-house projects were run, reaching over 300 direct beneficiaries, of which more than 175 children, 50 young people and 180 families.
- 4 long-term corporate programmes were run.
- Funding was provided to NGOs including Caritas (Centres d'éveil), Kinouété, Soleil de L'Ouest, Terre de Paix, Passerelle, Tipa, Mission Verte and Mouvement Bien-Être de Batterie Cassée.

A challenging environment for CSR in Mauritius

Fondation Joseph Lagesse receives CSR funds from almost 100 different IBL companies and offices. It relies on these funds in order to operate. It also relies on non-CSR donations from other companies or individuals.

In the past year, FJL has experienced a major reduction in its CSR funding due to new Mauritian CSR regulations. These require 50% of corporate CSR funds to be transferred to a new national CSR fund administered by the National CSR Foundation. As a result, FJL has had difficulty in carrying out its own long-term corporate projects in education and health while continuing to fund its partner NGOs.

This government CSR levy is set to increase to 75%. FJL is therefore having to withdraw from its funding relationships with external non-profit organisations. However, its new research unit will use evaluation, community research and impact analysis to maximise the Foundation's effectiveness, allowing us to continue to reduce poverty in Mauritius in the long term.

FJL also plans to seek funding from and create meaningful partnerships with international organisations. It is already working with the Community Anti-Drug Coalition, an international NGO, to implement a unique community programme that aims to reduce substance and alcohol misuse in underprivileged neighbourhoods in Mauritius.

Despite the challenging environment for CSR in Mauritius, FJL intends to continue to develop its expertise in community development; encourage IBL team members and businesses to get involved in community service and create local CSR initiatives; and deliver on impactful programmes that empower vulnerable people and communities and sustainably reduce poverty in Mauritius.

SDG 1: NO POVERTY

8 facilitators from Bois Marchand trained in community mobilisation

Two-year community improvement project, Revey Twa Bois Marchand Pou Nou Fierté, launched

Empowering communities

Supporting livelihoods

Promoting social justice and human dignity

Major social housing project completed in Chemin Rail: Homes built for 11 families this year

Housekeeping programme at Chemin Rail

Emergency support given to 51 families after cyclone Berguitta damaged their homes

SDG 11: SUSTAINABLE CITIES & COMMUNITIES

Corporate Social Responsibility
HOW WE CREATE VALUE

SDG 4: QUALITY EDUCATION

Teachers trained in Montessori methods in Bois Marchand, benefitting 50 children

Bois Marchand youth project: 33 young people involved

Providing access to high-quality education

Contributing to young people's growth and development

107 afterschool care sessions held, benefitting 57-75 children

Specialised medical screening provided to 74 children

Food support programme in Bois Marchand: 35,640 meals served to children aged 2 to 9

Follow-up home visits from social care workers in Bois Marchand: 160 families seen

SDG 3: GOOD HEALTH & WELL -BEING

Our Performance

Group Chief Finance Officer's Review

Highlights

Last year, I reported that the Group had completed its first year post-amalgamation, largely integrated its business model and undertaken an extensive strategic review which resulted in a list of objectives with action plans for the Group's Corporate Office and the Group's subsidiaries and associate businesses.

This year has been a year of execution, during which many of the planned actions have been concluded ahead of schedule. The 2018 financial results of the Group show this and I am particularly pleased to see underlying growth despite numerous challenges in specific sectors, which the Integrated Report explains.

Our steady growth, as evidenced by results over the last five years, has enhanced market confidence in the Group. IBL's share price on the Stock Exchange has continued to rise and our bond issue was over-subscribed by five times, a record for Mauritius.

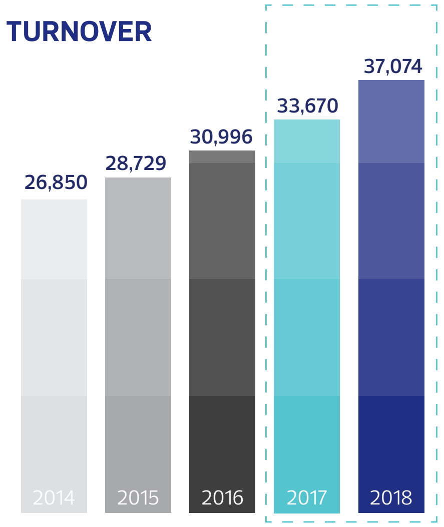
Headline profit and loss

	THE GROUP	
	Audited	
	2018 Rs'000	2017 Rs'000
Revenue	**37,074,403**	33,670,136
Profit from operations	**2,345,087**	2,744,281
Share of results of associates and joint ventures	**363,545**	494,575
Other gains and losses	**780,296**	(155,036)
Net finance costs	**(757,153)**	(700,828)
Profit before taxation	**2,731,775**	2,382,992
Taxation	**(345,886)**	(406,264)
Profit for the year from continuing operations	**2,385,889**	1,976,728
(Loss)/Gain for the year from discontinued operations	**(3,017)**	29,031
Profit for the year	**2,382,872**	2,005,759
Other comprehensive income/(loss) for the year	**548,658**	(22,890)
Total comprehensive income for the year	**2,931,530**	1,982,869
Profit attributable to:		
Owners of the parent	**1,508,967**	1,093,106
Non-controlling interests	**873,905**	912,653
	2,382,872	2,005,759
Total comprehensive income attributable to:		
Owners of the parent	**1,883,227**	1,112,645
Non-controlling interests	**1,048,303**	870,224
	2,931,530	1,982,869

Group Chief Finance Officer's Review

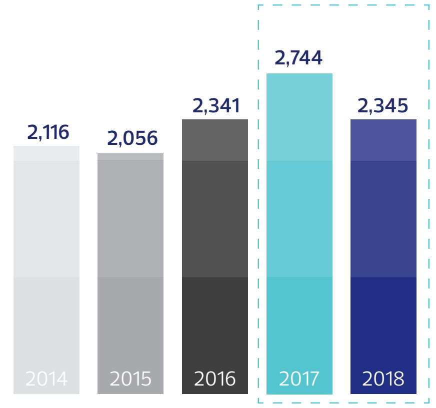
Long-term profit trends
(Rs Millions)

TURNOVER



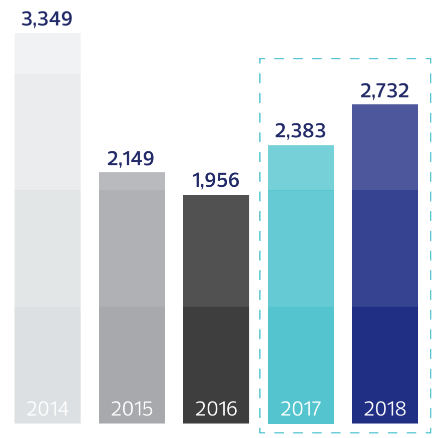
- Sustained top line growth.
- Turnover increased by a compounded average growth rate of 8.4% between 2014-18.
- 10.1% growth over the last year in line with long term trends.

OPERATING PROFIT



- Sustained operating profit growth, rate 2.6%.
- Operating profit decreased over last year, due to margin pressures on traditional business lines, business restructuring and some non-recurring items.

PROFIT BEFORE TAX

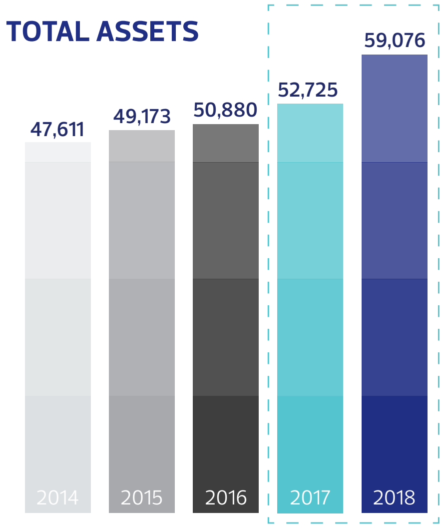


- Year on year growth was 14.6%.
- Current year growth benefitted from exceptional items following strategic disinvestments during the year.

Group Chief Finance Officer's Review

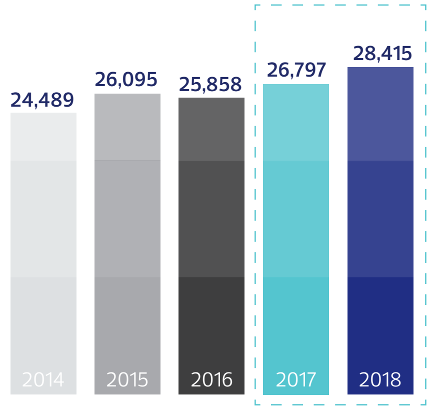
Long-term balance sheet trends
(Rs Millions)

TOTAL ASSETS



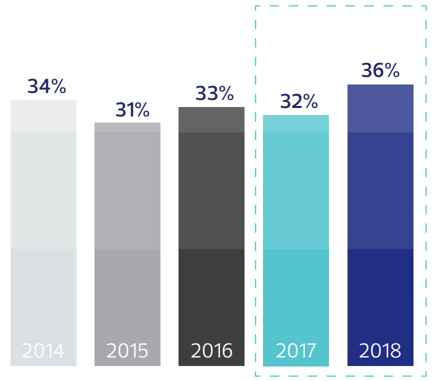
- Total assets increased following acquisition of new subsidiaries, mainly BlueLife and CMPL (Monoprix).
- Year on year increase was 12.0%.

SHAREHOLDERS' EQUITY



- Shareholders' equity grew at a compound rate of 3.8% annually.
- The sustained increase in shareholder equity translates into the increase in share prices of IBL over the last two years.

GROUP GEARING (%)



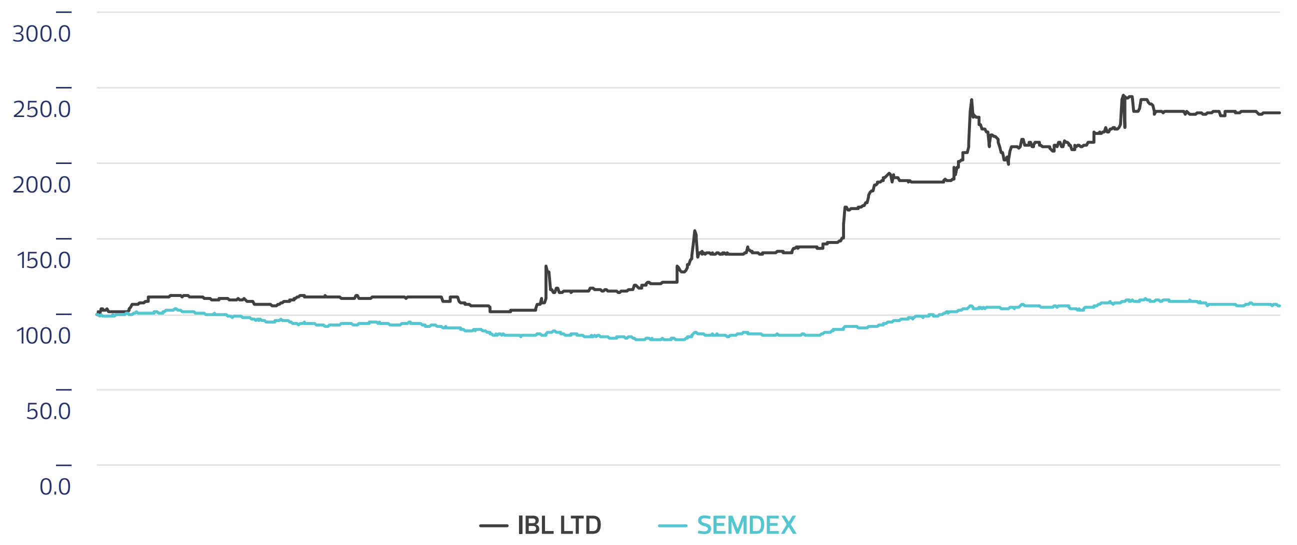
- Group gearing relatively stable over the last five reporting periods.
- The low gearing creates space to entice new investment opportunities in line with the Group's strategy.

Group Chief Finance Officer's Review

Share price performance

Five year trend vs market

Five year share price – indexed at 100 as at 30 June 2014



Shareholder returns – last year

RETURN TO SHAREHOLDERS

	Rs	%
Capital appreciation	9.75	24.28%
Dividend received	0.73	1.82%
Holding period return	10.48	26.10%

TOTAL SHARES TRADED IN FY 18
4,344,367
(0.6% OF TOTAL)

AVERAGE DAILY VOLUME TRADED
17,732

HIGHEST VOLUME TRADED ON ANY DAY
336,980

HIGHEST SHARE PRICE
53.00

LOWEST SHARE PRICE
40.20

- IBL's share price has nearly doubled in the last five years. Annualised capital appreciation since amalgamation is 36%*.
- IBL has one of the most attractive stocks in Mauritius. Coupled with increased dividends, cumulative TSR has more than doubled since amalgamation. IBL shares have outperformed SEMDEX by 3.4x since their introduction in July 2016.
- TSR over the last financial year was 26.1%.
- Traded volumes are generally low. Investors in IBL Ltd shares typically have a purchase and hold strategy. IBL bonds listed on the stock exchange have experienced low trading as well.

* Up to 30 September 2018.

Group Chief Finance Officer's Review

Group revenues

We have seen significant revenue growth in five Clusters:

10%

- **Building & Engineering**: The contracting business refurbished two large 5-star hotels, including LUX* Grand Gaube, generating an increase in revenue of Rs 743M. The increase in revenue was offset by a drop in shipbuilding activity of Rs 92M at CNOI. Last year, CNOI had large one-off shipbuilding contracts which did not recur this year. UBP's turnover grew by Rs 276M.
- **Commercial**: This sector now includes la Compagnie des Magasins Populaires Ltée (CMPL, trading as Monoprix), acquired during the year. The results included post-acquisition revenues of Rs 964M plus organic growth of Rs 656M for Winner's and Rs 108M for BrandActiv.
- **Hospitality**: LUX* grew by Rs 651M thanks to its high occupancy rates and increased revenue per room, despite the closure of LUX* Grand Gaube for refurbishment.
- **Manufacturing & Processing**: This sector benefitted from an increase in revenue at PhoenixBev of Rs 836M, offset by a slowdown in the Seafood sector by Rs 115M as a result of fishing quotas enforced during the year.
- **Property**: This sector now reflects the income in Bloomage after its acquisition of properties from other Group companies and the results of BlueLife post-acquisition. Bloomage has also acquired La Palmeraie Hotel, which it is currently refurbishing.

Explanation of year on year movement in turnover
(Rs Millions)

Group Chief Finance Officer's Review

Group operating profit

- **Building & Engineering:** Despite the increase in revenues in the sector, the contracting arm of the sector experienced a market-driven margin squeeze overall. CNOI ship building profits dropped but also performed at a lower overall margin percentage.
- **Commercial:** Operating profit figures include the Monoprix losses post-acquisition and some restructuring costs in the Healthcare business. Both of the above businesses are expected to significantly improve their performance going forward following the investments made.
- **Financial Services:** The Group's main management company, DTOS, had a stable underlying performance but was affected adversely by conversion of USD denominated revenues to MUR given lower USD rates during early parts of the year. Mauritian Eagle Insurance experienced a slight drop in profit due to increased claim ratios.
- **Hospitality:** Underlying performance up despite closure of LUX* Grand Gaube for refurbishment. Operating results dropping year on year is principally due to the one off gain on sale of Tamassa last year.
- **Manufacturing & Processing:** Results up in line with PBL turnover. This was offset however by most seafood businesses suffering from lower fish volumes in the Indian Ocean. During the year, some fish was imported from the Atlantic Ocean for processing but proved prohibitively expensive to sustain the activity.

15%

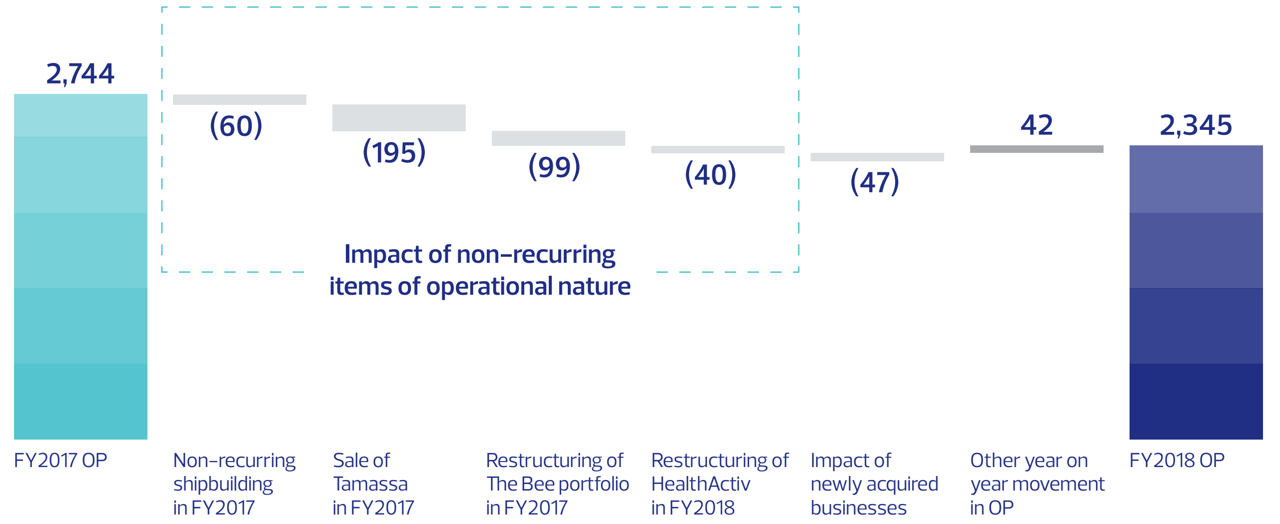
Rs (399M)

2%

Excluding non- recurring items and new businesses

In the chart below, the adverse impact is reflected within other year on year movements.

Explanation of year on year movement on Operating Profit (OP)
(Rs Millions)



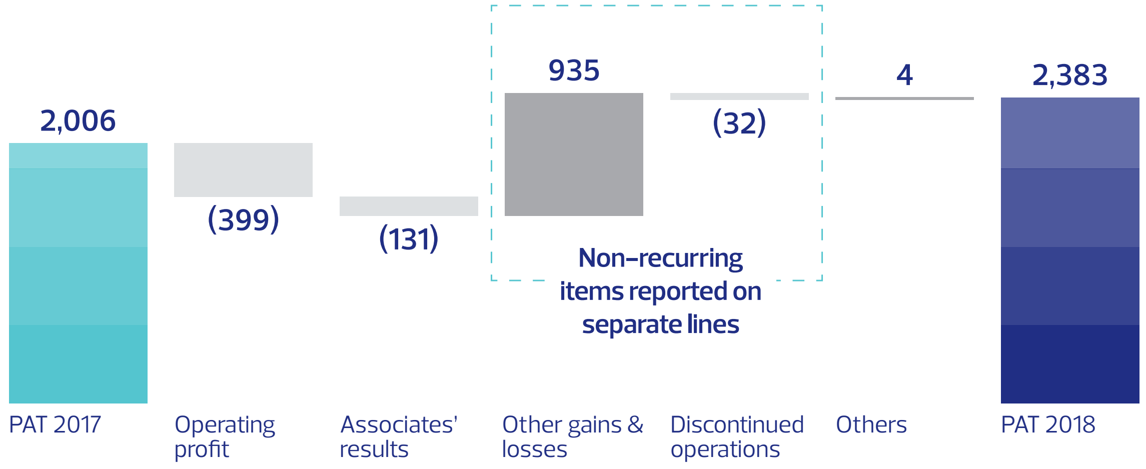
Group Chief Finance Officer's Review

Group profit after tax

- The Group benefitted from a gain realised on the disposal of ABAX and on the consolidation of an acquisition.
- Operating profit was affected by non-recurring items, the consolidation of Monoprix which generated a loss, albeit lower that its pre-acquisition loss, which reflects the beginning of a turnaround in performance. Operating results also include a loss from BlueLife. There was also a restructuring of HealthActiv, while the Building & Engineering and Commercial Clusters suffered from margin declines.
- The results from associates were mainly affected by Princes Tuna (Mauritius) Limited due to the fishing quotas mentioned above.

19%

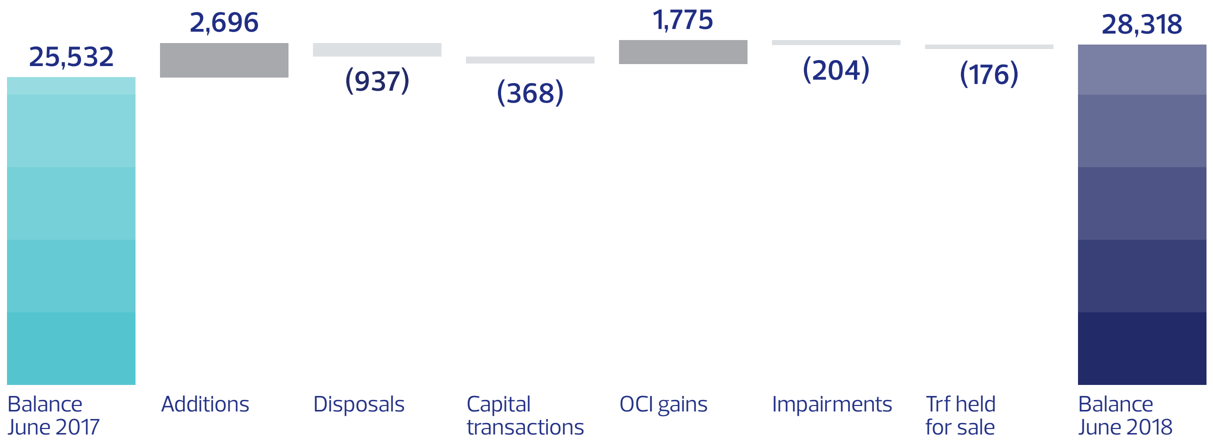
Explanation of year on year movement in Profit After Tax (PAT)
(Rs Millions)



Group Chief Finance Officer's Review

Investment portfolio of the Company

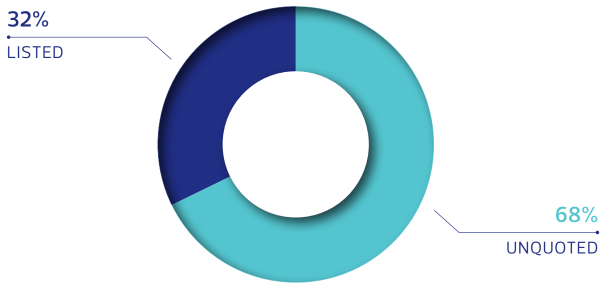
Valuation change vs last year
(Rs Millions)



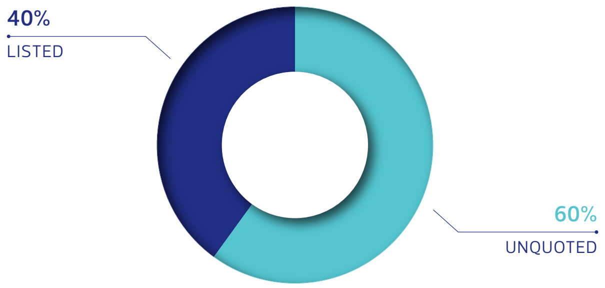
Investment mix – Quoted vs unquoted

- Purchased additional 10% shareholding in LUX* from MCB in December 2017. Acquired further 7.2% share from the public through a mandatory offer.
- Subscribed and underwrote rights issue made by BlueLife in February 2018.
- Subscribed to a rights issue of AfrAsia in April 2018 at Rs 72 per share.
- ABAX disposed of during the year, and focusing on DTOS as sole company within the Group to operate within the Global Business segment.
- Capital reduction of Rs 505M in Winhold during the year after the sale of IBL Properties Ltd to IBL Ltd. IBL Properties was subsequently renamed Bloomage Ltd.
- The sale of Mauritian Eagle Leasing Company Ltd was concluded after the financial year effective on 31 August 2018. This investment has been moved to held for sale.

2017



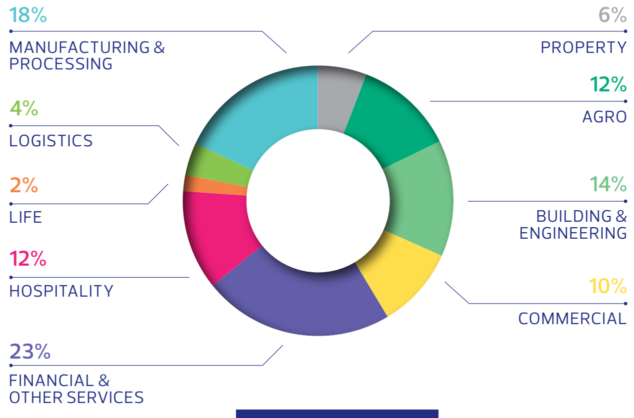
2018



Group Chief Finance Officer's Review

Portfolio breakdown – by Cluster

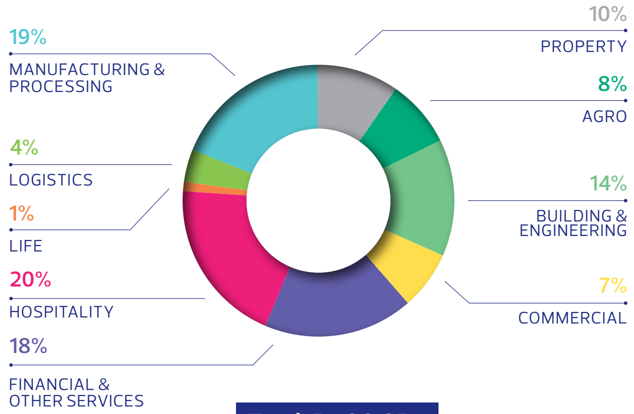
2017



Total: Rs 25.5Bn

- IBL has a diverse portfolio and 2017 reflected the first year post-amalgamation. The main focus last year was the integration of the two companies.
- A portfolio review was also conducted in 2017, as part of the overall strategy review with McKinsey.
- Some portfolio rebalancing was planned as a result of the above, including to exit non-strategic areas and to increase stakes in strategic ones.

2018



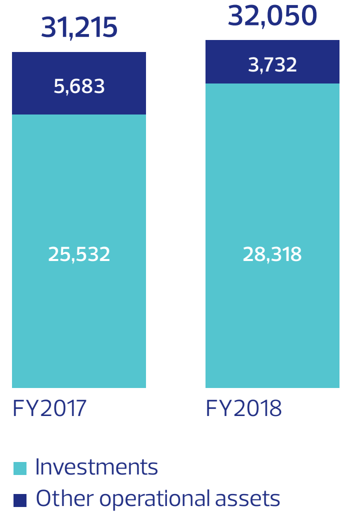
Total: Rs 28.3Bn

- In the financial year ended 30 June 2018, a number of initiatives were concluded.
- IBL increased its stake:
  - In LUX* to 56.47%, following a voluntary take over;
  - In BlueLife to 48.99%, following a rights issue; and
  - In AfrAsia to 30.29%, following a rights issue.
- IBL sold its stake in ABAX to focus on a single management company, DTOS, in which IBL holds 100% of shares.
- We restructured our investment in Winhold following the creation of Bloomage, which owned the buildings of several Winner's Supermarket, and is now the platform for the development of the Group's Property Cluster.
- Note that the weight of the Commercial Cluster does not include BrandActiv and HealthActiv, which operate as part of IBL Ltd Company.

Group Chief Finance Officer's Review

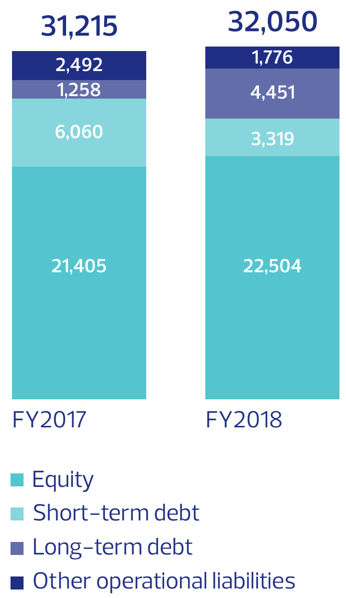
Balance sheet development (IBL Company)
(Rs Millions)

Total assets



- The Company's assets consist mainly of investments in subsidiaries, associates and joint ventures.
- Other operating assets and liabilities relate to the operating activities of the Company, which include mainly the activities of the Group's Corporate Centre, BrandActiv, HeathActiv and some activities within the Logistics Cluster.

Total equity and liabilities



- The Company's equity benefitted largely from the upward revaluation of investments.
- Borrowing shifted significantly from short-term last year to medium-term in 2018 following a Rs 3Bn bond issue in the first half of the year, over-subscribed by five times.

Group Chief Finance Officer's Review

Outlook

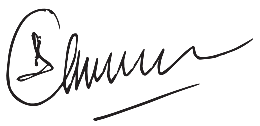
The Group has demonstrated sustainable growth over the last few years through its ability to be nimble and act decisively to seize market opportunities. This growth trajectory is expected to continue as a result of having strong underlying businesses within a diversified portfolio.

The number of key strategic initiatives completed during the year has shifted its portfolio towards areas of high future growth and strengthened the Company's balance sheet. We expect to see positive results flowing from our investments.

Internally, in order to excel in Mauritius and progress abroad and to become leaner overall, IBL has invested in a regional office in Kenya to facilitate the development of opportunities with strategic fit and high growth potential in chosen markets on the African continent.

It is also investing in technology to improve both operating and service efficiency. We see this as an imperative as the pace of technological change accelerates.

Finally, IBL is continuously investing in its governance, internal audit and risk functions which are aimed at strengthening core services to safeguard the interest of its stakeholders as we continue our growth journey.



Dipak Chummun
Group Chief Finance Officer

Agro

- The environment for sugar has deteriorated over the past year, with a number of factors putting downward pressure on international sugar prices:
  - A world sugar surplus in 2017/2018 (Oct/Sep);
  - The abolition of EU beet sugar production quotas in October 2017, resulting in a 20% increase in EU domestic sugar production, which has made it more challenging for Mauritius to market its sugar in the EU; and
  - The issuing of import licences for significant amounts of duty-free sugar in Kenya, which exerted a drag on the domestic industry for much of the year.
- Our sugar operations in East Africa benefitted from ongoing sugar deficits in the Kenyan and Tanzanian markets and the improved regulation of sugar imports in Tanzania.
- Brexit and a change of government in France are creating a general 'wait and see' mood in France, Switzerland and the UK, our main markets for real estate, making it more challenging to finalise property sales.

Building & Engineering

- 2017-18 marked a return to form for the Mauritian construction industry. The sector grew by 7.5%, up from 0% in 2016, leading to increased profitability in the contracting and building materials industry after a downturn lasting several years.
- This upturn is due in part to the large number of major public investment projects greenlighted this year, including the Road Decongestion Programme and the Metro Express, as well as to the continued growth of the hospitality sector.
- A large number of other infrastructural projects are set to begin in 2018-19, a year which is looking highly promising for the sector.

Commercial

- Competition in the Mauritian retail space remains intense, with a large number of different types of retailers present across the island. This continues to put downward pressure on prices and profit margins.
- Consumers' standards of living are rising and their purchasing power is increasing, leading to greater demand for produce and freshly-made items, as well as the emergence of promising niche markets for vegan and organic products among others.
- There is a considerable opportunity in the development of online shopping platforms.
- Market conditions for our industrial supply activity remain challenging as a result of the decline of print-related products in Mauritius and the shift towards digital.

Financial & Other Services

- Worldwide, the financial services industry is subject to increasingly stringent regulatory and compliance standards. FinTech is also disrupting business models across the sector, particularly in banking, while offering opportunities for innovation via more impactful data processing and the provision of services online for instance.
- In Mauritius, the insurance sector remains ferociously competitive, driving premium rates down and affecting profitability. Changes to weather conditions (e.g. floods) have also led to an increasing number of claims, further affecting profitability.
- Mauritius' global business sector in particular is having to adapt to increasingly rigorous international regulatory norms. By continuing to improve its regulatory compliance, Mauritius can strengthen its reputation as an investment destination and attract business from other jurisdictions.
- The India-Mauritius Double Taxation Avoidance Agreement Protocol (the "Protocol") that came into effect in April 2017 has impacted India-related businesses within the Global Business Sector. However, the Protocol has opened up new opportunities for the Indian market, and Mauritius continues to be recognised by investors as a tried and tested route into India. The Protocol has also prompted the sector to diversify towards other markets on the African continent in particular.

Hospitality

- The macro-economic context for hospitality remains stable though highly uncertain. Travel and tourism globally grew 4.6% in 2017, up from 3.1% the previous year. In Mauritius, tourism arrivals for the year 2017 increased by 5.2%.
- The coming into effect of the European Union's General Data Protection Regulation (GDPR) has required the Cluster to ensure its website, digital marketing and data strategies are all compliant.

Life

- Internationally, the Health Sector appears to be returning to stronger growth after several years of modest international growth and political uncertainty.
- The sector remains fast-moving and dynamic, with technological changes disrupting the sector's business models and driving innovation.
- The health and environment sectors are subject to local and international regulations that fluctuate constantly. As service providers for their clients, CIDP and QuantiLab must at all times monitor and comply with new and emerging legislation.
- Due to the Cluster's international activities, our companies are vulnerable to foreign exchange fluctuations and to customs and cross-border logistical issues. For instance, CIDP and QuantiLab were negatively affected by India's November 2016 cash ban.

Logistics

- Brexit remains a source of uncertainty. A no-deal Brexit would require the UK and Mauritius to establish a new trade agreement before the end of the transition period. Mauritian goods exported to the UK, in particular textile and fish exports, will be denied duty-free access if an agreement is not reached in time. This, together with the weakening of the pound, will affect the competitiveness of these industries, with potentially negative consequences for air and sea transport.
- The way that international tuna fishing quotas are being implemented is creating uncertainty for the tuna processing industry in Mauritius, with knock-on effects for IBL's shipping activities.

Manufacturing & Processing

- **Beverages**
  - Affected by higher direct taxes on our products and increases in commodity prices.
- **Seafood**
  - The sustainable management of tuna stocks in the Indian Ocean is a major concern for our Seafood activity. Fishing quotas adopted by the Indian Ocean Tuna Commission (IOTC) in 2016 and implemented in 2017 have resulted in some member states "racing to fish" and exhausting their tuna quotas prior to year-end.
  - An amendment to the resolution voted in at the IOTC's 2017 Commission meeting partly addressed this problem. It will help to slow down catches throughout 2018, allowing the seafood industry to try and obtain enough fish for the year.
- **Meat processing**
  - IBL had hoped to secure a major export contract which we did not obtain. Oil and gas exploration in Uganda has been slower than expected and has curtailed the development of the Ugandan catering industry, a key part of our client base.

Property

- Mauritius' moderate economic growth continues to depress demand for rental space. This issue is being compounded by an oversupply of commercial and industrial lettable space and the development of new stocks of commercial and industrial lettable spaces within "smart cities" in Mauritius.
- Sales of new-build residential property to non-Mauritian citizens have stagnated in recent years due to increasing competition from small Property Development Scheme projects in Mauritius and from property schemes promoted by some European countries and Caribbean islands. An increasing supply of residences is also becoming available for resale from an inventory of units built under various development schemes since 2002.
- In addition, construction costs continue to increase in Mauritius, affecting both our competitiveness and our profitability.

Agro

Agro

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
Mauritian leader in the sugar industry (sugar cane growing, milling, refining) and major producer of special sugars and sugar by-products. Coal-bagasse and renewable energy pioneer in Mauritius. Substantial land assets in eastern Mauritius and expertise in luxury property development, particularly Anahita IRS estate.	· Businesses in 3 countries · 3 sugar mills · 1 sugar refinery · 3 power plants · 1 solar farm currently in development · 282,000 tonnes of sugar produced (Mauritius, Kenya & Tanzania) · 3,490 additional hectares under cane in 2017-18 (Kenya) · 344 GWh of energy exported to the grid · Sale of 13 serviced plots and 5 villas within the northern parcels of Anahita in 2017-18	**Alteo**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa	· Product diversification into higher value-added products such as special sugars and optimising revenues from by-products such as bagasse and cane trash for energy. · Develop capacity and knowhow in other forms of renewable energy (solar, wind, biomass). · Focus on successful completion of Anahita estate and develop Alteo's strategic blueprint for eastern Mauritius. · Develop capacity in East Africa to take advantage of market opportunities and achieve economies of scale.

OUR PERFORMANCE

Agro

Performance against objectives	Financial performance	Next steps
· Restructure: consolidation of agricultural activities under new entity Alteo Agri, and creation of a dedicated Board. **Sugar** · Robust performance in Tanzania explained by favourable market conditions. · Drop in production and sales in Kenya due to lack of cane and glut on sugar market (due to substantial imports of duty-free sugar). **Property** · Sales of serviced plots and villas within Anahita northern parcels. · Satisfactory progress achieved on villa construction works. **Energy** · Launch of Helios Beau Champ, a solar farm, in JV with Quadran. · Slight dip in performance due to rising cost of coal and unusually high maintenance costs.	Revenue **Rs 8,176M** 2017: Rs 8,929M (-8%) Profit **Rs 702M** 2017: Rs 988M (-29%) Share of profit **Rs 110M** 2017: Rs 114M (-4%)	· New CEO to join in January 2018. **Sugar** · Create synergies between Cluster businesses, contain costs and achieve efficiencies. · Capitalise on favourable outlook for East African sugar operations by optimising capacity. **Property** · Continue to roll out strategic masterplan for Mauritius' east coast. · Gross margins expected from the ongoing construction of villas and the conversion of reservations into sales. **Energy** · Power Purchase Agreement set to expire in December 2018. Outlook for energy segment will depend on the renegotiated terms. · Aim to respond to CEB RFPs and position the business as a key player within Mauritius' renewable energy sector.

Building & Engineering

Building & Engineering

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
Building, engineering and contracting for Mauritius and the wider region's largest and most prestigious property development projects.	**Cluster** · Active in 6 countries · 2,295 employees **CNOI** · 400 employees **UBP** · 1,204 employees · 598 hours of training in total · +5.45% blocks sold this year · 470,000 checkout tills at Espace Maison	**Blychem** **Manser Saxon** **CMH** **Scomat** **ServEquip** **IBL Biotechnology** **UBP** **CNOI**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa	**Engineering and contracting** · Exploring potential mergers and acquisitions to vertically integrate activities and offer a one-stop-shop for the mid-size project market. **Building materials** · Particular focus on human capital strategy to improve quality, especially in client services: – Focus on innovation, cost control and new growth opportunities. – Provide training to improve team skills and performance and secure appropriate talent. – Engage with the Mauritian Government's National Skills Development Programme, a programme co-chaired by the Ministry of Education and Business Mauritius. **CNOI** · Increase production capacity to deliver on contracted construction and repair work.

OUR PERFORMANCE

Building & Engineering

Performance against objectives	Financial performance	Next steps
Engineering and contracting · Signed a first contract allowing us to deliver construction projects from start to finish / design to delivery. · Successfully delivered a number of large renovation and construction projects including St Geran, LUX* Grand Gaube. **Building materials** · Key hires: Human Resources Manager, Business Development Manager. · Introduction of new IT system across the Group. · Introduction of new "smart blocks" range. · Refurbishment Espace Maison's retail outlets + construction of 6th Espace Maison retail space. · Modernisation of production plants. **Engineering** · New Deputy COO recruited. · Continued focus on productivity, exploring new markets. · Launch of exercise to further optimise resources and capital at Scomat. **CNOI** · Secured additional 1.1 hectares of land adjacent to existing shipbuilding yard. · Delivery of a shrimp trawler for an Australian client; potential contract for an additional six or seven trawlers.	Revenue **Rs 8,645M** 2017: Rs 7,718M (+12%) Operating profit **Rs 635M** 2017: Rs 723M (-12%)	**Engineering and contracting** · Continue integration process begun in 2017-18. · Delivery of work on hotel at La Cambuse in Mauritius. · Seek out international growth opportunities e.g. in Dubai. **Building materials** · Large number of major infrastructure projects likely to begin in Mauritius in 2019. · Take advantage of complementarities within the Building Materials sector. · New head of HR and hiring for key roles including Digital Transformation Officer position. **Espace Maison** · Launch new Espace Maison e-commerce website and mobile application as part of a Smart Commerce concept. · Revamp loyalty scheme. · Open new retail space in the south of Mauritius. **CNOI** · Continue to pursue organic growth. · Explore prospects for regional expansion.

Commercial

Commercial

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
B2B and B2C suppliers in the retail, consumer, healthcare and industrial sectors. Cluster has a strong footprint in the Mauritian retail market thanks to strategic geographical positioning and a focus on meeting evolving consumer needs.	**Cluster** · 2,450 employees **BrandActiv** · Represents: Mondelez, Kraft-Heinz, L'Oréal, Colgate-Palmolive, Johnson & Johnson, BIC, Goodman Fielder, I&J · Own brands: Tropical, La Tropicale, Marémer, Greenfield, Sélection Boucher **HealthActiv** Represents GSK, Novartis, Roche, Allergan, Pfizer, Novo Nordisk, Cipla, Vitabiotics, Siemens, Varian, Bausch + Lomb, Nihon Kohden **MedActiv** · 7 pharmacies **Winner's** · 21 retail spaces · Monoprix: 3 retail spaces · 1 virtual outlet / e-commerce platform · 21% growth in footfall since the purchase of Monoprix · A total of Rs 15.7M in check-out receipts (representing 6.3% growth year on year) · 294 checkout tills · 6.2M fresh baguettes sold · 1,329 local suppliers · 1,931 full-time employees · Approx. 9 hours of training per employee (12,045 hours for 1,349 employees) **Intergraph** · 2,200 tonnes of paper sold in Mauritius and Reunion Island	**BrandActiv (IBL Ltd)** Healthcare Operations: · **HealthActiv (IBL Ltd)** · **MedActiv (MTCL)** · **Medical Trading International Ltd** **Winner's** **Monoprix** **Intergraph**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa	· Increase Mauritian market share and become our clients and suppliers' preferred commercial partner (Wholesale). · Continued focus on automatisation and digitalisation: use of technology to improve point-of-sales performance, exploit e-commerce opportunities (Wholesale). · Acquire regional distribution rights from suppliers (BrandActiv). · Pursue organic and inorganic regional growth, particularly in Madagascar and the neighbouring region (Wholesale and distribution, Industrial supply). · Diversification into West African markets.

