

medine

Integrated Report 2019

HELLO

I AM

MEDINE

Hello! My name is Medine.
[Bonjour ! Je m'appelle Medine.]
[Bonzour! Mo apel Medine.]

I am 108 years old. Yes, I know, I look very young!
Actually, I am timeless.
The more I grow, the younger I get.
The more I grow, the more dynamic and revolutionary I get,
the more I diversify.

I look impressive, right?
Well, I believe everyone can be impressive. This is why I value you, your potential.
And I dare! *[J'ose]* *[Mo oze]*
What would the world be if no one dared?
I challenge myself and most of all,
I am driven by passion which is at the heart of my business.

Yes, I do business, and you know what?
I treasure your ideas! *[tes idées]* *[to bann lide]*
What? Did you think I did all this on my own?
No! This is not even me!
It is all... You!

You are developing my heritage *[développer mon héritage]* *[develop mo leritaz]*.
You are the reason I exist as you grow through me. I am nothing without you.
You make beautiful homes out of my properties.
Oh, those sweet plants! *[canne à sucre]* *[kanasik]*.
Where it all started. And now so many plants of all tastes.

I want you to have fun *[amuse-toi]* *[amize]* in everything you do.
Enjoy each moment, create unforgettable memories.
I'll do everything to make it happen.

I want you to learn *[apprendre]* *[aprann]*. Always!
Grow and experience life at its best.
I am committed to pursue sustainable development.
Because I have a vision *[J'ai une vision]* *[Mo ena enn vizion]*
and you hold the window through which I can see further.

My name is Medine. Je m'appelle Medine. Mo apel... Medine.

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Dear Stakeholders,

On behalf of the Board of Directors of Medine Limited (hereafter “Medine” or “the Group”), we are pleased to present our first integrated report for the year ended 30 June 2019. This report was prepared in accordance with the International Integrated Reporting Council (IIRC) Framework. In line with these principles, we have included only what we believe to be material issues that may have noteworthy positive or negative impacts on our operations, profitability and our stakeholders.

This integrated report aims to provide a clear overview of Medine’s approach to creating shared value for its stakeholders. This report covers all four of Medine’s activity clusters, namely: Agriculture, Education, Leisure and Property and provides a concise but comprehensive overview of our operations.

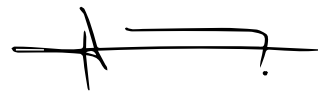
All information covered in the Corporate Governance Section, as well as Financial Statements, have been externally audited by BDO & Co. in line with the Companies Act 2001; the National Code of Corporate Governance for Mauritius (2016); and the Financial Reporting Act 2004.

The other parts of this report may include “forward-looking statements”. By their very nature, these statements may be subject to risk, uncertainty and other relevant factors that may cause the actual results, performance or achievements of the Group to be materially different from those expressed or implied by such statements. We would request that you consider these elements in evaluating the forward-looking statements in this report.

This report was approved by the Board of Directors on 23 September 2019.



René Leclézio
Chairman



Thierry Sauzier
Chief Executive Officer and Director

ICONOGRAPHY GUIDE

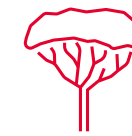
BUSINESS REFERENCES



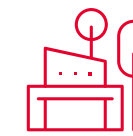
AGRICULTURE



EDUCATION



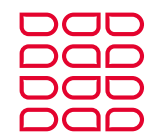
LEISURE



PROPERTY



OTHERS



SYSTEMIC (GROUP)

CAPITALS



HUMAN



INTELLECTUAL



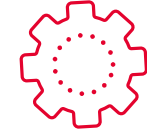
SOCIAL &
RELATIONSHIP



NATURAL



FINANCIAL



MANUFACTURED

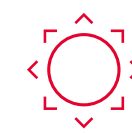
STRATEGIC PRIORITIES



RESTRUCTURING



INNOVATION AND
DEVELOPMENT



LAND & ASSET
DEVELOPMENT



SUSTAINABLY
DEVELOP THE
WEST’S HERITAGE

CORPORATE INFORMATION

REGISTERED OFFICE

4, Unicity Office Park
Rivière Noire Road
Bambous 90203
Mauritius
Tel: (230) 401 6101
Fax: (230) 452 9600
E-mail: corporate@medine.com

REGISTRAR AND TRANSFER OFFICE

MCB Registry and Securities Limited

BANKERS

The Mauritius Commercial Bank Ltd
Barclays Bank Mauritius Limited
State Bank of Mauritius Ltd
AfrAsia Bank Limited
ABC Banking Corporation Ltd
MauBank Ltd

EXTERNAL AUDITOR

BDO & Co.

INTERNAL AUDITOR

Ernst & Young

NOTEHOLDERS’ REPRESENTATIVE

MUA Life Ltd



BOARD OF DIRECTORS

RENÉ LECLÉZIO
Non-Executive Director and Chairman

JACQUES TIN MIOW LI WAN PO, G.O.S.K.
Non-Executive Director and Vice Chairman

THIERRY SAUZIER
Executive Director and Chief Executive Officer

**NG YUNG MARIE THÉRÈSE
DOGER DE SPÉVILLE**
Non-Executive Director

THOMAS DOGER DE SPÉVILLE
Non-Executive Director

GILBERT GNANY
Non-Executive Director

LAJPATI GUJADHUR
Non-Executive Director

RAMAPATEE GUJADHUR
Non-Executive Director

MARC LAGESSE
Independent Non-Executive Director

JOCELYNE MARTIN
Non-Executive Director

SHAKIL MOOLLAN
Independent Non-Executive Director

MARC DE RAVEL DE L'ARGENTIÈRE
Non-Executive Director

Read the full profiles of our Board members on pages 81 to 84 of the Corporate Governance Report.

CHAIRMAN'S MESSAGE



RENÉ LECLÉZIO
CHAIRMAN

Dear Shareholder,

It is with some sadness, and relief, that Medine's mill produced its last batch of sugar in December. Sadness, because we have been producing sugar for over 100 years, and, for many of those years, the mill was the centre of the region's economic life, and relief because the losses being run up by the mill were not sustainable, and were threatening the company's future. The closure went without a hitch, with much of the credit going to Medine's management. For a refreshing change in the sugar industry, both employees and shareholders were happy.

This year's profit of Rs269 million is definitely better than last year's loss of Rs845 million, but let us not blow the vuvuzela for a moment. Last year's results were weighed down by massive losses from the Agriculture cluster, including mill impairment, and disappointing land sale profits, while this year's profits are propped up by a Rs440 million profit from sale of land, and a Rs226 million net fair value gain on investment properties. When we separate the wheat from the chaff, we see that a Rs213 million operating loss in 2018 has been reduced to an operating loss of Rs116 million in 2019. Progress, indeed, but not enough to make shareholders sleep peacefully, yet.

The Education cluster's contribution to the company's, and the country's, progress will, I believe, prove to have been invaluable.

So, where are the clouds and where are the bright spots? First, the clouds. Agriculture, SPARC/Catering and Education are losing a lot of money, and special attention has to be given to these divisions. Ongoing subsidies to small cane planters in India, despite protests from the big sugar producing countries, is keeping the sugar price down.

Now in his second term, and politically stronger, one would hope that Modi would ease away from this unsound, and unsustainable, practice. There seems to be a will in India to modernise. Recent announcements on proposed reforms, such as privatisation, give the impression that agricultural subsidies, too, will be phased out, but, India being India, a big and complex democracy, this cannot be the assumption for us going forward. With the mill now behind us, we now have the freedom to look at alternative crops. This will be a challenge, as agriculture has never been easy in Mauritius, but our aim is not to make a fortune, but to break even, while property development runs its course.

SPARC/Catering are good, and necessary, projects, which have not yet reached cruising speed. Management is actively trying to stem their losses with a number of initiatives, and these activities should bear fruit at some time over the next couple of years. Education, too, is core to the Unicity Smart City development, and while the figures look bad today, the cluster's contribution to the company's, and the country's, progress will, I believe, prove to have been invaluable. *Nou bizin pez nene, bwar delwil**.

But there are also bright spots. Property has had a good year – we borrow money to inject into build-and-lease Special Purpose Vehicles (SPVs), then the SPVs borrow money, and we pay back the debt which stays on the company's balance sheet by selling land. This year we sold Rs678 million of land to third party buyers, which generated a Rs440 million profit. We are often criticised for depleting the company's assets but, at this rate, it would take us 300 years to sell all the land.

In the meantime, we are building a formidable build-and-lease property base, which will yield free and sustainable cash flow when the banks have been repaid. Doing nothing is not an option, as land values would go nowhere if we did not develop the land in the region - it's as simple as that. Another bright spot is Casela. It is by far the leading amusement park in Mauritius, and it registered 411,000 entries last year, below budget, but still 8 per cent up on the preceding year. The year started very well for Casela, but there was a marked slowdown in the second half. Getting people through the turnstiles is one thing – getting them to spend money in the park is another. There has been a change of management at Casela, and the new team will undoubtedly inject some dynamism in the operations. We are confident that they understand the issues and that they are tackling them.

A word on debt levels. At year end, Group debt stood at Rs6.6 billion, of which Rs2.1 billion is in SPVs, whose cash flows are sufficient to service the debts, and Rs4.5 billion is on Medine's balance sheet. Unheeded, with the number of projects in the pipeline, this balance sheet debt could easily reach Rs6 billion over the next 3 years. The board and management agree that there should be a compromise between the speed of development, the level of debt, which has to be manageable, and the maintenance of a reasonable dividend, which is sacrosanct to shareholders. The challenge for the future is to generate cash from operations, pay back debt from sale of land or establishing equity partnerships, and pay dividends which are a reasonable function of Medine's net asset value.

The board and management agree that there should be a compromise between the speed of development, the level of debt, which has to be manageable, and the maintenance of a reasonable dividend, which is sacrosanct to shareholders.

* We have to grin and bear it.

Medine is now listed on the Official Market of the Stock Exchange of Mauritius.

Finally, as a post balance sheet item, Medine is now listed on the Official Market of the Stock Exchange of Mauritius. This is a good thing as it will give us more exposure to the investment community, and diversify our shareholder base.

I would like to thank my fellow directors, many of whom have important shareholdings in Medine, for their continued support during the year. I would also like to thank the CEO, Thierry Sauzier, and his management team, for their hard work and dedication. Closing a mill has traditionally been one of the most trying events in a sugar estate's life, but there were few ripples from this closure.

Yours sincerely,

René Leclézio
Chairman

15th October 2019

INVESTMENT CASE

MEDINE AT A GLANCE

Founded in 1911 as The Medine Sugar Estates Company Limited and renamed Medine Limited in 2009, the Group's history is inherently linked to that of Mauritius. As a major player in the island's sugar and cane-related industries for more than a century, Medine successfully evolved from a monocrop agriculture, based on sugarcane, to become a diversified group with four pillars of activity: Agriculture, Education, Leisure and Property. Building on its pedigree as a pioneer in the cane industry, Medine strives to be a trendsetter in each of its activity sectors.

KEY FINANCIAL TAKEAWAYS

After a sustained period of suboptimal performance attributable mostly to falling sugar prices, the Group has now found renewed growth and dynamism. This new impetus is built off the substantial amount of strategic initiatives that were delivered in the past two years. Measures taken included setting up a new management body and reviewing organisational and financial structures in order to optimise executive and operational endeavours at Medine. As a result of decisive management actions and renewed focus on property sales, underlying performance improved by half a billion rupees in FY19.



- 1 2018/19 was the first year of financial performance delivery following a series of restructuring actions to strengthen the foundation in the previous year.
- 2 We have de-risked the business by exiting non-performing and non-core operations.
- 3 Our clusters are operating at different levels of financial maturity but the direction of travel is now aligned.
- 4 Costs and debt are being tightly managed, tied to clear productivity and strategic objectives.
- 5 While significantly increased from a very low base, improving returns is now the primary focus.



MUR 6.6bn
MARKET CAPITALISATION



MUR 14.7bn
NET ASSET VALUE



10,000 ha
CURRENT LAND BANK



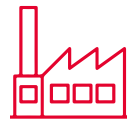
3,165
SHAREHOLDERS



411,000
CASELA VISITORS IN 2019



2,553
TOTAL STUDENTS



34,494
SUGAR TONNAGE PRODUCED



2,992
FOOD CROP TONNAGE



MUR 4.2bn
PROPERTY PORTFOLIO



164,000 sqm
TOTAL AREA BUILT, SOLD OR LEASED
BY MEDINE EXCLUDING CASELA

INVESTMENT CASE

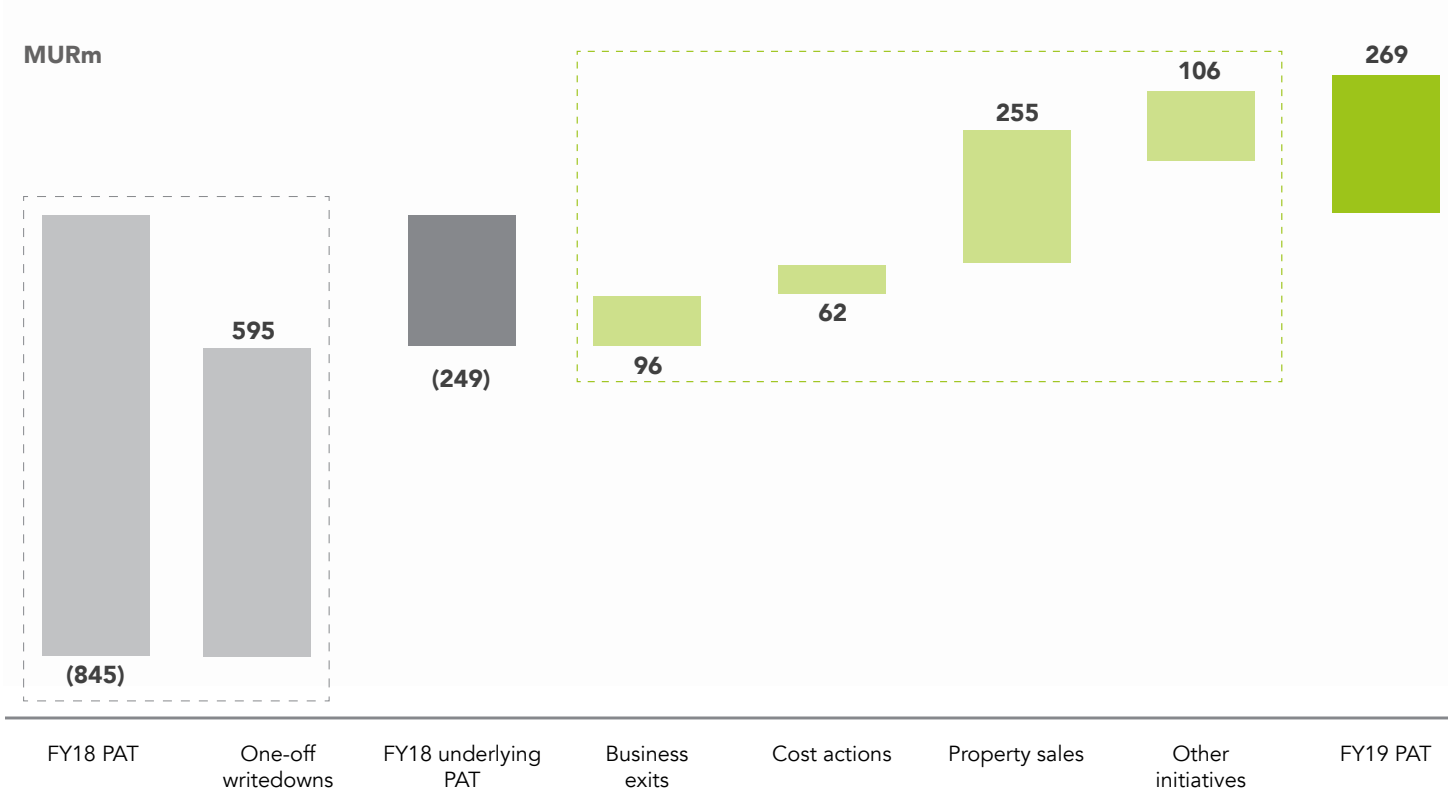
FINANCIAL YEAR 2019 vs 2018 (MUR)

We made significant progress in 2019, as evidenced by the turnaround in profitability.

