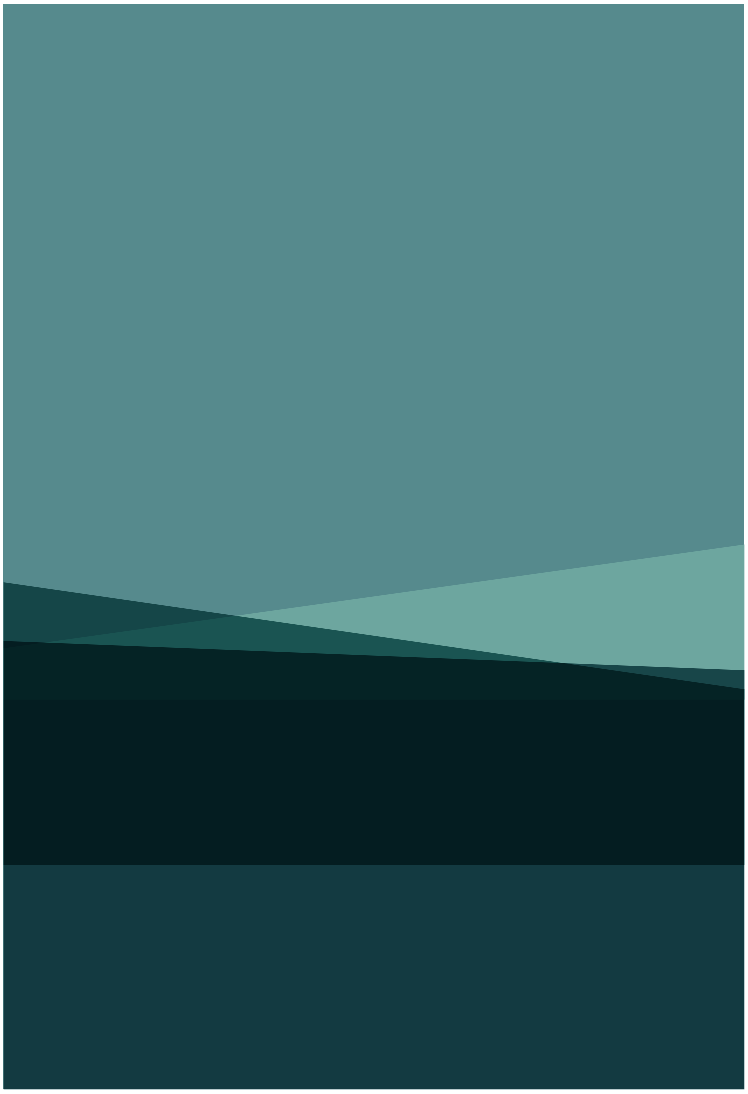
CONSTANCE
LA GAIETÉ COMPANY LIMITED



ANNUAL REPORT
2021

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report 2021 of Constance La Gaieté Company Limited, which was approved on 29 April 2022.

George J. Dumbell (s)
Chairman

Jean Ribet (s)
Executive Director
Constance Group Chief Executive Officer

REPORT OF THE DIRECTORS

Dear Shareholder,

It is our pleasure to present to you our Annual Report for the year ended 31 December 2021.

BUSINESS OVERVIEW INDUSTRY REVIEW

2021 Harvest campaign ended in mid-December 2021 with cane yield of 63.72 Tonnes Canes per Hectare (TCH) for the country. This exceeded that recorded in 2020 by 3.76 TCH at 59.96 TCH but lower than the 2019 result. The extraction rate at the end of harvest for crop 2021 stood at 9.59%, inferior to that of 2020 at 10.34%. This year again, total sugar production dropped by 15,057 tonnes, to reach 255,818 tonnes. Over 2.6 million tonnes of cane were harvested from 41,897 hectares, yielding 6.11 tonnes of sugar per hectare.

In comparison with 2020, Sugar revenue improved, partly due to a depreciation of the Mauritian Rupee against the Euro and US Dollar, the recently introduced remuneration for bagasse and higher special sugar orders.

INDUSTRY COMPARATIVE RESULTS (2017–21)

Year	2021	2020	2019	2018	2017
Area harvested (hectares)	**41,897**	43,711	45,054	47,678	49,974
Cane harvested (thousand tonnes)	**2,670**	2,621	3,405	3,155	3,713
Cane yield (tonnes/ha)	**63.72**	59.96	75.58	66.16	74.31
Cane crushed (thousand tonnes)	**2,668**	2,619	3,403	3,153	3,711
Sugar produced (thousand tonnes)	**256**	271	331	324	355
Extraction rate (%)	**9.59**	10.34	9.73	10.26	9.57
Sugar yield (tonnes/ha)	**6.11**	6.20	7.35	6.78	7.11

YEAR IN REVIEW

2021 Estate Sugarcane Harvest

The 2021 climatic conditions were more favourable for cane growth compared to the previous year, as evidenced by the relative increase in cane yield and cane harvested. However, the extraction rate was significantly lower than 2020 resulting in an overall drop of 11% in the sugar production to 10,207 tonnes, well below the estate's average production capacity, of which 7,961 tonnes accrued to the Company. Criminal fires were contained, with ongoing preventive measures being taken during the year, with only occasional disruptions to the cane harvest planning. Sugar produced was this year again well below the average potential.

ESTATE CANE AND SUGAR PRODUCTION

Crop Year	2021	2020	2019	2018	2017
Area harvested (hectares)	**1,817**	1,970	1,935	1,919	1,971
Cane yield per hectare (tonnes)	**60.47**	53.22	65.89	63.32	72.38
Total cane harvested (tonnes)	**109,915**	104,841	127,028	121,568	142,635
Sugar produced per hectare (tonnes)	**5.62**	5.80	6.56	6.76	7.22
Sugar produced (tonnes)	**10,207**	11,459	12,697	12,981	14,231
Share of sugar produced (tonnes)	**7,961**	8,938	9,903	10,125	11,100
Extraction (%)	**9.29**	10.93	10.00	10.68	9.98

REPORT OF THE DIRECTORS

FINANCIAL PERFORMANCE

In spite of a disappointing sugar production, Group revenue for the year totalled MUR 315.9 million compared to MUR 261.2 million in 2020. This improvement was achieved mainly as a result of the implementation of the new biomass framework whereby the bagasse is remunerated at the rate of MUR 3,300 per ton of sugar produced. The operating profit of MUR 56.8 million (2020: loss of MUR 27.6 million) also included positive adjustments on consumable biological assets and partial reversal of previously impaired bearer biological assets.

Other income, comprising mainly of profit on sale of land, was MUR 163.3 million (2020: MUR 26.5 million) and share of profit from associates of MUR 12.2 million compared to MUR 38.9 million in 2020. Impairment on associates of MUR 5.3 million was accounted for in 2021.

After booking for a net finance cost of MUR 7.7 million (2020: MUR 6.3 million) and taxation of MUR 9.6 million (2020: credit of MUR 1.6 million), profit for the year was MUR 209.7 million compared to MUR 33.1 million in 2020.

KEY FINANCIAL RESULTS AND RATIOS

Group		2021	2020	2019	2018	2017
Revenue	MUR'000	**315,862**	261,228	259,489	219,262	262,372
Operating and other expenses	MUR'000	**259,042**	(288,898)	(303,880)	(303,589)	374,544
Operating profit/(loss)	MUR'000	**56,820**	(27,670)	(44,391)	(86,370)	(112,172)
Profit/(loss) after taxation	MUR'000	**209,671**	33,121	(165,647)	(22,312)	(117,373)
Total assets	MUR'000	**1,229,635**	1,026,935	953,673	981,438	867,420
Total equity	MUR'000	**485,363**	210,096	247,156	387,216	394,194
Total borrowings	MUR'000	**351,167**	394,821	358,488	293,213	146,498
Net assets per share	MUR	**101.12**	43.77	51.49	80.67	82.12
Earnings/(loss) per share	MUR	**43.68**	6.90	(34.51)	(4.65)	(24.45)
Dividend per share	MUR	**N/A**	N/A	N/A	N/A	N/A
Share price	MUR	**80.00**	69.00	100.25	117.00	121.00
Price–earnings ratio		**1.83**	10.00	N/A	N/A	N/A
Volume of shares traded		**18,022**	41,751	33,242	641,926	30,876

NON-SUGAR ACTIVITIES

After experiencing much delay due to the COVID-19 pandemic, the hydroponic intensive vegetable farm commenced recently with its first batch of freshly produced lettuces coming to the market. The broiler activities are being upgraded with an automated tunnel ventilation system for greater production efficiency. Deer farming and cattle rearing on the estate's marginal lands remained the main breeding activities destined to supply the local market with fresh meat.

REAL ESTATE

In line with the strategy to enhance the Constance and Centre de Flacq regions as a regional hub, the projects mentioned in our previous year's report, were further implemented: At Centre de Flacq, the Southbound extension program has progressed and the infrastructural works at Boulet Rouge III morcellement are almost complete with the final approvals expected shortly. EIA permit for the Boulet Rouge IV morcellement project is forthcoming thus enabling infrastructural works to start. Within the Centre de Flacq northbound extension, we are still waiting for permits for the start of the 5,000 square metres *Hermitage Destination Mall* and its adjoining morcellement.

L'espace Affaires at Constance gathered momentum with the opening of another 1,500 square metres of office space: La Maison 1794, and the refurbishment of an existing office complex, comprising of renting spaces varying from 10 to 100 square metres with adequate parking facilities. In November 2021, the FnB outlet, *Le Comptoir Café* by Constance, opened within the Constance compound offering a variety of light lunch formulas and other consumable items. We are presently also working on a warehousing project in the area.

REPORT OF THE DIRECTORS

OUTLOOK

As announced by the Government last year, the new framework for the remuneration of bagasse has been introduced, thus securing the sustainability of the cane industry. Favourable world and EU sugar prices are expected to continue to benefit the industry despite a recent hike in freight costs.

DIVIDEND

No dividend was declared in December 2021 (2020: Nil per share).

CORPORATE GOVERNANCE

The Board of Directors has the overall responsibility of ensuring that your Company complies with standards of good corporate governance and best international practice.

During the year under review, the Board assessed the requirements and provisions as specified in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') and the Companies Act. Further initiatives were undertaken to improve our Corporate Governance standards.

The Corporate Governance Report is on page 5.

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 and Business Partners, which emphasise standards that have been part of the Company's unwritten daily code of behaviour and which goes beyond legal requirements.

ACKNOWLEDGEMENTS

On behalf of the Board, we express 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 29 April 2022.

George J. Dumbell (s)
Chairman

Jean Ribet (s)
Executive Director
Constance Group Chief Executive Officer

CORPORATE GOVERNANCE REPORT

1. STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: Constance La Gaieté Company Limited
Reporting Period: 01 January 2021 to 31 December 2021

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

Principles	Areas of Non-Application	Reason for Non-Application
Principle 3: Director's Appointment Procedures	Directors should be elected on a regular basis at the annual meeting of shareholders.	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 interests of the Company. Furthermore, in accordance with its Constitution, not more than one-third of the Directors in office retire at every Annual Meeting – the latter being eligible for re-election.
Principle 4: Duties, Remuneration and Performance of Director	**Board Evaluation And Development:** Evaluation of the Board by an external and independent facilitator.	A comprehensive Board evaluation exercise, led by the Chairman, is carried out every two years, The Board considers that the current evaluation process satisfies the Company's present requirements.

Signed by

George J. Dumbell (s)
Chairman

Jean Ribet (s)
Executive Director
Constance Group Chief Executive Officer

29 April 2022

CORPORATE GOVERNANCE REPORT

2. STATEMENT ON CORPORATE GOVERNANCE

Constance La Gaieté Company Limited is a public company listed on the DEM Market of the Stock Exchange of Mauritius Ltd and is a Public Interest Entity as defined under the Financial Reporting Act 2004 as amended.

In line with its Statement on Corporate Governance, Constance La Gaieté Company Limited is engaged in adhering to the National Code of Corporate Governance for Mauritius (2016) ("The Code"), issued by the National Committee on Corporate Governance, and in upholding standards of corporate governance through company-wide awareness of its business ethics and the stewardship and supervision of its Management by the Board of Directors ("Board") and respective Committees.

The Board acknowledges that the Company has, throughout the year ended 31 December 2021, complied with all the requirements of the National Code of Corporate Governance for Mauritius (2016), as described by the Corporate Governance Report of the Company, except for areas reported under Section 1 of this Annual Report.

This report, along with the Annual Report, is published in its entirety on the Company's website www.clgmu.com

We encourage our shareholders to opt for the electronic version of the Annual Report. Should you decide to do so, please send us an email on admin@constancegroup.com.

3. GOVERNANCE STRUCTURE

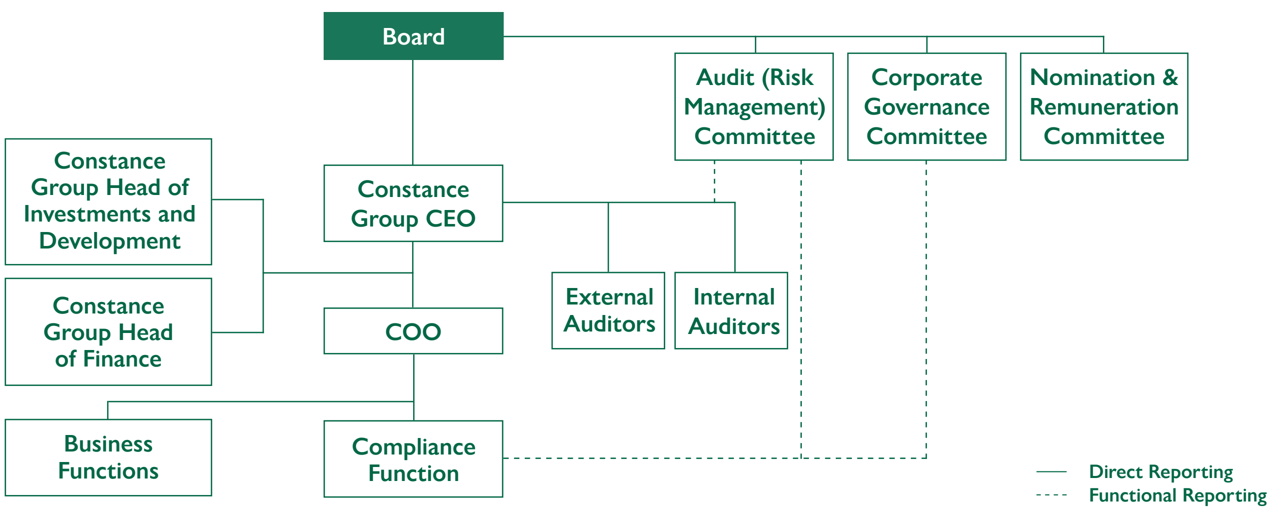
3.1 Company Constitution

There are no clauses of the Company's Constitution deemed material enough for special disclosure. A copy of the Constitution is available on the Company's website.

3.2 Governance Framework

The Board seeks to maintain strong corporate governance structures and processes by working within a clearly defined governance framework, which enables the delivery of sustainable growth to all shareholders and other stakeholders. The governance framework has established a Board Committee structure that supports and assists the Board in discharging its duties. The Board is ultimately responsible and accountable for leading and controlling the Company, in accordance with the terms of reference outlined in the Board Charter, and meeting all legal and regulatory requirements. The Board acts in the best interests of the Company and its business, whilst taking into consideration the interests of the Company's shareholders and other stakeholders.

Organisational Chart



CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.2 Governance Framework (continued)

The following documents have been approved by the Board:

- Board of Directors Charter
- Committee Charters
- Codes and Policies
- Organisational Chart
- Statement of Major Accountabilities
- Position Statements of the Key Senior Governance Positions
- Job Descriptions

3.3 The Board

Board Structure

The Board structure, underpinned by related Charters, Policies and Codes, consists of the Board of Directors, the Chairpersons of the following Board Committees: the Audit (Risk Management) Committee, the Corporate Governance Committee, the Nomination & Remuneration Committee, and the Company Secretary.

Key Responsibilities of the Board

The Board's key responsibilities include, inter alia, the following:

- Assuming responsibility for leading and controlling the organisation;
- Determining and approving the Company's Strategic objectives, Vision and Core values and monitoring the implementation and performance thereof;
- Assuming responsibility for the Company's overall governance practices, risk governance framework and AML/CFT obligations;
- Determining the nature and extent of the principal risks the Company is willing to take in achieving its strategic objectives;
- Assuming responsibility for the preparation of accounts that fairly present the state of affairs of the Company;
- Reviewing and approving financial and non-financial plans including, but not limited to, annual budgets and performance against them;
- Overseeing the Information, Information Technology (IT) and Information Security Governance within the Company and ensuring that the performance of the Information and IT systems leads to business benefits and creates value;
- Overseeing compliance with Data Protection Legislation and Policy within the Company;
- Ensuring the establishment of an appropriate system of corporate governance, risk management, internal control; of appropriate policies, charters, codes and compliance with laws and regulations, and ensuring the ongoing monitoring of exceptions deriving therefrom;
- Approving acquisition and disposal of assets;
- Assuming responsibility for the appointment of Directors to the Board and Board Committees;
- Evaluation of Board, Board Committees and Directors' performances:
- Assuming responsibility for the induction of new Directors to the Board;
- Annual assessment of Independent non-executive directors;
- Approving the job description of Key Senior Governance Positions;
- Appointing and monitoring the performance of Senior Management and Key Senior Governance Positions and establishing a clearly-defined structure for delegation of authority and succession;
- Assuming responsibility for succession planning;
- Disclosing, stating, explaining and affirming, in the Annual Report, the Company's compliance, or otherwise, with the National Code of Corporate Governance for Mauritius (2016) in respect of each of its eight principles;
- Ensuring that the Company's website contains, where appropriate and relevant, the disclosures required by the National Code of Corporate Governance for Mauritius (2016).

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.3 The Board (continued)

Key Responsibilities of the Board (continued)

The Board has delegated certain of its powers to three Board Committees and various Executives, in accordance with a number of enactments, notably the Companies Act 2001, Rules of the Stock Exchange of Mauritius, the National Code of Corporate Governance for Mauritius (2016) and Company Policies, Charters and Codes.

Types of Directorship

Our team of Directors is a strong source of internal and external knowledge, experience, advice and judgement. The Company has a mix of Executive, Non-Executive, including one Female Director, and Independent Directors.

Board Size and Composition

The Company's Constitution stipulates that the Board shall consist of not less than eight Directors and not more than eleven Directors. Board members must be duly qualified, as specified in the Companies Act and related Regulations, Charters and Policies. In addition, the National Code of Corporate Governance recommends that a Board should have at least two Independent Directors and two Executive Directors.

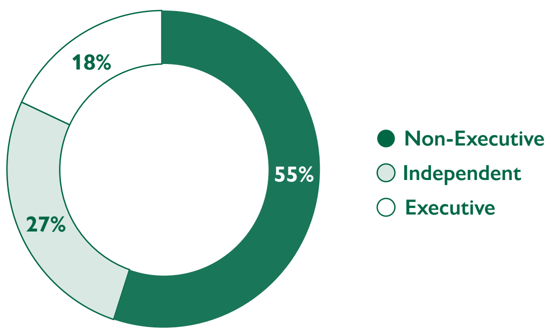
The Company is managed by a unitary Board.

During the year under review, three Independent, six Non-Executive and two Executive Directors constitute the Board. One Non-Executive Director is a female.

Given the size, the sector of activities and the development phase of the Company, the Directors consider that the current Board is of a reasonable size and possesses the right mix of skills and experience to provide leadership, integrity and judgement, and to maintain the right balance and focus, in managing the affairs of the Company. It also ensures that the workload is appropriately shared and enables optimum communication and interaction among the Directors.

Detailed information about the Company's Directors and Secretary can be consulted on pages 14 to 21.

Board Composition by Type of Directorship and Gender



CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.3 The Board (continued)

Independence of the Chairman and Independent Directors

The Board is of the opinion that term limits are a blunt tool and that, without flexibility, they eliminate both effective and non-effective Directors. The Board believes that it must retain discretion to preserve vital institutional memory of its high-performing and contributing members, and, therefore, does not stipulate limitations on the consecutive directorship terms of its Independent Directors, including that of its Chairman.

The Board is also of the opinion that the Chairman has continued to exercise totally independent judgement in the discharge of his responsibilities, notwithstanding the new statutory definition of an Independent Director; and that there are no relationships and circumstances that have affected or appear to have affected his judgement during the year under review. The Chairman has no material pecuniary relationship with the Company nor is, or was, a promoter of the Company or its Subsidiaries or Associate Companies. In addition, he is independent in character and brings considerable skills, know-how, expertise and stability to the Company, which the Board considers key and essential, at the present stage of the Company's development phase, to ensure its continued and steady growth and success. The Chairman plays a critical role in improving corporate credibility, governance standards, risk management and acting as an independent watchdog.

However, to comply with the new provision of the Companies Act, the Chairman is reported as a Non-Executive Director.

3.4 Statement of Major Accountabilities

Separation of Roles and Responsibilities

There is a clear separation of responsibilities between the Chairman of the Board and the Constance Group Chief Executive Officer ("Constance Group CEO"). The Chairman has the overall responsibility to lead and ensure the effectiveness of the Board, which considers and approves the Company's overall strategy, policies, codes and charters, and financial objectives. The Constance Group CEO is responsible for managing and leading the business of the Company and for implementing the strategy and policies defined by the Board.

