



**CONSTANCE
LA GAIETÉ**

COMPANY LIMITED

Annual Report

2016



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Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Constance La Gaieté Company Limited for the year ended 31 December 2016. This report was approved by the Board on 30 March 2017.



George J. Dumbell
Chairman



Jean Ribet
Director
Group Chief Executive Officer

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of the shareholders of the Company will be held on Friday, 9 June 2017, at 09.30 a.m. in the Boardroom of Constance Group, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, to transact the following business:

1. To consider the Annual Report for the year ended 31 December 2016
2. To receive the report of BDO & Co., the external auditors of the Company
3. To adopt the Audited Financial Statements of the Company and the Group for the year ended 31 December 2016
4. To authorise the Board of Directors to fix the remuneration of the external auditors, BDO & Co., who have expressed their willingness to continue to act as external auditors of the Company and will be automatically reappointed
5. To approve the directors' remuneration
6. To appoint Mr Patrick de Labauve d'Arifat as non-executive director of the Company. (see note below)
7. By separate resolutions and in accordance with article 21.2 (1) of the Constitution of the Company, to re-elect the following persons who, retiring by rotation, offer themselves for re-election as directors of the Company:
 - a. Mr Maxime Rey
 - b. Mr Jean-Jacques Vallet
 - c. Mr George J. Dumbell
8. Shareholders' questions

By order of the Board



Marie-Anne Adam, ACIS

For La Gaieté Services Ltd
Secretaries

12 May 2017

Notes

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

The instrument appointing a proxy, any general power of attorney or written resolution appointing a representative should reach the Company Secretary at the registered office of the Company, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, not less than 24 hours prior to the time scheduled for the meeting, i.e. by 09.30 a.m. on Thursday, 8 June 2017 (being the last business day before the meeting). In default, the instrument of proxy shall not be treated as valid.

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

For the purpose of this Annual Meeting, the directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 15 May 2017.

Mr P. Arnaud Dalais has submitted his resignation as non-executive director of the Company on 11 April 2017. The Board of Directors, upon recommendation of the Corporate Governance (Nomination & Remuneration) Committee, has on 12 May 2017 appointed Mr Patrick de Labauve d'Arifat as non-executive director up to the annual meeting of shareholders to be held on 9 June 2017 where his appointment will be submitted to the approval of the shareholders.

The Profile of Mr Patrick de Labauve d'Arifat is available on page 72 of the Annual Report.

Corporate Information

Directors

George J. DUMBELL	Independent – Chairman
Nicolas BOULLÉ	Independent
P. Arnaud DALAIS	Non-executive
Marc FREISMUTH (As from 10 June 2016)	Independent
Jean JUPPIN DE FONDAUMIÈRE	Independent
Clément D. REY	Executive
Maxime REY	Non-executive
Jean RIBET	Executive
Georgina ROGERS	Independent
Jean-Jacques VALLET	Non-executive
Noël Adolphe VALLET	Non-executive

Alternate Director

Patrick DE LABAUVE D'ARIFAT (as from 31 March 2016) - Alternate to P. Arnaud DALAIS

Committees of the Board

Audit (and Risk Management) Committee

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

Corporate Governance (and Nomination & Remuneration) Committee

George J. DUMBELL - *Chairman*
Jean RIBET
Marc FREISMUTH (As from 10 June 2016)

Management Team – Constance Corporate Management Ltd

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

Secretaries

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

Share Registry and Transfer Office

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

Auditors

External

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

Internal

PricewaterhouseCoopers
Chartered accountants
18 CyberCity
Ébène

Bankers

The Mauritius Commercial Bank Ltd
Barclays Bank plc
State Bank of Mauritius Ltd

Registered Office

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

Report of the Directors

Dear Shareholder,

The directors of Constance La Gaieté Company Limited have pleasure in presenting to you the Annual Report of the Company together with its Audited Financial Statements for the year ended 31 December 2016.

Business Overview

Industry Review

Total sugar production was up by 20,000 tonnes to reach 386,000 tonnes. Some 3.798 million tonnes of cane were harvested from 51,477 hectares, yielding a disappointing 73.79 tonnes per hectare.

Industry Comparative Results (2012–16)

Year	2016	2015	2014	2013	2012
Area harvested (hectares)	51,477	52,387	50,694	53,464	54,140
Cane harvested (thousand tonnes)	3,798	4,009	4,044	3,816	3,947
Cane yield (tonnes/ha)	73.79	76.53	79.78	71.37	72.91
Cane crushed (thousand tonnes)	3,796	4,004	4,039	3,812	3,942
Sugar produced (thousand tonnes)	386	366	400	405	409
Extraction rate (%)	10.18	9.14	9.91	10.62	10.38
Sugar yield (tonnes/ha)	7.50	6.99	7.89	7.57	7.56

Year in Review

2016 Sugarcane Harvest

Cane growth suffered from the dry spell that occurred at the start of the season. Although there was good rainfall distribution from March to May, the production performance fell short of expectations. Cane yield per hectare was 69.7 tonnes, bringing the total cane produced for the year to 139,211 tonnes, which was

a satisfactory result, considering the foregoing climatic challenges. However, sucrose content was very good. The extraction rate reached 10.53%, a positive performance given that the harvest period had started in early June, when the cane had not reached its full maturity. The combination of cane yield and extraction rate gave a sugar yield of 7.34 tonnes per hectare, a much better yield than in 2015.

Estate Cane and Sugar Production

Crop year	2016	2015	2014	2013	2012
Area harvested (hectares)	1,998	2,032	2,032	1,904	1,970
Cane yield per hectare (tonnes)	69.659	70.325	76.650	66.900	65.680
Total cane harvested (tonnes)	139,211	142,882	155,262	127,358	129,370
Sugar produced per hectare (tonnes)	7.34	6.64	7.72	7.35	6.76
Sugar produced (tonnes)	14,666	13,495	15,695	13,999	13,316
Share of sugar produced (tonnes)	11,439	10,526	12,085	10,919	10,387
Extraction (%)	10.53	9.45	10.08	10.99	10.29

Year in Review (continued)

Financial Performance

Sugar produced and accruing were better than in 2015 and reached 14,666 tonnes and 11,439 tonnes respectively. Estimated sugar price was MUR 15,300 per tonne for the year compared to MUR 13,000 per tonne in 2015, excluding a special financial assistance of MUR 2,000 per tonne from the Sugar Insurance Fund Board. Furthermore, an additional MUR 300 per tonne of sugar from the Sugar Cane Sustainability Fund was once again accounted as well as an increase in alcohol levy per tonne of sugar.

Group revenue as at 31 December 2016 was MUR 295 million compared to MUR 290 million last year. Expenses were slightly lower than last year, reaching MUR 312 million (2015: 333 million). After booking other income of MUR 45.3 million (2015: MUR 52.3 million) and finance costs of MUR 4.6 million (2015: MUR 1.6 million), profit from ordinary activities was MUR 23.3 million (2015: MUR 7.2 million). Share of results from associates stood at MUR 17.8 million (2015: MUR 4.9 million). Profit for the year, after accounting for taxation, was MUR 38.3 million compared to MUR 8.9 million last year.

Key Financial Results and Ratios

Group		31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013 Restated	31 Dec 2012 Restated
Revenue	MUR'000	294,921	289,988	259,338	304,605	270,933
Operating and other expenses	MUR'000	312,301	333,478	327,418	327,035	304,903
Operating loss	MUR'000	(17,380)	(43,490)	(70,765)	(26,418)	(20,112)
Profit/(loss) after taxation	MUR'000	38,327	8,931	(15,473)	(802)	14,094
Total assets	MUR'000	936,512	908,287	910,017	934,537	934,765
Total equity	MUR'000	539,597	524,274	600,693	624,136	645,992
Total borrowings	MUR'000	95,303	77,235	28,885	22,845	2,812
Net assets per share	MUR	112.42	109.22	125.14	130.03	134.58
Earnings/(loss) per share	MUR	7.98	1.86	(3.22)	(0.17)	2.94
Dividend per share	MUR	4.50	4.50	4.50	4.50	4.50
Share price	MUR	100.50	100.00	136.00	155.00	101.00
Price-earnings ratio		12.59	53.76	N/A	N/A	34.35
Volume of shares traded		40,134	40,026	28,337	17,076	24,576

Non-sugar Activities

17 hectares of estate marginal land have been earmarked for a cattle rearing initiative, which shall commence as a pilot project with the acquisition of 20 calves. To support this project, the plantation of pastures under a specific agronomic protocol has already started. Such project should provide an alternative solution to the utilisation of marginal lands of the estate.

Pineapple production is being increased to cover 20 hectares, in response to the higher needs of the export market. Partial mechanisation of the operations is being evaluated to secure sustainable production for the long-term.

Broiler production showed, once again, very satisfactory results. A project to improve the broiler houses with a fully automated tunnel system, is under study to achieve much improved production efficiency.

Report of the Directors

(continued)

Year in Review (continued)

Real Estate

In line with the company's Masterplan, we are currently engaged in numerous developments, including the Boulet Rouge III morcellement, for which a letter of intent is expected soon. Furthermore, a mixed-use development concept is under consideration to complement the increasing need for extended commercial services. To be located on the northern part of 'Centre de Flacq', it is believed that such a development will complement the existing commercial offerings. Residential developments are also planned in this area to respond to their growing demand. The company will, also, soon start the construction of an office complex of approximately 2,000 square metres near the Constance ex-factory area.

Outlook

Summer rains were once again late during the 2017 growing season. This has adversely impacted the development of the cane stems, causing an inferior elongation rate compared with 2016. Preliminary indications suggest a lower cane tonnage harvest than the previous year.

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

Dividend

A dividend of MUR 4.50 per share (2015: MUR 4.50 per share) was declared and paid in December 2016, bringing the dividend payout for the year under review to MUR 21.6 million.

Corporate Governance

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

Code of Ethics and Conduct

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

Acknowledgements

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

Approved by the Board of Directors and signed on its behalf on 30 March 2017.



George J. Dumbell

Chairman



Jean Ribet

Director

Group Chief Executive Officer

Corporate Governance and Corporate Social Responsibility Report

CORPORATE GOVERNANCE

Statement of Compliance

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

Name of Public Interest Entity: Constance La Gaieté Company Limited

Reporting Period: 1 January 2016 to 31 December 2016

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

- Section 2.2.6: Annual Re-election of Directors: Non-compliance with this section of the Code is explained in the Corporate Governance report on page 8.
- Section 2.8.2: Remuneration of Directors: The reason for non-compliance is the confidentiality and sensitivity of the information. However, directors' remuneration is disclosed by category (see page 22).

Signed by



George J. Dumbell

Chairman



Jean Ribet

Director

Group Chief Executive Officer

30 March 2017

Statement on Corporate Governance

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

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

The new National Code of Corporate Governance was launched on 13 February 2017. It will become effective on 1 July 2017 and will apply to reporting year ending 30 June 2018. Your Company, which is generally compliant

with the eight "Principles" of this Code, will report accordingly, as mandated.