<div>1.8bn</div> <div>REVENUE</div> <div>▲ 55m on 2018</div>	<div>659m</div> <div>ADJUSTED EBITDA</div> <div>▲ 537m on 2018</div>	<div>269m</div> <div>PROFIT AFTER TAX</div> <div>▲ 1.1bn on 2018</div>	<div>2.5</div> <div>EPS</div> <div>▲ 9.7 on 2018</div>
<div>4.2bn</div> <div>PROPERTY PORTFOLIO</div> <div>▲ 563m on 2018</div>	<div>22.7bn</div> <div>TOTAL ASSETS</div> <div>▲ 930m on 2018</div>	<div>29%</div> <div>GEARING</div> <div>▲ 4.3 % on 2018</div>	<div>139.6</div> <div>NAV/SHARE</div> <div>▲ 0.5 on 2018</div>

Note:
Consolidated figures comprise continuing and discontinuing operations.
Adjusted EBITDA excludes fair value gains and impairment losses.

Underlying performance improved by half a billion, driven by decisive management actions and a focus on property.



INVESTMENT CASE

TWO YEARS OF TRANSFORMATION

Through constant engagement with our teams and building on the thoughts and ideas of some 200 employees, we have redefined our purpose and values. We have translated these into what we brand as our new DNA, enriched by our history, experience and know-how. The outcome was the establishment of an organisational culture framework which is aligned to our strategy and vision.

OUR RAISON D'ÊTRE

We **sustainably** develop
the **heritage** of the **west**
of Mauritius to help **people grow**
through **avant-garde** experiences.

OUR VALUES

We value the richness
of one's potential
and vulnerability in
everything we do, to
help individuals grow.

HUMAN

INTEGRITY

We seek to act
as role models by
being sustainable,
ethical, honest
and fair.

We strive to
turn new ideas
into profitable
products or services
to exceed the
expectations of our
clients.

INNOVATION


INTRAPRENEURSHIP

We foster a
responsible start-
up mindset as
we constantly
challenge the
way we do
business to seize
opportunities.


THESE ACHIEVEMENTS STRENGTHENED THE FOUNDATIONS ON WHICH WE EXECUTE OUR STRATEGY.

To achieve our improved performance this year, some difficult decisions had to be implemented alongside new and bold initiatives that align to our refreshed strategy. We list below some of the major managerial decisions and events.


- 1



Closure of milling factory
Decision to exit milling activities actioned with the intent of stemming losses from this business.
- 2




Cost restructuring
Reviewed operations with a view to cutting the cost base through optimisation and contract reviews.
- 3




Debt restructuring
Restructured debt and raised funding for long term capital expenditure to the amount of MUR 4bn.
- 4




Exited poultry operations
Exited this non-core activity by selling operations to a local player, retaining rental income on the asset.
- 5



Cascaville Shopping Village buy-out
As of June 2019, Medine is a 100% shareholder. Redesigned foodcourt, added 10-in bowling alley and Lakaz. GLA now at 12,000sqm with 99% occupancy.
- 6




EUDCOS
Per Board decision, EUDCOS operations no longer supported & resources directed to primary activities.
- 7




Solar Energy
Solar farm built at Henrietta in partnership with Akuo, with a capacity of 17.5MW producing green electricity for 12K households.
- 8



Concorde acquired in 2018
Became majority shareholder in December to target ancillary tourist revenue.
- 9



Uniciti Office Park
Extension to be completed by 2019 will see total GLA reach 21,000sqm.
- 10



Tamarina management
Currently in negotiations of transferring operations to major local player, whilst retaining ownership of hotel and golf course.

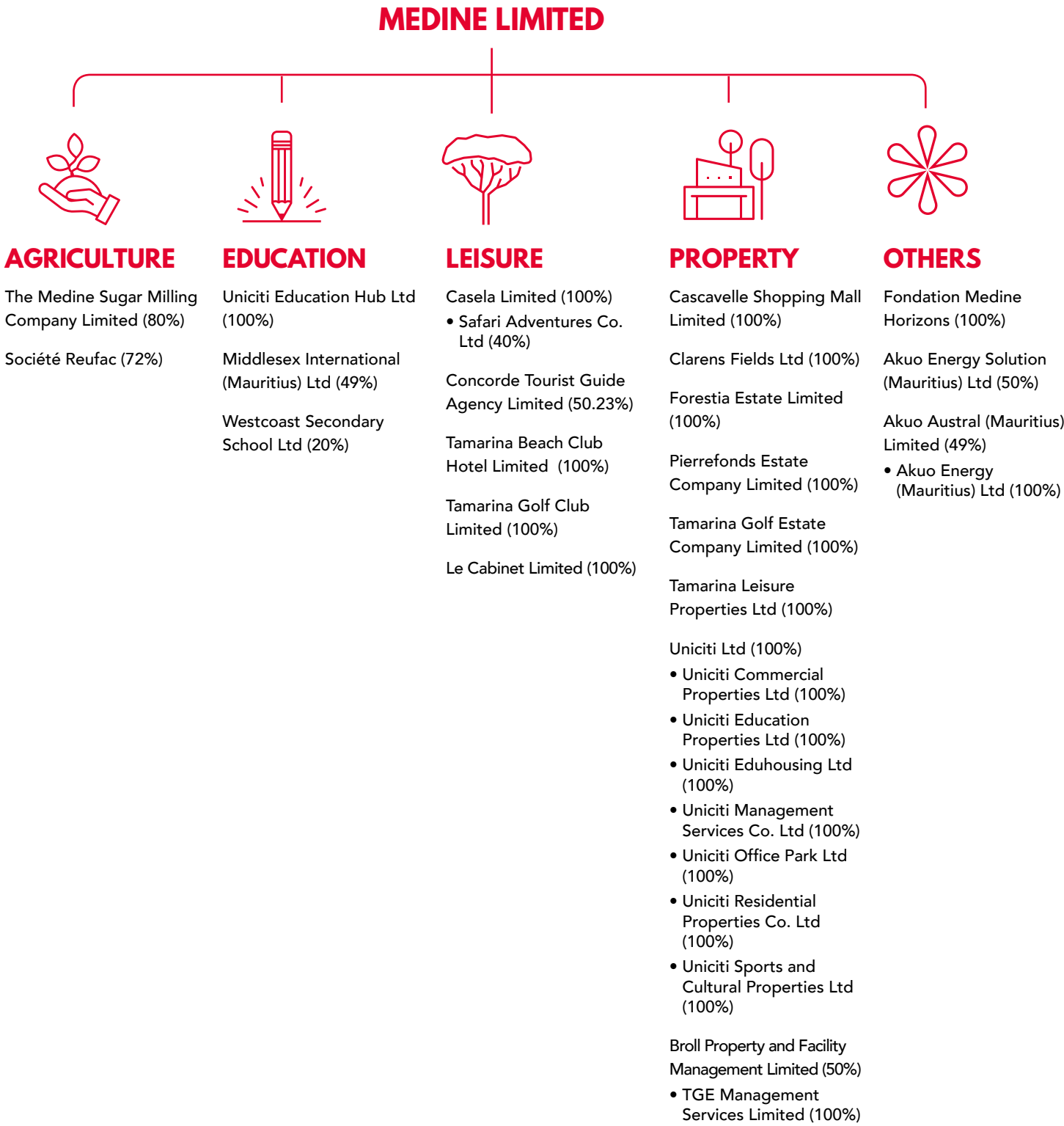


VIZION

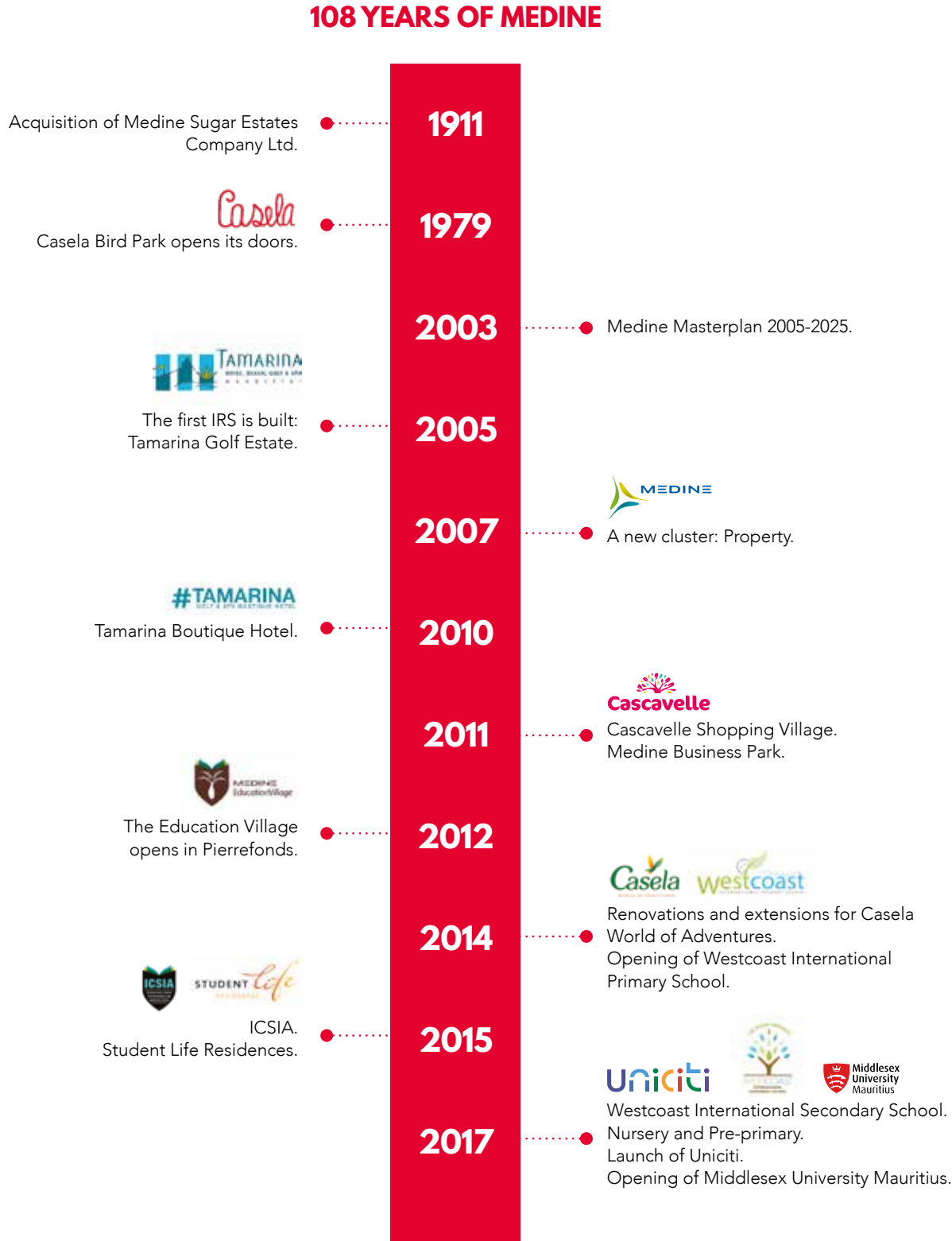
I HAVE A VISION

AND YOU HOLD THE
WINDOW THROUGH WHICH
I CAN SEE FURTHER.

GROUP SHAREHOLDING STRUCTURE



OUR GROUP THROUGH THE YEARS



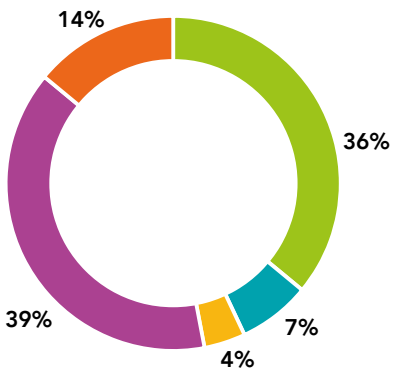
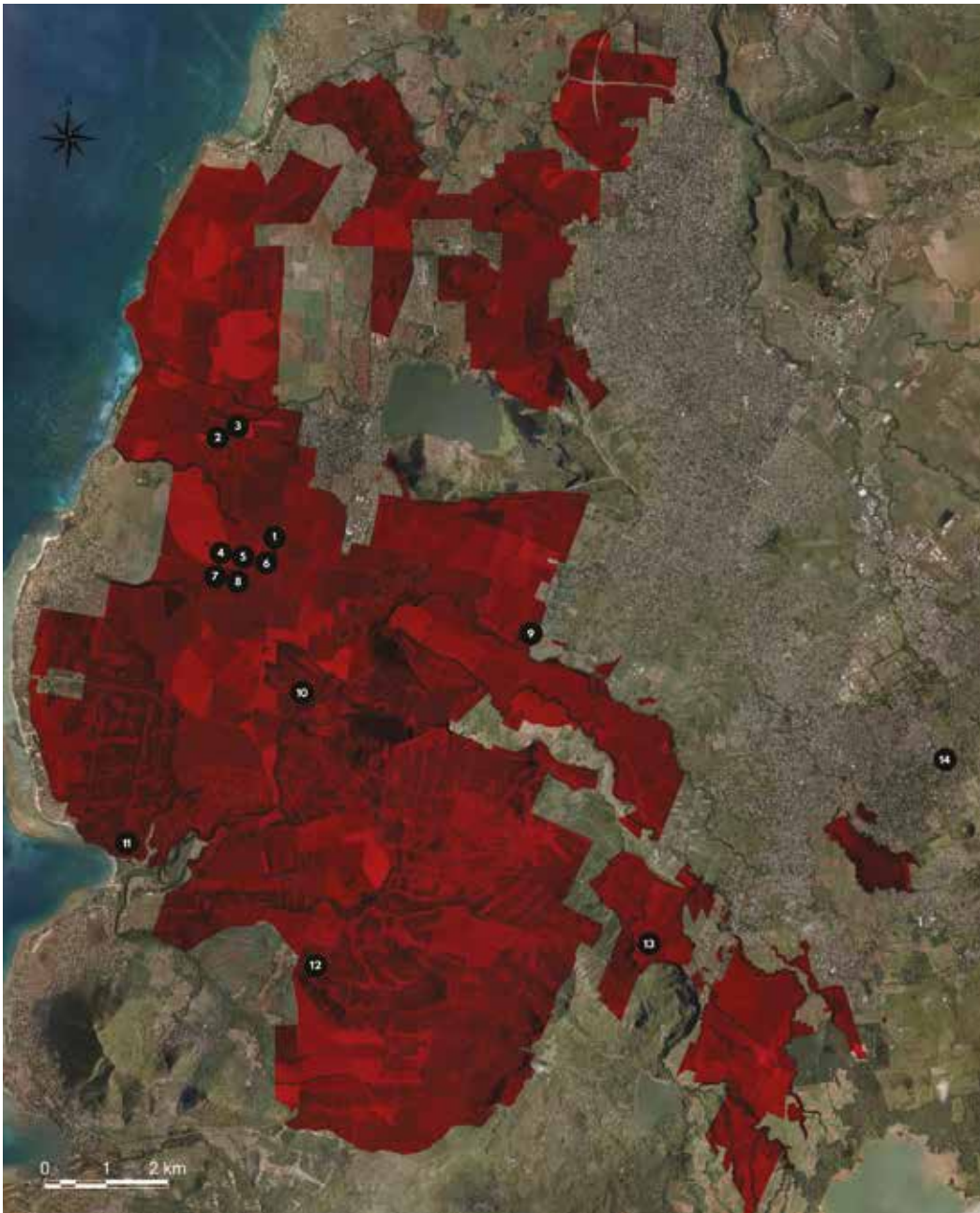
OUR GROUP THROUGH THE YEARS

WHERE WE OPERATE

THE LAST TWO YEARS

OUR LAND BANK

Medine has a unique land bank of 10,000 hectares. Land under development represents 7% of the Group's land bank and is in line with an established masterplan with clear strategic priorities anchored by a sustainability ethos.