Commercial

Performance against objectives	Financial performance	Next steps
Cluster · Several major e-commerce projects launched this year. **Wholesale and distribution** · BrandActiv and Healthcare Operations consolidated: joint leadership and shared services (Finance, Human Capital, IT and Supply Chain) . · BrandActiv: review of market penetration strategy and revamping of channel management structure. · Creation of a regulatory and compliance department to support Healthcare operations. · Implementation of an ERP to improve merchandising, automate procurement and orders. · Sale of distribution rights for brands such as Label 60 chicken. **Retail** · Acquisition of Monoprix to extend our presence in Mauritius (Curepipe, Bagatelle, Cascavelle) and move into medium-sized supermarkets. · New communications strategy: New identity for Winners rolled out. · Continued operational improvements at Winner's to drive efficiency and profitability. · Ongoing investment in IT and in digitalisation of processes (e.g. procurement). · E-commerce platform (Winners.mu) rolled out. · New, aggressive pricing strategy rolled out in Nov 2017 to reinforce market share, resulting in double-digit growth month on month since its launch. **Industrial supply** · Creation of a barcode and stock management system to improve reconciliations. · Installation of printing presses in Mauritius and in Reunion; · Installation of a rotative unit for a newspaper in Madagascar · Creation of Intergraph Africa, which acts as the Sales and Service Unit for Heidelberg Druckmaschinen in 7 countries in west and central Africa. · Representation of Gallus across all Indian Ocean and west and central Africa. · New Epson regional showroom in Reunion island for inkjet digital printing.	Revenue **Rs 13,070M** 2017: Rs 11,281M (+16%) Operating profit **Rs 313M** 2017: Rs 474M (-34%)	**Wholesale and distribution** · Continue to improve efficiency via automatisation, ERP improvements, and consolidated and improved logistics. · Continue to extend portfolio. · Explore potential e-commerce opportunities. · Continue to pursue regional partnerships. **Retail** · Positive outlook. · Continue to pursue client proximity strategy. · Continue to improve efficiency (procurement and distribution, stock management, productivity) to drive profitability and serve clients better. · Ongoing professionalisation of team members – investment in training, coaching for staff. · Continue to develop e-commerce-related. opportunities e.g. home delivery · Particular focus on returning Monoprix to profit in the future. · Development of new product - Winner's hypermarket (4200m² of retail space) – as a natural evolution of the business' growth strategy. **Industrial supply** · Development and market acquisition in the African market.

Financial & Other Services

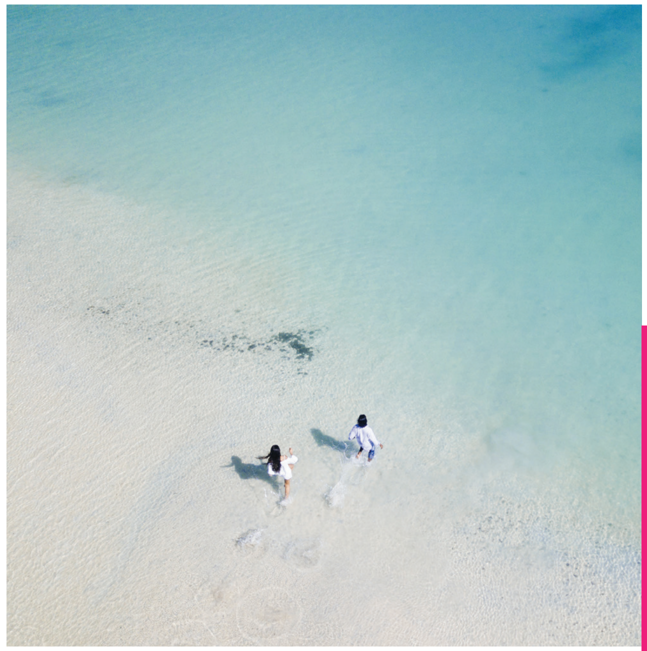
Financial & Other Services

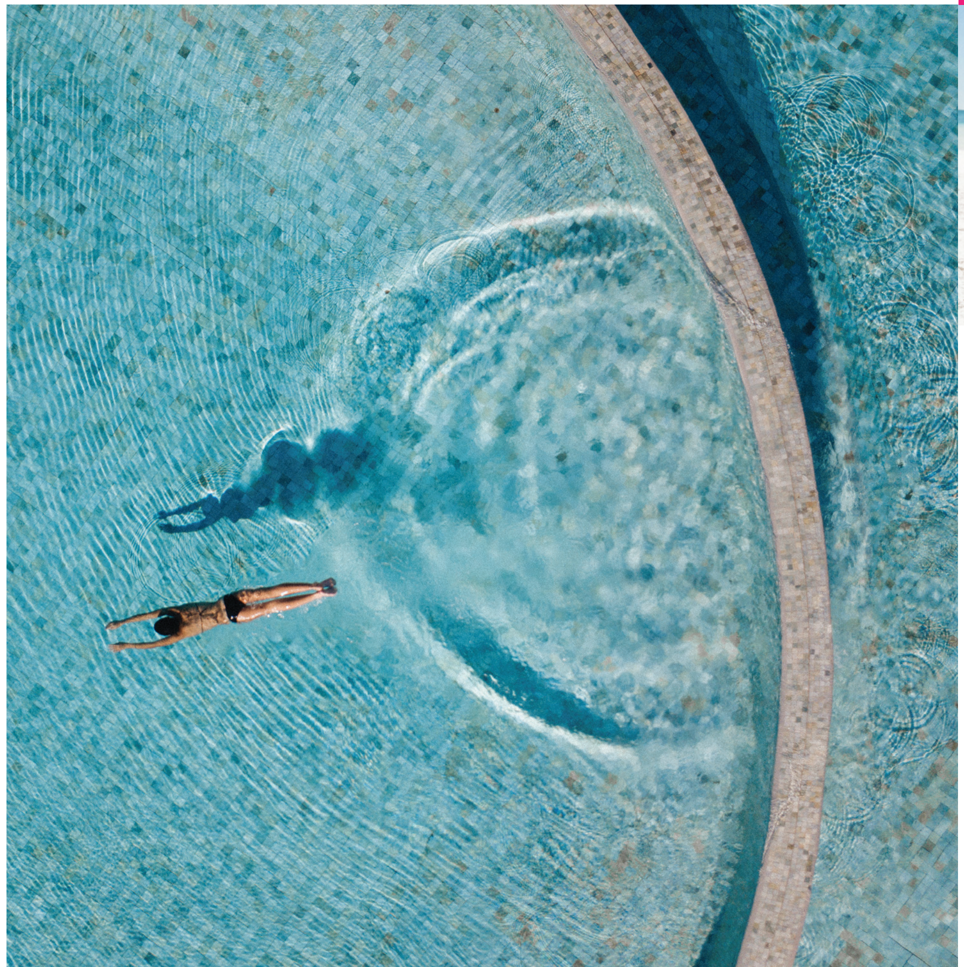
Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
A Cluster with a major footprint in Mauritius' financial services sector, and increasingly in the global financial services sector.	· +925 employees · 18,000 insurance claims handled in 2017–18 · Banking clients in over 130 countries	**AfrAsia Bank** **DTOS** **Mauritian Eagle Insurance (MEI)** **City Brokers (CBL)** **EllGeo Re** **LCF Securities** **The Bee Equity Partners**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa **3** International expansion	**Cluster** · Improve operational efficiency. · Invest in new technology to improve customer experience. · Recruit, retain and develop its key talent. · Seek out growth opportunities in Africa. **Stockbroking** · Reinforce IBL's position in the stockbroking market. · Strengthen organisational structure, including systems and internal resources. · Look for growth opportunities in African markets. **Insurance** · Consolidate Mauritian activities by digitalising and improving customer experience (MEI). · Expand into retail insurance market and develop medical insurance (MEI). · Rebrand and conduct marketing activities to increase brand profile and drive awareness of B2C offer. · Look for partnership opportunities in Eastern Africa (MEI, CBL and EllGeo Re). **Private equity** · Aim to invest in Mauritian SMEs, including start-ups. **Global business** · Pursue organic growth while attracting new clients through international partnerships. · Establish offices in other countries (e.g. Kenya and Dubai). · Invest in IT systems to improve efficiency and customer experience. · Invest in marketing and business development, including via a rebranding exercise. **Banking** · Invest in human capital and back-office systems to continue to develop locally and acquire more international clients.

Financial & Other Services

Performance against objectives	Financial performance	Next steps
Cluster · Sale of MELCO, our former leasing operation, to focus on larger entities. **Stockbroking** · Acquisition of IPRO Stockbroking's business book in exchange for shareholding in LCF Securities. · Acquisition of additional stake in LCF Holding. **Insurance** · Creation of in-house medical insurance offer (MEI). · New executive recruited to drive international expansion (EllGeo Re). **Private equity** · Expansion of team. · Reorganisation of portfolio to increase liquidity and implement private equity investment strategy. **Global business** · Sale of ABAX in order to focus on DTOS (wholly owned by IBL). **Banking** · Adoption of IFRS9 accounting standards, resulting in increased provisions being taken. · Investment in new technology to improve customer service and operational efficiency.	Revenue **Rs 1,717M** 2017: Rs 1,683M (+2%) Operating profit **Rs 217M** 2017: Rs 306M (-29%) Share of associates **Rs 293M** 2017: Rs 214M (+37%)	**Stockbroking** · Restructure in order to acquire the skillsets needed to deliver on its strategy. **Insurance** · Continue to improve efficiency and customer experience (MEI). · Develop retail insurance and medical insurance lines of business (MEI). · Rebrand and move to new offices in Ebene (MEI). · Seek out partnership opportunities in Eastern Africa (MEI). · Invest in business development and marketing strategies to find business opportunities in Eastern Africa (EllGeo Re). **Private equity** · Continue to seek out opportunities for investment. **Global business** · Strengthen business' management structure and governance. · Rebrand and strengthen corporate values. · Invest in new IT systems and increase office space. **Banking** · Strengthen operational efficiency and customer service.

Hospitality





Hospitality

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
A market-leading hotel brand with an international footprint.	· 12 resorts in 5 countries · 96,322 guests as at 31 August 2018 (except LUX* South Ari Atoll – figures as at July 2018) · +3,464 employees · 166 rooms under management contract · 168 training hours per employee per year	**LUX***	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa **3** International expansion	· Consolidation of leadership position in Mauritius and Indian Ocean by: – Pursuing asset-light strategy of acquiring management contracts rather than owning hotels. – Refurbishing owned assets to improve competitiveness. – Using sustainability as a sales argument: reducing waste and emissions, rationalising water and energy consumption and improving livelihoods in the local communities in which the Cluster operates. · Expansion into new regions, namely Asia, Europe and the Middle East. · Diversification of portfolio by targeting business and golf tourism.

Hospitality

Performance against objectives	Financial performance	Next steps
· Acquisition of additional 7.2% stake in LUX* (total shareholding: 56.47%), making IBL the majority shareholder. · Successful renovation and reopening of LUX* Grand Gaube. · Opening of 6 new LUX* Resorts between now and 2012 in the Maldives, UAE, Italy, China & Vietnam. · Planning the launch of a second resort hospitality brand appealing to modern explorers and offering meaningful travel experiences. · Internal restructure: – Restructure of LUX* HQ and key roles, effective as of next year. – Separation of Lux Island Resorts (LIR) and LUX* Hospitality Limited (LHL) (ownership of premises and management of contracts respectively) with separate management and governance arrangements.	Revenue **Rs 5,850M** 2017: Rs 5,199M (+13%) Operating profit **Rs 660M** 2017: Rs 824M (-20%)	· Deliver on restructure of LUX* headquarters and key roles (Business to be based in Singapore, with a Head of Indian Ocean and African markets based in Mauritius). · New Chief Executive for LIR and LHL to be announced in due course. · Acquire management contracts in Mauritius and internationally. · Take over management of La Palmeraie post-renovation. · Opening of LUX* North Male Atoll in 2018-19. · Successful launch of new resort hospitality brand.

Life

Life

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
Portfolio of retail and service companies offering cutting-edge clinical research and development; high-quality analytical laboratories; and high-end, innovative medical devices	· Clients in 30 countries · Present in 8 countries worldwide · 480 clinical studies per annum · 15,177 samples handled · 159 accredited methods · +50 brands · +190 employees	**CIDP** **QuantiLab** **Proximed**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa **3** International expansion	**Cluster** · Continue to develop Cluster portfolio of innovative life sciences businesses through strategic partnerships. **CIDP** · Focus on clinical studies and continue to diversify into pharmaceutical trials. · Increase portfolio of local clients, especially in Brazil and Singapore. · Encourage a spirit of innovation and a commitment to quality. **QuantiLab** · Continue to increase market share, particularly in the Audit and Environmental sectors. · Keep developing accredited methods to keep pace with evolving legislation and clients' needs. **Proximed** · Explore new markets and expand activities outside the Medical sector. · Diversify offer and continue to market innovative devices.

Life

Performance against objectives	Financial performance	Next steps
Cluster · Strengthening of Cluster's governance, hiring of two new independent Directors. · Strategic review of activities in partnership with Roland Berger. **CIDP** · Renewed focus on clinical trials, in particular in diabetes-related studies. · New CEO, Group Finance and Administration manager for CIDP, and Chairman with scientific expertise appointed. **QuantiLab** · Increase in number of accredited methods (159) and analysis (15 177). **Proximed** · Entered market for orthopaedic devices in Mauritius. · Production of medical gas for clinics and hospitals.	Revenue **Rs 179M** 2017: Rs 124M (+45%) Operating loss **Rs -41M** 2017: Rs -88M (+47M)	**Cluster** · Creation of a scientific and strategic committee to guide future investment. · Roll out of new Cluster-level strategy, new avenues for development. **CIDP** · Recruitment of Business Development Executive to build European clientele. · Continue to develop innovative protocols. **QuantiLab** · Develop strategic partnerships with established companies in the water treatment industry for the local and regional markets. · Recruit Business Development Executive to consolidate our market share locally and increase our international presence. **Proximed** · Maintain market share in diagnostics sector and look into possible vertical integration by partnering with complementary businesses.

Logistics

Logistics

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
The IBL Logistics Cluster provides comprehensive, end-to-end logistics, shipping and aviation solutions in Mauritius and the Indian Ocean.	· +1,000 employees · 86% warehouse occupancy · 35% increase in storage capacity · 5,500m² of additional warehousing in Oct 2018 · 35 hours of training per team member (up from 8 hours in 2016-17) · 6% growth in number of 20-foot containers handled	**Logidis** **Somatrans** **IBL Shipping** **IBL Aviation**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa	· Investing in technology to improve processes and become more efficient. · Investing in e-commerce activities (creation of own-brand e-commerce platforms and offering logistics / technology-related support services). · Investment in resources (warehousing space, transport) to ensure that we have the capacity we need to grow. · Investing in human capital: staff training and development and succession planning. · Exploring potential business opportunities in the East African region.

Logistics

Performance against objectives	Financial performance	Next steps
· Completed the implementation of new IT hardware and network infrastructure. · 74% and 34% growth for Alalila taxi service and Office Supply e-commerce initiatives. · Upgrading of software for Alalila and Desktop Office supply to improve the customer experience, with a strongly positive effect on revenues. · New web application launched for Arcadia's Corporate Travel segment, allowing travellers to book flights, hotels and cars online while enjoying corporate rates. · 43% growth in air export freight (Somatrans).	**Revenue** **Rs 1,587M** 2017: Rs 1,569M (+1%) **Operating profit** **Rs 98M** 2017: Rs 108M (-9%)	· Review of ERP system to improve data flow and collection. · Investment in new operational software for Somatrans and a new Warehouse Management System for Logidis. · Succession planning in the context of an ageing workforce. · New 5,500 m² warehouse to be completed in 2018. · Consolidation of shipping activities to offer clients a more integrated service. · Continue to explore projects in the East African region.

Manufacturing & Processing

Manufacturing & Processing

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
Food and beverage businesses that produce and market iconic Mauritian and international brands.	**Beverages** · +1,400 employees · 4 production units · +50 brands · 7 categories of beverages · 2 countries of operation · 7 export countries · +10,000 customers · 1 glass recycling operation · +2m HL of beverages sold pa **Seafood** · 4,600 employees · Mauritius 9th world exporter of tuna in terms of value	**Phoenix Bev (PBL)** **Froid des Mascareignes** **Marine Biotechnology Products** **Cervonic** **Mer des Mascareignes** **Nutrifish** **Aquatic Proteins** **Princes Tuna** **Freshcuts**	**1** Strengthening IBL's Mauritian core **2** Regional expansion into the Indian Ocean & East Africa **3** International expansion	**Beverages** · Development of new product categories. · Regional expansion via acquisition of new businesses. · Improved integration of businesses in Reunion Island, following the acquisition of Edena S.A. **Seafood** · Pursue growth in value-added by-products, in particular fish by-products. · Aim to create a truly global sector with operations in the Indian and Atlantic Oceans. · Roll-out of new recruitment and talent management plan. **Meat Processing** · Become the preferred meat provider in Uganda.

Manufacturing & Processing

Performance against objectives	Financial performance	Next steps
Beverages · New canning line commissioned in Mauritius. · Regional launch of Fuze teas and a range of juice products to target a health-conscious market. **Seafood** · Cluster is buying fish in advance, sourcing fish in the Atlantic, and engaging in lobbying to offset the impact of quotas. · New hires include a new COO for the Seafood sector. **Meat Processing** · Restructuring plan developed and waiting to be put into place, pending greater visibility with regard to the challenging operating environment in Uganda.	Revenue **Rs 8,422M** 2017: Rs 7,688M (+10%) Operating profit **Rs 826M** 2017: Rs 719M (+15%)	**Beverages** · Continue regional expansion · Rethink the recycling of the waste (mainly PET) generated by our industry. · Aim to move towards a circular economy. **Seafood** · Continued lobbying of EU to improve how yellowfin quotas are implemented. · Continue to pursue an international, value-added strategy: New fish protein and fish oil factory in Ivory Coast to be operational by Dec 2018. **Meat Processing** · Complete planned restructure · Business under ongoing review; potential decision to disinvest if current situation does not improve.

Property

Property

Cluster overview	KPIs	Material companies	Strategic directions	Strategic objectives
Land promoter, property developer and asset, property and facilities manager with a substantial portfolio of strategically placed, high-value property in Mauritius, including retail, commercial and hospitality assets.	· 95% average occupancy · Rs 3.2bn in property under management: – 45% retail – 21% industrial – 30% office – 4% land for development · Approximately 100,000m² of Gross Letting Area (GLA) owned and managed by Bloomage: – 37% retail – 42% industrial – 21% office. · Turnover from residential property sales: Rs 259M for 6 months in 2018 · Total revenue per available room in hotels up by 15% for the 6 months to June 18	**Bloomage** **BlueLife**	**1** Strengthening IBL's Mauritian core	**Cluster** · In the medium term, Property Cluster to consist of a property development fund alongside a yield fund. · Maintain ability to access funding and act on investment opportunities by maintaining gearing levels (Bloomage) and reducing indebtedness (BlueLife). **Bloomage** · Improve asset and property management capabilities. · Achieve growth by development projects within existing portfolio and through acquisitions in targeted property segments. **BlueLife** · Restore profitability in loss-making subsidiaries. · Continue to promote Azuri as a lifestyle destination in Mauritius.

Property

Performance against objectives	Financial performance	Next steps
Cluster · Stake in real estate developer BlueLife increased to +30% to take advantage of operational synergies with Bloomage and improve Property Cluster's capacity for property development. · Debt raised through notes issue (Bloomage) and capital and debt restructuring (BlueLife). **Bloomage** · 5-year strategic plan for Bloomage put into place. · Completed strategic review of property asset base. · Completed transfer / acquisition of IBL properties into Bloomage portfolio. · Brand awareness campaign for Bloomage put into place. · Purchase of La Palmeraie hotel; premises to be leased to LUX* Hospitality Limited upon completion of renovation. **BlueLife** · Delivery of 16 of Azuri's Riviera Villas.	Revenue **Rs 708M** 2017: Rs 75M (+633M) Operating profit* **Rs 100M** 2017: Rs 66M (+34M) * First full year consolidation	**Cluster** · Capitalise on synergies between Bloomage, BlueLife and other IBL entities. **Bloomage** · Aspiration to double Bloomage's total asset value within 5 years. · Focus on operational excellence in asset and property management. through recruitment and property-specific training programmes. · Divestments from non-core properties. · Growth of portfolio through acquisitions and development in targeted segments. **BlueLife** · Continue to reduce borrowings via the sale of earmarked assets. · Restore cash flow surplus. · Finalise Azuri masterplan and develop in phases. · Launch of the Azuri Golf and golf view residential development in later 2018.

How We Manage Risk

Risk Management Report

Why risk management at IBL?

For the Board of IBL it is of critical importance to integrate risk management into business decisions at every level of the Group. It strongly believes that the effective identification, assessment, reporting and monitoring of its top risks will support the delivery of its strategic objectives. IBL is therefore fully committed to investing in the right resources to implement and embed a risk management framework across the Group.

As announced in last year's Integrated Report, a risk management function has been created within the Group's Corporate Centre. A Head of Risk Management has also been appointed to drive the Group's risk management strategy.

The function's main objective is to drive risk management across the Group and support businesses in achieving their performance objectives. The Head of Risk Management and his team will work closely with senior executives and the Board, as well as the operational teams on a day-to-day basis to ensure that risks are being comprehensively identified and managed. The risk management function also plays a key role in deep diving as and when needed and keeping the Board up to date on emerging risks.

Considering the diversity of the Group's activities, this is a challenging but exciting project, and one that the Board considers key to IBL's future.

**RISK MANAGEMENT AT THE CENTRE
OF IBL'S STRATEGY AND OPERATIONAL EFFICIENCY**

Risk Management Report
HOW WE MANAGE RISK

Our risk management roadmap

A roadmap has been put into place to support this project. It sets out the key steps that will enable us to develop a mature risk management framework. A number of milestones have been achieved to date, as described in the diagramme below. Step 5 should not be seen as an end-point but as the start of a mature and dynamic risk management process that is subject to continuous improvement.

ACHIEVEMENTS AND NEXT STEPS

STEP 1

- Full Board support: Tone set from the top
- Allocation of resources to set up the risk management function, including appointment of a Head of Risk Management
- Creation of tailored approach for each risk maturity group
- Design of a risk management structure

STEP 2

- Preliminary analysis of Group entities and initial classification by risk maturity
- Design of IBL Group risk register
- Design of risk dashboard
- Drafting of a risk management policy and guidelines, in line with the Group's risk appetite

STEP 3

- Official launch and start of campaigns to raise awareness of the Group's risk management framework
- Buy-in from senior management within all IBL companies
- Identification of risk champions
- Implementation of risk management policy and framework

STEP 4

- Risk management embedded at the level of senior management and departmental heads
- Automatic linking of risk management to strategic objectives
- Anticipation of emerging risks

STEP 5

- Risk management gaining maturity across all Group entities and employees, top-down and bottom-up
- Systematic, coordinated and proactive identification, recording, reporting and monitoring of risks at all levels to achieve strategic goals or objectives

A risk management approach tailored to IBL

A group like IBL requires a tailored framework that addresses not only the full range of its business activities but also the varying levels of maturity and capabilities in terms of risk management. We have therefore defined three approaches, as most appropriate for each entity, to guide the implementation of the framework across the Group.

LOW MATURITY	MEDIUM MATURITY	HIGH MATURITY
No risk management function in place and no dedicated risk management resources.	Basic risk management function in place. Risks are identified and discussed, mostly at operational level, but are not systematically reported to the entity's Board or at Group level.	Material entities which are either listed or highly regulated. Their risk management framework is well embedded, linked to strategy, and involves top-down and bottom-up monitoring and reporting of risks.
APPROACH 1	**APPROACH 2**	**APPROACH 3**
Full risk management support from Group function. Assistance provided across the risk management process, from risk identification to risk reporting.	Partial risk management support focused on closing the key gaps in the risk management process.	Limited risk management support from Group function. Focus will be on monitoring the completeness of the process and ensuring appropriate risk reporting at Group level.

	Approach 1	Approach 2	Approach 3
Identification of risks	✓	☐	☐
Identification of existing controls	✓	☐	☐
Assessment of risks	✓	✓	☐
Improvement plan	✓	✓	☐
Monitoring	✓	✓	✓
Reporting	✓	✓	✓

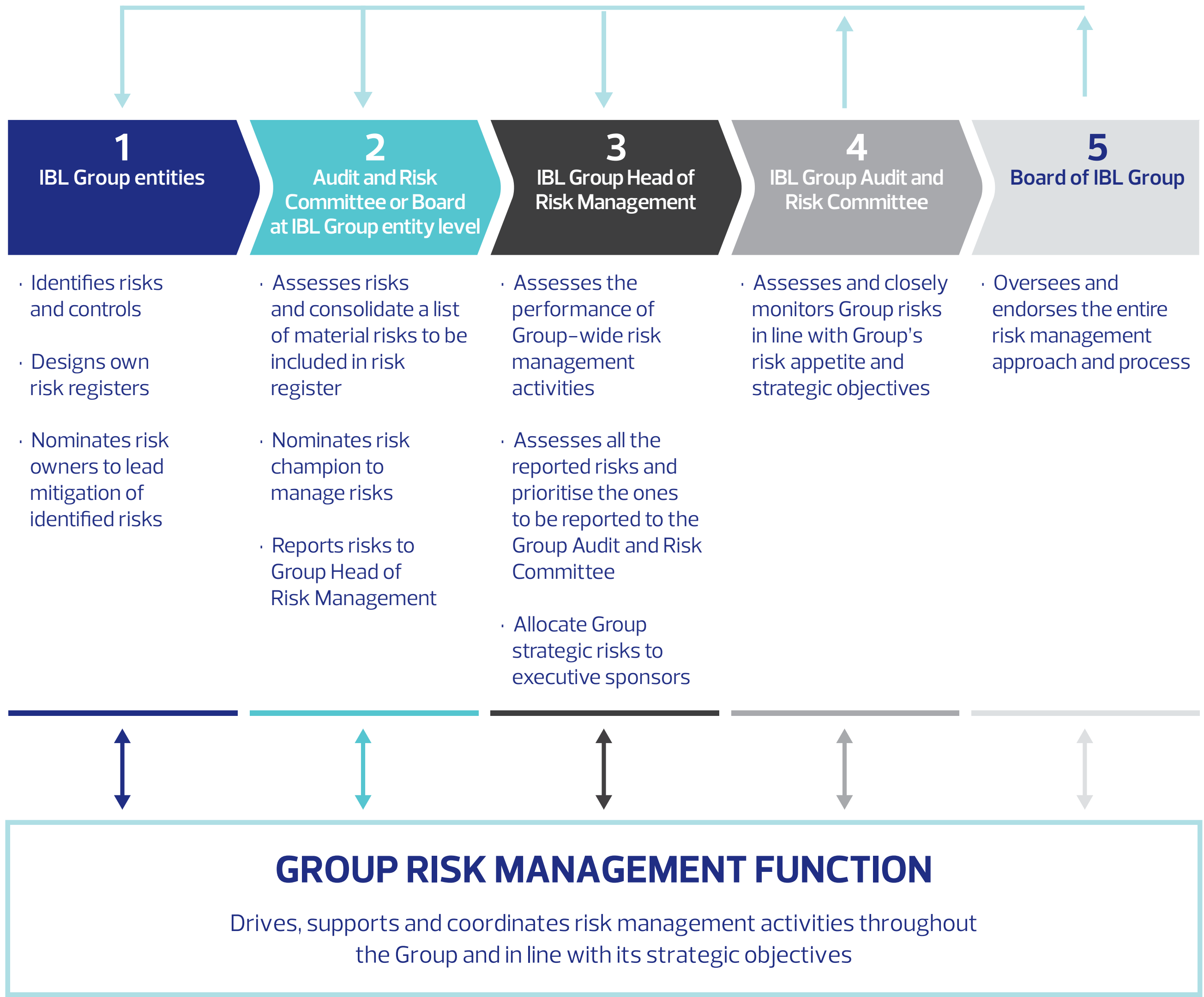
Risk Management Report

HOW WE MANAGE RISK

Risk management activity	Methodology and response
Identification of risks	· Interviews with key employees at all levels · Use of various risk identification tools including questionnaires, workshops, etc. · Analysis and moderation of information received · Alignment with strategic objectives, risk appetite, IBL's core values and significant business decisions
Identification of existing controls	· Meetings with process owners to identify existing controls for each identified risk · Process walkthroughs to corroborate controls · Identification of risk owners
Risk assessment	· Interactive workshops with key stakeholders to measure the likelihood/impact of identified risks · Ratings carried out at inherent (excluding the existing controls) and residual (considering existing controls) levels · Analysis of identified risks, in isolation and when combined with other risks
Risk response and action plan	· Analysis of risk ratings against appetite level · Gap analysis and risk and reward assessment · Establishment of short, medium or long-term risk responses · Deployment of risk improvement plans aligned with risk appetite · Creation of timelines and trackers
Monitoring	· Monitoring of risk management activities · Review of risk management performance using risk indicators · Regular review of the relevance of risk management actions
Reporting	· Risk dashboard · Reporting to Boards and to Audit and Risk Committees · Top-down feedback and continuous improvement

Risk management structure and responsibilities

The diagramme below illustrates the Group's risk management structure and key responsibilities. These ensure that risk management processes are effectively embedded across the IBL Group.



Comprehensive notes to the Risk Management Structure

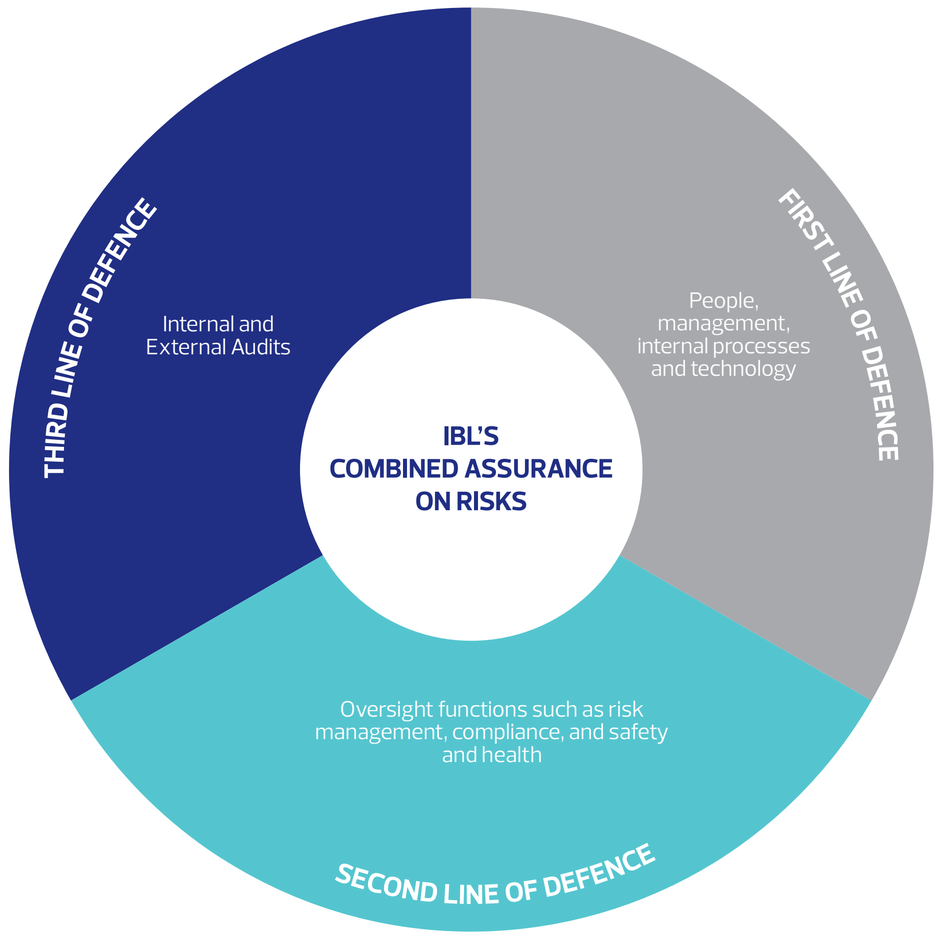
- The risk management structure is agile.
- If the IBL Group entity does not have an Audit and Risk Committee, the Group risk management function can assist the entity's Board with the tasks specified under step 2.
- The Group Head of Risk Management is ultimately responsible for the identification, assessment, monitoring and reporting of risks. He reports to the IBL Group Audit and Risk Committee.

IBL's risk appetite

The Board believes that a clearly defined risk appetite is crucial to the success of IBL's risk management approach. Risk appetite has always been a key consideration for the Board and its committees in their assessment of significant projects and business opportunities. The Board will continue to make decisions in line with its strategy, to maximise value creation and based on acceptable risk levels.

Integrating risk management and other lines of defence

The risks that the Group faces are so diverse that the risk management function cannot provide assurance on its own. The risk management function recognises the need to combine and coordinate its work with that of all assurance providers, including internal and external auditors. The risk management function will work closely with each line of defence to create a holistic approach to assurance across the organisation – addressing the risks that matter while ensuring the most efficient and effective deployment of resources.



Risk Management Report
HOW WE MANAGE RISK

Our top risks today

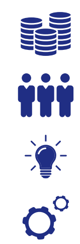
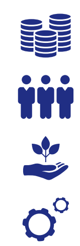
In interviews and via questionnaires, senior managers across the Group's operations and the Corporate Centre were asked to identify the main operational and strategic risks they face. Where relevant, key members of their teams were also invited to take part in this process. IBL's senior executives then assessed each risk at an inherent (before mitigating controls) and residual (after mitigating controls) levels. The top 15 risks identified via this exercise are presented below.

Capitals

Financial | Human | Natural | Intellectual | Social | Manufactured

Strategic directions

1. Strengthening IBL's Mauritian core
2. Regional expansion into the Indian Ocean & East Africa
3. International expansion anchored in world-class professional expertise
4. Transforming the Corporate Centre
5. Deploying a Human Capital Strategy at Group-level to identify, attract, develop and retain the right talent for the long term
6. Digitalisation Strategy to improve user experience, work better and more efficiently and take advantage of commercial opportunities online
7. Sustainability approach to monitor the Group's SG performance, change mindsets and train people up, and adopt better, more sustainable ways of working

Risk categories	Risk description	Mitigations	Strategic directions	Capitals impacted
1. Cybersecurity threats	Cyber-attacks and security breaches of IT systems leading to the disruption of operations, fraud and reputational damage.	· New IT governance framework and reporting being implemented · Cybersecurity roadmap developed · Due diligence on external partners undertaken · High-calibre IT specialists recruited · Financial resources deployed to enhance IT security framework	1 2 3 4 5 6	
2. Confidentiality breaches	Breach of confidential information or disclosure of trade secrets resulting in the loss of competitive edge, reputational damage, loss of stakeholder trust and failure to achieve strategic objectives.	· Awareness-raising regarding the importance of confidentiality and consequences of a breach · Promotion of ethical business behaviours and endorsement of Code of Business Ethics and governance charters · Enhanced IT security procedures to monitor access and confidentiality of data · Signature of specific confidentiality undertakings by key people	1 2 3 4 5 6 7	
3. Foreign exchange fluctuations	Fluctuations in the exchange rate of principal currencies v/s MUR, impacting performance and return on investment.	· Central treasury department to collaborate and assist businesses with assessing and mitigating impact of adverse forex movements · Diversification of activities and income sources worldwide	1 2 3	
4. Sugar cluster performance	Performance of the IBL Agro cluster affected by unfavourable global sugar market and production cost pressures.	· Geographical diversification towards markets less influenced by world/ European Union market conditions or in which Mauritius enjoys a competitive advantage · Diversification into higher value-added products which are less sensitive to global market conditions · Diversification of income sources by optimising revenue from by-products · Improved productivity through operational excellence · Accelerated mechanisation/automation programmes	1 2 5 7	

Risk Management Report

HOW WE MANAGE RISK

Risk Management Report

Risk categories	Risk description	Mitigations	Strategic directions	Capitals impacted
5. Sustainability of tuna stocks	Availability of tuna stocks impacting the seafood cluster, but also the logistics and shipbuilding clusters.	· Ongoing lobbying so that Indian Ocean Tuna Commission (IOTC) resolutions ensure sustainable tuna stocks in the Indian Ocean · Increased participation in the IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation · Better management of regional quotas across the seafood industry, with additional fishing capacity to be chartered over the longer term	1 2 3 5 7	
6. Geopolitical instability	Political, social and economic instability in countries from which IBL derives significant revenue.	· Diversification of activities in the region · Nurturing of positive relationships with relevant stakeholders and retention of experienced advisors to foresee eventual changes that might affect negatively businesses	1 2 3 5 7	
7. Market concentration	Group results over-reliant on businesses based in Mauritius; slow market growth in Mauritius; and inability to invest internationally, impacting group expansion.	· Implementation of regional development strategy to export and launch businesses in the region · Setting up of a regional office in Kenya and appointment of a Regional Business Development Executive to drive the regional expansion strategy	1 2 3 4 5 6 7	
8. Acts of terrorism	Terrorist acts or civil unrest impacting businesses in Mauritius.	· Increased security protocols and crisis management plans · Diversification of activities abroad	1 4 5 7	
9. Property sales performance	Property sales targets not being met, resulting in cash flow issues and an inability to cover financial costs.	· Faster emergence of new projects · Harmonisation of offerings and demand · Sufficient liquidity buffer, close management of cash position and availability of funding options · Ensure solutions are available (e.g. the sale of non-core assets) to immediately raise funds	1 5 6 7	

Risk Management Report

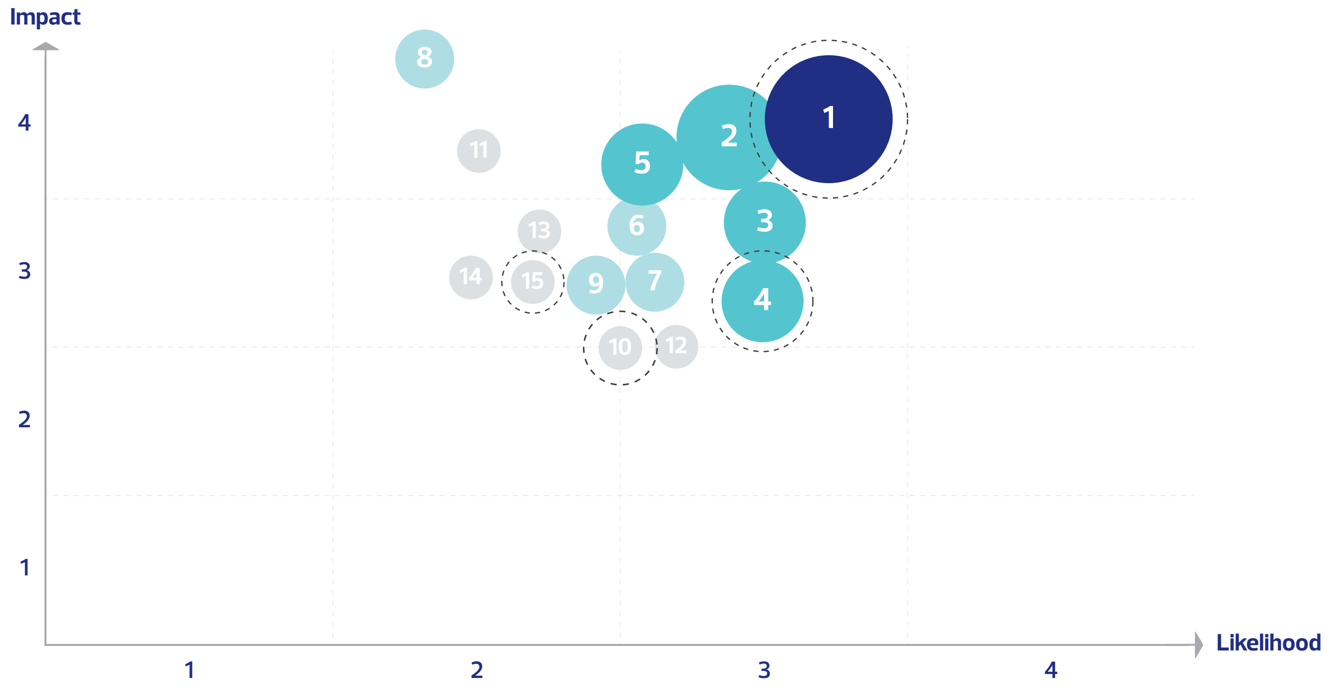
Risk categories	Risk description
10. Stringent regulatory environment	Increased complexity and stringency in compliance, regulatory and fiscal policies, impacting business performance.
11. Reputation damage	Unforeseen/unfavourable events, gross misconduct or poor decision making, negatively impacting IBL's reputation.
12. Revenue volatility	Dependency on cyclical businesses causing volatility in revenues.
13. Unfavourable government policies	Unfavourable government policy decisions.
14. Misallocation of capital investments	Misallocation or erroneous decision making with regard to significant capital investments in projects.
15. Increasing competition	Increasing competition in Mauritius as a result of new competitors and products.

Risk Management Report

Mitigations	Strategic directions	Capitals impacted
· Resources deployed (talent, training and tools) to improve our compliance framework · Proactive engagement with authorities to raise awareness of the severe impact of fiscal changes on industries	1 2 3 5 6 7	
· Promotion of the IBL culture via group initiatives · Continued awareness-raising / promotion of IBL values and standards of ethical behaviour · Processes and communication plans in place to manage IBL's image and reputation	1 2 3 4 5 6 7	
· Strengthening project planning/contract management teams and communication processes (top-down and bottom up approaches) · Investigating new avenues for business · Close monitoring of all tenders in the region · Ordering of specific surveys in specific countries	1 2 3 5 6	
· Geographical diversification of earmarked activities to strengthen resilience · Engagement with relevant stakeholders in all markets to achieve better import control/regulations and support for industry	1 2 3 5 6 7	
· Clear and structured approach to allocation of capital to projects · Stringent due diligence on potential partners · Identification and training or recruitment of talent for new/key project positions	1 2 3 4 5 6 7	
· Regionalisation/move into new markets · Development of new product categories for diversification purposes · More emphasis on business development to closely monitor overseas activities and seek out new business opportunities · Intensification of promotional and marketing campaigns to support development of brands	1 2 3 5	

Risk Management Report

HEAT MAP



Increasing trend:

Risk categories:

1. Cybersecurity threats
2. Confidentiality breaches
3. Forex fluctuations
4. Sugar cluster performance
5. Sustainability of tuna stocks
6. Geopolitical instability
7. Market concentration
8. Acts of terrorism
9. Property sales performance
10. Stringent regulatory environment
11. Reputation damage
12. Revenue volatility
13. Unfavourable government policies
14. Misallocation of capital investments
15. Increasing competition

Statutory Disclosures

Statement of Compliance
Certificate from Company Secretary
Statutory Disclosures
List of Directors – Subsidiaries

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act 2004)

Name of PIE: IBL Ltd

Reporting Period: 30 June 2018

We, the Directors of IBL Ltd, confirm that to the best of our knowledge, IBL Ltd has complied with all its obligations and requirements under the National Code of Corporate Governance 2016 in all material aspects.

Jan Boullé
Chairman

San T. Singaravelloo
Director

24 September 2018

Certificate from Company Secretary

30 June 2018

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 Companies Act 2001.

Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

24 September 2018

Statutory Disclosures

S. 221 of the Companies Act 2001

Principal activity of the Company

The Company and its subsidiaries are engaged in a wide range of activities organized in nine clusters: Agro, Building & Engineering, Commerce, Financial & Other Services, Hospitality, Life, Logistics, Manufacturing & Processing and Property. It holds substantial investments in several industries, such as the real estate industry, tourism, banking, communication and biotechnologies and a chain of supermarkets.

The stated capital of the Company is made up of 680,224,040 ordinary shares and 1,510,666,650 restricted redeemable shares.

Directors

The name of the Directors of the Company as at 30 June 2018 were as follows:

Directors	Alternate Director
Jan Boullé (Chairman)	
Martine de Fleuriot de la Colinière	
Yann Duchesne	
Pierre Guénant	
Jason Harel	
Jean-Claude Harel[1]	
Arnaud Lagesse	
Benoit Lagesse	
Hugues Lagesse	
Jean-Pierre Lagesse	
Thierry Lagesse	Stéphane Lagesse
Gilles Michel	
Maxime Rey	
Jean Ribet	
San T. Singaravelloo	

1) Resigned on 31 December 2017

A complete list of Directors and Alternate Directors of IBL Ltd and its subsidiaries as at 30 June 2018, as required under Section 221(3) of the Mauritius Companies Act 2001, is set out at the end of this section.

Directors' Service Contracts

There is no service contract between the Company and any of its Directors.

Contract of Significance

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

Directors' Insurance

The Directors benefit from an indemnity insurance to cover for liabilities which may be incurred while performing their duties to the extent permitted by law.

Statutory Disclosures

S. 221 of the Companies Act 2001

Directors' and Senior Officers' Interests in Shares

There were no debt securities issued by the Company as at 30 June 2018. The direct and indirect interests of the Directors and Senior Officers in the equity securities of the Company as at 30 June 2018 were as follows:

	Direct Interest		Indirect Interest
Directors	Shares	%	%
Jan Boullé	-	-	2.3339
Martine de Fleuriot de la Colinière	-	-	-
Yann Duchesne	-	-	-
Pierre Guénant	-	-	-
Jason Harel	-	-	-
Jean-Claude Harel[1]	10,203,314	1.5	-
Arnaud Lagesse	-	-	4.1809
Benoit Lagesse	20,498,419	3.0135	1.9443
Hugues Lagesse	-	-	3.5796
Jean-Pierre Lagesse	-	-	-
Thierry Lagesse	12,317,102	1.8107	1.0268
Gilles Michel	-	-	-
Maxime Rey	-	-	-
Jean Ribet	-	-	-
San T. Singaravelloo	-	-	-
Alternate Directors			
Stéphane Lagesse	12,566,725	1.8475	1.0268
Senior Officers			
IBL Management Ltd	-	-	-
Jean-Claude Béga	-	-	-
Dipak Chummun	-	-	-
Thierry Labat	24	-	-
Preetee Jhamna	-	-	-

1) Resigned on 31 December 2017

Directors' Remuneration and Benefits

Total remuneration and benefits received by the Directors from the Company and its subsidiaries were as follows:

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Executive	**231,173**	563,459	**51,026**	38,863
Non-Executive	**19,991**	10,904	**12,699**	9,915

For reasons of confidentiality and due to commercial sensitivity of such information, total remuneration has been disclosed by category.

Donations

	2018		2017	
	Others Rs'000	**Political Rs'000**	Others Rs'000	Political Rs'000
The Company	**2,898**	**900**	1,594	250
Subsidiaires of the Company	**3,431**	**–**	17,781	36

Auditors' Remuneration

For the year under review, the fees incurred for audit services and non-audit services were as follows:

AUDIT SERVICES

	2018 Rs'000	2017 Rs'000
The Company	**3,319**	2,700
Subsidiaries of the Company		
Deloitte	**14,212**	15,762
Ernst & Young	**8,013**	9,192
BDO & Co	**3,244**	375
Exa – Reunion	**2,679**	2,512
Exco Reunion	**298**	2,052
Kemp Chatteris	**331**	478
EY Maldives	**294**	336
IBG	**–**	246
Michaelides Warner & Co	**173**	44
Moore Stephens	**277**	210
NPNM	**1,077**	210
Other auditors	**42**	1,008
Cays Associates	**–**	716

Statutory Disclosures
S. 221 of the Companies Act 2001
STATUTORY DISCLOSURES

NON-AUDIT SERVICES

	DETAILS OF SERVICES	AUDIT FIRM	**2018 Rs'000**	2017 Rs'000
The Company	Internal audit and consultancy	Ernst & Young	**3,893**	3,476
	Consultancy	BDO & Co	**1,600**	1,200
	Consultancy	Deloitte	**145**	–
	Consultancy	PriceWaterhouseCoopers	**5,240**	–
Subsidiaries of the Company	Consultancy	Deloitte	**65**	322
	Consultancy	Ernst & Young	**2,951**	–
	Consultancy	BDO & Co	**2,782**	–
	Consultancy	PriceWaterhouseCoopers	**387**	–
	Consultancy	KPMG	**850**	–
	Consultancy	Others	**117**	–

Jan Boullé
Chairman

San T. Singaravelloo
Director

24 September 2018

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Chantier Naval de l'Océan Indien Limited	Building & Engineering	Yann Duchesne Frank Piriou Jean-Yves Ruellou Jean-Luc Wilain Dipak Chummun		
CNOI Investments Ltd	Building & Engineering	Yann Duchesne Frank Piriou Jean-Yves Ruellou Jean-Luc Wilain Dipak Chummun		
Construction & Material Handling Company Ltd	Building & Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
DieselActiv Co Ltd	Building & Engineering	Fabrizio Merlo Dipak Chummun Jocelyn Labour		
Engineering Services Ltd	Building & Engineering	Fabrizio Merlo Krishnah Gooroosawmy		
Engineering Support Services Ltd (formerly called Riche Terre Development Limited)	Building & Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Engitech Ltd	Building & Engineering	Fabrizio Merlo Eric Le Breton Krishnah Gooroosawmy Dipak Chummun		
Fit-Out (Mauritius) Ltd	Building & Engineering	Fabrizio Merlo Robert Goupille Krishnah Gooroosawmy Eric Hardy		
IBL Madagasikara S.A.	Building & Engineering			
Manser Saxon Interiors Ltd	Building & Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Somaskandan Warden		21/08/2017
Manser Saxon Elevators Ltd	Building & Engineering	Fabrizio Merlo Dipak Chummun		
Manser Saxon Plumbing Ltd	Building & Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		

STATUTORY DISCLOSURES

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Manser Saxon Contracting Limited	Building & Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Jean-Luc Wilain Yann Duchesne Krishnah Gooroosawmy Ashutosh Hurbungs		
Manser Saxon Dubai LLC	Building & Engineering	Fabrizio Merlo		
Manser Saxon Interiors LLC	Building & Engineering	Fabrizio Merlo		
Manser Saxon Openings Ltd*	Building & Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Manser Saxon Training Services Ltd	Building & Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Jean-Luc Wilain		
Saxon International Ltd	Building & Engineering	Fabrizio Merlo		
Servequip Ltd	Building & Engineering	Fabrizio Merlo Krishnah Gooroosawmy Dipak Chummun		
Scomat Limitée	Building & Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Systems Building Contracting Ltd	Building & Engineering	Christine Rouillard Maurice de Marasse Enouf Krishnah Gooroosawmy Dipak Chummun Fabrizio Merlo Himmunt Jugduth		
Tornado Limited	Building & Engineering	Fabrizio Merlo Dipak Chummun		
Flacq Associated Stonemasters Limited	Building & Engineering	Thierry Lagesse Jean Ribet Stéphane Ulcoq Christophe Quevauvilliers Olivier Fayolle		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
The United Basalt Products Limited	Building & Engineering	Francois Boullé		
		Laurent de la Hogue		
		Yann Duchesne		
		Marc Freismuth		
		Joel Harel		
		Arnaud Lagesse		
		Stéphane Lagesse		
		Thierry Lagesse		
		Jean-Claude Maingard		
		E. Jean Mamet		
		Christophe Quevauvilliers		
		Stéphane Ulcoq		
Espace Maison Ltée	Building & Engineering	Francois Boullé		
		Laurent de la Hogue		
		Yann Duchesne		
		Marc Freismuth		
		Joel Harel		
		Thierry Lagesse		
		Jean-Claude Maingard		
		E. Jean Mamet		
		Stéphane Ulcoq		
La Savonnerie Creole Ltée	Building & Engineering	Benoit Bechard	06/03/2018	
		Christophe Quevauvilliers	06/03/2018	
		Stéphane Ulcoq	06/03/2018	
Compagnie de Gros Cailloux Limitée	Building & Engineering	Francois Boullé		
		Thierry Lagesse		
		Christophe Quevauvilliers		
		Stéphane Ulcoq		
		Marc Freismuth	26/10/2017	
Welcome Industries Limited	Building & Engineering	Thierry Lagesse		
		Christophe Quevauvilliers		
		Stéphane Ulcoq		
UBP International Ltd	Building & Engineering	Thierry Lagesse		
		Joel Harel		
		Marc Freismuth		
Sainte Marie Crushing Plant Limited	Building & Engineering	Thierry Lagesse		
		Richard Koenig		
		Christophe Quevauvilliers		
		Stéphane Ulcoq		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Dry Mixed Products Ltd	Building & Engineering	Marc Freismuth		
		Thierry Lagesse		
		Vincent Jacques Bouckaert		12/09/2017
		Jamshed Jahangir Khan (Alternate)	12/09/2017	
		Stéphane Ulcoq		
		Alexis Claude		
		Colin Taylor		
		Eric Adam (Alternate)		
		Christophe Quevauvilliers (Alternate)		
		Urs Staub	12/09/2017	
Land Reclamation Limited	Building & Engineering	Francois Boullé		
		Joel Harel		
Stone and Bricks Limited	Building & Engineering	Christophe Quevauvilliers		
		Joel Harel		
The Stonemasters Company Limited	Building & Engineering	Christophe Quevauvilliers		
		Joel Harel		
Pricom Ltd	Building & Engineering	Thierry Lagesse		
		Joel Harel		
		Stéphane Ulcoq		
Blychem Ltd	Building & Engineering	Fabrizio Merlo		
		Krishnah Gooroosawmy		
		Dipak Chummun		
Compagnie des Magasins Populaires Limitée	Commercial	Jean-Michel Rouillard	16/08/2017	
		Yann Duchesne	16/08/2017	
		Hubert Leclezio	16/08/2017	
		Pierre Marrier d'Unienville	16/08/2017	
		Hugues René	16/08/2017	
CMPL (Mon Choisy) Ltée	Commercial	Jean-Michel Rouillard	16/08/2017	
		Yann Duchesne	16/08/2017	
		Hubert Leclezio	16/08/2017	
CMPL (Bagatelle) Ltée	Commercial	Jean-Michel Rouillard	16/08/2017	
		Yann Duchesne	16/08/2017	
		Hubert Leclezio	16/08/2017	
CMPL (Cascavelle) Ltée	Commercial	Jean-Michel Rouillard	16/08/2017	
		Yann Duchesne	16/08/2017	
		Hubert Leclezio	16/08/2017	
Escape Outdoor & Leisure Ltd	Commercial	Fabrizio Merlo		
		Eric Le Breton		
		Krishnah Gooroosawmy		
		Dipak Chummun		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
HealthActiv Ltd (formerly named: IBL Consumer Health Products Ltd)	Commercial	Dindranath Parbhoo Jheelan		30/08/2017
		Dipak Chummun		20/11/2017
		Hubert Gaspard		20/11/2017
		Aldo Letimier	31/08/2017	
		Fabrice Adolphe	31/08/2017	
		Jean-Luc Wilain	20/11/2017	
		Yann Duchesne	20/11/2017	
Medical Trading Company Ltd	Commercial	Dindranath Parbhoo Jheelan		30/08/2017
		Ajay Chooroomoney		
		Dipak Chummun		
		Hubert Gaspard		
		Aldo Letimier	31/08/2017	
Medical Trading International Ltd	Commercial	Djilani Hisaindee		30/08/2017
		Suketu Naik		14/12/2017
		Sangeeta Nathoo		14/12/2017
		Dindranath Parbhoo Jheelan		30/08/2017
		Dipak Chummun		
		Aldo Letimier	31/08/2017	
		Fabrice Adolphe	31/08/2017	
New Cold Storage Company Limited*	Commercial	Dipak Chummun		
		Jean-Michel Rouillard		
Pick and Buy Limited	Commercial	Yann Duchesne		
		Jean-Michel Rouillard		
		Jan Boullé		
		Hubert Gaspard		
		Arnaud Lagesse		
Winhold Limited	Commercial	Dipak Chummun		
		Yann Duchesne		
		Jean-Michel Rouillard		
Intergraph Ltée	Commercial	Hubert Leclézio		
		Patrick Macé		
		Jean-Luc Wilain		
Heilderberg Océan Indien Limitée	Commercial	Hubert Leclézio		
		Patrick Macé		
Intergraph Réunion	Commercial	Patrick Macé		
Intergraph Reunion SAV	Commercial	Patrick Macé		
SCI Les Alamandas	Commercial	Patrick Macé		
Intergraph Réunion Papier	Commercial	Patrick Macé		

STATUTORY DISCLOSURES

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Intergraph Editions Ltée	Commercial	Hubert Leclézio		
		Patrick Macé		
		Jean-Luc Wilain		
Intergraph Africa Ltd	Commercial	Hubert Leclézio	15/03/2018	
		Patrick Macé	15/03/2018	
		Jean-Luc Wilain	15/03/2018	
Les Classiques Africains du Cameroun SARL	Commercial	Patrick Macé		
Les Classiques du Sénégal	Commercial	Patrick Macé		
Adam and Company Limited*	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
Blyth Brothers & Company Limited*	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
Cassis Limited*	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
Equip and Rent Company Ltd	Corporate Services	Dipak Chummun		
		Derek Wong Wan Po		
Fondation Joseph Lagesse	Corporate Services	Arnaud Lagesse		
		Anne Rogers		
		Lorraine Lagesse		
		Cassam Uteem		31/08/2017
		Christine Marot		
		Genevieve de Souza		
		Jonathan Ravat		
		Hubert Gaspard		
		Martine Hennequin		
		Krish Hardowar	11/12/2017	
IBL Africa Investment Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Biotechnology International Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Loyalty (formerly named IBL Corporate Services Ltd)	Corporate Services	Dipak Chummun		01/05/2018
		Hubert Gaspard		01/05/2018
		Doris Dardanne		01/05/2018
		Delphine Lagesse	01/05/2018	
		Sattar Jackaria	01/05/2018	
		Jean-Michel Rouillard	01/05/2018	
		Laurent Fayolle	01/05/2018	
IBL Entertainment Limited*	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Entertainment Holding Limited*	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
IBL Treasury Management Ltd*	Corporate Services	Yann Duchesne		
		Dipak Chummun		
Les Cuisines Solidaires Ltée	Corporate Services	Daniel Ah Chong		
		Nicolas Merven		
		Anabelle Samouilhan		
IBL International Limited**	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IBL Training Services Limited*	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IMV Services Ltd	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
I-Consult Limited	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		07/09/2017
		Laurent Fayolle	07/09/2017	
Ireland Blyth (Seychelles) Ltd*	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
Ireland Fraser & Company Limited*	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
I-Telecom Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		09/10/2017
		Laurent Fayolle	09/10/2017	
IBL Seafood Support Services Ltd (formerly Societe de Traitement et d'Assainissement des Mascareignes Limitee)	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
GML Immobilier Ltée**	Corporate Services	Arnaud Lagesse		
Printvest Holding Ltd	Corporate Services	Arnaud Lagesse		
		Jean-Claude Béga		
		Laurent de la Hogue		
IBL Management Ltd	Corporate Services	Jan Boullé		
		Arnaud Lagesse		
SPCB Ltée**	Corporate Services	Jan Boullé		
		Jean-Claude Béga		
		Olivier Decotter		
		Arnaud Lagesse		
		Thierry Lagesse		
IBL Treasury Ltd	Corporate Services	Laurent de la Hogue		
		Hubert Leclézio		
		Philippe Hardy		
		Dipak Chummun		
Ze Dodo Trail Ltd	Corporate Services	Yannick Doger de Speville		
		Yan de Maroussem		
		Jean-Michel Rouillard		
		Marie-Hélène Lagesse		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Beach International Company Ltd	Financial & Other Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
DTOS Ltd	Financial & Other Services	Jean-Claude Béga	05/05/2017	
		Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Sattar Jackaria	26/01/2017	
		Olivier Decotter	01/06/2018	
DTOS International Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Mike Mootien		
		Didier Viney		
DTOS Trustees Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Mike Mootien		
		Dipak Chummun		29/09/2017
		Sattar Jackaria	13/10/2017	
DTOS Outsourcing Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Mike Mootien		
		Didier Viney		
		Dipak Chummun		29/09/2017
		Sattar Jackaria	28/09/2017	
IBL International Limited (Kenya)	Financial & Other Services	Jorsen Patten	27/12/2017	
		Jean-Claude Béga	27/12/2017	
		Arnaud Lagesse	27/12/2017	
IBL Financial Services Holding Ltd	Financial & Other Services	Dipak Chummun		
		Hubert Gaspard		
Interface International Ltd	Financial & Other Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Jean-Claude Béga	11/05/2017	
		Sattar Jackaria	13/10/2017	
Interface Management Services Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Mervyn Chan		
		Dipak Chummun		29/09/2017
		Sattar Jackaria	29/09/2017	
IPSE (Nominees) Ltd	Financial & Other Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
ITA EST (Nominees) Ltd	Financial & Other Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
Knights & Johns Management Ltd	Financial & Other Services	Jean-Claude Béga	11/05/2017	
		Jimmy Wong Yuen Tien		
		Mervyn Chan		
		Dipak Chummun		
		Olivier Decotter	01/06/2018	
		Sattar Jackaria	13/10/2017	

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Mauritian Eagle Insurance Company Limited	Financial & Other Services	Jean-Claude Béga		
		Robert Ip Min Wan		
		Gilbert Ithier		
		Subhas Lallah		
		Alain Malliaté		
		John Edward O'Neill (Alternate)		
		Derek Wong Wan Po		
		Pieter Bezuidenhout		
		Dipak Chummun		
		Laurent de la Hogue		
Specialty Risk Solutions Ltd	Financial & Other Services	Arvind Dookun		
		Alain Malliaté		
		Derek Wong Wan Po		
Mauritian Eagle Leasing Company Ltd	Financial & Other Services	Olivier Decotter		
		Laurent de la Hogue		
		Xavier Lagesse		
		Derek Wong Wan Po		
		Teeluckraj Tapesar		
		Bernard Yen		
		Manoj Vaghjee		
		Dipak Chummun		
		William Chung Nien Chin		
Pines Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Dipak Chummun		29/09/2017
		Sattar Jackaria	29/09/2017	
		Paramasiven Poolay Mootien	29/09/2017	
Pines Nominees Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Dipak Chummun		13/02/2018
		Paramasiven Poolay Mootien	13/02/2018	
Equity Spectrum Ltd**	Financial & Other Services	Pierre Guénant		
		Frederic Basset		
		Arnaud Lagesse		
		Denis Claude Pilot		
		Jean Ribet		
		Anabelle Samouilhan		
The Bee Equity Partners Ltd	Financial & Other Services	Jean-Claude Béga		
		Jan Boullé		
		Olivier Fayolle		
		Dayanidhi Gujadhur		
		Yann Duchesne		
		Thierry Lagesse		
Alentaris Ltd	Financial & Other Services	Hubert Leclézio		
		Olivier Decotter		
		Thierry Goder		
		Hubert Gaspard		

STATUTORY DISCLOSURES

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Alentaris Recruitment Ltd	Financial & Other Services	Hubert Leclézio		
		Olivier Decotter		
		Thierry Goder		
Alentaris Consulting Ltd	Financial & Other Services	Hubert Leclézio		
		Olivier Decotter		
		Thierry Goder		
Alentaris Management Ltd	Financial & Other Services	Hubert Leclézio		
		Olivier Decotter		
		Thierry Goder		
International Development Partners (E.A) Limited	Financial & Other Services			
LCF Holdings Ltd	Financial & Other Services	Jean-Claude Béga		
		Laurent de la Hogue		
		Sattar Jackaria		
		Chandrasekhara Lutchmiah		
		André Chung Shui		
		Uday Gujadhur		
LCF Securities Ltd	Financial & Other Services	Jean-Claude Béga	11/05/2018	
		Laurent de la Hogue		
		Marc-Emmanuel Vives		
		Chandrasekhara Lutchmiah		
		André Chung Shui		29/05/2018
		Uday Gujadhur		
LCF Wealth Ltd	Financial & Other Services	André Chung Shui		29/05/2018
		Laurent de la Hogue		
		Uday Gujadhur		
		Chandrasekhara Lutchmiah		
LCF Registry and Advisory Ltd	Financial & Other Services	Chandrasekhara Lutchmiah		
Y Generation Diversified investments Limited	Financial & Other Services	Mitchell Alan Barett		
		Thierry Berci		
		Marc Hardy		
		Chandrasekhara Lutchmiah		
		Bilal Sassa		
		André Chung Shui		29/05/2018
		Sattar Jackaria		
IBL Link Ltd	Financial & Other Services	Arnaud Lagesse		
		Jan Boullé		
		Hubert Leclézio		
		Laurent Fayolle		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Lux Island Resorts Ltd	Hospitality	Arnaud Lagesse		
		Paul Jones		
		Jean-Claude Béga		
		Laurent de la Hogue		
		Jean de Fondaumiere		
		Desiré Elliah		
		Stéphane Lagesse		13/12/2017
		Pascale Lagesse		
		Thierry Lagesse		
		Maxime Rey		
		Amaury Lagesse (Alternate)		13/12/2017
		Dev Poolovadoo (Alternate)		
		Jan Boullé	14/04/2018	
Beau Rivage Co Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Blue Bay Tokey Island Limited	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Les Pavillons Resorts Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
LUX* Resorts Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Café LUX* Ltd	Hospitality	Arnaud Lagesse Alexis Harel Paul Jones		
FMM Ltée	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		
LTK Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		
MSF Leisure Company Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Lux Island Resorts UK Limited	Hospitality	Arnaud Lagesse Desiré Elliah		
Lux Island Resort Maldives Ltd	Hospitality	Arnaud Lagesse Daniela Hoareau Gemma Mein Bernadette Suzanne Julie (Alternate)		
White Sand Resorts & Spa Pvt Ltd	Hospitality	Arnaud Lagesse Paul Jones Leon Liu Desiré Elliah (Alternate)		
Naiade Holidays (Pty) Ltd	Hospitality	Paul Jones Desiré Elliah		
Lux Island Resort Foundation	Hospitality	Paul Jones Desiré Elliah		
Holiday & Leisure Resorts Limited	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Merville Beach Hotel Ltd	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Merville Ltd	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Nereide Limited	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah (Alternate)		
Oceanide Limited	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah (Alternate)		
Hotel Prestige Reunion	Hospitality	Paul Jones		
Le Récif	Hospitality	Paul Jones Stéphane Baras		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Les Villas du Lagon SA	Hospitality	Paul Jones		
		Stéphane Baras		
		Desiré Elliah		
Lux Hospitality Ltd	Hospitality	Paul Jones		
		Desiré Elliah		
		Arnaud Lagesse		
		Alexis Harel		
		Julian Hagger		
		Christof Zuber		
		Marie Laure Ah-You		
		Hans Olbertz		
		Dominik Ruhl (Alternate)		
LIRTA Ltd	Hospitality	Nicolas Autrey		
		Desiré Elliah		
		Paul Jones		
Lux Island Resort Seychelles Ltd	Hospitality	Arnaud Lagesse		
		Daniela Hoareau		
		Gemma Mein		
		Bernadette		
		Suzanne Julie (Alternate)		
LUX* Hotel Management (Shanghai) Co Ltd	Hospitality	Paul Jones		
		Desiré Elliah		
		Julian Hagger		
Island Light Vacations Ltd	Hospitality	Paul Jones		
		Desiré Elliah		
Salt Hospitality Ltd	Hospitality	Arnaud Lagesse		
		Paul Jones		
		Desiré Elliah (Alternate)		
The Lux Collective Pte Ltd	Hospitality	Paul Jones		
		Marie Laure Ah You		
		Noor Hasna D/o Jani		
Palm Boutique Hotel Ltd	Hospitality	Arnaud Lagesse		
		Paul Jones		
		Guillaume Valet		
		Deodass Poolovadoo		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
IBL Life Ltd	Life	Thierry Lagesse		
		Martine de Fleuriot de la Colinière		
		Jan Boullé		
		Arnaud Lgesse		
		Hubert Leclézio		
		Jean François Loumeau		
		François Rivalland		
Rouclavier Ltée	Life	Arnaud Lagesse		
		Jean-Louis Roule		26/06/2018
		Agathe Desvaux de Marigny		
		Yann Duchesne		
		Hubert Leclézio		
		Claire Blazy Jauzac		
		Gerard Le Fur		
		Geraldine Jauffret	29/09/2017	
Services Gestion des Compagnies Ltée	Life	Jean-Louis Roule		26/06/2018
		Arnaud Lagesse		
		Hubert Leclézio		
		Geraldine Jauffret	04/04/2018	
CIDP Preclinical Ltd	Life	Jean-Louis Roule		26/06/2018
		Geraldine Jauffret	04/04/2018	
Centre International de Developpement Pharmaceutique Pte Ltée	Life	Jean-Louis Roule		26/06/2018
		Geraldine Jauffret	04/04/2018	
CIDP India Ltd	Life	Jean-Louis Roule		26/06/2018
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret	04/04/2018	
CIDP Biotech India Private Limited	Life	Claire Blazy		
		Jean-Louis Roule		
		Rashi Nangia		
		Annie Jain		
CIDP International	Life	Johanna Raffray Roule		26/06/2018
		Paramaseeven Sooben		26/06/2018
		Jean-Louis Roule		26/06/2018
		Agathe Desvaux de Marigny		
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret	10/04/2018	
CIDP Biotechnology SRL	Life	Christophe Harel		
		Claire Blazy		
		Jean-Louis Roule		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
CIDP Brasil Ltd	Life	Jean-Louis Roule		26/06/2018
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret	10/04/2018	
CIDP Do Brasil Pesquisas Clinicas Ltda	Life	Thais Junqueira Schmidt Pontes		
Centre de Phytotherapie et de Recheche Ltée	Life	Jean-Louis Roule		26/06/2018
		Claire Blazy Jauzac		
		Geraldine Jauffret	10/04/2018	
CIDP Singapore Ltd	Life	Jean-Louis Roule		26/06/2018
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac	19/10/2016	
		Geraldine Jauffret	10/04/2018	
CIDP Biotech Singapore (Centre International de Development Pharmaceutique) PTE. Ltd	Life	Lam Pak Ng Lim Sit Chen		
		Lordan Angelica		
Plat Form Laser	Life	Gérard Crépet		26/06/2018
		Jean-Louis Roule		
		Geraldine Jauffret	04/04/2018	
Air Mascareignes Limitée	Logistics	Marie Joseph Male		
		Dipak Chummun		
		Daniel Ah Chong		
Arcadia Travel Madagascar	Logistics			
Arcadia Travel Comores SARL	Logistics			
Australair General Sales Agency Ltd	Logistics	Jean Marc Grazzini		
		Dipak Chummun		
		Daniel Ah Chong		
		Pierre Bosse		
Australair GSA Comores SARL	Logistics	Josian Caetan		
Australair GSA Mada s.a.	Logistics	Avo Andriantsisosotra		
Catovair Comores SARL*	Logistics			
Compagnie Thonière de l'Ocean Indien Ltée	Logistics	Dipak Chummun		
		Daniel Ah Chong		
Ground 2 Air Ltd	Logistics	Yann Duchesne		
		Dipak Chummun		
		Daniel Ah Chong		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Equity Aviation Comores SARL	Logistics	Josian Caetan		
G2A Camas Ltd	Logistics	Daniel Ah Chong		
		Dipak Chummun		
		Christel Barel		
		Patrick Grandoulier		
IBL Aviation SARL	Logistics			
IBL Aviation Comores SARL	Logistics	Daniel Ah Chong		
IBL Cargo Village Ltd	Logistics	Daniel Ah Chong		
		Dipak Chummun		
IBL Comores SARL	Logistics	Josian Caetan		
		Devdass Ramasawmy		
		Daniel Ah Chong		
IBL Comores GSA Anjouan SARL	Logistics	Josian Caetan		
		Daniel Ah Chong		
		Devdass Ramasawmy		
IBL Fishing Company Ltd	Logistics	Dipak Chummun		
		Daniel Ah Chong		
IBL Regional Development Limited	Logistics	Daniel Ah Chong		
		Dipak Chummun		
Arcadia Travel Limited (formerly: IBL Travel Limited)	Logistics	Daniel Ah Chong		
		Dipak Chummun		
IBL Shipping Company Ltd (formerly: Indian Ocean Logistics Limited)	Logistics	Daniel Ah Chong		
		Dipak Chummun		
I World Ltd	Logistics	Daniel Ah Chong		
		Dipak Chummun		
Logidis Limited	Logistics	Daniel Ah Chong		
		Dipak Chummun		
		Yann Duchesne		
Mad Courrier SARL	Logistics	Daniel Ah Chong		
Mada Aviation SARL	Logistics	Daniel Ah Chong		
Reefer Operations (BVI) Limited	Logistics	Dipak Chummun		
		Djilani Hisaindee		
Reefer Operations Limited (IOM)	Logistics			
Seaways Marine Supplies Limited	Logistics	Dipak Chummun		
		Daniel Ah Chong		
Société Mauricienne de Navigation Ltée*	Logistics	Dipak Chummun		
		Daniel Ah Chong		
Somatrans SDV Ltd	Logistics	Thierry Ehrenbogen		
		Daniel Ah Chong		
		Dipak Chummun		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Somatrans SDV Logistics Ltd	Logistics	Daniel Ah Chong		
		Dipak Chummun		
Southern Seas Shipping Company Limited	Logistics	Daniel Ah Chong		
		Djilani Hisaindee		
		Dipak Chummun		
IBL LAS Support Ltd (formerly Tourism Services International Limited)	Logistics	Daniel Ah Chong		
		Dipak Chummun		
Aquatic Proteins Private Limited	Manufacturing & Processing	Amit Verma		
		John Tharakan Abraham		
		Dipak Chummun		
		Patrice Robert		
		Cougen Purseramen		
		Tharakan Keya		
Cervonic Ltd	Manufacturing & Processing	Yann Duchesne		
		Gildas Breton		
		Stéphane Lozachmeur		
		Patrice Robert		
		Dipak Chummun		
		Jean-Pierre Rivery		
Fresh Cuts (Uganda) Ltd	Manufacturing & Processing	Daniel Ah Chong		
		Kee Sik Tin Wan Yuen		
		Dipak Chummun		
		Jean-Luc Wilain		
Froid des Mascareignes Ltd	Manufacturing & Processing	Daniel Ah Chong		
		Kepa Echevarria		
		Maurice Rault		
		Patrice Robert		
		Aruna Devi Bunwaree-Ramsaha		
		Dipak Chummun		
		Benoit Barbeau		
		Cougen Purseramen	26/04/2018	
		Yann Duchesne		26/04/2018
IBL Biotechnology Investment Holdings Ltd	Manufacturing & Processing	Yann Duchesne		
		Dipak Chummun		
		Jean-Luc Wilain		
IBL Biotechnology (Mauritius) Ltd	Manufacturing & Processing	Yann Duchesne		
		Jesper Simonsen		
		Fabrizio Merlo		
IBL India Investments Ltd	Manufacturing & Processing	Patrice Robert		
		Dipak Chummun		
		Jean-Luc Wilain		
IBL Gabon Investments Limited	Manufacturing & Processing	Dipak Chummun		
		Jean-Luc Wilain		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
IBL Ugandan Holdings 1 Limited	Manufacturing & Processing	Dipak Chummun		
		Daniel Ah Chong		
Industrie et Services de l'Océan Indien Limitée	Manufacturing & Processing	Frank Piriou		
		Jean-Luc Wilain		
		Jean-Yves Ruellou		
		Dipak Chummun		
La Tropicale Mauricienne Ltée	Manufacturing & Processing	Aldo Letimier		
		Dipak Chummun		
		Hubert Gaspard		
Marine Biotechnology Products Ltd	Manufacturing & Processing	Dipak Chummun		
		Philip Ryle		01/04/2018
		Patrice Robert		
		Abdulla Elahee Doomun	01/04/2018	
Marine Biotechnology International Ltd	Manufacturing & Processing	Dipak Chummun		
		Patrice Robert		
Seafood Hub Limited	Manufacturing & Processing	Kepa Echevarria		
		Ignacio Ibarra		
		Dipak Chummun		
		Patrice Robert		
		Jean-Luc Wilain		
		Yann Duchesne		
Transfroid Ltd	Manufacturing & Processing	Daniel Ah Chong		
		Kepa Echevarria		
		Maurice Rault		
		Patrice Robert		
		Aruna Devi Bunwaree-Ramsaha		
		Dipak Chummun		
		Cougen Purseramen	26/04/2018	
		Yann Duchesne		26/04/2018
Camp Investment Company Limited	Manufacturing & Processing	Jean-Claude Béga		
		Jan Boullé		
		François Dalais		
		François Hugnin		
		Guillaume Hugnin		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
Phoenix Management Company Ltd	Manufacturing & Processing	Jean-Claude Béga		
		François Dalais		
		Guillaume Hugnin		
		Arnaud Lagesse		
		Thierry Lagesse		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Phoenix Investment Company Limited	Manufacturing & Processing	Jean-Claude Béga		
		Jan Boullé		
		François Dalais		
		François Hugnin		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
Phoenix Beverages Limited	Manufacturing & Processing	Jean-Claude Béga		
		Jan Boullé		
		François Dalais		
		Guillaume Hugnin		
		Didier Koenig		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
		Sylvia Maigrot		
		Reshan Rambocus		
		Patrick Rivalland		
		Bernard Theys		
MBL Offshore Ltd	Manufacturing & Processing	Arnaud Lagesse		
		Thierry Lagesse		
Phoenix Beverages Overseas Ltd	Manufacturing & Processing	François Dalais		
		Thierry Lagesse		
		Bernard Theys		
The (Mauritius) Glass Gallery Ltd	Manufacturing & Processing	Jean-Claude Béga		
		Charles Prettejohn		
		Patrick Rivalland		
		Bernard Theys		
Mauritius Breweries International Ltd	Manufacturing & Processing	François Dalais		
		Bernard Theys		
Phoenix Distributors Limited	Manufacturing & Processing	François Dalais		
		Bernard Theys		
Phoenix Camp Minerals Offshore Limited	Manufacturing & Processing	Thierry Lagesse		
		Bernard Theys		
Phoenix Réunion SARL	Manufacturing & Processing	Bernard Theys		
Helping Hands Foundation	Manufacturing & Processing	Patrick Rivalland		
		Paul Rose		
		Bernard Theys		
Phoenix Foundation	Manufacturing & Processing	Thierry Lagesse		
		Patrick Rivalland		
		Bernard Theys		
Edena S.A.	Manufacturing & Processing	Jean-Claude Béga		
		Arnaud Lagesse		
		Patrick Rivalland		
		Bernard Theys		

List of Directors – Subsidiaries

STATUTORY DISCLOSURES

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017-18	Date of Resignation during the financial year 2017-18
Espace Solution Reunion SAS	Manufacturing & Processing	Bernard Theys		
SCI Edena	Manufacturing & Processing	Bernard Theys		
Bloomage Ltd	Property	Dipak Chummun		
		Yann Duchesne		
		Jan Boullé		
		Arnaud Lagesse		
		Jean-Luc Wilain		
		Robin Hardin	23/08/2017	
The Ground Collaborative Space Ltd	Property	Dipak Chummun		
		Celine Planel		
		Olivier Fayolle		
		Brice Harel		31/05/2018
		Robin Hardin		
		Muriel Yvon		25/09/2017
BlueLife Limited	Property	Sunil Banymandhub		
		Christophe Barge		
		Jan Boullé	23/02/2018	
		Isabelle de Gaalon Decaillot	23/02/2018	
		Michèle Anne Espitalier Noel		15/05/2018
		Ravi Prakash Hardin	23/02/2018	
		Arnaud Lagesse		
		Benoit Lagesse	23/02/2018	
		Christine Marot		
		Louis Mynhardt		23/02/2018
		Kevin Teeroovengadum		15/05/2018
		Jean-Luc Wilain	23/02/2018	
Azuri Golf Management Ltd	Property	Sunil Banymandhub	24/05/2018	
		Jan Boullé	24/05/2018	
		Christine Marot		
Azuri Estate Management Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
		Sunil Banymandhub	24/05/2018	
Azuri Services Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
		Sunil Banymandhub	24/05/2018	
Azuri Suites Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
		Sunil Banymandhub	24/05/2018	

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Azuri Watch Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
Circle Square Holding Company Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
Haute Rive Azuri Hotel Ltd	Property	Sunil Banymandhub	24/05/2018	
		Olivier Fayolle		
		Arnaud Lagesse	24/05/2018	
		Thierry Lagesse		
		Christine Marot		
		Louis Mynhardt		23/02/2018
		Kevin Teeroovengadum		
Haute Rive Holdings Limited	Property	Sunil Banymandhub	24/05/2018	
		Christophe Barge	24/05/2018	
		Jan Boullé		
		Isabelle de Gaalon Decaillot	24/05/2018	
		Ravi Prakash Hardin	24/05/2018	
		Arnaud Lagesse		
		Thierry Lagesse		
		Christine Marot		
		Louis Mynhardt		23/02/2018
		Kevin Teeroovengadum		15/05/2018
		Jean-Luc Wilain	24/05/2018	
Haute Rive IRS Company Limited	Property	Sunil Banymandhub	24/05/2018	
		Jan Boullé	24/05/2018	
		Arnaud Lagesse		24/05/2018
		Thierry Lagesse		
		Christine Marot		
		Kevin Teeroovengadum		15/05/2018
Haute Rive Ocean Front Living Ltd	Property	Sunil Banymandhub	24/05/2018	
		Jan Boullé	24/05/2018	
		Arnaud Lagesse		24/05/2018
		Thierry Lagesse		
		Christine Marot		
		Kevin Teeroovengadum		15/05/2018
Haute Rive PDS Company Ltd	Property	Sunil Banymandhub	24/05/2018	
		Jan Boullé	24/05/2018	
		Michèle Anne Espitalier Noel		15/05/2018
		Christine Marot		
HR Golf Holding Ltd	Property	Sunil Banymandhub	24/05/2018	
		Jan Boullé	24/05/2018	
		Christine Marot		

List of Directors – Subsidiaries

Name of Subsidiary	Cluster	Name of Director	Date of Appointment during the financial year 2017–18	Date of Resignation during the financial year 2017–18
Les Hauts Champs 2 Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
Life in Blue Limited	Property	Michèle Anne Espitalier Noel		
		Christine Marot		
		Nicolas Rey		
		Sebastien Bax de Keating		
		Gregory Mayer		
		Harold Mayer		
Ocean Edge Property Management Company Ltd	Property	Michèle Anne Espitalier Noel		
		Christine Marot	24/05/2018	
		Sunil Banymandhub	24/05/2018	
PL Resort Ltd	Property	Sunil Banymandhub	24/05/2018	
		Olivier Fayolle		
		Arnaud Lagesse		
		Thierry Lagesse		
		Christine Marot		
		Louis Mynhardt		23/02/2018
		Kevin Teeroovengadum		

Financial Statements

Independent Auditor's Report

Statements of Financial Position

Statements of Profit or Loss

Statements of Comprehensive Income

Statements of Changes in Equity

Statements of Cash Flows

Notes to the Financial Statements

Independent Auditor's Report

Independent Auditor's Report to the Shareholders of IBL Ltd

Report on audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of IBL Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 192 to 324, which comprise the consolidated and separate statements of financial position as at 30 June 2018, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2018, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the IESBA Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated and separate financial statements.

Independent Auditor's Report

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of properties	
The Group and the Company's carrying value of land and buildings amounted to Rs 20.36 billion and Rs 372 million and investment properties amounted to Rs 841 million and Nil respectively. The Group and the Company's revaluation adjustments in respect of land and buildings recorded in other comprehensive income for the year was Rs 296 million and Nil while the fair value adjustments in respect of investment property recorded in loss for the year was Rs 3.5 million and Nil respectively. The disclosures are provided in Notes 4 and 5 to the financial statements. Significant judgment is required by management in determining the fair value of properties. Accordingly the valuation of properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the fair value. The properties of the Group and the Company comprise of owner-occupied land and buildings and investment properties. The models used to determine the fair values for each of the categories differ due to the different nature of each of these categories. The Company uses an independent valuer to determine the fair values for all of the properties held in these categories. The inputs with the most significant impact on these valuations include comparable market data, discount rates, capitalisation rates, depreciation rates, and replacement costs.	We assessed the competence, capabilities and objectivity of management's independent valuer, and verified the qualifications of the valuer. In addition, we discussed the scope of his work with management and reviewed his terms of engagement to determine that there were no matters that affected his objectivity or imposed scope limitations upon him. We confirmed that the approaches used were consistent with IFRS and industry norms. We evaluated management's judgments, in particular: · The models used by management; and · The significant assumptions including comparable market data, discount rates, capitalisation rates, depreciation rates and replacement costs. We compared these inputs to market data and entity-specific historical information to confirm the appropriateness of these judgments. Furthermore, we tested a selection of data inputs underpinning the valuation against appropriate supporting documentation to assess the accuracy, reliability and completeness thereof. The carrying values and disclosures pertaining to the revaluation of properties were found to be appropriate.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted investments	
Fair values of unquoted investments are determined by using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flow, whichever is considered to be appropriate. The disclosures of fair values of unquoted investments have been provided in Notes 11, 12, 13, 14 and 38 to the financial statements. Such valuation exercise, as applied in the current year, requires that management makes estimates of discount factors and price earnings ratio as applicable to the relevant market. Changes in assumptions about these factors could affect the reported fair values of the unquoted investments. Determining whether the unquoted investments held at cost are impaired requires an estimation of the value in use of the unquoted investments. In considering the value in use, the directors and management have taken into consideration the management accounts, approved budgets and comparable transactions. The actual results could however differ from the estimates. The disclosures relating to impairment of unquoted investments have been provided in Notes 11, 12, 13 and 14 to the financial statements. Management has disclosed the accounting judgements and estimates used for fair valuation and impairment of investments in Note 3 to the financial statements. Accordingly the valuation of unquoted investments is considered to be a key audit matter.	In evaluating the fair values and impairment of unquoted investments, we reviewed the valuation calculations prepared by management. We performed various procedures, including the following: · Evaluated the appropriateness of the valuation methodology and models used. · Reviewed the entity's controls relating to the preparation of the cash flow forecasts. · Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' and management's strategic plans. · Assessed the reasonableness of the valuation assumptions and tested the underlying source information of the significant valuation assumptions. · Reviewed appropriateness of discount factors used, including any illiquidity, size and lack of control factors. · Verified the mathematical accuracy of the valuation. · Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' and management's disclosures. We considered the assumptions and disclosures in the financial statements to be appropriate.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill	
The Group has goodwill amounting to Rs 2.5 billion at 30 June 2018. Significant judgement is required by management in assessing the impairment of goodwill, which is determined using discounted cash flows for each Cash Generating Units (CGU) for which goodwill has been allocated. Management has disclosed the accounting judgment and estimate used in the above in Notes 3 and 6. The value in use is extremely sensitive to changes in the weighted average cost of capital (WACC) rate and growth rate. Accordingly, for the purposes of our audit, we identified the impairment of goodwill as representing a key audit matter.	In evaluating the impairment of goodwill, we reviewed the value in use calculations prepared by management. We performed various procedures, including the following: · Reviewed the entity's controls relating to the preparation of the cash flow forecasts. · Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' and management's strategic plans. · Compared the growth rates used to historical data regarding economic growth rates in the cash generating units. · Reviewed appropriateness of discount factors used, including any illiquidity and size factors. · Verified the mathematical accuracy of the valuation · Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use. We considered the assumptions and disclosures in the financial statements to be appropriate.
Retirement benefits	
The Group and the Company operate final salary defined benefit plans and have recognized a retirement benefit asset of Rs 5.2 million and retirement benefit obligations of Rs 1.8 billion and Rs 852 million respectively at 30 June 2018. Management has applied judgement in determining the retirement benefits and has involved an actuary to assist with the IAS 19 provisions and disclosures. Retirement benefit assets and obligations are considered a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the amount of provision. The significant assumptions used in respect of the retirement benefits assets and obligations have been disclosed in Note 24.	We assessed the competence, capabilities and objectivity of management's independent actuary and verified the qualifications of the actuary. The procedures performed included the following: · We assessed and challenged the assumptions that management made in determining the present value of the liabilities and fair value of plan assets. · We compared the assumptions used such as discount rate and annual salary increment with industry and historical data. · We verified the data used by the actuary with the payroll report for completeness and accuracy We found the assumptions and disclosures in the financial statements to be appropriate.