The Position Statements for the Chairmen of the Board, the Corporate Governance, Audit (Risk Management) and Nomination & Remuneration Committees, Constance Group CEO, and other Key Senior Governance Positions are available for consultation on the Company's website.

Chairman

The Chairman has the responsibility to ensure the smooth and efficient functioning of the Board and its Committees, to see to it that corporate governance matters are dealt with, to represent the Group externally and, particularly, to communicate with shareholders at their Annual Meeting. Working closely with the Constance Group CEO, the Constance Group Head of Investments and Development 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.

Constance Group CEO

The Constance Group CEO has the responsibility to make recommendations to the Board and to achieve the Company's strategic objectives. He is responsible for providing direction to the executive team of the Company. He works closely with the Chief Operations Officer, the Constance Group Head of Investments and Development and the Constance Group Head of Finance.

Other Key Senior Governance Positions

Apart from the position of Constance Group CEO, Constance Group Head of Investments & Development, Constance Group Head of Finance, the Board has clearly identified the following other Key Senior Governance Positions within the Company: Chief Operations Officer and Compliance Function. The job descriptions for these positions have been approved and are monitored and reviewed on a regular basis by the Nomination and Remuneration Committee

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.4 Statement of Major Accountabilities (continued)

Directors

The Directors of the Company observe and foster high ethical standards and a strong ethical culture in the organisation, and are fully aware of their general and specific responsibilities and legal duties (refer to 5.1).

Company Secretary

The Company Secretary, supported by the Company's Secretariat, acts as a vital bridge between the Board and Senior Management. In effect, the Company Secretariat ensures good information flow to the Board and its Committees and between Senior Management and the Directors. The Company Secretariat facilitates the induction of Directors and assists them in fulfilling their duties and responsibilities. It has full access to the Directors and all Directors have access to its advice and services.

Through the Chairman, it is responsible for advising the Board on corporate governance matters and for keeping the Board up to date on all legal, regulatory and other developments. It ensures that related Board decisions are implemented and that applicable laws and regulations are complied with. In addition, it ensures effective communication with the relevant regulatory authorities and shareholders and provides assurance that shareholders' interests are duly taken care of.

The function of the Company Secretary during the year is outsourced to La Gaieté Services Ltd. Further to the introduction of the new guidelines in regard to "Company Service Providers" introduced in 2020 by the Registrar of Companies, for enhanced efficiency, the Company has contracted with ECS Secretaries Ltd in regard to this function, effective 15 March 2022. ECS Secretaries Ltd is represented by Mrs Marie-Anne Adam and Mr Yan Béchard. Both are associate members of the Institute of Chartered Secretaries and Administrators (ICSA) and, as such, are qualified to act as Company Secretary.

3.5 Committees of the Board

Constitution of Board Committees

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

COMMITTEES					
Audit (Risk Management)		Corporate Governance		Nomination & Renumeration	
Member	**Directorship Type**	**Member**	**Directorship Type**	**Member**	**Directorship Type**
Roger KOENIG	Independent, Chairman	Georgina ROGERS	Non-Executive, Chairperson	George J. DUMBELL	Non-Executive, Chairman
Maxime REY	Non-Executive	George J. DUMBELL	Non-Executive	Marc FREISMUTH	Independent
Noël Adolphe VALLET	Non-Executive	Marc FREISMUTH	Independent	Jean RIBET	Executive
		Jean RIBET	Executive		

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.5 Committees of the Board (continued)

Audit (Risk Management) Committee

The Audit (Risk Management) Committee ("ARC"), which also has responsibility for the Company's Risk Management function and IT Governance, consisted of three Directors (one Independent and two Non-Executive) during the year under review. The Chairman is an Independent Director. In line with the principle that competence is privileged over majority of independence, the Board is satisfied that members of the Committee are financially literate and have relevant knowledge of regulatory requirements, risk management, IT Governance and wide industry understanding. The profiles of members of the Audit (Risk Management) Committee are disclosed on pages 16 to 21.

The Committee, which is scheduled to meet at least four times a year, operates within the scope of its Charter. Its principal functions are to ensure the integrity of the financial statements, oversee the financial-reporting process, and to direct, evaluate and monitor the risk management function and IT Governance, taking into consideration the Company's strategic, financial, operational and compliance risks, with the support of the Internal and External Auditors. The Internal and External Auditors have unrestricted access to the Audit (Risk Management) Committee.

The Committee reports to the Board at each Board meeting. The Constance Group CEO, the Constance Group Head of Finance and the Compliance function, as well as the Internal and External Auditors, attend Committee meetings on invitation.

2021 reporting schedule was impacted by the resurgence of Covid-19 pandemic coupled with the change in external auditors. As a result, during the year under review, the Committee met on three occasions only. Principal matters, including significant issues related to financial statements, considered by the Committee in 2021 were addressed as follows:

Regular Financial Matters	• Review and recommend to the Board the 2020 Audited Financial Statements, the 2020 Annual Report, 2021 Unaudited Quarterly Financial Statements and Quarterly Abridged Financial Statements for publication; • Review the 2021 Forecasts; • Consider and recommend to the Board for approval, the 2022 budget; • Monitor the reporting on Conflict of Interests/Related Party Transactions Policy;
Internal Audit Matters	• Ratify and monitor the implementation of the Internal Audit Action Plan for 2021;
Other Matters	• Assess the efficiency, effectiveness and independence of the External Auditors; • Review the Audit (Risk Management) Committee Charter.

The Board delegated the responsibility for the governance of the Company's Information Strategy, Information Technology and Information Security to the Audit (Risk Management) Committee which, in turn, ensures that the proper IT strategy, policies, practices and controls are implemented throughout the Company, in accordance with the applicable regulatory requirements and international best practices. The assessment of Information Governance matters was ongoing by the Committee. Whilst it was comforted that protocols and controls were in place to ensure that IT risks are mitigated, the Committee recommended an independent assessment to ensure continuous improvement and security was strengthened. It also established that, due to the nature and size of the business, the setting up of a separate IT Steering Committee would not bring in any added value, and hence relevant matters would be taken at the Audit (Risk Management) Committee level.

Regarding significant IT expenditures, Management establishes their relevance and submits proposals to the Committee, through its budget exercise, which assesses and makes recommendations to the Board for approval.

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.5 Committees of the Board (continued)

Corporate Governance Committee

The Corporate Governance Committee currently consists of four Directors (one Independent, two Non-Executive and one Executive). All its members have a comprehensive knowledge of the National Code of Corporate Governance for Mauritius (2016), the Company's Charters, Policies and Codes, as well as international best practices, relevant laws and regulations, compounded with industry experience. The Committee operates within the scope of its Charter. Its principal functions are to direct and monitor the Company's corporate governance and compliance programmes. The Compliance and Company Secretarial functions ensure that Directors are updated on relevant laws, regulations, guidelines and listing requirements. The Committee reports to the Board at each Board meeting. The Constance Group CEO is a member of the Committee.

During the year under review, the Committee met on three occasions. Its broad tasks were defined as follows, and implemented:

i. Review the Company's Annual Report for 2020, with focus on Corporate Governance, Sustainability and Corporate Social Responsibility Reports and Other Statutory Disclosures;
ii. Approve the Group Corporate Social Responsibility Plan for 2021 under the banner of "Fondation Constance", monitor its progress and consider new sources of funding;
iii. Review Compliance and Health & Safety reports and ensure corrective measures are implemented, where appropriate;
iv. Review and recommend to the Board the approval of new and revised policies, codes and charters;
v. Review the IT and DP Governance Structures with a view to enhancing controls and monitoring.
vi. Review the impact of new legislation and establish the action plan;
vii. Review requirements pertaining to:
    a. Occurrences where Board approval must be sought;
    b. Anti-Money Laundering legislation;
    c. Affirmation and Statements to be made by Directors;
    d. Non-compliance issues;
viii. Take note of:
    a. Competition Commission Investigation;
    b. Outstanding legal cases;
    c. Action Plan for CCM's relocation to the new Corporate Office at Constance;
ix. Review and recommend to the Board, the Annual Report and website disclosures.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of three Directors (one Independent, one Non-Executive and one Executive). For more effective and better governance, the Chairman of the Board, whose major accountability is inter-alia to lead and ensure the effectiveness of the Board is, also, Chairman of the Nomination & Remuneration Committee, to which the underlying matters relating to the foregoing major accountability are delegated. The Committee directs and monitors Board matters pertaining, inter-alia, to Board composition and nominations, performance and remuneration of Directors and Senior Executives, and succession planning. All its members are well versed in the fields of corporate governance, human resource, executive development tools, long and short-term incentive models, remuneration strategies, compounded with industry experience.

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.5 Committees of the Board (continued)

Nomination & Remuneration Committee (continued)

During the year under review, the Committee met on five occasions and covered the following principal matters related to the Company and its subsidiary:

Review and make appropriate recommendations to the Board regarding the:

i. Ongoing follow-up on the agreed courses of action being taken following the Board and Committee self-evaluations held every two years;
ii. Evaluation of nominees for the annual re-election of Directors;
iii. Reinstatement in 2021, of full salary following the implementation of a Financial Burden-Sharing Scheme for Directors in 2020;
iv. Approval of the remuneration, additional responsibilities and wider scope of work to be undertaken in regard to Management for 2022;
v. Instigate the review of the Directors' fees;
vi. Review of Terms of Employment of personnel moving into new Headquarters;
vii. Approve the bonuses of Management for 2021;
viii. Ongoing review of the Company's Pension Scheme;
ix. Review the implication of the Companies Act 2001 (2020 Amendments) in regard to non-executive Independent Directors;
x. Board Development Programme;
xi. Position Statement of Key Senior Governance Executives for inclusion on the Company's website;
xii. Review the Group Compliance Function in conjunction with that of the Company and oversee the appointment of a new Compliance Officer;
xiii. Review the Group Organisation structure, notably relating to Human Resources, in the area of Financial Reporting.

During the year under review, the Committee also took note of the following:

i. Any new disclosures in the Directors' and Senior Officers' Register of Interest/Insiders Share Dealings/Conflict of Interests and Related Parties;
ii. Dates of Board and Committee meetings for 2022.

The Charter of the Committee and the Position Statement of the Chairperson are available for consultation on the Company's website.

3.6 Corporate Structure (As of 31 December 2021)

Constance La Gaieté Company Limited

Associates

- Consolidated Energy Ltd
- Constance Corporate Management Limited
- Deep River Beau Champ Milling Co. Ltd
- Eastern Energy Ltd
- La Gaieté Services Ltd
- Refinest Limited
- Usinest Limited

Subsidiaries

- Compagnie de Cheops Ltée
- Le Comptoir de l'Est Ltée
- Société Reeya & Cie

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.7 Corporate Information

Directors

Name	Country of Residence	Board Appointment	Assignment
George J. DUMBELL	Mauritius	Non-Executive, Chairman	Member of Corporate Governance Committee Chairman of Nomination & Remuneration Committee
Nicolas BOULLÉ	Mauritius	Non-Executive	
Marc FREISMUTH	Mauritius	Independent (Up to 31 December 2021) Non-Executive (As from 01 January 2022)	Member of Corporate Governance Committee Member of Nomination & Remuneration Committee
Roger KOENIG	Mauritius	Independent	Chairman of Audit (Risk Management) Committee
Christian MAROT	Mauritius	Independent	
Clément D. REY	Mauritius	Executive	
Maxime REY	Mauritius	Non-Executive	Member of Audit (Risk Management) Committee
Jean RIBET	Mauritius	Executive	Member of Corporate Governance Committee Member of Nomination & Remuneration Committee
Georgina ROGERS	Mauritius	Non-Executive	Chairperson of Corporate Governance Committee
Jean-Jacques VALLET	Mauritius	Non-Executive	
Noël Adolphe VALLET	Mauritius	Non-Executive	Member of Audit (Risk Management) Committee

Committees of the Board

Audit (Risk Management) Committee

Corporate Governance Committee

Nomination & Remuneration Committee

Please refer to Section 3.5 for composition.

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.7 Corporate Information (continued)

Management Team – Constance Corporate Management Limited

Jean RIBET – Constance Group Chief Executive Officer
Clément D. REY – Constance Group Head of Investments and Development
Kevin CHAN TOO – Constance Group Head of Finance

Address

La Maison 1794
Constance
Centre de Flacq 40609

Secretaries

La Gaieté Services Ltd (Up to 30 April 2022)
5th Floor, Labama House,
35 Sir William Newton Street,
Port Louis

ECS Secretaries Ltd (As from 15 March 2022)
3rd Floor, Labama House,
35 Sir William Newton Street,
Port Louis

Represented by:
Mrs Marie-Anne Adam, ACIS and Mr Yan Béchard, ACIS

Share Registry and Transfer Office

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

Auditors

External

Ernst & Young Mauritius
Level 9, Tower 1, NeXTeracom Cybercity, Ebène
Partner: Mr David Ng Man Chuen, FCCA

Internal

PricewaterhouseCoopers Chartered Accountants
PwC Centre,
Avenue de Telfair, Telfair 80829, Moka
Represented by: Mr Julien Tyack

Bankers

The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers

Directors

GEORGE J. DUMBELL

Non-Executive Director and Chairman (Age: 73)
Appointed Director in December 2005 and Chairman in January 2006.

Qualifications

- Associate Chartered Institute of Bankers (UK).
- Fellow and Founding Director of The Mauritius Institute of Directors and member of its Directors' Forum.
- Former Director of several financial institutions in Asia and Europe, and listed finance and agricultural companies in Mauritius.

Experience and Skills

- Over 53 years' financial, business and commercial experience, including 34 years in various senior management positions within the HSBC Group across the globe.
- 2½ years of commercial, industrial, project management and political experience as Deputy Secretary General and Managing Director of EuroChambres, Association of European Chambers of Commerce and Industry, headquartered in Belgium and representing over 14 million companies throughout Western, Central and Eastern Europe.
- 2 years in the fields of Corporate Governance and Risk Management as Consultant with MCB Ltd.
- 16 years of experience in the agricultural sector as Chairman of Constance La Gaieté Company Ltd and Director of other listed companies in the Sugar Industry.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited

NICOLAS BOULLÉ

Non-Executive Director (Age: 62)
Appointed in January 2014.

Qualifications

- Qualified Notary

Experience and Skills

- 31 years' experience as a notary.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Directors (continued)

MARC FREISMUTH

Independent Director (Up to 31 December 2021) and Non-Executive Director (As from 1 January 2022) (Age: 70)
Appointed in June 2016.

Qualifications

- MPhil Degree in Economics from Paris-Sorbonne University (France).
- 'Agrégation' in Economics and Management.

Experience and Skills

- Lecturer at the University of Montpellier (France) until July 1988.
- Lecturer at the University of Mauritius in the field of Management and Finance until July 1994.
- Lecturer in Hospitality Management at the University of La Réunion from 2000 to 2005.
- Participated in the setting-up of The Stock Exchange of Mauritius as a consultant to the Stock Exchange Commission and as a member of the Listing Committee (1989 - 1994).
- Currently works as a private consultant in Management and Finance.
- Fellow member of The Mauritius Institute of Directors.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited
- The United Basalt Products Ltd

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Directors (continued)

ROGER KOENIG

Independent Director, Chairman of Audit (Risk Management) Committee (Age: 61)
Appointed in January 2021.

Qualifications

- Holds a certificate in Theory of Accountancy and Bachelor of Commerce from the University of Cape Town.
- Qualified Chartered Accountant (SA).
- Member of The Society of Chartered Accountants Mauritius (ICAEW).
- Member of The Mauritius Institute of Directors (MIoD).

Experience and Skills

- 10 years of financial management.
- 16 years in senior general management positions, of which 12 years in the capacity of Chief Executive Officer of a well-diversified local company and regional group.
- Has strong managerial background with local/regional experience and cross-sector exposure and has acquired valuable experience serving as Board, Audit Committee and Investment Committee member of several companies during his career. He joined UIL as Chief Finance Officer in June 2016.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- National Investment Trust Ltd

CHRISTIAN MAROT

Independent Director (Age: 63)
Appointed in January 2021.

Qualifications

- Diploma in Management Studies from the University of Mauritius.
- Master's in Business Administration from the University of Surrey, England.

Experience and Skills

- 41 years of experience in the agricultural industry.
- Joined Deep River – Beau Champ in 1983 and occupied various positions until his nomination as General Manager in 2002.
- Chief Operations Officer of the Agricultural Activities of Altéo Limited (2012-2017).

Directorships in Other Companies Listed on the Stock Exchange of Mauritius: None

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Directors (continued)

CLÉMENT D. REY

Executive Director and Constance Group Head of Investments and Development (Age: 52)
Appointed in September 2003.

Qualifications

- Bachelor's degree in Business Law from the UK.
- Master's degree in Business Law from the UK.

Experience and Skills

- Held the position of Head of Corporate Affairs within CIEL Group.
- Currently actively involved in investments and corporate transactions relating to the member companies of the Constance Group.
- Director of several companies in the commercial, financial and fintech sectors and a member of various board committees.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited

MAXIME REY

Non-Executive Director (Age: 69)
Appointed in April 2014.

Qualifications

- Qualified Accountant

Experience and Skills

- Extensive experience in the insurance sector.
- Chief Finance Officer for more than twenty years at SWAN, the leading Mauritian insurance company, until his retirement in 2016.
- Group Financial Director for thirteen years at Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- IBL Ltd
- Lux Island Resorts Ltd
- MFD Group Ltd

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Directors (continued)

JEAN RIBET

Executive Director and Constance Group Chief Executive Officer (Age: 62)
Appointed Director in March 2007 and Constance Group Chief Executive Officer in 2004.

Qualifications

- Bachelor of Commerce from the University of Cape Town, South Africa.

Experience and Skills

- Joined the Constance Group as Group Financial Controller in 1991.
- 17 years' experience as Group Chief Executive Officer within the Constance Group.
- Bears the overall responsibility for the agro-industrial, tourism and investment activities of the Constance Group.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- IBL Ltd
- Hotelest Limited
- Livestock Feed Ltd

GEORGINA ROGERS

Non-Executive Director and Chairperson of the Corporate Governance Committee (Age: 59)
Appointed in March 2007.

Qualifications

- Bachelor of Commerce from the University of Natal, South Africa.
- Member of The Mauritius Institute of Directors.

Experience and Skills

- Practised as an accountant until 1995.
- Involved in the development of real-estate projects.
- Director of several companies in the commercial sector and a member of various board committees.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Directors (continued)

JEAN-JACQUES VALLET

Non-Executive Director (Age: 54)
Appointed in December 2004.

Qualifications

- 'Maîtrise en Science et Gestion (MSG)'.
- Postgraduate degree (DESS) in Management Science, Logistical Operations and Industrial Management, from France.
- Advanced Management Program, from Cornell University, New York.

Experience and Skills

- Responsible for the overall planning, direction and control of the operations, resources and administration of Constance Hotels, Resorts & Golf Group.
- Four years' Presidency of the Association of Hotels and Restaurants in Mauritius (AHRIM) for the periods 2003-2004 and 2011-2012.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- Constance Hotels Services Limited
- Hotelest Limited

NOËL ADOLPHE VALLET

Non-Executive Director (Age: 56)
Appointed in June 1997.

Qualifications

- Management from South Africa.

Experience and Skills

- 2 years' experience as Manager at Fleurs des Tropiques Exports Ltée.
- Project Manager responsible for setting up Mauritius' sugar museum, L'Aventure du Sucre.
- Currently runs his own business in the events industry as Managing Director of Bedouin Tents and Rocket Fireworks.
- Chairman of Compagnie de Mapou Ltée.

Directorships in Other Companies Listed on the Stock Exchange of Mauritius:

- BMH Ltd
- Constance Hotels Services Limited
- Hotelest Limited

CORPORATE GOVERNANCE REPORT

3. GOVERNANCE STRUCTURE (continued)

3.8 Profile of Directors and Senior Officers (continued)

Senior Officers

KEVIN CHAN TOO

Constance Group Head of Finance (Age: 44)

Qualifications

- Fellow of the Association of Chartered Certified Accountants.

Experience and Skills

- Currently responsible for the finance, accounting, treasury and internal control functions of the Constance Group.
- Prior to joining the Constance Group, held various finance and accounting positions in listed companies within the property, finance and investments sectors.

DIDIER LANGLOIS

Chief Operations Officer (Age: 56)

Qualifications

- Bachelor of Science – Zoology & Botany from University of Cape Town, South Africa.
- Post Graduate Diploma in Fisheries Science and Aquaculture, Rhodes University, South Africa.
- Diploma in Management, Mauritius.

Experience and Skills

- 3 years' experience in Fish Farming (From 1988 to 1991) in South Africa and Mauritius.
- 18 years' experience in Agricultural sector.
- Conversant with the exportation of horticultural crops.
- 16 years' experience in Land and Property Management.
- Chief Operations Officer since March 2019.

YANG LAN YEUNG WING YEN

Financial Controller (Age: 50)

Qualifications

- Fellow of the Association of Chartered Certified Accountants.
- Certified Internal Auditor.

Experience and Skills

- Over 7 years' experience in accounting and internal control within the Agricultural sector, prior to joining the Company in 2014.
- Over 12 years' experience with audit firms, cumulating external and internal audit and risk advisory works both in Mauritius and overseas.

CORPORATE GOVERNANCE REPORT

4. APPOINTMENT PROCEDURES FOR DIRECTORS

4.1 Merit and Diversity

All Directors must possess knowledge, capabilities and experience which can benefit the Company's business operations. The Nomination & Remuneration Committee considers the qualifications of the candidates through transparent pre-selection procedures, as mandated in its Charter, and proposes the nominations to the Board for subsequent validation by shareholders at the next Annual Shareholders' Meeting.