- AGRICULTURE (sugarcane, vegetables, fruits, nursery)
- NATURE RESERVES (Mountain reserves, river reserves, hunting ground)
- PROPERTY (leases, buildings)
- LANDSCAPE & OTHERS
- LEISURE

KEY SITES

- 1. GROUP HEAD OFFICE AT UNICITI OFFICE PARK
- 2. AGRICULTURE HQ
- 3. FMH HQ
- 4. SPARC
- 5. WESTCOAST SCHOOLS
- 6. CASCAVELLE SHOPPING VILLAGE
- 7. STUDENT RESIDENCES
- 8. UNICITI CAMPUS
- 9. PIERREFONDS CAMPUS
- 10. CASELA NATUREPARKS
- 11. TAMARINA HOTEL AND GOLF
- 12. YEMEN EXPERIENCE
- 13. HENRIETTA SOLAR FARM
- 14. CONCORDE HQ

INITIATING THE RESTRUCTURING

Opening of SPARC sports and medical centre. Student Life Restaurant. Exit of poultry operations.

Signature of an MOU between Casela and the Ministry of Environment for the preservation of Mauritian endemic species.

Launch of Yemen Experience ecotourism activities and new premises.

Uniciti officially receives its Smart City Certificate. Delivery of Westcoast school extensions. Westcoast accreditation of International Primary Curriculum.

DELIVERING OFF THE RENEWED FOCUS AND DYNAMISM

Inauguration of the new Fondation Medine Horizons social centre. Inauguration of makerspace lab for Uniciti Education Hub in partnership with Accenture. Completion of Henrietta solar farm.

Decision to move from the Development to the Official Market of the Stock Exchange of Mauritius (SEM) approved by the Board.

2018

FEB

MARCH

APRIL

MAY

JUNE

SEPT

OCT

NOV

DEC

2019

JAN

FEB

MARCH

MAY

JUNE

Uniciti Education Hub

Launch of Uniciti Education Hub.

Tulawaka Gold Coaster

Launch of Uniciti Security Patrol. Tulawaka Gold Coaster at Casela World of Adventures.

Uniciti Office Park

Delivery of Uniciti Office Park: Phase 2.

Hosting of the Colin Mayer Tour – one of the major cycling races in Mauritius and in the Indian Ocean region.

Concorde

Extended and upgraded food court at Cascavelle Shopping village. Concorde becomes part of Medine Group. Bond issue - debt restructuring with Medine raising Rs 4 billion.

Uniciti Office Park extension.

MCB INSTITUTE OF FINANCE

Restructuring of the Agriculture cluster. Beginning of works on Magenta Park and Magenta Promenade. Launch of MCB IF in partnership with MCB and Uniciti Education Hub. Closure of the milling.

Cascavelle

Launch of construction of Student Life Residences phase 2. Buy-out of Cascavelle Shopping Village.

SENIOR MANAGEMENT

1. THIERRY SAUZIER Chief Executive Officer

Born in 1968. Holder of a Maîtrise d'Économie Appliquée from the University of Paris Dauphine. Worked in stockbroking and banking in France and Mauritius for 12 years before joining Medine in 2004 as Project Consultant. Led the Tamarina Golf Estate IRS project to its completion, and in 2007, set up the function that was to become the Medine Property cluster. Managing Director of that cluster from December 2009 to September 2017. Director of the Company since December 2010, Deputy Chief Executive Officer from February 2011 to September 2017 and Chief Executive Officer since October 2017.

2. DHIREN PONNUSAMY Chief Operating Officer

Born in 1979. Holder of a BSc (Hons) in Economics from the London School of Economics & Political Science and a Chartered Financial Analyst Charterholder. Has over 15 years of international experience in global finance and banking. Managing Director at Standard Chartered Bank Plc in London, including a number of senior CFO positions in South Korea, Singapore, Africa, Philippines and the UK. Relocated to Mauritius to join the Medine Group in January 2018 and is currently its Chief Operating Officer.

3. DIDIER CHAROUX Head of Agriculture

Born in 1961. He started his career and professional accountant training in 1981 at De Chazal du Mée Chartered Accountants and joined the Medine/Weal Group in 1984. In 2009 and 2011, he was appointed as Financial Controller of the Agriculture Cluster and Business Development Manager respectively. Acted as General Manager at Broll Property & Facility Management Ltd from November 2016 to August 2017 and Interim General Manager at Compagnie Mauricienne de Commerce Ltée from February to July 2018. Acting Head of Agriculture from November 2018 then appointed Head of Agriculture in February 2019.

4. MARC DESMARAIS Head of Education & Group Head of Human Resources

Born in 1965. Holder of a Master of Science in Human Resources from University College Dublin. Worked at HSBC, both in Mauritius and internationally, as well as at the MCB. Has more than 15 years' experience at senior management level. Joined Medine as Group Head of Human Resources in February 2010 and heads the Education cluster since 2015.

5. RAOUL MAUREL Managing Director | Leisure

Born in 1980. Graduated in Marketing from Murdoch University, and in Food and Beverage Management from Shatec - The International Hotel & Tourism School. Started his career in hospitality in 2003 and worked in four hotels in Mauritius and Madagascar. Worked for four years as General Manager of Paradise Cove Boutique Hotel, before joining Medine Leisure in September 2015. Managing Director of the Leisure Cluster excluding Concorde.

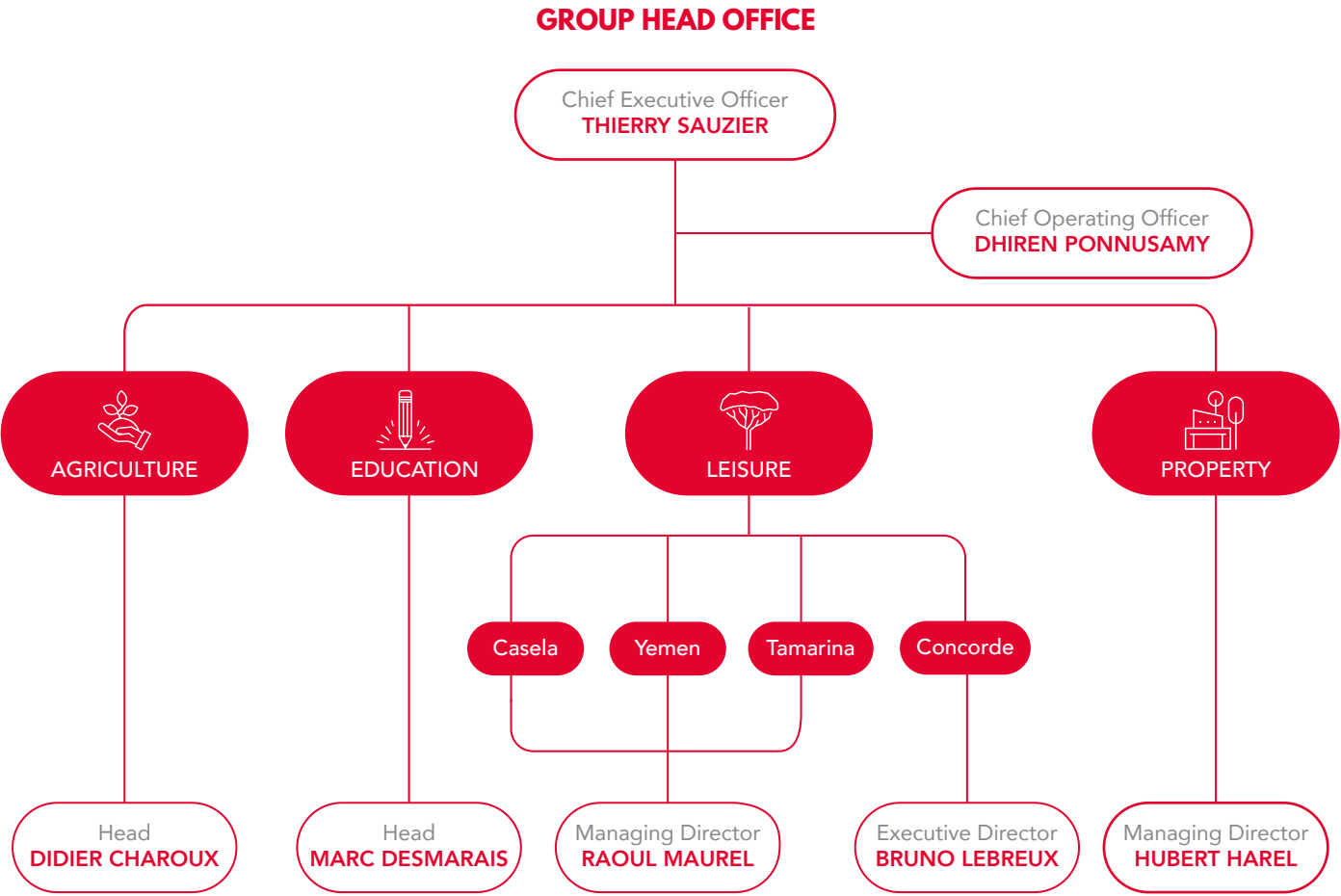
6. BRUNO LEBREUX Executive Director | Concorde

Born in 1959. Holder of IATA Advanced Diploma, Advanced Tourism Strategy & Marketing Diploma and Diploma in GMP Essec Business School Paris. Has been working as the General Manager of Concorde since 2004 and is as well a Director of Voyages Reunion. Is an Executive Member of the National Star Rating Committee, and a member of AHRIM, MTPA and AIOM. Sits as a Council Member of the Mauritius Chamber of Commerce. Executive Director of Concorde since 15 December 2015.

7. HUBERT HAREL Managing Director | Property

Born in 1965. He holds a National Diploma in Production Management from Technikon, Natal (South Africa). He started his career in South Africa in the textile industry before heading back to Mauritius in 1991. Upon his return, he held managerial positions in two textile groups in Mauritius, before joining Standard Labels Ltd as Managing Director, from 2005 until 2018. Joined Medine as Managing Director of the property cluster in November 2018.

ORGANISATIONAL STRUCTURE







The Group Head Office (GHO) has oversight of the Group’s business operations and the execution of its strategy through its senior executives and heads of functions. GHO also assists the clusters through a comprehensive suite of value-added services including finance, risk management, operations management, communication, corporate sustainability, company secretariat, human resources, legal and information technology.

Key members of our organisational structure can be seen on page 24 of this report.

OUR CLUSTERS

Below is a brief presentation of our four clusters, with an overview of their activities and contribution to the Group.

	 AGRICULTURE	 EDUCATION	 LEISURE	 PROPERTY
VISION	To be the custodian of our agricultural heritage and create positive value for the Group.	To help people become responsible leaders of society by contributing to their development within the best learning environment through adapted programmes and international institutions.	To be the most integrated and comprehensive leisure provider, continuously proposing new and sustainable offerings.	To sustainably develop and protect the land bank of Medine and to unlock shareholder value by developing a diversified real estate portfolio.
ACTIVITIES	Sugarcane cultivation and de-rocking of cane fields. Food crop cultivation. Nursery and landscaping.	Nursery and pre-primary school. Primary school. Secondary school. Higher education. Executive education.	Animal and theme parks. Destination management. Hotel management.	Building on our land assets to lease and to sell.
REVENUE CONTRIBUTION TO THE GROUP	41%	3%	40%	16%
RELATED BUSINESS STAKEHOLDERS	Millers, Mauritius Sugar Syndicate, regulators, retail grocers.	Paris ASSAS, MCB IF, ECN, Supinfo, ENSAN, Middlesex University, regulators.	Pan-African Association of Zoos & Aquaria, Tour Operators, hoteliers, tourism and environmental authorities.	Construction, architects, QS and engineering partners, various contractors, local and governmental authorities.
OUR PEOPLE	266	22	698	104



KEY PROFILES

Back row (left to right): 1. Javesh Boodnah, 2. Marc Desmarais
Middle row (left to right): 3. Raoul Maurel, 4. Hubert Harel, 5. Céline Guillot-Sestier
Front row (left to right): 6. Bruno Lebreux, 7. Dhiren Ponnusamy, 8. Patricia Goder, 9. Thierry Sauzier, 10. Olivier Brousse, 11. Didier Charoux, 12. Selvinah Vydelingum

- 01

JAVESH BOODNAH
CHIEF FINANCIAL OFFICER
& HEAD OF TECHNOLOGY
- 02

MARC DESMARAIS
HEAD OF EDUCATION & GROUP
HEAD OF HUMAN RESOURCES
- 03

RAOUL MAUREL
MANAGING DIRECTOR | LEISURE
- 04

HUBERT HAREL
MANAGING DIRECTOR | PROPERTY
- 05

CELINE GUILLOT-SESTIER
HEAD OF GROUP COMMUNICATIONS
& CSR
- 06

BRUNO LEBREUX
EXECUTIVE DIRECTOR | CONCORDE
- 07

DHIREN PONNUSAMY
CHIEF OPERATING OFFICER
- 08

PATRICIA GODER
COMPANY SECRETARY
- 09

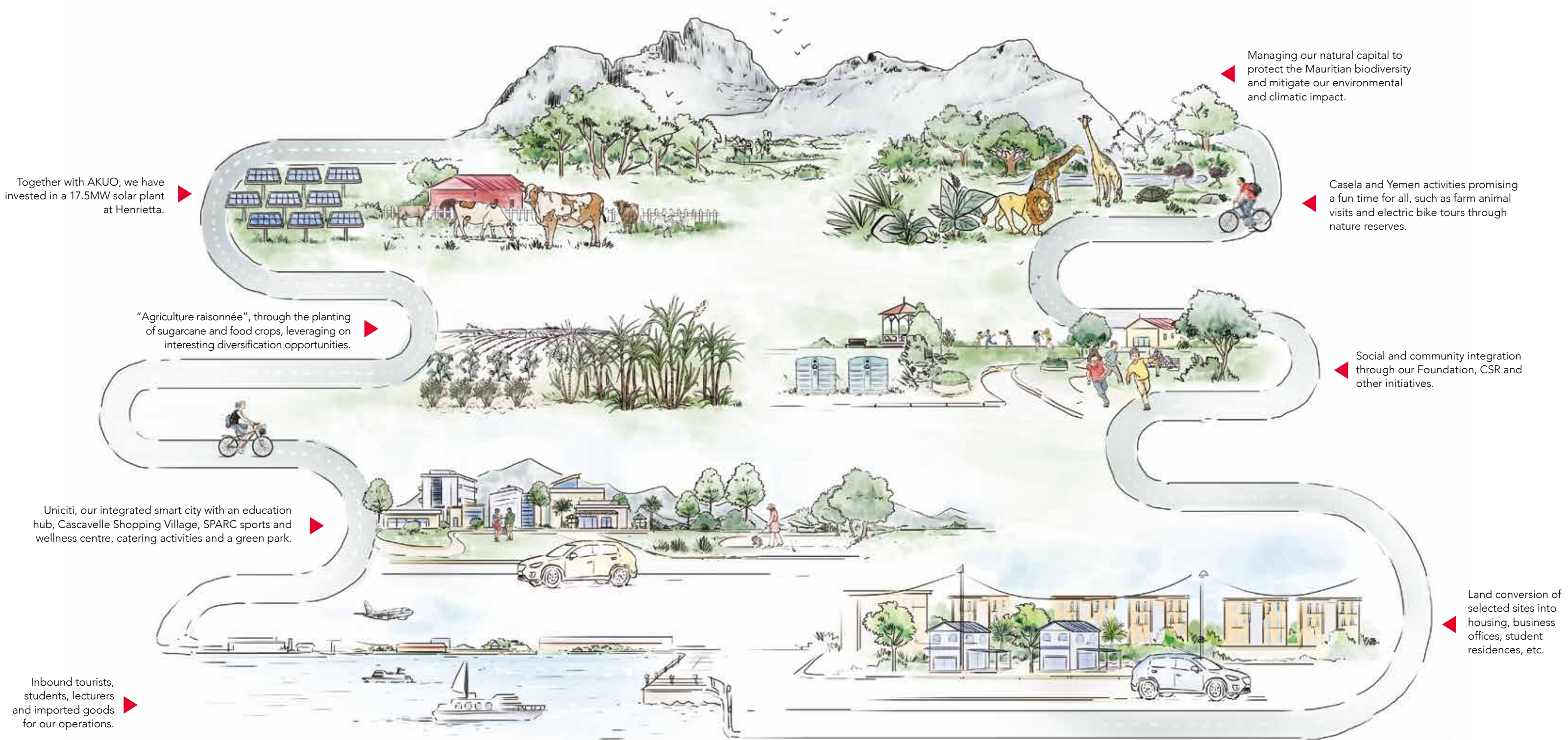
THIERRY SAUZIER
CHIEF EXECUTIVE OFFICER
- 10

OLIVIER BROUSSE
CHIEF TRANSFORMATION OFFICER
- 11

DIDIER CHAROUX
HEAD OF AGRICULTURE
- 12

SELVINAH VYDELINGUM
HEAD OF INVESTMENT STRATEGY

OUR ECOSYSTEM



Together with AKUO, we have invested in a 17.5MW solar plant at Henrietta.