Independent Auditor's Report

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Loans and Advances – Allowance for credit impairment	
One of the Company's associated companies has recognised in their financial statements an allowance for credit impairment on loans and advances at 30 June 2018. The Group's share of the above represent Rs386 million and Rs241 million which are reflected in the Group's financial statements when applying the equity accounting as part of the investment in associates and share of results of associates at 30 June 2018 respectively. Due to the substantial amount of the loans and advances outstanding on the statement of financial position and the significance of the judgements applied, allowance for credit impairment on loans and advances is considered a key audit matter. The determination of assumptions for the measurement of impairment is highly subjective due to the level of judgement applied by Management. Changes in the assumptions and the methodology applied may have a major impact on the measurement of allowance for credit impairment. The judgement and assumptions used in determining allowance for credit impairment are disclosed in Note 3 to the financial statements. The most significant judgments are: · If impairment events have occurred. · Valuation of collateral and future cash flows. · Management judgements and assumptions used.	We have discussed with the component auditor and the audit procedures performed included among others: · Obtaining audit evidence in respect of key controls over the processes for impairment events identification and collateral valuation. · Inspecting the minutes of Credit Committee and Board to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment. · Challenging the methodologies applied by using our industry knowledge and experience. · Assessing the key changes in the assumptions against industry standards and historical data. · Obtaining audit evidence of management judgments and assumptions, especially focusing on the consistency of the approach. · Performing a risk-based test of loans and advances to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment. We found the assumptions used in determining the allowance for credit impairment and disclosures in the financial statements to be appropriate.

Independent Auditor's Report

Report on other legal and regulatory requirements

The Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- We have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

The Financial Reporting Act 2004

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

In our opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

Other information

The directors are responsible for the other information. The other information comprises the, Statutory Disclosures, List of directors of the Group and Certificate from Company Secretary which we obtained prior to the date of this auditor's report. It also includes other reports to be included in the Annual Report which are expected to be made available after that date. The other information, does not include the consolidated and separate financial statements, the Corporate Governance Report and our auditor's report thereon.

Our opinions on the consolidated and separate financial statements as well as the Corporate Governance Report do not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other reports which are expected to be made available to us after the date of the auditor's report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte
Chartered Accountants

Jacques de C. Du Mée, ACA
Licensed by FRC

24 September 2018

Statements of Financial Position as at 30 June 2018

		THE GROUP			THE COMPANY	
		2018	2017 (Restated)	2016 (Restated)	**2018**	2017
	Notes	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	4	**26,532,127**	23,631,857	22,385,829	**555,047**	993,307
Investment properties	5	**841,310**	395,950	487,891	**–**	145,400
Intangible assets	6(a)	**3,543,327**	3,186,419	3,118,692	**71,893**	51,032
Deferred expenditure	6(b)	**18,624**	18,211	–	**–**	–
Land and related development costs	16	**1,604,798**	–	–	**–**	–
Non current receivables	17	**4,541**	–	–	**–**	–
Deferred tax assets	7	**359,277**	241,304	145,156	**60,563**	58,907
Bearer biological assets	8	**3,541**	8,411	13,779	**–**	–
Retirement benefit assets	24	**5,179**	5,525	–	**–**	–
Finance lease receivables	10	**–**	398,198	424,047	**–**	–
Investment in:						
– Subsidiaries	11	**–**	–	–	**22,077,283**	17,843,383
– Associated companies	12	**8,970,920**	9,192,879	8,441,886	**5,893,567**	7,292,910
– Joint ventures	13	**202,897**	208,861	162,985	**347,002**	395,821
– Other financial assets	14	**980,593**	1,025,384	1,183,822	**161,465**	246,513
		10,154,410	10,427,124	9,788,693	**28,479,317**	25,778,627
		43,067,134	38,312,999	36,364,087	**29,166,820**	27,027,273
CURRENT ASSETS						
Consumable biological assets	9	**34,627**	31,998	35,894	**–**	–
Finance lease receivables	10	**–**	287,444	417,998	**–**	–
Held to maturity investments	14	**173,452**	40,000	–	**–**	–
Inventories	15	**4,206,695**	4,075,571	4,212,720	**827,955**	833,837
Land and related development costs	16	**100,159**	–	–	**–**	–
Trade and other receivables	18	**7,780,260**	8,243,541	6,317,163	**1,808,102**	3,328,871
Tax assets	26	**67,683**	34,111	37,272	**3,266**	–
Notes issued	19	**–**	242,400	254,900	**–**	–
Cash and cash equivalents		**1,799,943**	1,457,418	1,592,862	**68,430**	24,820
		14,162,819	14,412,483	12,868,809	**2,707,753**	4,187,528
Assets classified as held for sale	20	**1,845,878**	–	1,647,436	**174,926**	–
TOTAL ASSETS		**59,075,831**	52,725,482	50,880,332	**32,049,499**	31,214,801

FINANCIAL STATEMENTS

Statements of Financial Position as at 30 June 2018

		THE GROUP			THE COMPANY	
		2018	2017 (Restated)	2016 (Restated)	**2018**	2017
	Notes	**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000
EQUITY AND LIABILITIES						
Stated capital	21(a)	**1,361,941**	1,361,941	897,883	**1,361,941**	1,361,941
Restricted redeemable shares	21(b)	**5,000**	5,000	5,000	**5,000**	5,000
Revaluation and other reserves		**5,000,195**	4,814,084	4,834,867	**14,732,855**	14,413,432
Retained earnings		**10,595,052**	9,984,607	9,871,495	**6,404,575**	5,624,908
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**16,962,188**	16,165,632	15,609,245	**22,504,371**	21,405,281
NON CONTROLLING INTERESTS		**11,452,714**	10,631,629	10,248,309	**–**	–
TOTAL EQUITY		**28,414,902**	26,797,261	25,857,554	**22,504,371**	21,405,281
NON-CURRENT LIABILITIES						
Borrowings	22	**11,285,303**	6,177,921	6,229,888	**4,450,702**	1,258,430
Retirement benefit obligations	24	**1,840,025**	1,742,039	1,581,813	**851,887**	765,028
Government grants	27	**50,688**	59,734	73,217	**–**	–
Deferred tax liabilities	7	**1,183,246**	1,108,036	928,603	**–**	–
Other payables	23	**54,957**	–	20,000	**37,641**	–
		14,414,219	9,087,730	8,833,521	**5,340,230**	2,023,458
CURRENT LIABILITIES						
Borrowings	22	**6,656,060**	8,193,254	7,997,962	**3,319,049**	6,060,445
Trade and other payables	25	**8,119,646**	8,522,323	6,945,520	**885,849**	1,720,720
Dividend proposed	34	**84,531**	–	577,625	**–**	–
Tax liabilities	26	**82,565**	115,172	135,930	**–**	4,897
Government grants	27	**10,069**	9,742	6,627	**–**	–
		14,952,871	16,840,491	15,663,664	**4,204,898**	7,786,062
Liabilities associated with assets classified as held for sale	20	**1,293,839**	–	525,593	**–**	–
TOTAL EQUITY AND LIABILITIES		**59,075,831**	52,725,482	50,880,332	**32,049,499**	31,214,801

Approved by the Board of Directors and authorised for issue on 24 September 2018.

Jan Boulé
Chairman

San T. Singaravelloo
Director

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Statements of Profit or Loss for the year ended 30 June 2018

		THE GROUP		THE COMPANY	
	Notes	**2018** **Rs'000**	2017 (Restated) Rs'000	**2018** **Rs'000**	2017 Rs'000
CONTINUING OPERATIONS					
Revenue	28	**37,074,403**	33,670,136	**5,291,046**	5,261,436
Cost of sales		**(26,424,111)**	(23,466,419)	**(3,585,086)**	(3,452,894)
Gross profit		**10,650,292**	10,203,717	**1,705,960**	1,808,542
Other income	30	**526,146**	614,187	**264,777**	168,346
Administrative expenses		**(8,831,351)**	(8,073,623)	**(1,393,001)**	(1,225,766)
Operating profit		**2,345,087**	2,744,281	**577,736**	751,122
Finance income	31	**34,503**	20,749	**25,964**	113,457
Finance costs	32	**(791,656)**	(721,577)	**(271,015)**	(355,776)
Other gains and losses	33	**780,296**	(155,036)	**149,216**	75,243
Share of results of associated companies	12	**297,703**	438,679	**–**	–
Share of results of joint ventures	13	**65,842**	55,896	**–**	–
Profit before tax		**2,731,775**	2,382,992	**481,901**	584,046
Tax expense/(income)	26	**(345,886)**	(406,264)	**9,659**	(5,360)
Profit for the year from continuing operations		**2,385,889**	1,976,728	**491,560**	578,686
Discontinued operations					
(Loss) / profit for the year from discontinued operations	20	**(3,017)**	29,031	**–**	–
Profit for the year	29	**2,382,872**	2,005,759	**491,560**	578,686

Statements of Profit or Loss for the year ended 30 June 2018

		THE GROUP		THE COMPANY	
	Notes	**2018** **Rs'000**	2017 (Restated) Rs'000	**2018** **Rs'000**	2017 Rs'000
Attributable to:					
– Owners of the Company		**1,508,967**	1,093,106	**491,560**	578,686
– Non-controlling interests		**873,905**	912,653	**–**	–
		2,382,872	2,005,759	**491,560**	578,686
Earnings per share (Rs)					
– From continuing and discontinued operations	44	**2.22**	1.61		
– From continuing operations	44	**2.22**	1.56		

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Statements of Comprehensive Income for the year ended 30 June 2018

	THE GROUP		THE COMPANY	
	2018	2017 (Restated)	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year	**2,382,872**	2,005,759	**491,560**	578,686
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	**296,245**	375,358	**–**	51,399
Deferred tax on revaluation of land and buildings	**(14,522)**	(82,152)	**–**	(8,738)
Remeasurement of retirement benefits obligations	**(16,245)**	(129,527)	**(64,213)**	(69,343)
Deferred tax on remeasurement of retirement benefits obligations	**5,349**	12,038	**10,916**	11,788
Remeasurement of retirement benefits obligations - share of associates and joint ventures	**(12,823)**	(30,134)	**–**	–
	258,004	145,583	**(53,297)**	(14,894)
Items that may be reclassified subsequently to profit or loss				
Available for sale investments				
Increase in fair value of available for sale investments (Note (a))	**35,562**	51,195	**1,772,941**	3,951,858
Fair value adjustment realised on disposal	**31,623**	(136,149)	**(615,550)**	(335,557)
	67,185	(84,954)	**1,157,391**	3,616,301
Exchange differences on translating foreign operations	**39,950**	(62,573)	**–**	–
Deferred tax relating to components of other comprehensive income	**7,146**	(13,045)	**–**	–
Other movements in reserves	**–**	(13,952)	**–**	–
Other movements in reserves of associates and joint ventures	**176,373**	6,051	**–**	–
Total other comprehensive income	**548,658**	(22,890)	**1,104,094**	3,601,407
Total comprehensive income for the year	**2,931,530**	1,982,869	**1,595,654**	4,180,093

Statements of Comprehensive Income for the year ended 30 June 2018

	THE GROUP		THE COMPANY	
	2018	2017 (Restated)	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Attributable to:				
– Owners of the Company	**1,883,227**	1,112,645	**1,595,654**	4,180,093
– Non-controlling interests	**1,048,303**	870,224	**–**	–
	2,931,530	1,982,869	**1,595,654**	4,180,093
Total comprehensive income for the year analysed as follows:				
– Continuing operations	**2,934,547**	1,953,838	**1,595,654**	4,180,093
– Discontinued operations	**(3,017)**	29,031	**–**	–
	2,931,530	1,982,869	**1,595,654**	4,180,093

Note (a): The increase in fair value is analysed as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiaries (Note 11)	**–**	–	**2,405,059**	2,757,186
Associates (Note12)	**–**	–	**(621,258)**	1,084,095
Joint ventures (Note 13)	**–**	–	**(8,769)**	98,771
Other financial assets (Note 14)	**35,562**	51,195	**(2,091)**	11,806
	35,562	51,195	**1,772,941**	3,951,858

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Statements of Changes in Equity for the year ended 30 June 2018

THE GROUP	Stated capital Rs'000	Restricted redeemable shares Rs'000	Revaluation reserves Rs'000	Currency translation reserves Rs'000	Fair value reserves Rs'000	(Note (a)) Other reserves Rs'000	Capital contribution reserve Rs'000	Retained earnings Rs'000	Total Rs'000	Non controlling interests Rs'000	Total equity Rs'000
	ATTRIBUTABLE TO OWNERS OF THE COMPANY										
At 1 July 2016											
– As previously stated	897,883	5,000	2,170,524	67,969	30,229	271,863	2,639,269	9,762,100	15,844,837	10,248,309	26,093,146
– Prior year adjustment (Note 46)	–	–	(343,083)	–	(1,904)	–	–	109,395	(235,592)	–	(235,592)
– As restated	897,883	5,000	1,827,441	67,969	28,325	271,863	2,639,269	9,871,495	15,609,245	10,248,309	25,857,554
Profit for the year	–	–	–	–	–	–	–	1,093,106	1,093,106	912,653	2,005,759
Other comprehensive (loss)/income for the year	–	–	279,453	(76,243)	(64,404)	(6,421)	–	(112,846)	19,539	(42,429)	(22,890)
Total comprehensive income for the year	–	–	279,453	(76,243)	(64,404)	(6,421)	–	980,260	1,112,645	870,224	1,982,869
Changes in percentage holding of subsidiaries	–	–	–	–	–	–	–	(10,456)	(10,456)	(23,350)	(33,806)
Recycling of reserves following disposal of property	–	–	(76,712)	–	–	–	–	76,712	–	–	–
Other movements in reserves and retained earnings	–	–	(6,536)	4,333	52	–	–	43,644	41,493	(41,493)	–
Other movements in non controlling interests	–	–	(170,089)	–	1,926	353,172	207,176	(534,902)	(142,717)	52,571	(90,146)
Share based payment (Note 42)	–	–	–	–	–	(2,432)	–	–	(2,432)	(3,761)	(6,193)
Shares issued to non controlling interests	–	–	–	–	–	–	–	–	–	11,863	11,863
Issue of redeemable shares	–	–	–	–	–	–	–	–	–	–	–
Dividends paid to non controlling interests	–	–	–	–	–	–	–	–	–	(482,734)	(482,734)
Dividends (Note 34)	–	–	–	–	–	–	–	(442,146)	(442,146)	–	(442,146)
Issue of shares	464,058	–	–	–	–	–	(464,058)	–	–	–	–
At 30 June 2017	1,361,941	5,000	1,853,557	(3,941)	(34,101)	616,182	2,382,387	9,984,607	16,165,632	10,631,629	26,797,261
At 1 July 2017											
– As previously stated	1,361,941	5,000	2,198,381	(3,941)	(32,197)	616,509	2,382,387	9,895,970	16,424,050	10,631,629	27,055,679
– Prior year adjustment (Note 46)	–	–	(344,824)	–	(1,904)	(327)	–	88,637	(258,418)	–	(258,418)
– As restated	1,361,941	5,000	1,853,557	(3,941)	(34,101)	616,182	2,382,387	9,984,607	16,165,632	10,631,629	26,797,261
Profit for the year	–	–	–	–	–	–	–	1,508,967	1,508,967	873,905	2,382,872
Other comprehensive (loss)/income for the year	–	–	298,889	38,946	63,871	(10,451)	–	(16,995)	374,260	174,398	548,658
Total comprehensive income for the year	–	–	298,889	38,946	63,871	(10,451)	–	1,491,972	1,883,227	1,048,303	2,931,530
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	1,691,895	1,691,895
Changes in percentage holding of subsidiaries	–	–	–	–	–	(133)	–	(608,388)	(608,521)	(1,484,461)	(2,092,982)
Other movements in non controlling interests	–	–	–	–	–	–	–	–	–	4,809	4,809
Reclassification of reserves	–	–	(5,909)	1,055	119,912	(334,556)	–	170,631	(48,867)	48,867	–
Other movements in reserves and non controlling interests	–	–	(22,168)	1,075	(834)	37,505	–	52,794	68,372	(68,372)	–
Share based payment (Note 42)	–	–	–	–	–	(1,091)	–	–	(1,091)	(1,123)	(2,214)
Shares issued to non controlling interests	–	–	–	–	–	–	–	–	–	1,511	1,511
Dividends paid to non controlling interests	–	–	–	–	–	–	–	–	–	(417,081)	(417,081)
Dividends (Note 34)	–	–	–	–	–	–	–	(496,564)	(496,564)	–	(496,564)
Disposal of subsidiary	–	–	–	–	–	–	–	–	–	(3,263)	(3,263)
At 30 June 2018	**1,361,941**	**5,000**	**2,124,369**	**37,135**	**148,848**	**307,456**	**2,382,387**	**10,595,052**	**16,962,188**	**11,452,714**	**28,414,902**

Note (a): Other reserves include profits transferred from retained earnings for appropriation purpose, cash flow hedge movement, share based payment movement as well as reserve adjustments following changes in shareholding of subsidiaries without loss of control.

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Statements of Changes in Equity for the year ended 30 June 2018

FINANCIAL STATEMENTS

THE COMPANY	Stated capital Rs'000	Restricted redeemable shares Rs'000	Fair value reserve Rs'000	Revaluation reserve Rs'000	Translation reserve Rs'000	Capital contribution reserve Rs'000	Retained earnings Rs'000	Total Rs'000
At 1 July 2016	897,883	5,000	7,765,721	–	–	–	5,444,651	14,113,255
Profit for the year	–	–	–	–	–	–	578,686	578,686
Other comprehensive income for the year	–	–	3,616,301	42,661	–	–	(57,555)	3,601,407
Total comprehensive income for the year	–	–	3,616,301	42,661	–	–	521,131	4,180,093
Issue of shares	464,058	–	–	–	–	(464,058)	–	–
Amalgamation adjustment (Note 45)	–	–	(3,383,413)	988,410	38,969	5,847,810	62,302	3,554,078
Movement in reserves	–	–	–	–	(38,969)	–	38,969	–
Dividend (Note 34)	–	–	–	–	–	–	(442,145)	(442,145)
At 30 June 2017	1,361,941	5,000	7,998,609	1,031,071	–	5,383,752	5,624,908	21,405,281
At 1 July 2017	1,361,941	5,000	7,998,609	1,031,071	–	5,383,752	5,624,908	21,405,281
Profit for the year	–	–	–	–	–	–	491,560	491,560
Other comprehensive income for the year	–	–	1,157,391	–	–	–	(53,297)	1,104,094
Total comprehensive income for the year	–	–	1,157,391	–	–	–	438,263	1,595,654
Movement in reserves	–	–	–	(837,968)	–	–	837,968	–
Dividend (Note 34)	–	–	–	–	–	–	(496,564)	(496,564)
At 30 June 2018	**1,361,941**	**5,000**	**9,156,000**	**193,103**	**–**	**5,383,752**	**6,404,575**	**22,504,371**

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Statements of Cash Flows for the year ended 30 June 2018

	THE GROUP		THE COMPANY	
	2018	2017 (Restated)	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES				
Profit before tax from continuing operations	**2,731,775**	2,382,992	**481,901**	584,046
Loss before tax from discontinued operations	**8,024**	29,275	**–**	–
	2,739,799	2,412,267	**481,901**	584,046
Adjustments for:				
Share of profits from associated companies	**(336,593)**	(548,404)	**–**	–
Share of profits from joint ventures	**(65,842)**	(55,896)	**–**	–
Depreciation of property, plant and equipment	**1,672,240**	1,588,539	**74,064**	79,798
Assets written off	**20,249**	19,186	**282**	17
(Profit)/loss on disposal of property, plant and equipment and intangible assets	**(4,469)**	(164,089)	**819**	(130)
Adjustments of property, plant and equipment	**–**	–	**(35,605)**	–
Amortisation of intangible assets	**67,750**	80,428	**11,852**	11,414
Amortisation of grants	**(8,911)**	(10,309)	**–**	–
Impairment of goodwill	**143,692**	123,978	**–**	–
Gain on bargain purchase	**(460,401)**	–	**–**	–
Profit on disposal of investments	**(1,014,599)**	(92,739)	**(1,156,738)**	(347,228)
Impairment loss on investments	**178,215**	21,091	**203,937**	271,985
Exchange differences	**19,813**	(11,318)	**–**	–
Reversal of provisions	**(37,583)**	–	**(30,172)**	–
Share based payment	**(2,214)**	(6,193)	**–**	–
Dividend income	**–**	(45)	**–**	–
Interest income	**(40,454)**	(20,749)	**(25,964)**	(113,457)
Interest expense	**799,209**	721,657	**271,015**	355,776
Movement in retirement benefits obligations	**55,897**	26,992	**22,944**	(17,945)
Profit on deemed disposal of associated companies resulting from dilution	**42,784**	–	**–**	–
Amortisation of biological assets	**3,161**	2,217	**–**	–
Impairment loss on biological assets	**1,709**	6,915	**–**	–
Fair value movement on consumable biological assets	**12,010**	8,091	**–**	–
Fair value of investment property	**3,543**	72,395	**–**	–
Loss on remeasurement on acquisition	**50,004**	–	**–**	–
	3,839,009	4,174,014	**(181,665)**	824,276
Working capital adjustments:				
Movement in consumable biological assets	**(14,639)**	(4,195)	**–**	–
Net investment in finance leases	**109,764**	156,403	**–**	–
Movement in inventories	**(22,175)**	192,767	**5,882**	17,095
Movement in trade and other receivables	**797,350**	(1,926,040)	**2,048,378**	(649,672)
Movement in trade and other payables	**(1,092,434)**	1,554,908	**(743,778)**	273,547
CASH GENERATED FROM OPERATIONS	**3,616,875**	4,147,857	**1,128,817**	465,246
Interest paid	**(799,209)**	(721,657)	**(271,015)**	(355,776)
Tax paid	**(437,420)**	(426,348)	**(12,821)**	(35,647)
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,380,246**	2,999,852	**844,981**	73,823

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

FINANCIAL STATEMENTS

Statements of Cash Flows for the year ended 30 June 2018

	THE GROUP		THE COMPANY	
	2018	2017 (Restated)	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,380,246**	2,999,852	**844,981**	73,823
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment, investment property and intangible assets	**106,836**	1,439,507	**644,441**	6,339
Proceeds from sale of investments	**1,676,528**	161,254	**1,481,692**	147,679
Purchase of property, plant and equipment	**(2,774,574)**	(2,758,640)	**(98,147)**	(66,409)
Purchase of intangible assets	**(145,353)**	(282,072)	**(33,794)**	(7,660)
Acquisition of investments	**(2,511,154)**	(665,760)	**(2,774,726)**	(1,553,426)
Purchase of investment properties	**(5,070)**	(6,546)	**–**	–
Movement in notes issued	**242,400**	12,500	**–**	–
Additions to land development costs	**67,220**	–	**–**	–
Additions to deferred expenditure	**(413)**	(18,211)	**–**	–
Movement in non current receivables	**(2,971)**	–	**–**	–
Expenditure on bearer biological assets	**–**	(3,764)	**–**	–
Net cash outflow on acquisition of subsidiaries (Note 39(a))	**(854,275)**	(3,500)	**–**	–
Net cash inflow on disposal of subsidiaries (Note 39(b))	**3,571**	–	**–**	–
Net cash outflow on winding up of subsidiaries	**(7,265)**	–	**–**	–
Net cash outflow on amalgamation (Note 45)	**–**	–	**–**	(3,607,158)
Dividend received from associated companies and joint ventures	**272,782**	323,791	**–**	–
Dividend received	**–**	45	**–**	–
Interest received	**40,454**	20,749	**25,964**	113,457
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(3,891,284)**	(1,780,647)	**(754,570)**	(4,967,178)
FINANCING ACTIVITIES				
Net movement in borrowings	**4,891,860**	(489,723)	**2,821,501**	1,180,395
Movement in deposits from customers	**(88,952)**	(163,251)	**–**	–
Shares issued to non controlling shareholders	**1,511**	11,863	**–**	–
Dividend paid to non controlling shareholders	**(332,550)**	(482,734)	**–**	–
Dividend paid to owners of the Company	**(496,564)**	(442,146)	**(496,564)**	(442,145)
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**3,975,305**	(1,565,991)	**2,324,937**	738,250
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,464,267**	(346,786)	**2,415,348**	(4,155,105)
CASH AND CASH EQUIVALENTS AS AT 1 JULY	**(3,622,187)**	(3,275,401)	**(4,189,093)**	(33,988)
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	**(1,157,920)**	(3,622,187)	**(1,773,745)**	(4,189,093)
Represented by :				
Cash in hand and at bank	**1,799,943**	1,457,418	**68,430**	24,820
Bank overdrafts (Note 22)	**(3,206,322)**	(5,079,605)	**(1,842,175)**	(4,213,913)
Assets classified as held for sale (Note 20)	**248,459**	–	**–**	–
	(1,157,920)	(3,622,187)	**(1,773,745)**	(4,189,093)

The accounting policies set out on pages 204 to 225 and the notes on pages 226 to 324 form an integral part of these financial statements.
The auditor's report is on pages 184 to 190.

Notes to the Financial Statements for the year ended 30 June 2018

1. CORPORATE INFORMATION

IBL Ltd (the "Company") is a public company incorporated in Mauritius and its main activities are that of investment holding and trading in consumables and healthcare products. Its registered office and principal place of business is situated on the 4th, Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that were relevant to the Group and the Company's operations and effective for accounting periods beginning on 1 July 2017.

New and revised IFRSs applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Except for IAS 7, their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 7 Statement of Cash Flows - Amendments as result of the Disclosure initiative

The Group and the Company have applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash charges.

The liabilities of the Group and the Company arising from financing activities consist of borrowings. A reconciliation between the opening and closing balances of these items is provided in note 22.

IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses

IFRS 12 Disclosure of Interests in Other Entities - Amended by Annual Improvements to IFRS Standards 2014 - 2016 Cycle (Clarification of the scope of the Standard)

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRS and IFRICs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015-2017 cycle (income tax consequences of dividends) (effective 1 January 2019)

IAS 19 Employee Benefits - Amendments regarding plan amendments, curtailments or settlements (effective 1 January 2019)

IAS 23 Borrowing Costs - Amendments resulting from Annual Improvements 2015-2017 cycle (borrowings costs eligible for capitalisation) (effective 1 January 2019)

IAS 28 Investment in Associates and Joint Ventures - Amendments by Annual Improvements to IFRS Standards 2014-2016 Cycle (clarifying certain fair value measurements) (effective 1 January 2018)

IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution between an investor and its associates or joint ventures (deferred indefinitely)

IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures (effective 1 January 2019)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own case' scope exception (applies when IFRS 9 is applied)

IAS 40 Investment Property - Amendments to clarify transfers or property to, or from, investment property (effective 1 January 2018)

IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions (effective 1 January 2018)

IFRS 3 Business Combinations - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest) (effective 1 January 2019)

Notes to the Financial Statements for the year ended 30 June 2018

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and revised IFRSs and IFRICs in issue but not yet effective (continued)

IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)

IFRS 9 Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9 — (effective 1 January 2018)

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial assets and financial liabilities (effective 1 January 2018)

IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2018)

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely)

IFRS 11 Joint Arrangements - Amendments resulting from Annual Improvements 2015—2017 Cycle (remeasurement of previously held interest) (effective 1 January 2019)

IFRS 15 Revenue from contracts with customers — Original issue (effective 1 January 2018)

IFRS 15 Revenue from contracts with customers — Amendments to defer the effective date to 1 January 2018 (effective 1 January 2018)

IFRS 15 Revenue from contracts with customers — Clarifications to IFRS 15 (effective 1 January 2018)

IFRS 16 Leases - Original issue (effective 1 January 2019)

IFRS 17 Insurance Contracts - Original issue (effective 1 January 2021)

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)

IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)

The directors anticipate that these IFRSs will be applied on their effective dates in the Group's and the Company's financial statements in future periods. Except for the impact of IFRS 9 and IFRS 15 which are as detailed below, the directors have not yet assessed the potential impact of the application of these amendments.

IFRS 9 Financial Instruments - 1 January 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2013 to include the new requirement for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are sole payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrecoverable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and revised IFRSs and IFRICs in issue but not yet effective (continued)

IFRS 9 Financial Instruments – 1 January 2018 (continued)

Key requirements of IFRS 9 (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Classification and measurement

- Quoted and unquoted securities and units are classified as available for sale under IAS 39 are expected to be measured at either FVOCI under the business model whose objective is achieved both by collecting contractual cash flows and selling the assets in the open market or designated at FVOCI for equity instruments. For designation at FVOCI, the accumulated fair value gains and losses will no longer be subsequently reclassified to profit or loss under IFRS 9, which is different from the current treatment.

- Financial investments classified as held to maturity, are carried at amortised cost. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

- All other financial assets and financial liabilities will continue to be measured on the same basis as is currently adopted under IAS 39.

Impairment of financial assets

Financial assets measured at amortised cost, amounts due from customer under construction contracts, and financial guarantee contracts will be subject to the impairment provision of IFRS 9.

The Group and the Company expect to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables, finance lease receivables and amounts due from customer under construction contracts as required or permitted by IFRS 9.

The directors anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses for the respective items and will increase the amount of loss allowance recognised for these items.

IFRS 15 Revenue from contracts with customers – 1 January 2018

IFRS 15 In 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"), replacing IAS 18, "Revenue", IAS 11, "Construction Contracts", and related interpretations. IFRS 15 provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the accounting standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after 1 January 2018. The Group's and the Company's fiscal year ended on 30 June 2018, therefore the corresponding effective date for IFRS 15 adoption is 1 July 2018. The Group and the Company intend to adopt the standard on 1 July 2018 by applying the modified retrospective approach with adjustment to the opening retained earnings on 1 July 2018 and prior periods are not restated.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and revised IFRSs and IFRICs in issue but not yet effective (continued)

IFRS 15 Revenue from contracts with customers – 1 January 2018 (continued)

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Based on the preliminary assessment done by the Group, the potential accounting implications on different sectors are as follows:

Building and engineering

The contractual agreement with the customer may involve multiple performance obligations (e.g. demolition and MEP (Mechanical, Engineering and Plumbing) services, flooring and furniture & fittings etc.). In the current practice, all the components are recognised as single performance obligation and revenue is recognised on milestone basis measured by claims certified. However, in Manser Saxon Contracting Limited, revenue is recognised on proforma basis (i.e. work uncertified) in last month of the reporting period which is reversed in the next reporting period. The claim certified may not correspond to actual cost incurred as on date on the project. These services are provided on customers' premises and accordingly the customer control the work in progress as and when it is being created.

Also, the Group enters into contractual agreement for repairs of vessels as per customer specifications. In the current practice, revenue is recognised based on type of contracts. For large contracts, revenue is recognised on milestone basis measured by claims certified and for small contracts, revenue is recognised after completion of work. However, the claim certified may not correspond to actual cost incurred as on date on the project. These services are provided under the guidance of customer who monitors the progress on a real time basis and accordingly the customer control the work in progress as and when it is being created.

Under the principles of IFRS 15, an input (i.e. cost) based recognition would appropriately reflect the performance obligations delivered under the contract at any point in time. On changeover to percentage completion method based on cost, the difference between the revenue recognised and the invoice amount would be recognised as a contract asset or a contract liability for unbilled or overbilled revenue respectively. The transaction price would be allocated to identify performance obligations based on their standalone selling prices. On transition date the Group has assessed the impact on open contracts which is estimated to be in the range of Rs 70M to Rs 80M, net (ignoring the revenue recognised on proforma basis) that would be adjusted in opening retained earnings with a corresponding impact on contract asset or contract liability on the balance sheet. However, under IAS 18, Manser Saxon Contracting Limited has recognised revenue on proforma basis accordingly the incremental impact on retained earnings will be Rs90m to Rs 95M. An accounting policy change would be required post transition to align the revenue recognition policy based on percentage of completion under the principles of IFRS 15.

The Group also enters into contractual agreement with the customer for construction of vessels as per customer specifications. In the current practice, revenue is recognised on milestone basis based on work certified by the customer. Under IFRS 15 principles, all the services provided in constructing the vessel will be considered as one performance obligation as all the services are integrated and act as input to give the combined output which is the constructed vessel. The Group does the construction of the vessel in its dockyard and till the time construction is complete, customer do not control the work in progress of the construction. However, vessel constructed do not have an alternative use to the Group as it is highly customised. Accordingly, enforceability of payment which is defined as cost of work in progress plus reasonable profit margin needs to be evaluated to ensure a percentage completion method based on cost. If the enforceability of payment is not there throughout period of the contract, revenue will be recognised on completion of work. On transition date, the Group has assessed the impact on open contracts on construction of vessel is immaterial.

The Group also sells air conditioner with installation services to retail customers for which revenue is recognised upon completion of installation. Under IFRS 15 principles, sale of air conditioner including installation is considered as one performance obligation as installation is considered to be perfunctory to the sale of the air conditioner. Accordingly, revenue would be recognised when the control of the air conditioner is transferred to the customer. On transition date the Group has assessed that the impact on open contracts on sale of air conditioner and installation is immaterial.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and revised IFRSs and IFRICs in issue but not yet effective (continued)

IFRS 15 Revenue from contracts with customers – 1 January 2018 (continued)

Commercial

The potential impacted areas are around variable consideration and accounting for the loyalty points. Group offers different type of discount schemes to customers like volume rebates, discounts to super market for advertisement and discounts for sale of near expiry goods which are currently recognised as cost of sales. Under IFRS 15 principles, any discounts and rebates offered to the customer qualify as variable consideration, which are required to be adjusted from transaction price. The Group also offers loyalty points to customers under fidelity card programmes, which are currently recognised as cost of sales, but should be netted off against revenue as variable consideration and assessed at contract inception.

The Group also provides sale and installation services of boiler for which revenue is recognised upon completion of installation services under the current practice. However, under IFRS 15 principles, sale of boiler and installation services are seen as separate performance obligations and accordingly revenue would be recognized for the sale of boiler on transfer of control and revenue from installation services would be recognized upon completion of installation.

The impact on transition date from these adjustments are not considered to be material but would result in a change in accounting policy post implementation of this standard.

Logistics

Group is acting as a principal in rendering the transportation service for its business customers. The Group is primary obligor in delivering the transportation service, also has the discretion in pricing the service by negotiating the contract with end customer and bears the associated credit risk as well. In the current practice, the Group is recognising the revenue as an agent on a net basis. There is no resultant impact on the opening retained earnings on the transition date, but post implementation of IFRS 15, the revenue and the cost of sales would be disclosed on gross basis.

Financial and other services

The Group performance obligation under annual responsibility services is to provide registered office services, Secretarial services and Directors services. Each performance obligations is distinct service that have a similar pattern of transfer to the customer. The transaction price is generally a fixed amount charged for each of the service. Currently, revenue is recognised on the date of issue of invoices i.e. in advance. Under IFRS 15 principles, revenue would be recognized over time as the customer simultaneously receives and consumes the benefits of the service as it is performed. Revenues recognized will represent the proportion of the service completed as of the balance sheet date. On transition date the Group has assessed the impact on open contracts which is estimated an amount in the range of Rs 30M to Rs 40M would be adjusted in retained earnings with a corresponding impact on contract liability on the statements of financial position.

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new. The Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for:

- land and buildings which are carried at revalued amounts;
- investment properties which are carried at fair value;
- available for sale investments which are stated at fair value ;
- biological assets except for bearer plants which are stated at fair value less estimated point of sale costs.

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000) except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30 each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other of the Group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) *Basis of consolidation (continued)*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) *Business combinations*

Acquisition method

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, (at the date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Contingent consideration that is classified as an asset or liability is remeasured at subsequently reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets,* as appropriate, with the corresponding gain or loss being recognised in profit or loss. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the Financial Statements
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FINANCIAL STATEMENTS

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Business combinations (continued)*

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests have a deficit balance.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Business combination under common control

A business combination involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination is considered as business combination under common control.

In case of any acquisitions which meet the criteria of business combinations under common control the assets and liabilities are recorded at their previous carrying values and the difference between the purchase consideration and share of net assets transferred are accounted for as an adjustment to equity as common control reserve in the retained earnings.

(d) *Investment in subsidiaries*

In the Company's financial statements, investments in subsidiary companies are carried at fair value. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is recognised in profit or loss.

(e) *Investment in associates*

Associated companies are entities in which the Company or the Group has significant influence but which are neither a subsidiary nor a joint venture of the Company or the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Financial statements of the Company

Investments in associates are carried at fair value. Gains and losses on fair valuation of associates are recognised directly in equity. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is recognised in profit or loss.

Consolidated financial statements

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* Under the equity method, investments in associates are carried in the consolidated statement of financial position at initially cost and adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment in associates (continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date of equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

The accounting policies of the associates are in line with those used by the Group.

(f) Foreign currency translation

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (Group's translation reserve), and attributed to non-controlling interests as appropriate.

On the disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of the associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

Any revaluation surplus is credited in other comprehensive income and accumulated in equity to the property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss to the extent of the decrease previously charged. A revaluation deficit is recognised in profit or loss, to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

An annual transfer from the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

On the subsequent sale or retirement of a revalued property, the revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

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

Buildings	-	1% - 10% p.a.
Plant and equipment	-	1% - 33.3% p.a.
Motor vehicles	-	6.7% - 25% p.a.
Office furniture and equipment	-	5% - 33.3% p.a.
Computer and security equipment	-	14.3% - 50% p.a.
Containers	-	10% - 20% p.a.

Land and assets in progress are not depreciated.

Asset held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the Financial Statements for the year ended 30 June 2018

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets

(i) Goodwill

Goodwill arising in a business combination is recognised as an asset at cost as established at the date that control is acquired (the acquisition date) less any accumulated impairment losses, if any. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the related amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate is described in note 2B(e) above.

(ii) Other intangible assets

Other intangible assets include trademarks and computer software. Intangible assets acquired separately are measured on initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are recognised as expenses in the period in which they are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets excluding leasehold rights are amortised over a period of 2 to 10 years. Leasehold rights are amortised over the period of the leases.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised.

(j) Impairment of non-financial assets excluding goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Financial Statements for the year ended 30 June 2018

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of non-financial assets excluding goodwill (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) Financial assets

Financial assets are classified as "financial assets at fair value through profit or loss" ("FVTPL"), "loans and receivables", "held-to-maturity investments", or "available-for-sale financial assets" ("AFS"), as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss (FVTPL) (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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 the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount. The trade receivables are written off when they are identified as being irrecoverable.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Financial assets (continued)*

Held to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Available for sale financial assets (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or held-to-maturity investments or financial assets at fair value through profit or loss.

Unlisted shares and listed securities held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 36. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available for sale financial assets (AFS) (continued)

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income and accumulated in equity.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Derivatives financial instruments

The Group uses derivatives such as forward foreign exchange contracts, cross currency swaps and options on foreign currencies, commodities and equities. The classification of derivatives at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

Derivatives financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at each reporting date. They are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives held for trading are included in 'Net trading income'.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments are treated as separate derivatives if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through profit or loss. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in profit or loss.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

(l) *Impairment of financial assets*

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Notes to the Financial Statements
for the year ended 30 June 2018

FINANCIAL STATEMENTS

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) *Impairment of financial assets (continued)*

For all other financial assets classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

(m) *Reclassification of financial assets*

The Group may reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. From this date it may also reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost.

The Group may reclassify a non-derivative trading asset out of the Held-for-trading category and into the loans and receivables category if it meets the definition of loans and receivables and the Group has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the effective interest rate from the date of the change in estimate.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to profit or loss.

Reclassification is at the election of management, and is determined on an instrument-by-instrument basis. The Group does not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

(n) *Cash and cash equivalents*

Cash comprises cash at bank and in hand and demand deposits or deposits with an original maturity of three months or less net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(o) *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Accounts payable

Accounts payable are stated at amortised cost.

(q) Equity instruments

Equity instruments are recognised at the proceeds received, net of direct issue costs.

(r) Derecognition of financial assets and liabilities

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(s) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Purchase cost is calculated on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Leases

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessee is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Leases (continued)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(v) Taxation

The income tax expense represents the current tax provision and the movement in deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, tax losses carried forward and on retirement benefit obligations.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recorded if the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(w) Retirement benefit obligations

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Defined benefits schemes

Actuarial valuations are carried out at each reporting date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Retirement benefit obligations (continued)

Defined benefits schemes

The Group presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Other retirement benefits

The present value of other retirement benefits as provided under The Employment Rights Act 2008 is recognised in the statement of financial position as a non-current liability and is not funded. The recognition and presentation of the components of the retirement gratuities are similar to the defined benefit plan (as above).

State plan

Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

(x) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods and rendering of services

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is net of value added tax, discounts and excludes inter-company charges and dividends.

Other revenues

Other revenues earned are recognised on the following basis:

Interest income – as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income – when the shareholder's right to receive payment is established.

Rental income, management fee and commission receivable

Rental income, management fee and commission receivable are recognised on an accrual basis.

Construction contracts

Revenue and costs from construction contracts, the outcome of which can be reliably estimated, are recognised by the percentage of completion method. The stage of completion of a contract is determined by surveys of work performed. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of construction contracts is uncertain, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable on contracts. Contract costs are recognised as expenses in the period in which they are incurred. Revenue is recognised net of Value Added Tax and discounts but gross of tax deducted at source.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work.