The Board

The Board comprises five independent, four non-executive and two executive directors. The Chairman is an independent director. A Profile of Directors is given on pages 70 to 72.

The Board of Directors is ultimately responsible and accountable for all the affairs and general performance of the Company within the terms of reference outlined in the Board of Directors Charter. Nominations to the Board comply with the Company's Director Nomination Policy. Some directors are nominated by virtue of an existing *protocole d'accord* between the Company's five main shareholders. However, all nominations are vetted by the Board's Corporate Governance (and Nomination & Remuneration) Committee and recommended to the Board. Matters relating to directors' remuneration are also dealt with by the Corporate Governance (and Nomination & Remuneration) Committee in accordance with the Company's Remuneration Policy.

Corporate Governance and Corporate Social Responsibility Report (continued)

The Board (continued)

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

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

Directors are invited to participate in an individual and collective assessment, every two years, the findings of which are reviewed by the Nomination and Remuneration Committee and tabled to the Board of Directors. The next exercise is scheduled for 2017.

Chairman

The Chairman has responsibility for ensuring the efficient operations of the Board and its committees, for seeing that corporate-governance matters are dealt with, for representing the Group externally and, particularly, for communicating with shareholders at their Annual Meeting. Working closely with the Group Chief Executive Officer, the Group Head of Corporate Affairs and the Company Secretary, the Chairman also ensures that new directors receive a full and formal induction to the Group and its businesses, and that all directors are kept fully informed of relevant matters.

Group Chief Executive Officer

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

Independent, Non-executive and Executive Directors

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

Company Secretariat

All directors have access to the advice and services of the Company Secretariat, which ensures good information flow to the Board and its committees and between senior Management and the directors. The Secretariat facilitates the induction of directors and assists them in fulfilling their duties and responsibilities. Through the Chairman, it is responsible for advising the Board on corporate governance and for generally keeping the Board up to date on all legal, regulatory and other developments.

Share Registry and Transfer Office

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

Statement of Remuneration Philosophy

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

- i. Remuneration must reflect the market in which the Company operates;
- ii. Key performance indicators will apply to deliver results to the Company;
- iii. Remuneration is to be linked to the creation of value to shareholders
- iv. Remuneration is to reward both financial and non-financial performance.

For 2016, directors' annual fees were MUR 130,000 for the Chairman and MUR 70,000 for other Board members.

Corporate Governance and Corporate Social Responsibility Report (continued)

Statement of Remuneration Philosophy (continued)

In addition to the above, the annual fees for members of committees of the Board for 2016 were:

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

Following a review undertaken by the Nomination & Remuneration Committee, the Board of Directors will be recommending to the shareholders revised annual fees for the members of the Board (MUR 80,000), the chairman and members of the Audit Committee (MUR 70,000 and MUR 50,000 respectively) for 2017 to bring these into line with the market.

Committees of the Board

Two committees of the Board have been constituted to assist the directors in the discharge of their duties. Each committee of the Board has written terms of reference incorporated in a charter, which has been approved by the Board and is subject to regular review. The chairmen of the committees are invited to report during Board meetings on matters addressed by the committees.

Audit (and Risk Management) Committee

The Company's Audit Committee, which also has responsibility for the Company's Risk Management function, consists of three directors (two independent and one non-executive). The Committee operates within the scope of its charter, which has been approved by the Board. Its principal functions are to ensure the integrity of the financial statements, oversee the financial-reporting process and direct the Risk Management function, with the support of the internal and external auditors, and the Compliance function. The Committee reports to the Board of Directors at each Board meeting. The Group Chief Executive Officer, the internal auditors and the

Compliance Officer attend the Committee's meetings when it is deemed necessary.

During the year, the Committee met on four occasions. It reviewed, inter alia, the 2015 Audited Financial Statements and Annual Report, the unaudited quarterly financial statements and abridged financial statements for publication; reviewed, assessed and made recommendations in regard to the reports of the internal auditors; evaluated and recommended to the Board of Directors the dividend payout; made recommendations to the Board for the appointment, remuneration and terms of engagement of the external auditors; and assessed and monitored the Company's underlying risk profile.

Corporate Governance (and Nomination & Remuneration) Committee

The Corporate Governance Committee, which also has responsibility for the Nomination & Remuneration function, consists of three directors (two independent and one executive). The Committee operates within the scope of its charter, which has been approved by the Board. Its principal functions are to direct and monitor implementation of the Company's Corporate Governance Programme as well as matters pertaining to nominations to the Board and the performance and remuneration of directors and senior executives. The Committee reports to the Board of Directors at each Board meeting. The Group Chief Executive Officer is a member of the Committee.

Corporate Governance and Corporate Social Responsibility Report (continued)

Committees of the Board (continued)

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

During the year, the committee met on five occasions. Its broad achievements were:

Corporate Governance

1. Reviewing the Company's Annual Report for 2015, specific to the Corporate Governance and Corporate Social Responsibility Report and Statutory Disclosures.
2. Approving the Group Corporate Social Responsibility Plan for 2016 under the banner of Fondation Constance, and monitoring its progress.
3. Monitoring matters relating to Conflict of Interest and Related Party Transactions, with no issues of an unusual nature reported.
4. Reviewing compliance and Health & Safety reports.
5. Enhancing the Company's general Code of Conduct, as well as the Conflict of Interest and Related Party Transactions and Share Dealing policies.

Nomination and Remuneration

1. Evaluating Nominees for the annual re-election of directors, as well as for its Subsidiary Companies, and make recommendations to the Board.
2. Reviewing the composition of the Board and Committees and make recommendations to the Board.
3. Finalising the implementation of recommendations emanating from the 2015 Board and Committee self-assessments.
4. Reviewing the Executive Development Programme and make recommendations with respect to their remuneration.
5. Assessing the succession planning process and make recommendations to the Board.
6. Enhancing the Directors' and Senior Officers' Register of Interest/Insiders Share Dealings/Conflict of Interest and Related Party.
7. Reviewing Directors Fees for 2017, for onward Board validation and recommendation to Shareholders.

Board and Committee Attendance

	Board of Directors	Committees of the Board	
		Audit (and Risk Management)	Corporate Governance/ Nomination & Remuneration
Number of meetings held in 2016	3	4	5
Meetings attended			
George J. DUMBELL	3		5
Nicolas BOULLÉ	3		
P. Arnaud DALAIS	1		
Marc FREISMUTH (As from 10 June 2016)	2		5
Jean JUPPIN DE FONDAUMIÈRE	3	4	
Clément D. REY	3		
Maxime REY	3		
Jean RIBET	3		4
Georgina ROGERS	2	3	
Noël Adolphe VALLET	3	3	
Jean-Jacques VALLET	3		

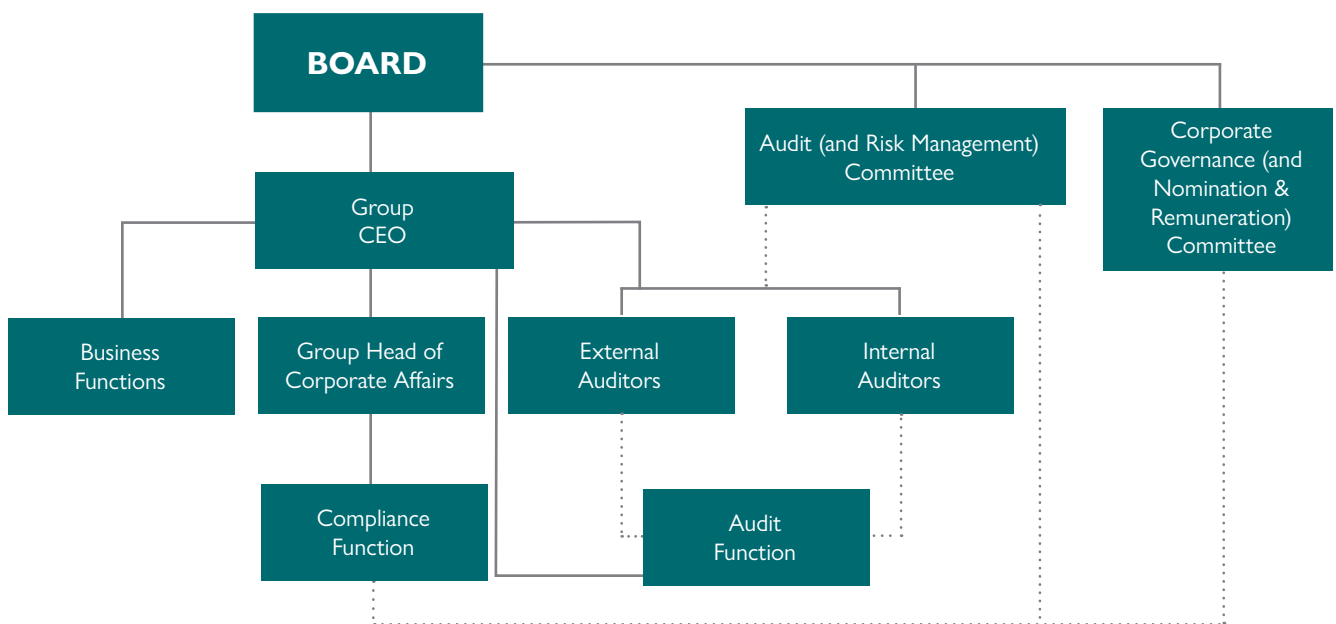
Corporate Governance and Corporate Social Responsibility Report (continued)

Risk Management Framework

The Company is constantly faced with a variety of risks, which could adversely affect its performance and financial condition. Being responsible for managing these risks, your Board ensures that your Company has in place a system of internal control and risk management and continually monitors and reviews this system's adequacy and effectiveness. The Company's Risk Management framework, which extends across the Company's business,

comprises a top-down approach, with strategy, policies and risk appetite approved by the Board of Directors, and their formulation, implementation and monitoring delegated to the committees of the Board, the internal and external auditors, and senior Management. In turn, line managers are responsible for continuous compliance with all laws, codes, rules, regulations, procedures, policies, and standards of good industry practice. The Company's Risk Management Programme was instituted in August 2006 and is reviewed periodically.

Risk Management Structure



Risks and Mitigation Initiatives

Besides the financial risks highlighted in the notes to the Financial Statements on pages 44 to 46, some of the more prominent risks to which the Company is exposed are:

- **Reputation:** The Company is exposed to the risk that employees may not demonstrate the appropriate ethical values and behavioural attitudes.

Any event that materially damages the reputation of the Company and/or any failure to sustain its appeal to its shareholders could adversely affect the market value and attractiveness of the Company. The adverse publicity and impact on operations is mitigated through the strict enforcement of the Company's ethical code of conduct and good corporate governance practices by the Board and senior Management.