"Agriculture raisonnée", through the planting of sugarcane and food crops, leveraging on interesting diversification opportunities.

Managing our natural capital to protect the Mauritian biodiversity and mitigate our environmental and climatic impact.

Casela and Yemen activities promising a fun time for all, such as farm animal visits and electric bike tours through nature reserves.

Social and community integration through our Foundation, CSR and other initiatives.

Uniciti, our integrated smart city with an education hub, Cascavelle Shopping Village, SPARC sports and wellness centre, catering activities and a green park.

Inbound tourists, students, lecturers and imported goods for our operations.

Land conversion of selected sites into housing, business offices, student residences, etc.

"We do not inherit the Earth from our ancestors: we borrow it from our children."

Unknown source

AWAN GARD

I AM
TIMELESS

THE MORE I GROW, THE YOUNGER I GET.
THE MORE I GROW, THE MORE DYNAMIC AND
REVOLUTIONARY I GET, THE MORE I DIVERSIFY.



OUR GROUP'S BUSINESS MODEL

INPUTS



HUMAN CAPITAL
We need talented and committed employees to make a difference for our clients.



SOCIAL CAPITAL
We strive to build on our client-centric approach by giving them the best avant-garde experiences.



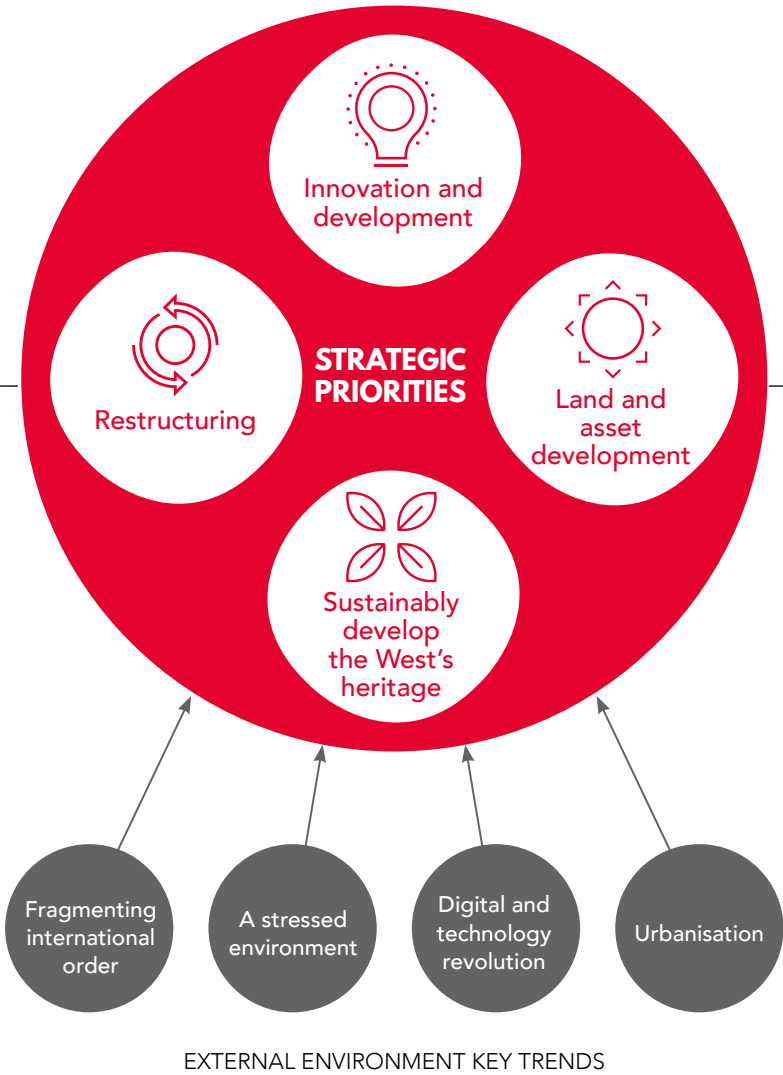
FINANCIAL CAPITAL
We have restructured our financial organisation, reducing costs and making strategic investments.



INTELLECTUAL CAPITAL
We use technology and digital processes and develop new educational offerings.



NATURAL CAPITAL
We promote an inclusive agenda that seeks to preserve, protect and continually invest in our environment.



OUTPUTS

- Healthier and safer workforce
- Enhanced employee engagement
- Direct and indirect employment generated

- Sustainable and inclusive communities, with the right infrastructure and facilities
- Enhanced community reach through CSR and other activities
- Enriched customer experience

- A much-improved financial performance beginning this financial year
- Migration to the Official Market of the SEM
- Acquisition of Concorde, and the renting out of our poultry facilities

- An inspired culture of innovation
- Digitalisation, internet of things, and enhanced operational capability
- A strengthened education offering in Mauritius and Africa helping to create the workforce of the future

- Protection of our biodiversity
- Investments in renewable energy and eco-friendly products
- Promotion and awareness of green lifestyles through our activities and education

VALUE CREATED

We aim to attract, develop and retain the best people by defining a new strong corporate identity. Our goal is to create a culture of excellence, whereby employees can create their own best working environment.

By actively engaging other stakeholders in the Group's activities through dialogue and acting on material issues raised, we continue to strengthen our collaborative relationships with them.

We wish to create fully integrated societies, where our stakeholders can come to live, work and play with us.

Our priority over the past two years has been to de-risk our Financial Capital. Our results validate that we are making good progress on the road to achieving tangible and sustainable returns for our shareholders.

By helping imbue knowledge and wisdom into our youth, we promote the well-being of future generations. We believe in using technology as an innovative platform to provide commercial opportunities in the future, augmented by a data-driven and client-centric approach.

We remain committed to minimising our environmental footprint and work with partners to develop sustainable and eco-friendly solutions in what we build and create. We aim to embed this approach across all our clusters and client offerings.

"As a responsible organisation, we need to stay alert to the realities of changing economic conditions."

THIERRY SAUZIER
CHIEF EXECUTIVE OFFICER

CEO'S MESSAGE

HOW DO YOU ENVISION THE MEDINE OF TODAY?

Medine has, since its inception in 1911, formed part of the economic and cultural fabric of the West. It is our responsibility to ensure the longevity of this rich heritage through a sustainable programme of inclusive development.

Following a period of strategic realignment, the Group is today a key player in four economic pillars: Agriculture, Education, Leisure and Property. We believe these four sectors to be complementary enablers that support our new mission statement which is "to sustainably develop the heritage of the West of Mauritius to help people grow through avant-garde experiences".

Medine's vision is to pursue the development of an ecosystem for the inhabitants of the region by creating a living environment that goes well beyond traditional brick and mortar. We already offer enhanced shopping and leisure facilities, world class schools and universities, accommodation, offices and nightlife all set amidst protected green landscapes. Our aim is to augment this experience through new offerings so that we create a cosmopolitan urban community to attract people, investment and custom to the West coast of Mauritius.

MEDINE HAS UNDERGONE SEVERAL CHANGES IN THE PAST TWO YEARS. WHAT WAS THE RATIONALE GUIDING THIS RESTRUCTURING?

Any responsible organisation needs to stay alert to the realities of changing economic conditions. In our case, Medine started on its journey of diversification from monocrop agriculture over a decade ago – the appointment of new senior management in the past two years merely refocused the strategic execution of our priorities.

The rationale for change was to radically adapt to challenges such as an ongoing decline in the price of sugar and Medine's inability to continue to absorb losses to supplement inefficient operations. It is with this mindset of increasing our operational leverage that we took difficult decisions to curtail activities that were non-profitable in order to focus our efforts on more profitable ventures.

A well-documented example of this was the closure of our mill after more than a century of existence – this was not an easy decision but was critical to ensure the viability of our Group.

CAN YOU WALK US THROUGH THE RESTRUCTURING PROCESS?

Our main goal was to restructure and rebuild the Group in a way that played to its strengths while eliminating inefficiency and optimising resource allocation.

To help deliver on this programme, Medine also needed to implement a culture of change across the organisation and reinforced its top team with a number of key profiles to help implement innovative and global working processes and drive accountability for this transformation at all levels.

Considering the example previously discussed, our lack of scale and uncertain revenue in the sugar sector meant that we had to close our mill while maintaining our activities as a grower. Similarly, we exited poultry activities and leased the operations to a national player who was better placed to optimise on the available resources. In turn, we converted this revenue stream into income for property which is today the most profitable sector of our Group and has a risk profile we are more confident of managing. We are also looking to implement the same thinking in our Leisure cluster whereby we are exploring leasing hotel operations to a large hotelier group and thus leveraging hitherto operational income into a rental portfolio yield instead.

HOW HAS THIS RESTRUCTURING AFFECTED MORALE, AND HOW HAVE YOU MANAGED THIS CHANGE?

As a responsible employer, we were always concerned of the impact restructuring operations would have on mood and morale across the organisation. We were conscious that as hard as the operational decisions had been, managing our people through an uncertain period would be even more challenging. That is why our target from the very beginning was to remain as transparent, fair and humane as possible with all our stakeholders.

Communication was paramount throughout this exercise – it was important that everyone understood that change was ultimately to preserve the ability of the Group to pursue sustainable development in the region.

CEO’S MESSAGE

“Medine also needed to implement a culture of change across the organisation and reinforced its top team with a number of key profiles to help implement innovative and global working processes and drive accountability for this transformation at all levels.”

Where we had to scale back operations, we made sure that we went beyond the minimum requirements and reached mutually satisfying arrangements with every concerned employee – the fallout has been overwhelmingly positive with Medine now back on surer footing and with an employee base that is driven, motivated and energised to deliver on our revised strategy.

WHAT ELSE CAN YOU TELL US ABOUT YOUR STRATEGY?

We organised ourselves into four key sectors that we deem offer the Group a well-balanced and diversified portfolio of business activities that adds resilience to our ability to develop and grow. Over the past year, we established a new five-year strategy that provides clear direction and impetus to each of our clusters.

Given the significant headwinds it faces on sugar proceeds, the Agricultural cluster has reorganised itself to be as lean and efficient as possible with stringent targets on cost optimisation. The green shoots of progress are self-evident in our FY19 numbers where losses have been stemmed. Alongside cost efficiency, we have also reviewed our business model following the mill closure. Whilst retaining our place as a major cane grower in the country, we have also diversified our offering into food crops by practising what we term ‘agriculture raisonnée’, i.e. responsible farming that is able to provide Mauritians with nutritious and healthy fruits and vegetables marketed under our ‘Jardins de Medine’ brand. We have also created a strategic landscaping unit that currently supports our developments through an eco-friendly approach and ensures that greenery and natural vegetation form the bedrock of Uniciti, our smart city.

The Leisure cluster aims to position its activities as the primary choice of Mauritians and tourists alike. Casela NatureParks, complemented by Yemen Experience, offer unique experiences on the island. Our aim is to continue to develop innovative attractions that build a repeat custom and feed the growing demand for ecotourism. As an example, we have recently introduced eco-bike tours in both parks and have a host of new and exciting activities in our pipeline. On a more strategic front, we acquired Concorde, a destination management and travel company, during the year – this aligns with our willingness to capture a wider segment of the tourism value chain whilst exploiting the synergies available to us to support our other leisure options.

Our Property cluster is today the core engine of the Group, in terms of investment and cash generation. Our target is to create and maintain a diversified portfolio of activities to meet the needs of our smart city and its inhabitants, from homes and office spaces to educational, sports and retail infrastructure. Cascavelle Shopping Village, with a recently refurbished and extended food court, is today fully occupied with a growing footfall – it is a vibrant example of our capacity to draw commercial activity into the region.

For us to continue to meet our objectives, we have simplified our development strategy along two broad lines: build and lease and build and sell to boost targeted land sale revenue. Over the mid-term, we expect our property portfolio to grow from MUR 4.2bn currently to MUR 10bn – the stable cash flow stream will allow us to self-finance our future investment activities, thereby reducing our reliance on external funding and its associated costs.

Our Education cluster, through Uniciti Education Hub, is one of the rare private multi-institution campuses in the world that has a comprehensive suite of facilities ranging from lecture halls, libraries and digital labs to on-site student residences and restaurants. Despite its short history, the education cluster has succeeded in attracting internationally recognised institutions that see Mauritius as the gateway to quality education at an affordable price. We are committed in our endeavour to help build the Intellectual Capital of the country to provide the skills and know-how that will be relevant for tomorrow’s reality. With a growing middle-class, Africa offers us with the potential to further grow and diversify our educational offering by also aiming to meet the demands of the continent. As an investment, it is arguably one of the most noble we have made and it is exciting to note that we are but at the beginning of this journey.

HOW WILL INNOVATION AND INTRAPRENEURSHIP BE EMBEDDED IN THE COMPANY CULTURE?

Throughout its history, Medine has been a pioneer in various sectors of activity, ranging from sugar bagging to the first integrated resort scheme – one could argue that innovation is in our DNA as an organisation. With our redefined mission statement, we have now chosen to embed this quality as one of our core values so we can now innovate not just for the external customer, but also internally in everything we do.

We have deeply reflected on what this means for us and have engaged in a communication campaign with each and every employee through roadshows and targeted sessions so as to really imbue this value so our people live and breathe it each day. Alongside the sensitisation, we have also been incredibly pragmatic about ensuring that innovation and intrapreneurship become a silent fifth pillar that spans across all four of our clusters. In doing so, we have set up mini incubators within selected clusters to develop and market novel products and services to precisely hone this culture of ongoing innovation, especially among the younger members of our staff who may not have had the opportunity to partake in our prior achievements.



WHAT WILL BE YOUR PRIORITIES FOR THE YEAR AHEAD AND THOSE FOR MEDINE GROUP?