Insurance contracts and insurance premiums

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance premiums from general insurance business are recognised on a pro-rata basis over the terms of the policy coverage. Life Insurance premiums are recognised on a received basis.

Notes to the Financial Statements
for the year ended 30 June 2018

FINANCIAL STATEMENTS

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Biological assets

(i) Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually seven years.

(ii) Consumable biological assets

Consumable biological assets represent standing cane and plants and are stated at fair value. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate.

(z) Related parties

Related parties include individuals and companies where the individual or company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Affiliates are related parties of the company which cannot be considered as parent or subsidiary as defined by IAS 27, as associate and joint venture as defined by IAS 28, or as key management personnel as defined by IAS 24.

(aa) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(ab) Interest in joint ventures

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The Group recognises its interest in the joint venture using the equity method.

Under the equity method, the interest in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(ac) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(ad) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(ae) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

Notes to the Financial Statements for the year ended 30 June 2018

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ae) Hedge accounting (continued)

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The Group currently has only cash flow hedges which are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

(af) Share based payment

Executives of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(ag) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Notes to the Financial Statements for the year ended 30 June 2018

(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ag) Government grants (continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(ah) Land and related development costs

Land and related development costs consist of cost of land, infrastructural and other development expenditures. These land and related development costs are released to profit or loss as and when sale or disposal is being effected, that is, when risks and reward pass on to buyers.

Land and related development costs are classified under current assets when completion is imminent and the assets are likely to be disposed of within the next financial year. Otherwise, it is classified under non-current assets.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each project (or by reference to surveys of work performed or completion of a physical proportion of the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for work in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for all work in progress for which progress billings exceed costs incurred plus recognised profits/(losses).

(ai) Comparative figures

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Going concern assessment

Directors and management have made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency of the group entities

As described in note 2(B)(f), the determination of the functional currency of each group entity is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the directors and management have considered the currencies in which revenue is received, the currency of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors and management have determined that the functional currency of the Company as well as that of most subsidiaries is the Mauritian rupee, except for the foreign subsidiaries.

Notes to the Financial Statements for the year ended 30 June 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Classification as subsidiaries

The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries. The remaining ownership interests of these entities, where most of them are listed on the Stock Exchange of Mauritius, are held by several widely dispersed shareholders not related to the Group. The directors and management have assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities. In making their judgement, the directors and management considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. After assessment, the directors and management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

With respect to one of the subsidiaries where the Company has less than 50% shareholding and thus voting rights, based on the contractual arrangements between the Company and the other investors, the Company has the power to appoint and remove the majority of the board of directors that has the power to direct the relevant activities of the entity. Therefore, the directors and management concluded that the Company has the practical ability to direct the relevant activities and thus has control over the entity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Property, plant and equipment: estimations of the useful lives and residual value of the assets

The Group makes significant estimates to determine the useful lives and residual value of its property, plant and equipment. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Property valuation

The Group measures land and buildings and investment properties at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties.

Notes to the Financial Statements for the year ended 30 June 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Valuation of biological assets

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. Standing cane and plants valuation has been arrived based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value:

The actual results could differ from the related accounting estimates and the directors and management consider they have used their best estimates to arrive at the value of the biological assets.

Fair value of unquoted investments

Where there is no active market, the fair value of unquoted investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Provision for impairment of finance lease receivables

The calculation of specific provision for impairment of finance lease receivables requires management to estimate the recoverable amount for each impaired asset, which is the estimated future cash flows discounted at the original effective interest rate of the lease where cash flows for large credits include the realisable value of collateral securing the credit, the value such collateral is based on the opinion of independent and qualified appraisers and/or management judgement.

The portfolio provision is estimated based upon historical patterns of losses in each component of the portfolio of lease as well as management estimate of the impact of current economic and other relevant conditions on the recoverability of the lease portfolio.

Impairment losses on loans and advances

When applying the equity accounting in one of the associated companies, the Group has recognised a share of the impairment losses on loans and advances for an amount of Rs 386 million and Rs 230 million as part of the investment in associates and share of results of associates at 30 June 2018 respectively.

The associated company reviews the individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statements of profit or loss and other comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the company make judgements about the borrower's financial situation and the net realisable value of collaterals. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilisation, loan-to-collateral ratios, etc.), and judgements on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

Notes to the Financial Statements for the year ended 30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Containers Rs'000	Assets in progress Rs'000	Total Rs'000
COST/VALUATION								
At 1 July 2016	17,264,680	9,278,574	1,298,475	2,305,880	418,390	1,060,748	1,134,027	32,760,774
Adjustments	(61,276)	96,225	20,576	(1,616)	7,385	–	–	61,294
Reclassification	(576,148)	390,867	–	(64,107)	249,388	–	–	–
Additions	518,549	752,413	221,761	206,054	80,647	12,090	995,449	2,786,963
Disposals	(8,484)	(479,393)	(156,233)	(153,996)	(24,537)	(270)	–	(822,913)
Write offs	(15,605)	(121,771)	(7,255)	(68,584)	(17,498)	–	–	(230,713)
Revaluation surplus	(478,725)	–	–	–	–	–	–	(478,725)
Transfer to investment properties (Note 5)	26,092	–	–	–	–	–	–	26,092
Transfer to intangible assets (Note 6)	–	(13,152)	–	–	(564)	–	–	(13,716)
Transfer to inventories	–	(61,169)	–	–	–	–	–	(61,169)
Transfer from assets in progress	1,447,876	197,496	–	1,917	–	–	(1,647,289)	–
Exchange differences	(53,506)	(28,659)	(882)	(3,503)	(841)	–	(6,620)	(94,011)
At 30 June 2017	18,063,453	10,011,431	1,376,442	2,222,045	712,370	1,072,568	475,567	33,933,876
At 1 July 2017	18,063,453	10,011,431	1,376,442	2,222,045	712,370	1,072,568	475,567	33,933,876
Opening balance of subsidiaries acquired (Note 39(a))	1,569,381	320,947	3,881	43,352	14,842	–	–	1,952,403
Transfer from assets in progress	283,585	86,333	–	6,731	221	–	(376,870)	–
Additions	1,184,490	716,361	315,279	334,645	108,398	40,293	225,013	2,924,479
Disposals	(43,339)	(112,387)	(142,084)	(21,821)	(4,096)	–	–	(323,727)
Reclassification	4,256	12,499	–	81,234	(97,989)	–	–	–
Write offs	(6,508)	(101,653)	(52,491)	(21,605)	(13,689)	–	–	(195,946)
Revaluation adjustments	103,893	–	–	–	–	–	–	103,893
Transfer from investment properties (Note 5)	(35,452)	–	–	–	–	–	(27,128)	(62,580)
Transfer to inventories	–	7,283	–	–	–	–	–	7,283
Transfer to assets classified as held for sale (Note 20)	(142,797)	(131,617)	(502,603)	(30,841)	(3,568)	–	–	(811,426)
Disposal of subsidiaries (Note 39(b))	–	–	(94)	(1,164)	(2,806)	–	–	(4,064)
Exchange differences	20,634	6,852	(573)	(5,717)	(831)	–	(2,204)	18,161
At 30 June 2018	**21,001,596**	**10,816,049**	**997,757**	**2,606,859**	**712,852**	**1,112,861**	**294,378**	**37,542,352**

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Notes to the Financial Statements for the year ended 30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Containers Rs'000	Assets in progress Rs'000	Total Rs'000
DEPRECIATION								
At 1 July 2016	921,823	5,857,925	769,214	1,608,237	349,150	868,596	–	10,374,945
Adjustments	(8,618)	63,343	(4,558)	7,151	3,976	–	–	61,294
Charge for the year	395,979	726,638	156,566	179,475	58,900	70,981	–	1,588,539
Disposals	(12,825)	(346,407)	(106,258)	(129,129)	(23,082)	(140)	–	(617,841)
Write offs	(3,178)	(121,525)	(5,965)	(66,569)	(17,505)	–	–	(214,742)
Reclassification	(36,504)	26,936	–	(163,927)	173,495	–	–	–
Transfer to intangible assets (Note 6)	–	(6,576)	–	–	(352)	–	–	(6,928)
Transfer to inventories	–	(5,551)	–	–	–	–	–	(5,551)
Revaluation adjustment	(854,083)	–	–	–	–	–	–	(854,083)
Exchange differences	(5,430)	(14,584)	(1,554)	(1,484)	(562)	–	–	(23,614)
At 30 June 2017	397,164	6,180,199	807,445	1,433,754	544,020	939,437	–	10,302,019
At 1 July 2017	397,164	6,180,199	807,445	1,433,754	544,020	939,437	–	10,302,019
Charge for the year	449,239	738,937	172,567	172,355	76,536	62,606	–	1,672,240
Disposals	(2,170)	(91,857)	(106,848)	(17,855)	(3,763)	–	–	(222,493)
Write offs	(3,090)	(94,044)	(47,614)	(17,998)	(13,539)	266	–	(176,019)
Revaluation adjustment	(192,352)	–	–	–	–	–	–	(192,352)
Transfer to inventories	–	(61)	–	–	–	–	–	(61)
Transfer to assets classified as held for sale (Note 20)	(17,217)	(123,284)	(208,009)	(26,628)	(3,024)	–	–	(378,162)
Reclassification	4,257	3,703	–	75,805	(83,765)	–	–	–
Disposal of subsidiaries (Note 39(b))	–	–	(33)	(290)	(2,161)	–	–	(2,484)
Exchange differences	8,592	1,634	151	(2,376)	(464)	–	–	7,537
At 30 June 2018	**644,423**	**6,615,227**	**617,659**	**1,616,767**	**513,840**	**1,002,309**	**–**	**11,010,225**
NET BOOK VALUE								
At 30 June 2018	**20,357,173**	**4,200,822**	**380,098**	**990,092**	**199,012**	**110,552**	**294,378**	**26,532,127**
At 30 June 2017	17,666,289	3,831,232	568,997	788,291	168,350	133,131	475,567	23,631,857

Notes to the Financial Statements for the year ended 30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Total Rs'000
COST/VALUATION						
At 1 July 2016	–	–	–	–	–	–
Amalgamation adjustments (Note 45)	1,607,267	168,932	89,849	242,368	115,903	2,224,319
Adjustments	(3)	(1,094)	(14,492)	(6,398)	(791)	(22,778)
Additions	783	2,675	13,890	25,338	23,723	66,409
Disposals	(833,865)	(625)	(8,953)	(5,031)	(3,891)	(852,365)
Write offs	–	(1,468)	(1,135)	(16,582)	(8,051)	(27,236)
Revaluation adjustments	37,020	–	–	–	–	37,020
Transfer from investment properties (Note 5)	54,800	–	–	–	–	54,800
At 30 June 2017	866,002	168,420	79,159	239,695	126,893	1,480,169
At 1 July 2017	866,002	168,420	79,159	239,695	126,893	1,480,169
Released to profit or loss	35,605	208	–	323	1,227	37,363
Additions	3,969	24,191	2,312	59,739	9,049	99,260
Disposals	(495,135)	(27,028)	(7,921)	(123)	(11,919)	(542,126)
Write offs	–	–	–	(360)	(39)	(399)
At 30 June 2018	**410,441**	**165,791**	**73,550**	**299,274**	**125,211**	**1,074,267**
DEPRECIATION						
At 1 July 2016	–	–	–	–	–	–
Amalgamation adjustments (Note 45)	55,599	90,917	67,618	206,240	89,620	509,994
Adjustments	(3)	(1,094)	(14,492)	(6,398)	(791)	(22,778)
Charge for the year	17,451	29,755	6,685	13,887	12,020	79,798
Disposals	(22,074)	–	(8,102)	(5,019)	(3,359)	(38,554)
Write offs	–	(1,468)	(1,135)	(16,582)	(8,034)	(27,219)
Revaluation adjustments	(14,379)	–	–	–	–	(14,379)
At 30 June 2017	36,594	118,110	50,574	192,128	89,456	486,862
At 1 July 2017	36,594	118,110	50,574	192,128	89,456	486,862
Adjustment to profit or loss	–	208	–	323	1,227	1,758
Charge for the year	11,860	22,397	7,248	18,993	13,566	74,064
Disposals	(9,947)	(22,064)	(6,388)	(41)	(4,907)	(43,347)
Write offs	–	–	–	(105)	(12)	(117)
At 30 June 2018	**38,507**	**118,651**	**51,434**	**211,298**	**99,330**	**519,220**
NET BOOK VALUE						
At 30 June 2018	**371,934**	**47,140**	**22,116**	**87,976**	**25,881**	**555,047**
At 30 June 2017	829,408	50,310	28,585	47,567	37,437	993,307

Notes to the Financial Statements for the year ended 30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) *Assets held under finance leases*

Included in property, plant and equipment are assets held under finance leases with the following carrying values:

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Net book value				
Plant and equipment	**95,102**	64,175	**–**	–
Motor vehicles	**85,848**	35,221	**1,140**	20,638
Computer and security equipment	**14,878**	9,127	**–**	–
	195,828	108,523	**1,140**	20,638

The Group's and the Company's obligations under finance leases are secured by the lessors' title to the leased assets.

(b) *Historical costs of revalued land and buildings:*

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Cost	**11,986,498**	11,349,049	**223,363**	223,363
Accumulated depreciation	**(2,656,790)**	(2,497,383)	**(151,959)**	(149,093)
Net book value	**9,329,708**	8,851,666	**71,404**	74,270

The land and buildings were revalued by the directors based on the reports of accredited independent valuers namely Société d'Hotman de Speville, Noor Dilmahomed & Associates, Gexim Real Estate Ltd. These revaluations were done between 2017 and 2018 in accordance with the "RICS Valuation standards". The fair value of the land and buildings have been assessed on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account the current market conditions and similar transactions undertaken by the group in recent years. In arriving at the market value, the sales comparison approach has been used for the land, which is based on recent transactions for similiar properties, and the depreciated replacement cost approach has been used for the buildings which estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors. Certain land and buildings have been fair valued using the income approach by reference to the capitalisation rate on net operating income.

The significant inputs include the estimated price per square meter and capitalisation rates. An increase in the estimated price will result in an increase in the fair value of the buildings while an increase in the capitalisation rate will result in a decrease in the fair value of the properties and vice versa.

The directors have estimated that the carrying values of land and buildings approximate their fair values at 30 June 2017 and 2018.

Notes to the Financial Statements for the year ended 30 June 2018

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Borrowings are secured by fixed and floating charges on the property, plant and equipment of the Group and the Company.

(d) Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
THE GROUP				
2018				
Land and buildings	**–**	**6,448,026**	**13,909,147**	**20,357,173**
2017				
Land and buildings	–	3,649,256	14,015,450	17,664,706
THE COMPANY				
2018				
Land and buildings	**–**	**371,934**	**–**	**371,934**
2017				
Land and buildings	–	829,408	–	829,408

(e) Additions during the year include assets acquired under finance leases amounting to Rs 149,905,770 (2017: Rs 28,322,846).

(f) Borrowing costs capitalised during the year with respect to the renovation of Lux Grand Gaube amounted to Rs 16.6 million (2017: Rs 0.9 million).

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
At 1 July	**395,950**	487,891	**145,400**	–
Amalgamation adjustments (Note 45)	**–**	–	**–**	200,200
Opening balance of subsidiaries acquired (Note 39(a))	**953,562**	–	**–**	–
Additions	**4,865**	6,546	**–**	–
Disposal	**–**	–	**(145,400)**	–
Transfer from/(to) property, plant and equipment (Note 4)	**62,580**	(26,092)	**–**	(54,800)
Transfer to assets classified as held for sale (Note 20)	**(572,309)**	–	**–**	–
Assets in progress	**205**	–	**–**	–
Fair value loss	**(3,543)**	(72,395)	**–**	–
At 30 June	**841,310**	395,950	**–**	145,400
– Rental income	**42,560**	35,132	**–**	25,485
– Direct operating expenses	**5,133**	1,174	**–**	1,174

Notes to the Financial Statements for the year ended 30 June 2018

5. INVESTMENT PROPERTIES (CONTINUED)

The investment properties are stated at fair value which has been determined by directors, based on valuations performed by accredited independent valuers, namely Société d'Hotman de Speville, Broll Indian Ocean Ltd and Gexim Real Estate Ltd. These valuers are specialists in valuing these types of investment properties and the revaluations were done at 30 June 2018. The fair value is determined on open market value by reference to market evidence of transaction prices for similar properties, the residual method of valuation as well as the capitalisation of net income method. The revaluations were based on market economic conditions and active market prices existing at the reporting date, adjusted for any difference in the nature, location or condition of the specific property. Where the net income method is used, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The significant inputs used are the discounte rate used on estimated development costs and the capitalisation rates which is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the directors' knowledge of the factors specific to the respective properties. An increase in the capitalisation rate will result in a decrease in the fair value of properties.

The directors have assessed the fair value of the investment properties and have estimated that their carrying values approximate their fair value as at 30 June 2017 and 2018.

Banking facilities of some subsidiaries have been secured by charges on their investment properties.

Details of the Group's and the Company's investment properties measured at fair value and information about the fair value hierarchy as at 30 June 2017 and 2018 are as follows:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
THE GROUP				
2018				
Investment properties	**–**	**150,471**	**690,839**	**841,310**
2017				
Investment properties	–	57,100	338,850	395,950
THE COMPANY				
2017				
Investment properties	–	–	145,400	145,400

Notes to the Financial Statements for the year ended 30 June 2018

6. (a) INTANGIBLE ASSETS

THE GROUP	Goodwill Rs'000	Others Rs'000	Total Rs'000
COST			
At 1 July 2016	2,634,503	1,281,507	3,916,010
Acquisition of subsidiaries (Note 39(a))	3,550	–	3,550
Transfer from property, plant and equipment (Note 4)	–	13,716	13,716
Additions	–	282,072	282,072
Impairment loss	(123,978)	–	(123,978)
Write offs	–	(21,557)	(21,557)
Disposals	–	(5,006)	(5,006)
Exchange differences	(11,182)	(7,349)	(18,531)
At 30 June 2017	2,502,893	1,543,383	4,046,276
At 1 July 2017	**2,502,893**	**1,543,383**	**4,046,276**
Acquisition of subsidiaries (Note 39(a))	**85,610**	**94,148**	**179,758**
Assets in progress	**–**	**2,465**	**2,465**
Additions	**246,952**	**142,888**	**389,840**
Transfer to assets classified as held for sale (Note 20)	**(2,588)**	**(4,448)**	**(7,036)**
Disposal of subsidiaries (Note 39b)	**–**	**(93)**	**(93)**
Impairment loss	**(143,198)**	**–**	**(143,198)**
Write offs	**–**	**(2,132)**	**(2,132)**
Disposals	**–**	**(2,696)**	**(2,696)**
Exchange differences	**5,217**	**(7,487)**	**(2,270)**
At 30 June 2018	**2,694,886**	**1,766,028**	**4,460,914**

Notes to the Financial Statements for the year ended 30 June 2018

6. (a) INTANGIBLES ASSETS (CONTINUED)

THE GROUP	Goodwill Rs'000	Others Rs'000	Total Rs'000
AMORTISATION / IMPAIRMENT			
At 1 July 2016	212,180	585,138	797,318
Charge for the year	–	80,428	80,428
Write offs	–	(18,342)	(18,342)
Transfer from property, plant and equipment (Note 4)	–	6,928	6,928
Disposals	–	(4,471)	(4,471)
Difference on exchange	–	(2,004)	(2,004)
At 30 June 2017	212,180	647,677	859,857
At 1 July 2017	212,180	647,677	859,857
Charge for the year	–	67,750	67,750
Write off	–	(1,810)	(1,810)
Transfer to assets classified as held for sale (Note 20)	–	(4,384)	(4,384)
Disposals	–	(1,563)	(1,563)
Disposal of subsidiary (Note 39(b))	–	(64)	(64)
Impairment loss	–	494	494
Difference on exchange	22	(2,715)	(2,693)
At 30 June 2018	**212,202**	**705,385**	**917,587**
NET BOOK VALUE			
At 30 June 2018	**2,482,684**	**1,060,643**	**3,543,327**
At 30 June 2017	2,290,713	895,706	3,186,419

Notes to the Financial Statements for the year ended 30 June 2018

6. (a) INTANGIBLES ASSETS (CONTINUED)

THE COMPANY	Computer software 2018 Rs'000	Marketing Rights 2018 Rs'000	Total 2018 Rs'000
COST			
At 1 July 2016	–	–	–
Amalgamation adjustments (Note 45)	109,217	8,000	117,217
Additions	7,660	–	7,660
Disposals	(194)	–	(194)
At 30 June 2017	116,683	8,000	124,683
At 1 July 2017	116,683	8,000	124,683
Additions	33,794	–	33,794
Disposals	(2,133)	–	(2,133)
At 30 June 2018	**148,344**	**8,000**	**156,344**
AMORTISATION			
At 1 July 2016	–	–	–
Amalgamation adjustments (Note 45)	62,431	–	62,431
Charge for the year	11,414	–	11,414
Disposals	(194)	–	(194)
At 30 June 2017	73,651	–	73,651
At 1 July 2017	73,651	–	73,651
Charge for the year	11,852	–	11,852
Disposals	(1,052)	–	(1,052)
At 30 June 2018	**84,451**	**–**	**84,451**
NET BOOK VALUE			
At 30 June 2018	**63,893**	**8,000**	**71,893**
At 30 June 2017	43,032	8,000	51,032

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Notes to the Financial Statements for the year ended 30 June 2018

6. (a) INTANGIBLES ASSETS (CONTINUED)

The other intangible assets consist of leasehold rights, rights to publishing titles, marketing rights, trademarks and computer software. Leasehold rights have a net book value of Rs 625,226,400 as at 30 June 2018 (2017: Rs 563,464,000).

The directors have considered the relevant factors in determining the useful life of the marketing rights and trademarks. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the marketing rights and trademarks have been assessed as having an indefinite useful life.

The recoverable amount of marketing rights with a carrying value of Rs 8 million and which arise on Cipla have been based on its value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management. Value-in-use was determined by discounting the future cash flows generated from the continuing use of marketing rights using a pre-tax discount rate of 13.1%.

The directors are of the opinion that the marketing rights have not been impaired and believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of marketing rights to exceed their aggregate recoverable amount.

The recoverable amounts of trademarks and goodwill of Edena S.A. and its subsidiaries (Edena Group), have been determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. Value-in-use was determined by discounting the future cash flows generated from the continuing use of trademarks and the cash generating unit of Edena Group respectively using a pre-tax discount rate with a carrying amount of Rs 193 million.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of trademarks to at least maintain their respective market share. An annual growth rate of 4% has been used for a period of 5 years and a perpetual growth rate of 2% has been used to calculate the terminal value.

Goodwill acquired through business combinations have indefinite lives and have been allocated to the following cash-generating units for impairment testing as follows:

	CARRYING VALUE	
	2018 Rs'000	2017 Rs'000
Agro	**–**	5,432
Building & Engineering	**29,656**	24,224
Commercial	**128,597**	32,997
Financial & Other Services	**38,669**	993
Logistics	**12,606**	12,606
Manufacturing & Processing	**595,770**	659,815
Corporate Services	**46,792**	51,444
Hospitality	**1,387,623**	1,393,254
Life	**109,949**	109,948
Property	**133,022**	–
	2,482,684	2,290,713

6. (a) INTANGIBLES ASSETS (CONTINUED)

The recoverable amounts of these cash-generating units have been determined based on their value in use calculation using cash flow projections based on financial budgets established by senior management. The pre-tax discount rates applied to cash flow projections vary between 6% to 18% (2017: 9% to 14%) and the growth rates range from 2% to 3% (2017: 3% to 5%).

Impairment losses amounting to Rs 143.2 million (2017: Rs 140 million) for 2018 and 2017 are attributable to the cash generating units of Commercial, Manufacturing & Processing, Property and Corporate Services to reflect the loss in value of the CGU. These were done for certain non-operating and loss making units. The impairment losses are recognised in profit or loss for year ended 30 June 2017 and 2018 in other gains and losses.

The directors have reviewed the carrying values of goodwill at 30 June 2017 and 2018 and are of the opinion that no additional impairment losses need to be recognised.

6. (b) DEFERRED EXPENDITURE

Voluntary Retirement Scheme (VRS) costs

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
COST		
At 1 July	18,211	–
Cash compensation paid	–	20,386
Infrastructure	413	5,319
Pension cost release	–	(7,494)
At 30 June	**18,624**	18,211

The Voluntary retirement scheme costs comprise of compensation payments, provision of land infrastructure and other costs. The project is still on-going at year end with costs being incurred with respect to the development of the land. Once completed, the costs will be amortised on a period as determined by management.

7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2017: 17%).

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities	1,183,246	1,108,036	–	–
Deferred tax assets	(359,277)	(241,304)	(60,563)	(58,907)
Net deferred tax at 30 June	**823,969**	866,732	**(60,563)**	(58,907)

The movement in deferred tax during the year is as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	866,732	783,447	(58,907)	–
Acquisition of subsidiaries (Note 39(a))	(36,405)	–	–	–
Disposal of subsidiaries (Note 39(b))	(153)	–	–	–
Amalgamation adjustment (Note 45)	–	–	–	(23,051)
Transfer to assets classified as held for sale (Note 20)	(12,853)	–	–	–
Exchange differences	(727)	2,564	–	–
Other movement	24,147	–	23,577	–
Amounts recognised in profit or loss				
Charge for the year (Note 26(b))	(18,799)	(2,438)	(14,317)	(32,806)
Amounts recognised in other comprehensive income				
Income tax relating to components of other comprehensive income	(7,146)	13,045	–	–
Deferred tax on revaluation of land and buildings	14,522	82,152	–	8,738
Deferred tax relating to remeasurement of retirement benefit obligations	(5,349)	(12,038)	(10,916)	(11,788)
At 30 June	**823,969**	866,732	**(60,563)**	(58,907)

Notes to the Financial Statements for the year ended 30 June 2018

7. DEFERRED TAXATION (CONTINUED)

Deferred tax assets and liabilities and movement in deferred tax are attributable to the following items:

THE GROUP	Accelerated tax depreciation Rs'000	Provisions Rs'000	Revaluation of property, plant and equipment Rs'000	Retirement benefit obligations Rs'000	Tax losses Rs'000	Total Rs'000
At 1 July 2016	652,660	(28,128)	530,379	(242,708)	(128,756)	783,447
Exchange difference	1,992	–	–	–	572	2,564
Disposal of subsidiary	–	–	–	–	–	–
Charge to other comprehensive income	–	–	82,152	(12,038)	13,045	83,159
Charge to profit or loss	119,707	4,891	–	(16,727)	(110,309)	(2,438)
At 30 June 2017	774,359	(23,237)	612,531	(271,473)	(225,448)	866,732
At 1 July 2017	774,359	(23,237)	612,531	(271,473)	(225,448)	866,732
Acquisition of subsidiaries	2,531	–	22,311	(1,987)	(59,260)	(36,405)
Other movement	43,711	10,385	(54,548)	(240)	24,839	24,147
Disposal of subsidiary	(153)	–	–	–	–	(153)
Charge to other comprehensive income	–	(7,146)	14,522	(5,349)	–	2,027
Transfer to asset classified as held for sale (Note 20)	11,628	(11,774)	–	(178)	(12,529)	(12,853)
Charge to profit or loss	50,553	(17,587)	(43,448)	(14,484)	6,167	(18,799)
Exchange difference	44	(1,678)	907	–	–	(727)
At 30 June 2018	**882,673**	**(51,037)**	**552,275**	**(293,711)**	**(266,231)**	**823,969**

THE COMPANY	Accelerated tax depreciation Rs'000	Revaluation of property, plant and equipment Rs'000	Retirement benefit obligations Rs'000	Total Rs'000
At 1 July 2016	–	–	–	–
Amalgamation adjustment (Note 45)	20,782	70,710	(114,543)	(23,051)
Charged to other comprehensive income	–	8,738	(11,788)	(3,050)
Charged to profit or loss	(29,715)	–	(3,091)	(32,806)
At 30 June 2017	(8,933)	79,448	(129,422)	(58,907)
At 1 July 2017	(8,933)	79,448	(129,422)	(58,907)
Charged to other comprehensive income	–	–	(10,916)	(10,916)
Other movement	23,577	–	–	23,577
Charged to profit or loss	(10,467)	–	(3,850)	(14,317)
At 30 June 2018	**4,177**	**79,448**	**(144,188)**	**(60,563)**

Notes to the Financial Statements for the year ended 30 June 2018

8. BEARER BIOLOGICAL ASSETS

THE GROUP	2018 Rs'000	2017 Rs'000
Plant canes		
At 1 July	**8,411**	13,779
Expenditure during the year	**–**	3,764
Impairment adjustment	**(1,709)**	(6,915)
Amortisation for the year	**(3,161)**	(2,217)
At 30 June	**3,541**	8,411
Area harvested (Arpents)	**353**	411
Cost per Arpent (Rs)	**54,292**	50,599

At June 30, 2018, the directors have made an assessment of the carrying value of the bearer plants and have concluded that an impairment of Rs 1.7M was required (2017: Rs 6.9M) based on their forecasts. This assessment was based on an average sugar price of Rs 13,000 per ton over the projected period (2017: Rs 15,000). The main factor that led to the impairment was the decreasing harvested area from 343 Arpents to 291 Arpents by 2023. The value in use model has been used and discount rate is 6.26% (2017: 6.12%).

9. CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane Rs'000	Plants Rs'000	Vegetables Rs'000	Total Rs'000
At 1 July 2016	7,339	18,504	10,051	35,894
Production	32,251	25,004	20,796	78,051
Sales	(24,270)	(27,635)	(21,951)	(73,856)
Fair value movement	(11,286)	3,874	(679)	(8,091)
At 30 June 2017	**4,034**	**19,747**	**8,217**	**31,998**
Production	19,182	28,078	27,489	74,749
Sales	(15,149)	(25,522)	(19,439)	(60,110)
Fair value movement	(3,070)	1,214	(10,154)	(12,010)
At 30 June 2018	**4,997**	**23,517**	**6,113**	**34,627**

9. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

The main assumptions for estimating the fair values are as follows:

	2018	2017
Standing cane		
Expected area to harvest (ha)	**149**	173
Estimated yields (%)	**10.4**	10.4
Estimated price of sugar – Rs (per ton)	**13,000**	15,000
Plants		
Expected area to harvest (ha)	**9**	12
Maximum maturity of plants at 30 June	**1 year**	1 year
Vegetables		
Expected area to harvest (ha)	**24**	32
Discount factor (%)	**12.5**	5.0

Description of significant unobservable inputs to valuation:

	Valuation technique	**Significant unobservable inputs**	**Sensitivity of the input to value**
Standing cane	Discounted cash flows	Cane yield per Ha.: Rs 14,133 (2017: Rs 14,644)	0.1% point increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 134,957 (2017: Rs 155,440).
		Price of sugar	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 674,784 (2017: Rs 777,198).
		WACC: 6.26% (2017: 6.34%)	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 3,139 (2017: Rs 8,289).
Plants	Discounted cash flows	Average price of plants	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 2,019,267 (2017: Rs 1,535,485).
		Mortality rate: 6% (2017: 7%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 1,486,745 (2017: Rs 65,245).
		WACC: 20% (2017: 20%)	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 227,003 (2017: Rs 35,811).
Vegetables	Discounted cash flows	Discount factor: 12.5% (2017: 8%)	1% point increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 13,498 (2017: Rs 1,522).
		Price of vegetables	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs 485,758 (2017: Rs 742,324).

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for the year ended 30 June 2018

FINANCIAL STATEMENTS

10. FINANCE LEASE RECEIVABLES

THE GROUP

(a) Movement during the year

	2018 Rs'000	2017 Rs'000
At 1 July	**932,729**	1,091,693
Leases granted during the year	**198,236**	183,183
Amounts written off	**(182,033)**	(824)
Capital movement during the year	**(310,847)**	(341,323)
	638,085	932,729
Interest on finance lease receivable	**6,373**	31,771
Less: Allowance for credit losses	**(68,580)**	(278,858)
Transfer to assets classified as held for sale (Note 20)	**(575,878)**	–
At 30 June	**–**	685,642
Present value of minimum lease payments	**638,085**	932,729

All finance lease receivables are secured over the assets leased and in some cases additional guarantees are taken from the clients for the facility availed. The average lease term is between 5 to 7 years and the effective interest rate on finance leases is 7.61% (2017: 8.6%) and is fixed at the contract date for the entire lease term. The lessee has the option to purchase the asset at the end of the lease period.

Before granting lease to clients, the subsidiary uses a credit scoring system to assess the potential client's credit quality and profile. The Client Acceptance Committee reviews the client's application and upon satisfactory scoring and submission of all necessary documents, the lease is granted.

The maximum exposure to credit risk of finance lease receivables for the current and prior periods is the carrying amount net of allowance for credit losses.

	2018 RS'000	2017 Rs'000
Ageing of past due debt but not impaired		
90 days–180 days	**–**	–
Over 180 days	**–**	5,222
	–	5,222
Ageing of impaired past due debt		
30 days – 180 days	**1,411**	7,022
Over 180 days	**88,398**	390,413
	89,808	397,435

10. FINANCE LEASE RECEIVABLES (CONTINUED)

(b) Gross and net investment in finance leases:

	2018 Rs'000	2017 Rs'000
– Within one year	**334,124**	602,537
– Between one and five years	**396,692**	457,689
– Over 5 years	**17,268**	22,845
	748,084	1,083,071
Less Unearned finance income	**(103,626)**	(118,571)
Less Allowance for credit losses	**(68,580)**	(278,858)
Net investment in finance lease before allowance for credit losses	**575,878**	685,642

(c) Movement in the allowance for credit losses

In determining the recoverability of a debt, the subsidiary considers each client on a case by case basis, taking into account any change in the credit quality of the client from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Management is of the opinion that there is no further credit provision required in excess of the allowance for credit losses.

	2018			2017
	Specific provision Rs'000	Portfolio provision Rs'000	Total provision Rs'000	Total Rs'000
Balance at beginning of the year	**270,236**	**8,622**	**278,858**	287,004
Amount utilised/reclassified	**(205,295)**	**(2,445)**	**(207,740)**	–
Write off	**–**	**–**	**–**	(495)
(Reversal)/additional provision during the year	**(2,538)**	**–**	**(2,538)**	(7,651)
Balance at end of the year	**62,403**	**6,177**	**68,580**	278,858

As at 30 June 2018, all finance lease receivables have been transferred to assets classified as held for sale (Note 20).

Notes to the Financial Statements
for the year ended 30 June 2018

FINANCIAL STATEMENTS

11. INVESTMENT IN SUBSIDIARIES

THE COMPANY	Listed Rs'000	Secondary market Rs'000	Unquoted Rs'000	Total Rs'000
At 1 July 2016	8,353,944	310,433	1,048,277	9,712,654
Amalgamation adjustment (Note 45)	(3,946,781)	–	7,860,672	3,913,891
Additions	–	573	1,689,864	1,690,437
Transfer from AFS financial assets	–	–	1,200	1,200
Impairment loss	–	–	(231,985)	(231,985)
Fair value adjustment	379,534	101,134	2,276,518	2,757,186
At 30 June 2017	4,786,697	412,140	12,644,546	17,843,383
At 1 July 2017	**4,786,697**	**412,140**	**12,644,546**	**17,843,383**
Additions	**2,270,684**	**132,454**	**221,602**	**2,624,740**
Reduction of capital	**–**	**–**	**(527,781)**	**(527,781)**
Transfer from associates (Note 12)	**–**	**–**	**26,016**	**26,016**
Transfer from/(to) AFS financial assets (Note 14)	**80,942**	**–**	**(1,245)**	**79,697**
Assets reclassified to held for sale (Note 20)	**–**	**–**	**(174,927)**	**(174,927)**
Impairment loss	**–**	**–**	**(198,904)**	**(198,904)**
Fair value adjustment	**1,137,437**	**190,145**	**1,077,477**	**2,405,059**
At 30 June 2018	**8,275,760**	**734,739**	**13,066,784**	**22,077,283**

The acquisition has been financed as follows:

	2018 Rs'000	2017 Rs'000
Cash	**2,624,740**	882,835
Transfer of properties	**–**	807,602
	2,624,740	1,690,437

The Group and the Company have pledged their investments to secure the banking facilities obtained.

At 30 June 2018 and 2017, the Company recognised impairment losses with respect to Ugandan subsidiaries, Mauritian Eagle Leasing Co Ltd as well as some non-operating entities as these entities have recurring losses. These impairment losses were recognised in other gains and losses. The directors believe that investments in subsidiaries have not suffered additional impairment loss.