Corporate Governance and Corporate Social Responsibility Report (continued)

Risks and Mitigation Initiatives (continued)

- **Personnel:** The Company's growth and success depend on its ability to identify, secure and retain quality management and productive employees. Any failure in this regard could undermine the Company's ability to implement its strategic business plan and remain profitable. To mitigate this risk, we apply a policy of recruitment and recognition of performance that is fair, transparent and based on merit. Also, we strive to ensure that we have an attractive and safe working environment and a competitive remuneration structure. We also develop, monitor and maintain succession planning for key roles.

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

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

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

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

- **Technologies and Systems:** To varying degrees, the Company is reliant upon certain technologies and systems for the smooth and efficient running of its business. Disruption to these technologies or systems could adversely affect its operating costs and efficiency. To mitigate this risk the Company has invested in preventive maintenance and holds a contract with its IT service provider that caters for the prompt restoration to normal service so as to minimise any adverse impact on the business.
- **Social Responsibility:** The reputation of the Company is influenced by a variety of factors, including its ability to demonstrate sufficiently responsible practices in such areas as sustainability, environmental management and support for the local community. CSR programmes and initiatives are tailored to the needs of the community and society in the vicinity of the Company's operations. Regular review and reporting over the progress of the Group's CSR programmes and achievements are brought on a quarterly basis to the Board, through the Corporate Governance Committee.
- **Credit Standing:** The Company is reliant on having access to credit facilities to meet its capital requirements and effectively manage its statement of financial position. If the Company does not manage its finances in a responsible manner, it may lose its credibility and, as a result, its favourable terms and ability to borrow. To ensure prudent financial management the Company prepares detailed budgets and projected cash flows, which are reviewed on a regular basis by the Audit Committee and quarterly by the Board, both of which also scrutinise Account Receivables and Payables.
- **Financial and Other Regulatory Compliance:** Non-compliance with financial and regulatory requirements may result in fiscal penalties and damage to the Company's image on the market. In mitigation, a robust programme of procedures and internal monitoring has been put in place by the Compliance and Accounting functions, with the aid of

Corporate Governance and Corporate Social Responsibility Report (continued)

Risks and Mitigation Initiatives (continued)

- **Financial and Other Regulatory Compliance:** (continued)

Internal Audit, to ensure that financial and regulatory requirements are adhered to. The quarterly financial statements and the abridged financial statements are scrutinised by the Audit Committee and, subsequently, reviewed and approved by the Board.

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

Your Company has various policies and methods to counter these risks effectively, as elaborated in this Corporate Governance Report and in the Notes to the Financial Statements, on pages 44 to 46. The Company also has Director & Officer Liabilities Insurance cover.

Compliance Function

The Compliance Officer has the responsibility for coordinating the Compliance function within the Company, with a functional reporting line to the Audit and Corporate Governance Committees of the company. During 2016, the Compliance Officer operated within the scope of the Company's Compliance Charter and in accordance with professional standards and guidelines approved by the Board.

Auditors

External Audit

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

Internal Audit

Internal Audit is an appraisal function established to examine and evaluate the activities of the Company independently, as a service to the Board of Directors and to Management in general. The internal auditors are entrusted with the responsibility for appraising the policies and procedures as well as the operating, financial and management controls of the Company, to ensure that the business is properly managed and for promoting effective controls at reasonable cost. The internal auditors report to the Group CEO but also have a functional reporting line to the Audit Committee.

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

During 2016, the Internal audit plan was agreed with the internal auditors who conducted two follow-up audits namely IT General Controls, and Deer breeding and hunting.

Messrs PricewaterhouseCoopers continue as the Company's internal auditors under the terms of a three-year contract, which took effect on 01 January 2016.

Management Services Agreement

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

The fees under the Management Services Agreement are composed of a fixed element and a percentage mix of net asset value, market capitalisation, and net profit and amounted to MUR 17.7 million for the year under review.

Corporate Governance and Corporate Social Responsibility Report (continued)

Policies, Charters and Codes

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

Policies

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

Charters

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

Codes

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

Conflicts of Interest and Related Party Transactions

The Company's Conflicts of Interest and Related Party Transactions Policy provides a structure which ensures that all transactions pertaining to the operation of the Company and its subsidiaries are properly disclosed and can be adequately managed without detriment to the reputation and integrity of the Company and its stakeholders in so far as it relates to good corporate practice.

For disclosure of related-party transactions, please refer to page 67 of the Annual Report.

Directors' and Senior Officers' Interests and Dealings in Shares

The Company's Share Dealing Policy gives clear guidance on the practice to be followed when dealing in shares

of the Company or of companies connected with the Company by business or common shareholding. All directors, senior officers and associates wishing to deal in the securities of the Company or any of its subsidiaries must comply with the statutory provisions concerning insider dealing as specified in the Companies Act 2001 as well as in the Securities Act 2005 and they are aware of the Stock Exchange of Mauritius's Model Code for Securities Transactions by Directors of Listed Companies. Furthermore, directors and senior officers are notified by the Company of the commencement and closure of non-trading periods.

No transactions were undertaken by directors and senior officers of the Company, or associates of directors, or senior officers of the Company, in the Company's shares during the year 2016.

Corporate Governance and Corporate Social Responsibility Report (continued)

Directors' and Senior Officers' Share Interests

The interests of directors and senior officers in the securities of the Company as at 31 December 2016 were as follows:

	No. of Shares	Direct % Held	Indirect % Held
Directors			
George J. Dumbell	-	-	-
Nicolas Boullé	-	-	-
P. Arnaud Dalais	-	-	-
Marc Freismuth	-	-	-
Jean Juppín de Fondaumière	-	-	-
Clément D. Rey	-	-	2.02
Maxime Rey	-	-	-
Jean Ribet	-	-	3.45
Georgina Rogers	51,839	1.08	-
Noël Adolphe Vallet	400	0.08	3.03
Jean-Jacques Vallet	46	-	3.45
Alternate Director			
Patrick De Labauve d'Arifat	-	-	-
Senior Officers			
Jan Boullé	-	-	3.47
Kevin Chan Too	1,300	0.03	-

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

Contracts of Significance

During the year under review there was no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company was materially interested either directly or indirectly besides the management services agreement reported in the Corporate Governance Report on page 13.

Data Analysis on Shareholdings as at 31 December 2016

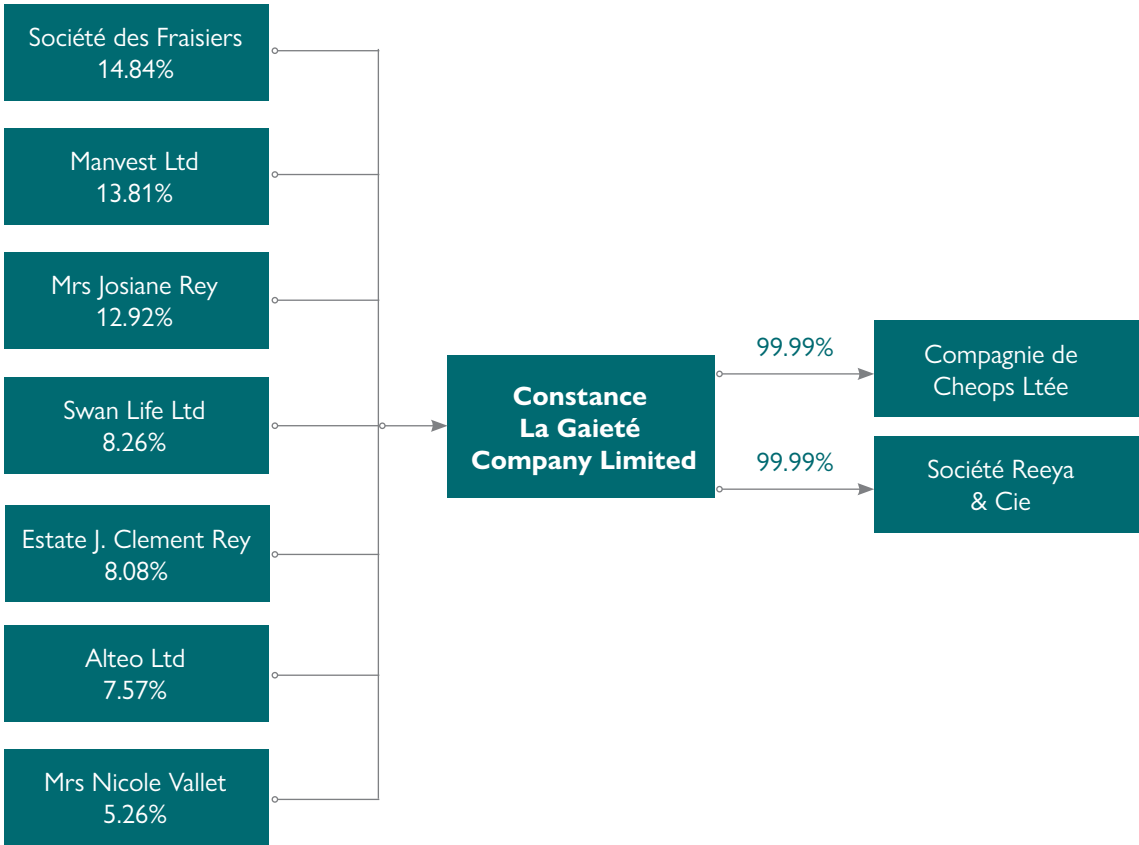
Size of Shareholding	Number of Shareholders	Number of Shares Owned	Percentage Shareholding
1-500	261	37,790	0.787
501-1,000	50	37,616	0.783
1,001-5,000	77	169,568	3.533
5,001-10,000	10	71,712	1.494
10,001-50,000	13	264,081	5.502
50,001-100,000	7	456,894	9.519
100,001-250,000	2	366,340	7.632
250,001-500,000	4	1,400,504	29.177
Over 500,000	3	1,995,495	41.573
Total	427	4,800,000	100.000

Corporate Governance and Corporate Social Responsibility Report (continued)

Data Analysis on Shareholdings as at 31 December 2016 (continued)

Shareholder Category	Number of Shareholders	Number of Shares Owned	Percentage Shareholding
Individuals	366	2,267,154	47.233
Insurance and assurance companies	1	396,520	8.261
Pension and provident funds	1	400	0.008
Investment and trust companies	2	638	0.013
Other corporate bodies	57	2,135,288	44.485
Total	427	4,800,000	100.000

Substantial shareholders holding more than 5% of the Company’s share capital, and Shareholding Structure as at 31 December 2016



Corporate Governance and Corporate Social Responsibility Report (continued)

Shareholders' Agreement

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

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

Dividend

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

Employee Share Option Plan

No such scheme exists at present within the Company.