All Directors' profiles are disclosed in the Annual Report, posted on the Company's website, and reflect the diverse skill mix of the Board, including industry knowledge, accounting and finance, management, international business, business strategy, crisis management, corporate governance and law.

4.2 Nomination Process and Criteria

Prior to nominating a Director, the Board takes into consideration the current composition and skill mix of the Board and the Company's business strategy, going forward.

The process for identifying and selecting director candidate, which is available for consultation on the Company's website, is undertaken by the Nomination & Remuneration Committee. The criteria considered are as follows:

Nomination Criteria

Nominee's:

- **Readiness to engage fully in the Board's activities and Committees.**
- **Commitment to participate actively in Board meetings as well as those of its respective committees.**

Nominee's capacity to effectively support the board in reflecting the culture, diversity and interests of the Company and ability to demonstrate independence required under good corporate governance practices.

Nominee's commitment to increasing shareholder value.

Nominee's ability to meet the qualification criteria prescribed by the Companies Act 2001 and the National Code of Corporate Governance for Mauritius (2016).

Nominee's:

- **Skills, business, personal and professional accomplishments;**
- **Private sector or sectoral knowledge and experience, bearing in mind the current state of the Company and the market in which the Company is operating.**

Nominee's:

- **Reputation;**
- **Business and personal ethics and integrity;**
- **Independence of thought and judgement;**
- **Financial sophistication, and leadership competences.**

CORPORATE GOVERNANCE REPORT

4. APPOINTMENT PROCEDURES FOR DIRECTORS (continued)

4.2 Nomination Process and Criteria (continued)

In the case that current Directors are being considered for re-nomination, the Nomination & Remuneration Committee will also take into consideration the Director's history of attendance at Board and Committee meetings, the Director's tenure as a member of the Board, the Director's preparation for and contribution to decision-making at meetings and the outcome of respective past Board assessments.

Board candidates may be identified:

- From the Board's network of contacts, including current members of the Board, Senior Executives of the Company, the Company's advisers and, if it is deemed appropriate, a professional recruitment firm.
- In accordance with an existing 'Protocole d'Accord', under which parties to the Protocole have the right to nominate a specific number of Directors to the Board.
- By virtue of the Companies Act 2001, which calls for a Special Meeting of Shareholders to be held on the written request of shareholders holding together not less than 5 per cent of the voting rights, and entitled to exercise these on the appointment of a Director.
- From the Directors' Register of The Mauritius Institute of Directors.

4.3 Induction Programme

The Company has a comprehensive and elaborate Induction Programme for its newly-appointed Directors, which comprises the following:

- **Induction Pack**, which includes the profile of the Board of Directors, corporate profile, organisational structure, Board Committee Charters, key corporate policies, annual reports, latest financial statements.
- **Induction Meetings** with the Chairman of the Board, the Chairpersons of the Audit (Risk Management), Corporate Governance, Nomination & Remuneration Committees, and Senior Management.
- **Briefings** with the Chairman of the Board, Senior Management and the Company Secretary to cover responsibilities and legal obligations of Directors, the Company's business, business plan and ongoing issues, corporate strategy, industry review, stakeholders, corporate governance and regulatory matters, model code for transaction of securities.
- **Site Visits** of the Company's properties and facilities.
- **Visit to the Company Secretariat** to review minutes of recent Board meetings, minutes of recent Committee meetings, the Company's Constitution, the Companies Act and relevant legislations in the jurisdictions in which the Company operates, the DEM listing rules, the National Code of Corporate Governance for Mauritius (2016), and the latest Board evaluation report.

4.4 Terms of Service of Directors and Re-election

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. The terms of service of Directors are in accordance with the Company's Constitution (Article 21.2), as approved by Shareholders at the 2012 Annual Shareholders' Meeting, whereby, at every Annual Shareholders' Meeting, one-third of Directors (or the number nearest to one-third) shall retire from office and be eligible for re-election. An assessment of the performance of each retiring Director, who makes himself/herself available for re-election, is conducted by the Nomination & Remuneration Committee, which submits its recommendations to the Board. In turn, the Board puts forward its appropriate nominations to the shareholders for their approval.

4.5 Directors' Professional Development

The Board recognises the importance of the continual development of the knowledge and capabilities of its Directors to sustain an effective, well-informed and functional Board, with the onus for their self-development resting with each individual Director. The Board approves, encourages and supports Directors' professional development by facilitating their membership to relevant professional organisations, attendance of relevant seminars and knowledge-sharing programmes. In this connection, the Board reviews the professional development and ongoing knowledge acquisition of Directors every two years. The next review will be undertaken during 2022.

During the year under review, some Directors and Senior Officers received training on industry development matters.

CORPORATE GOVERNANCE REPORT

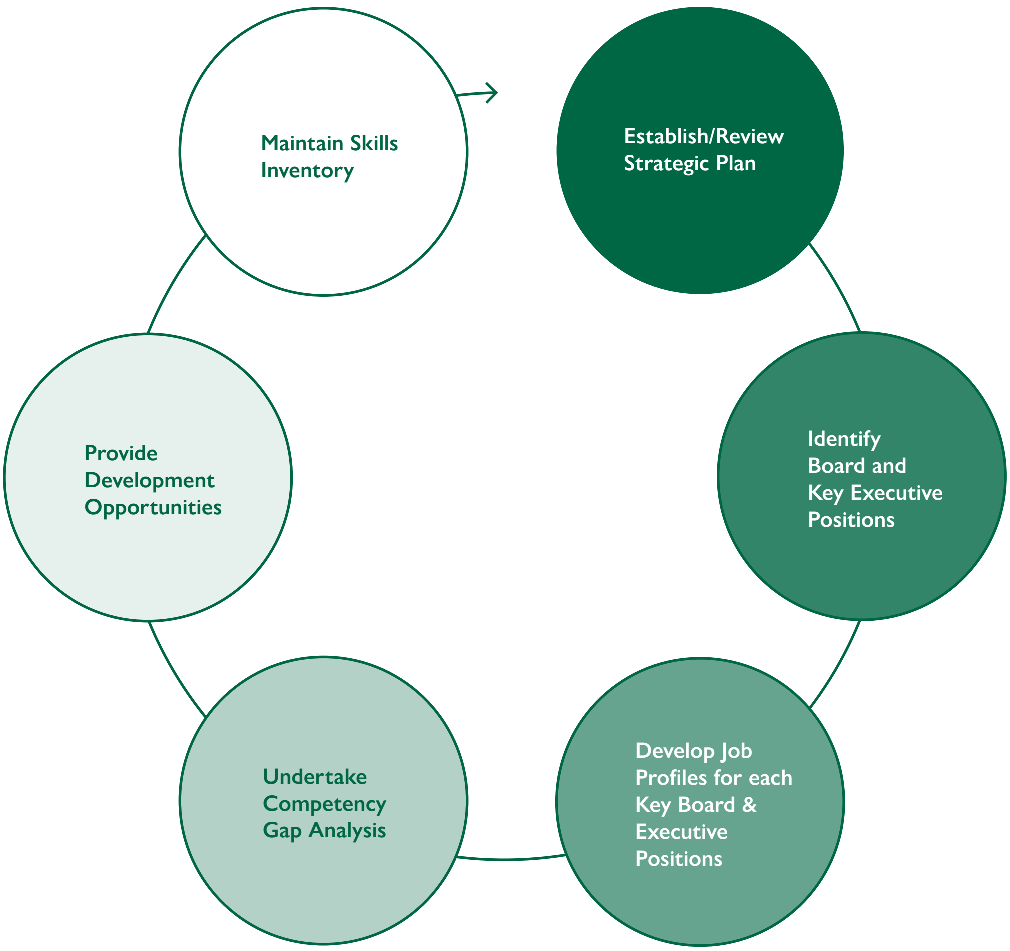
4. APPOINTMENT PROCEDURES FOR DIRECTORS (continued)

4.6 Succession Plan

The Company adequately monitors its Succession Planning requirements, given its scale and level of sophistication. It identifies the necessary competencies within the Board and Senior Management positions and sets a clear and systematic process towards the assessment, development and retention of a talent pool of Directors and Key Senior Executives with a view to securing leadership continuity for all critical positions and, consequently, ensuring that current and projected business strategies are fully and effectively deployed.

The process is reviewed and updated on a continual basis by the Nomination & Remuneration Committee, in conjunction with the Chairman, and in response to the ongoing demands of the Company, with the Board being kept informed of developments.

The Succession Planning Process



CORPORATE GOVERNANCE REPORT

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

5.1 Duties of Directors

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

In dealing with the affairs of the Company, the Directors of the Company act with propriety. They accordingly:

i. do not exceed their jurisdiction;
ii. act in good faith and in the best interest of the Company;
iii. exercise the degree of care, diligence and skill, which a "reasonably prudent person would exercise in comparable circumstances";
iv. are accountable to the Company for any monetary gain in respect of their fiduciary capacity as Director;
v. do not make use of any confidential information acquired by way of their position as Directors of the Company – unless authorised by the Company; do not compete with the Company;
vi. do not use the assets of the Company for any illegal purpose;
vii. declare any direct or indirect interests at the meeting of Directors of the Company, to be duly recorded by the Secretary of the Company;
viii. transfer or hold as trustee, until transferred, all cash or assets acquired on behalf of the Company;
ix. attend meetings of the Board of the Company with reasonable regularity; and
x. keep proper accounting records and make such records available for inspection.

5.2 Limitation on the number of Company Directorships

Non-Executive and Executive Directors are not encouraged to hold multiple directorships to ensure that they allocate sufficient time to prepare and attend the Company's Board meetings and, consequently, to monitor the Company's performance and operations effectively.

5.3 Board Meetings

Board meetings are scheduled in advance and duly notified to all Directors at the beginning of each financial year.

The agenda for each board meeting is set by the Chairman, in conjunction with the Company Secretary, and with input from the Constance Group CEO. The Company Secretary sends Board notices with supporting documents, allowing adequate preparation to all Directors before each meeting.

During Board meetings, the Chairman of the Board ensures that appropriate time is allocated to Directors to ask questions, review and discuss all relevant financial, governance and other information and data, and to follow up on the implementation of the Company's strategies. Written minutes are taken by the Company Secretary, subsequently approved by the Board, and filed.

5.4 Report of Interests of Directors and Designated Management

In line with the Company's policies on Conflict of Interests and Related-Party Transactions, and Share Dealing, the Company's Directors, designated Management and related persons, are required to report in writing to the Company on their vested interests. This information is collected by the Company Secretary, who then duly updates the Register of Interest/Insiders Share Dealings/Conflict of Interests and Related Parties.

During the year, Directors are given the opportunity to disclose any new Conflict of Interests & Related-Party Transactions and Share Dealings with the first agenda item at every board meeting calling for these disclosures. An update is also carried out by the Company Secretary.

CORPORATE GOVERNANCE REPORT

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (continued)

5.5 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 to the Company by business or common shareholding. All Directors, related parties and designated employees wishing to deal in the securities of the Company or any of its subsidiaries must comply with the statutory provisions concerning insider dealing in the Companies Act 2001 as well as the Securities Act 2005 and be aware of the Stock Exchange of Mauritius' Model Code for Securities Transactions by Directors and employees of Listed Companies. Furthermore, all are notified by the Company of the commencement and closure of non-trading periods.

During the year under review, no Director or Senior Officer or their related parties traded in the Company's shares.

5.6 Directors' and Senior Officers' Share Interests

The interests of Directors and Senior Officers in the securities of the Company as of 31 December 2021 were as follows:

	DIRECT		INDIRECT
	No. of Shares	**% Held**	**% Held**
Directors			
George J. DUMBELL - Chairman	-	-	-
Nicolas BOULLÉ	-	-	-
Marc FREISMUTH	-	-	-
Roger KOENIG	-	-	-
Christian MAROT	-	-	-
Clément D. REY	-	-	2.02
Maxime REY	-	-	-
Jean RIBET	408	0.01	4.08
Georgina ROGERS	85,342	1.78	-
Noël Adolphe VALLET	400	0.01	3.8
Jean-Jacques VALLET	46	0.00	4.08
Senior Officers			
Kevin CHAN TOO	1,300	0.03	-
Didier LANGLOIS	-	-	-
Yang Lan YEUNG WING YEN	-	-	-

The Company Secretary maintains a Register of Interests/Insiders' Share Dealings, Conflict of Interests and Related Parties 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 declarations submitted by Directors and Senior Officers.

Any disclosure of conflict of interests is recorded in the Register of Interests, which is available for inspection during normal office hours, upon written request made to the Company Secretary as provided by law.

5.7 Common Directors

The names of common Directors of the subsidiaries of the Company are:

Directors of Compagnie de Cheops Ltée:
Messrs Clément D. Rey and Jean Ribet.

Directors of Le Comptoir de l'Est Ltée:
Messrs Clément D. Rey and Jean Ribet.

CORPORATE GOVERNANCE REPORT

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (continued)

5.8 Directors' and Senior Executives' Remuneration

The Company's Nomination & Remuneration Committee is entrusted by the Board with the task of determining, and recommending to the Board, the remuneration policy for Non-Executive Directors and for Senior Executives of the Company, as per the principles outlined in the Company's Remuneration Policy.

Four key principles underpin this policy:

i. Remuneration must reflect the market in which the Company operates;
ii. Key performance indicators apply with respect to expected results delivery;
iii. Remuneration is linked to the creation of value to Shareholders and
iv. Remuneration rewards both financial and non-financial performance.

Regarding the Non-Executive Directors, every two years, the Nomination & Remuneration Committee reviews Directors' fees for the Board and Board Committees and makes appropriate recommendations to the Board, for ultimate consideration and approval by shareholders at their Annual Meeting.

For 2021, Directors' annual fees remained unchanged at MUR 150,000 for the Chairman and MUR 90,000 for other Board Members. In addition, the annual fees for Members of Committees of the Board for 2021, also, remained unchanged at:

	Audit (Risk Management)	Corporate Governance	Nomination & Remuneration
	MUR	MUR	MUR
Chairman	75,000	60,000	40,000
Member	55,000	40,000	30,000

Under the recommendations of the Nomination & Remuneration Committee, the Board of Directors agreed to recommend to Shareholders that there be no revision of fees for the members of the Board for 2022. However, a review will be undertaken during the course of 2022.

The remuneration and benefits received by the Directors, during the year under review, is disclosed under Other Statutory Disclosures.

5.9 Board Evaluation

Evaluation Criteria

Directors are invited to participate in a combined full Board evaluation and individual Director evaluation which also covers the Company's Board Committees. This exercise is carried out every two years under the auspices of the Chairman and the Nomination & Remuneration Committee. However, due to the disruptions brought about by COVID-19, this evaluation is scheduled to be carried out during 2022.

The full Board evaluation requires Directors to focus on the functioning of the Board as a whole, comprising, inter-alia, the Board's understanding of strategy, composition of the Board and the mix of skills, the structure and organisation of Board meetings and Committee meetings and other issues core to the execution of the Board's mandate. The Director's self-evaluation exercise requires each Directors to reflect and assess their own Board performance, including how their skills contribute to the effectiveness of the Board, their commitment, aptitudes and other responsibilities. In addition, they also report on the Board's relationship with Management as well as on the performance of the Chairman of the Board.

Evaluation Methodology

The Board's evaluation process is undertaken by way of a written questionnaire, with pre-set ratings. Directors are required to answer a series of questions regarding either the functioning of the full Board or the Committees, or their own performance. The questionnaire provides a good baseline of information and offers much insight into issues for further discussion. It also contains open-ended questions, which offer

CORPORATE GOVERNANCE REPORT

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (continued)

5.9 Board Evaluation (continued)

Evaluation Methodology (continued)

Directors an opportunity to expand on certain crucial development issues. The results are evaluated and reviewed in detail by the Chairman and the Nomination & Remuneration Committee before presentation to the Board – with an action plan, comprising proposed corrective measures to be taken for under-performing ratings – for open discussion. The Nomination & Remuneration Committee monitors and ensures that all the corrective measures for the under-performing ratings are addressed and implemented. In the event of any unfavourable personal issue having been raised by a Director, the Chairman will conduct a one-on-one interview with the Director concerned.

The Board considers that the current evaluation process satisfies the Company's present requirements, and it does not see any merit in carrying out an Independent Evaluation. During the year under review, the Board and relevant Committees ensured the implementation of the recommendations made by the Nomination and Remuneration Committee on corrective measures to be undertaken in 2021.

5.10 Share Option Plan

The Company does not presently have any share-option scheme.

5.11 Attendance at Board and Committee Meetings

	Board of Directors	Audit (Risk Management)	Corporate Governance	Nomination & Remuneration
Number of meetings held in 2021	**4**	**3**	**3**	**5**
Meetings attended				
George J. DUMBELL	4	-	3	5
Nicolas BOULLÉ	4	-	-	-
Marc FREISMUTH	3	-	3	5
Roger KOENIG	4	3	-	-
Christian MAROT	4	-	-	-
Clément D. REY	4	-	-	-
Maxime REY	4	3	-	-
Jean RIBET	4	-	3	5
Georgina ROGERS	3	-	3	-
Noël Adolphe VALLET	4	3	-	-
Jean-Jacques VALLET	4	-	-	-

6. RISK MANAGEMENT AND INTERNAL CONTROLS

6.1 Risk Management

Risk Management Framework

The Company constantly faces varied risks which may adversely impact its performance, financial conditions and overall ability to attain its strategic objectives. The Board, which is ultimately responsible for the sound management of these risks, ensures that the Company has continuously in place the appropriate risk management and internal control framework. In doing so, the Board has delegated to the Audit (Risk Management) Committee the responsibility to continually monitor, assess and review the risk management and internal control framework, in the light of its risk appetite, the changing nature and extent of the risks faced by the Company and the applicable laws and regulations, in order to ascertain that this framework is adequate and effective. The Board further acknowledges that risk management and internal control frameworks are designed to identify and manage rather than eliminate the risk of failure to achieve business objectives. Such frameworks can only provide reasonable and not absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors or losses.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

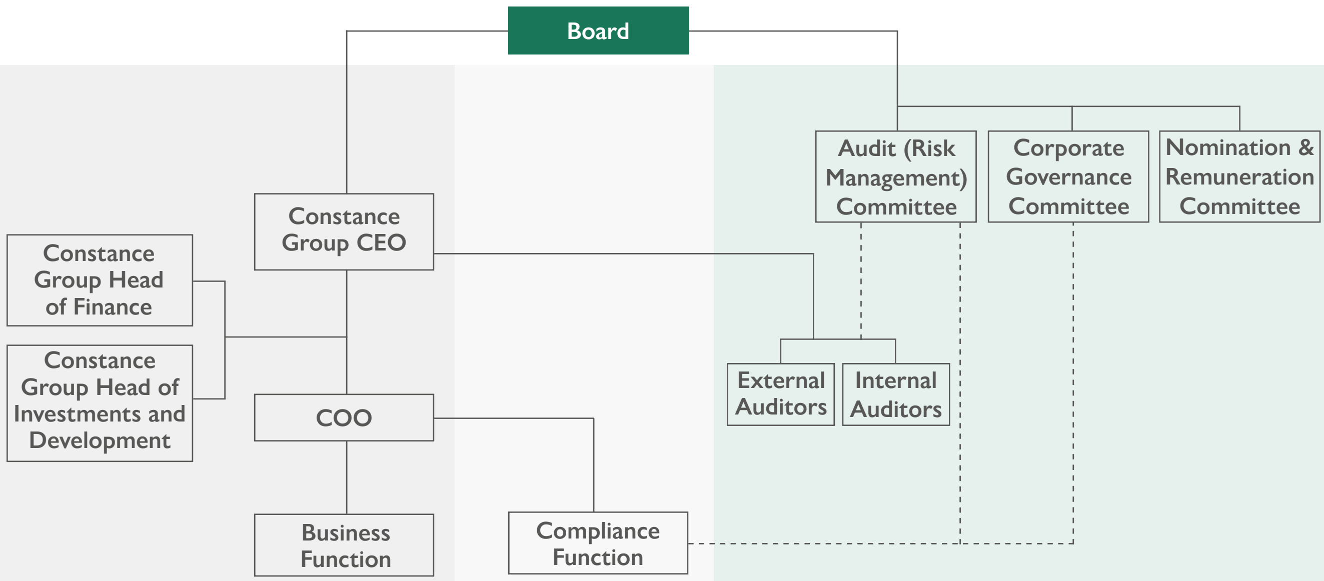
6.1 Risk Management (continued)

Risk Management Framework (continued)

The Company first established its Risk Management Programme in August 2006. In conducting the review of the effectiveness of risk management, the Board considers the key findings from ongoing monitoring and report processes, management assertions and independent assurance reports. During the year under review, the Board considered the Company's responsiveness to changes within its business environment and is accordingly satisfied that the risk and internal controls framework is functional.

The Risk Framework

The Company's risk framework, which extends across the Company's business, comprises a top-down approach to risk management, based on three lines of defence.



1st Line of Defence

Upon identification of risks, preventive and corrective measures are implemented within the set deadlines. Management ensures continuous compliance with all laws, codes, rules, regulations, procedures, policies and standards of good practice.

2nd Line of Defence

The Compliance Function monitors the effectiveness of the established risk management framework and processes, and provides the required risk management guidance and support.