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
Chantier Naval de l'Océan Indien Limited	Mauritius	Ordinary	Construction and repair of ships	60.00	–	60.00	-
CNOI Investments Ltd	Mauritius	Ordinary	Investment	–	60.00	-	60.00
Industrie et Services de l'Océan Indien Limitée	Mauritius	Ordinary	Maritime Transport	–	60.00	50.00	10.00
Construction & Material Handling Company Ltd	Mauritius	Ordinary	Handling equipment	100.00	–	100.00	-
DieselActiv Co Ltd	Mauritius	Ordinary	Mechanical	100.00	–	100.00	-
Engineering Support Services Ltd (formerly called Riche Terre Development Limited)	Mauritius	Ordinary	Property	100.00	–	100.00	-
Engitech Ltd	Mauritius	Ordinary	Engineering	100.00	–	100.00	-
IBL Madagasikara S.A.	Madagascar	Ordinary	Commerce	90.00	–	90.00	-
Manser Saxon Contracting Limited	Mauritius	Ordinary	Contracting & engineering	92.50	–	85.00	-
Manser Saxon Interiors Ltd	Mauritius	Ordinary	Commerce	–	92.50	-	85.00
Manser Saxon Elevators Ltd	Mauritius	Ordinary	Commerce & maintenance services	–	92.50	-	85.00
Manser Saxon Environment Ltd**	Mauritius	Ordinary	Inactive	–	92.50	-	85.00
Manser Saxon Plumbing Ltd	Mauritius	Ordinary	Manufacturing	–	92.50	-	85.00
Manser Saxon Openings Ltd**	Mauritius	Ordinary	Inactive	–	92.50	-	85.00
Manser Saxon Training Services Ltd	Mauritius	Ordinary	Training services	–	92.50	-	85.00
Fit-Out (Mauritius) Ltd	Mauritius	Ordinary	Manufacture of furniture	–	69.84	-	64.18
Kuros Company Ltd (formerly Instyle by MS Ltd)	Mauritius	Ordinary	Commerce	–	92.50	-	85.00
Systems Building Contracting Ltd	Mauritius	Ordinary	Contracting & engineering	–	59.66	-	54.83
Tornado Limited	Mauritius	Ordinary	Assembling & sale of air conditioners	–	92.50	-	85.00
Saxon International Ltd	Mauritius	Ordinary	Investment holding	–	92.50	-	85.00
Manser Saxon Dubai LLC	Dubai	Ordinary	Contracting & engineering	–	92.50	-	85.00
Manser Saxon Interiors LLC	Dubai	Ordinary	Manufacturing of doors & shutters	–	92.50	-	85.00
Engineering Services Ltd	Seychelles	Ordinary	Outsourcing	–	69.38	-	63.75
Servequip Ltd	Mauritius	Ordinary	Rental & servicing of equipment	100.00	–	100.00	-
Scomat Limitée	Mauritius	Ordinary	Industrial & Mechanical	100.00	–	100.00	-
Société de Transit Aérien et Maritime SARL**	Madagascar	Ordinary	Clearing & forwarding	–	85.50	-	85.50
The United Basalt Products Ltd	Mauritius	Ordinary	Manufacture of building materials	33.14	–	33.14	-
Espace Maison Ltée	Mauritius	Ordinary	Commerce	–	33.14	-	33.14
La Savonnerie Creole Ltée	Mauritius	Ordinary	Commerce	–	33.14	-	-
Compagnie de Gros cailloux Limitée	Mauritius	Ordinary	Agriculture	–	33.14	-	33.14
Société d'Investissement Rodriguais	Mauritius	Ordinary	Investment holding	–	33.14	-	-
Welcome Industries Limited	Mauritius	Ordinary	Manufacture of building materials	–	25.15	-	25.15
UBP International Ltd	Mauritius	Ordinary	Investment	–	33.14	-	33.14
UBP Madagascar	Madagascar	Ordinary	Manufacture of building materials	–	33.14	-	33.14
United Granite Products (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	–	25.52	-	25.52

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	–	33.14	-	33.14
Sheffield Trading(Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	–	33.14	-	33.14
Sainte Marie Crushing Plant Ltd	Mauritius	Ordinary	Manufacture of building materials	–	25.35	-	25.35
Société des Petits Cailloux	Mauritius	Ordinary	Investment	–	25.35	-	25.35
Dry Mixed Products Ltd	Mauritius	Ordinary	Manufacture of building materials	–	16.90	-	16.90
Land Reclamation Limited**	Mauritius	Ordinary	Manufacture of building materials	–	33.14	-	33.14
Stone and Bricks Co Ltd	Mauritius	Ordinary	Manufacture of building materials	–	33.14	-	33.14
The Stonemasters Company Limited	Mauritius	Ordinary	Manufacture of building materials	–	33.14	-	33.14
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	–	33.14	-	33.14
Blychem Ltd	Mauritius	Ordinary	Manufacturing of chemical products	100.00	–	100.00	-
Escape Outdoor & Leisure Ltd	Mauritius	Ordinary	Commerce	100.00	–	100.00	-
HealthActiv Ltd	Mauritius	Ordinary	Healthcare	100.00	–	100.00	-
Medical Trading Company Ltd	Mauritius	Ordinary	Healthcare	100.00	–	100.00	-
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	51.00	–	51.00	-
New Cold Storage Company Limited*	Mauritius	Ordinary	Inactive	100.00	–	100.00	-
Winhold Limited	Mauritius	Ordinary	Investment holding	100.00	–	100.00	-
Pick and Buy Limited	Mauritius	Ordinary	Supermarkets	–	100.00	-	100.00
Compagnie des Magasins Populaires Limitée	Mauritius	Ordinary	Hypermarket	–	100.00	-	-
CMPL (Cascavelle) Limitée	Mauritius	Ordinary	Hypermarket	–	100.00	-	-
CMPL (Bagatelle) Limitée	Mauritius	Ordinary	Hypermarket	–	100.00	-	-
CMPL (Mont Choisy) Limitée	Mauritius	Ordinary	Hypermarket	–	100.00	-	-
Intergraph Ltée	Mauritius	Ordinary	Trading in printing equipment and consumables	100.00	–	100.00	-
Heilderberg Océan Indien Limitée	Mauritius	Ordinary	Investment	–	100.00	-	100.00
Intergraph Réunion	Reunion	Ordinary	Trading in printing equipment and consumables for printing	–	100.00	-	100.00
Intergraph Reunion SAV	Reunion	Ordinary	After sales service	–	100.00	-	100.00
SCI Les Alamandas	Reunion	Ordinary	Real Estate	–	100.00	-	100.00
Intergraph Réunion Papier	Reunion	Ordinary	Trading in papers	–	100.00	-	100.00
Intergraph Editions Ltée	Mauritius	Ordinary	Editing of books	–	100.00	-	100.00
Intergraph Africa Ltd	Mauritius	Ordinary	Trading in printing equipment and consumables	–	100.00	-	-
Les Classiques Africains du Cameroun SARL	Cameroun	Ordinary	Sale and promotion of books	–	100.00	-	100.00
Les Classiques du Sénégal	Senegal	Ordinary	Sale and promotion of books	–	100.00	-	100.00
Adam and Company Limited*	Mauritius	Ordinary	Inactive	–	100.00	-	100.00
Blyth Brothers & Company Limited*	Mauritius	Ordinary	Inactive	100.00	–	100.00	-
Cassis Limited*	Mauritius	Ordinary	Inactive	100.00	–	100.00	-
Equip and Rent Company Ltd	Mauritius	Ordinary	Rental of equipment	100.00	–	100.00	-
Fondation Joseph Lagesse	Mauritius	Ordinary	Charitable institution	100.00	–	100.00	-
IBL Africa Investment Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	-
IBL Biotechnology International Ltd	Mauritius	Ordinary	Research and Development	100.00	–	100.00	-

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
IBL Loyalty Ltd (fomerly IBL Corporate Services Ltd)	Mauritius	Ordinary	Loyalty card management	**100.00**	**–**	100.00	–
IBL Entertainment Holding Limited*	Mauritius	Ordinary	Inactive	**100.00**	**–**	100.00	–
IBL Entertainment Limited*	Mauritius	Ordinary	Inactive	**–**	**100.00**	–	100.00
IBL Treasury Management Ltd*	Mauritius	Ordinary	Inactive	**100.00**	**–**	100.00	–
Les Cuisines Solidaires Ltée	Mauritius	Ordinary	Charitable institution	**100.00**	**–**	100.00	–
IBL International Limited	Mauritius	Ordinary	Investment	**100.00**	**–**	100.00	–
IBL Training Services Limited*	Mauritius	Ordinary	Training services	**100.00**	**–**	100.00	–
GML Immobilier Ltée	Mauritius	Ordinary	Inactive	**100.00**	**–**	100.00	–
IMV Services Ltd	Mauritius	Ordinary	Rental of equipment	**100.00**	**–**	100.00	–
I-Consult Limited	Mauritius	Ordinary	IT Services	**100.00**	**–**	100.00	–
I-Telecom Ltd	Mauritius	Ordinary	IT Services	**100.00**	**–**	100.00	–
Ireland Blyth (Seychelles) Ltd*	Seychelles	Ordinary	Inactive	**100.00**	**–**	100.00	–
Ireland Fraser and Company Limited*	Mauritius	Ordinary	Inactive	**100.00**	**–**	100.00	–
Printvest Holding Ltd	Mauritius	Ordinary	Investment	**100.00**	**–**	100.00	–
IBL Management Ltd	Mauritius	Ordinary	Management Services	**100.00**	**–**	100.00	–
IBL Treasury Ltd	Mauritius	Ordinary	Treasury	**100.00**	**–**	100.00	–
Société de Traitement et d'Assainissement des Mascareignes Limitée*	Mauritius	Ordinary	Inactive	**100.00**	**–**	100.00	–
SPCB Ltée	Mauritius	Ordinary	Investment holding	**100.00**	**–**	100.00	–
Ze Dodo Trail Ltd	Mauritius	Ordinary	Organiser of trails	**100.00**	**–**	100.00	–
IBL Financial Services Holding Ltd	Mauritius	Ordinary	Investment	**100.00**	**–**	100.00	–
Beach International Company Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
DTOS Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
DTOS International Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
DTOS Trustees Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
DTOS Outsourcing Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
DTOS Registry Services Ltd	Mauritius	Ordinary	Provider of Services	**–**	**100.00**	–	–
DTOS East Africa Company Limited	Uganda	Ordinary	Global business	**–**	**100.00**	–	–
DTOS International East Africa (K) Limited	Kenya	Ordinary	Global business	**–**	**100.00**	–	100.00
Interface International Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
Interface Management Services Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
IPSE (Nominees) Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
ITA EST (Nominees) Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
Knights & Johns Management Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
Pines Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
Pines Nominees Ltd	Mauritius	Ordinary	Global business	**–**	**100.00**	–	100.00
Mauritian Eagle Insurance Company Limited	Mauritius	Ordinary	General Insurance	**60.00**	**–**	60.00	–
Specialty Risk Solutions Ltd	Mauritius	Ordinary	General Insurance	**–**	**42.00**	–	42.00
MEI Investment Property Limited	Mauritius	Ordinary	Property	**–**	**60.00**	–	–

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
Mauritian Eagle Leasing Company Ltd	Mauritius	Ordinary	Leasing & deposit taking	**86.43**	**8.14**	86.43	8.14
Equity Spectrum Ltd	Mauritius	Ordinary	Investment	**70.00**	**–**	70.00	–
The Bee Equity Partners Ltd	Mauritius	Ordinary	Investment	**34.95**	**–**	34.95	–
Flacq Associated Stonemasters Limited	Mauritius	Ordinary	Production and sale of aggregates and bricks	**–**	**28.15**	–	28.15
Alentaris Ltd	Mauritius	Ordinary	Investment	**75.51**	**–**	75.51	–
Alentaris Recruitment Ltd	Mauritius	Ordinary	Recruitment services	**–**	**75.51**	–	75.51
Alentaris Consulting Ltd	Mauritius	Ordinary	Human resource consulting	**–**	**75.51**	–	75.51
Alentaris Management Ltd	Mauritius	Ordinary	Management company	**–**	**75.51**	–	75.51
International Development Partners (E.A) Limited	Kenya	Ordinary	Recruitment services and human resource management	**–**	**74.00**	–	74.00
LCF Holdings Ltd	Mauritius	Ordinary	Investment dealer/advisor	**60.00**	**–**	25.00	–
LCF Registry & Advisory Ltd	Mauritius	Ordinary	Investment dealer/advisor	**–**	**60.00**	–	25.00
LCF Securities Ltd	Mauritius	Ordinary	Investment dealer/advisor	**–**	**60.00**	–	25.00
LCF Wealth Ltd	Mauritius	Ordinary	Investment dealer/advisor	**–**	**60.00**	–	25.00
Y Generation Diversified Investments Ltd	Mauritius	Ordinary	Investment dealer/advisor	**–**	**60.00**	–	25.00
IBL Link Ltd	Mauritius	Ordinary	Investment	**100.00**	**–**	100.00	–
Universal Media Ltd	Mauritius	Ordinary	Media	**–**	**55.00**	–	34.00
The ConcreAte Agency Ltd	Mauritius	Ordinary	Advertising	**–**	**–**	–	80.00
The Ground Collaborative Space Ltd	Mauritius	Ordinary	Collaborative workspace	**84.20**	**2.03**	84.20	2.03
Lux Island Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**56.47**	**–**	39.27	–
Lux Island Resort Seychelles Ltd	Seychelles	Ordinary	Hospitality and Tourism	**–**	**51.95**	–	37.70
LIRTA Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**51.95**	–	37.70
Holiday & Leisure Resorts Limited	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Merville Beach Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Merville Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Blue Bay Tokey Island Limited	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Beau Rivage Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Lux* Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Les Pavillons Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
LTK Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
FMM Ltée	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
MSF Leisure Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Hotel Prestige Reunion SAS	Reunion	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Le Recif	Reunion	Ordinary	Hospitality and Tourism	**–**	**55.97**	–	39.21
Les Villas du Lagon SA	Reunion	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Naiade Holidays (Pty) Ltd	South Africa	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Lux* Island Resorts UK Limited	UK	Ordinary	Hospitality and Tourism	**–**	**56.47**	–	39.27
Island Light Vacations Ltd	Mauritius	Ordinary	Hospitality and Tourism	**–**	**51.95**	–	37.70
Lux* Island Resort Foundation	Mauritius	Ordinary	Charitable institution	**–**	**56.47**	–	39.27

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
Lux* Island Resort Maldives Ltd	Seychelles	Ordinary	Hospitality and Tourism	–	56.47	-	39.27
White Sand Resorts & Spa Pvt Ltd	Maldives	Ordinary	Hospitality and Tourism	–	56.47	-	39.27
Lux* Hospitality Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	51.78	-	37.70
Salt Hospitality Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	-	-
Palm Boutique Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	-	-
The Lux* Collective Pte Ltd	Singapore	Ordinary	Hospitality and Tourism	–	56.47	-	37.70
Cafe Lux* Ltd	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	-	39.27
Lux* Hotel Management (Shanghai) Co ltd	China	Ordinary	Hospitality and Tourism	–	51.95	-	39.27
Oceanide Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	-	39.27
Nereide Limited	Mauritius	Ordinary	Hospitality and Tourism	–	56.47	-	39.27
Ari Atoll Investment Ltd	Seychelles	Ordinary	Hospitality and Tourism	–	51.95	-	37.70
Bloomage Ltd	Mauritius	Ordinary	Real Estate & Property Management	100.00	–	100.00	-
Southern Investments Ltd	Mauritius	Ordinary	Real Estate	–	62.70	-	-
BlueLife Limited	Mauritius	Ordinary	Property Development & investment holding	48.99	–	8.46	-
Haure Rive Holdings Limited	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Azuri Suites Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Azuri Watch Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Azuri Services Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Azuri Estate Management Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Haute Rive Ocean Front Living Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Haute Rive IRS Company Limited	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Haute Rive PDS Company Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
HR Golf Holding Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Azuri Golf Management Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Circle Square Holding Company Limited	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Life in Blue Limited	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Ocean Edge Property Management Company Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
Les Hauts Champs 2 Ltd	Mauritius	Ordinary	Property Development	–	48.99	-	8.46
PL Resort Ltd	Mauritius	Ordinary	Property Development	–	43.37	-	19.06
Haute Rive Azuri Hotel Company Ltd	Mauritius	Ordinary	Property Development	–	38.13	-	7.34
IBL Life Ltd	Mauritius	Ordinary	Biotechnologies	100.00	–	100.00	-
Rouclavier Ltée	Mauritius	Ordinary	Research and Biotechnology	–	90.00	-	80.00
Services Gestion des Compagnies Ltée	Mauritius	Ordinary	Management Services	–	90.00	-	80.00
CIDP Preclinical Ltd	Mauritius	Ordinary	Clinical testing	–	90.00	-	80.00
CIDP India Ltd	Mauritius	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	-	80.00
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	–	89.10	-	79.99

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
CIDP International	Mauritius	Ordinary	Clinical research and investment	–	89.10	-	79.20
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	-	79.20
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	–	90.00	-	80.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	-	79.99
Centre de Phytotherapie et de Recheche Ltée	Mauritius	Ordinary	Testing and analysis of plants	–	84.50	-	79.00
CIDP Singapore Ltd	Mauritius	Ordinary	Clinical research and investment	–	90.00	-	80.00
CIDP Biotech Singapore (Centre International de Development Pharmaceutique) PTE. Ltd	Singapore	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	90.00	-	80.00
Air Mascareignes Limitée	Mauritius	Ordinary	Tourism	50.00	–	50.00	-
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	–	50.00	-	50.00
Arcadia Travel Comores SARL	Comoros	Ordinary	Travel agency	–	50.00	-	50.00
Australair General Sales Agency Ltd	Mauritius	Ordinary	Tourism and Travel	–	25.00	-	25.00
Australair GSA Comores SARL	Comoros	Ordinary	Tourism and Travel	–	25.00	-	25.00
Australair GSA Mada s.a.	Madagascar	Ordinary	Tourism and Travel	–	25.00	-	25.00
Catovair Comores sarl*	Mauritius	Ordinary	Tourism and Travel	–	50.00	-	50.00
Compagnie Thonière de l'Ocean Indien Ltée	Mauritius	Ordinary	Rental of fishing boats	100.00	–	100.00	-
Ground 2 Air Ltd (formerly named Equity Aviation Indian Ocean Limited)	Mauritius	Ordinary	Ground handling	100.00	–	100.00	-
Equity Aviation Comores sarl	Mauritius	Ordinary	Ground handling	–	100.00	-	100.00
G2A Camas Ltd	Mauritius	Ordinary	Training	–	50.00	-	50.00
IBL Aviation SARL	Madagascar	Ordinary	Tourism and Travel	–	100.00	-	100.00
IBL Aviation Comores SARL	Comoros	Ordinary	Tourism and Travel	–	100.00	-	100.00
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	100.00	–	100.00	-
IBL Comores SARL	Comoros	Ordinary	Tourism	100.00	–	100.00	-
IBL Comores GSA Anjouan SARL	Comoros	Ordinary	Tourism	–	100.00	-	100.00
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	–	100.00	-
IBL Regional Development Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	-
Arcadia Travel Limited (formerly called IBL Travel Limited)	Mauritius	Ordinary	Travel agency	100.00	–	100.00	-
IBL Travel SARL**	Mauritius	Ordinary	Travel agency	–	100.00	-	100.00
Indian Ocean Dredging Ltd**	Mauritius	Ordinary	Inactive	100.00	–	100.00	-
IBL Shipping Company Ltd (formerly: Indian Ocean Logistics Limited)	Mauritius	Ordinary	Import-Export	100.00	–	100.00	-
I World Ltd	Mauritius	Ordinary	Commerce	100.00	–	100.00	-
Ireland Fraser (Madagascar) SARL**	Madagascar	Ordinary	Commerce	100.00	–	100.00	-
Logidis Limited	Mauritius	Ordinary	Warehousing	100.00	–	100.00	-

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
Mad Courrier SARL	Madagascar	Ordinary	Courier service	92.50	–	92.50	–
Mada Aviation SARL	Madagascar	Ordinary	GSA	100.00	–	100.00	–
Reefer Operations (BVI) Limited	British Virgin Island	Ordinary	Shipping	100.00	–	100.00	–
Seaways Marine Supplies Limited	Mauritius	Ordinary	Shipping	100.00	–	100.00	–
Société Mauricienne de Navigation Ltée*	Mauritius	Ordinary	Service provider	100.00	–	100.00	–
Somatrans SDV Ltd	Mauritius	Ordinary	Import-Export	75.00	–	75.00	–
Somatrans SDV Logistics Ltd	Mauritius	Ordinary	Import-Export	–	75.00	–	75.00
Southern Seas Shipping Company Limited	Mauritius	Ordinary	Shipping	100.00	–	100.00	–
Tourism Services International Limited	Mauritius	Ordinary	Inactive	100.00	–	100.00	–
IBL Biotechnology Investment Holdings Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Biotechnology (Mauritius) Ltd	Mauritius	Ordinary	Research and Development	90.00	–	90.00	–
IBL India Investments Ltd	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Aquatic Proteins Private Limited	India	Ordinary	Manufacturing	–	70.00	–	70.00
IBL Gabon Investments Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Ugandan Holdings 1 Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
IBL Ugandan Holdings 2 Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Fresh Cuts (Uganda) Ltd	Uganda	Ordinary	Meat processing	–	100.00	–	100.00
La Tropicale Mauricienne Ltée	Mauritius	Ordinary	Manufacturing	100.00	–	100.00	–
Seafood Hub Limited	Mauritius	Ordinary	Investment	85.00	–	85.00	–
Marine Biotechnology Products Ltd	Mauritius	Ordinary	Manufacturing	–	70.36	–	70.36
Marine Biotechnology International Ltd	Mauritius	Ordinary	Investment	–	85.00	–	85.00
Marine Biotechnology Products (Cote d'Ivoire)	Cote d'Ivoire	Ordinary	Manufacturing	–	43.35	–	–
Cervonic Ltd	Mauritius	Ordinary	Manufacturing	–	85.00	–	82.17
Froid des Mascareignes Ltd	Mauritius	Ordinary	Storage	–	59.50	–	59.50
Transfroid Ltd	Mauritius	Ordinary	Import-Export	–	59.50	–	59.50
Tuna Mascarene S.I.	Spain	Ordinary	Commerce	–	–	–	85.00
Camp Investment Company Limited	Mauritius	Ordinary	Investment	49.60	–	49.60	–
Phoenix Management Company Ltd	Mauritius	Ordinary	Management	–	49.56	–	49.56
Phoenix Investment Company Limited	Mauritius	Ordinary	Investment	26.17	11.25	20.99	11.25
Phoenix Beverages Limited	Mauritius	Ordinary	Production of Beer and Bottles and distribution of beverages	3.21	20.07	3.21	18.46
MBL Offshore Ltd	Mauritius	Ordinary	Investment	–	23.28	–	21.66
SCI Edena	Reunion	Ordinary	Real Estate	–	23.28	–	21.66
Phoenix Beverages Overseas Ltd	Mauritius	Ordinary	Export of beverages	–	23.28	–	21.65
The (Mauritius) Glass Gallery Ltd	Mauritius	Ordinary	Production and sale of glasswares	–	16.46	–	16.46
Mauritius Breweries International Ltd	British Virgin Islands	Ordinary	Investment	–	23.28	–	21.66
Phoenix Distributors Limited	Mauritius	Ordinary	Distribution of beverages	–	21.09	–	21.09
Phoenix Camp Minerals Offshore Limited	Mauritius	Ordinary	Investment	–	23.28	–	21.66

Notes to the Financial Statements for the year ended 30 June 2018

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2018 % held Direct	2018 % held Indirect	2017 % held Direct	2017 % held Indirect
Phoenix Réunion SARL	Reunion	Ordinary	Commissioning agent	–	23.28	–	21.66
Helping Hands Foundation	Mauritius	Ordinary	Charitable institution	–	18.96	–	18.96
Phoenix Foundation	Mauritius	Ordinary	Foundation	–	23.28	–	21.66
Edena S.A.	Reunion	Ordinary	Distribution of beverages	–	23.28	–	21.66
Espace Solution Reunion SAS	Reunion	Ordinary	Other Services	–	23.28	–	21.66

* Companies are inactive

** Companies are inactive and in process of de-registration

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

	Percentage of voting rights held by non-controlling interests		Net profit/(loss) attributable to non-controlling interest		Accumulated non-controlling interests		Dividend paid to non-controlling interests	
	2018	2017	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
Lux* Island Resorts Ltd	43.53%	60.73%	231,758	305,341	2,616,941	3,517,611	(74,613)	(104,080)
Camp Investment Company Limited	50.40%	50.40%	394,213	328,362	3,171,181	2,844,624	(159,734)	(150,198)
The United Basalt Products Ltd	66.86%	66.86%	108,167	120,130	2,183,531	2,261,105	(76,047)	(72,416)
Chantier Naval de l'Océan Indien Ltd	40%	40%	109,123	114,641	808,572	737,756	(48,564)	(54,029)
BlueLife Limited	51.01%	–	(66,788)	–	1,189,064	–	–	–
Individually immaterial subsidiaries with non-controlling interests	–	–	97,432	44,179	1,483,425	1,270,533	(58,123)	(102,011)
Total	–	–	873,905	912,653	11,452,714	10,631,629	(417,081)	(482,734)

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

LUX* ISLAND RESORTS LTD	2018 Rs'000	2017 Rs'000
Current assets	1,240,492	1,146,409
Non-current assets	11,688,444	10,391,750
Current liabilities	2,615,976	2,221,570
Non-current liabilities	4,302,665	3,522,532
Equity attributable to owners of the Company	3,393,354	2,276,446
Non-controlling interest	2,616,941	3,517,611

	2018 Rs'000	2017 Rs'000
Revenue	5,925,409	5,437,975
Expenses	5,510,769	4,930,239
Profit for the year	414,640	507,736
Profit for the year:		
- Profit attributable to owners of the Company	182,882	202,395
- Profit attributable to the non-controlling interests	231,758	305,341
	414,640	507,736
Other comprehensive loss for the year:		
- Other comprehensive loss attributable to owners of the Company	(5,211)	(220,550)
- Other comprehensive loss attributable to the non-controlling interests	(15,960)	(341,676)
	(21,171)	(562,226)
Total comprehensive income/(loss) for the year:		
- Total comprehensive income/(loss) attributable to owners of the Company	177,671	(18,155)
- Total comprehensive income/(loss) attributable to the non-controlling interests	215,798	(36,335)
	393,469	(54,490)
Net cash inflow from operating activities	741,218	848,010
Net cash outflow from investing activities	(1,421,909)	(43,106)
Net cash inflow/(outflow) from financing activities	654,557	(584,149)
Net cash (outflow)/inflow	(26,134)	220,755

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

CAMP INVESTMENT COMPANY LIMITED	2018 Rs'000	2017 Rs'000
Current assets	1,774,766	1,689,562
Non-current assets	4,596,599	4,405,413
Current liabilities	1,178,957	1,305,411
Non-current liabilities	1,015,060	1,160,988
Equity attributable to owners of the Company	1,006,167	783,952
Non-controlling interest	3,171,181	2,844,624

	2018 Rs'000	2017 Rs'000
Revenue	7,295,027	6,414,909
Expenses	6,770,443	5,981,264
Profit for the year	524,584	433,645
Profit for the year:		
- Profit attributable to owners of the Company	130,371	105,283
- Profit attributable to the non-controlling interests	394,213	328,362
	524,584	433,645
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	29,381	7,207
- Other comprehensive income attributable to the non-controlling interests	216,881	35,168
	246,262	42,375
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	159,752	112,490
- Total comprehensive income attributable to the non-controlling interests	611,094	363,530
	770,846	476,020
Net cash inflow from operating activities	764,091	611,831
Net cash outflow from investing activities	(301,168)	(383,216)
Net cash outflow from financing activities	(407,479)	(374,275)
Net cash inflow/(outflow)	55,444	(145,660)

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

THE UNITED BASALT PRODUCTS LTD	2018 Rs'000	2017 Rs'000
Current assets	1,322,527	1,280,198
Non-current assets	3,671,284	3,691,157
Current liabilities	1,344,158	791,867
Non-current liabilities	517,030	1,005,934
Equity attributable to owners of the Company	949,092	912,449
Non-controlling interest	2,183,531	2,261,105

	2018 Rs'000	2017 Rs'000
Revenue	3,046,614	2,651,466
Expenses	2,891,348	2,479,835
Profit for the year	155,266	171,631
Profit for the year:		
- Profit attributable to owners of the Company	47,099	51,501
- Profit attributable to the non-controlling interests	108,167	120,130
	155,266	171,631
Other comprehensive (loss)/income for the year:		
- Other comprehensive (loss)/income attributable to owners of the Company	(27,051)	141,105
- Other comprehensive (loss)/income attributable to the non-controlling interests	(59,305)	284,065
	(86,356)	425,170
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	20,048	192,606
- Total comprehensive income attributable to the non-controlling interests	48,862	404,195
	68,910	596,801
Net cash inflow from operating activities	412,834	244,225
Net cash outflow from investing activities	(225,594)	(276,378)
Net cash outflow from financing activities	(102,151)	(65,498)
Net cash inflow/(outflow)	85,089	(97,651)

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

CHANTIER NAVAL DE L'OCÉAN INDIEN LTD	2018 Rs'000	2017 Rs'000
Current assets	718,048	725,590
Non-current assets	1,685,672	1,628,555
Current liabilities	215,736	295,764
Non-current liabilities	128,049	212,129
Equity attributable to owners of the Company	1,251,363	1,108,496
Non-controlling interest	808,572	737,756

	2018 Rs'000	2017 Rs'000
Revenue	1,172,323	1,257,875
Expenses	898,168	971,981
Profit for the year	274,155	285,894
Profit for the year:		
- Profit attributable to owners of the Company	165,032	171,253
- Profit attributable to the non-controlling interests	109,123	114,641
	274,155	285,894
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	35,006	(11,180)
- Other comprehensive income/(loss) attributable to the non-controlling interests	23,338	(7,453)
	58,344	(18,633)
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	200,038	160,073
- Total comprehensive income attributable to the non-controlling interests	132,461	107,188
	332,499	267,261
Net cash inflow from operating activities	111,885	394,152
Net cash inflow/(outflow) from investing activities	103,105	(61,878)
Net cash outflow from financing activities	(171,860)	(289,435)
Net cash inflow	43,130	42,839

Notes to the Financial Statements for the year ended 30 June 2018

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

BLUELIFE LIMITED	2018 Rs'000
Current assets	971,917
Non-current assets	3,242,455
Current liabilities	1,244,018
Non-current liabilities	629,686
Equity attributable to owners of the Company	1,151,604
Non-controlling interest	1,189,064

	2018 Rs'000
Revenue	513,462
Expenses	620,660
Loss for the year	(107,198)
Loss for the year:	
- Loss attributable to owners of the Company	(40,410)
- Loss attributable to the non-controlling interests	(66,788)
	(107,198)
Other comprehensive income for the year:	
- Other comprehensive income attributable to owners of the Company	153
- Other comprehensive income attributable to the non-controlling interests	159
	312
Total comprehensive loss for the year:	
- Total comprehensive loss attributable to owners of the Company	(40,257)
- Total comprehensive loss attributable to the non-controlling interests	(66,629)
	(106,886)
Net cash inflow from operating activities	55,129
Net cash inflow from investing activities	41,224
Net cash outflow from financing activities	(74,650)
Net cash inflow	21,703

Notes to the Financial Statements for the year ended 30 June 2018

12. INVESTMENTS IN ASSOCIATED COMPANIES

(a) THE GROUP	2018 Rs'000	2017 Restated Rs'000
At 1 July		
- As previously reported	9,451,297	8,677,478
- Prior year adjustments (Note 46)	(258,418)	(235,592)
- As restated	9,192,879	8,441,886
Additions	150,192	554,591
Disposals	(409,457)	-
Impairment loss	(176,411)	(6,780)
Transfer to investment in joint ventures (Note 13)	(4,424)	-
Share of profits - Continuing	297,703	438,679
Share of profits - Discontinued	38,890	109,725
Dividend received	(232,782)	(288,441)
Movement in fair value reserves	5,204	(71)
Movement in revaluation reserves	152,768	(6,535)
Movement in currency translation reserves	(2,247)	(19,122)
Movement in other reserves	29,571	51,968
Movement in reserves of associated companies	8,599	33,677
Other movements in retained earnings	(36,781)	(123,195)
Loss on deemed disposal of associates resulting from dilution	(42,784)	-
Transfer to investment in subsidiaries	-	6,497
At 30 June	**8,970,920**	**9,192,879**

At 30 June 2018, the Group has recognised an impairment loss with respect to Princes Tuna (Mauritius) Ltd and Nutrifish SAS due to recoverable values being lower than the carrying values. At 30 June 2017, the Group has recognised an impairment loss with respect to PL Resorts Ltd and Haute Rive Azuri Ltd due to recurring losses incurred by these entities. These impairment losses were recognised in the profit or loss under other gains and other losses.

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(b) THE COMPANY

	Listed Rs'000	Secondary market Rs'000	Unquoted Rs'000	Total Rs'000
At 1 July 2016	2,403,310	–	2,431,633	**4,834,943**
Amalgamation adjustment (Note 45)	–	–	862,264	**862,264**
Additions	–	–	646,591	**646,591**
Disposal	–	–	(134,983)	**(134,983)**
Fair value adjustments	611,831	–	472,264	**1,084,095**
At 30 June 2017	3,015,141	–	4,277,769	**7,292,910**
Additions	–	–	150,158	**150,158**
Disposal	–	–	(897,194)	**(897,194)**
Transfer to subsidiaries (Note 11)	–	–	(26,016)	**(26,016)**
Impairment loss	–	–	(5,033)	**(5,033)**
Fair value adjustments	(761,489)	–	140,231	**(621,258)**
At 30 June 2018	**2,253,652**	**–**	**3,639,915**	**5,893,567**

(c) Additions during the year have been financed as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash	**150,192**	554,591	**150,158**	646,591

(d) The Group and the Company have pledged their investments to secure the banking facilities obtained.

(e) The directors believe that investments in associated companies are fairly stated and have not suffered additional impairment losses.

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(f) Details of associated companies

	Country of incorporation	Type of shares	**2018 % held Direct**	**2018 % held Indirect**	2017 % held Direct	2017 % held Indirect
Abax Holding Limited	Mauritius	Ordinary	**–**	**–**	47.00	–
AfrAsia Bank Limited	Mauritius	Ordinary	**30.29**	**–**	30.10	–
AfrAsia Investments Limited	Mauritius	Ordinary	**–**	**30.29**	–	30.10
AfrAsia Capital Management Ltd	Mauritius	Ordinary	**–**	**30.29**	–	30.10
Alteo Ltd	Mauritius	Ordinary	**27.64**	**–**	27.64	–
Australair GSA Seychelles Ltd	Seychelles	Ordinary	**–**	**49.00**	–	49.00
Compagnie des Travaux Maritimes des Mascareignes Ltee	Mauritius	Ordinary	**–**	**25.00**	–	25.00
Confido Holding Limited	Mauritius	Ordinary	**33.33**	**–**	33.33	–
Cosy Club Management Services Ltd	Mauritius	Ordinary	**–**	**44.67**	–	44.67
Crown Corks Industries Ltd	Mauritius	Ordinary	**–**	**6.58**	–	6.58
DDL Promotion Ltee	Mauritius	Ordinary	**–**	**40.00**	–	40.00
DPD Laser (Mauritius) Ltd	Mauritius	Ordinary	**25.00**	**–**	–	25.00
Energie des Mascareignes Limitée***	Mauritius	Ordinary	**30.00**	**–**	30.00	–
GWS Technologies Ltd	Mauritius	Ordinary	**–**	**45.00**	–	45.00
H. Savy Insurance Company Ltd	Seychelles	Ordinary	**–**	**12.00**	–	5.84
Island Management Ltd	Mauritius	Ordinary	**25.00**	**–**	25.00	–
LCF Holdings	Mauritius	Ordinary	**–**	**–**	25.00	–
LCF Securites Ltd	Mauritius	Ordinary	**–**	**–**	25.00	–
LCL Cynologics Ltd	Mauritius	Ordinary	**–**	**30.05**	–	30.05
Madalg SARL*	Madagascar	Ordinary	**40.00**	**–**	40.00	–
Mauritius Coal and Allied Services Co Ltd	Mauritius	Ordinary	**49.00**	**–**	49.00	–
Mer des Mascareignes Limitee	Mauritius	Ordinary	**–**	**42.50**	–	42.50
Nutrifish SAS	France	Ordinary	**–**	**24.97**	–	24.01
Princes Tuna (Mauritius) Ltd	Mauritius	Ordinary	**23.37**	**17.27**	23.37	17.27
Profilage Ocean Indien Ltee	Mauritius	Ordinary	**20.00**	**–**	20.00	–
Proxifresh Co Ltd***	Mauritius	Ordinary	**20.00**	**–**	–	–
QuantiLab Holding Ltd	Mauritius	Ordinary	**–**	**50.00**	–	50.00
Scimat SAS	Reunion	Ordinary	**50.00**	**–**	50.00	–
Quantis Corporation***	Mauritius	Ordinary	**40.00**	**–**	–	19.48
Societe Australe de Participations Ltee	Mauritius	Ordinary	**10.00**	**10.00**	10.00	10.00
Supintex Limited	Mauritius	Ordinary	**49.00**	**–**	49.00	–
Supinvest Ltd	Mauritius	Ordinary	**–**	**49.00**	–	49.00
Switch Energy Ltd	Mauritius	Ordinary	**–**	**33.33**	–	33.33
Tropical Holding SA	Mauritius	Ordinary	**–**	**60.00**	–	60.00
Trois Ilots Ltée	Mauritius	Ordinary	**33.33**	**–**	33.33	–
Sud Concassage Ltée	Mauritius	Ordinary	**–**	**8.28**	–	8.28
Terrarock Ltd	Mauritius	Ordinary	**–**	**15.24**	–	15.24
Tower Bridge Projects (Mauritius) Ltd	Mauritius	Ordinary	**–**	**–**	–	34.00

* Companies are inactive
** Companies are inactive and in process of de-registration
*** The above have not been equity accounted in the financial statements as they were inactive and not material to the Group.

All the above associated companies are accounted using the equity method in the consolidated financial statements.

Notes to the Financial Statements for the year ended 30 June 2018

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(g) Information presented in aggregate for associated companies that are not individually significant:

	2018 Rs'000	2017 (Restated) Rs'000
The Group's share of profit from continuing operations	**29,405**	25,582
The Group's share of other comprehensive loss	**(25,593)**	(11,667)
The Group's share of profit and total comprehensive income	**3,812**	13,915
Carrying amount of the Group's total interest in its associates	**496,176**	974,111

(h) Details of significant associated companies

The table below presents a summary of financial information in respect of each of the significant associated companies of the Group. This summary represents the amounts reported in the financial statements of the respective associated companies prepared in accordance with IFRS.

AFRASIA BANK LIMITED	2018 Rs'000	2017 Rs'000
Current assets	**87,318,865**	67,516,987
Non current assets	**34,642,574**	33,881,635
Current liabilities	**108,645,589**	89,747,076
Non current liabilities	**6,479,770**	5,719,293
Equity attributable to other shareholders	**907,713**	1,047,687
Revenue	**1,915,761**	1,691,513
Profit for the year attributable to ordinary shareholders of the company	**762,862**	804,109
Other comprehensive income/(loss) attributable to ordinary shareholders of the company	**544**	(6,557)
Total comprehensive income for the year attributable to ordinary shareholders of the company	**763,406**	797,552
Group's share of profit for year of the associated company	**229,621**	195,337
Group's share of total comprehensive income of the associated company	**229,785**	194,361
Dividend received from associated company	**48,216**	24,809

Notes to the Financial Statements for the year ended 30 June 2018

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(h) Details of significant associated companies (continued)

Reconciliation of financial information summarized above and the carrying value of the investment in Afrasia Bank Limited recorded in the consolidated financial statements:

	2018 Rs'000	2017 Rs'000
Net assets of the associate	**5,928,367**	4,884,566
Percentage holding by the Group	**30.29%**	30.10%
Share of net assets	**1,795,702**	1,470,254
Goodwill	**364,964**	402,328
Carrying value of the Group's share	**2,160,666**	1,872,582

ALTEO LTD	2018 Rs'000	2017 (Restated) Rs'000
Current assets	**6,616,133**	5,398,753
Non-current assets	**23,827,402**	23,137,646
Current liabilities	**5,169,584**	4,533,721
Non-current liabilities	**6,238,472**	5,539,015
Equity attributable to other shareholders	**2,257,974**	2,427,763
Revenue	**8,176,275**	8,929,348
Profit for the year attributable to ordinary shareholders of the parent company	**397,818**	413,545
Other comprehensive income/(loss) attributable to ordinary shareholders of the parent company	**592,212**	(142,617)
Total comprehensive income attributable to ordinary shareholders of the parent company	**990,030**	263,036
Group's share of profit for year of the associated company	**109,957**	134,622
Group's share of total comprehensive income of the associated company	**273,644**	95,202
Dividend received from associated company	**68,664**	72,186

Notes to the Financial Statements for the year ended 30 June 2018

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(h) Details of significant associated companies (continued)

Reconciliation of financial information summarized above and the carrying value of the investment in Alteo Ltd recorded in the consolidated financial statements:

	2018 Rs'000	2017 (Restated) Rs'000
Net assets of associated company	16,777,505	16,035,900
Percentage holding by the Group	27.64%	27.64%
Share of net assets	4,637,302	4,432,323
Carrying value of the Group's share	4,637,302	4,432,323

PRINCES TUNA (MAURITIUS) LTD	2018 Rs'000	2017 Rs'000
Current assets	3,931,741	4,631,868
Non-current assets	1,925,187	1,967,967
Current liabilities	1,872,709	2,003,318
Non-current liabilities	1,187,430	1,577,162
Equity attributable to other shareholders	(486)	(1,907)
Revenue	10,829,175	9,870,481
(Loss)/profit for the year attributable to ordinary shareholders of the parent company	(169,650)	190,334
Other comprehensive income/(loss) attributable to ordinary shareholders of the parent company	45,473	(25,676)
Total comprehensive (loss)/income for the year attributable to ordinary shareholders of the parent company	(124,177)	164,658
Group's share of (loss)/profit for year of the associated company	(71,280)	83,138
Group's share of total comprehensive (loss)/income of the associated company	(52,424)	71,923
Dividend received from associated company	54,662	63,730

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12. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(h) Details of significant associated companies (continued)

Reconciliation of financial information summarized above and the carrying value of the investment in Princes Tuna (Mauritius) Ltd recorded in the consolidated financial statements:

	2018 Rs'000	2017 Rs'000
Net assets of the associated company	2,797,275	3,021,262
Percentage holding by the Group	43.68%	43.68%
Share of net assets	1,224,473	1,331,560
Goodwill	452,303	582,303
Carrying value of the Group's share	1,676,776	1,913,863

13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures:	Type of shares	Country of incorporation		Percentage held 2018	2017
City Brokers Ltd	Ordinary	Mauritius	Direct	50.00%	50.00%
CBL Africa Ltd	Ordinary	Mauritius	Indirect	50.00%	50.00%
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	46.24%	42.49%
Proximed Ltd	Ordinary	Mauritius	Indirect	50.00%	50.00%
Azur Medical Ltd	Ordinary	Mauritius	Indirect	50.00%	50.00%
Tower Bridge Projects (Mauritius) Ltd	Ordinary	Mauritius	Indirect	47.16%	43.35%
Volailles et Traditions Ltee	Ordinary	Mauritius	Direct	–	50.00%

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
At July 1	**208,861**	162,985	**395,821**	257,000
Amalgamation adjustments (Note 45)	**–**	–	**–**	56,050
Additions	**–**	24,000	**–**	24,000
Transfer from investment in associated companies	**4,424**	–	**–**	–
Share of results	**65,842**	55,896	**–**	–
Dividends	**(40,000)**	(35,350)	**–**	–
Fair value movement	**–**	–	**(8,769)**	98,771
Impairment loss	**(1,284)**	–	**–**	(40,000)
Share of other comprehensive income	**5,104**	1,330	**–**	–
Disposal	**(40,050)**	–	**(40,050)**	–
At 30 June	**202,897**	208,861	**347,002**	395,821

There are no contingent liabilities with respect to the joint ventures.

None of the joint ventures are individually significant to the Group.

Information presented in aggregate for the joint ventures that are not individually significant:

	2018 Rs'000	2017 Rs'000
Current assets	**428,858**	381,422
Non-current assets	**57,737**	192,731
Current liabilites	**190,862**	225,619
Non-current liabilities	**13,154**	50,673
Net assets	**282,579**	297,861
Share of net assets of the jointly controlled entities	**202,897**	208,861
Revenue	**713,493**	845,905
Profit for the year	**127,466**	118,186
Total comprehensive income for the year	**137,675**	122,746
Group's share of results for the year - continuing operations	**65,842**	55,896
Group's share of other comprehensive income for the year	**5,104**	1,330
Group's share of total comprehensive income for the year	**70,946**	57,226

14. OTHER FINANCIAL ASSETS

	2018			2017		
THE GROUP	**Available for sale investments Rs'000**	**Held-to-maturity investments Rs'000**	**Total Rs'000**	Available for sale investments Rs'000	Held-to-maturity investments Rs'000	Total Rs'000
At 1 July	**898,108**	**167,276**	**1,065,384**	973,387	210,435	1,183,822
Additions	**100,565**	**171,193**	**271,758**	46,363	7,000	53,363
Disposals	**(98,468)**	**(40,000)**	**(138,468)**	(154,505)	(50,159)	(204,664)
Fair value adjustments	**35,562**	**–**	**35,562**	51,195	–	51,195
Impairment loss	**(520)**	**–**	**(520)**	(14,311)	–	(14,311)
Transfer to investment in subsidiaries	**(80,942)**	**–**	**(80,942)**	(3,700)	–	(3,700)
Transfer to other receivables	**–**	**–**	**–**	(319)	–	(319)
Exchange differences	**26**	**–**	**26**	(2)	–	(2)
Transfer from investment in subsidiaries	**1,245**	**–**	**1,245**	–	–	–
At 30 June	**855,576**	**298,469**	**1,154,045**	898,108	167,276	1,065,384
Analysed as follows:						
Current assets	**26,010**	**147,442**	**173,452**	–	40,000	40,000
Non-current assets	**829,566**	**151,027**	**980,593**	898,108	127,276	1,025,384
	855,576	**298,469**	**1,154,045**	898,108	167,276	1,065,384

THE COMPANY *Available for sale investments*	Listed Rs'000	Secondary market Rs'000	Unquoted Rs'000	Total Rs'000
At 1 July 2016	75,547	–	19,057	94,604
Amalgamation adjustment (Note 45)	24,613	5,709	112,006	142,328
Transfer to investment in subsidiary	–	–	(1,200)	(1,200)
Disposal	–	–	(1,025)	(1,025)
Fair value adjustments	12,075	1,331	(1,600)	11,806
At 30 June 2017	112,235	7,040	127,238	246,513
Transfer to investment in subsidiary	(80,942)	–	–	(80,942)
Transfer from investment in subsidiary	–	–	1,245	1,245
Addition	3,778	–	–	3,778
Disposal	–	(7,038)	–	(7,038)
Fair value adjustments	504	–	(2,595)	(2,091)
At 30 June 2018	**35,575**	**2**	**125,888**	**161,465**

14. OTHER FINANCIAL ASSETS (CONTINUED)

Held to maturity investments are unquoted and consist of debentures, treasury bills, bank bonds and structured notes, bearing interest varying between 3.7% to 8.0% (2017: 5.35% to 8.5%) with maturity between 2018 and 2024 respectively. The non-current held to maturity investments have maturity date varying from 2020 to 2024. The directors have reviewed the carrying amount on held to maturity investment and are of the opinion there is no objective evidence of impairment.

Available for sale financial assets comprise of quoted and unquoted securities and units. The fair value of quoted and unquoted securities is based on the Stock Exchange prices and the net asset value based on brokers' statement at the close of business at the end of the reporting period respectively.

The Group and the Company have pledged their investments to secure the banking facilities obtained.

The directors believe that the other investments have not suffered any additional impairment losses.

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials	**966,392**	1,016,191	**–**	–
Spare parts	**162,662**	123,875	**–**	–
Work in progress	**169,160**	163,926	**907**	–
Finished goods	**2,701,127**	2,559,232	**755,279**	776,084
Goods in transit	**207,354**	212,347	**71,769**	57,753
	4,206,695	4,075,571	**827,955**	833,837

The trading stocks of some subsidiaries have been pledged as security for bank facilities granted to them.

The cost of inventories recognised as an expense includes an amount of Rs 68.3 million (2017: Rs 150.7 million) in respect of write downs of inventories to net realisable value.

16. LAND AND RELATED DEVELOPMENT COSTS

		2018	
	Rs'000	**Rs'000**	**Rs'000**
	Non Current	**Current**	**Total**
Opening balance on acquisition of subsidiary (Note 39(a))	1,604,228	167,949	1,772,177
Additions	570	100,688	101,258
Transfer to cost of sales	–	(168,478)	(168,478)
	1,604,798	**100,159**	**1,704,957**

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16. LAND AND RELATED DEVELOPMENT COSTS (CONTINUED)

Land and related development costs comprise of land infrastructure and related development expenditures. The Group develops residential and IRS properties, which it sells in the ordinary course of business and has entered into agreement to sell these properties on completion of construction.