Material Clauses of the Constitution

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

Timetable – Important Events

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

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Values

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

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

Shareholders

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

Employees

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

Contractors and Suppliers

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

Corporate Governance and Corporate Social Responsibility Report (continued)

CORPORATE VALUES AND CORPORATE SOCIAL RESPONSIBILITY (continued)

Corporate Values (continued)

Code of Ethics and Conduct

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

Anti-money-laundering

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

Health & Safety

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

Environment

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

Corporate Social Responsibility (CSR)

Mission

The Constance Group believes that it has a duty to care for the well-being and development of the communities in which it operates and that its involvement and contributions are not charitable handouts but investments that will have a positive impact on the community.

Fondation Constance

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

Principles

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

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

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

Fund Allocation

In 2016, the financial resources available for Fondation Constance were utilised to fund projects in education development, socio-development, leisure and sports, health and environment protection, targeting 14 NGOs and 483 direct beneficiaries.

Corporate Governance and Corporate Social Responsibility Report (continued)

14

NGOs

483

Direct Beneficiaries

Our Focus in 2016



Socio-Economic Development



Education & Training



Leisure & Sports

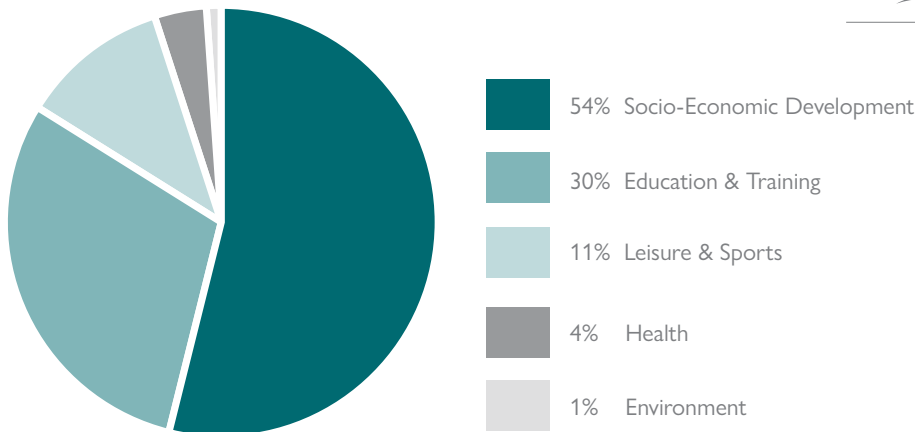


Health



Environment

FUND ALLOCATION PER CATEGORY
At 31 December 2016



Education and Training

CPE Sponsorship

38 Beneficiaries (since 2002)
22 Beneficiaries in 2016

Scholarships are awarded each year to the four best Certificate of Primary Education (CPE) pupils of the Poste de Flacq Government and RCA schools to cover their secondary studies. Many of these beneficiaries have pursued their tertiary studies.

Constance Education Award

Fondation Constance organised the Constance Education Award 2016 for SC and HSC students attending colleges in the East of Mauritius. The aim of the Award is to develop the human values, to increase knowledge and foster the analytical and leadership skills of the participants so that they are better equipped to serve the community and prosper in their future working environment. For this award, the students had to conduct research on specific topics and present a report in writing and then orally to a panel of judges.

Corporate Governance and Corporate Social Responsibility Report (continued)

Fondation Constance (continued)

Education and Training (continued)

Constance Education Award (continued)

The two topics covered were:

<p>SC Level: 70 Participants 12 Colleges</p>	<p><i>The economic and human costs of road crashes and the resulting deaths and injuries require a national response. How can the youth contribute to address this important issue?</i></p>
<p>HSC Level: 76 Participants 10 Colleges</p>	<p><i>“The challenge of inter-culturality in upholding the concept of living together is crucial for multi ethnic Mauritian society. How can the youth participate in strengthening togetherness?”</i></p>

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

<p>3 NGOs 129 Beneficiaries 3,562 meals served</p>	<p>Fondation Constance sponsored three NGOs dedicated to the development of quality non-formal education programmes for children from vulnerable groups.</p>
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Schooling support

During the year under review, Fondation Constance continued to sponsor “Friends of the Poor” in providing schooling support to ten children from vulnerable groups living in the East of the island.

Socio-economic Development

Protection of vulnerable persons

Employees of the group organized a Christmas party for disadvantage youngsters of the East of Mauritius. This initiative, which benefitted from the support of Fondation Constance, was a way of encouraging employees' participation in community support and development projects. On that occasion, they generously donated gifts to the 39 attendees.

Empowerment through training and placement

<p>11 Direct Beneficiaries 3 Employment offers</p>	<p>Fondation Constance continued to provide a year’s training at the Constance Hospitality Training Centre (CHTC) to 11 persons from vulnerable groups of the eastern region to give them skills that will enhance their employability. During the year under review, two had to stop for personal reasons whilst the remaining successfully completed a three-month course in Housekeeping Techniques. Following their internship in our hotels, three are employed on a temporary basis in one of our hotels.</p>
<p>8 NC3 students</p>	<p>Furthermore, eight students, sponsored by the Fondation in 2016, have followed courses, at National Certificate level 3 (NC3), delivered by CHTC, with a view to increasing their employability. Unfortunately, due to personal reasons, some of them have not completed their training. However, those who showed high interest and perseverance are expected to complete the courses in about April 2017.</p>
<p>2 Beneficiaries</p>	<p>Fondation Constance sponsored youngsters who demonstrated a keen desire to uplift themselves and secure future employment, through tertiary education and vocational training. Two students attending Saint Gabriel technical school and Saint Joseph Technical School took advantage of the scheme.</p>

Corporate Governance and Corporate Social Responsibility Report (continued)

Fondation Constance (continued)

Leisure and Sports

Fondation Constance encourages the promotion of recreational, leisure as well as sports activities in the eastern region. In 2016, Fondation Constance organised the Constance Challenge Cup and pursued its ongoing support to Faucon Flacq Sporting Club's (FFSC) sports activities for the benefit of young people from less privileged families. Gratifyingly, the collaboration has led to remarkable achievements of FFSC winning awards in various disciplines.

Environmental

In addition to the various activities undertaken in conformity with Green Globe Programme, Fondation Constance and hotels of the Constance Group supported the initiative of volunteers in cleaning up Bras D'Eau National Park.

Health Protection

During the year, Fondation Constance collaborated with various NGOs, including Solaris, which organised a cancer awareness activity in February 2016. Other NGOs include Pils, TiDiams and Lizié dan Lamain.

Donations

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

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

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
CSR Contribution	750	750	750	750
Others	289	40	289	40
	1,039	790	1,039	790

National CSR Foundation

New changes have been made to the National CSR Foundation, whereby companies will be compelled to contribute 50% of their CSR monies to the foundation; increasing to 75% in 2018. This will significantly restrict companies in funding their current long term commitments or engaging in new programmes.



George J Dumbell
Chairman



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

Other Statutory Disclosures

(pursuant to section 221 of the Companies Act 2001)

Directors' Remuneration and Benefits

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

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

	2016 MUR'000	2015 MUR'000
Directors of Constance La Gaieté Co. Ltd		
Executive	70	70
Non-executive	875	800
Directors of subsidiary companies		
Executive	-	-
Non-executive	-	-
	945	870

Directors' Service Contracts

Mr George J. Dumbell, Chairman of the Company, has a two-year service contract that expires on 31 December 2017. The other directors do not have service contracts with the Company, but letters of appointment.

Directors of Subsidiary Companies

Name of Director	Compagnie de Cheops Ltée
Jean Ribet	*
Jan Boullé (Up to 31 December 2016)	*
Kevin Chan Too (As from 31 December 2016)	*
Clément D. Rey	*

Auditors' Remuneration

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

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Audit fees paid to:				
BDO & Co.	827	783	770	730
Other firms	-	-	-	-
Fees for other services paid to:				
BDO & Co.	-	-	-	-
Other firms	-	-	-	-

Statement of Directors' Responsibilities

in respect of financial statements

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

- a) Adequate accounting records and maintenance of effective internal control systems;
- b) The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS);
- c) The use of appropriate accounting policies supported by reasonable and prudent judgments and estimates.

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

The directors report that:

- a) Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- b) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- c) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified;
- d) The Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

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



George J. Dumbell

Chairman



Jean Ribet

Director

Group Chief Executive Officer

30 March 2017

Company Secretary's Certificate

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



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

30 March 2017

Independent Auditor's Report to the Shareholders

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

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Constance La Gaieté Company Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 29 to 69 which comprise the statements of financial position as at December 31, 2016, the statements of profit or loss, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 29 to 69 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	AUDIT RESPONSE
1. Investment in associates	
Investments in associates are accounted for using the equity method, based on the latest audited financial information available from the investee companies. Where audited financial statements are not available, management accounts and estimates are used for consolidation purposes as the most appropriate financial information and are subject to significant judgment.	<ul style="list-style-type: none"> - We reviewed the information used by management to account for associates. - We obtained a detailed understanding of management's process for preparing the management accounts and the information used. - We checked the accuracy and reliability of the financial information used through analytical procedures and discussion with management.
Refer to note 9 of the accompanying financial statements.	

Independent Auditor's Report

to the Shareholders

KEY AUDIT MATTER	AUDIT RESPONSE
2. Impairment of assets	
<p>The following assets of the Group are subject to impairment loss risk and have been assessed accordingly:</p> <ul style="list-style-type: none"> - Investments in associates related to the sugar sector. - Other receivables. <p>Judgment is required to assess the recoverability and risk of impairment loss of the above assets. Impairment loss is based on objective evidence of default.</p> <hr/> <p>Refer to notes 9 and 15 of the accompanying financial statements.</p>	<ul style="list-style-type: none"> - We assessed through discussion with management and review of the financials of the respective companies and the industry perspective whether the investments in associates are impaired. - We discussed and reviewed whether management's assessment on the recoverability of the other receivables.
3. Consumable Biological assets	
<p>The Group's consumable biological assets shown on page 56 represent MUR 33.2M. The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of the expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate. The main risks identified relate to the use of significant judgment of the valuation of the consumable biological assets.</p> <hr/> <p>Refer to note 13 of the accompanying financial statements.</p>	<ul style="list-style-type: none"> - We have tested the assumptions and discussed with the relevant heads of departments to assess the reasonableness of the estimates used in the valuation. - We compared with entities in the same industry to ensure discount rate and price of sugar used are reasonable.
4. Retirement benefit obligations	
<p>The Group contributes to a defined benefit pension plan which results in a significant liability on the statement of financial position. The valuations of the retirement benefit obligations are calculated with reference to a number of actuarial assumptions and inputs including discount rate, salary growth rate and expected return on plan assets.</p> <hr/> <p>Refer to note 18 of the accompanying financial statements.</p>	<ul style="list-style-type: none"> - We assessed the key controls over the completeness and accuracy of data extracted and provided to the Group's actuary, for the calculation the retirement benefit obligations. - We assessed the reasonableness of actuarial assumptions used including benchmarking to other entities in the industry.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of Directors and Other statutory disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Shareholders