We spent the last 2 years restructuring the Group to create a stronger foundation, recognising that sustainable business growth can only happen on a robust platform. Our focus is now on executing the new strategy – a multi-year plan for which FY 2019 was the first year of delivery. While we are pleased with the pace of financial progress in the year under review, we recognise there is still a lot to do to ensure we are delivering good returns across all our clusters.

We are also very conscious of global disruptive trends and the local macroeconomic environment. This means that we will continue to seek incremental efficiency into our core business processes and upgrading our technology to ensure our operational decision-making is nimble. Digitalisation, automation and robotics are also key considerations for us to extract maximum value from our Human Capital by reducing rework and manual interventions.

To externalise this newfound dynamism, the Group has also undergone a rebranding with a new visual identity and specific raisons d’être for each of our clusters to foster ongoing cooperation with all our stakeholders. This sits well with our agenda for inclusiveness that we plan to extend through extensive CSR and sustainability initiatives. We believe every individual matters, whether in our organisation or the region we represent – harnessing the collective good falls within our responsibility so the West can prosper.

On a personal note, I would like to express my gratitude to my management team and their dedicated staff who have delivered so diligently on our strategic programme to date and I remain positive that their commitment and dynamism will ensure Medine continues to reach new heights.

MATERIAL MATTERS

Our methodology for determining our material matters this year included holding internal workshops with consultants in sustainable development. This mostly qualitative approach, allowed us to have a better understanding of when and where our business needs intersected with the social needs of our local context. These external needs were discussed at length and were based on our own understanding of the society we have been operating in for more than 100 years, as well as the consultants' understanding of those needs through their own experience and expertise.

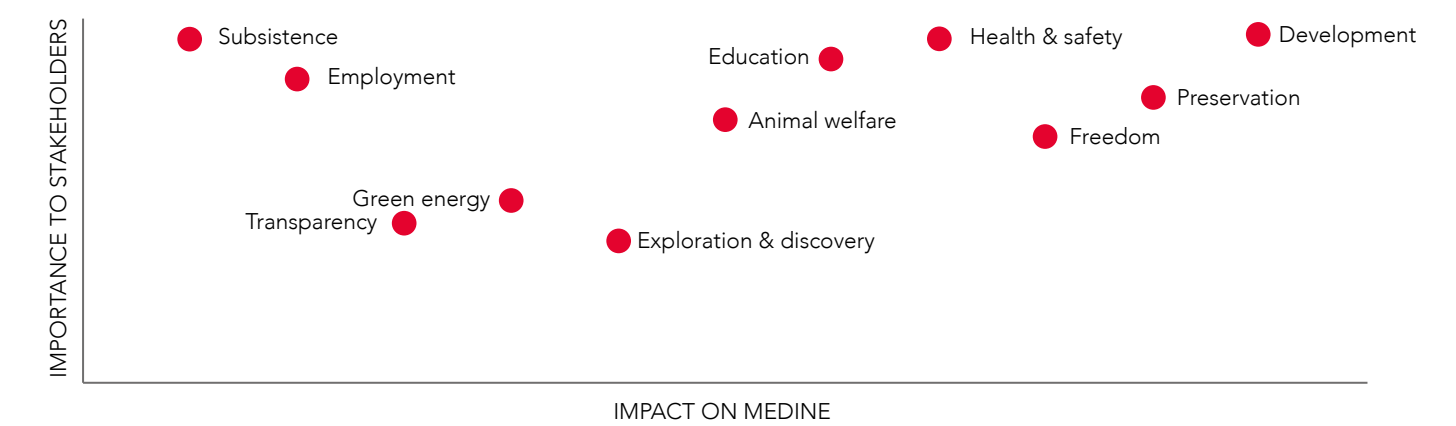
As a result of these workshops we decided that an issue is material to Medine if it meets two conditions:

- 01

It impacts our business in terms of growth, cost, risk or trust. We also take into account its alignment with our raison d'être, value chain, brand portfolio and geographical footprint, and the degree to which we can affect change.
- 02

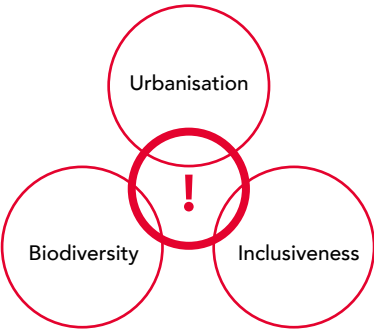
It is important to our ecosystem's key actors and stakeholders – such as consumers, customers, employees, governments, investors, NGOs and suppliers.

Determining the degree of importance to us versus the degree of importance to external stakeholders was done through an analysis of the scope of its impact (operations, supply chain, society at large), combined with its strategic importance for Medine or society.



The following page provides a description of these material matters. Each has been assigned to the relevant Sustainable Development Goal (SDG), which will help guide our decision-making process when addressing our stakeholder needs.

While we strive to respond to each material matter, it is important to consider that there will always be trade-offs between competing needs. These will be carefully evaluated on a case by case basis.



It is often difficult to urbanise a previously naturally pristine region, with all of the infrastructure development that comes with it, without in some way negatively impacting the animals that live in that region. It is possible to put safeguards in place, but it is impossible to maintain the 'status-quo' for the animals themselves.

Similarly creating urban centres inevitably brings in social issues such as theft of personal belongings or drug/alcohol abuse that are always present in important cities. Cities are also generally more polluted than other areas, due to an increase in cars for instance, causing potential health issues.

For each project and development that Medine undertakes, it is important for us to evaluate these trade-offs and find the best option for all stakeholders involved and impacted.



SUBSISTENCE NEEDS
All human beings need their basic subsistence needs met. The district of Black River has some of the most elevated poverty levels in the country, including a lack of housing, proper educational needs and adequate nutrition amongst others. We believe it is important that we further our existing mission towards allaying the plight of these communities.

HEALTH AND SAFETY
Workplace health and safety procedures are essential elements that enhance the well-being of our employees allowing them to operate within a safe and supportive environment. In parallel, the safety of our tenants, park visitors, daily commuters and students is paramount and is valued by all our stakeholders and helps in elevating the attractiveness of our developments.

EDUCATION FOR A TRAINED FUTURE WORKFORCE
Future generations require different skillsets and knowledge to meet the requirements of a changing job market. Alongside the local opportunities, the demographic shift in Africa, as populations rise and its nascent middle class starts to expand, will be a key driver of our growth in this sector. Although part of our business, education remains a noble quest for the Group and is one way in which we believe we can foster inclusiveness and community cohesion.

TRANSPARENCY OF INFORMATION
Transparency promotes trust with stakeholders and creates strong ethical institutions and businesses. In addition, the digital revolution has made transparency critical given the ready access to data. We remain committed to being as transparent as possible with all our stakeholders to maintain trustworthy and enduring relationships.

FREEDOM AND EASE OF DOING BUSINESS
It is essential to our operations and the economic wellbeing of our region to have effective government regulation of business. The regulatory environment of the tourism, sugar, education and technology sectors directly affects our ability to exploit business opportunities within a fair competitive landscape and to manage the risks we are exposed to.

SUSTAINABLE URBAN DEVELOPMENT
Making cities sustainable means creating career and business opportunities, safe and affordable housing, and building resilient societies and economies. It involves investment in transportation, water management, creating green public spaces, leisure and cultural activities, and improving urban planning and management in participatory and inclusive ways.



EMPLOYMENT OPTIONS FOR ALL
Every individual should have access to decent employment that allows for self-care and a good quality of life within their community. We do our part by striving to provide jobs that create a culture of fulfilment within our workforce.

EXPLORATION AND DISCOVERY
Exploration drives innovation and discovery – this has led over time to new findings in areas as diverse as geography, medicine, space, flora, fauna, and the arts that have changed the world for the better. Embracing the spirit of discovery via intrapreneurship remains at the core of our business.





GREEN ENERGY
Replacing fossil fuels with green energy sources helps to reduce harmful emissions that cause climate change. It also improves air quality, with a positive impact on public health, lowering overall healthcare costs. Mauritius aims to increase its renewable energy sources in the coming years, and we have been one of the actors implementing this shift to renewable energy.

ANIMAL WELFARE
The standards of good animal welfare are under constant review as they are constantly revised by animal welfare groups, legislators and academics worldwide. On the African continent, illegal wildlife trade and poaching have become increasingly problematic and remain an area of important concern. To adhere to the current best practice in matters of animal welfare and ensure the animals in our custody are well looked after, we have partnered with a number of institutions at Casela, the Group's nature park.

PRESERVING THE ENVIRONMENT AND OUR LANDS
With increasing pressures on the physical environment and biophysical stocks, it is imperative to protect the health of our terrestrial biodiversity. At Medine, only 11% of our lands are currently earmarked for development. We will continue to be vigilant of the balance between human development and the wellbeing of our environment.


A NEW 5-YEAR STRATEGY


As mentioned by the CEO on page 33, Medine has undergone a period of significant change over the past two years. In the year under review, the Group has refreshed its strategy with a new 5-year plan that embraces all four clusters as well as inter-cluster transformative requirements.

CLUSTER	DESIRED OUTCOMES
 Agriculture	To maintain and add value to our agricultural activities by embracing the opportunities made available through biotech, biofuels, health and beauty products, precision agriculture and other high-value products.
 Education	To educate and prepare the youth for a fast-changing society through world-class degrees and a unique student experience and lifestyle. To place humans at the centre of societies while promoting a meeting-of-minds culture, and become the regional reference for education and research.
 Leisure	To create immersive and fun experiences for all, while protecting and sharing our natural heritage. To have a positive impact on our nearby communities and employees, by providing them with healthy and eco-friendly activities.
 Property	To become the most vibrant city in Mauritius: intelligent, green, integrated, inclusive, connected, and well managed. To preserve the authenticity and heritage of Medine and the West Coast of Mauritius.

RESTRUCTURING

- Sustainable financing and debt management
- Portfolio diversification
- Cultural transformation



**LAND AND ASSET DEVELOPMENT**

- Master planning
- Building of assets for sale and for high-yielding leases
- Support of strategic development projects

GROUP STRATEGIC OBJECTIVES

INNOVATION AND DEVELOPMENT

- Green energy and businesses
- Digital transformation roadmap
- Talent development



**SUSTAINABLY DEVELOP THE HERITAGE OF THE WEST**

- Enhancement of our biodiversity and protection of our Natural Capital
- Social integration and diversity

I DARE

I CHALLENGE MYSELF AND
I AM DRIVEN BY PASSION.

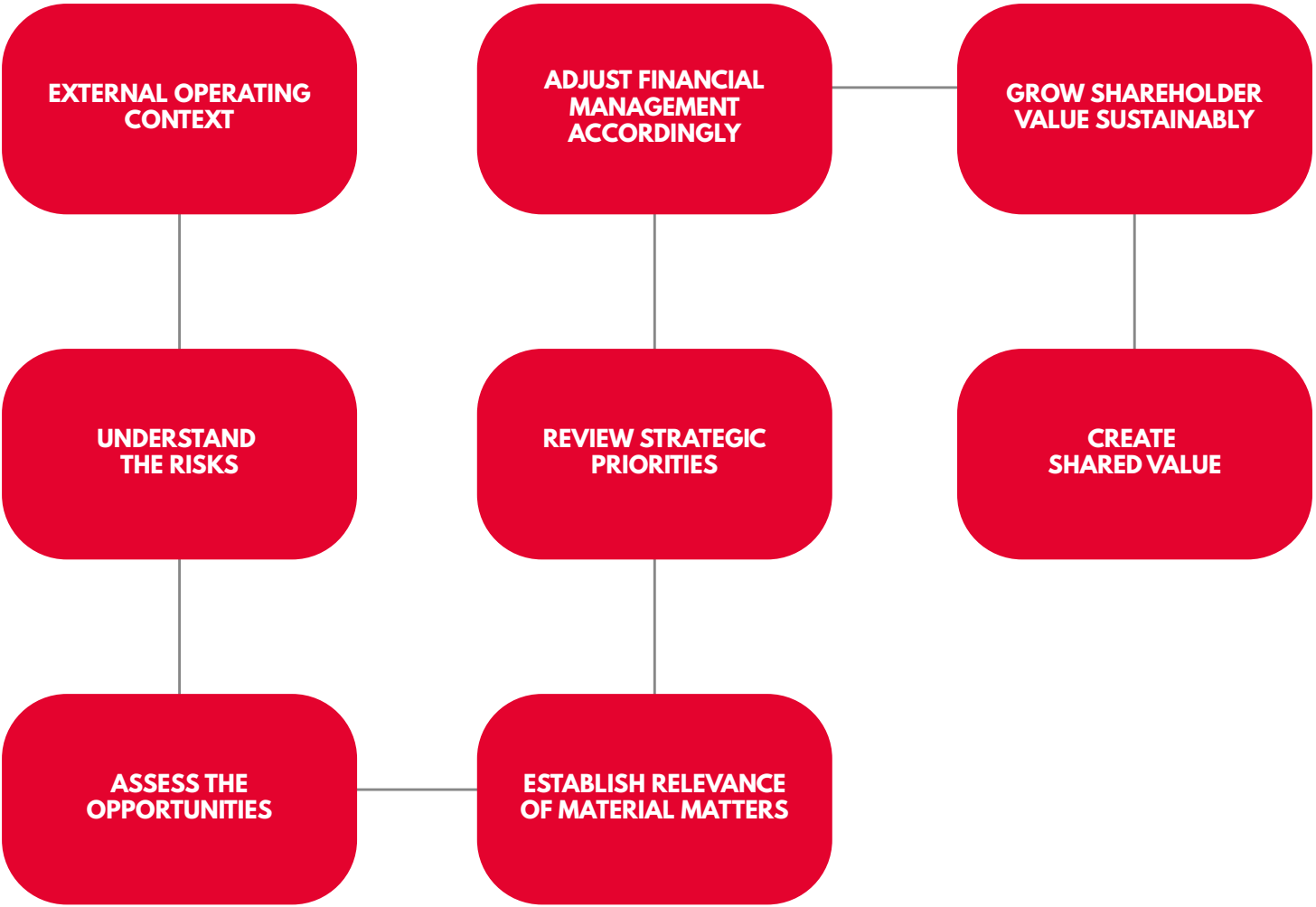
MOOZE



OUR OPERATING ENVIRONMENT

OUR OPERATING ENVIRONMENT

This section describes the external factors affecting our business and how Medine identifies and responds to them, either by seizing the best opportunities or mitigating the risks we are exposed to. We do this by showing the broad macro forces shaping our world, as well as the macro and micro external factors affecting the four different economic sectors that we operate in.



Magenta Promenade

THE FORCES SHAPING OUR WORLD

Every business is impacted by macro forces present in its organisational, social, sectorial or political ecosystem. These trends and events are transversal to all our operations and companies, shape our world and impact how we conduct our business and interact with our stakeholders. We monitor these trends to make sure our strategy and plans are befitting for the future, and to assess their impact on our material matters. Below are the broad and overlapping shifts that we foresee will affect business and society in the future:

Fragmenting international order

The international community is increasingly divided and fragmented. Political divisions and increased pressure from fringe groups have resulted in events such as Brexit. Income and political polarisation within countries have increased, threatening the progress of globalisation and free trade. As a result, the international economy this year has wobbled, creating fears of another global recession only about 10 years after the 2008 downturn.

Climate change and a stressed environment

Growing human populations and consumption rates continue to worsen global warming and encroach on natural ecosystems affecting biodiversity. The adverse fallout on the use of our natural environment and resources, such as water scarcity and degraded coastal areas, will be increasingly visible and problematic for businesses and society. Climate change remains a key risk for all, not least island nations.