The Group has considered the application of IFRIC 15 to the land and related development costs. The percentage of completion method of revenue recognition has been applied and revenue recognised as work in progress. Development expenditure incurred in respect of work in progress dealt with under the percentage of completion method is recognised in profit or loss in the period incurred.

	2018
	Rs'000
Sales recognised on a percentage of completion basis	168,477

17. NON CURRENT RECEIVABLES

THE GROUP	**2018**
	Rs'000
Opening balance of subsidiary acquired (Note 39(a))	1,570
Additions	3,291
Write offs during the year	(320)
At 30 June	**4,541**

The non current receivables relate to capitalised expenditure incurred with respect to future development of one of the subsidiaries. The carrying amount of non current receivables approximate their fair values. Non current receivables are denominated in Mauritian rupees and are neither past due nor impaired.

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts receivable from related companies	**177,277**	147,676	**999,764**	1,757,249
Trade receivables	**3,930,729**	3,613,932	**419,637**	559,177
Other debtors and prepayments	**3,672,254**	4,481,933	**388,701**	1,012,445
	7,780,260	8,243,541	**1,808,102**	3,328,871

The trade receivables and amount due from related companies are unsecured and interest free. The average credit period of these receivables is between 30 to 90 days. The Group and the Company have provided fully for all receivables where recovery is expected to be remote.

Notes to the Financial Statements for the year ended 30 June 2018

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new customer, the Group and the Company assess the credit worthiness of the customer and define the terms and credit limits with respect to the sector of activity in which they operate.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Ageing of past due but not impaired				
30-60 days	**1,212,583**	657,690	**157,919**	125,822
60-90 days	**304,954**	317,631	**26,120**	45,249
90-120 days	**292,276**	227,584	**37,622**	17,092
>120 days	**2,297,060**	807,815	**91,251**	44,911
	4,106,873	2,010,720	**312,912**	233,074
Ageing of impaired receivables				
0-60 days	**43,246**	3,879	**27,085**	2,812
60-90 days	**1,570**	5,847	**161**	57
90-120 days	**5,517**	748	**15**	44
>120 days	**392,002**	374,188	**16,593**	37,374
	442,335	384,662	**43,854**	40,287

In determining the recoverability of trade receivables, the Group and the Company analyse the changes affecting the financial health of customers as from the date on which they were granted credit facilities up to year end. Credit risk concentration is limited due to the customer base being large and unrelated. Accordingly, the directors do not deem it necessary to make additional provision for irrecoverable debts.

Movement in the allowance for doubtful debts

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**384,662**	349,303	**40,287**	-
Opening balance of subsidiaries acquired	**20,472**	-	**-**	-
Amalgamation adjustments	**-**	-	**-**	39,501
Impairment losses recognised during the year	**77,674**	85,303	**3,466**	5,552
Amounts written off as uncollectible	**(26,884)**	(28,627)	**218**	(2,842)
Amounts recovered during the year	**(5,368)**	(3,139)	**(117)**	(691)
Impairment loss reversed	**(7,067)**	(18,090)	**-**	(1,233)
Exchange differences	**(1,154)**	(88)	**-**	-
At 30 June	**442,335**	384,662	**43,854**	40,287

Notes to the Financial Statements for the year ended 30 June 2018

19. NOTES ISSUED

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Notes issued to non-related companies	**-**	242,400

Notes issued to related companies and non-related companies were guaranteed through a preferential right awarded to recoverable debts of these companies. The notes beared interest between 5.30% and 10.00% p.a. in the prior financial year.

20. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

A Share Purchase Agreement (SPA) has been signed by the Company and a potential buyer on 8 June 2018 for the disposal of Mauritian Eagle Leasing Company Limited (MELCO). The transaction will be concluded after year end subject to obtaining the relevant regulatory approvals and to the condition precedents as set out in the SPA. One of the subsidiaries, Mauritian Eagle Insurance Co Ltd (MEICO) is also part of this SPA for the disposal of its shares in MELCO. The Group and the Company have classified the assets and liabilities of MELCO as held for sale based at 30 June 2018. Management has assessed the recoverable amount of Rs 202 million and recognised an impairment loss of Rs 106 million at Company level. No impairment adjustment was required at Group level.

Following a board meeting held on 18 September 2017, The Board of MEICO approved the disposal of the freehold building situated at 1st floor, IBL House, Caudan and its related furniture, fixtures and equipment. A buyer has already been identified. No impairment loss was recognised on reclassification of the assets as held for sale as the directors of the Group and the Company expect that the fair value less costs to sell is higher than the carrying amount as at reporting period.

On 30 March 2018, the Board of Directors of one of the subsidiaries, BlueLife Limited, approved a share purchase agreement with a potential buyer for the disposal of its 100% stake in Circle Square Holding Co Ltd ("CSHL") for a total consideration of Rs 366 million (i.e. gross consideration of Rs 655 million net of the secured debt). CSHL owns bare land at Forbach and the Circle Square Retail Park. As at reporting date, the assets and liabilities of CSHL for the group has been classified as held for sales and investment in subsidiary for the company has been classified as held for sale. The operations of CSHL has been disclosed as discontinued operations in the statements of profit and loss for the Group for the six months ended 30 June 2018.

On 14 June 2018, the Board of Manser Saxon Contracting Limited approved the disposal of the freehold building situated at Grand Gaube, consisting of 2 storey house. The sale was concluded on 20 July 2018 for an amount of Rs 9,500,000.

One of the subsidiaries, IBL Link Ltd has dipsosed of its investment in subsidiary, ConcreAte Agency Ltd on 31 March 2018 for a consideration of Rs 5.6 million. The results for the period has been disclosed under discontinued operations.

The Company has disposed of its investment in Abax Holdings Ltd on 31 March 2018 for a consideration of Rs 1,450 million. The share of results for the period has been disclosed under discontinued operations.

Pursuant to agreement dated 29 September 2016 with Grit Real Estate Income Group Limited (formerly Mara Delta Property Holdings Limited), the hotel building of Tamassa Resort as well as its rights, title and interests in the lease agreement with the Government of Mauritius (the "Property"), were disposed in 2017 for a total consideration of USD 40M (approximately Rs 1,259 million).

Notes to the Financial Statements for the year ended 30 June 2018

20. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

The assets and liabilities classified as held for sale are as follows:

	THE GROUP 2018 Rs'000	THE COMPANY 2018 Rs'000
Assets		
Investment in subsidiary	–	174,926
Property, plant and equipment (Note 4)	433,264	–
Investment property (Note 5)	572,309	–
Intangible assets	2,652	–
Finance lease receivables	575,878	–
Trade and other receivables	13,316	–
Cash and cash equivalents	248,459	–
	1,845,878	174,926
Liabilities		
Borrowings	1,200,923	–
Retirement benefit obligations	862	–
Deferred tax liabilities	12,853	–
Trade and other payables	79,201	–
	1,293,839	–

The results for the year ended 30 June 2018 for the assets disposed/ in process of being disposed are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP 2018 Rs'000	THE GROUP 2017 Rs'000
Revenue	174,205	172,553
Cost of sales	(145,784)	(160,037)
Gross profit	28,421	12,516
Other income	534	(30,429)
Administrative expenses	(58,219)	(62,457)
Operating loss	(29,264)	(80,370)
Finance income	5,951	–
Finance costs	(7,553)	(80)
Share of results of associated companies	38,890	109,725
Profit before tax	8,024	29,275
Tax charge	(11,041)	(244)
(Loss)/profit for the year from discontinued operations	(3,017)	29,031

Notes to the Financial Statements for the year ended 30 June 2018

21. (a) STATED CAPITAL

THE GROUP AND THE COMPANY	2018 Rs'000	2017 Rs'000
Issued and fully paid		
At 1 July 2017: 680,224,040 ordinary shares of no par value (2016: 503,555,550 ordinary shares of no par value)	1,361,941	897,883
Issue of shares (176,668,490 ordinary shares of no par value) (Refer to Note 45)	–	464,058
At 30 June 2017: 680,224,040 ordinary shares of no par value	1,361,941	1,361,941

Each share confers to its holder the right to vote and a proportional right to dividends and in the distribution of the surplus assets of the Company on winding up.

At a Special Meeting dated 17 May 2016, the Shareholders have approved the following:

– the existing ordinary shares of Rs 10 each be converted into no par value shares.

– the existing ordinary shares each be subdivided into 25 fully paid up ordinary shares of no par value.

21. (b) RESTRICTED REDEEMABLE SHARES

At a Special Meeting dated 17 May 2016, the Shareholders have approved the issue of a new class of shares, namely the Restricted Redeemable Shares (RRS) of no par value to GML Ltée. The number of RRS issued is 3 for 1 ordinary shares of the Company following the share split.

1,510,666,650 RRS of no par value have been issued for a total amount of Rs 5 million at 30 June 2016.

Each RRS confer to the holder the right to vote at general meetings and right to participate in a rights issue together with the holders of the ordinary shares. The RRS holders have no right to dividend or distribution as well as any surplus of the Company in case of winding up.

Notes to the Financial Statements for the year ended 30 June 2018

22. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Within one year				
Secured bank overdrafts	**1,352,664**	954,473	**100,000**	88,781
Unsecured bank overdrafts	**1,853,658**	4,125,132	**1,742,175**	4,125,132
Secured bank loans	**2,449,832**	2,119,048	**603,166**	727,481
Unsecured borrowings	**157,039**	485,900	**667,124**	1,111,818
Unsecured debentures	**560,000**	–	**–**	–
Deposits from customers	**–**	461,671	**–**	–
Convertible bonds	**–**	8,737	**–**	–
Bonds secured by floating charges	**200,000**	–	**200,000**	–
Obligations under finance leases (Note 22(d))	**82,867**	38,293	**6,584**	7,233
Borrowings – Current	**6,656,060**	8,193,254	**3,319,049**	6,060,445
After one year and before two years				
Secured bank loans	**1,132,550**	1,477,863	**107,782**	603,309
Unsecured borrowings	**30,981**	50,334	**–**	–
Deposits from customers	**–**	199,472	**–**	–
Bonds secured by floating charges	**1,284,000**	–	**1,284,000**	200,000
Unsecured debentures	**–**	560,000	**–**	–
Obligations under finance leases (Note 22(d))	**62,051**	63,211	**3,405**	3,457
	2,509,582	2,350,880	**1,395,187**	806,766
After two years and before five years				
Secured bank loans	**2,854,212**	2,006,520	**1,050,308**	158,506
Unsecured borrowings	**32,168**	34,170	**–**	–
Deposits from customers	**–**	253,465	**–**	–
Bonds secured by floating charges	**1,000,000**	484,000	**1,000,000**	284,000
Obligations under finance leases (Note 22(d))	**73,001**	56,254	**5,207**	8,491
	3,959,381	2,834,409	**2,055,515**	450,997
After five years				
Secured borrowings	**2,257,318**	942,335	**–**	–
Bonds secured by floating charges	**2,550,000**	–	**1,000,000**	–
Deposits from customers	**–**	48,212	**–**	–
Obligations under finance leases (Note 22(d))	**9,022**	2,085	**–**	667
	4,816,340	992,632	**1,000,000**	667
Borrowings – Non Current	**11,285,303**	6,177,921	**4,450,702**	1,258,430
TOTAL BORROWINGS	**17,941,363**	14,371,175	**7,769,751**	7,318,875

Notes to the Financial Statements for the year ended 30 June 2018

22. BORROWINGS (CONTINUED)

(b) Details of borrowings facilities:

The bank overdrafts and borrowings are secured by fixed and floating charges on the assets of the Group and of the Company.

The Company has issued bonds for an amount of Rs 834 million. These bonds, with a maturity of 3 to 7 years are guaranteed by floating charges on the Company's assets and are repayable at maturity ranging over 3, 5 and 7 years. Interest is calculated semi-annually and includes both fixed and variable rates. In 2016, the Company issued additional bonds for an amount of Rs 250 million with a maturity of one year. The Company has repaid Rs 350 million during the year ended 30 June 2017.

The Company has set up a multicurrency medium term secured and unsecured note programme of up to an aggregate nominal amount of Rs 10 billion and these will be issued in 5 series (each a 'Series') of notes with tenor periods ranging from 2 to 7 years. In September 2017 the Company has issued Notes for an aggregate nominal amount of Rs 3 billion (in Mauritian Rupee) which are secured by floating charges on the assets of the Company. Interests are calculated semi-annually and are at both fixed and floating rates. Notes issued under Series 2 to 5 aggregating to Rs 2 billion are listed on the Stock Exchange of Mauritius and the fair value of these Notes at 30 June 2018 amounts to Rs 2.056 billion. These would be classified as Level 1 in the fair value hierarchy.

One of its subsidiaries has issued bonds for an amount of Rs 1.55 billion secured by floating charges with maturity terms of 12 years. Interest is calculated on a monthly basis. The bonds may be fully recalled after 3 years.

One of the subsidiaries had issued 50 million units of unsecured convertible bonds for an aggregate amount of Rs 500 million. The convertible bonds are listed on the Stock Exchange of Mauritius and carry interest at the rate of 9% per annum. Interests on the convertible bonds are payable twice yearly in March and September.

The final exercise for the conversion was on 31 December 2016 and 983,802 bonds have converted into shares as at that date at a price of Rs 47.62. The remaining balance of convertible bonds has been repaid on 31 December 2017.

The unsecured debentures are repayable in November 2018 and bears interest at repo rate +1.20%. These debentures are quoted on the Stock Exchange of Mauritius and the fair value as at 30 June 2018 amounts to Rs 560 million (2017:Rs 564 million).

The unsecured borrowings bear interest ranging from 2.5% to 11.25% p.a (2017: 3.5% to 9% p.a.).

Term deposits relates to a subsidiary engaged in the deposit taking services. The deposits beared interest ranging from 2% to 8% (2.6% to 8% in 2017) p.a.

Notes to the Financial Statements for the year ended 30 June 2018

22. BORROWINGS (CONTINUED)

(c) The interest rate on borrowings are as follows :

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
Secured borrowings	**2.0% – 9.0%**	1.50% – 6.65%	**3.54% – 6.48%**	4.50% – 6.46%
	PLR + (0% – 2.00%)	PLR	**–**	–
	LIBOR + (2.00% – 5.00%)	PLR – 0.90%	**–**	–
	EURIBOR + (3.00% – 4.50%)	PLR + (0.10% – 1.5%)	**–**	–
	EURIBOR – 3.75%	LIBOR + (1.5% – 5%)	**–**	–
	Repo + 1.75%	EURIBOR + (1.3% – 4.50%)	**–**	–
Bonds and Notes	**3.54% – 5.5%**	5.35% – 6.48%	**3.54% – 6.48%**	5.35% – 6.48%
	Repo + (0.75% – 1.25%)	Repo + (1.35% – 1.65%)	**Repo + (0.75% – 1.65%)**	Repo + (1.35% – 1.65%)
Unsecured borrowings	**2.50% – 11.25%**	3.50% – 9%	**2.50% – 6.50%**	3.50% –7 %
	LIBOR + (1.00% – 3.00%)	LIBOR + (1% – 2.75%)	**LIBOR + (1% – 3%)**	–
	PLR + 0.25%	PLR – 1.5%		
	PLR – 0.25%	PLR + (0.25% – 2%)	**EURIBOR + (1% – 3%)**	–
	EURIBOR + (1% – 3%)	EURIBOR + 2%		–
Debentures	**Repo + 1.20%**	Repo + 1.20%	**–**	–
Obligations under finance leases	**2.75% – 9.75%**	2.75% – 9.75%	**7.50% – 9.00%**	–

Notes to the Financial Statements for the year ended 30 June 2018

22. BORROWINGS (CONTINUED)

(d) Obligations under finance leases

	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Finance lease liabilities – minimum lease payments	**–**	–	**–**	7,135
– Not later than 1 year	**66,917**	59,682	**3,956**	13,169
– Later than 1 year and not later than 5 years	**102,724**	79,888	**11,757**	689
– After five years	**79,418**	37,339	**–**	–
	249,059	176,909	**15,713**	20,993
Less: Future finance charges	**(22,118)**	(17,066)	**(517)**	(1,145)
Present value of minumum lease payment	**226,941**	159,843	**15,196**	19,848
Representing lease liabilities				
– Not later than 1 year	**82,867**	38,293	**6,584**	7,233
– Later than 1 year and not later than 2 years	**62,051**	63,211	**3,405**	3,457
– Later than 1 year and not later than 5 years	**73,001**	56,254	**5,207**	8,491
– After five years	**9,022**	2,085	**–**	667
	226,941	159,843	**15,196**	19,848

Leasing arrangements

Finance leases relate to plant and equipment and motor vehicles with average lease term of 5 to 7 years. The Group has an option to purchase the assets for a nominal amount at the conclusion of the lease agreements. The obligations under finance leases are secured by the lessors' title to the leased assets.

Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

Notes to the Financial Statements for the year ended 30 June 2018

22. BORROWINGS (CONTINUED)

Reconciliation of liabilities arising from financing activities

The table details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in cash flows from financing activities in the statement of cash flows. In accordance with the transitional guidance, no comparatives have been presented.

			Non-cash changes				
THE GROUP	1 July 2017 Rs'000	Financing Cash Flows Rs'000	Acquisition of subsidiaries Rs'000	Cash flow hedge Rs'000	New finance leases Rs'000	Held for sale Rs'000	**At 30 June 2018 Rs'000**
Bank Loans	6,545,766	783,621	1,648,655	42,925	–	(327,055)	**8,693,912**
Other borrowings	570,404	(350,216)	–	–	–	–	**220,188**
Other deposits	101,491	(101,491)	–	–	–	–	**–**
Deposits from customers	861,329	12,539	–	–	–	(873,868)	**–**
Bonds and debentures	1,052,737	4,541,263	–	–	–	–	**5,594,000**
Finance lease	159,843	(82,808)	–	–	149,906	–	**226,941**
	9,291,570	4,802,908	1,648,655	42,925	149,906	(1,200,923)	**14,735,041**

			Non-cash changes				
THE COMPANY	1 July 2017 Rs'000	Financing Cash Flows Rs'000	Acquisition of subsidiaries Rs'000	Cash flow hedge Rs'000	New finance leases Rs'000	Held for sale Rs'000	**At 30 June 2018 Rs'000**
Bank Loans	1,489,296	271,960	–	–	–	–	**1,761,256**
Other borrowings	1,111,818	(444,694)	–	–	–	–	**667,124**
Bonds	484,000	3,000,000	–	–	–	–	**3,484,000**
Finance lease	19,848	(5,765)	–	–	1,113	–	**15,196**
	3,104,962	2,821,501	–	–	1,113	–	**5,927,576**

Notes to the Financial Statements for the year ended 30 June 2018

23. OTHER PAYABLES

IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value within the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date , and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at end of third year from the allocation date up to the fifth year.

At 30 June 2018, the provision for the LTI amounted to Rs 54,957,450 for the Group and Rs 37,641,175 for the Company.

24. RETIREMENT BENEFIT OBLIGATIONS

THE GROUP AND THE COMPANY

The Group's pension fund comprise both final salary defined benefit plans and defined contribution plans. The pension fund, namely IBL Pension Fund, is operational since 1 July 2002 for the majority of the employees of the Group. Pension Consultants and Administrators Ltd is responsible for the management of this fund. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement.

The Company operates a group defined benefit plan for some of its employees within the Company and some of its subsidiaries and the plan is wholly funded. The benefits are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement. Though the risks are shared between the entities, there is no contractual agreement or stated policy for charging the defined benefit cost to the individual entities and the Company is the legal sponsoring employer of the plan. As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

Certain subsidiaries also have defined contribution plans. Furthermore, for one of the subsidiaries, some employees receive a guaranteed amount equal to a defined benefit scheme based on salary at retirement. The scheme is funded by the employer, through contributions to a fund administered separately.

The unfunded portion of the obligation concern employees who are entitled to retirement benefits payable under the "Employment Rights Act 2008" . This provides for a lump sum at retirement based on final salary and years of service.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2018 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk - The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk - If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Investment risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk - If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

Notes to the Financial Statements for the year ended 30 June 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit assets – under defined benefit plan (Note (i))	**(5,179)**	(5,525)	**–**	–
Retirement benefit under defined benefit plan (Note (i))	**1,078,148**	1,092,138	**736,680**	639,297
Retirement benefit under The Employment Rights Act 2008 (Note (ii))	**761,877**	649,901	**115,207**	125,731
	1,840,025	1,742,039	**851,887**	765,028

(i) Defined benefit plan

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Retirement benefit assets	**(5,179)**	(5,525)	**–**	–
Retirement benefit obligations	**1,078,148**	1,092,138	**736,680**	639,297
	1,072,969	1,086,613	**736,680**	639,297
Present value of funded obligation	**2,268,602**	2,163,516	**1,476,906**	1,320,436
Present value of unfunded obligation	**82,048**	94,169	**14,252**	9,425
Fair value of plan assets	**(1,277,681)**	(1,171,072)	**(754,478)**	(690,564)
Liability recognised in the statements of financial position	**1,072,969**	1,086,613	**736,680**	639,297

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,086,613**	1,081,692	**639,297**	–
Amalgamation adjustment	**–**	–	**–**	599,329
Amount recognised in profit or loss	**128,176**	124,595	**76,308**	66,786
Amount recognised in other comprehensive income	**5,569**	14,392	**89,608**	16,196
Transfer from subsidiary	**–**	–	**–**	49,280
Transfer from DC Reserve Account	**–**	(37,952)	**–**	(37,952)
Transfer to another entity	**–**	(1,826)	**–**	(1,826)
Contributions and direct benefit paid	**(147,389)**	(94,288)	**(68,533)**	(52,516)
At 30 June	**1,072,969**	1,086,613	**736,680**	639,297

Notes to the Financial Statements for the year ended 30 June 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (continued)

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**54,275**	52,168	**26,978**	24,723
Net interest cost	**73,901**	72,427	**49,330**	42,063
Components of amount recognised in profit or loss	**128,176**	124,595	**76,308**	66,786
Remeasurement of the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	**(64,710)**	22,310	**(49,843)**	13,685
Actuarial loss arising from changes in financial assumptions	**62,941**	19,049	**20,832**	38,524
Actuarial (gain)/loss arising from experience adjustments	**7,338**	(26,967)	**118,619**	(36,013)
Components of amount recognised in other comprehensive income	**5,569**	14,392	**89,608**	16,196
Total	**133,745**	138,987	**165,916**	82,982
Actual return on plan assets	**119,147**	48,179	**77,974**	27,281

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**2,257,685**	2,194,389	**1,329,861**	–
Amalgamation adjustment	**–**	–	**–**	1,202,961
Current service cost	**49,043**	46,439	**23,244**	21,979
Interest cost	**128,338**	142,916	**77,461**	83,029
Benefits paid	**(154,789)**	(115,411)	**(78,859)**	(61,818)
Actuarial (gain)/loss arising from experience adjustments	**7,338**	(26,967)	**118,619**	(36,013)
Actuarial loss arising from changes in financial assumptions	**62,941**	19,049	**20,832**	38,524
Transfer from subsidiary	**–**	–	**–**	84,000
Transfer to another entity	**–**	(2,801)	**–**	(2,801)
Employee's contribution	**94**	71	**–**	–
At 30 June	**2,350,650**	2,257,685	**1,491,158**	1,329,861

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (continued)

Movements in the present value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,171,072**	1,112,697	**690,564**	–
Amalgamation adjustment	**–**	–	**–**	603,632
Interest received	**54,437**	70,489	**28,131**	40,966
Current service cost	**(1,300)**	(688)	**–**	–
Transfer from subsidiary	**–**	–	**–**	34,720
Transfer from DC Reserve Account	**–**	37,952	**–**	37,952
Return on plan assets excluding interest income	**64,710**	(22,310)	**49,843**	(13,685)
Employer contributions	**147,483**	94,359	**68,533**	52,516
Scheme expenses	**1,142**	(447)	**(595)**	(407)
Cost of insuring risk benefits	**(5,074)**	(4,594)	**(3,139)**	(2,337)
Transfer to another entity	**–**	(975)	**–**	(975)
Benefits paid	**(154,789)**	(115,411)	**(78,859)**	(61,818)
At 30 June	**1,277,681**	1,171,072	**754,478**	690,564

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

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**101,511**	117,671	**61,490**	87,702
Equity investments categorised by industry type:				
– Banks & Insurance	**206,758**	114,891	**125,243**	85,630
– Industry	**19,680**	12,045	**11,921**	8,977
– Investment	**115,211**	75,007	**69,789**	55,936
– Leisure & Hotels	**66,386**	46,327	**40,214**	34,528
– Commerce	**60,938**	260,361	**19,918**	15,192
– Others	**7,589**	8,388	**2,113**	5,525
Fixed interest instruments	**357,589**	253,873	**216,611**	189,215
Properties	**45,711**	13,898	**27,689**	10,358
Commodities	**3,112**	2,072	**1,886**	2,072
Investment funds	**293,196**	241,472	**177,604**	176,784
Private equity	**–**	25,067	**–**	18,645
Total market value of assets	**1,277,681**	1,171,072	**754,478**	690,564

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Defined benefit plan (continued)

The principal actuarial assumptions used for accounting purposes are:–

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Discount rate	**4.7% – 6.8%**	5.0% – 6.5%	**6%**	6%
Future long term salary increase	**3.5% – 4.0%**	3.4% – 4.5%	**4%**	4% – 4.5%
Future pension increase	**1%**	1.0% – 1.5%	**1%**	1.5%
Average retirement age (ARA)	**60 – 65 years**	60 years	**60 years**	60 years

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**369,847**	340,806	**175,691**	155,186
Increase in defined benefit obligation due to 1% increase in salary	**155,669**	156,725	**63,199**	58,884

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Group and the Company expect to make a contribution of Rs 98M and Rs 57M respectively to the defined benefit plan during the year 2019.

The average duration of the defined benefit obligation at 30 June 2018 was between 7 and 23 years.

Notes to the Financial Statements for the year ended 30 June 2018

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Retirement benefit under the The Employment Rights Act 2008

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**761,877**	649,901	**115,207**	125,731

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**649,901**	500,121	**125,731**	–
Opening balance of subsidiaries acquired (Note 39(a))	**26,704**	–	**–**	–
Amalgamation adjustment	**–**	–	**–**	66,847
Transfer from subsidiaries	**44**	–	**890**	–
Transfer to subsidiary	**–**	–	**(1,188)**	–
Amount recognised in profit or loss	**101,640**	77,960	**16,231**	12,545
Amount recognised in other comprehensive income	**10,676**	115,135	**(25,395)**	53,147
Exchange difference	**304**	8	**–**	–
Transfer to liabilities associated with assets classified as held for sale (Note 20)	**(862)**	–	**–**	–
Retirement benefit paid	**(26,530)**	(43,323)	**(1,062)**	(6,808)
At 30 June	**761,877**	649,901	**115,207**	125,731

Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**59,793**	51,932	**8,736**	7,907
Past service cost	**2,608**	–	**–**	–
Settlement cost	**–**	(7,601)	**–**	–
Net interest cost	**39,239**	33,629	**7,495**	4,638
Components of amount recognised in profit or loss	**101,640**	77,960	**16,231**	12,545
Remeasurement of the net defined benefit liability:				
Liability experience loss/(gain)	**38,155**	77,813	**(26,199)**	30,053
(Gain)/loss due to changes in financial assumptions	**(27,479)**	37,322	**804**	23,094
Components of amount recognised in other comprehensive income	**10,676**	115,135	**(25,395)**	53,147
At 30 June	**112,316**	193,095	**(9,164)**	65,692

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24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Retirement benefit under the The Employment Rights Act 2008 (continued)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**649,901**	500,121	**125,731**	–
Opening balance of subsidiaries acquired	**26,704**	–	**–**	–
Amalgamation adjustment	**–**	–	**–**	66,847
Transfer from subsidiaries	**44**	–	**890**	–
Transfer to subsidiary	**–**	–	**(1,188)**	–
Current service cost	**59,793**	51,932	**8,736**	7,907
Settlement cost	**–**	(7,601)	**–**	–
Interest cost	**39,239**	33,629	**7,495**	4,638
Past service cost	**2,608**	–	**–**	–
Liability experience loss/(gain)	**38,155**	77,813	**(26,199)**	30,053
(Gain)/loss due to changes in financial assumptions	**(27,479)**	37,322	**804**	23,094
Retirement paid	**(26,530)**	(43,323)	**(1,062)**	(6,808)
Transfer to liabilities associated with assets classified as held for sale (Note 20)	**(862)**	–	**–**	–
Exchange difference	**304**	8	**–**	–
At 30 June	**761,877**	649,901	**115,207**	125,731

The principal actuarial assumptions used for accounting purposes are:–

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Discount rate	**4.5% – 7.0%**	6.0% – 6.5%	**5.8%**	6.0%
Future long term salary increase	**3.0% – 4.0%**	3.5% – 5.0%	**4.0%**	4.0%

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

24. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(ii) Retirement benefit under the The Employment Rights Act 2008 (continued)

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**104,638**	82,079	**13,471**	14,464
Increase in defined benefit obligation due to 1% increase in salary	**113,856**	104,678	**15,176**	15,916

(iii) Defined contribution plans

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contributions for the defined contribution plans	**110,721**	146,283	**15,147**	14,365

(iv) State pension plan

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
National Pension Scheme contribution expensed	**275,140**	266,841	**8,074**	7,410

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts payable to related companies	**53,316**	64,364	**58,136**	36,135
Trade payables	**2,571,586**	2,544,735	**458,838**	266,073
Other creditors and accruals	**5,494,744**	5,913,224	**368,875**	1,418,512
	8,119,646	8,522,323	**885,849**	1,720,720

The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

26. TAXATION

Income tax is calculated at the rate of 15% (2017: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**81,061**	98,658	**4,897**	(687)
Opening balance on acquisition of subsidiaries (Note 39(a))	**10,578**	-	**-**	-
Amalgamation adjustment (Note 45)	**-**	-	**-**	3,065
(Under)/over provision in income tax in previous years	**(12,925)**	22,957	**(4,690)**	(2,076)
Provision for the year	**257,203**	305,526	**7,885**	15,665
Tax paid	**(382,001)**	(372,164)	**(7,454)**	(3,296)
Tax refunded	**3,822**	56,855	**-**	-
Provision for contribution CSR	**36,236**	-	**1,463**	-
CSR paid during the year	**(17,949)**	-	**(1,280)**	-
Tax deducted at source	**53,920**	(30,576)	**(4,087)**	(7,774)
Exchange difference	**829**	(195)	**-**	-
Other movements	**(15,892)**	-	**-**	-
At 30 June	**14,882**	81,061	**(3,266)**	4,897
Tax assets	**(67,683)**	(34,111)	**(3,266)**	-
Tax liabilities	**82,565**	115,172	**-**	4,897
	14,882	81,061	**(3,266)**	4,897

Notes to the Financial Statements for the year ended 30 June 2018

26. TAXATION (CONTINUED)

(b) Income tax – statements of profit or loss

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Provision for the year – continuing operations	**257,203**	305,526	**7,885**	15,665
TDS adjustment	**95,212**	46,342	**–**	23,577
Exchange difference	**–**	(240)	**–**	–
(Under)/over provision in income tax in previous years	**(12,925)**	22,957	**(4,690)**	(2,076)
Deferred tax movement (Note 7)	**(18,799)**	(2,438)	**(14,317)**	(32,806)
Contribution CSR	**36,236**	34,361	**1,463**	1,000
Tax expense/(income) for the year	**356,927**	406,508	**(9,659)**	5,360
Attributable to:				
– Continuing operations	**345,886**	406,264	**(9,659)**	5,360
– Discontinued operations (Note 20)	**11,041**	244	**–**	–
	356,927	406,508	**(9,659)**	5,360

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before tax from continuing operations	**2,731,775**	2,382,992	**481,901**	584,046
Profit before tax from discontinued operations (Note 20)	**8,024**	29,275	**–**	–
	2,739,799	2,412,267	**481,901**	584,046
Tax calculated at a rate of 17% (2017: 17%)	**465,766**	410,085	**81,923**	99,288
Adjustments for:–				
Non-deductible expenses	**88,405**	204,334	**66,538**	71,576
Exempt income	**(86,293)**	(126,285)	**(136,635)**	(164,307)
Tax losses utilised	**(83,183)**	33,989	**–**	–
Tax rate differential	**(92,534)**	(53,513)	**–**	–
Over/(under) provision of deferred tax in previous years	**(4,460)**	(681)	**(1,927)**	(571)
Over/(under) provision in income tax in previous years	**(12,925)**	22,957	**(4,690)**	(2,076)
Share of results of associates and joint ventures	**(4,096)**	(106,260)	**–**	–
Depreciation of assets not qualifying for capital allowances	**2,008**	5,565	**1,884**	2,539
Deferred tax not recognised	**85,499**	2,892	**–**	–
CSR adjustment	**10,149**	19,975	**412**	(1,089)
Others	**(11,409)**	(6,550)	**(17,164)**	–
Tax expense/(income)	**356,927**	406,508	**(9,659)**	5,360

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27. GOVERNMENT GRANTS

THE GROUP	**2018**	2017
	Rs'000	Rs'000
At 1 July	**69,476**	79,844
Release against depreciation charge	**(8,911)**	(10,309)
Exchange differences	**192**	(59)
At 30 June	**60,757**	69,476
Non current	**50,688**	59,734
Current	**10,069**	9,742
	60,757	69,476

The grants are in respect of Government assistance to finance construction of hotel and acquisition of plant and equipment in Reunion Island and have been accounted under the income approach. The grants are being released to profit or loss against depreciation charge over the useful life of the assets.

28. REVENUE

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Commercial activities	**25,599,861**	25,002,200	**4,279,802**	4,297,547
Hospitality	**5,949,299**	5,199,439	**–**	–
Dividend income	**15,667**	22,290	**803,732**	870,363
Others	**5,683,781**	3,618,760	**207,512**	93,526
	37,248,608	33,842,689	**5,291,046**	5,261,436
Attributable to:				
– Continuing operations	**37,074,403**	33,670,136	**5,291,046**	5,261,436
– Discontinued operations (Note 20)	**174,205**	172,553	**–**	–
	37,248,608	33,842,689	**5,291,046**	5,261,436

29. PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year is arrived at after charging/(crediting):				
Continuing operations				
Depreciation on property, plant and equipment	**1,564,131**	1,586,899	**74,064**	79,798
Amortisation of intangible assets	**67,689**	80,401	**11,852**	11,414
Cost of inventories recognised as expense	**17,594,861**	16,587,113	**3,308,874**	3,213,129
Staff costs	**4,466,425**	5,209,241	**611,153**	499,815
Loss on exchange	**199,186**	6,402	**126,929**	2,704
Assets written off	**19,927**	15,971	**282**	17
Impairment loss on investment in subsidiaries	**–**	–	**198,904**	231,985
Impairment loss on investment in associates	**3,280**	–	**–**	–
Impairment loss on joint ventures	**1,284**	–	**–**	40,000
Impairment loss on other financial assets	**520**	–	**–**	–
Cancellable operating lease	**123,656**	66,112	**–**	–
Impairment loss recognised on trade receivables	**77,674**	85,303	**3,466**	5,552
Reversal of impairment loss on receivables	**(7,067)**	(18,090)	**–**	(1,233)
Adjustment to impairment of goodwill	**–**	16,022	**–**	–
Discontinued operations				
Depreciation on property, plant and equipment	**108,109**	1,640	**–**	–
Amortisation of intangible assets	**61**	27	**–**	–
Cost of inventories recognised as expense	**8,953**	–	**–**	–
Staff costs	**26,005**	24,692	**–**	–

30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sundry income	**185,434**	128,845	**104,158**	64,178
Dividend income	**–**	45	**–**	–
Rental income	**20,619**	30,362	**1,213**	–
Transport income	**21,902**	81,465	**–**	10,075
Profit on disposal of property, plant and equipment	**4,469**	164,089	**(819)**	130
Commissions received	**36,466**	11,349	**3,410**	–
Management fees	**14,779**	19,301	**5,501**	9,698
Gain on exchange	**199,186**	125,042	**126,929**	66,144
Directors fee	**3,235**	1,912	**7,364**	1,912
Chairmanship fees	**–**	9,891	**–**	9,891
Secretarial fees	**2,330**	2,829	**10,045**	3,124
Profit on disposal of AFS investment	**24,814**	2,479	**6,976**	–
Income from investment	**–**	–	**–**	3,194
Interest on investment	**7,675**	1,973	**–**	–
Bad debts recovered	**5,771**	4,176	**–**	–
	526,680	583,758	**264,777**	168,346
Attributable to:				
– Continued operations	**526,146**	614,187	**264,777**	168,346
– Discontinued operations (Note 20)	**534**	(30,429)	**–**	–
	526,680	583,758	**264,777**	168,346

31. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**40,454**	20,749	**25,964**	113,457
Attributable to:				
– Continuing operations	**34,503**	20,749	**25,964**	113,457
– Discontinued operations (Note 20)	**5,951**	–	**–**	–
	40,454	20,749	**25,964**	113,457

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32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
– Bank loans	**404,377**	308,302	**73,485**	84,731
– Bank overdrafts	**121,277**	205,216	**67,601**	153,978
– Other loans	**253,578**	195,016	**128,333**	115,726
– Finance leases	**19,977**	13,123	**1,596**	1,341
	799,209	721,657	**271,015**	355,776
Attributable to:				
– Continued operations	**791,656**	721,577	**271,015**	355,776
– Discontinued operations (Note 20)	**7,553**	80	**–**	–
	799,209	721,657	**271,015**	355,776

33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of issue of bonds and other costs	**(17,592)**	–	**(16,875)**	–
Impairment losses on other receivables and loans	**(107,832)**	–	**(672,107)**	–
Reversal of impairment loss on loans	**11,294**	–	**–**	–
Fair value adjustment on investment properties	**(3,543)**	(72,395)	**–**	–
Impairment loss on investment in subsidiaries	**–**	–	**(198,904)**	(231,985)
Impairment loss on investment in associates	**(173,131)**	(6,780)	**(5,033)**	–
Impairment loss on AFS investments	**–**	(14,311)	**–**	–
Impairment loss on investment in joint venture	**(1,284)**	–	**–**	(40,000)
Impairment of loans to associates	**(173,404)**	(11,810)	**(173,404)**	–
Loss on deemed disposal of subsidiary	**(3,142)**	–	**–**	–
Loss on dilution of associate	**(42,784)**	–	**–**	–
Loss on remeasurement on acquisition of subsidiary	**(50,004)**	–	**–**	–
Gain on disposal of associates	**1,007,880**	90,260	**1,161,744**	347,228
Loss on winding up of subsidiaries	**(5,253)**	–	**–**	–
Gain on bargain purchase of subsidiaries	**460,401**	–	**–**	–
Loss on disposal of joint venture	**(11,982)**	–	**(11,982)**	–
Impairment loss on goodwill	**(143,692)**	(140,000)	**–**	–
Reversal of provisions	**37,583**	–	**30,172**	–
Fixed assets released to profit and loss	**–**	–	**35,605**	–
Stock written off	**(5,501)**	–	**–**	–
Gain on disposal of subsidiary	**2,282**	–	**–**	–
	780,296	(155,036)	**149,216**	75,243

Notes to the Financial Statements for the year ended 30 June 2018

34. DIVIDEND

On 13 November 2017, the Board of Directors declared an interim dividend of Rs 0.20 per share (2017: Rs 0.18 per share) and on 4 June 2018 a final dividend of Rs 0.53 per share (2017: Rs 0.47 per share). The total dividend paid amounted to Rs 496,563,549 (2017: Rs 442,145,626) and was paid on 20 December 2017 and 29 June 2018 respectively.

35. COMMITMENTS

(a) Capital commitments

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Authorised by the Board of Directors and:				
(i) Contracted for	**403,323**	506,955	**27,310**	12,828
(ii) Not contracted for	**1,582,662**	1,949,470	**36,320**	90,125
	1,985,985	2,456,425	**63,630**	102,953

One of the associated companies has undrawn commitments for loans and receivables amounting to Rs 1,102 million (2017: Rs 706 million).

(b) Operating lease arrangements

The Group as lessor

The operating lease arrangements of the Group was in one of its subsidiaries, namely Mauritian Eagle Leasing Company Limited. The Group has identified a potential buyer for the sale of its investments in Mauritian Eagle Leasing Company Limited and has classified its investment and the subsidiary as asset held of sale.

Minimum lease rental receivables under non cancellable leases

	2018	2017
	Rs'000	Rs'000
Within one year	**–**	48,205
Between two to five years	**–**	174,010
More than five years	**–**	852
	–	223,067

35. COMMITMENTS (CONTINUED)

(b) Operating lease arrangements (continued)

The Group and the Company as lessee

Operating leases relate to warehouse facilities, offices and motor vehicles with lease terms of between 5 to 6 years, with an option to renew. All operating lease contracts contain market review clauses in the event that the lessees exercise their option to renew. The lessees do not have an option to purchase the leased assets at the expiry of the lease period.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Payments recognised as an expense				
Minimum lease payments	**220,272**	148,775	**6,776**	4,710
Minimum lease rental payable under non cancellable leases				
Within one year	**208,845**	197,539	**4,852**	4,331
Between two to five years	**749,216**	695,270	**5,218**	5,632
More than five years	**7,705,562**	6,540,891	**–**	–
	8,663,623	7,433,700	**10,070**	9,963

36. CONTINGENT LIABILITIES

One of the subsidiaries, Lux*, is being sued for breach of termination of employment contract and the amount claimed is Rs 55.7 million (2017: Rs 56.95 million). The directors have been advised that some claims appear unfounded and that the severance allowance/damages claim appear grossly exaggerated. No provision has been made in the financial statements of the subsidiary.

Former employees of another subsidiary, UBP, have initiated legal action in respect of unpaid severance allowances. The estimated payout is Rs 57.5 million (2017: Rs 54.7 million), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The subsidiary has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

The Competition Commission of Mauritius ("CCM") has opened an investigation into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") for alleged collusive behaviour. Mauritius Eagle Insurance Co Ltd, a subsidiary, as a member of APHPA received a notice in this regard. After consultation of APHPA, the subsidiary will have a joint defence against CCM. The directors believe that it is too early to assess such investigation and the impact, thereon.

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

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36. CONTINGENT LIABILITIES (CONTINUED)

The details of guarantees given are as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank guarantees	**949,782**	1,295,745	**110,819**	216,602
Guarantees provided by group companies to subsidiaries	**34,643**	47,664	**–**	47,664
Others	**602,058**	499,267	**–**	–
	1,586,483	1,842,676	**110,819**	264,266

Contingent liabilities of the associated companies of the Group for which no provision has been made are as follows:

THE GROUP	**2018**	2017
	Rs'000	Rs'000
Bank guarantees	**803,882**	147,212
Tax assessment and legal claims	**318,307**	178,000
Financial guarantees and letters of credit	**996,234**	939,264
	2,118,423	1,264,476

The associated companies have bank guarantees and other guarantees in the normal course of their activities. Management consider that no liabilities will arise as the probability for default in respect of the guarantees is remote. Certain associated companies are also subject to tax assessments by regulators and management of these companies are of the opinion that there will be no significant expenses following the settlement of these assessments.