Report on the audit of the Financial Statements (continued)

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report to the Shareholders

Report on the audit of the Financial Statements (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

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

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

BDO & CO

Chartered Accountants

Ameenah Ramdin FCCA, ACA

Licensed by FRC

Port Louis
Mauritius

30 March 2017

Statements of Financial Position

December 31, 2016

	Notes	THE GROUP		THE COMPANY	
		2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Assets					
Non-current assets					
Property, plant and equipment	5	379,327	360,306	378,010	358,901
Investment properties	6	23,648	12,761	23,648	12,761
Intangible assets	7	144	-	144	-
Investments in subsidiary companies	8	-	-	1,250	1,250
Investments in associates	9	218,294	199,358	180,208	172,139
Investments in financial assets	10	45,142	44,916	45,121	44,895
Deferred expenditure	11	5,003	-	5,003	-
Deferred tax assets	12	59,648	61,436	59,648	61,436
		731,206	678,777	693,032	651,382
Current assets					
Consumable biological assets	13	33,156	25,558	33,156	25,558
Inventories	14	5,697	6,996	5,697	6,996
Trade and other receivables	15	165,147	195,678	167,502	197,642
Cash and cash equivalents	30(b)	1,306	1,278	1,227	1,265
		205,306	229,510	207,582	231,461
Total assets		936,512	908,287	900,614	882,843
Equity and Liabilities					
Capital and reserves					
Stated capital	16	120,000	120,000	120,000	120,000
Reserves		75,611	77,571	69,987	75,648
Retained earnings		343,986	326,703	314,304	303,807
Total equity		539,597	524,274	504,291	499,455
Non-current liabilities					
Borrowings	17	50,823	823	50,823	823
Retirement benefit obligations	18	212,074	204,713	212,074	204,713
		262,897	205,536	262,897	205,536
Current liabilities					
Trade and other payables	19	89,538	102,065	88,946	101,454
Borrowings	17	44,480	76,412	44,480	76,398
		134,018	178,477	133,426	177,852
Total liabilities		396,915	384,013	396,323	383,388
Total equity and liabilities		936,512	908,287	900,614	882,843

These financial statements have been approved for issue by the Board of directors on 30 March 2017.



George J. Dumbell
Chairman



Jean Ribet
Director
Group Chief Executive Officer

The notes on pages 35 to 69 form an integral part of these financial statements.
Auditor's report on pages 25 to 28.

Statements of Profit or Loss

Year ended December 31, 2016

	Notes	THE GROUP		THE COMPANY	
		2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Revenue					
Sugar, molasses and bagasse	2(o) & 21	202,298	174,866	202,298	174,866
Other operating revenue	22	92,425	90,890	91,602	90,067
		294,723	265,756	293,900	264,933
SIFB compensation	2(o) & 23	198	24,232	198	24,232
		294,921	289,988	294,098	289,165
Biological assets - consumable	13	7,598	(4,670)	7,598	(4,670)
Operating expenses		(319,899)	(328,808)	(318,625)	(327,856)
Operating loss	24	(17,380)	(43,490)	(16,929)	(43,361)
Other income	25	45,319	52,261	55,841	57,506
		27,939	8,771	38,912	14,145
Finance costs	26	(4,642)	(1,593)	(4,642)	(1,593)
Profit from ordinary activities		23,297	7,178	34,270	12,552
Share of profit of associates	9	17,759	4,862	-	-
Profit before taxation		41,056	12,040	34,270	12,552
Taxation	27	(2,729)	(3,109)	(2,729)	(3,109)
Profit for the year		38,327	8,931	31,541	9,443
Earnings per share (MUR)	28	7.98	1.86	6.57	1.97

The notes on pages 35 to 69 form an integral part of these financial statements.
Auditor's report on pages 25 to 28.

Statements of Profit or Loss and Other Comprehensive Income - Year ended December 31, 2016

	Note	THE GROUP		THE COMPANY	
		2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Profit for the year		38,327	8,931	31,541	9,443
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of post employment benefit obligations	18(vi)	(6,272)	(71,255)	(6,272)	(71,255)
Deferred tax on remeasurement of defined benefit obligations		941	10,688	941	10,688
Share of other comprehensive income of associates		2,695	1,399	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value adjustment		226	(635)	226	(635)
Share of other comprehensive income of associates		1,006	(3,947)	-	-
Other comprehensive income for the year, net of tax		(1,404)	(63,750)	(5,105)	(61,202)
Total comprehensive income for the year		36,923	(54,819)	26,436	(51,759)

The notes on pages 35 to 69 form an integral part of these financial statements.
Auditor's report on pages 25 to 28.

Statements of Changes in Equity

Year ended December 31, 2016

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

	Stated capital MUR'000	Fair value reserves MUR'000	Reserve on consolidation MUR'000	Reserve of associated companies MUR'000	Other reserves MUR'000	Retained earnings MUR'000	Actuarial loss reserve MUR'000	Total MUR'000
Balance at January 1, 2015	120,000	11,769	361	4,089	162,556	339,372	(37,454)	600,693
Profit for the year	-	-	-	-	-	8,931	-	8,931
Other comprehensive income for the year	-	(635)	-	(2,548)	-	-	(60,567)	(63,750)
Dividends (Note 20)	-	-	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2015	120,000	11,134	361	1,541	162,556	326,703	(98,021)	524,274

Fair value reserves

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

Reserves of associated companies

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

Other reserves

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

Actuarial loss reserve

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

The notes on pages 35 to 69 form an integral part of these financial statements.

Auditor's report on pages 25 to 28.

Statements of Changes in Equity

Year ended December 31, 2016 (continued)

THE COMPANY	Stated capital MUR'000	Fair value reserves MUR'000	Other reserves MUR'000	Retained earnings MUR'000	Actuarial loss reserve MUR'000	Total MUR'000
Balance at January 1, 2016	120,000	11,113	162,556	303,807	(98,021)	499,455
Profit for the year	-	-	-	31,541	-	31,541
Other comprehensive income for the year	-	226	-	-	(5,331)	(5,105)
Transfer to retained earnings	-	-	(556)	556	-	-
Dividends (Note 20)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2016	120,000	11,339	162,000	314,304	(103,352)	504,291
Balance at January 1, 2015	120,000	11,748	162,556	315,964	(37,454)	572,814
Profit for the year	-	-	-	9,443	-	9,443
Other comprehensive income for the year	-	(635)	-	-	(60,567)	(61,202)
Dividends (Note 20)	-	-	-	(21,600)	-	(21,600)
Balance at December 31, 2015	120,000	11,113	162,556	303,807	(98,021)	499,455

The notes on pages 35 to 69 form an integral part of these financial statements.
Auditor's report on pages 25 to 28.

Statements of Cash Flows

Year ended December 31, 2016

	Note	THE GROUP		THE COMPANY	
		2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Cash generated from/(used in) operations	30(a)	18,704	(61,784)	18,624	(61,712)
Interests received		9,577	206	9,577	206
Pension contributions paid		(18,810)	(9,287)	(18,810)	(9,287)
Interests paid		(4,642)	(1,593)	(4,642)	(1,593)
Tax refunded		-	144	-	144
Net cash generated from/(used in) operating activities		4,829	(72,314)	4,749	(72,242)
Investing activities					
Purchase of property, plant and equipment		(21,882)	(25,510)	(21,882)	(25,510)
Purchase of land development projects		(2,983)	-	(2,983)	-
Purchase of investment property		(13,682)	(190)	(13,682)	(190)
Purchase of intangible asset		(180)	-	(180)	-
Land development expenditure		(2,953)	-	(2,953)	-
Investment in associates		(8,069)	(7,853)	(8,069)	(7,853)
Proceeds from sale of investment		-	1,168	-	1,168
Proceeds from sales of property, plant and equipment		7,625	655	7,625	655
Proceeds from sales of agricultural land		29,352	200	29,352	200
Proceeds from sales of developed land		-	92,765	-	92,765
Dividends received		11,503	6,262	11,503	6,262
Net cash (used in)/generated from investing activities		(1,269)	67,497	(1,269)	67,497
Financing activities					
Dividends paid		(21,600)	(43,200)	(21,600)	(43,200)
Proceeds from borrowing		50,000	-	50,000	-
Net cash generated from/(used in) financing activities		28,400	(43,200)	28,400	(43,200)
Increase/(decrease) in cash and cash equivalents		31,960	(48,017)	31,880	(47,945)
Movement in cash and cash equivalents					
At January 1,		(75,121)	(27,104)	(75,120)	(27,175)
Increase/(decrease)		31,960	(48,017)	31,880	(47,945)
At December 31,	30(b)	(43,161)	(75,121)	(43,240)	(75,120)

The notes on pages 35 to 69 form an integral part of these financial statements.
Auditor's report on pages 25 to 28.

Notes to the Financial Statements

Year ended December 31, 2016

1 GENERAL INFORMATION

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The financial statements include the consolidated financial statements of the parent company and its subsidiaries and the separate financial statements of the parent company. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (MUR 000), except when otherwise indicated.

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

- i) land and buildings are carried at deemed cost;
- ii) available-for-sale investments are stated at their fair value;
- iii) consumable biological assets are stated at fair value

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires

management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

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

IFRS 14, "Regulatory Deferral Accounts" provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group's financial statements.

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

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

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The Group accounts for Bearer plants amounting to MUR 38,378k as property, plant and equipment under IAS 16.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.
- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.

- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

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

main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements.

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

Certain Standards, Amendments to Published Standards and Interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2017 or later periods, but which the Group has not early adopted.

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

- IFRS 9, "Financial Instruments"
- IFRS 15, "Revenue from Contract with Customers"
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 16, "Leases"
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
- Amendments to IAS 7, "Statement of Cash Flows"
- Clarifications to IFRS 15, "Revenue from Contracts with Customers"
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9, "Financial Instruments" with IFRS 4, "Insurance Contracts" (Amendments to IFRS 4)

- Annual Improvements to IFRSs 2014-2016 Cycle
- IFRIC 22, "Foreign Currency Transactions and Advance Consideration"
- Transfers of Investment Property (Amendments to IAS 40)

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

(b) Property, plant and equipment

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

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

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

Bearer plants

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

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

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

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment (continued)

Land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit and loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(c) Investment Property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful lives (10-50 years).

Depreciation is calculated on the straight-line method to write-off the cost or revalued amounts of the assets to

their residual values over their estimated useful lives. The principal annual rates used are as follows:

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

(d) Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (3-5 years).

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

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

(e) Investments in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in subsidiaries (continued)

Consolidated financial statements (continued)

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

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

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

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the

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

(f) Investments in associates

Separate financial statements of the investor

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

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

Consolidated financial statements

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

Investments in associates are accounted for using the equity method except when classified as held-for-sale.