3rd Line of Defence

Independent assurance with regard to the adequacy and effectiveness of the Company's risk management framework and processes is derived from the Internal Audit function, which is outsourced. External auditors provide external assurance on matters pertaining, but not limited to, valuation and financial statements.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.1 Risk Management (continued)

Principal Risks and Mitigation Initiatives

The Company has implemented various policies and mitigation initiatives to effectively counter the principal risks to which it is exposed, as elaborated in this Corporate Governance Report and in the table below. The Company also subscribes to a Directors' & Officers' Liabilities insurance cover.

Business Continuity

The business continuity practices had to be reviewed in response to the spread of the Covid-19 pandemic. The Company had to adjust its way of working. "Work safely from home" led to various initiatives being taken, while safeguarding security. Among them was the granting of VPN access and remote access to systems.

Measures, which included the use of new applications, have been enhanced to facilitate sharing of information and keep staff connected.

Risk Mitigation Initiatives

RISKS	DESCRIPTION	MITIGATION INITIATIVES
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 liable to bear 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 some of these risks. • Changes in the macroeconomic 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.
Reputation	Damage to the Company's reputation due to: • Employees not demonstrating the appropriate ethical values and behavioural attitudes. • Failure of the Company to sustain its appeal to its shareholders could adversely affect the market value and attractiveness of the Company.	• Enforcement of a strict ethical Code of Conduct and good corporate governance practices across the Group in accordance with the National Code of Corporate Governance for Mauritius. • Introduction and monitoring of safety and security measures. • Training of personnel arranged so as to increase awareness on industry related legislation.
Social Responsibility and Sustainability	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 to the local community.	CSR programmes and initiatives are tailored to the needs of the community in the vicinity of the Company's operations. Regular review and reporting over the progress of the Group's CSR programmes and achievements are brought on a quarterly basis to the Board, through the Corporate Governance Committee.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.1 Risk Management (continued)

Risk Mitigation Initiatives (continued)

RISKS	DESCRIPTION	MITIGATION INITIATIVES
Financial Management	The Company is exposed to a wide range of financial risks, namely currency risk, price risk, credit risk, liquidity risk, interest rate risk and capital risk. These risks are reported in detail in the Notes to the Financial Statements.	• Sound management of costs and financial risks, such as foreign exchange, liquidity, market risks, pricing policy. • Detailed budgets and projected cash flows are reviewed on a regular basis by the Audit (Risk Management) Committee and by the Board. • Other mitigation initiatives can be referred to in the Notes to the Financial Statements.
Credit Standing	The Company is reliant on having access to credit facilities to meet its capital requirements and manage its statement of financial position effectively.	• To ensure prudent financial management, the Company prepares detailed budgets and projected cash flows, which are reviewed on a regular basis by the Audit (Risk Management) Committee, and by the Board. • Regular meetings are held with our bankers to review the Company's financial situation and ongoing issues.
Technology and Systems & Information Governance	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 may adversely affect the Company's productivity, operating costs and efficiency.	• The Company has invested in preventive maintenance and holds a contract with its IT service provider that caters for the prompt restoration to normal service to minimize any adverse impact on the business. • The IT governance has been delegated to the Audit (Risk Management) Committee, which ensures that proper IT governance framework, policies, strategy and practices are implemented throughout the Company, in accordance with the applicable regulatory requirements and best practices. • The IT service provider regularly controls and upgrades the IT system to ensure its effectiveness and prevent any disruption. • Management ensures all staff comply with the Company's IT Code of Practice. • Independent audits of the IT systems are conducted, on request, by the Internal Auditors.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.1 Risk Management (continued)

Risk Mitigation Initiatives (continued)

<table>
<tr><th>RISKS</th><th>DESCRIPTION</th><th>MITIGATION INITIATIVES</th></tr>
<tr>
<td>Health & Safety</td>
<td>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.</td>
<td>

Our employees are made aware of the risks they face – through training, our Health & Safety Policy and adequate supervision which aim at preventing accidents and maintaining 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 Committee.
The Health and Safety Officer oversees, harmonises and monitors the Health and Safety functions with strict controls to ensure compliance with good practices, all statutory and legal requirements and codes of practice generally applied across the industry.

The following measures were taken during the year:
<table>
<tr><th>Action</th><th>Date</th></tr>
<tr><td>Health surveillance for herbicide sprayers</td><td>May</td></tr>
<tr><td>Refresher course on Health and Safety measures</td><td>June and July</td></tr>
<tr><td>Eye Tests for Garage personnel</td><td>September</td></tr>
<tr><td>First Aid Course</td><td>October</td></tr>
</table>

Further to the spread of Covid-19, Management, engaged employees in practicing safe and healthy behaviours, both at work and at home with their families. In its daily operations, it has put the following protocols in place to ensure a safe working and living environment:

Encouraging the vaccination of all staff ;
Compulsory wearing of masks and temperature control at the entrance on entering the premises;
Favouring on-line meetings whenever possible;
Establishing work-from-home rosters where possible.

</td>
</tr>
</table>

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.1 Risk Management (continued)

Risk Mitigation Initiatives (continued)

RISKS	DESCRIPTION	MITIGATION INITIATIVES
Pandemic outbreak	The spread of diseases may cause: • Fatalities • Decrease in manpower • Business interruption • Financial impact	• Procedures and protocols and Emergency plans implemented to ensure continuity. • Strick sanitary controls. • Sensitisation of employees on disease prevention. • Vaccination of employees.
Financial and Other Regulatory Compliance	Non-compliance with financial and regulatory requirements may result in penalties and damage to the Company's image on the market.	• A robust programme comprising procedures and internal monitoring and reporting has been put in place by the Compliance and Accounting functions, with the aid of Internal Audit, to ensure that financial and regulatory requirements are strictly adhered to. • Quarterly Financial Statements and the Abridged Financial Statements are scrutinised by the Audit (Risk Management) Committee and subsequently reviewed and approved by the Board.
Project Development	Risks of new projects being completed off-schedule or with significant cost overruns may have a material adverse effect on the Company's performance. High dependency on receiving relevant planning permits; delay in approval of permits will cause sales and construction programmes to be deferred and will affect revenue and profit.	• 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. • Keep abreast with changes in legislation in relation to planning and development. • Select competent professionals to ensure proper costing at start and that all planning guidelines are followed in project development. • Submit complete files to relevant authorities in order to avoid delays which are linked to incomplete files.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

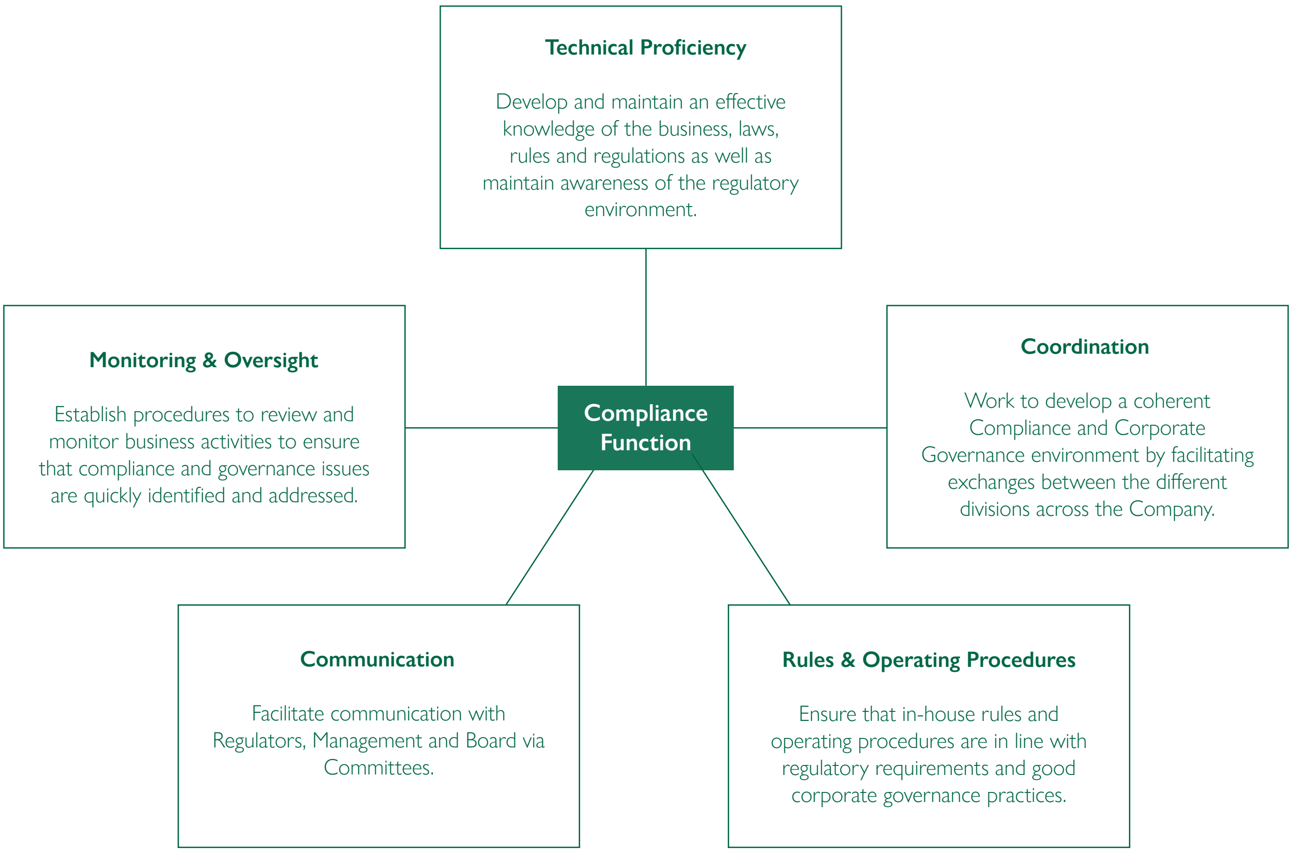
6.2 Compliance Function

The Compliance Function falls under the responsibility of the HR Manager, with a functional reporting line to the Audit (Risk Management) and the Corporate Governance Committees of the Company. It operates within the scope of the Company's Compliance Charter and in accordance with the Professional Standards and Guidelines approved by the Board.

The main role of the Compliance Function is to:

- Provide the appropriate framework within which the business activities of the Company and its operating subsidiaries, and its employees can comply with the Company's policies, standards and procedures and with applicable laws and regulations.
- Assist the Board, Management and Line Managers in discharging their compliance and risk responsibilities.

Scope of the Compliance Function



During the year, certain corporate policies and charters were reviewed and updated to ensure alignment with changes in laws and regulations.

In 2021, the Compliance Report, which also covered Health and Safety matters, was presented to the Corporate Governance Committee.

The Position Statement of the Compliance Officer is available for consultation on the Company's website.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.3 Information, Information Technology (IT) and Information Security (IS)

Information, IT and IS Governance Framework

In line with the National Code of Corporate Governance for Mauritius (2016), the Board is responsible for information governance within the Company. Due to the nature and size of the business, as well as the technical expertise required, the management of the Information Technology, Information Security governance and business continuity is delegated to CCM which reports to the Audit (Risk Management) Committee on IT-related matters. The Audit (Risk Management) Committee has been mandated by the Board to oversee those matters, including the review of information risks and the implementation of mitigation actions, as well as ensuring that the established Information, IT and IS Governance framework is effective and adequate.

The Company Information, IT and IS governance framework in place includes an IT Code of Practice, puts emphasis on the confidentiality, accuracy, integrity, availability and protection of information, backed by adapted Information and IT systems to mitigate risks and meet the Company's strategic objectives. Management implements policies, procedures and practices to protect the Company's information, in line with regulatory and industry norms.

Information to the Board and Committees

The Chairman and the Company Secretary ensure that Directors receive adequate information, both qualitative and quantitative, in a timely manner to enable them to make informed business decisions. At the last assessment, the Board and its Committees found the information provided to them adequate.

Selection of Agenda Items for Board Meetings

01 The Chairman and the Company Secretary prepare the Agenda, in conjunction with the Constance Group CEO, to determine key current and ongoing business topics for the Board Meeting.

02 The Chairman approves the Agenda for the Board Meeting.

03 The Financial Statements are prepared by the Constance Group Head of Finance.

04 Agenda, Minutes and Board Papers, including financial documents, are circulated to Board Members prior to the scheduled date of the Board Meeting.

Data Protection Act (DPA) 2017

The DPA 2017 is being closely monitored by the Company, through its Corporate Governance Committee. Update of Policies and procedures is ongoing to ensure the Company complies with the legislation. The Board is comfortable that the current arrangement is adequate.

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.4 Charters, Policies and Codes

Overview

The policies laid out in the key documents mentioned in the following table are approved by the Board, on the recommendation of its relevant Committees, and are applied throughout the Group. Certain Policies, Codes, the Organisational Chart, Statement of Major Accountabilities and Job descriptions of Key Senior Governance Positions are monitored on an ongoing basis and are subject to review at least annually whilst Charters are reassessed every two years, unless otherwise required.

Charters	Policies
Audit and Risk Management	Business Travel
Audit (Risk Management) Committee Charter ☼	Conflict of Interests and Related Party Transactions ◊
Risk Management	Corporate Social Responsibility
Internal Audit	Data Protection
Board of Directors	Dividend
Board of Directors' Charter ☼	Environmental
Letter of Appointment	Equal Opportunity
Board and Director Self-assessment Questionnaire	Executive Leave
Board Committees Self-assessment Questionnaires	Health & Safety
Board of Directors and Key Executives Succession Planning	Nomination
Board Strategic Plan	Procurement
Corporate Governance and Compliance	Remuneration
Corporate Governance Committee Charter ☼	Risk Management
Statement on Corporate Governance	Share Dealing
Corporate Governance Programme	Cookies and Privacy ☼
Compliance	
Compliance Officer Accountabilities	
Professional Standards and Guidelines for Compliance Officers	
Fondation Constance Charter	
Nomination & Remuneration	
Nomination & Remuneration Committee Charter ☼	
Codes and Other Documents	
Code of Ethics and Conduct	
Code of Ethics and Conduct for Directors ◊	
Code of Ethics and Conduct for Business Partners	
IT Code of Practice ◊	
Position Statements ☼	

☼ Full version available on the Company's website ◊ Summarised version available on the Company's website

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.4 Charters, Policies and Codes (continued)

Code of Ethics and Conduct

The Company is committed to a code of ethics and conduct, which is outlined in its general Code of Ethics and Conduct, as well as in its Code of Ethics and Conduct for Directors. These documents are comprehensive statements of the guiding principles of conduct, which the Company expects its Directors and employees to observe in the discharge of their responsibilities. These codes state the high moral, ethical and legal standards which the Company maintains and under which it carries out its business. It states publicly to all the Company's stakeholders the standards of behaviour they can expect from the Company's Directors and employees. The Board regularly monitors and evaluates compliance with the Company's Code of Ethics and Conduct.

Conflict of Interests and Related-Party Transactions

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

The Audit (Risk Management) Committee reviews with Management and the External Auditors, any potential Conflict of Interests and Related-Party transactions to ensure that the disclosure requirements are met. The related-party transactions are disclosed on pages 108 and 109 of the Annual Report. These transactions were conducted in accordance with the Company's Conflict of Interests and Related-Party Transactions Policy, and Code of Ethics and Conduct for Directors.

Whistleblowing

The Company has in place a process whereby any employee may report matters of suspected misconduct or malpractice within the Company, without the risk of subsequent victimisation, discrimination or disadvantage.

6.5 Audit

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. The Internal Auditors are entrusted with the responsibility of appraising the Company's policies, procedures and the operating, financial and management controls to ensure that the business is properly managed and that effective controls are promoted and implemented at reasonable cost.

The Internal Auditors report to the Constance Group CEO; they also have a functional reporting line to the Audit (Risk Management) Committee.

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

The Company's Internal Audit function is outsourced to Messrs. PricewaterhouseCoopers (PwC) on a three-year contract, which was last renewed on 1 January 2020. The Audit (Risk Management) Committee regularly assesses the performance of the Internal Auditors and is satisfied with their effectiveness and independence.

The annual internal audit plan, which is approved by the Constance Group CEO and ratified by the Audit (Risk Management) Committee, is based on the principles of risk management, to align the coverage and effort with the degree of risk attributable to the areas audited. High-risk issues, together with internal audit recommendations, are tabled during the Audit (Risk Management) Committee meetings, where management comments and implementation plans are also discussed. The progress in the audit plan is also analysed and gaps, if any,

CORPORATE GOVERNANCE REPORT

6. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

6.5 Audit (continued)

Internal Audit (continued)

are explained to the Committee. During 2020, the audit exercise had met some delays due to lockdown as a result of the Covid-19 pandemic. Accordingly, the 2020 internal audit plan, was integrated in the Internal Audit Plan 2021. The report will be presented to the Committee in 2022.

External Audit

The Audit (Risk Management) Committee makes recommendations to the Board in relation to the appointment, remuneration, termination and oversight of the External Auditor. The latter provides an independent opinion on the Company's annual report, including its Corporate Governance report and financial statements.

The Audit (Risk Management) Committee also ensures that key partners, within the appointed External Audit firm, are rotated from time to time. Moreover, in order to ascertain that the provision of non-audit services by the External Auditor does not impair its independence and objectivity, such non-audit services are required to be pre-approved by the Audit (Risk Management) Committee and undertaken by a different partner.

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

- Expertise and reputation of the accountancy firm;
- Access to expert international accounting standards, and to research relevant to the industry, demonstrable audit quality-control processes and substantial resources to carry out the assignment;
- Competitive fees;
- Ethics, safeguard of objectivity and independence;
- Absence of any conflict of interests;
- Specific knowledge of the industry and business of the firm by the partner;

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

i. Appointment of the External Auditor lies within the Board's scope of responsibility; it is subject to the approval of shareholders;
ii. The review of the External Auditor's performance and independence lies within the Audit (Risk Management) Committee's scope of responsibility. The Committee also benchmarks the cost and scope of the external audit engagement prior to their appointment and thereon annually;
iii. The appointed External Auditor is required to present to Management an annual external audit proposal;
iv. In consultation with the Audit (Risk Management) Committee, Management approves the scope of the audit, the terms of the annual engagement letter and the audit fees;
v. The External Auditor prepares the annual engagement letter in conjunction with Management;
vi. Upon engagement, the External Auditor has unfettered access to Management, staff, records and company facilities, and is allowed a reasonable and agreed timeframe to conduct its audit.

Prior to the approval of the present audited financial results by the Board, the External Auditor was invited to attend the Audit (Risk Management) Committee meeting to review all matters related to the audit, covering accounting principles and critical policies, judgements and estimates. The Audit (Risk Management) Committee discussed with the External Auditor and Management, matters of significance regarding policies and accounting treatments. It ensured that it was satisfied that these matters had been appropriately addressed. The External Auditor has direct access to the Audit (Risk Management) Committee, should it wish to discuss any matter privately. The External Auditor also reviewed and approved the Company's Corporate Governance Report for the year under review.

To comply with the provisions of the Financial Reporting Act 2004 (amended in 2016), Ernst & Young has been appointed the external auditors of the Company and Group at the Annual Meeting of Shareholders held on 30 September 2020, in replacement of BDO & Co.

CORPORATE GOVERNANCE REPORT

7. RELATIONS WITH KEY STAKEHOLDERS

7.1 Shareholding Spread

Size of shareholding	Number of shareholders	Number of shares owned	Percentage shareholding
1–500	256	35,278	0.735
501 – 1,000	43	33,395	0.696
1,001 – 5,000	74	169,129	3.524
5,001 – 10,000	7	54,411	1.134
10,001 – 50,000	8	201,528	4.199
50,001 – 100,000	6	421,927	8.790
100,001 – 250,000	7	942,236	19.630
250,001 – 500,000	2	640,425	13.342
Over 500,000	3	2,301,671	47.950
Total	**406**	**4,800,000**	**100.000**

Shareholder category	Number of shareholders	Number of shares owned	Percentage shareholding
Individuals	350	2,316,417	48.259
Pension and Provident Funds	5	468,618	9.763
Investment and Trust Companies	1	1	0.000
Other Corporate Bodies	50	2,014,964	41.978
Total	**406**	**4,800,000**	**100.000**

7.2 Substantial Shareholders

As of 31 December 2021, the substantial shareholders of the Company were as follows:

SHAREHOLDERS	%
Société des Fraisiers	18.71
Manvest Limited	16.32
Mrs Josiane REY	12.92
Swan Life Ltd	9.76
Estate J. Clément REY	8.08
Mrs Nicole VALLET	5.26

7.3 Shareholders' Agreement

The Company is aware of a Protocole d'accord that exists between four of its main shareholders, and which principally governs the allocation amongst them of certain seats on the Company's Board. The Company's Nomination & Remuneration Committee ensures that the nominees meet the criteria prescribed by the Companies Act 2001, the National Code of Corporate Governance for Mauritius (2016) and the Company's Director Nomination Policy, and that they are able to discharge their responsibilities effectively and in a transparent manner for the benefit of the Company as a whole.

7.4 Dividend Policy

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.

CORPORATE GOVERNANCE REPORT

7. RELATIONS WITH KEY STAKEHOLDERS (continued)

7.5 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.

7.6 Management Services Agreement

The Company has a management services agreement with Constance Corporate Management Limited (CCM), in which the Company holds a 50% interest at year-end. Under this agreement, CCM provides a wide range of corporate and management 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, and technical support. The fees charged are based on a percentage mix of net asset value, market capitalisation and net profit. The fees amounted to MUR 14.16 million for the year under review.

7.7 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 or substantial Shareholder of the Company was materially interested, either directly or indirectly.

7.8 Stakeholder Engagement

Constance La Gaieté Company Limited is committed to delivering sustainable economic and social value to its stakeholders. In doing so, we believe that it is a sine qua non that we regularly engage with our stakeholders and actively listen to their views, needs and feedback in order to formulate and execute effective and efficient strategies.