37. RELATED PARTY TRANSACTIONS

	Associates and joint ventures	
THE GROUP	**2018**	2017
	Rs'000	Rs'000
Balances		
Cash at bank	**16,307**	46,390
Trade and other receivables	**177,277**	147,676
Trade and other payables	**53,316**	64,364
Bank overdrafts and borrowings	**338,011**	229,828

Notes to the Financial Statements for the year ended 30 June 2018

37. RELATED PARTY TRANSACTIONS (CONTINUED)

	Associates and joint ventures	
	2018	2017
	Rs'000	Rs'000
Transactions		
Sale of goods and services	**866,090**	433,671
Purchase of goods and services	**750,780**	760,862
Purchase of property, plant and equipment	**6**	-
Profit on disposal of property, plant and equipment	**197**	-
Interest income	**339**	18
Interest expense	**-**	10,583

The Group has not made any provision for doubtful debts with respect to amounts due from related companies at 30 June 2018 (2017: Nil). The review of the financial position of the related companies as well as the market in which they operate are done on a yearly basis.

	Subsidiaries		Associates and joint ventures	
THE COMPANY	**2018**	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Balances				
Cash at bank	**-**	-	**14,246**	2,817
Trade and other receivables	**970,834**	1,711,360	**28,930**	45,889
Trade and other payables	**46,801**	14,840	**11,336**	21,295
Borrowings	**328,258**	160,294	**160,000**	226,711

	Subsidiaries		Associates and joint ventures	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Transactions				
Sale of goods and services	**780,044**	-	**10,082**	-
Purchase of goods and services	**135,078**	-	**319,953**	-
Dividend income	**604,500**	604,532	**194,346**	260,489
Interest income	**-**	148,634	**665**	1,112
Interest expense	**-**	13,317	**4,234**	-
Gain on disposal of investments	**-**	-	**1,161,744**	347,228
Administrative expenses	**164,681**	-	**8,259**	-
Management fees	**5,444**	37,543	**40,777**	-

Notes to the Financial Statements for the year ended 30 June 2018

37. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company has not made any provision for doubtful debts with respect to amounts due from related companies at 30 June 2018 (2017: Nil). The review of the financial position of the related companies as well as the market in which they operate are done on a yearly basis.

The terms and conditions of transactions with related party are presented in their respective notes.

Compensation paid to key management personnel

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term benefits	**611,740**	614,510	**177,845**	108,581
Post employment benefits	**41,773**	33,543	**9,360**	5,789
	653,513	648,053	**187,205**	114,370

38. FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2017.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

Gearing ratio

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

Notes to the Financial Statements for the year ended 30 June 2018

38. FINANCIAL INSTRUMENTS (CONTINUED)

Gearing ratio (continued)

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt	**17,941,363**	14,371,175	**7,769,751**	7,318,875
Less: Cash and cash equivalents	**(1,799,943)**	(1,457,418)	**(68,430)**	(24,820)
Net debt	**16,141,420**	12,913,757	**7,701,321**	7,294,055
Total equity	**28,414,902**	26,797,261	**22,504,371**	21,405,281
Debt to capital ratio	**57%**	48%	**34%**	34%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in note 2(B) to the financial statements.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Investments in subsidiaries, associated companies and joint ventures	**–**	–	**28,317,852**	25,532,114
Available for sale financial assets	**855,576**	898,108	**161,465**	246,513
Held to maturity investments	**298,469**	167,276	**–**	–
Loans and receivables	**7,942,443**	8,569,207	**1,793,340**	3,324,432
Cash and cash equivalents	**2,048,402**	1,457,418	**68,430**	24,820
	11,144,890	11,092,009	**30,341,087**	29,127,879
Financial liabilities				
Amortised cost	**27,277,274**	22,399,133	**8,693,241**	9,034,725
	27,277,274	22,399,133	**8,693,241**	9,034,725

Notes to the Financial Statements for the year ended 30 June 2018

38. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.
- The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The fair value of other financial assets and financial liabilities has been determined using the market interest rates.

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2018				
Other financial assets	**335,165**	**244,923**	**158,018**	**738,106**
Assets classified as held for sale	**–**	**–**	**145,682**	**145,682**
	335,165	**244,923**	**303,700**	**883,788**
2017				
Other financial assets	430,862	244,680	166,562	842,104

38. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
2018				
Investment in subsidiaries	**9,010,499**	**–**	**13,066,784**	**22,077,283**
Investment in associated companies	**2,253,652**	**–**	**3,639,915**	**5,893,567**
Investment in joint ventures	**–**	**–**	**347,002**	**347,002**
Other financial assets	**35,577**	**–**	**125,888**	**161,465**
	11,299,728	**–**	**17,179,589**	**28,479,317**
2017				
Investment in subsidiaries	5,198,837	–	12,644,546	17,843,383
Investment in associated companies	3,015,141	–	4,277,769	7,292,910
Investment in joint ventures	–	–	355,771	355,771
Other financial assets	119,275	–	100,418	219,693
Assets classified as held for sale	–	–	–	–
	8,333,253	–	17,378,504	25,711,757

There has been no transfer between Level 1 and Level 3 as at 30 June 2018 and 2017.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in notes 11, 12, 13 and 14.

Reconciliation of Level 3 for the Group

	2018 Rs'000	2017 Rs'000
Balance at 1 July	**166,562**	180,917
Amalgamation adjustment	**–**	84,000
Additions	**–**	–
Disposals	**(19,501)**	(93,493)
Impairment loss	**(520)**	(8,864)
Fair value adjustment	**10,225**	4,321
Transfer to other receivables	**–**	(319)
Transfer from investment in subsidiaries	**1,245**	–
Assets held for sale	**145,682**	–
Exchange difference	**7**	–
Balance at 30 June	**303,700**	166,562

The significant unobservable input data involved in the determination of fair value for Level 3 investments include discount rate used. An increase in the discount rate will result in a lower fair value.

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38. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pounds (GBP).

Currency Profile	THE GROUP		THE COMPANY	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Financial assets				
Mauritian Rupee	**8,494,710**	7,149,104	**30,219,580**	28,718,602
US Dollars	**929,590**	2,159,624	**36,580**	389,499
Euro	**854,551**	1,234,694	**8,771**	13,058
Great Britain Pounds	**137,170**	125,261	**3,634**	4,413
Others	**728,869**	423,326	**72,522**	2,307
	11,144,890	11,092,009	**30,341,087**	29,127,879
Financial liabilities				
Mauritian Rupee	**21,776,519**	15,681,258	**8,306,032**	8,073,608
US Dollars	**2,064,878**	3,571,134	**6,054**	658,101
Euro	**2,329,257**	2,559,254	**11,285**	247,609
Great Britain Pounds	**523,608**	16,146	**892**	6,451
Others	**583,012**	571,341	**368,978**	48,956
	27,277,274	22,399,133	**8,693,241**	9,034,725

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

38. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency sensitivity analysis (continued)

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact – US Dollars				
Profit or loss	**(113,529)**	(141,151)	**3,053**	(26,860)
Impact – Euro				
Profit or loss	**(147,471)**	(132,456)	**(251)**	(23,455)
Impact – Great Britain Pounds				
Profit or loss	**(38,644)**	10,912	**274**	(204)

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end in the Group and the Company.

Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2018 would decrease/increase by Rs 113,044,030 (2017: Rs 77,804,800) and the Company's profit for the year ended 30 June 2018 would decrease/increase by Rs 29,605,500 (2017: Rs 33,014,100). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis.

The Group's and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk.

38. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk management (continued)

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statements of financial position. In the case of credit derivatives, the Group is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative.

Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.
If the equity price had increased or decreased by 10%:

- there would be no impact on the net profit at 30 June 2017 and 2018 as equity investments are classified as available-for-sale.
- The other comprehensive income and fair value reserves included in equity would increase/decrease by Rs 34,181,600 (2017: Rs 43,086,000) for the Group and Rs 1,129,972,800 (2017: Rs 833,325,300) for the Company, as a result of the changes in fair value of available-for-sale investments.

Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on undiscounted contracted payments:

	THE GROUP				
	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2018					
Finance lease liabilities	**–**	**82,867**	**135,052**	**9,022**	**226,941**
Non-interest bearing instruments	**–**	**8,018,388**	**54,957**	**–**	**8,073,345**
Variable interest rate instruments	**1,303,667**	**1,636,747**	**4,203,340**	**4,104,390**	**11,248,144**
Fixed interest rate instruments	**1,902,655**	**1,730,124**	**2,130,571**	**702,928**	**6,466,278**
	3,206,322	**11,468,126**	**6,523,920**	**4,816,340**	**26,014,708**
2017					
Finance lease liabilities	–	38,293	119,465	2,085	159,843
Non-interest bearing instruments	–	8,027,958	–	–	8,027,958
Variable interest rate instruments	2,600,925	1,212,224	3,117,408	804,703	7,735,260
Fixed interest rate instruments	2,478,680	1,863,132	1,948,416	185,844	6,476,072
	5,079,605	11,141,607	5,185,289	992,632	22,399,133

Notes to the Financial Statements for the year ended 30 June 2018

38. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (continued)

	THE COMPANY				
	At call Rs'000	Less than one year Rs'000	1 to 5 years Rs'000	> 5 years Rs'000	Total Rs'000
2018					
Finance lease liabilities	**–**	**6,584**	**8,612**	**–**	**15,196**
Non-interest bearing instruments	**–**	**885,848**	**37,641**	**–**	**923,489**
Variable interest rate instruments	**382,175**	**420,291**	**1,658,090**	**500,000**	**2,960,556**
Fixed interest rate instruments	**1,460,000**	**1,050,000**	**1,784,000**	**500,000**	**4,794,000**
	1,842,175	**2,362,723**	**3,488,343**	**1,000,000**	**8,693,241**
2017					
Finance lease liabilities	–	7,233	11,948	667	19,848
Non-interest bearing instruments	–	1,715,850	–	–	1,715,850
Variable interest rate instruments	2,128,913	426,971	745,527	–	3,301,411
Fixed interest rate instruments	2,085,000	1,412,328	500,288	–	3,997,616
	4,213,913	3,562,382	1,257,763	667	9,034,725

Financial guarantees and commitments

One of the subsidiaries has hedged its borrowings denominated in US dollars and Euros. The cash flow hedge recognises the effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves and at 30 June 2018, there was a negative reserve of Rs 145,099,000 (2017: Rs 108,175,000). The amount included in "other reserves" is Rs 55,231,000 (2017: Rs 42,459,000) while amount attributable to non-controlling interests is Rs 89,867,000 (2017: Rs 65,626,000). The movement for the year amounting to Rs 42,924,000 in 2018 (2017: Rs 31,041,000) relates to exchange differences on translation of US Dollar and Euro at year end rate as well as the portion of exchange difference reserve realised on repayment of borrowings. An amount of Rs 18,683,000 (2017: Rs 12,212,000) is attributable to the Company and Rs 24,241,000 (2017: Rs 18,829,000) to non-controlling interests.

39. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries

In August 2017, one of the subsidiaries, Winhold Ltd acquired 90.96% of Compagnie des Magasins Populaires Limitée (CMPL) for a consideration of Rs 141,813,018.

In September 2017, the Group acquired a controlling stake in LCF Holdings Ltd for a consideration of Rs 22,060,350 hence increasing its shareholding to 60%.

In October 2017, LUX* repossessed hotel Le Recif in Ile de La Reunion. The buyer of hotel Le Recif has not been in a position to secure its financing to settle the amount due to LUX* following the sale of the hotel two years ago.

In May 2018, one of the wholly owned subsidiary of the Group, Bloomage acquired 62.7% of Southern Investments Ltd for a consideration of Rs 219,910,519.

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries (continued)

In February 2018, the Group acquired a controlling stake in Bluelife Ltd by for a consideration of Rs 372,095,445 following a right issue made by Bluelife in February 2018.

In July 2016, the Group has acquired two subsidiaries namely Ze Dodo Trail Ltd and Speciality Risk Solutions Ltd for a consideration of Rs 2.5 million and Rs 1 million respectively.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2018 Rs'000	2017 Rs'000
ASSETS		
Property, plant and equipment	**1,952,403**	–
Investment Properties	**953,562**	–
Intangible assets	**179,758**	–
Non current receivables	**1,570**	–
Inventories	**116,293**	–
Trade and other receivables	**425,766**	19
Land and related development costs	**1,772,177**	–
Tax assets	**972**	–
Deferred tax assets	**66,700**	–
Cash and cash equivalents	**336,735**	–
Held for sale	**62,000**	
	5,867,936	19
LIABILITIES		
Borrowings	**1,648,655**	–
Bank overdraft	**365,770**	–
Trade and other payables	**871,992**	69
Retirement benefit obligations	**26,704**	–
Tax payable	**11,550**	–
Deferred tax liabilities	**30,295**	–
	2,954,966	69
Fair value of net assets acquired	**2,912,970**	(50)
Consideration paid in cash	**900,765**	3,500
Non controlling interests	**1,691,895**	–
Fair value of previously held interests	**106,863**	–
	2,699,523	3,500
Goodwill	**246,952**	3,550
Negative goodwill	**(460,401)**	–

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries (continued)

	2018 Rs'000	2017 Rs'000
CASH FLOW		
Consideration paid	900,765	3,500
Non cash consideration paid (trade & other receivable)	(75,525)	-
Less cash and cash equivalents acquired in subsidiary	29,035	-
Net cash outflow on acquisition	854,275	3,500

Goodwill arose in the acquisition of LCF Holdings Ltd is mainly attributable to the access to a specialised partner in its field and the potential profitability to be reaped from this service in the long term.

Goodwill arose in the acquisition of Compagnie des Magasins Populaires Limitée (CMPL) is mainly to obtain the brandname of "Monoprix" and consolidate IBL position in the commercial sector.

The goodwill arising from the acquisition of Southern Investments Ltd is in relation to the benefit of expected synergies of services and products in the hotel sector.

Negative goodwill was recognised in respect of the acquisition of BlueLife Ltd and repossession of Le Recif Hotel.

The goodwill arising from the acquisition of Speciality Risk Solutions Ltd is mainly attributable to the access to a specialised partner which is the global leader in its field and the potential profitability to be reaped from this service in the long term. The acquistion of Ze Dodo Trail Ltd is mainly to obtain the brandname of 'Dodo Trail'.

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2018 include an amount of Rs 1,796 million and a loss of Rs 149 million respectively attributable to the additional business generated by the acquired subsidiaries.

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(b) Disposal of subsidiaries

IBL Link disposed of its 80% shareholding in The Concreate Agency Ltd on 31 March 2018

Analysis of assets and liabilities over which control was lost:

	2018 Rs'000
ASSETS	
Property, plant and equipment	1,580
Intangible assets	29
Trade and other receivables	4,455
Cash and cash equivalents	429
	6,493
LIABILITIES	
Trade and other payables	2,194
Deferred tax liabilities	153
	2,347
Net assets disposed	4,146
Share of net assets disposed	3,318
Profit/(loss) on disposal	2,282
	5,600
Consideration	
Consideration received in cash	4,000
Consideration receivable	1,600
	5,600
Net cash outflow on disposal	
Consideration received in cash	4,000
Cash and cash equivalents in subsidiary disposed of	(429)
	3,571

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries without loss of control

On 8 March 2018, the Group acquired an additional 5.18% of the issued shares of Phoenix Investments Company Limited for a purchase consideration of Rs 132,453,900. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 76,451,625. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	132,454
Less: Carrying amount of non-controlling interests acquired	56,002
Adjustment recognised in retained earnings (Debit)	76,452

On 21 May 2018, the Group acquired an additional 14.51% of the issued shares of BlueLife Limited for a purchase consideration of Rs 212,903,607. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 135,078,551. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	212,904
Less: Carrying amount of non-controlling interests acquired	347,982
Adjustment recognised in retained earnings (Credit)	(135,078)

On 29 June 2018, the Group acquired an additional 7.5% of the issued shares of Manser Saxon Contracting Ltd for a purchase consideration of Rs 38,325,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 5,037,844. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	38,325
Less: Carrying amount of non-controlling interests acquired	43,363
Adjustment recognised in retained earnings (Credit)	(5,038)

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries without loss of control (continued)

In December and June 2018, the Group acquired an additional 17.2% of the issued shares of Lux Island Resorts Ltd for a purchase consideration of Rs 1,685,684,858. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 643,202,948. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	1,685,685
Less: Carrying amount of non-controlling interests acquired	1,042,482
Adjustment recognised in retained earnings (Debit)	643,203

On 18 December 2017, Winhold Limited acquired an additional 9.04% of the issued shares of Compagnie des Magasins Populaires Limitée for a purchase consideration of Rs 15,566,684. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 14,213,885. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	15,567
Less: Carrying amount of non-controlling interests acquired	1,353
Adjustment recognised in retained earnings (Debit)	14,214

On 31 May 2018, Seafood Hub Limited acquired an additional 3.33% of the issued shares of Cervonic Ltd for a purchase consideration of Rs 6,047,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 2,579,282. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	6,047
Less: Carrying amount of non-controlling interests acquired	3,468
Adjustment recognised in retained earnings (Debit)	2,579

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(c) *Change in percentage holding in subsidiaries without loss of control (continued)*

On 26 June 2018, IBL Life Limited acquired an additional 10% of the issued shares of Rouclavier Ltée for a purchase consideration of Rs 2,000,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of (Rs 10,186,200). The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2018 Rs'000
Cash consideration paid to non-controlling interests	**2,000**
Less: Carrying amount of non-controlling interests acquired	**12,186**
Adjustment recognised in retained earnings (Debit)	**(10,186)**

On 20 December 2016, the Group acquired an additional 5% of the issued shares of Manser Saxon Contracting Ltd for a purchase consideration of Rs 25,673,185. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 462,751. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2017 Rs'000
Consideration paid to non-controlling interests	25,673
Less: Carrying amount of non-controlling interests acquired	25,210
Adjustment recognised in retained earnings (Debit)	463

On 31 March 2017, the Group acquired an additional 5% of the issued shares of Rouclavier Ltd for a purchase consideration of Rs 12,000,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the parent of Rs 11,607,728. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2017 Rs'000
Consideration paid to non-controlling interests	12,000
Carrying amount of non-controlling interests acquired	392
Adjustment recognised in retained earnings (Debit)	11,608

Notes to the Financial Statements for the year ended 30 June 2018

39. BUSINESS COMBINATIONS (CONTINUED)

(c) *Change in percentage holding in subsidiaries without loss of control (continued)*

Disposal of interest in subsidiaries without loss of control

Following the conversion of bonds by LUX* bond holders on 31 December 2016, the Company's shareholding in LUX* was diluted from 39.33% to 39.27%. This resulted in an increase in non-controlling interests of Rs 2,252,425 and an increase in equity to owners of the parent of Rs 1,615,287. The effect of changes in the ownership interest on the equity attributable to owners of the company is summarised as follows:

	2017 Rs'000
Deemed consideration received from non-controlling interests	3,867
Less: Carrying amount of non-controlling interests acquired	2,252
Adjustment recognised in retained earnings (Credit)	1,615

	2018 Rs'000	2017 Rs'000
Total adjustments recognised in equity	**(586,146)**	(10,456)
Attributable to:		
Owners of the Company	**(608,521)**	(10,456)
Non-controlling interests	**22,375**	-
	(586,146)	(10,456)

40. EVENTS AFTER THE REPORTING PERIOD

In June 2018, IBL Ltd together with the other minority shareholder of Mauritian Eagle Leasing Company Limited ("MELCO") signed an agreement with CIM Financial Services Ltd ("CIM") to sell to the latter the entire share capital of MELCO. Consequently MELCO has been accounted as a held for sale investment in the Group Financial Statements at 30 June 2018.

Notes to the Financial Statements for the year ended 30 June 2018

41. CONSTRUCTION CONTRACTS

The Group is making the following disclosures in respect of construction contracts:

	2018 Rs'000	2017 Rs'000
(i) Contract revenue	2,571,830	1,770,339
(ii) In respect of construction contracts in progress at reporting date:		
(a) Retentions held by customers (included in trade and other receivables)	54,489	118,066
(b) Advances received from customers (included in trade and other payables)	140,443	312,248
(c) Net amount due for contract works:		
Amount due from customers (included in trade and other receivables)	512,896	667,444
Amount due to customers (included in trade and other payables)	(140,393)	(356,827)
	372,503	310,617
Contract costs incurred plus recognised profits less recognised losses to date	1,488,987	1,619,249
Less: Progress billings	(1,116,483)	(1,308,632)
	372,504	310,617

42. SHARE BASED PAYMENT

Lux Island Resorts Ltd, through its subsidiary, Lux Hospitality Ltd (LHL), has implemented an Executive Share Scheme (ESS) as described below:

Executive share scheme

The type of share-based payment that LHL has opted is an "equity-settled" share-based payment. A shared understanding of the terms and conditions of the share based payment arrangements has been agreed between LHL and its senior management team. At grant date, LHL will confer to its executives the right to equity instruments in LHL subject to certain vesting conditions.

The executive team will be entitled to shares in LHL after a vesting period. Such vesting period is the period between the grant date and the date the shares are allotted. This period has been fixed by the board at three years during which the senior management team members have to remain in employment with LHL or other companies forming part of Lux Group of Companies. Therefore, these equity instruments started to vest during the financial year June 2017.

Once the shares are issued, they will rank 'pari passu' as to dividend, capital, voting rights and in all other respects with the existing shares of LHL.

The number of shares granted is calculated in accordance with a performance-based formula approved by the Remuneration Committee. The formula rewards executives to the extent of the Group's and the individual achievement judged against both qualitative and quantitative criteria from the following measures:

(i) improvement in Lux Island Resorts Ltd share price;

(ii) improvement in the Lux* group EBITDA and free cash flow; and

(iii) elevating guest experience.

Notes to the Financial Statements for the year ended 30 June 2018

42. SHARE BASED PAYMENT (CONTINUED)

The Board is reviewing the present ESS to replace it with another mechanism which as the reporting date has not yet been finalised. No options have been granted with respect to the year ended 30 June 2018 (2017: 1,102,314), and as at 30 June 2018 total options granted amounted to 3,520,462 out of which 2,418,148 will vest if the executives are still in continuous employment after the year ended 30 June 2018. During the year ended 30 June 2018, 2,507,241 shares (2017: 3,554,822 shares) have been issued pursuant to the share scheme, totalling Rs 4.2 million (2017: Rs. 5.9 million).

For the year ended 30 June 2018, a total charge of Rs 1.9M (2017: Rs 3.4M) has been recognised as share based payment expense in profit or loss for executive still in employment at year end based on the fair value of LHL shares awarded.

In 2014, the Board also awarded 6,707,922 shares to certain key executives vested in 3 equal instalments. Vesting of each tranche is conditional on the executive being in continuous service at the end of each relevant year. The last tranche vested under this scheme was 2,235,974 shares which has been issue during the financial year ended 30 June 2017 totalling Rs 3.7M.

LHL's equity instruments are not publicly traded, the fair value of the equity instrument granted was determined using the discounted cash flow method by an independent professional valuer.

Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share option during the year:

	2018 Number	2018 WAEP	2017 Number	2017 WAEP
Outstanding at 1 July	6,180,653	1.66	9,159,352	1.66
Granted	–	1.66	1,102,314	1.66
Forfeited	(152,950)	1.66	(526,191)	1.66
Exercised*	(2,507,241)	1.66	(3,554,822)	1.66
Expired	–	–	–	–
Outstanding at 30 June	3,520,462	1.66	6,180,653	1.66
Excercisable at 30 June	3,520,462	1.66	6,180,653	1.66

*The weighted average share price at the date of exercise of these options was Rs 3 (2017: Rs 3).
The weighted average remaining contractual life for the share options outstanding as at 30 June 2018 was 1 year (2017: 2 years).
The weighted average fair value of options granted during the year was Nil (2017: Rs 1.8M).
The exercise price for options outstanding at the end of the year was Rs 1.66 (2017: Rs 1.66).

43. SEGMENTAL INFORMATION – GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

- Agro
- Building & Engineering
- Commercial
- Financial & Other Services
- Hospitality
- Logistics
- Manufacturing & Processing
- Property
- Life
- Corporate Services

The segment information reported below does not include any amounts for the Group's discontinued operations. More information is given in note 20.

Notes to the Financial Statements for the year ended 30 June 2018

FINANCIAL STATEMENTS

Notes to the Financial Statements for the year ended 30 June 2018

43. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

30 June 2018	Building & Engineering Rs'000	Commercial Rs'000	Financial & Other Services Rs'000	Hospitality Rs'000	Manufacturing & processing Rs'000	Logistics Rs'000	Property Rs'000	Life Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	**Total Rs'000**
Revenue	8,644,788	13,070,140	1,716,957	5,850,491	8,421,714	1,587,426	707,966	179,278	222,953	(3,327,310)	**37,074,403**
Results											
Segment result	634,679	312,849	216,576	660,394	826,347	97,539	100,060	(41,383)	(386,973)	(75,001)	**2,345,087**
Finance costs											**(791,656)**
Finance income											**34,503**
Other gains and losses											**780,296**
Share of results of associates and joint ventures											**363,545**
Profit before taxation (continuing operations)											**2,731,775**
Taxation											**(345,886)**
Profit for the year											**2,385,889**

30 June 2017	Building & Engineering Rs'000	Commercial Rs'000	Financial & Other Services Rs'000	Hospitality Rs'000	Manufacturing & processing Rs'000	Logistics Rs'000	Property Rs'000	Life Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
Revenue	7,718,059	11,280,600	1,682,756	5,199,439	7,688,266	1,568,704	75,193	123,614	309,114	(1,975,609)	33,670,136
Results											
Segment result	723,196	473,519	306,313	824,281	718,623	107,786	65,799	(87,526)	(311,913)	(75,797)	2,744,281
Finance costs											(721,577)
Finance income											20,749
Other gains and losses											(155,036)
Share of results of associates											494,575
Profit before taxation (continuing operations)											2,382,992
Taxation											(406,264)
Profit for the year											1,976,728

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

Notes to the Financial Statements
for the year ended 30 June 2018

FINANCIAL STATEMENTS

43. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities

30 June 2018	Building & Engineering Rs'000	Commercial Rs'000	Financial & Other Services Rs'000	Hospitality Rs'000	Manufacturing & Processing Rs'000	Logistics Rs'000	Property Rs'000	Life Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	**Total Rs'000**
ASSETS											
Segment assets	10,056,294	3,931,633	2,823,995	12,736,522	8,061,479	860,268	7,225,025	232,804	1,648,200	(927,637)	**46,648,583**
Investments in associates, joint ventures and other financial assets											**10,154,410**
Deferred tax assets											**359,277**
Tax assets											**67,683**
Assets classified as held for sale											**1,845,878**
Consolidated total assets											**59,075,831**
LIABILITIES											
Segment liabilities	3,768,017	2,861,497	2,198,140	6,313,412	2,234,737	500,649	3,145,093	187,190	8,550,691	(1,658,147)	**28,101,279**
Deferred taxation											**1,183,246**
Tax payable											**82,565**
Liabilities associated with assets classified as held for sale											**1,293,839**
											30,660,929

30 June 2017	Building & Engineering Rs'000	Commercial Rs'000	Financial & Other Services Rs'000	Hospitality Rs'000	Manufacturing & Processing Rs'000	Logistics Rs'000	Property Rs'000	Life Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
ASSETS											
Segment assets	10,192,697	3,775,803	3,577,577	11,426,009	7,844,336	791,989	3,605,195	280,476	2,822,320	(2,293,459)	42,022,943
Investments in associates, joint ventures and other financial assets											10,427,124
Deferred tax assets											241,304
Tax assets											34,111
Consolidated total assets											52,725,482
LIABILITIES											
Segment liabilities	3,938,624	1,995,432	2,704,091	5,168,287	2,675,354	433,381	639,263	379,461	9,617,850	(2,846,730)	24,705,013
Deferred taxation											1,108,036
Tax payable											115,172
											25,928,221

Notes to the Financial Statements
for the year ended 30 June 2018

FINANCIAL STATEMENTS

43. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities (continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than taxes and investments in associates, joint ventures and other financial assets. Goodwill is allocated to reportable segments as described in note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) Other segment information

Additions to non-current assets (include property, plant and equipment, investment properties, intangible assets and exclude investments, deferred tax assets and finance lease receivables) and depreciation and amortisation.

	Building & Engineering Rs'000	Commercial Rs'000	Financial & Other Services Rs'000	Hospitality Rs'000	Manufacturing & Processing Rs'000	Logistics Rs'000	Property Rs'000	Life Rs'000	Corporate services Rs'000	Total Rs'000
30 June 2018										
Additions to non-current assets	400,162	424,359	276,028	973,255	487,207	69,123	190,198	433,004	65,848	**3,319,184**
Depreciation and amortisation	397,470	112,564	114,955	503,166	419,557	53,418	48,422	16,274	74,164	**1,739,990**
30 June 2017										
Additions to non-current assets	506,736	167,739	134,738	1,317,919	453,996	68,903	374,693	28,734	22,123	**3,075,581**
Depreciation and amortisation	361,640	131,426	132,973	443,573	427,531	56,178	36,005	17,393	62,248	**1,668,967**

Notes to the Financial Statements for the year ended 30 June 2018

43. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(iii) Other segment information (continued)

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

		2018 Rs'000	2017 Restated Rs'000
Building & Engineering	– Contracting & equipment	**8,644,788**	7,718,059
Commercial	– Consumer goods & chain of supermarkets	**13,070,140**	11,280,600
Financial Services	– Insurance, leasing and management services	**1,716,957**	1,682,756
Hospitality	– Hotels operation	**5,850,491**	5,199,439
Manufacturing & processing	– Sale of beverages, marine services	**8,421,714**	7,688,266
Logistics	– Freight forwarding	**1,587,426**	1,568,704
Life	– Medical research	**179,278**	123,614
Others		**930,919**	384,307
Consolidation Adjustments		**(3,327,310)**	(1,975,609)
		37,074,403	33,670,136

Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

Geographical information

The Group's operations are located in the countries as described below.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2018 Rs'000	2017 Restated Rs'000
Mauritius	**30,328,833**	28,883,438
Europe	**997,145**	119,917
USA	**56,901**	91,861
Madagascar, Comoros, Seychelles & Reunion	**2,945,077**	1,847,290
Dubai, Africa, Australia & others	**875,088**	1,711,217
Maldives	**1,871,359**	1,016,413
	37,074,403	33,670,136

Notes to the Financial Statements for the year ended 30 June 2018

44. EARNINGS PER SHARE

	2018 Rs'000	2017 Restated Rs'000
Earnings per share		
– From continuing and discontinued operations	**2.22**	1.61
– From continuing operations	**2.22**	1.56

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2018 Rs'000	2017 (Restated) Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing and discontinued operations	**1,508,967**	1,093,106
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing operations	**1,509,830**	1,059,638
Weighted average number of ordinary shares	**680,224,040**	680,224,040

45. AMALGAMATION

As of 1 July 2016, Ireland Blyth Limited was amalgamated with and into the Company by way of a share for share exchange. The shareholders of Ireland Blyth Limited has received 4.8277 shares of the Company for each share held in the entity. Following the amalgamation, the Company has issued 176,668,490 shares of no par value amounting to Rs 464,058,320.

The 2016 comparatives presented in the financial statements for Company represent the IBL Ltd (formerly GML Investissement Ltee) figures only.

45. AMALGAMATION (CONTINUED)

Details of the assets and liabilities of Ireland Blyth Limited amalgamated at 1 July 2016 are as follows:

	Rs'000
Non-current assets	
Property, plant and equipment	1,714,325
Investment property	200,200
Intangible assets	54,786
Investments in subsidiaries	8,262,672
Investments in associates	862,264
Investments in joint ventures	56,050
Investments in securities	142,328
Deferred tax assets	23,051
Current assets	
Inventories	850,932
Trade and other receivables	2,453,849
Cash and bank balances	74,874
Total assets	**14,695,331**
Non-current liabilities	
Obligations under finance leases	11,336
Long-term loans and deposits	489,758
Retirement benefit obligations	666,176
Current liabilities	
Bank overdrafts	3,682,032
Short-term loans and deposits	464,956
Obligations under finance leases	4,517
Tax payable	3,065
Trade and other payables	1,470,630
Total liabilities	**6,792,470**

Net cash flow

Consideration paid in cash	-
Less cash and cash equivalents received on amalgamation	(3,607,158)
Net cash inflow on amalgamation	**(3,607,158)**

Impact of the amalgamation on the Company's financial statements:

Consideration	
Issue of shares	(464,058)
Cancellation of the shares of Ireland Blyth Limited	906,480
Fair value of investments of Ireland Blyth Limited	5,861,400
Reversal of investment in Ireland Blyth Limited	(920,070)
Amalgamation reserves - Capital contribution	**5,383,752**

Notes to the Financial Statements
for the year ended 30 June 2018

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46. PRIOR YEAR ADJUSTMENTS

Correction of error

One of the associated companies, Alteo Limited, has restated its financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to correct certain errors identified during the year ended 30 June 2018. IBL Ltd has reflected these adjustments as a restatement in their financial statements as well.

The errors identified are in relation to the following:

- Valuation of land which was overstated due to wrong surface areas used
- Harmonisation of the classification, treatment and valuation of Land Conversion Rights in different companies of Alteo group
- Impairment of goodwill
- Deferred expenditure previously capitalised and amortised have been expensed in year incurred
- Derecognition of deferred tax assets due to uncertainty of future probable taxable profits
- Harmonisation of the approach in the fair valuation of consumable biological assets
- Deferred costs relating to repairs and maintenance have been expensed in year incurred
- Recognition of retirement gratuities under Employments Rights Act 2008
- Change of effective tax rate from 15% to 17% applied to calculate deferred tax
- Fair value of available for sale investments, previously carried at cost
- Adjustment of inventories to reverse consumables that were already in use and which should have been expensed.

Notes to the Financial Statements for the year ended 30 June 2018

46. PRIOR YEAR ADJUSTMENTS (CONTINUED)

The effect of the restatements on the financial statements of the Group are as follows:

	As previously reported Rs'000	PYA Rs'000	As restated Rs'000
Impact at 1 July 2016			
Investment in associates	8,677,478	(235,592)	8,441,886
Retained earnings	9,762,100	109,394	9,871,494
Revaluation reserves	2,170,524	(343,082)	1,827,442
Fair value reserves	30,229	(1,904)	28,325
	11,962,853	(235,592)	11,727,261
Impact on year ended 30 June 2017			
Share of profits of associates	569,162	(20,758)	548,404
Profit for the year	2,026,517	(20,758)	2,005,759
Other comprehensive income	(20,822)	(2,068)	(22,890)
Total comprehensive income for the year	2,005,695	(22,826)	1,982,869
Impact at 30 June 2017			
Investment in associates	9,451,297	(258,418)	9,192,879
Retained earnings	9,895,970	88,637	9,984,607
Revaluation reserves	2,198,381	(344,824)	1,853,557
Fair value reserves	(32,197)	(1,904)	(34,101)
Other reserves	616,509	(327)	616,182
	12,678,663	(258,418)	12,420,245
Earnings per share	1.64	(0.03)	1.61

Notes to the Financial Statements for the year ended 30 June 2018

47. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	Year ended 30 June 2018 Rs'000	Year ended 30 June 2017 (Restated) Rs'000	Year ended 30 June 2016 Rs'000
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Revenue	**37,074,403**	33,670,136	30,996,394
Share of results of associates and joint ventures	**363,545**	494,575	583,212
Profit before taxation	**2,731,775**	2,382,992	1,956,140
Income tax charge	**(345,886)**	(406,264)	(377,220)
Profit for the year from continuing operations	**2,385,889**	1,976,728	1,578,920
(Loss)/profit for the year from discontinued operations	**(3,017)**	29,031	(5,386)
Profit for the year	**2,382,872**	2,005,759	1,573,534
Other comprehensive income for the year, net of tax	**548,658**	(22,890)	158,360
Total comprehensive income for the year	**2,931,530**	1,982,869	1,731,894
Profit attributable to:			
- Owners of the parent	**1,508,967**	1,093,106	748,426
- Non-controlling interests	**873,905**	912,653	825,108
	2,382,872	2,005,759	1,573,534
Total comprehensive income attributable to:			
- Owners of the parent	**1,883,227**	1,112,645	797,031
- Non-controlling interests	**1,048,303**	870,224	934,863
	2,931,530	1,982,869	1,731,894
Dividend	**496,564**	442,146	753,869

Notes to the Financial Statements for the year ended 30 June 2018

47. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP (CONTINUED)

	2018 Rs'000	2017 (Restated) Rs'000	2016 (Restated) Rs'000
STATEMENTS OF FINANCIAL POSITION			
Assets			
Non current assets	**43,067,134**	38,312,999	36,364,087
Current assets	**14,162,819**	14,412,483	12,868,809
Non-current assets classified as held for sale	**1,845,878**	–	1,647,436
Total assets	**59,075,831**	52,725,482	50,880,332
Equity and liabilities			
Share capital and reserves	**16,962,188**	16,165,632	15,609,245
Non-controlling interests	**11,452,714**	10,631,629	10,248,309
Total equity	**28,414,902**	26,797,261	25,857,554
Liabilities			
Non current liabilities	**14,414,219**	9,087,730	8,833,521
Current liabilities	**14,952,871**	16,840,491	15,663,664
Liabilities associated with assets classified as held for sale	**1,293,839**	–	525,593
Total liabilities	**30,660,929**	25,928,221	25,022,778
Total equity and liabilities	**59,075,831**	52,725,482	50,880,332

Shareholder’s Corner

Notice of Annual Meeting

Proxy Form

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of the Shareholders of IBL Ltd will be held at l'Ibeloise, 6th Floor, IBL House, Caudan Waterfront, Port Louis on Thursday, 6 December 2018 at 9.30 hours to transact the following business:

AGENDA

1. To consider the Integrated Report for the year ended 30 June 2018.

2. To receive the report of Messrs. Deloitte, the Auditors on the audited financial statements of IBL Ltd for the year ended 30 June 2018.

3. To consider and adopt the Group's and Company's audited financial statements of IBL Ltd for the year ended 30 June 2018.

   Ordinary Resolution
   "Resolved that the audited financial statements of IBL Ltd for the year ended 30 June 2018 be hereby approved."

4. To elect as Director of IBL Ltd Mr. Benoit Lagesse, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Benoit Lagesse be and is hereby elected as Director of IBL Ltd."

5. To elect as Director of IBL Ltd Mr. Jean-Claude Béga, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Jean-Claude Béga be and is hereby elected as Director of IBL Ltd."

6. To re-elect by rotation, on the recommendation of the Board, Mr. Arnaud Lagesse, who offers himself for re-election as Director of IBL Ltd.

   Ordinary Resolution
   "Resolved that Mr. Arnaud Lagesse be and is hereby re-elected as Director of IBL Ltd."

7. To re-elect by rotation, on the recommendation of the Board, Mr. Hugues Lagesse, who offers himself for re-election as Director of IBL Ltd.

   Ordinary Resolution
   "Resolved that Mr. Hugues Lagesse be and is hereby re-elected as Director of IBL Ltd."

8. To re-elect by rotation, on the recommendation of the Board, Mr. Jean-Pierre Lagesse, who offers himself for re-election as Director of IBL Ltd.

   Ordinary Resolution
   "Resolved that Mr. Jean-Pierre Lagesse be and is hereby re-elected as Director of IBL Ltd."

9. To re-elect by rotation, on the recommendation of the Board, Mr. Thierry Lagesse, who offers himself for re-election as Director of IBL Ltd.

   Ordinary Resolution
   "Resolved that Mr. Thierry Lagesse be and is hereby re-elected as Director of IBL Ltd."

Notice of Annual Meeting

10. To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2019 and to ratify the fees paid to the Directors for the year ended 30 June 2018.

    Ordinary Resolution
    "Resolved that the remuneration of the Directors of IBL Ltd for the year ending 30 June 2019 be fixed and the fees paid to the Directors for the year ended 30 June 2018 be hereby ratified."

11. To appoint, on the recommendation of the Board, Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration.

    Ordinary Resolution
    "Resolved that Messrs. Ernst & Young be appointed as Auditors of the Company for the ensuing year and that the Board be and is hereby authorised to fix the remuneration of the auditors."

12. To ratify the remuneration paid to the Auditors for the year ended 30 June 2018.

    Ordinary Resolution
    "Resolved that the remuneration paid to the Auditors for the year ended 30 June 2018 be and is hereby ratified."

By Order of the Board

Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

21 November 2018

Notes:

1) A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2) The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Ltd, Sir William Newton Street, Port Louis, by Wednesday, 5 December 2018 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.

3) For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 6 November 2018.

4) The minutes of the Annual Meeting to be held on 6 December 2018 will be available for consultation and comments during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis from 1 February to 15 February 2019.

Proxy Form

I/We, ... of ...., being a member/ members of IBL Ltd, do hereby appoint: .... of .... or failing him/her, ... of .... or failing him/her the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at l'Ibeloise, 6th Floor, IBL House, Caudan Waterfront, Port Louis on Thursday, 6 December 2018 at 9.30 hours and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		FOR	AGAINST	ABSTAIN
1.	To consider the Integrated Report for the year ended 30 June 2018			
2.	To receive the report of Messrs. Deloitte, the Auditors on the audited financial statements of IBL Ltd for the year ended 30 June 2018			
3.	To consider and adopt the Group's and Company's audited financial statements of IBL Ltd for the year ended 30 June 2018			
4.	To elect as Director of IBL Ltd Mr. Benoit Lagesse, who has been nominated by the Board and who offers himself for election			
5.	To elect as Director of IBL Ltd Mr. Jean-Claude Béga, who has been nominated by the Board and who offers himself for election			
6.	To re-elect by rotation, on the recommendation of the Board, Mr. Arnaud Lagesse, who offers himself for re-election as Director of IBL Ltd			
7.	To re-elect by rotation, on the recommendation of the Board, Mr. Hugues Lagesse, who offers himself for re-election as Director of IBL Ltd			
8.	To re-elect by rotation, on the recommendation of the Board, Mr. Jean-Pierre Lagesse, who offers himself for re-election as Director of IBL Ltd			
9.	To re-elect by rotation, on the recommendation of the Board, Mr. Thierry Lagesse, who offers himself for re-election as Director of IBL Ltd			
10.	To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2019 and to ratify the fees paid to the Directors for the year ended 30 June 2018			
11.	To appoint, on the recommendation of the Board, Messrs. Ernst & Young as Auditors of the Company and to authorise the Board to fix their remuneration			
12.	To ratify the remuneration paid to the Auditors for the year ended 30 June 2018			

Signed this .... day of .... 2018.

....

Signature(s)

Notes:

1) A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2) Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.
3) The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Ltd, Sir William Newton Street, Port Louis, by Wednesday, 5 December 2018 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.

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