Digital and technology revolution

The rapid development of new technologies will continue to create opportunities with respect to connectivity, automation, artificial intelligence and value creation, while posing risks around security breaches and privacy invasion. Artificial intelligence in particular, is likely to disrupt economies, and call for the requirement of new skills, facilities and business models. Disruption is already in evidence through the implementation of distributed models such as Blockchain that threaten the existence of centralised institutions of finance.

Urbanisation

Societies worldwide, and in Mauritius, are urbanising at rapid rates. This change also brings with it new lifestyles and behaviours, largely influenced by the cultural shift amongst millennials and generation Z. In the meantime, older generations continue to wield strong economic influence, which will only increase as the population ages.

THE EXTERNAL RISKS AND OPPORTUNITIES AFFECTING OUR CLUSTERS:

This section presents an overview of the external factors affecting the four clusters. For each one, our risk exposure has also been highlighted. For more information on our risk management framework, processes and mitigation measures, please see the Risk Management Report on page 102.

OUR OPERATING ENVIRONMENT

AGRICULTURE



WHAT HAPPENED

The last few years have been quite challenging for this cluster, mainly due to the global imbalance between sugar production and consumption, resulting in a negative impact on world prices. Operational costs are concurrently high and increasing, while worldwide prices have been dropping for three years in a row.

Food crops: In the past few years, government policy has supported new measures encouraging bio-agriculture, sheltered farming incentives, coupled with inducements towards the creation of new high-end agricultural activities. While these provide for interesting opportunities, agriculture remains highly dependent on good weather conditions, which were less than ideal in 2018 and 2019, resulting in a fall in national crop output.

MAIN RISKS

- An increase in water demand/decrease in water supply due to droughts may mandate additional investments, leading to disruptions.
- An increased risk that projected production and revenue from food crops are not met following adverse weather conditions, and other factors affecting yields.



Strategies impacted:
Innovation and development

HOW WE HAVE RESPONDED

As a result of the continued difficulties and poor outlook in this sector, we have made the difficult decision to close our sugar mill and discontinue our poultry operations. By restructuring this sector, we hope to optimise our efficiency to ensure leaner operations and better financial footing. Once this is established, we plan on diversifying and modernising our equipment and outputs.

Over the past 10 years, Medine has been reducing the extent of sugarcane fields irrigated by the dragline system, replacing it with the more efficient central pivot system. A central pivot system can provide irrigation in a more uniform manner, rendering it highly efficient – this is achieved by minimising water loss caused by evaporation and run-off and providing precise distribution of water at a low pressure. Surrounding developments such as those from property or the Metro Express may stem the expansion of this method and reduce the area under irrigation through the central pivot.

MEDINE'S FUTURE IN THIS CLUSTER

Sugar is one of the most highly protected agricultural commodities worldwide, which restricts free trade opportunities and therefore prices received by exporters without preferential market access. With the end of the Cotonou Agreement looming and the ongoing consultations in Brussels for a new Agreement post-2020, the future of the local sugar industry looks precarious. However, agriculture forms an important part of our identity and heritage, and as custodians of these lands, we are determined to find a way for its renewed growth.

There are several opportunities that Medine could seize as a result of changing and improving technologies in the agricultural sector worldwide. The Group has gained in flexibility with the closure of the Mill, allowing us to engage more resources into research and development for crop diversification.

EDUCATION



WHAT HAPPENED

The global skills race, encompassing skills that will determine national and individual economic fortunes, is intensifying. Future economic success depends on the ability of the education sector to develop a highly flexible, tech-savvy and well-rounded workforce. This is combined with increased economic growth in many African nations, and a rising middle class in search of affordable and quality education. Today in Mauritius, there are 81 higher education institutions (10 publicly funded institutions and 71 overseas awarding bodies), welcoming more than 45,000 Mauritian students as well as 2,087 foreign learners from 71 countries.

MAIN RISKS

- Over reliance on a few educational institutions resulting in loss of students and revenue.
- Risks of exposure to unsafe acts such as vandalism, drug abuse and terrorism on the school campus and its vicinity leading to reputational damage.



Strategies impacted:
Land and asset development;
sustainably develop the West's heritage

HOW WE HAVE RESPONDED

We are still at the beginning stages of this journey, where investments will continue to outgrow our income in the near term. We have carefully selected our partner institutions in respect of their holistic approach towards learning, their involvement in research programmes and their reputational excellence. In addition, we are continuously working on developing an enriching student life outside the classroom. We have also developed an on-campus security team to ensure the safety of all.

MEDINE'S FUTURE IN THIS CLUSTER

Africa's population is 1.2 billion, or 16% of the world's total. UN projects this number will double by 2050, and by the end of the century, Africans will stand at 3.2 billion people, making up 39% of the world's population. According to the World Economic Forum, Africa needs another one million university-trained researchers to tackle its most pressing health, energy and development challenges. The opportunities are endless if we position ourselves well strategically.

OUR OPERATING ENVIRONMENT

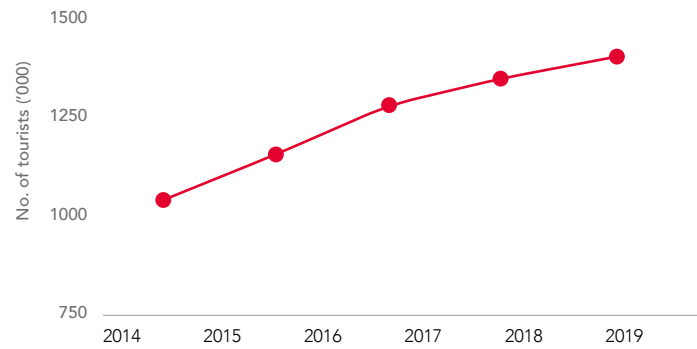
LEISURE



WHAT HAPPENED

There are a number of new global trends that affect tourism locally. While travel used to be mostly a family affair, more people are now choosing to travel as individuals or as a couple. A growing minority of families are embarking on round-the-world adventures, living, learning and exploring together for extended periods of time – on ‘nomadic sabbaticals’. Although the desire for romantic getaways to tropical destinations is not expected to dwindle, there is increasing demand among couples for more challenging adventures. Eco-tourism activities and visits to establishments that are eco-conscious are on the rise. According to key findings in Booking.com’s Sustainability Travel Report for 2019, 55% of global travellers are more determined to make sustainable travel choices than they were a year ago. And finally, in 2018, bookings made through agents, affiliates and local tourist offices increased from 17.5% to 24.3%. Over the past 5 years, tourist arrivals in Mauritius have grown steadily. However, we have observed a slowing trend in the first quarter of 2019.

TOURISTS ARRIVALS OVER THE LAST 5 YEARS



Source: Statistics Mauritius

MAIN RISKS

Decrease in tourism, increase in competitors driving down prices and influencing the size of the market leading to a decline in business growth and revenue.

 **Strategies impacted:**
Sustainably develop the West’s heritage

HOW WE HAVE RESPONDED

At both Casela and Yemén, we have shifted our focus to increase the variety and number of activities, while building on our eco-friendly services. At Casela, we have introduced new rides, new educational activities for children on animal welfare, and reviewed our consumption and distribution of natural resources (for further information, please refer to the Natural Capital section, page 68). Concorde is currently working on its digitalisation initiatives to ensure better communication with its clients.

MEDINE’S FUTURE IN THIS CLUSTER

The outlook of our leisure activities has been continuously positive, though we must ensure that we establish the right mitigating measures should tourist arrivals continue to slow down or begin to stagnate. For this, we have already established strategies to build on our local tourism and returning clients. In addition, we are strategically positioned to ensure the continuing attractiveness of our leisure activities in accordance with global trends.

PROPERTY




WHAT HAPPENED

Having grown by 9.5% in 2018, the construction industry is one of the fastest growing sectors of the Mauritian economy. Driven by large public expenditure on infrastructure projects and the conversion of selected sugarcane lands into smart cities and other Property Development Schemes, this trend is positive for the country’s overall economy and demonstrates that there are indeed robust financial opportunities for this cluster. On the other hand, it also highlights increased competition, and this could lead to an oversupply of homes and commercial property.

MAIN RISKS

- Risk of mismatch in demand and supply impacting our ability to attract and retain clients at high margins, and thus the financial viability of the real estate business.
- Risk of delays in obtaining permits from government authorities delaying the execution and delivery of projects.
- Changes in policy and unclear legal frameworks with respect to the Smart City Scheme could impede the successful implementation of our projects with ensued financial losses.

 **Strategies impacted:**
Land and asset development

HOW WE HAVE RESPONDED

We are continuously collaborating with the relevant government bodies, as well as ensuring our presence in private forums. Internally, we are working on increasing our efficiency and processes, and strengthening our teams.

MEDINE’S FUTURE IN THIS CLUSTER

The global construction industry is expected to reach an estimated \$10.5 trillion by 2023, forecast to grow at a CAGR of 4.2% from 2018 to 2023. The major drivers of the growth of this market are increasing urbanisation and a growing population. In line with the shift towards more sustainable cities and homes worldwide, and in Mauritius, coupled with the technological revolution taking place in the industry, we believe there are interesting opportunities to expect in the future.



**I WANT YOU
TO HAVE FUN**

AND I'LL DO EVERYTHING TO MAKE IT HAPPEN

AMIZE

BUSINESS REPORT

2019 PERFORMANCE AGAINST STRATEGIC OBJECTIVES

STRATEGIC PRIORITIES

PERFORMANCE



RESTRUCTURING

- Exploring alternatives to sugar cultivation.
- Conversion of selected sugarcane lands into Morcellements Serenis (Albion) and Magenta Parkside (next to Uniciti).
- Closing of the sugar mill and our poultry business.
- Moving from the DEM to the Official Market of the SEM for increased visibility.
- Cultural transformation of how we conduct business, the values we want to incorporate and exhibit, and how those are lived through our employees. This is accompanied by a rebranding exercise.



LAND AND ASSET DEVELOPMENT

The continuous update of our smart city's master planning, with the development of its assets and infrastructure such as education buildings, a sports complex and revamping of Cascavelle Shopping Village – the shopping mall attracted considerable investment from the Group, including a freshly designed and expanded foodcourt, emphasizing the commercial footprint of Medine in the region.

Build & lease: Westcoast Secondary School phase 2; School hub shared facilities extension and relocation of primary school group; Student Housing phase 2; Business park phase 2 final stages; Villas Bois d'Olive.

Build & sell: Mt Pleasant morcellement; Albion Serenis; Magenta Parkside; Uniciti residential units phase 1; Bois d'Olive Forestia.



INNOVATION AND DEVELOPMENT

In partnership with Akuo Energy, Medine delivered two battery energy storage systems with a capacity of 2MW each at Amaury and Henrietta sub stations on 29 August 2018.

Investment in a 17.5MW solar farm at Henrietta, commissioned this year.

Digitalisation work and a new ERP system under way.

Talent development this year focused on leadership and managing the changes brought about by the restructuring.



SUSTAINABLY DEVELOP THE WEST'S HERITAGE

Enhancing our biodiversity with the protection of our diverse reserves managed by both Medine and partners, such as the Mauritian Wildlife Foundation and National Parks and Conservation Services (NPCS).

Promotion of eco-friendly events and initiatives throughout the year.

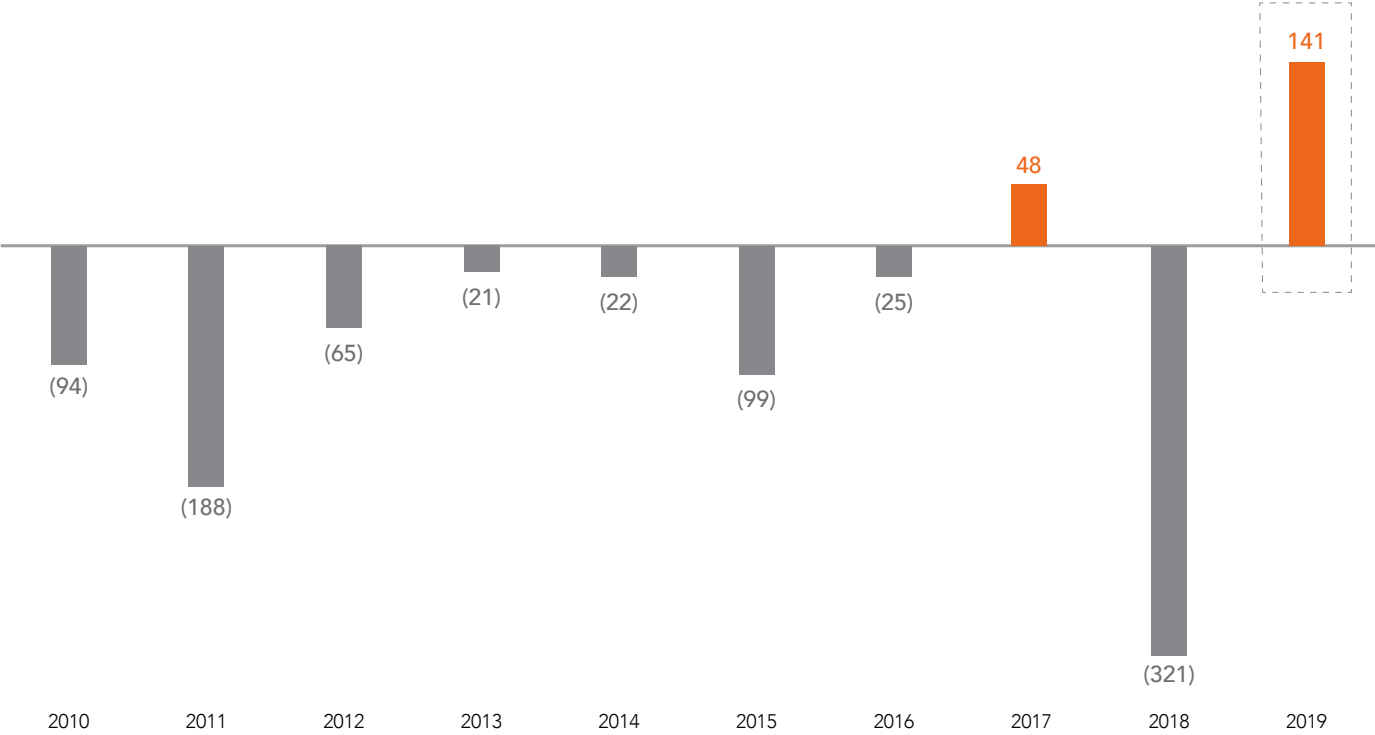
Sharing our heritage with an increased number of visitors to our parks, university and shopping mall, creating an integrated and diverse community.

BUSINESS REPORT

FINANCIAL REVIEW

We have made considerable progress in 2019, marking a significant change from prior years, as evidenced by the turnaround in profitability. Underlying performance improved by half a billion, driven by precise management actions, restructuring and a refreshed strategy.

ADJUSTED PROFIT (MURm)

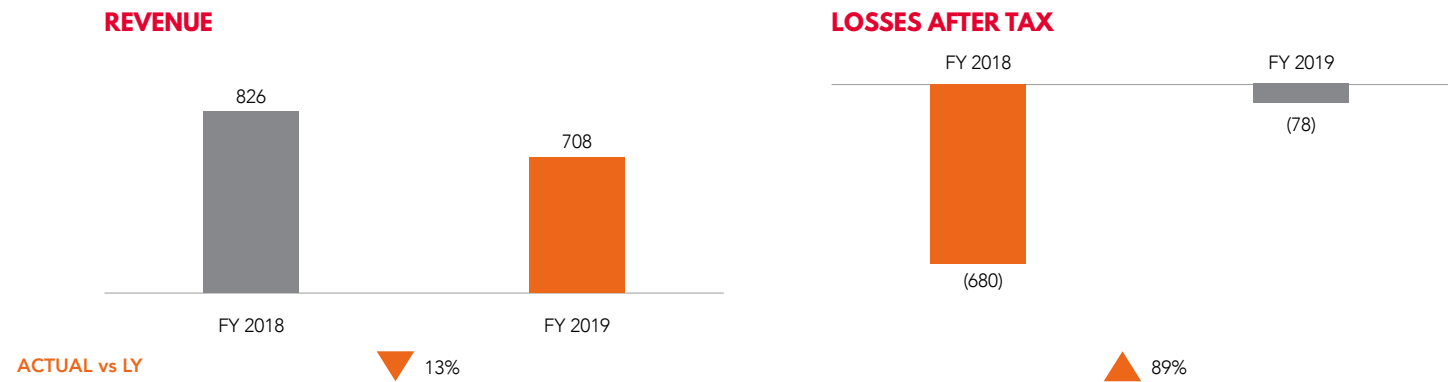


Note: (1) Group net profit/(loss) adjusted for fair value gain/(loss) on investment property, impairment losses, fair value changes of biological assets, and gain/(loss) on disposal of investment in associate/subsidiary.