During the year under review, the Company engaged in dialogues with relevant key stakeholders on topics, such as performance, potential projects, financial situations and general outlook.

The Company's engagement modes are summarised in the following Stakeholder Engagement Matrix.

Stakeholders	Expectations	Mode of Engagement/Communication	Frequency
Shareholders	Sustainable returns on investment through: • Effective and efficient growth strategies • Sound management of financial and risk-related matters • Enhanced competitiveness through diversification moves • Responsible business practices	- Annual Report - Annual Meeting of shareholders - Quarterly financial statements published in newspapers and on the website of the Stock Exchange of Mauritius (SEM) - Communiqués in the press and on the website of the Stock Exchange of Mauritius (SEM) - Website	Annual Annual Quarterly As and when required Ongoing
Suppliers/ Contractors	Long-term business relationships through: • Favourable terms • Mutual respect	Contracts	Ongoing

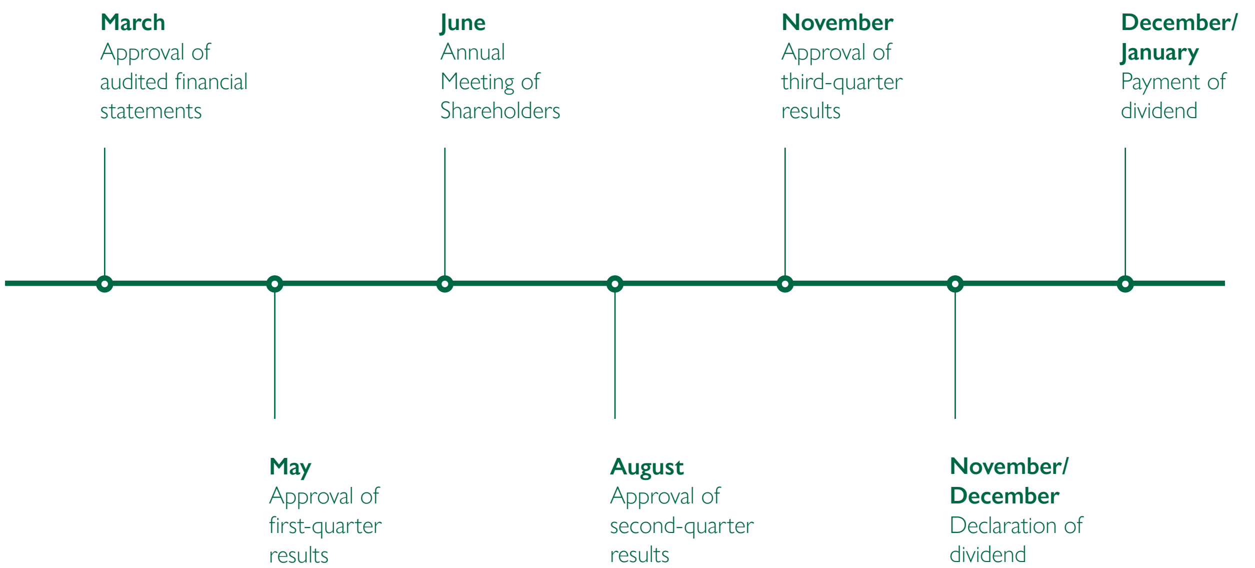
CORPORATE GOVERNANCE REPORT

7. RELATIONS WITH KEY STAKEHOLDERS (continued)

7.8 Stakeholder Engagement (continued)

Stakeholders	Expectations	Mode of Engagement/Communication	Frequency
Local Communities & NGOs	• Responsible business practices, taking into consideration social and environmental issues. • Contribution to the economic and social progress of local communities. • Responsiveness to material issues raised by the local communities. • Compliance with all applicable laws and regulations.	Support to NGOs: Étoile de Mer School, SAFIRE, Friends of the Poor and Centre d'Accueil de Terre-Rouge.	Ongoing
Government and Regulators	• Compliance with all applicable laws and regulations.	Regulatory filings: Registrar of Companies, Stock Exchange of Mauritius, Financial Services Commission, Financial Reporting Council, Mauritius Revenue Authority, Data Protection Office, Ministry of Labour, Industrial Relations and Employment.	As applicable

7.9 Timetable – Important Events



Note: The Events can be subject to change.

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE VALUES

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, ensure a healthy and safe workplace, quality and job-related training; and to protect and preserve the environment in which its member companies operate, through efficient resource management and utilisation. The Group also plays an active role in poverty eradication and the furtherance of a sustainable society, through social contribution programmes.

In recent years, Constance Group has more closely aligned its social and environmental responsibilities with its business strategy to reflect the Group's vision and values in a relevant manner. Its ultimate objective, in doing so, is to fully instil its values into the business practices of its member companies, with emphasis on the effective management of their economic, social and environmental obligations.

SHAREHOLDERS

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

The Board is committed to promoting an open and transparent communication with its shareholders to ensure they receive the correct and adequate information while upholding a dependable relationship with them. Communication with the Company's shareholders has been enhanced as a comprehensive set of corporate documents and publications can be accessed through its website in a timely manner.

EMPLOYEES

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

CONTRACTORS AND SUPPLIERS

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

CODE OF ETHICS AND CONDUCT

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

HEALTH & SAFETY

The Company has a part-time Health & Safety (H&S) Officer and implements appropriate policies. The Health & Safety Officer is tasked with ensuring that employees and Management are fully aware of the risks at the workplace, the company's safety guidelines are adhered to by identifying the critical risk controls related to individual work practices, monitoring activities, and verifying the controls' effectiveness, so that every single employee develops and embraces a safety culture around their actions and operations and can 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 across its operations.

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY

Mission

As part of its mission, the Company cares for the well-being and development of its operations' neighbouring communities. The Company considers its Corporate Social Responsibility (CSR) involvement and contributions as investments that bolster the sustainable development of the community.

Fondation Constance

Fondation Constance is the entity that is responsible for the implementation of Constance Group's CSR programmes, through its Steering Committee. The latter reports to the Corporate Governance Committee, which recommends the approval of the foundation's annual programme to the Board and monitors its performance on a quarterly basis.

Objectives

Constance Group's CSR policy is guided by a set of three objectives:

Objective 1
Care for the well-being and development of the community in which it operates, including the environment.

Objective 2
Ensure that the Group's involvement and contribution can make a difference.

Objective 3
Establish that Corporate Social Responsibility is not charity, but an investment intended to bear a positive and sustainable impact on the community.

Whilst Fondation Constance extends its commitments to high-impact projects at national level, it tends to give priority to projects in the region in which its Group member companies operate. This gives the Group a wider opportunity to reach out to its local stakeholders.

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY (continued)

Donation Policy

The Group's allocation of funds follows a specific donation policy that is meant to:

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

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Under the aegis of Fondation Constance	**850**	100	**850**	100
Others	**6**	72	**6**	72
Total	**856**	172	**856**	172

Fund Allocation of Fondation Constance

During 2021, the Covid-19 pandemic continued to significantly impact on Constance Group of Companies, leading to considerable cuts in the contributions made to Fondation Constance.

Consequently, Fondation Constance reviewed its priorities and allocated the available financial resources to fund projects in three focus areas, namely Education & Training, Socio-economic Development and Health.

Fund Allocation by Focus Area, Year Ended 31 December 2021

64.47%	21.37%	14.16%
EDUCATION & TRAINING	HEALTH	SOCIO-ECONOMIC DEVELOPMENT

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY (continued)

EDUCATION & TRAINING

Taking into consideration that Education & Training has been among the priority areas of the Constance Group of Companies for years Fondation Constance continued to commit support to the following:

Étoile de Mer

An NGO dedicated to the development of quality non-formal education programmes for 40 underprivileged children excluded from the formal education system.

Friends of the Poor

Schooling support was sponsored for 10 underprivileged children from the eastern region of Mauritius.

Primary PSAC School

Fondation Constance believes in the empowerment of communities through education. Scholarships are awarded annually to the four best Primary School Achievement Certificate (PSAC) pupils from the Poste de Flacq Government and RCA schools, to cover their secondary studies and enhance equitable and quality secondary education, leading to relevant and effective learning outcomes. Over the years, many of Fondation Constance's beneficiaries have succeeded in accessing university education.

Les Amis de Zippy project

Through a special event organised by Fondation Constance and employees of the Group, funds were raised to support "Les Amis de Zippy" project, which aims at promoting the mental health of children of Queen Victoria RCA and Poste-de-Flacq RCA, through a variety of activities.

SOCIO-ECONOMIC DEVELOPMENT

Service d'Accompagnement, de Formation, d'Insertion et Réhabilitation de l'Enfant (SAFIRE)

Fondation Constance had renewed its financial support to SAFIRE, an NGO engaged in the promotion of the rights of street children. This collaboration targets children living in the regions where member companies of the Constance Group operate.

HEALTH

Centre d'Accueil de Terre-Rouge (CATR)

Fondation Constance financially supported the CATR, an NGO expert in counselling drug addicts and also developing a programme to strengthen the prevention and treatment of substance abuse in the region.

Counselling and sensitisation sessions continued to be offered to the community by CATR in 2021. Youngsters from the East have benefited from the 'Art Therapy' sessions at Rivière-Citron.

OTHER STATUTORY DISCLOSURES
(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits paid to the Directors during the year under review by the Company and its subsidiaries were as follows:

Remuneration and benefits (MUR'000)	From the Holding Company	From Subsidiaries	Total
Non-Executive/Independent			
George J. DUMBELL – Chairman	230	-	230
Nicolas BOULLÉ	90	-	90
Marc FREISMUTH	160	-	160
Roger KOENIG	165	-	165
Christian MAROT	90	-	90
Maxime REY	145	-	145
Georgina ROGERS	150	-	150
Jean-Jacques VALLET	90	-	90
Noël Adolphe VALLET	145	-	145
Total Non-Executive/Independent	**1,265**	**-**	**1,265**
Executive			
Clément D. REY	90	-	90
Jean RIBET	-	-	-
Total Executive	**90**	**-**	**90**
Total	**1,355**	**-**	**1,355**

DIRECTORS' SERVICE CONTRACTS

Mr George J. Dumbell, Chairman of the Company, has a two-year service contract which expires on 31 December 2023.
The other Directors do not have service contracts with the Company, but letters of appointment.

DIRECTORS OF SUBSIDIARIES

Name of Director	Compagnie de Cheops Ltée	Le Comptoir de l'Est Ltée
Jean RIBET	*	*
Kevin CHAN TOO	*	*
Clément D. REY	*	*

AUDITORS' REMUNERATION

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

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Audit fees paid to:				
Ernst & Young	**1,250**	1,035	**1,250**	1,035

STATEMENT OF DIRECTORS' RESPONSIBILITIES
(in Respect of Financial Statements)

The Directors acknowledge their responsibilities for:

i. Adequate accounting records and maintenance of effective internal control systems;
ii. The preparation of financial statements, which fairly present the state of affairs of the Company, as at the end of the financial year, and the results of its operations and cash flows for that period, in compliance with International Financial Reporting Standards (IFRS);
iii. The selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

i. Adequate accounting records and an effective system of internal controls and risk management have been maintained;
ii. Appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been used consistently;
iii. International Financial Reporting Standards have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified;
iv. The Code of Corporate Governance has been adhered to in all material aspects, and reasons provided for non-compliance.

Approved by the Board of Directors on and signed on its behalf by:

George J. Dumbell (s)
Chairman

Jean Ribet (s)
Executive Director
Constance Group Chief Executive Officer

29 April 2022

COMPANY SECRETARY'S CERTIFICATE

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 2001.

Marie-Anne Adam, ACIS (s)
For ECS Secretaries Ltd
Secretaries

29 April 2022

INDEPENDENT AUDITOR'S REPORT
(to the Members of Constance La Gaieté Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Constance La Gaieté Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 55 to 111 which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 31 December 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT
(to the Members of Constance La Gaieté Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of retirement benefit obligations The retirement benefit obligation of the Group and the Company amount to MUR 201 million. Management has applied judgement in determining the retirement benefits and has involved an actuary to assist with the computation of IAS 19 provisions and disclosures. The recent Covid-19 pandemic has heightened the level of uncertainty in the economic environment thus requiring even more judgement to be applied in determining key assumptions such as the discount rates, salary increases and pension increases. As the setting of the assumptions for the computation is complex and requires significant judgment and as changes in these assumptions could lead to a material movement in the financial statements of the Group and the Company, we have considered this as a key audit matter. A sensitivity analysis on key assumptions is set out in Note 21 to the financial statement.	Our audit procedures included the following: • Evaluated the appropriateness of the assumptions applied in the valuation of the pension liabilities, and the information contained within the actuarial valuation reports in conjunction with our internal pension specialist team; • Assessed and challenged the assumptions made in determining the present value of the liabilities and fair value of the plan assets such as discount rate, future salary increase; • Verified the data used by the actuary with the payroll report for completeness and accuracy; • Assessed the completeness and accuracy of disclosures within the financial statements in accordance with IFRSs; • Assessed the competence, capabilities, independence and objectivity of management's independent actuary and verified the qualification of the actuary; and • Ensured reasonableness of the planned assets by obtaining independent confirmation from the fund administrators.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "CONSTANCE LA GAIETÉ COMPANY LIMITED AND ITS SUBSIDIARIES " for the year ended 31 December 2021", which includes the Directors' Report, the Secretary's Certificate, the Corporate Governance Report and other Statutory disclosures as required by the Companies Act 2001. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

INDEPENDENT AUDITOR'S REPORT
(to the Members of Constance La Gaieté Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and 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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

INDEPENDENT AUDITOR'S REPORT
(to the Members of Constance La Gaieté Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

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

We also provide the Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

Use of Our Report

This report is made solely to the Company's members, 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

We have obtained all the 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.

ERNST & YOUNG (s)
Ebène, Mauritius

DAVID NG MAN CHUEN, F.C.C.A. (s)
Licensed by FRC

29 April 2022

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021

	Notes	THE GROUP 2021 MUR'000	THE GROUP 2020 MUR'000	THE COMPANY 2021 MUR'000	THE COMPANY 2020 MUR'000
Assets					
Non-current assets					
Property, plant and equipment	5	**482,661**	393,552	**479,010**	392,391
Rights of use assets	6	**7,859**	-	**7,859**	-
Investment properties	7	**204,414**	201,850	**204,414**	201,850
Intangible assets	8	**-**	41	**-**	41
Investments in subsidiary companies	9	**-**	-	**4,495**	2,495
Investments in associates	10	**69,969**	68,503	**52,671**	78,610
Financial assets at fair value through other comprehensive income	11	**48,420**	42,588	**48,399**	42,567
Deferred tax assets	12	**36,511**	57,979	**36,511**	57,979
		849,834	764,513	**833,359**	775,933
Current assets					
Consumable biological assets	13	**40,265**	15,936	**40,265**	15,936
Inventories	14	**163,479**	90,038	**163,306**	90,038
Trade receivables	15	**98,889**	81,789	**98,889**	81,789
Other financial assets at amortised cost	16	**1,134**	3,022	**1,328**	3,027
Other assets	17	**73,423**	68,135	**71,466**	66,308
Cash in hand and at bank	31(b)	**2,481**	1,559	**1,430**	1,487
		379,671	260,479	**376,684**	258,585
Assets classified as held for sale	18	**130**	1,943	**91**	1,904
Total assets		**1,229,635**	1,026,935	**1,210,134**	1,036,422
Equity and Liabilities					
Capital and reserves					
Stated capital	19	**120,000**	120,000	**120,000**	120,000
Reserves		**(78,262)**	(143,858)	**(62,107)**	(125,693)
Retained earnings		**443,625**	233,954	**410,350**	225,940
Total equity		**485,363**	210,096	**468,243**	220,247
Non-current liabilities					
Borrowings	20	**162,440**	167,573	**162,440**	167,573
Lease liabilities	6	**6,656**	-	**6,656**	-
Retirement benefit obligations	21	**201,186**	271,483	**201,186**	271,483
		370,282	439,056	**370,282**	439,056
Current liabilities					
Trade and other payables	22	**93,467**	61,059	**91,086**	60,401
Contract liabilities	22A	**90,042**	89,476	**90,042**	89,476
Borrowings	20	**188,727**	227,248	**188,727**	227,242
Lease liabilities	6	**1,754**	-	**1,754**	-
		373,990	377,783	**371,609**	377,119
Total liabilities		**744,272**	816,839	**741,891**	816,175
Total equity and liabilities		**1,229,635**	1,026,935	**1,210,134**	1,036,422

These financial statements have been approved for issue by the Board of Directors on 29 April 2022.

George J. Dumbell (s)
Chairman

Jean Ribet (s)
Executive Director
Group Chief Executive Officer

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

STATEMENTS OF PROFIT OR LOSS
Year ended December 31, 2021

		THE GROUP		THE COMPANY	
	Notes	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Revenue from contracts with customers	23	**286,234**	234,950	**284,429**	234,212
Other operating revenue	24	**29,628**	26,278	**29,628**	26,278
Total revenue		**315,862**	261,228	**314,057**	260,490
Operating expenses	25	**(299,294)**	(280,503)	**(297,282)**	(279,753)
Changes in fair value of consumable biological assets	13	**24,329**	239	**24,329**	239
Impairment reversal/(charge) on bearer of biological assets	5	**18,199**	(3,041)	**18,199**	(3,041)
Expected credit losses	15(ii)	**(2,276)**	(5,593)	**(2,276)**	(5,593)
Operating profit/(loss)		**56,820**	(27,670)	**57,027**	(27,658)
Other income	26	**163,300**	26,518	**166,708**	47,764
Profit/(loss) from ordinary activities		**220,120**	(1,152)	**223,735**	20,106
Impairment on subsidiary	9	**-**	-	**-**	(4,030)
Impairment on associates	10	**(5,283)**	-	**(21,965)**	(52,412)
Share of profit in associates	10	**12,194**	38,989	**-**	-
		227,031	37,837	**201,770**	(36,336)
Finance income	27A	**9,505**	10,383	**9,505**	10,383
Finance costs	27	**(17,226)**	(16,708)	**(17,226)**	(16,708)
Profit/(loss) before tax		**219,310**	31,512	**194,049**	(42,661)
Taxation	28	**(9,639)**	1,609	**(9,639)**	1,609
Profit/(loss) for the year		**209,671**	33,121	**184,410**	(41,052)
Basic earnings/(loss) per share (MUR)	29	**43.68**	6.90	**38.42**	(8.55)

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

Year ended December 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Profit/(loss) for the year		**209,671**	33,121	**184,410**	(41,052)
Other comprehensive loss:					
Items that will not be reclassified to profit or loss:					
Remeasurements of post employment benefit obligations	21(vi)	**69,583**	(64,978)	**69,583**	(64,978)
Deferred tax on remeasurements of defined benefit obligations	12(b)	**(11,829)**	11,046	**(11,829)**	11,046
Changes in fair value of equity instruments at fair value through other comprehensive income	11	**5,832**	(11,312)	**5,832**	(11,312)
Share of other comprehensive income of associates	10	**2,010**	(4,937)	**-**	-
Other comprehensive income/(loss) for the year, net of tax		**65,596**	(70,181)	**63,586**	(65,244)
Total comprehensive income/(loss) for the year		**275,267**	(37,060)	**247,996**	(106,296)

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

STATEMENTS OF CHANGES IN EQUITY
Year ended December 31, 2021

THE GROUP	Stated capital MUR'000	Fair value reserve MUR'000	Reserve of associated companies MUR'000	Other reserves (Note 30) MUR'000	Retained earnings MUR'000	Actuarial loss reserves MUR'000	Total MUR'000
Balance at January 1, 2021	120,000	2,300	(18,186)	12,527	233,954	(140,499)	210,096
Profit for the year	-	-	-	-	209,671	-	209,671
Other comprehensive income for the year	-	5,832	2,010	-	-	57,754	65,596
Total comprehensive income	-	5,832	2,010	-	209,671	57,754	275,267
Balance at December 31, 2021	**120,000**	**8,132**	**(16,176)**	**12,527**	**443,625**	**(82,745)**	**485,363**

THE GROUP	Stated capital MUR'000	Fair value reserve MUR'000	Reserve on consolidation MUR'000	Reserves of associated companies MUR'000	Other reserves (Note 30) MUR'000	Retained earnings MUR'000	Actuarial loss reserve MUR'000	Total MUR'000
Balance at January 1, 2020	120,000	13,612	361	(13,249)	159,583	53,416	(86,567)	247,156
Profit for the year	-	-	-	-	-	33,121	-	33,121
Other comprehensive loss for the year	-	(11,312)	-	(4,937)	-	-	(53,932)	(70,181)
Total comprehesive (loss)/income	-	(11,312)	-	(4,937)	-	33,121	(53,932)	(37,060)
Transfer of other reserves to retained earnings *	-	-	(361)	-	(147,056)	147,417	-	-
Balance at December 31, 2020	120,000	2,300	-	(18,186)	12,527	233,954	(140,499)	210,096

* The revaluation reserve surplus arose on revaluation made prior to adoption of IFRS in 2001. After the adoption of IFRS, the land is kept using cost model. The revaluation reserve is being transferred to retained earnings. The reserve on consolidation has been transferred to retained earnings.