Goodwill arising on the acquisition of an associate is included with the carrying amount of the associate and tested annually for impairment. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

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

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in associates (continued)

Consolidated financial statements (continued)

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

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

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

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

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

(g) Financial instruments

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

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

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

(ii) Investments in financial assets

Investments are recognised on a trade-date basis, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs.

Available-for-sale financial assets

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss as gains and losses on financial assets. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using the net asset basis or acquisition cost.

Recognition and measurement

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

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

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

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Investments in financial assets (continued)

Recognition and measurement (continued)

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

Impairment of financial assets

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

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

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

Impairment of non-financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the assets's carrying amount over

its recoverable amount and is taken directly to profit or loss.

(iii) Borrowings

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

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

(iv) Trade payables

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

(v) Cash and cash equivalents

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

(vi) Stated capital

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

Treasury shares

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

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Deferred expenditure

Land development expenditure

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

(i) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

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

Deferred tax

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

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

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

(j) Biological assets

Consumable biological assets

Consumable biological assets relate to standing canes and livestock.

- Standing canes are stated at their fair values. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determining pre-tax rate.
- Livestocks are stated at their fair values being the expected net sales proceeds.

(k) Inventories

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

(l) Retirement benefit plans

Defined benefit plan

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method.

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

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Retirement benefit plans (continued)

Defined benefit plan (continued)

benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefits payments. Net Interest expense/(income) is recognised in profit or loss.

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

Unfunded plans

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

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

(m) Dividend distribution

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

(n) Foreign currencies

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

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

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

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(o) Revenue recognition

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

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

Notes to the Financial Statements

Year ended December 31, 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue recognition

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

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

(p) Impairment of assets

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

(q) Provisions

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

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

(r) Non-current assets held for sale

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

(s) Segment reporting

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

3 FINANCIAL RISK FACTORS

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

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

A description of the significant risk factors is given below.

Credit risk

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

Notes to the Financial Statements

Year ended December 31, 2016

3 FINANCIAL RISK FACTORS (continued)

Credit risk (continued)

	Within normal credit period MUR'000	Outside normal credit period < 3mths but not impaired MUR'000	Total MUR'000
2016			
Trade receivables	84,182	-	84,182
2015			
Trade receivables	78,803	-	78,803

The maximum exposure to credit risk is the fair value of receivables.

The Group does not hold any collateral as security.

Cash flow and fair value interest rate risk

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

The Group's operating cashflows are exposed to interest risk as it borrows at variable rates. At December 31, 2016, if interest rate on Rupee denominated borrowings had been 50 basis points higher/lower with all variables held constant, post-tax profit for the year would have decreased/increased by MUR 278k (2015: MUR 77k) mainly as a result of higher/lower interest rate expense on floating rate borrowings.

Market risk

(i) *Currency risk*

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

(ii) *Price Risk*

The Group is exposed to price risk with the incidence of the price of sugar in the European Union market. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's activities is also exposed it to the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. If the price of securities had been 5% higher/lower as at the year end, the impact on equity would have been MUR 1,742k increase/decrease (2015: MUR 1,716k).

Liquidity risk

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

Capital risk management

The Group's objectives when managing capital are :

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

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

Notes to the Financial Statements

Year ended December 31, 2016

3 FINANCIAL RISK FACTORS (continued)

Fair value estimation

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

Biological assets

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

4.1 Critical accounting estimates and assumptions

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

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

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired.

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

Notes to the Financial Statements

Year ended December 31, 2016

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) *Biological assets*

(i) Bearer biological assets

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

Following the LMC Report, Government has taken a series of measures to support the sugar industry, through the Finance Act 2016 and in the Sugar Industry Efficiency (Amendment) Act 2016. The LMC Report recommendations are now implemented. In addition, an actuarial review is ongoing and is expected to examine ways and means of better reconciling climatic and economic hazard, whilst maintaining the perennity of the Sugar Insurance Fund.

In the light of the above, assets and investments in respect of cane growing and milling entities have been maintained at their existing carrying values.

(ii) Consumable biological assets

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

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

(c) *Pension benefits*

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

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

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

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

(e) *Limitation of sensitivity analysis*

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

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

Notes to the Financial Statements

Year ended December 31, 2016

5 PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

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

(b) THE GROUP

	Land MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost/Deemed Cost							
At January 1, 2015 (Restated, see Note (e))	276,232	40,903	62,301	74,871	8,110	89,277	551,694
Additions	-	4,659	3,203	655	1,905	15,088	25,510
Disposals	-	-	-	(2,543)	-	-	(2,543)
Scrapped assets	-	(166)	-	-	(160)	-	(326)
At December 31, 2015 (Restated, see Note (e))	276,232	45,396	65,504	72,983	9,855	104,365	574,335
Depreciation							
At January 1, 2015 (Restated, see Note (e))	-	27,304	53,553	60,221	6,871	48,053	196,002
Charge for the year	-	1,622	2,278	4,552	531	11,894	20,877
Disposal adjustment	-	-	-	(2,539)	-	-	(2,539)
Scrapped assets	-	(166)	-	-	(145)	-	(311)
At December 31, 2015 (Restated, see Note (e))	-	28,760	55,831	62,234	7,257	59,947	214,029
Net Book Values							
At December 31, 2015	276,232	16,636	9,673	10,749	2,598	44,418	360,306

Notes to the Financial Statements

Year ended December 31, 2016

5 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) THE COMPANY

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

(d) THE COMPANY

	Land MUR'000	Buildings MUR'000	Agricultural equipment MUR'000	Motor vehicles MUR'000	Furniture, fixtures & fittings MUR'000	Bearer plants MUR'000	Total MUR'000
Cost/Deemed Cost							
At January 1, 2015 (Restated, see Note (e))	275,032	38,323	62,074	74,871	6,335	89,277	545,912
Additions	-	4,659	3,203	655	1,905	15,088	25,510
Disposals	-	-	-	(2,543)	-	-	(2,543)
Scrapped assets	-	(166)	-	-	(160)	-	(326)
At December 31, 2015 (Restated, see note (e))	275,032	42,816	65,277	72,983	8,080	104,365	568,553
Depreciation							
At January 1, 2015 (Restated, see Note (e))	-	24,980	53,207	60,221	5,252	48,053	191,713
Charge for the year	-	1,622	2,190	4,552	531	11,894	20,789
Disposal adjustment	-	-	-	(2,539)	-	-	(2,539)
Scrapped assets	-	(166)	-	-	(145)	-	(311)
At December 31, 2015 (Restated, see Note (e))	-	26,436	55,397	62,234	5,638	59,947	209,652
Net Book Values							
At December 31, 2015	275,032	16,380	9,880	10,749	2,442	44,418	358,901

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

Notes to the Financial Statements

Year ended December 31, 2016

5 PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Cost	68,789	64,411	68,789	64,411

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

6 INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Cost		
At January 1,	33,268	33,078
Additions	13,682	190
At December 31,	46,950	33,268
Depreciation		
At January 1,	20,507	18,522
Charge for the year	2,795	1,985
At December 31,	23,302	20,507
Net Book Value At December 31,	23,648	12,761

The investment properties have been valued by directors at MUR 104 million (2015: MUR 89 million) using income yield method. The investment properties are classified as Level 3 on the fair value hierarchy. Rental income arising from investment properties was MUR 6.08 million (2015: MUR 5.74 million). Direct operating expenses arising from investment properties which generated rental income during the year were MUR 6.3 million (2015: MUR 3.82 million).

Notes to the Financial Statements

Year ended December 31, 2016

7 INTANGIBLES

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Computer Software		
Cost		
At January 1,	1,551	1,551
Additions	180	-
At December 31,	1,731	1,551
Amortisation		
At January 1,	1,551	1,551
Charge for the year	36	-
At December 31,	1,587	1,551
Net Book Value At December 31,	144	-

8 INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2016 MUR'000	2015 MUR'000
Cost		
At January 1, and December 31,	1,250	1,250

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

Name	Class of shares held	Year end	Stated capital MUR'000	Proportion of ownership interest 2016 & 2015 Direct	Principal activity
Compagnie de Cheops Ltée	Ordinary shares	December 31,	25	100%	Domestic Sewage Treatment
Société Reeya & Cie	Share of interest	December 31,	1,000	100%	Cane cultivation

Notes to the Financial Statements

Year ended December 31, 2016

9 INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2016 MUR'000	2015 MUR'000
Unquoted		
At January 1,	199,358	194,503
Additions	8,069	7,853
Share of results from associates	17,759	4,862
Dividend from associates	(10,593)	(5,312)
Movement in reserves	3,701	(2,548)
At December 31,	218,294	199,358

(b) THE COMPANY

Unquoted		
At January 1,	172,139	164,286
Additions	8,069	7,853
At December 31,	180,208	172,139

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

(i) Name	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest 2016 & 2015	
					Direct	Indirect
Deep River Beau Champ Milling Co Ltd*	June 30,	Trade	Mauritius	Mauritius	-	27.85%
Consolidated Energy Co Ltd*	June 30,	Trade	Mauritius	Mauritius	5.00%	16.25%
Eastern Energy Co Ltd*	June 30,	Investment	Mauritius	Mauritius	32.10%	-
Usinest Limited*	June 30,	Investment	Mauritius	Mauritius	34.81%	-
Refinest Limited*	June 30,	Trade	Mauritius	Mauritius	35.77%	-
Constance Corporate Management Limited	December 31,	Corporate Services	Mauritius	Mauritius	42.00%	-
La Gaieté Services Ltd	December 31,	Secretarial Services	Mauritius	Mauritius	-	42.00%

Note:

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

Notes to the Financial Statements

Year ended December 31, 2016

9 INVESTMENTS IN ASSOCIATES (continued)

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

	Current assets MUR'000	Non-current assets MUR'000	Current liabilities MUR'000	Non-current liabilities MUR'000	Non-controlling interest MUR'000	Revenue MUR'000	Profit/(loss) for the period MUR'000	Other comprehensive income for the year MUR'000	Dividends received during the year MUR'000
2016									
Consolidated Energy Co Ltd	254,867	211,192	190,715	32,480	-	496,137	32,644	(60)	2,500
Eastern Energy Co Ltd	150,546	235,262	122,636	24,553	115,540	496,137	16,445	(30)	8,093
Usinest Limited	277,578	8,868	16,072	8,452	34,910	49,076	17,908	7,780	-
Refinest Limited	35,506	302,219	24,313	68,464	-	-	12,898	2,812	-
2015									
Consolidated Energy Co Ltd	196,414	261,351	179,782	17,703	-	418,329	(39,759)	(516)	1,250
Eastern Energy Co Ltd	199,645	247,684	166,277	16,096	133,081	418,329	(20,199)	(261)	4,063
Usinest Limited	285,294	12,434	41,460	26,544	28,400	50,872	19,427	4,355	-
Refinest Limited	22,301	295,475	27,418	83,678	-	-	18,371	(11,035)	-