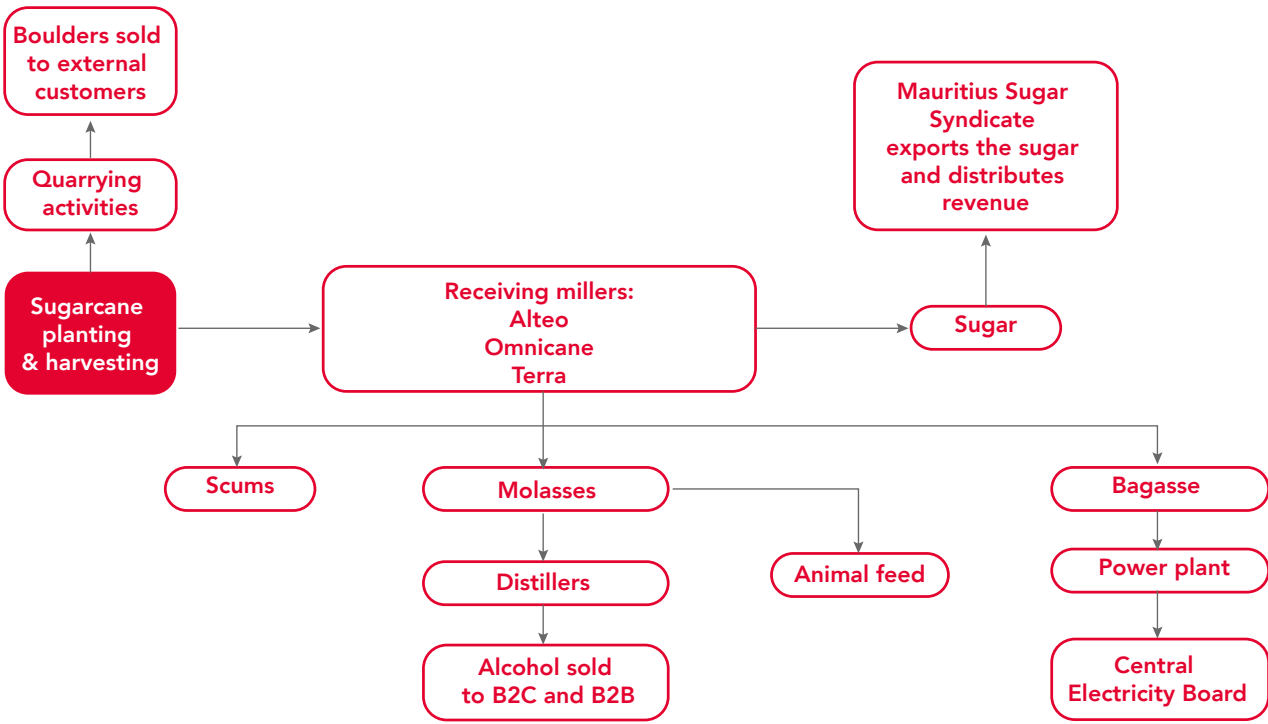
MURm	FY 2019	FY 2018	
Property	520	85	434
Agriculture	(78)	(680)	602
Leisure	(21)	(55)	34
Education	(27)	(36)	9
Others	(126)	(160)	34
Profit after tax	269	(845)	1,113

PERFORMANCE IN AGRICULTURE

By focusing on the efficiency of our new business models, we have substantially reduced our losses despite 2019 sugar prices hitting record lows. Continued difficult weather conditions have once again affected our crop output this year with overall falling revenues, but improved profitability.



OUR NEW VALUE CHAIN FOR SUGAR



BUSINESS REPORT

PERFORMANCE IN AGRICULTURE (CONT'D)

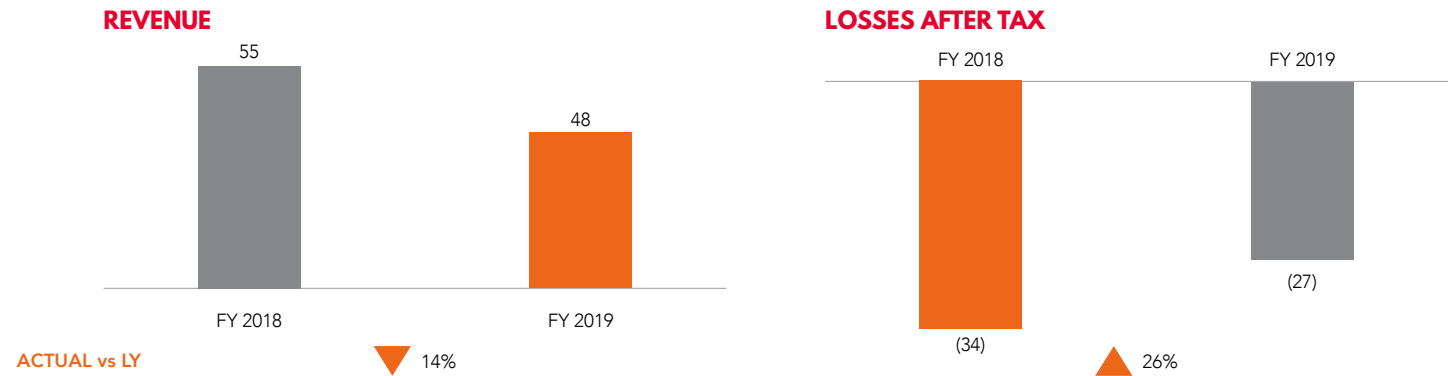
KEY METRICS	2019	2018
SUGARCANE		
Sugar price per tonne (MUR, net of measures)	8,700	10,716
Sugar tonnage produced	34,494	36,251
Energy export (GWh)	16	17
Extraction rate for sugar	10.45%	10.05%
Sugar tonnage - Grower's share 78 %	22,374	23,210
Sugar tonnage - Miller's share 22 %	7,439	7,863
Total cane harvested by Medine (tonnes)	272,498	296,117
FOOD CROPS		
Area planted (ha)	168	163
Tonnage	2,922	3,679
NURSERY/LANDSCAPING		
Maintenance area	614,000 sqm	509,300 sqm
Maintenance contracts	105	94

FINANCIAL RESULTS:

INCOME		
MURm	FY 2019	FY 2018
Sugar and related activities	373	383
Food crops	81	101
Landscaping & nursery	60	60
Ongoing activities	514	544
Milling	151	179
Poultry breeding	104	121
Discontinued activities	255	300
Total income	769	844
Net revenue excluding intra-group	708	826

PERFORMANCE IN EDUCATION

Higher education is a long-term strategic investment for the Group, which will help unlock long-term opportunities. The fall in revenue is explained by the phasing out of some of the lower margin offerings in Executive Learning by Talents. With a refocused strategy, lower losses were generated from higher education, with higher profits from our partner institutions. Middlesex continues to perform giving us scale.



KEY METRICS	2019	2018
No. of students enrolled – higher education	1761	1624
- of which % of foreign students	38%	38%
No. of students enrolled – others	792	646
Total number of students	2553	2270

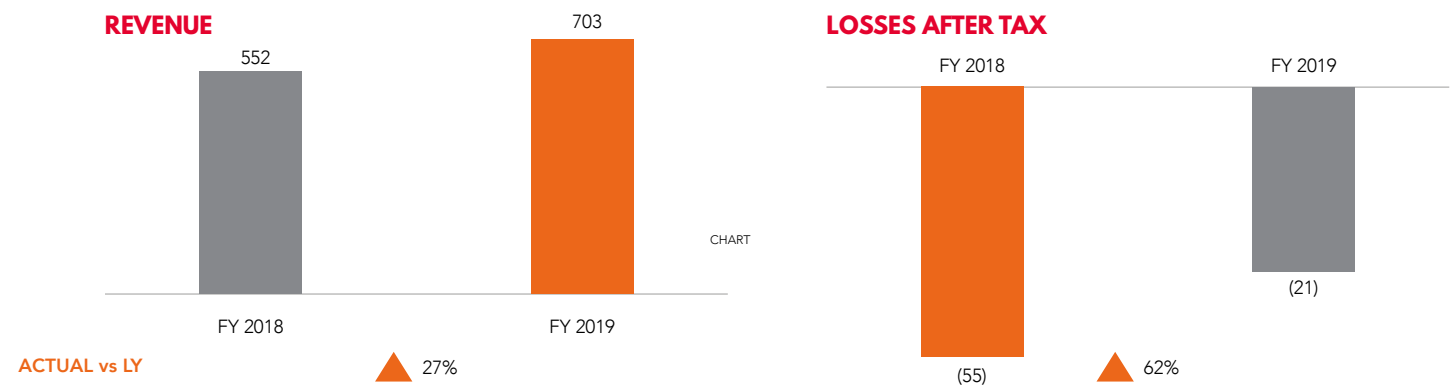
FINANCIAL RESULTS:

REVENUE		
MURm	FY 2019	FY 2018
Middlesex University	180	171
Executive Education	24	33
Other Higher Education institutions	23	21

BUSINESS REPORT

PERFORMANCE IN LEISURE

Casela saw an increase in visitors, whilst the addition of Concorde to our leisure portfolio initiated greater synergies in this cluster. Yemen also experienced stronger performance with a 21% increase in the volume of meat sales.



KEY METRICS	2019	2018
CASELA		
Casela total number of visitors	411,010	379,309
SPARC		
SPARC number of memberships	1,018	691
YEMEN		
Yemen meat price average per kilo (MUR)	234	200
Yemen meat produced (kg)	95,821	79,421
CONCORDE		
Total number of tourist arrivals	45,956	48,631

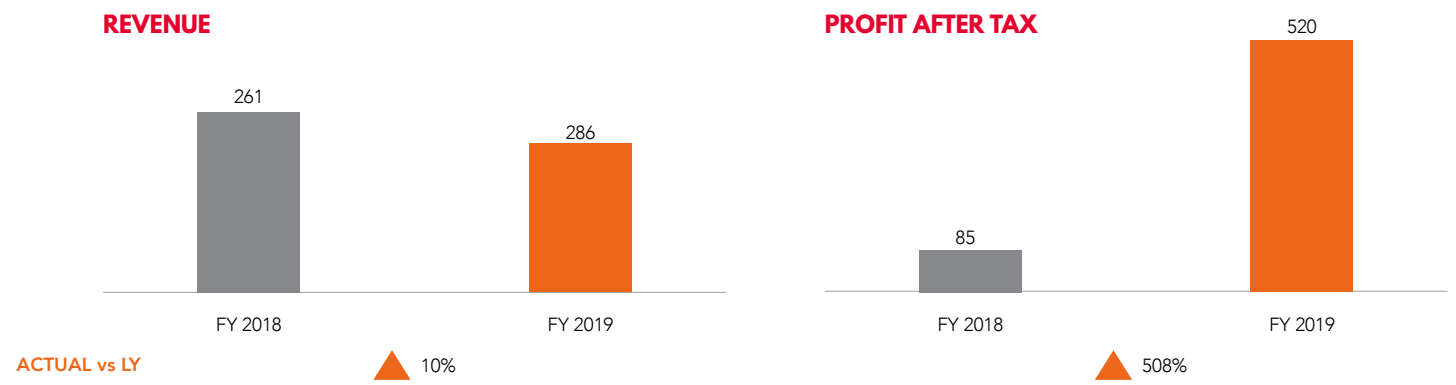
FINANCIAL RESULTS:

INCOME		
MURm	FY 2019	FY 2018
Casela	320	309
Concorde	88	-
Tamarina	204	198
Yemen	50	36
SPARC and Catering	47	9
Total income	707	552
Net revenue excluding intra-group	703	552

(1) Deer farming revenues are currently reported in Leisure but will in the future move under Agriculture.

PERFORMANCE IN PROPERTY

This cluster delivered a solid performance, growing six-fold on the prior year. Property is set to remain a key pillar of the Group in the years to come. The performance delivered was achieved through a combination of new morcellements and bulk sales, and increased occupancy rates at Cascaville Shopping Village and the business park.



KEY METRICS	2019	2018
Rental income (MURm)	331.0	250.6
Net profit (MURm)	187.8	37.8
EBITDA (MURm)	214.9	139.9
IP value (MURbn)	4.2	3.6
Rental income yield (%)	8.5%	9.0%

FINANCIAL RESULTS:

INCOME		
MURm	FY 2019	FY 2018
Shopping malls	113	104
Offices	75	44
Education properties	56	29
Remaining portfolio	110	89
Build & Lease portfolio¹	354	265
Net revenue excluding intra-group	286	261
Memo:		
Land sales²	677	318
of which profit on Land sales	440	185

(1) Revenue includes intra-group transactions.
(2) These represents proceeds from land sales excluding those made to Group companies.

HUMAN CAPITAL

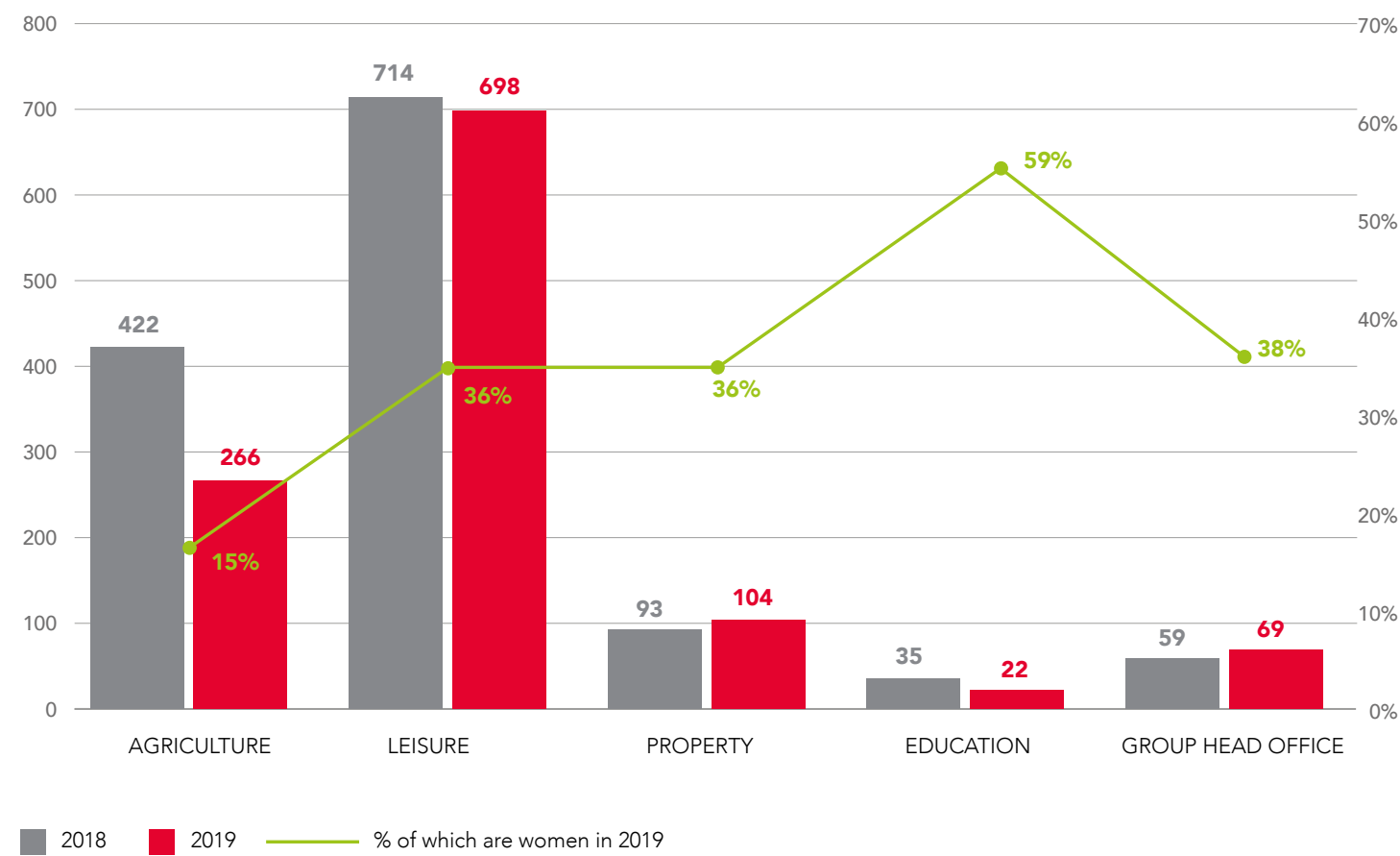
Medine is committed to providing employees with a fulfilling work environment that incorporates equal opportunities for learning and personal growth. The Group has both a central Human Resources department, as well as HR personnel in each cluster. Full compliance with all statutory provisions governing labour practices and decent work ethics are ensured throughout the organisation (please see more in our Corporate Governance Report on page 72).