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

STATEMENTS OF CHANGES IN EQUITY
Year ended December 31, 2021

THE COMPANY	Stated capital MUR'000	Fair value reserve MUR'000	Other reserves (Note 30) MUR'000	Retained earnings MUR'000	Actuarial loss reserve MUR'000	Total MUR'000
Balance at January 1, 2021	120,000	2,279	12,527	225,940	(140,499)	220,247
Profit for the year	-	-	-	184,410	-	184,410
Other comprehensive income for the year	-	5,832	-	-	57,754	63,586
	-	5,832	-	184,410	57,754	247,996
Balance at December 31, 2021	**120,000**	**8,111**	**12,527**	**410,350**	**(82,745)**	**468,243**
Balance at January 1, 2020	120,000	13,591	159,583	119,936	(86,567)	326,543
Loss for the year	-	-	-	(41,052)	-	(41,052)
Other comprehensive loss for the year	-	(11,312)	-	-	(53,932)	(65,244)
	-	(11,312)	-	(41,052)	(53,932)	(106,296)
Transfer of other reserves to retained earnings *	-	-	(147,056)	147,056	-	-
Balance at December 31, 2020	120,000	2,279	12,527	225,940	(140,499)	220,247

* The revaluation reserve surplus, included in "Other reserves", arose on revaluation made prior to adotion of IFRS in 2001. After the adoption of IFRS, the land is kept using cost model. Prior to 2020, the reserve was being reversed to retained earnings upon disposal of these land. The reserve is being transferred to retained earnings in financial year 2020.

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

STATEMENTS OF CASH FLOWS
Year ended December 31, 2021

		THE GROUP		THE COMPANY	
	Notes	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Cash flows from operating activities					
Cash used in operations	31(a)	**(26,828)**	(55,747)	**(28,303)**	(55,742)
Interests received		**11,372**	8,515	**11,372**	8,515
Interests paid		**(21,456)**	(12,081)	**(21,456)**	(12,081)
Interests paid on lease liabilities	6	**(289)**	-	**(289)**	-
Tax paid		**(913)**	(417)	**(913)**	(417)
Net cash used in operating activities		**(38,114)**	(59,730)	**(39,589)**	(59,725)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	**(90,423)**	(24,653)	**(87,933)**	(24,653)
Purchase of investment property	7	**(67)**	(41)	**(67)**	(41)
Purchase of investment in subsidiary	9	**-**	-	**(2,000)**	-
Purchase of investment in associates	10(a)(ii)	**-**	(3,122)	**-**	(3,122)
Proceeds from capital reduction in associates	10(a)(ii)	**3,974**	-	**3,974**	-
Proceeds from sales of property, plant and equipment		**2,778**	861	**2,778**	861
Proceeds from sales of agricultural land		**163,417**	28,964	**163,417**	28,964
Dividends received		**4,183**	21,317	**4,183**	21,315
Net cash generated from investing activities		**83,862**	23,326	**84,352**	23,324
Cash flows from financing activities					
Proceeds from borrowings	31(c)	**75,000**	-	**75,000**	-
Payments of borrowings	31(c)	**(40,870)**	(11,680)	**(40,870)**	(11,680)
Principal paid on lease liabilities	6	**(1,172)**	-	**(1,172)**	-
Net cash generated from/(used in) financing activities		**32,958**	(11,680)	**32,958**	(11,680)
Net increase/(decrease) in cash and cash equivalents		**78,706**	(48,084)	**77,721**	(48,081)
At January 1,		**(84,806)**	(36,722)	**(84,872)**	(36,791)
At December 31,	31(b)	**(6,100)**	(84,806)	**(7,151)**	(84,872)

The notes on pages 61 to 111 form an integral part of these financial statements.
Auditor's report on pages 50 to 53.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

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 approval at the forthcoming Annual Meeting of shareholders of the Company.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	Effective for accounting period beginning on or after
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	January 1, 2021
- Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16	April 1, 2021

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

These amendments had no impact on the consolidated financial statements of the Group.

2.1 NEW AND AMENDED 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, 2021 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:

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The Group is still assessing the impact on the financial statements.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in statement of profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Group is still assessing the impact.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Management is still assessing the impact of these amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. Management is still assessing the impact that the standard will have on the performance of the financial statements.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (continued)

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The standard will not have any impact on the Group.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is still assessing the impact the amendments on the financial position.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments are applicable for the annual period beginning on or after January 1, 2023.

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.

2.2. 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). 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 basis, except that:

(i) land is carried at deemed cost for acquistion made prior 1990.

(ii) relevant financial assets and liabilities are stated at their fair value; and

(iii) consumable biological assets are stated at fair value less costs to sell.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) **Basis of preparation** (continued)

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.

(b) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(c) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost except for freehold land less accumulated depreciation and impairment. For all purchase of land made before 1990, the land is stated at deemed cost. For acquisition made after 1990, the land is kept at cost. Capitalised cost includes expenditure that is directly attributable to the acquisition of the items or improvement of the land. Both improvement to land and land development project are stated at cost. Land is not depreciated.

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. All other repairs and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **Property, plant and equipment** (continued)

Bearer plants

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

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

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

Land is not depreciated.

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

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

(d) **Investment properties**

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

The principal annual rates used are as follows:

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

Gains and losses on disposal of investment property are determined by reference to their carrying amount and recognised in profit or loss.

An entity shall transfer a property to, or from investment property when, and only when there is a change in use. A change in use occurs when the propery meets, or ceases to meet the definition of investment property and there is evidence of the change in use.

(e) **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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) **Investments in subsidiary companies**

Separate financial statements of the investors

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

Consolidated financial statements

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

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

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

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

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

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.

(g) **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. 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) **Investments in associates** (continued)

Consolidated financial statements

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

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

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

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

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

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

(h) **Financial assets**

Initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

i.i The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

i.ii The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost includes trade receivables, other financial assets at amortised cost and other assets and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) **Financial assets** (continued)

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. They are initially recognised at their transaction price.

Financial assets at amortised cost generally arise from transactions outside the trading activities of the Group. Where applicable, interest may be charged at commercial rates where the terms of repayment exceed one year. There are no collateral for those receivables.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and for the purpose of the statement of cash flows, bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(ii) Fair value through other comprehensive income

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

Expected credit loss allowance for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such allowances are recorded in profit or loss. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) **Financial assets** (continued)

Impairment of financial assets (continued)

Expected credit loss for receivables from related parties and loans to related parties are recognised based on a forward- looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which the credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Factors that the Group considers when assessing default are described in Note 3.1.

The Group and the Company recognises an allowance for expected credit losses (ECLs) for the other financial assets at amortised cost and financial assets within other assets and cash at bank are subject to ECL under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The Company assesses an increase in significant risk when it determines the repayment capabilities of the subsidiary companies have deteriorated due to the global pandemic.

(i) **Financial liabilities**

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, interest-bearing loans and borrowings, trade and other payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings including bank overdrafts.

Subsequent measurement

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

This category generally applies to trade and other payables and borrowings.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) **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.

(l) **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.

(m) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.

(n) **Current and deferred income tax**

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

Current tax

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

Deferred tax

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

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

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

Deferred 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whole objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) **Current and deferred income tax** (continued)

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the Statement of Comprehensive Income and the income tax liability on the Statement of Financial Position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

(o) **Biological assets**

Standing sugar cane crop

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

Consumable biological assets

Consumable biological assets relate to livestock that are stated at their fair value being the expected net sales proceeds. Changes in fair value of consumable biological assets are recognised in profit or loss.

(p) **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.

Land development inventories

Land development inventories consist of cost of land and related expenditure incurred in bring the land to saleable condition. Land development inventories are measured at the lower of cost or net realisable value.

(q) **Retirement benefit plans**

Defined benefit plan

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) **Retirement benefit plans** (continued)

Unfunded plans/ Gratuity on retirement

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 Workers Rights Act 2019 is calculated by a (qualified) actuary and provided for. The obligations arising under this item are not funded.

(r) **Dividend distribution**

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

(s) **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 statement of profit or loss.

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

(t) **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) **Leases** (continued)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicles 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Refer to Note 6 for more details.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership basis over the lease terms and included as other operating revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other operating revenue in the period in which they are earned.

(u) **Revenue recognition**

Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of goods and services in each such contract. The revenue amounts that are recognised reflect the consideration, net of discounts and applicable taxes, to which the Company expects to be entitled in exchange for those goods and services.

Revenue from the sale of products is recognised when a customer obtains control of those products, which normally is when title passes at point of delivery, based on the contractual terms of the agreements. Each such sale normally represents a single performance obligation. For contracts that contain separate performance obligations, the transaction price is allocated to those separate performance obligations by reference to their relative standalone selling prices.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) **Revenue recognition** (continued)

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue represents the gross proceeds of sugar and related products derived from sugar cane, transport services, sale of livestock and agricultural products and rental income. The gross proceeds from sugar and related products are based on the tonnage and prices communicated by the Mauritius Sugar Syndicate. Revenue from transport and sales of livestock and agricultural products are recognised at a point in time when the service is rendered or the goods transferred to the customer. Rental income is accounted for in terms of operating leases (refer to 2.2(t)).

SIFB compensation relates to compensation received from loss of revenue in respect of insurable sugar from previous crop and is accounted in the year the compensation is received.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(v) **Impairment of non financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the 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).

Impairment losses are recognised in the statements of profit or loss.

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

(w) **Provisions**

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

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

(x) **Segment reporting**

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) **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 Financial assets at fair value through other comprehensive income.

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.

(z) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is netted off against the expense over the period to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal annual amounts over the expected useful life of the related asset. In light of the COVID-19 pandemic, Wage Assistance Scheme ("WAS") was introduced by the Government of Mauritius in March 2020 to assist local companies during the lock down period in the payment of salaries to employees. Grants in respect of wages obtained under the wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate. A COVID-19 levy arises in the current year (and possibly in future periods should the entity achieve chargeable income) and is recognised as a levy payable to the tax authorities.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Board provides written principles for overall risk management as well as written policies covering specific areas of risk. It seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

The Risk Committee is responsible to monitor assets and review the risk management control and internal framework.

The Group's activities expose it to a variety of financial risks, including:

- Credit risk; and
- Market risk (including interest rate risk, currency risk and price risk)
- Liquidity risk

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments leading to a financial loss. Credit risk arises from cash at bank as well as credit exposures to customers including outstanding receivables. For banks and financial institutions, only independently rated parties and reputed financial institutions are accepted.

The Group's credit risk is primarily attributable to its trade receivables, cash at bank, other financial assets at amortised cost and other assets. The amount presented in the statement of financial position are net of allowance for expected credit losses, estimated by management based on prior experience and represents the Company's maximum exposure of credit risk. The cash at bank are held on current accounts and the expected credit loss is insignificant.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as inflation and affecting the ability of the customers to settle the receivables. In addition, the Group considers individually debtors for specific impairment when it becomes aware of the debtors' ability to meet the financial obligations. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable recovery include among others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payment when the receivables is overdue.

The Group and the Company manage the other fianncial assets at amortised costs and other assets through considering the purpose of advances and their financial position and forecasted cash flows.

The Group and the Company recognise an allowance for expected credit losses (ECLs) receivables classified as other financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Factors considered by the Group when assessing that the receivable is in default include:

(i) the balance remains due for more than one year,

(ii) the debtor is unlikely to pay its obligation in full without recourse to actions such as disposing its assets.

(iii) the financial position indicates that the debtor is in financial difficulty.

The analysis of changes in the gross amount and the corresponding ECL is disclosed in Note 16.

The Group and the Company considered the impact of COVID-19 on its financial assets. The Group segmented its trade receivables balances into categories pertaining to different sectors. Where the Group and Company considered there to be an increase in credit risks, it made adjustments to the receivable balances of these respective trade receivables to reflect the situation. The Group has also considered to extend the credit facilities of its trade receivables or agreed on a repayment plans as part of its strategy to mitigate its credit risks. The Group considered the impact of COVID-19 to have had a minimal impact on other financial assets at amortised costs and other assets.

Sales to direct customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors.

The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and the Company have policies in place to ensure that sales of products are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. In addition, the Group has the major exposure for revenue from sugar to one governmental institutions where the risk of default is remote.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

Market risk

(i) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. 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 objective is to have a mix of short term and long term borrowings so as to mitigate the interest rate risk.

At December 31, 2021, 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 1,420k (2020: decreased/increased by MUR 1,399k) mainly as a result of higher/lower interest rate expense on floating rate borrowings.

(ii) Currency risk

Although the price received for its sugar is denominated in Mauritian Rupee, the Group is indirectly exposed to foreign exchange risk. The sugar produced is sold through the Mauritius Sugar Syndicate, who uses various hedging techniques to hedge the sugar receipts. This risk affects both the crop proceeds and the fair value of the biological assets.

(iii) Equity market price risk

The Group is susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments held by the Group and classified on the statement of financial position as financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The Group's activities is also exposed to the risk that the value of the financial instruments will fluctuate as a result of changes in equity market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. If the price of securities had been 5% higher/lower as at the year end, the impact on equity would have been MUR 2,421k increase/decrease (2020: MUR 2,129k).

Liquidity risk

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

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

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

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

THE GROUP	Less than 1 year MUR'000	Between 1 and 2 years MUR'000	Between 2 and 5 years MUR'000	Over 5 years MUR'000	Total MUR'000
At December 31, 2021					
Trade and other payables	93,467	-	-	-	93,467
Contract liabilities	90,042	-	-	-	90,042
Lease liabilities	2,136	2,136	5,152	-	9,424
Borrowings	225,902	12,648	39,338	163,696	441,584
	411,547	14,784	44,490	163,696	634,517
At December 31, 2020					
Trade and other payables	61,059	-	-	-	61,059
Contract liabilities	89,476	-	-	-	89,476
Borrowings	240,884	11,858	38,453	177,227	468,422
	391,419	11,858	38,453	177,227	618,957

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

Liquidity risk (continued)

THE COMPANY	Less than 1 year MUR'000	Between 1 and 2 years MUR'000	Between 2 and 5 years MUR'000	Over 5 years MUR'000	Total MUR'000
At December 31, 2021					
Trade and other payables	91,086	-	-	-	91,086
Contract liabilities	90,042	-	-	-	90,042
Lease liabilities	2,136	2,136	5,152	-	9,424
Borrowings	225,902	12,648	39,338	163,696	441,584
	409,166	14,784	44,490	163,696	632,136
At December 31, 2020					
Trade and other payables	60,401	-	-	-	60,401
Contract liabilities	89,476	-	-	-	89,476
Borrowings	240,878	11,858	38,453	177,227	468,416
	390,755	11,858	38,453	177,227	618,293

Capital risk management

The Group's objectives when managing capital are:

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

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

The debt-to-capital ratios at December 31, 2021 and December 31, 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Total debt	**359,577**	394,821	**359,577**	394,815
Less: cash in hand and at bank	**(2,481)**	(1,559)	**(1,430)**	(1,487)
Net debt	**357,096**	393,262	**358,147**	393,328
Total equity	**485,363**	210,096	**468,243**	220,247
Total capital plus debt	**842,459**	603,358	**826,390**	613,575
Debt-to-capital ratio	**42.4%**	65.2%	**43.3%**	64.1%

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

4.1 Critical accounting estimates and assumptions

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

(a) **Impairment of financial assets**

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

(b) **Biological assets**

(i) **Bearer biological assets**

Bearer biological assets, included in property, plant and equipment, are depreciated over their expected useful life. In assessing the carrying amount of the bearer biological assets for impairment, life cycle of the ratoons, yields, estimated net revenue and a discount rate are taken into accounts.

(ii) **Consumable biological assets**

(a) *Standing Cane*

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 net cash flows have been computed by estimating revenue derived from the proceeds of the incoming crop and conditions which existed at the year end. The harvesting costs and other direct expenses are based on the yearly budgets of the Company.

(b) *Livestock*

Biological assets are recorded at fair value less costs to sell. The models made use of estimates and assumptions which include forecast sales volume, estimated price, costs, maturity of livestock and quantity at year end. Changes to those estimates and assumption could affect the reported fair value of these assets for one period to the next and are thus reviewed at each reporting date.

(c) **Retirement benefit obligations**

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, salary growth rate, pension growth rate, medical plans and expected returns. 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.

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

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(e) **Impairment of non-financial assets**

Where the recoverable amount is determined for the purpose of impairment assessment, the Group makes use of estimates and assumptions to determine the realisable value or value in use. Such estimates and assumptions involved the forecasting of cash flows, discount rates and multiples or otherwise the net assets of investee when the Group determines that such basis best reflect the recoverable amount.

(f) **Deferred tax assets arising from tax losses**

The Group has a deferred tax asset of MUR 36.5 million (2020: MUR 58.0 million) arising mainly from retirement benefit obligations. Based on management judgements and estimates of the future taxable income, we believe that the Group will be in a position to utilise the allowances up to release of those liabilities. Refer to Note 12 for more disclosures.

(g) **Going concern**

The Group and the Company has a profit of MUR 210 million (2020: MUR 33 million) and MUR 184 million (2020: Loss - MUR 41 million) respectively, arising mainly on revised framework for the remuneration of bagasse, reversal of impairment and profit on disposal of land. Both the Group and the Company have net current assets of MUR 6 million and MUR 5 million respectively (2020: Net current liabilities of MUR 117 million and MUR 119 million respectively).

In assessing the going concern, the Company has prepared cash flow forecast, including the realisation of developed land, namely Boulet Rouge phase 3, which is expected to be completed in the financial year ending December 31, 2022. Bank facilities are also available to cover to any timing difference between sales proceeds and costs to be incurred.

The Directors have concluded that the going concern assumption is appropriate in the preparation of the financial statements for the year ended December 31, 2021 and that sufficient liquidity resources will be available to continue its operation for the foreseeable future and that the settlement of liabilities and commitments will occur in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT

(a) **THE GROUP**

	Land MUR'000	Improvement 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	WIP MUR'000	Total MUR'000
Cost or Deemed Cost										
At January 1, 2020	291,083	38,399	41,059	46,077	64,055	55,378	9,343	85,979	-	631,373
Additions	-	640	13,262	188	4,110	74	191	3,475	2,713	24,653
Disposals	(4,709)	-	-	-	(626)	(3,198)	(471)	-	-	(9,004)
Assets classified as held for sale (Note 18)	(1,943)	-	-	-	-	-	-	-	-	(1,943)
Transfer to inventories (Note 14 (b))	(1,123)	-	-	-	-	-	-	-	-	(1,123)
Write off	-	-	(2,424)	-	(110)	-	-	-	-	(2,534)
At December 31, 2020	283,308	39,039	51,897	46,265	67,429	52,254	9,063	89,454	2,713	641,422
Additions	910	2,852	65,785	1,367	2,318	-	2,918	4,100	10,173	90,423
Disposals	(1,249)	-	-	-	(1,661)	(5,886)	(17)	-	-	(8,813)
Transfer to investment properties (Note 7)	-	-	(11,103)	-	-	-	-	-	-	(11,103)
Write off	-	-	(474)	(361)	-	(3,010)	-	-	-	(3,845)
At December 31, 2021	**282,969**	**41,891**	**106,105**	**47,271**	**68,086**	**43,358**	**11,964**	**93,554**	**12,886**	**708,084**
Depreciation										
At January 1, 2020	-	3,659	-	32,729	58,492	53,846	8,006	85,979	-	242,711
Charge for the year	-	1,424	-	1,318	2,053	899	388	434	-	6,516
Disposal	-	-	-	-	(626)	(3,198)	(464)	-	-	(4,288)
Write off	-	-	-	-	(110)	-	-	-	-	(110)
Impairment*	-	-	-	-	-	-	-	3,041	-	3,041
At December 31, 2020	-	5,083	-	34,047	59,809	51,547	7,930	89,454	-	247,870
Charge for the year	-	1,506	-	1,339	1,913	432	428	512	-	6,130
Disposal	-	-	-	-	(1,329)	(5,675)	(16)	-	-	(7,020)
Write off	-	-	-	(348)	-	(3,010)	-	-	-	(3,358)
Reversal of impairment*	-	-	-	-	-	-	-	(18,199)	-	(18,199)
At December 31, 2021	**-**	**6,589**	**-**	**35,038**	**60,393**	**43,294**	**8,342**	**71,767**	**-**	**225,423**
Net Book Values										
At December 31, 2021	**282,969**	**35,302**	**106,105**	**12,233**	**7,693**	**64**	**3,622**	**21,787**	**12,886**	**482,661**
At December 31, 2020	283,308	33,956	51,897	12,218	7,620	707	1,133	-	2,713	393,552

* During the year ended December 31, 2021, the Group re-assessed the impairment losses previously recognised on bearer plants which form part of 'Agricultural products and related activities' segment. As a result of the expected increase in price of sugar and its by-products, the recoverable amount is determined based on its value in use using a discount rate of 8%, which was higher than the carrying amount that would have been determined, had no impairment loss been recognised for the bearer plant. Hence, impairment losses of MUR 18,199,000 previously recognised was reversed in statements of profit or loss. For financial year 2020, impairment assessment was based on value in use method. The significant assumption is that the expected costs exceeded proceeds, the balance is fully impaired.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(b)

THE COMPANY	Land MUR'000	Improvement 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	WIP MUR'000	Total MUR'000
Cost or Deemed cost										
At January 1, 2020	289,883	38,399	41,059	43,497	63,828	53,963	7,568	85,979	-	624,176
Additions	-	640	13,262	188	4,110	74	191	3,475	2,713	24,653
Disposals	(4,709)	-	-	-	(626)	(3,198)	(471)	-	-	(9,004)
Assets classified as held for sale (Note 18)	(1,904)	-	-	-	-	-	-	-	-	(1,904)
Transfer to inventories (Note 14 (b))	(1,123)	-	-	-	-	-	-	-	-	(1,123)
Write off	-	-	(2,424)	-	(110)	-	-	-	-	(2,534)
At December 31, 2020	282,147	39,039	51,897	43,685	67,202	50,839	7,288	89,454	2,713	634,264
Additions	910	2,852	65,785	1,367	2,318	-	428	4,100	10,173	87,933
Disposals	(1,249)	-	-	-	(1,661)	(5,886)	(17)	-	-	(8,813)
Transfer to investment properties (Note 7)	-	-	(11,103)	-	-	-	-	-	-	(11,103)
Write off / Amount expensed	-	-	(474)	(361)	-	(3,010)	-	-	-	(3,845)
At December 31, 2021	**281,808**	**41,891**	**106,105**	**44,691**	**67,859**	**41,943**	**7,699**	**93,554**	**12,886**	**698,436**
Depreciation										
At January 1, 2020	-	3,659	-	30,405	57,970	52,431	6,270	85,979	-	236,714
Charge for the year	-	1,424	-	1,318	2,053	899	388	434	-	6,516
Disposal	-	-	-	-	(626)	(3,198)	(464)	-	-	(4,288)
Write off	-	-	-	-	(110)	-	-	-	-	(110)
Impairment *	-	-	-	-		-	-	3,041	-	3,041
At December 31, 2020	-	5,083	-	31,723	59,287	50,132	6,194	89,454	-	241,873
Charge for the year	-	1,506	-	1,339	1,913	432	428	512	-	6,130
Disposal	-	-	-	-	(1,329)	(5,675)	(16)	-	-	(7,020)
Write off	-	-	-	(348)	-	(3,010)	-	-	-	(3,358)
Reversal of impairment *	-	-	-	-	-	-	-	(18,199)	-	(18,199)
At December 31, 2021	**-**	**6,589**	**-**	**32,714**	**59,871**	**41,879**	**6,606**	**71,767**	**-**	**219,426**
Net Book Values										
At December 31, 2021	**281,808**	**35,302**	**106,105**	**11,977**	**7,988**	**64**	**1,093**	**21,787**	**12,886**	**479,010**
At December 31, 2020	282,147	33,956	51,897	11,962	7,915	707	1,094	-	2,713	392,391

* During the year ended December 31, 2021, the Group re-assessed the impairment losses previously recognised on bearer plants which form part of 'Agricultural products and related activities' segment. As a result of the expected increase in price of sugar and its by-products, the recoverable amount is determined based on its value in use using a discount rate of 8%, which was higher than the carrying amount that would have been determined, had no impairment loss been recognised for the bearer plant. Hence, impairment losses of MUR 18,199,000 previously recognised was reversed in statements of profit or loss and the recoverable amount as at 31 December 2021 is MUR 21.787 M.