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

	Opening net assets January 1, MUR'000	Additions MUR'000	Results net of dividends MUR'000	Other Comprehensive income for the year MUR'000	Closing net assets MUR'000	Ownership interests %	Interest in associates MUR'000
2016							
Consolidated Energy Co Ltd	260,280	-	(17,356)	(60)	242,864	5.00	12,144
Eastern Energy Co Ltd	131,875	-	(8,766)	(30)	123,079	32.10	39,509
Usinest Limited	201,324	-	17,908	7,780	227,012	34.81	79,023
Refinest Limited	206,680	22,558	12,898	2,812	244,948	35.77	87,618
							218,294
2015							
Consolidated Energy Co Ltd	325,555	-	(64,759)	(516)	260,280	5.00	13,015
Eastern Energy Co Ltd	164,992	-	(32,856)	(261)	131,875	32.10	42,333
Usinest Limited	177,562	-	19,427	4,335	201,324	34.81	70,081
Refinest Limited	177,395	21,949	18,371	(11,035)	206,680	35.77	73,929
							199,358

Notes to the Financial Statements

Year ended December 31, 2016

10 INVESTMENTS IN FINANCIAL ASSETS

Available-for-sale financial assets	THE GROUP					THE COMPANY				
	2016				2015	2016				2015
	Listed	Unquoted		Total	Total	Listed	Unquoted		Total	Total
	Level 1	Level 3				Level 1	Level 3			
Official Market	DEM				Official Market	DEM				
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At January 1,	15,006	19,305	10,605	44,916	45,551	15,006	19,305	10,584	44,895	45,530
Disposals	-	-	-	-	(1,183)	-	-	-	-	(1,183)
Fair value adjustments	1,344	(808)	(310)	226	548	1,344	(808)	(310)	226	548
At December 31,	16,350	18,497	10,295	45,142	44,916	16,350	18,497	10,274	45,121	44,895

- (b) The fair value of quoted shares are based on prices listed on the Official Market and DEM respectively. The unquoted shares are valued on the basis of last reference price or acquisition cost as appropriate.
- (c) Investments in financial assets are denominated in Mauritian Rupees.
- (d) None of the above financial assets are impaired.

11 DEFERRED EXPENDITURE

	THE GROUP AND THE COMPANY
	2016 MUR'000
Land development expenditure	
Transfer from other receivables	2,050
Additions	2,953
	5,003

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

Notes to the Financial Statements

Year ended December 31, 2016

12 DEFERRED INCOME TAX

- (a) Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2015: 15%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Deferred tax assets	59,648	61,436

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
At January 1,	61,436	53,857
Profit or loss charge (note 27)	(2,729)	(3,109)
Other comprehensive income	941	10,688
At December 31,	59,648	61,436

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

Deferred tax assets

	THE GROUP AND THE COMPANY				
	Accelerated tax depreciation MUR'000	Retirement benefit obligations MUR'000	Tax losses carried forward MUR'000	Provisions and other costs MUR'000	Total MUR'000
At January 1, 2015	4,335	19,058	24,187	6,277	53,857
Credited to other comprehensive income	-	10,688	-	-	10,688
(Charged)/credited to profit or loss	(728)	960	(3,320)	(21)	(3,109)
At December 31, 2015	3,607	30,706	20,867	6,256	61,436
Credited to other comprehensive income	-	941	-	-	941
Credited/(charged) to profit or loss	773	163	(3,603)	(62)	(2,729)
At December 31, 2016	4,380	31,810	17,264	6,194	59,648

Notes to the Financial Statements

Year ended December 31, 2016

13 CONSUMABLE BIOLOGICAL ASSETS

THE GROUP AND THE COMPANY

	Standing cane MUR'000	2016 Livestock MUR'000	Total MUR'000	2015 Total MUR'000
At January 1,	11,868	13,690	25,558	30,228
Changes in fair value	6,846	752	7,598	(4,670)
At December 31,	18,714	14,442	33,156	25,558

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

At December 31, 2016, standing canes comprises approximately 2,241 hectares of plantations (2015: 2,243 hectares). During the year the Group harvested approximately 139,211 tonnes of canes (2015: 159,139 tonnes).

14 INVENTORIES

THE GROUP AND THE COMPANY

	2016 MUR'000	2015 MUR'000
At Cost/Net Realisable Value		
Spare parts	512	558
Fertilizers and herbicides	3,210	4,481
Irrigation equipment & others	1,975	1,957
	5,697	6,996

The cost of inventories recognised as expense amounted to MUR 42.9 million (2015: MUR 51.2 million)

15 TRADE AND OTHER RECEIVABLES

THE GROUP

THE COMPANY

	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Proceeds receivable for the current year:				
- Sugar	79,887	71,418	79,887	71,418
- Non-sugar	4,295	7,385	4,295	7,385
Other receivables	75,316	109,259	73,744	108,031
Receivable from group companies:				
- Subsidiary companies	-	-	3,927	3,192
- Associated companies	5,649	5,651	5,649	5,651
Receivable from other related parties	-	1,965	-	1,965
	165,147	195,678	167,502	197,642

Notes to the Financial Statements

Year ended December 31, 2016

15 TRADE AND OTHER RECEIVABLES (continued)

During the year, project costs of MUR 14.954 million and MUR 2.050 million have been transferred from other receivables to property, plant and equipment and deferred expenditure respectively.

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

16 STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Ordinary shares of MUR 25 each	120,000	120,000

17 BORROWINGS

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
(a) Non-current				
Bank loan	50,000	-	50,000	-
Other loans	823	823	823	823
	50,823	823	50,823	823
Current				
Bank overdraft	44,467	76,399	44,467	76,385
Other loans	13	13	13	13
	44,480	76,412	44,480	76,398
Total borrowings	95,303	77,235	95,303	77,221

The bank overdraft and borrowings are secured by fixed and floating charges on the assets of the Group. The rate of interest ranges from 6.50% to 7.00%.

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
(b) Long term borrowings are analysed as follows:		
Later than one year and before two years	50,000	-
Later than three years and before five years	823	823
	50,823	823

The carrying amount of borrowings are denominated in Mauritian Rupees.

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

Notes to the Financial Statements

Year ended December 31, 2016

18 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Amounts recognised in the statement of financial position:		
Defined pension benefits (Note (a)(ii))	212,074	204,713
Analysed as follows:		
Non-current liabilities	212,074	204,713
Amounts charged to profit or loss:		
- Defined pension benefits (Note (a)(v))	19,899	13,574
Amount charged to other comprehensive income:		
- Defined pension benefits (Note (a)(vi))	6,272	71,255

(a) *Defined pension benefits*

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2016 by AON Hewitt. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Present value of funded obligations	254,762	255,537
Fair value of plan assets	(135,510)	(137,797)
Deficit of funded plans	119,252	117,740
Present value of unfunded obligations	92,822	86,973
Total deficit of defined benefit pension plans	212,074	204,713
Liability in the statement of financial position	212,074	204,713

Notes to the Financial Statements

Year ended December 31, 2016

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) *Defined pension benefits (continued)*

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
At January 1,	204,713	129,171
Charged to profit or loss	19,899	13,574
Charged/(credited) to other comprehensive income	6,272	71,255
Contributions paid	(18,810)	(9,287)
Balance at December 31,	212,074	204,713

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
At January 1,	342,510	270,459
Current service cost	6,225	6,520
Interest expense	23,176	18,872
Employee contributions	261	354
Liability experience loss/(gain)	(250)	67,500
Liability gain due to change in financial assumptions	(1,092)	(366)
Benefits paid	(23,246)	(19,661)
SIPF 1 adjustment	-	(1,168)
At December 31,	347,584	342,510

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
At January 1,	137,797	141,288
Return on plan assets, excluding amounts included in interest (income)/expense	(7,614)	(4,121)
Interest income	9,502	9,696
Employee contributions	261	354
Contributions by the employer	15,430	9,287
Benefits paid	(19,866)	(19,661)
SIPF 1 adjustment	-	954
At December 31,	135,510	137,797

Notes to the Financial Statements

Year ended December 31, 2016

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) *Defined pension benefits* (continued)

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Current service cost	6,225	6,520
Net interest expense	13,674	9,176
SIPF 1 adjustment	-	(2,122)
Total included in employee benefit expense	19,899	13,574

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

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Liability experience loss/(gain)	(250)	67,500
Liability gain due to change in financial assumptions	(1,092)	(366)
Actuarial losses	(1,342)	67,134
Return on plan assets excluding interest income	7,614	4,121
	6,272	71,255

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

	THE GROUP AND THE COMPANY	
	2016 %	2015 %
Local equities	29	29
Overseas equities	20	20
Overseas debt	7	7
Local debt	21	21
Overseas proportion	2	2
Local proportion	21	21
Investment funds	-	-
Cash and other	-	-
	100	100

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

Notes to the Financial Statements

Year ended December 31, 2016

18 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) *Defined pension benefits (continued)*

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

	THE GROUP AND THE COMPANY	
	2016 %	2015 %
Discount rate	6.5	7
Expected return on plan assets	6.5	7
Future medical plan increases	6.5	7
Future salary growth rate	5.0	4.5-5.5
Future pension growth rate	1.0	1.5

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

	Increase MUR'000	Decrease MUR'000
December 31, 2016		
Discount rate (1% movement)	19,972	23,281

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

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

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

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

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

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

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

(xii) The Group expects to pay MUR 6.1 million in contributions to its post-employment benefit plans for the year ending December 31, 2017.

(xiii) The weighted average duration of the defined benefit obligation is 6-9 years at the end of the reporting period (2015: 7-10 years).

Notes to the Financial Statements

Year ended December 31, 2016

19 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Trade payables	10,332	12,338	10,332	12,338
Payable to group companies:				
- Associated companies	6,744	11,916	6,744	11,916
Payable to other related parties	-	5,592	-	5,592
Other payables	38,725	39,101	38,133	38,490
Provision VRS costs (see below)	25,583	25,993	25,583	25,993
SIFB premium	8,154	7,125	8,154	7,125
	89,538	102,065	88,946	101,454

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

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

20 DIVIDENDS

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Dividend Proposed and Paid - MUR 4.50 per share	21,600	21,600

21 REVENUE

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Sugar	176,772	158,305
Molasses	7,440	11,526
Bagasse	3,538	1,549
Distillers/Bottlers	7,862	3,486
Sugar Cane Sustainability Fund	6,686	-
	202,298	174,866

Notes to the Financial Statements

Year ended December 31, 2016

22 OTHER OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Transport	6,956	7,382	6,956	7,382
Sale of livestock	58,109	51,978	58,109	51,978
Rent/leased land	12,476	17,662	12,476	17,662
Others	14,884	13,868	14,061	13,045
	92,425	90,890	91,602	90,067

23 COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Compensation from the SIFB	198	24,232

A financial assistance of MUR 2,000 per tonne was given by The Sugar Insurance Fund Board in 2015 to all its insured having a sugar accruing of more than 60 tonnes.