For 2020, impairment assessment was based on value in use method. The significant assumption is that the expected costs exceeded the expected proceeds, the balance was fully impaired.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

6. RIGHT-OF-USE ASSETS

	THE GROUP AND THE COMPANY
	Motor vehicles
	2021
	MUR'000
Cost	
At January 1,	-
Additions	9,489
At December 31,	**9,489**
Depreciation	
At January 1,	-
Charge for the year	1,630
At December 31,	**1,630**
Net Book Values	
At December 31,	**7,859**

		THE GROUP AND THE COMPANY
		Motor vehicles
		2021
		MUR'000
(a)	**Lease Liabilities**	
	At January 1, 2021	-
	Additions	9,582
	Interest expenses	289
	Lease payments	(1,461)
	At December 31, 2021	**8,410**
	Current	1,754
	Non current	6,656
		8,410

The incremental borrowing rate (IBR) use to measure the lease liabilties varies 5.23% to 5.25%.

(b) The following are the amounts recognised in profit or loss

	THE GROUP AND THE COMPANY
	Motor vehicles
	2021
	MUR'000
Depreciation expense of right-of-use assets	1,630
Interest expense on lease liabilities	289
Total amount recognised in profit or loss	**1,919**

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

6. RIGHT-OF-USE ASSETS (continued)

(c) The maturity of lease liabilities is as follows:

	THE GROUP AND THE COMPANY
	Motor vehicles 2021 MUR'000
Carrying amount	**8,410**
Contractual cashflows:	
Less than one year	1,754
Between one year and two years	1,830
Between two years and five years	4,826
	8,410

(d) **Termination options**

Termination option is included in a number of motor vehicles leases across the Group and the Company. This is used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of termination options held are exercisable only by the Group/Company and not by the respective lessor.

(e) **Lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(f) The total cash outflows for leases in 2021 was MUR 1.325 million (2020: MUR Nil) for the Group and the Company.

7. INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Cost		
At January 1,	**248,589**	251,511
Additions	**67**	41
Transfer from property, plant and equipment (Note 5)	**11,103**	-
Write off	**(12)**	(2,963)
At December 31,	**259,747**	248,589
Depreciation		
At January 1,	**46,739**	38,218
Charge for the year	**8,600**	8,532
Write off	**(6)**	(11)
At December 31,	**55,333**	46,739
Net Book Value		
At December 31,	**204,414**	201,850

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

7. INVESTMENT PROPERTIES (continued)

The fair value of investment properties was MUR 319 million (2020: MUR 300 million) using the income yield method. The fair value assessment was carried out by Management.

The investment properties are classified as Level 3 on the fair value hierarchy. Rental income arising from investment properties was MUR 25.65 million (2020: MUR 23.76 million). Direct operating expenses arising from investment properties which generated rental income during the year were MUR 5.99 million (2020: MUR 6.11 million).

8. INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY Computer software 2021 MUR'000
Cost	
At January 1, 2021 and 2020	**1,940**
Amortisation	
At January 1, 2020	1,821
Charge for the year	78
At December 31, 2020	1,899
Charge for the year	41
At December 31, 2021	**1,940**
Net Book Value	
At December 31, 2021	**-**
At December 31, 2020	41

9. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2021 MUR'000	2020 MUR'000
Cost		
At January 1,	**2,495**	4,225
Addition	**2,000**	2,300
Impairment loss	**-**	(4,030)
At December 31,	**4,495**	2,495

(i) The recoverable amount has been determined using the net asset value of the one of its subsidiary consisting primarily of receivables, payables and bank overdraft which are short term and approximate their fair values. The performance of the subsidiary was impacted by expected credit losses of one of its customer. This has led to an impairment of MUR 4 million in FY 2020 and it is being disclosed under 'unallocated segment'. This is classified as level 3.

(ii) The Company has converted a shareholder's loan granted to one of its subsidiary into investment in the financial year December 31, 2020. The investment was non-cash items.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

9. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(a) 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 Direct 2021	Direct 2020	Principal activity
Compagnie de Cheops Ltée	Ordinary shares	December 31,	5,300	**100%**	100%	Sewage Treatment Plant
Société Reeya & Cie	Share of interest	December 31,	1,000	**100%**	100%	Cane cultivation
Le Comptoir de l'Est Ltée *	Ordinary shares	December 31,	2,000	**100%**	-	F&B Outlet

* Le Comptoir de l'Est Ltée, a private company limited by shares, was incorporated on August 10, 2021.

10. INVESTMENTS IN ASSOCIATES

		2021 MUR'000	2020 MUR'000
(a)(i)	**THE GROUP**		
	Unquoted		
	At January 1,	**68,503**	52,644
	(Redemption)/additions	**(3,974)**	3,122
	Share of profits	**12,194**	38,989
	Share of other comprehensive income - Remeasurements of post employment benefit obligations	**2,010**	(4,937)
	Impairment loss	**(5,283)**	-
	Dividends	**(3,481)**	(21,315)
	At December 31,	**69,969**	68,503
(ii)	**THE COMPANY**		
	Unquoted		
	At January 1,	**78,610**	127,900
	(Redemption)/additions	**(3,974)**	3,122
	Impairment loss	**(21,965)**	(52,412)
	At December 31,	**52,671**	78,610

The impairment loss of MUR 5.3 million (2020: MUR nil) for the Group and MUR 22 million (2020: MUR 52.4 million) for the Company represented the write-down of certain investments in associates to their recoverable amount mainly due to the discontinued activities of some of its associates and it is classified under 'unallocated' segment. This was recognised in the statement of profit or loss under a separate line item. The recoverable amount has been determined using the net asset value of the associates consisting primarily of receivables, payables and cash balances which are short term and approximate their fair values. This is classified as level 3.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

10. INVESTMENTS IN ASSOCIATES (continued)

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

(i)

Name	Class of shares held	Year ended	Nature of business	Proportion of ownership interest 2021 and 2020 Direct	Indirect
Deep River Beau Champ Milling Co Ltd*	Ordinary shares	June 30,	Trade	-	27.85%
Consolidated Energy Co Ltd*	Ordinary shares	June 30,	Trade	5.00%	16.25%
Eastern Energy Co Ltd*	Ordinary shares	June 30,	Investment	32.10%	-
Usinest Limited*	Ordinary shares	June 30,	Investment	34.81%	-
Refinest Limited*	Ordinary shares	June 30,	Trade	35.77%	-
Alteo Refinery Ltd	Ordinary shares	June 30,	Trade	-	11.63%
Constance Corporate Management Limited	Ordinary shares	December 31,	Corporate Services	50.00%	-
La Gaieté Services Ltd	Ordinary shares	December 31,	Secretarial Services	-	50.00%

All the above companies are incorporated and operated in Mauritius.

* 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 of December have been used for consolidation. All the above associates are accounted for using the equity method.

10. INVESTMENTS IN ASSOCIATES (continued)

(b)(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 interests MUR'000	Revenue MUR'000	Profit for the year MUR'000	Other comprehensive income/(loss) for the year MUR'000	Total comprehensive income MUR'000	Dividends received during the year MUR'000
2021										
Usinest Limited	**131,709**	**39,038**	**3,123**	**34,931**	**10,263**	**9,308**	**5,056**	**2,780**	**7,836**	**3,481**
Refinest Limited	**1,299**	**78,972**	**15**	**4,193**	**-**	**-**	**30,530**	**1,420**	**31,950**	**-**
2020										
Usinest Limited	155,778	40,819	20,346	38,964	11,149	99,145	83,970	(10,387)	73,583	34,000
Refinest Limited	1,228	60,463	15	6,500	-	26,004	7,740	(216)	7,524	-

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

	Opening net assets MUR'000	(Redemptions)/ additions MUR'000	Total comprehensive Income MUR'000	Dividends for the year MUR'000	Closing net assets MUR'000	Ownership interests %	Interest in associates MUR'000	Impairment provision in associates MUR'000	Interest in associates after impairment MUR'000
2021									
Usinest Limited	**126,142**	**-**	**6,292**	**(10,000)**	**122,434**	**34.81**	**42,619**	**(5,283)**	**37,336**
Refinest Limited	**55,227**	**(11,110)**	**31,950**	**-**	**76,067**	**35.77**	**27,209**	**-**	**27,209**
							69,828	**(5,283)**	**64,545**
2020									
Usinest Limited	101,225	-	58,917	(34,000)	126,142	34.81	43,910	-	43,910
Refinest Limited	38,975	8,728	7,524	-	55,227	35.77	19,755	-	19,755
							63,665	-	63,665

(d) Aggregate information of other associates

	2021 MUR'000	2020 MUR'000
Carrying amount of interests	**5,424**	4,838
Share of (loss)/profit	**(143)**	12,819
Share of other comprehensive income/(loss)	**728**	(1,967)
Share of total comprehensive income	**585**	10,852

The share of unrecognised movement in the other comprehensive income for the year ended December 31, 2021 was MUR 10.4 million (2020: MUR 10.8 million).

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		THE GROUP 2021				THE COMPANY 2021			
	Financial assets at fair value through other comprehensive income	**Listed**		**Unquoted**	**Total**	**Listed**		**Unquoted**	**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**
(a)	At January 1,	**19,558**	**7,355**	**15,675**	**42,588**	**19,558**	**7,355**	**15,654**	**42,567**
	Change in fair value recognised in OCI	**2,627**	**4,178**	**(973)**	**5,832**	**2,627**	**4,178**	**(973)**	**5,832**
	At December 31,	**22,185**	**11,533**	**14,702**	**48,420**	**22,185**	**11,533**	**14,681**	**48,399**

Financial assets at fair value through other comprehensive income	THE GROUP 2020				THE COMPANY 2020			
	Listed		Unquoted	Total	Listed		Unquoted	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
At January 1,	28,638	14,347	10,915	53,900	28,638	14,347	10,894	53,879
Change in fair value recognised in OCI	(9,080)	(6,992)	4,760	(11,312)	(9,080)	(6,992)	4,760	(11,312)
At December 31,	19,558	7,355	15,675	42,588	19,558	7,355	15,654	42,567

There were no transfers between level 1, 2 or 3 during the year.

(b) The fair value of quoted shares are based on prices listed on the Official Market and DEM respectively.

(c) **Valuation techniques**

Management has valued the investment using a market approach based on the EV/EBITDA multiples of comparable listed companies and is discounted for marketabililty and specific risk to the company.

Key inputs	**Inputs**	**Change in inputs**	**Effect on fair value 2021 MUR'000**	2020 MUR'000
EV/EBITDA multiple	8	+1	**2,788**	3,038
		-1	**(2,788)**	(3,038)
Discount factor	30%	+ 5%	**(997)**	(1,066)
		- 5%	**997**	1,066

(d) Financial assets measured at fair value through other comprehensive income include the Group's equity investments not held for trading and debt securities held to collect and sell. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income as more appropriate for its strategic investments as compared to fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

12. DEFERRED INCOME TAX

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2020: 17%). 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	
	2021 MUR'000	2020 MUR'000
Deferred tax assets	**36,511**	57,979

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
At January 1,	**57,979**	45,324
Charged to profit or loss (Note 28)	**(9,639)**	1,609
Other comprehensive income	**(11,829)**	11,046
At December 31,	**36,511**	57,979

Deferred income tax assets are recognised only to the extend that the related tax benefit is probable. The Group and the Company has a tax losses of MUR 197 million (2020: MUR 195 million) that can be carried forward for five consecutive years and offset against future taxable income. No deferred tax is recognised on the tax losses given that there is a time barred to utilise these tax losses. However, deferred tax assets have been recognised on accelerated tax depreciation and provisions given that it can be carried forward indefinitely. Based on management 5-year forecast, there will be sufficient taxable profit to offset against the deductible temporary differences.

(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**	**Provisions and other costs MUR'000**	**Total MUR'000**
At December 31, 2019	8,769	36,024	531	45,324
Charged to profit or loss	1,578	(919)	950	1,609
Charged to other comprehensive income	-	11,046	-	11,046
At December 31, 2020	10,347	46,151	1,481	57,979
Charged to profit or loss	(9,905)	(121)	387	(9,639)
Charged to other comprehensive income	-	(11,829)	-	(11,829)
At December 31, 2021	**442**	**34,201**	**1,868**	**36,511**

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

13. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP AND THE COMPANY		
	Standing sugar cane crop MUR'000	**Livestock MUR'000**	**Total MUR'000**
At January 1, 2021	**-**	**15,936**	**15,936**
Changes in fair value	**26,394**	**(2,065)**	**24,329**
At December 31, 2021	**26,394**	**13,871**	**40,265**
At January 1, 2020	-	15,697	15,697
Changes in fair value	-	239	239
At December 31, 2020	-	15,936	15,936

(a) *Standing sugar cane crop*

Standing sugar cane crop arise on the growing of sugar cane for sugar production.

(i) The fair value of standing sugar cane crop has been made by discounting the present value (PV) of expected net cash flows from standing canes.

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
At January 1,	**-**	-
Changes in fair value	**26,394**	-
At December 31,	**26,394**	-

(ii)

	THE GROUP AND THE COMPANY	
	2021	2020
Number of hectares of sugar cane plantations at year end	**1,896**	2,003
Tonnage of sugar cane harvested	**109,915**	104,841

(iii) Principal assumptions used are:

	THE GROUP AND THE COMPANY	
	2021	2020
Expected price of sugar (MUR per tonne)	**15,000**	15,000
Discount rate	**8.0%**	10.0%
Extraction rate	**10.0%**	10.3%

The fair value measurements have been categorised as level 3 fair values based on unobservable inputs used in the valuation techniques used.

Had the above assumption on sugar price been increased/decreased by 10%, the value of the standing canes would have increased/decreased by MUR11.383 million (2020: increase by MUR 1.184 million). Similarly, had the extraction rate increased/decreased by 5%, the value of the standing canes would have increased/decreased by MUR 5.692 million.

On the other hand, had the discount rate increased or decreased by 1%, the value of the standing canes would have been decreased by MUR 0.603 million and increased by MUR 0.614 million respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

13. CONSUMABLE BIOLOGICAL ASSETS (continued)

(iv) The Group is exposed to the following risks relating to its sugar cane plantations:

1. Adverse climatic conditions such as droughts, floods and cyclones.
2. Fluctuation in the price of sugar on the world market and ability of the Mauritius Sugar Syndicate to place the supply of sugar to its customers.
3. The rising cost of fertilisers and process cycle of the sugar cane growing activity requires a high level of cash flow during the inter crop season, thus the need for sufficient working capital facilities to meet its cash flow requirements.

(b) *Livestock*

	THE GROUP AND THE COMPANY			
	2021			
	Deers MUR'000	**Chicks MUR'000**	**Cattles MUR'000**	**Total MUR'000**
At January 1,	**11,451**	**2,505**	**1,980**	**15,936**
Changes in fair value	**825**	**(2,505)**	**(385)**	**(2,065)**
At December 31,	**12,276**	**-**	**1,595**	**13,871**

	2020			
	Deers MUR'000	Chicks MUR'000	Cattles MUR'000	Total MUR'000
At January 1,	11,484	2,677	1,536	15,697
Changes in fair value	(33)	(172)	444	239
At December 31,	11,451	2,505	1,980	15,936

Consumable biological assets consist of growing of livestock for sale. They were made up of some 1,912 (2020: 1,900) deers, and 68 (2020: 63) cattle. There were no biological assets in respect of chicks during the year (2020: 166,000 chicks).

The fair value measurements have been categorised as level 3 fair value based on inputs, such as estimated price and maturity of livestock (unobservable input) and quantity. Had the price used been increase/decrease by 5%, the value of the consumables biological assets would have increased/decreased by MUR 694 k (2020: MUR 797k).

14. INVENTORIES

	THE GROUP		**THE COMPANY**	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
(a) **At Cost/Net realisable value**				
Spare parts	**269**	504	**269**	504
Fertilizers and herbicides	**4,393**	3,865	**4,393**	3,865
Irrigation equipment & others	**2,643**	2,554	**2,470**	2,554
	7,305	6,923	**7,132**	6,923

The cost of inventories recognised as expense amounted to MUR 40.1 million (2020: MUR 33.0 million).

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Year ended December 31, 2021

14. INVENTORIES (continued)

(b) **Land development inventories**

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
At January 1,	**83,115**	19,380	**83,115**	19,380
Expenditure during the year	**73,059**	64,679	**73,059**	64,679
Transfer from property, plant and equipment (Note 5)	**-**	1,123	**-**	1,123
Write off**	**-**	(2,067)	**-**	(2,067)
At December 31,	**156,174**	83,115	**156,174**	83,115
Total inventories	**163,479**	90,038	**163,306**	90,038

**Relates to cost incurred for the design and works undertaken for the land development.

15. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Trade receivables	**109,869**	90,493	**109,869**	90,493
Less: Expected credit losses	**(10,980)**	(8,704)	**(10,980)**	(8,704)
	98,889	81,789	**98,889**	81,789

(i) *Allowance for expected credit loss of trade receivables*

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

At December 31, 2021	**Current MUR'000**	**Less than 3 months past due MUR'000**	**Between 3 to 6 months past due MUR'000**	**More than 6 months past due MUR'000**	**Total MUR'000**
Expected loss rate	**2.69%**	**17.53%**	**30.87%**	**59.25%**	
Gross carrying amount-trade receivable	**86,935**	**8,346**	**5,160**	**9,428**	**109,869**
Loss allowance	**(2,338)**	**(1,463)**	**(1,593)**	**(5,586)**	**(10,980)**

At December 31, 2020	Current MUR'000	Less than 3 months past due MUR'000	Between 3 to 6 months past due MUR'000	More than 6 months past due MUR'000	Total MUR'000
Expected loss rate	0.74%	16.37%	36.82%	93.58%	
Gross carrying amount-trade receivable	68,562	6,536	12,825	2,570	90,493
Loss allowance	(507)	(1,070)	(4,722)	(2,405)	(8,704)

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

15. TRADE RECEIVABLES (continued)

(ii) The closing of expected credit losses for trade receivables as at December 31, 2021 and 2020 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
At January 1,	**8,704**	3,111	**8,704**	3,111
Loss allowance recognised in profit or loss during the year	**2,276**	5,593	**2,276**	5,593
At December 31,	**10,980**	8,704	**10,980**	8,704

(iii) The maximum exposure to credit risk at the reporting date is the amortised cost of each class of receivable mentioned above. The Group does not hold any collateral as security.

16. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
(a) Receivable from group companies:				
- Subsidiary companies	**-**	-	**194**	5
- Associated companies	**982**	2,825	**982**	2,825
Loans and advances	**152**	197	**152**	197
	1,134	3,022	**1,328**	3,027

(b) Impairment and risk exposure

All of the financial assets at amortised cost are denominated in MUR.

For amount due from related parties, general approach is used. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate.