24 OPERATING LOSS

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Operating loss is arrived at:				
after charging:				
SIFB Premium	1,245	1,216	1,245	1,216
Depreciation and amortisation	21,484	22,862	21,396	22,774
Cost of inventories	42,882	51,176	42,882	51,176
Payment to contractors	25,739	30,700	25,739	30,700
Administrative expenses	9,004	9,186	9,004	9,186
Wages and salaries	118,153	123,788	118,153	123,788

Notes to the Financial Statements

Year ended December 31, 2016

25 OTHER INCOME

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Profit on sale of property, plant and equipment	6,178	651	6,178	651
Profit on sale of land	28,654	190	28,654	190
Profit on sale of developed land	-	49,096	-	49,096
Profit on sale of financial assets	-	1,168	-	1,168
Dividend income - Listed	910	943	910	943
- Unquoted	-	7	-	7
- Associates	-	-	10,593	5,312
Interest income	9,577	206	9,577	206
Share of results from subsidiary	-	-	(71)	(67)
	45,319	52,261	55,841	57,506

26 FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Interest expense		
- bank loans and overdrafts	(3,440)	(767)
- others	(1,202)	(826)
	(4,642)	(1,593)

27 TAXATION

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Deferred income taxes (Note 12)	(2,729)	(3,109)

Notes to the Financial Statements

Year ended December 31, 2016

27 TAXATION (continued)

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

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Profit before taxation	41,056	12,040	34,270	12,552
Share of results of associated companies	(17,759)	(4,862)	-	-
	23,297	7,178	34,270	12,552
Tax calculated at a rate of 15% (2015: 15%)	3,495	1,077	5,141	1,883
Income not subject to tax	(4,866)	(9,906)	(6,455)	(10,712)
Expenses not deductible for tax purposes	440	5,057	440	5,057
Utilisation of previously unrecognised tax losses				
Tax losses for which no deferred tax asset was recognised	3,660	6,881	3,603	6,881
	2,729	3,109	2,729	3,109

28 EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
Profit for the year	MUR'000	38,327	8,931	31,541	9,443
Number of ordinary shares in issue		4,800,000	4,800,000	4,800,000	4,800,000
Earnings per share	MUR	7.98	1.86	6.57	1.97

29 OTHER RESERVES

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Surplus on revaluation of land and buildings	149,480	150,036
Reserve for modernisation and agricultural diversification	12,520	12,520
	162,000	162,556

Notes to the Financial Statements

Year ended December 31, 2016

32 CAPITAL COMMITMENTS

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

	THE GROUP		THE COMPANY	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Capital expenditure authorised but not yet contracted	209	497	209	497

33 RELATED PARTY TRANSACTIONS

THE GROUP	Sale of goods or services		Purchase of goods or services		Finance cost		Amount receivable/ (payable)		Management fees	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Associates	172	272	50	50	-	-	(1,095)	(6,265)	16,481	19,145
Enterprises that have common shareholders	3,481	2,659	21,388	18,630	(788)	(363)	(3,276)	(3,894)	-	-
Directors and key management personnel	1,003	466	-	-	-	-	428	267	-	-

THE COMPANY	Sale of goods or services		Purchase of goods or services		Finance cost		Amount receivable/ (payable)		Management fees	
	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000	2016 MUR'000	2015 MUR'000
Subsidiaries	96	99	-	-	-	-	3,927	3,192	-	-
Associates	172	272	-	-	-	-	(1,095)	(6,265)	16,481	19,145
Enterprises that have common shareholders	3,481	2,659	21,388	18,630	(788)	(363)	(3,276)	(3,894)	-	-
Directors and key management personnel	1,003	466	-	-	-	-	428	267	-	-

- Related party transactions have been made in the normal course of business under normal terms and conditions.
- The outstanding balances at year end are unsecured, interest free and settlement occurs in cash.
- There has been no guarantees provided or received for any related party receivables and payables.
- For the year ended 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015: Nil).

Key management personnel compensation

	THE GROUP AND THE COMPANY	
	2016 MUR'000	2015 MUR'000
Salaries and short-term employee benefits	9,035	12,290
Post-employment benefits	3,008	1,872
	12,043	14,162

Notes to the Financial Statements

Year ended December 31, 2016

34 SEGMENTAL INFORMATION

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

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

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Unallocated MUR'000	Total MUR'000
At December 31, 2016					
Assets					
Segment assets	484,579	29,933	88,416	-	602,928
Unallocated assets	-	-	-	333,585	333,585
					936,513
Liabilities					
Segment liabilities	323,403	2,863	22,573	-	348,839
Unallocated liabilities	-	-	-	48,177	48,177
					397,016
Other information					
Capital expenditure	21,474	588	16,665	-	38,727
Depreciation	17,376	1,210	2,898	-	21,484

Notes to the Financial Statements

Year ended December 31, 2016

34 SEGMENTAL INFORMATION (continued)

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

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Unallocated MUR'000	Total MUR'000
At December 31, 2015					
Assets					
Segment assets	478,788	33,355	52,652	-	564,795
Unallocated assets	-	-	-	343,492	343,492
					908,287
Liabilities					
Segment liabilities	276,828	32	21,614	-	298,474
Unallocated liabilities	-	-	-	85,739	85,739
					384,213
Other information					
Capital expenditure	9,575	847	190	-	10,612
Depreciation and amortisation	7,229	1,651	2,087	-	10,967

Profile of Directors and Senior Officer

Directors

George J. Dumbell (68) – Independent director, Chairman

Appointed director in December 2005 and Chairman in 2006

Mr Dumbell is an Associate of the Chartered Institute of Bankers (UK) with over 48 years of financial and commercial experience, including 34 years in various senior management positions, within the HSBC Group across the globe. In 1994, he was seconded for two and a half years to Eurochambres, Association of European Chambers of Commerce and Industry, in Belgium, as Deputy Secretary General and Managing Director of its business arm – an organisation representing over 14 million companies across Western, Central and Eastern Europe. Mr Dumbell is a former director of several financial institutions in Asia and Europe, and of a number of listed companies in Mauritius. He sat on the founding board of the Mauritius Institute of Directors, and is currently a fellow of this Institute and member of its Directors' Forum. In 2003, he undertook a two-year consultancy contract with the Mauritius Commercial Bank Ltd in the field of Risk Management. Mr Dumbell is currently a director of the ChryCapital Group of Companies.

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

Belle Mare Holding Ltd.

Nicolas Boullé (57) – Independent director

Appointed in 2014

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

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

Belle Mare Holding Ltd

P. Arnaud Dalais (62) – Non-executive director

Appointed in 2004

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

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

Alteo Ltd

CIEL Ltd

Sun Ltd.

Marc Freismuth (65) – Independent director

Appointed in 2016

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

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

Belle Mare Holding Ltd

United Basalt Products Ltd.

Profile of Directors and Senior Officer (continued)

Directors (continued)

Jean Juppín de Fondaumière (63) – Independent director

Appointed in 2007

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

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

Alteo Ltd
Lux Island Resorts Ltd.

Clément D. Rey (47) – Group Head of Corporate Affairs, executive director

Appointed in 2003

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

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

Belle Mare Holding Ltd.

Maxime Rey (64) – Non-executive director

Appointed in 2014

Mr Rey started an accounting career in 1973 in Mauritius, first in Auditing (with Kemp Chatteris/Touche Ross & DCDM/Coopers & Lybrand), and then in the Sugar Industry (with Deep River Beau Champ S.E.). Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992.

Back in Mauritius in 1993, he joined SWAN, one of the market leaders in the local insurance sector, where he is at present holding the position of Senior Manager, Group Finance, whilst also heading the Loans and Legal Departments of the Group. He serves as a director of a number of companies in the commercial, financial, investment, sugar and tourism sectors, and is a member of various board committees.

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

Belle Mare Holding Ltd
Lux Island Resorts Ltd.

Jean Ribet (57) – Group Chief Executive Officer, executive director

Appointed in 2007

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

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

Belle Mare Holding Ltd
IBL Ltd.

Profile of Directors and Senior Officer (continued)

Directors (continued)

Georgina Rogers (54) – Independent director, chairperson of the Audit Committee

Appointed in 1998

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

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

Belle Mare Holding Ltd.

Noël Adolphe Vallet (51) – Non-executive director

Appointed in 1997

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

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

Belle Mare Holding Ltd.

Jean-Jacques Vallet (48) – Non-executive director

Appointed in 2004

Mr Vallet holds a Maîtrise en sciences et gestion (MSG) and a post-graduate degree (DESS) in the fields of management science, logistical operations and industrial management. As Chief Executive Officer, he is

responsible for the overall planning, direction and control of the operations, resources and administration of the Constance Hotels and Resorts Group. He was also the President of AHRIM, the Association of Hotels and Restaurants in Mauritius, for the periods 2003-2004 and 2011-2012.

Director to be proposed

Patrick de L. d'Arifat (58) – Non-executive director

Appointment as non-executive director to be proposed at the forthcoming Annual Meeting.

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

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

Altéo Ltd.

Senior Officer

Kevin Chan Too (38) – Group Head of Finance

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

Proxy Form

I/We

[Redacted]

of

[Redacted]

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

[Redacted]

or failing him/her;

[Redacted]

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Friday, 9 June 2017, at 09.30 a.m., and at any adjournment thereof.

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

		For	Against	Abstain
3	To adopt the Audited Financial Statements of the Company and the Group for the year ended 31 December 2016			
4	To authorise the Board of Directors to fix the remuneration of the external auditors, BDO & Co., who have expressed their willingness to continue to act as external auditors of the Company and will be automatically reappointed			
5	To approve the directors' remuneration			
6	To appoint Mr Patrick de Labauve d'Arifat as non-executive director of the Company.			
7	By separate resolutions and in accordance with article 21.2 (1) of the Constitution of the Company, to re-elect the following persons who, retiring by rotation, offer themselves for re-election as directors of the Company: a. Mr Maxime Rey b. Mr Jean-Jacques Vallet c. Mr George J. Dumbell			

Dated this [Redacted] day of [Redacted] 2017

Signature(s) [Redacted]

Notes

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

The instrument appointing a proxy, any general power of attorney or written resolution appointing a representative should reach the Company Secretary at the registered office of the Company, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis, not less than 24 hours prior to the time scheduled for the meeting, i.e. by 9.30 a.m. on Thursday, 8 June 2017 (being the last business day before the meeting). In default, the instrument of proxy shall not be treated as valid.

For the purpose of this Annual Meeting, the directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 15 May 2017.



Constance La Gaieté Company Limited

Registered Office

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

Telephone: (230) 212 4173 / 4

Facsimile: (230) 208 8295

Email: admin@constancegroup.com