17. OTHER ASSETS

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Prepayments	**362**	5	**362**	-
VAT receivables (Note (i))	**62,603**	58,410	**62,603**	58,410
Other receivables (Note (ii))	**10,458**	9,720	**8,501**	7,898
	73,423	68,135	**71,466**	66,308

(i) VAT receivable arises on capital goods purchased, operational expenses and infrastructure costs relating to VRS morcellement.

(ii) These relates to advances, deposits and other transactions that are anciliary by nature.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

18. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale consist of land that has been earmarked for sale and for which a buyer has been identified. It is expected that the sales transaction shall occur within one year.

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Land	**130**	1,943	**91**	1,904

19. STATED CAPITAL

		THE GROUP AND THE COMPANY	
		Number of shares	**Ordinary shares**
(a)	**Issued shares**		
	At December 31, 2021	**4,800,000**	**120,000**
	At December 31, 2020	4,800,000	120,000

(b) The issued ordinary shares are at par value MUR 25 and are fully paid.

(c) Authorised number of shares is 8,000,000 for both years.

20. BORROWINGS

		THE GROUP		THE COMPANY	
		2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
(a)	**Non-current**				
	Bank loan	**161,617**	166,750	**161,617**	166,750
	Other loans	**823**	823	**823**	823
		162,440	167,573	**162,440**	167,573
	Current				
	Bank overdrafts (Note 31(b))	**8,581**	86,365	**8,581**	86,359
	Bank loan	**180,133**	140,870	**180,133**	140,870
	Other loans	**13**	13	**13**	13
		188,727	227,248	**188,727**	227,242
	Total borrowings	**351,167**	394,821	**351,167**	394,815

The bank overdraft and borrowings are secured by floating charges on the assets of the Group. The rate of interest ranges from 3.60% to 4.60% (2020: 4.10% to 6.10%). The carrying amounts of borrowings of the Group and the Company are not materially different from their fair value as the borrowings carry variable interest.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

20. BORROWINGS (continued)

(b) Non current borrowings are analysed as follows:

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Between one year and before two years	**6,150**	5,133
Between two years and before three years	**6,800**	6,150
Between three years and before five years	**14,717**	13,633
Later than five years	**134,773**	142,657
	162,440	167,573

The carrying amount of borrowings are denominated in Mauritian Rupees.

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

21. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Amounts recognised in the statements of financial position:		
Defined pension benefits (Note (a)(ii))	**201,186**	271,483
Analysed as follows:		
Non-current liabilities	**201,186**	271,483
Amounts charged to profit or loss:		
- Defined pension benefits (Note (a)(v))	**12,536**	14,120
Amount charged/(credited) to other comprehensive income:		
- Defined pension benefits (Note (a)(vi))	**(69,583)**	64,978

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, 2021 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Defined pension benefits (continued)

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Present value of funded obligations	**220,827**	279,224
Fair value of plan assets	**(120,419)**	(112,527)
Deficit of funded plans	**100,408**	166,697
Present value of unfunded obligations	**100,778**	104,786
Liability in the statements of financial position	**201,186**	271,483

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
At January 1,	**271,483**	211,909
Charged to profit or loss	**12,536**	14,120
(Credited)/charged to other comprehensive income	**(69,583)**	64,978
Contributions paid	**(13,250)**	(19,524)
At December 31,	**201,186**	271,483

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
At January 1,	**384,010**	334,830
Current service cost	**3,980**	4,491
Interest expense	**8,154**	14,698
Past service cost	**2,731**	332
Employee contributions	**256**	310
Liability experience (gain)/loss	**(1,258)**	3,689
Liability (gain)/loss due to change in financial assumptions	**(49,369)**	56,628
Benefits paid	**(26,899)**	(30,968)
At December 31,	**321,605**	384,010

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Defined pension benefits (continued)

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
At January 1,	**112,527**	122,921
Return on plan assets, excluding amounts included in interest income	**18,956**	(4,661)
Interest income	**2,329**	5,401
Employee contributions	**256**	310
Contributions by the employer	**13,250**	19,524
Benefits paid	**(26,899)**	(30,968)
At December 31,	**120,419**	112,527

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Service cost	**6,711**	4,823
Net interest expense	**5,825**	9,297
Total included in employee benefit expense	**12,536**	14,120

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Liability experience (gain)/loss	**(1,258)**	3,689
Liability (gain)/loss due to change in financial assumptions	**(49,369)**	56,628
Actuarial (gain)/loss	**(50,627)**	60,317
Return on plan assets excluding interest income	**(18,956)**	4,661
	(69,583)	64,978

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Defined pension benefits (continued)

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

	THE GROUP AND THE COMPANY	
	2021 %	2020 %
Local equities-quoted	**25**	23
Overseas equities-quoted	**28**	25
Overseas debt-quoted	**10**	10
Local debt-quoted	**11**	12
Local debt-unquoted	**4**	6
Local proportion	**22**	24
	100	100

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

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

	2021 %	2020 %
Discount rate	**4.3**	2.2
Expected return on plan assets	**4.3**	2.2
Future medical cost increases	**4.3**	2.2
Future salary growth rate	**2.5**	1.0
Future pension growth rate	**0.0**	0.0

(ix)

Sensitivity analysis on defined benefit obligations at end of the reporting date:	**Increase MUR'000**	**Decrease MUR'000**
Discount rate (1% movement)		
December 31, 2021	**23,192**	**19,456**
December 31, 2020	34,856	28,551

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 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Defined pension benefits (continued)

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

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

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

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

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

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

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

(xii) The Group expects to pay MUR 5.048 million in contributions to its post-employment benefit plans for the year ending December 31, 2022.

(xiii) The weighted average duration of the defined benefit obligation is 10 years at the end of the reporting period (2020: 11 years).

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Trade payables	**39,069**	7,364	**39,069**	7,364
Payable to group companies:				
- Associated companies	**16,908**	20,182	**16,856**	20,147
Accruals and other payables	**27,289**	28,875	**24,960**	28,252
SIFB premium	**10,201**	4,638	**10,201**	4,638
	93,467	61,059	**91,086**	60,401

(i) The carrying amounts of trade and other payables approximate their fair values.

(ii) Trade and other payables are interest free and have settlement dates within one year

(iii) Accruals and other payables relates mainly to accrued interest, legal and professional fees and commission payables on sale of land.

(iv) SIFB premium relates to insurance payable on the sugar production of planters against potential losses.

NOTES TO THE FINANCIAL STATEMENTS
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22A. CONTRACT LIABILITIES

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
At January 1,	**89,476**	84,426	**89,476**	84,426
Received during the year	**566**	5,050	**566**	5,050
At December 31,	**90,042**	89,476	**90,042**	89,476

It relates to deposit made by customers for the purchase of the parcelled land and it is not refundable.

23. REVENUE FROM CONTRACT FROM CUSTOMERS

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Type of goods				
Goods transferred at point in time				
Agricultural products and related activities	**211,800**	168,368	**211,800**	168,368
- Sugar, molasses and bagasse	**169,717**	159,650	**169,717**	159,650
- SIFB compensation	**21,957**	143	**21,957**	143
- Agriculture	**12,437**	4,589	**12,437**	4,589
- Others	**7,689**	3,986	**7,689**	3,986
Livestock and aquaculture	**69,014**	63,321	**69,014**	63,321
Others	**5,420**	3,261	**3,615**	2,523
	286,234	234,950	**284,429**	234,212

(a) The performance obligation for the sale of sugar and related products is satisfied when control of sugar canes passes on to the miller i.e. upon delivery of sugar canes at the weighbridges.

(b) Revenue from livestock and others are recognised at the predetermined price when the product passes to the customer.

24. OTHER OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Rental income	**29,628**	26,278	**29,628**	26,278

Rental income is recognised based on the consideration agreed from contracts with different customers.

NOTES TO THE FINANCIAL STATEMENTS
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25. OPERATING EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Employee benefit expenses (Note 25A)**	**97,234**	101,220	**96,977**	100,977
Costs of inventories recognised as expense	**40,142**	32,998	**40,142**	32,998
Hiring of agricultural equipment and contractors	**47,781**	43,705	**47,781**	43,705
Depreciation (Note 5 & 7)	**14,730**	15,048	**14,730**	15,048
Depreciation on Right of use assets (Note 6)	**1,630**	-	**1,630**	-
Amortisation of intangible assets (Note 8)	**41**	78	**41**	78
Legal and professional fees	**21,792**	20,137	**21,721**	20,063
Non recoverable VAT	**1,102**	7,577	**1,102**	7,577
Poultry expenses	**30,296**	27,961	**30,296**	27,961
Repairs and maintenance	**11,240**	5,096	**11,240**	5,096
SIFB Premium	**11,091**	5,963	**11,091**	5,963
Operating supplies	**7,087**	6,236	**7,087**	6,236
Administrative expenses	**8,565**	6,556	**8,565**	6,556
Other expenses	**6,563**	7,928	**4,879**	7,495
	299,294	280,503	**297,282**	279,753

**A Wage Assistance Scheme (WAS) of MUR 1.7 million was granted to the Group and the Company in financial year 2021 (2020: MUR 9.1 million) for the purposes of paying salaries and wages during the COVID-19 period. Wages and salaries were MUR 75.9 million (2020: MUR 85.4 milllion) for the Group and were MUR 75.7 million (MUR 85.2 million) for the Company and the related grant was deducted in the reporting period against the expense.

25A. EMPLOYEE BENFIT EXPENSES

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Analysis of employee benefit expenses				
Wages and salaries	**74,318**	76,308	**74,093**	76,105
Social security costs and other benefits	**10,380**	10,792	**10,348**	10,752
Post employment benefits (Note 21(v))	**12,536**	14,120	**12,536**	14,120
	97,234	101,220	**96,977**	100,977

26. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Profit on sale of property, plant and equipment	**2,216**	854	**2,216**	854
Profit on sale of land	**160,355**	25,454	**160,355**	25,454
Dividend income - FTVOCI - Listed companies	**729**	210	**729**	210
- Associates	**-**	-	**3,481**	21,315
Share of results of subsidiary	**-**	-	**(73)**	(69)
	163,300	26,518	**166,708**	47,764

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

27. FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Interest expense		
- bank loans and overdrafts	**16,937**	16,694
- lease liabilities	**289**	-
- others	**-**	14
	17,226	16,708

27A. FINANCE INCOME

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Interest income	**9,505**	10,383

28. TAXATION

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Deferred income taxes credit (Note 12)	**9,639**	(1,609)

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	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Profit/(loss) before taxation	**219,310**	31,512	**194,049**	(42,661)
Tax calculated at a rate of 17% (2020: 17%)	**37,283**	5,357	**32,988**	(7,252)
Income not subject to tax	**(26,875)**	(4,971)	**(28,353)**	(8,542)
Expenses not deductible for tax purposes	**746**	1,221	**4,446**	10,773
Share of results of associates	**(2,073)**	(6,628)	**-**	-
Tax losses for which no deferred tax assets was recognised	**558**	3,412	**558**	3,412
	9,639	(1,609)	**9,639**	(1,609)

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

29. PROFIT/(LOSS) PER SHARE

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
Profit/(loss) for the year	MUR'000	**209,671**	33,121	**184,410**	(41,052)
Number of ordinary shares in issue		**4,800,000**	4,800,000	**4,800,000**	4,800,000
Basic earnings/(loss) per share	MUR	**43.68**	6.90	**38.42**	(8.55)

30. OTHER RESERVES

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Reserve for modernisation and agricultural diversification	**12,527**	12,527	**12,527**	12,527
	12,527	12,527	**12,527**	12,527

Fair value reserve

It represents changes in fair value of financial assets at FVTOCI recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings.

Reserves of associated companies

This reserve relates to actuarial movements of associates.

Actuarial loss reserve

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

31. NOTES TO THE STATEMENTS OF CASH FLOWS

			THE GROUP		THE COMPANY	
		Notes	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
(a)	**Cash generated from operations**					
	Profit/(loss) before taxation		**219,310**	31,512	**194,049**	(42,661)
	Adjustments:					
	Retirement benefit obligations*	21	**(714)**	(5,404)	**(714)**	(5,404)
	Depreciation and amortisation	5, 6, 7, 8	**16,401**	15,126	**16,401**	15,126
	(Reversal of impairment)/impairment losses on bearer plants	5	**(18,199)**	3,041	**(18,199)**	3,041
	Impairment loss on subsidiary	9	**-**	-	**-**	4,030
	Impairment loss on associates	10	**5,283**	-	**21,965**	52,412
	Expected credit losses	15(ii)	**2,276**	5,593	**2,276**	5,593
	Property, plant & equipment and Investment property written off	5, 7	**-**	5,376	**-**	5,376
	Land development project expensed	5	**474**	-	**474**	-
	Land development inventories written off	14(b)	**-**	2,067	**-**	2,067
	Profit on sales of property, plant and equipment and investment property	26	**(2,216)**	(854)	**(2,216)**	(854)
	Profit on sale of land	26	**(160,355)**	(25,454)	**(160,355)**	(25,454)
	Dividend income	26	**(729)**	(210)	**(4,210)**	(21,525)
	Interest income	27A	**(9,505)**	(10,383)	**(9,505)**	(10,383)
	Interest expense	27	**17,226**	16,708	**17,226**	16,708
	Associated companies					
	- Share of profit	10	**(12,194)**	(38,989)	**-**	-
	Changes in working capital					
	- consumable biological assets	13	**(24,329)**	(239)	**(24,329)**	(239)
	- trade receivables		**(19,375)**	(19,325)	**(19,375)**	(19,325)
	- other assets		**(4,259)**	20,302	**(4,129)**	20,883
	- other financial assets at amortised cost		**21**	100	**(168)**	71
	- Contract liabilities		**565**	5,050	**565**	5,050
	- inventories					
	- operational stock		**(382)**	861	**(209)**	861
	- land development	14(b)	**(73,059)**	(64,679)	**(73,059)**	(64,679)
	- trade and other payables		**36,932**	4,054	**35,209**	3,564
	Cash used in operations		**(26,828)**	(55,747)	**(28,303)**	(55,742)

*In prior years, the cash flows related to pensions were disclosed as separate line items within operating activities and shown as "contributions paid" and "benefits paid". The statement of cash flows for the year ended December 31, 2020 have been restated to reflect the net movement in pensions within cash generated from/(used in) operations (refer to Note 31) to conform with the indirect method of reporting of cash flows from operating activities in line with the requirements of IAS 7 and IAS 1. There is a net nil impact on the total cash flow from operating activities.

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

31. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Cash in hand and at bank	**2,481**	1,559	**1,430**	1,487
Bank overdrafts (Note 20)	**(8,581)**	(86,365)	**(8,581)**	(86,359)
Cash and cash equivalents	**(6,100)**	(84,806)	**(7,151)**	(84,872)

(c) Reconciliation of liabilities arising from financing activities

	THE GROUP AND THE COMPANY			
	Bank loans MUR'000	**Others loans MUR'000**	**Lease liabilities MUR'000**	**Total MUR'000**
At January 1, 2021	**307,620**	**836**	**-**	**308,456**
Addition during the year	**75,000**	**-**	**9,582**	**84,582**
Paid during the year	**(40,870)**	**-**	**(1,172)**	**(42,042)**
At December 31, 2021	**341,750**	**836**	**8,410**	**350,996**

	THE GROUP AND THE COMPANY		
	Bank loans MUR'000	Others loans MUR'000	Total MUR'000
At January 1, 2020	319,300	836	320,136
Paid during the year	(11,680)	-	(11,680)
At December 31, 2020	307,620	836	308,456

32. CONTINGENT LIABILITIES

The Group and the Company has no contingent liability in respect of bank and other guarantees.

33. CAPITAL COMMITMENTS

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

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Capital expenditure authorised but not yet contracted for Property, plant and equipment	**17,731**	27,132

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

34. OPERATING LEASE COMMITMENTS - GROUP AS A LESSOR

The Company has entered into operating leases on its investment property consisting of office and houses. Short term lease rentals are fixed over the period of the lease while long term lease rentals may be subject to increases linked with inflation.

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Not later than one year	**24,173**	20,085
Later than one year and not later than two years	**17,693**	16,144
Later than two years and not later than three years	**17,518**	15,958
Later than three years and not later than four years	**17,518**	15,958
Later than four years and not later than five years	**16,998**	15,958
Later than five years	**198,146**	214,104
	292,046	298,207

35. RELATED PARTY TRANSACTIONS

THE GROUP	Sale of goods or services		Purchase of goods or services		Finance income/ (finance cost)		Management fees		Amount (payable)/ receivable	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Associates	**176**	14	**-**	-	**-**	6,410	**19,195**	14,178	**(15,926)**	(17,357)
Enterprises that have common shareholders	**17,925**	18,450	**5,791**	9,536	**-**	-	**-**	-	**-**	18,528
Directors and key management personnel	**1,062**	1,478	**-**	-	**-**	-	**-**	-	**-**	483

THE COMPANY	Sale of goods or services		Purchase of goods or services		Finance income/ (finance cost)		Management fees		Amount receivable/ (payable)	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Subsidiaries	**218**	87	**-**	-	**-**	-	**-**	-	**194**	5
Associates	**176**	14	**-**	-	**-**	6,410	**19,161**	14,161	**(15,891)**	(17,322)
Enterprises that have common shareholders	**17,925**	18,450	**5,791**	9,536	**-**	-	**-**	-	**18,517**	18,528
Directors and key management personnel	**1,062**	1,478	**-**	-	**-**	-	**-**	-	**694**	483

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

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

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

(d) For the year ended 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

35. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

	THE GROUP AND THE COMPANY	
	2021 MUR'000	2020 MUR'000
Salaries and short-term employee benefits	**5,695**	9,134
Post-employment benefits	**677**	590
	6,372	9,724

36. SEGMENTAL INFORMATION

Operating segments are reported based on strategic business units that offer different products. They are managed separately because each business requires different resources and marketing strategies.

There are three main reportable segments:

Segment	**Activity**
Agriculture products and related activities	Sugar and related activities and agricultural diversification
Livestock and aquaculture	Sale of poultry, venison and oyster
Other activities	Rental income, sales and income from other operating activities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The company evaluates performance on the basis of profit or loss and account.

THE GROUP

Business segments	**Agriculture products and related activities MUR'000**	**Livestock and aquaculture MUR'000**	**Other activities MUR'000**	**Total MUR'000**
Year ended December 31, 2021				
Revenue	**211,800**	**69,559**	**34,503**	**315,862**
Operating segment results	**41,242**	**23,533**	**(7,477)**	**57,298**
Other income	**-**	**-**	**163,300**	**163,300**
Segment results	**41,242**	**23,533**	**155,823**	**220,598**
Finance cost				**(17,226)**
Finance income				**9,505**
Profit on ordinary activities				**212,877**
Impairment reversal of biological assets				**18,199**
Depreciation and amortisation				**(16,401)**
Impairment on associates				**(5,283)**
Share of results of associates				**12,194**
Profit before credit loss expenses				**221,586**
Expected credit losses				**(2,276)**
Profit before taxation				**219,310**
Taxation				**(9,639)**
Profit for the year				**209,671**

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

36. SEGMENTAL INFORMATION (continued)

THE GROUP

	Agricultural products and related activities MUR'000	**Livestock and aquaculture MUR'000**	**Other activities MUR'000**	**Unallocated MUR'000**	**Total MUR'000**
At December 31, 2021					
Assets					
Segment assets	**635,335**	**35,978**	**401,548**	**-**	**1,072,861**
Assets classified as held for sale	**-**	**-**	**130**	**-**	**130**
Associates	**-**	**-**	**-**	**69,969**	**69,969**
Unallocated assets	**-**	**-**	**-**	**86,675**	**86,675**
Total assets					**1,229,635**
Liabilities					
Segment liabilities	**185,653**	**6,227**	**202,574**	**-**	**394,454**
Unallocated liabilities	**-**	**-**	**-**	**349,818**	**349,818**
Total liabilities					**744,272**
Other information					
Capital expenditure	**14,302**	**2,591**	**83,086**	**-**	**99,979**
Depreciation and amortisation	**5,340**	**1,506**	**9,555**	**-**	**16,401**

THE GROUP

Business segments	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Total MUR'000
Year ended December 31, 2020				
Revenue	168,368	63,321	29,539	261,228
Operating segment results	(13,196)	24,011	(14,725)	(3,910)
Other income	-	-	26,518	26,518
Segment results	(13,196)	24,011	11,793	22,608
Finance cost				(16,708)
Finance income				10,383
Profit on ordinary activities				16,283
Impairment of biological assets				(3,041)
Depreciation and amortisation				(15,126)
Share of results of associates				38,989
Profit before credit loss expenses				37,105
Expected credit losses				(5,593)
Profit before taxation				31,512
Taxation				1,609
Profit for the year				33,121

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2021

36. SEGMENTAL INFORMATION (continued)

THE GROUP

	Agricultural products and related activities MUR'000	Livestock and aquaculture MUR'000	Other activities MUR'000	Unallocated MUR'000	Total MUR'000
At December 31, 2020					
Assets					
Segment assets	427,963	24,119	317,118	-	769,200
Assets classified as held for sale	-	-	1,943	-	1,943
Associates	-	-	-	68,503	68,503
Unallocated assets	-	-	-	187,289	187,289
					1,026,935
Liabilities					
Segment liabilities	156,753	1,829	201,870	-	360,452
Unallocated liabilities	-	-	-	456,387	456,387
					816,839
Other information					
Capital expenditure	4,519	1,659	18,516	-	24,694
Depreciation and amortisation	4,799	1,241	9,086	-	15,126

(a) Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible.

(b) The Company operates only in Mauritius and all sales are made on the local market.

37. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting date which would require disclosure or adjustments to the financial statements.

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