Human Capital management is vital to fulfil our new strategy and create value for all, including our employees. Value in this capital is created by ensuring we have the right people performing the right tasks, by conducting business in a humane way, and by developing the right skills for the future.

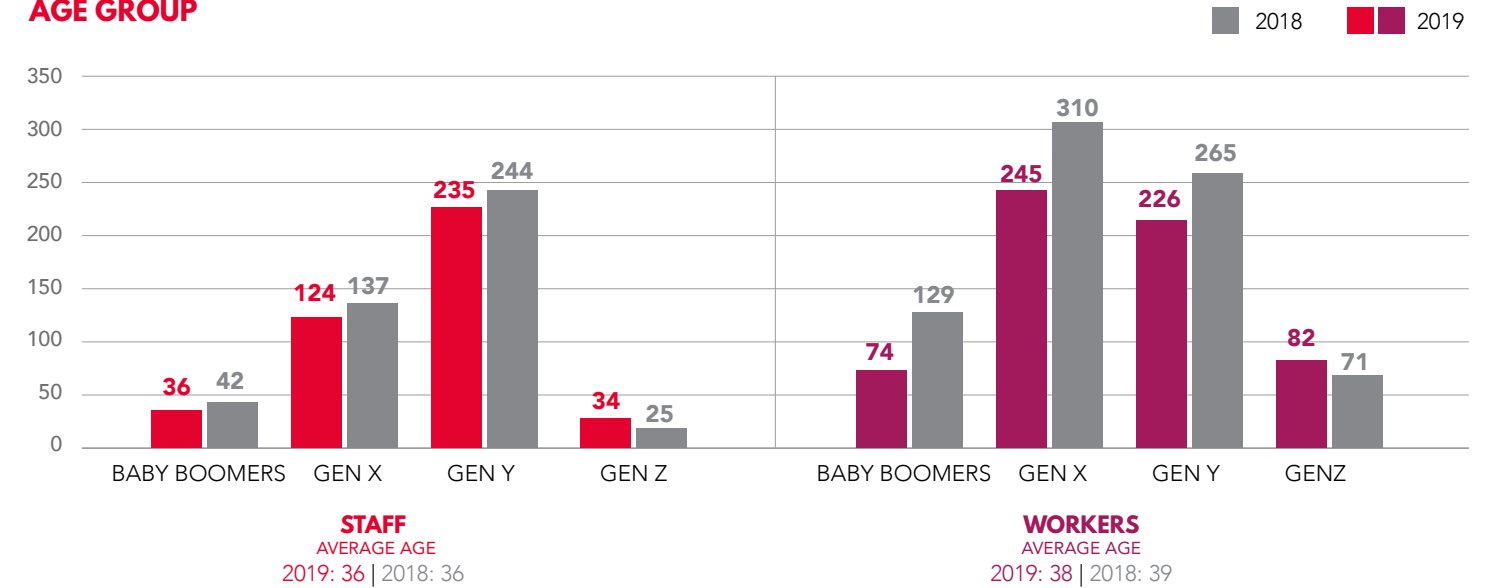
Inputs: the important components of our Human Capital resources and the fundamental information concerning our workforce.

We are constantly working towards building Medine as an employer of choice in the local market through professional experiences, avant-garde experiences, employee benefits and work life balance amongst others. The finance and IT departments are currently working on an Enterprise Resource Planning (ERP) system that will undeniably add value to all of our finance teams.

WORKFORCE COMPOSITION



AGE GROUP



This year, we have had a relatively high Group attrition rate of 35.9%, with 652 leaving and 480 new hires, owing to the restructuring exercise. Several hard decisions were made over the past two years and headcount reduction was one of them. Closing down businesses and departments is never an easy task owing to the human impact; however, this was a necessary step towards financial stability. We have been in constant contact with our employees during those difficult times, and maintaining a direct line of communication between employer and employee has always been a priority. Medine has always respected what is prescribed by appropriate legislations, and has even gone beyond such prescriptions to reach acceptable agreements for both parties. We have also been able to redeploy some employees when possible within other clusters of the Group.



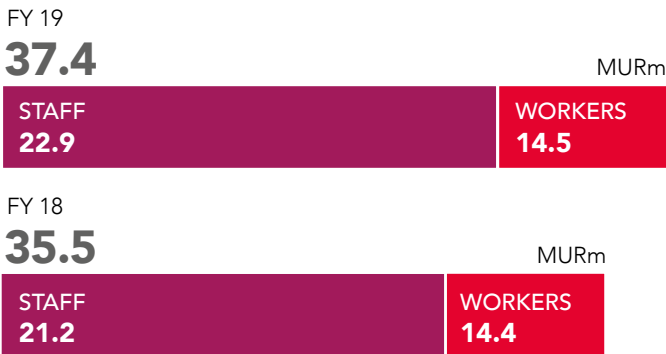
Long Service Awards

HUMAN CAPITAL

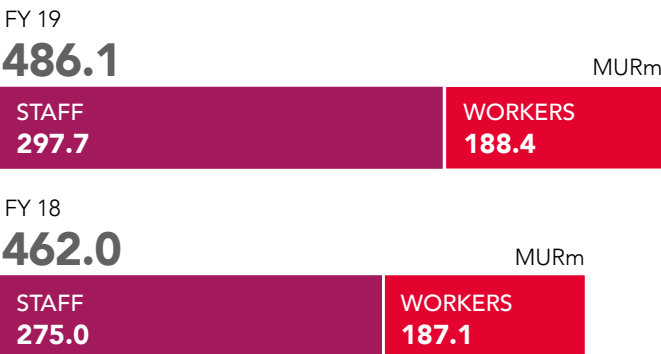
PAY & BENEFITS

We perform an annual benchmarking of our remuneration practices, comparing them to what is being practised on the local market. This is achieved through appropriate processes to make sure that our remuneration policy is locally competitive.

MONTHLY WAGE BILL

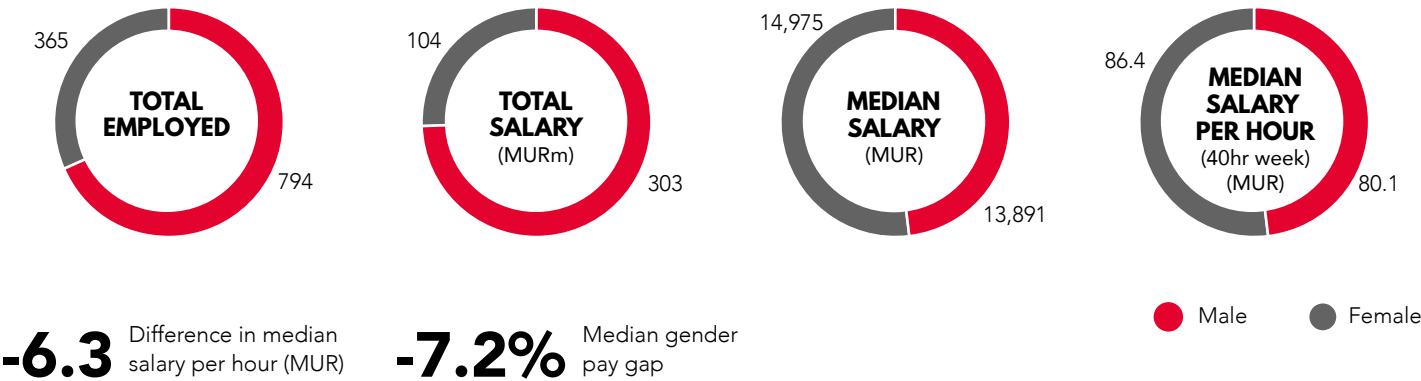


ANNUAL WAGE BILL



Worldwide, the median salary for men is roughly 21% higher than that of women. Sub-Saharan Africa records the third-largest gender gap with an average gap of 33.7%. Globally, Mauritius ranks 109th out of 149 nations (Global Gender Gap Report).

At Medine, our median gender pay gap stands at -7.2%, which is more favourable to women than men. This measure implies we are ahead of both our region’s average and the world’s average. It is the result of a deliberate policy of equity and fairness in our remuneration and recruitment approach over a number of years and Medine remains committed to seek worldwide best practice by constantly benchmarking our pay scales with international consultants.



Activities and processes:

The sets of activities and processes that we put in place in order to convert our inputs into higher-level outputs such as performance, engagement, leadership and innovation.

LIVING OUR VALUES

In order to ensure that our restructuring – including our new branding, values and raison d’être – are truly understood and lived by our employees, the CEO accompanied by the management team, will go on a roadshow in each cluster of the Group between the 2nd and 4th October 2019. This roadshow will mark the kick-off of our internal and external communication campaign and will introduce forthcoming workshops around the Group’s mission and values. These workshops, extending over 6 weeks and impacting all employees, will be held in order to integrate the whole workforce in the development of Medine. Several other initiatives have also been planned over the coming year across all clusters to ensure the continuous engagement of employees. We are also developing a new intranet to promote the Group’s internal communication and information sharing.

WELLBEING AND SAFETY

As the Agriculture cluster is our only business activity that involves the production of goods, health and safety KPIs are more salient.

AGRICULTURE	2017	2018	2019
Number of site accidents	19	21	18
Number of sick leaves due to on site accidents	96	144	90

At Casela, our employees’ and clients’ proximity to wildlife and fun rides means that health and safety procedures are of utmost importance. Casela has therefore integrated an induction process, as part of its onboarding protocol, where employees are trained and sensitised about the fundamentals of health and safety. Throughout their employment, staff undergo continuous training. Finally, each employee has access to a handbook where health and safety measures are clearly outlined to raise awareness of safety in the workplace.

Outputs and outcomes:

The transformation of our inputs and activities into tangible benefits for the Company and our employees; and the translation of our recruitment and efforts into added value for Medine.

Learning and competency development

During this financial year, we spent just over MUR 95k per person trained:

- Employee competencies are developed through the capability development programme.
- Specific leadership training sessions have been organised with the Group’s clusters.
- An ACCA training scheme for all finance teams across the Group is also available to train and develop our finance talents.

OUTCOME

The past two years have seen fast-paced and intensive change that ultimately achieved the effective restructuring of the Human Capital function to support the Group’s own restructuring activities. Going forward and in the short term, we aim to centralise important activities of the Group, develop and implement a succession plan and focus on leadership development.

Medine is unambiguous about its people being at the heart of its success and that of its future strategy – the Group duly expresses appreciation for its longest-serving employees in a yearly award ceremony that recognises employees having served for 25, 35 or 40 years in Medine, thus making lasting contributions to its history. For the current year, 25 members of our team were honoured in this manner in July 2019 with the ceremony held at our restaurant ‘Dix-neuf’ at Tamarina Golf Club.

INTELLECTUAL CAPITAL

Our intellectual capital is enhanced through two key elements - our brand reputation and the value created by organisational intangibles, such as our knowledge base and processes, systems and procedures. The certifications and awards that we receive represent a testament to the sincerity of our approach.

To reflect the new dynamism of the Group, the visual identity and branding of Medine have also been reworked. Its name remains unchanged as a matter of pride and reliance on our heritage to grow. However, the design and colours of our logo and communication tools have been revised. The revamped 'D' in Medine shows forward movement as well as a window into our operations. The red colour was chosen to represent the West of Mauritius, its warmer temperatures, the colour of the sunset on the beach and the warmth of its people.

KNOWLEDGE BASE

With over 100 years of experience and knowledge building in the West of Mauritius and through our various sectors of activity, we have collaborated with employees and business partners to build an important pool of experience and know-how. This pool of knowledge encompasses specialist expertise in our four clusters.

In addition, through our education hub, we intrinsically build the country's and our own future knowledge base – creating a virtuous and sustainable cycle. As a provider of higher education and campus lifestyle, Uniciti is accredited by international universities:

COURSES ACCREDITED UNDER TEC:

**→ nantes
ensa
→ architecture
→ mauritius**
L'Ecole Nationale Supérieure d'Architecture (ENSA) de Nantes
• Bachelor in Architecture and Urbanism
• Master in Architecture and Urbanism

**UNIVERSITÉ PARIS II
PANTHÉON-ASSAS**
• LLB Bachelor of Laws (Hons.)
• LLM

SUPINFO International University
• BSc/BSc (Hons.) in Computer Science Engineering
• MSc in Computer Science Engineering

**CENTRALE
NANTES**
Ecole Centrale de Nantes
• Bachelor of Science (Hons.) in Engineering

**Middlesex
University
Mauritius**
Middlesex University Mauritius

S/NO.	PROGRAMME TITLE
1	BA Accounting and Finance
2	BA International Business (Being phased out)
3	BA Honours Business Management
4	BA Honours Business Management (Finance)
5	BA Honours Business Management(Human Resource Management)
6	BA Honours Business Management (Marketing)
7	MSc Management
8	MA Education (Leadership & Management)
9	BA Law (Exit award)
10	LLB
11	LLB (International Relations)
12	LLM International Business Law
13	BA Honours Advertising, PR and Branding
14	BSc Information Technology
15	BSc IT and BIS 3rd Year Top Up
16	BSc Computing Science (Systems Engineering)
17	BSc Psychology with Counselling Skills
18	MSc Applied Psychology
19	International Foundation Programme
20	MSc Business Information Systems Management
21	MSc Computer Networks and Network Design
22	Post Graduate Certificate in Higher Education - Teaching and Supporting Learning



We welcome the following lecturers, from various institutions, to our university:

INSTITUTION	CATEGORY	FY17	FY18	FY19
Supinfo	Local lecturers	10	13	13
ASSAS LLM	Local lecturers	10	10	10
	International lecturers	10	10	10
ASSAS LLB	Local lecturers	7	9	12
	International lecturers	15	20	24
ENSAN	Local lecturers			20
	International lecturers	16	29	32
Middlesex University	Local lecturers	32	37	41
	International lecturers	6	5	3

CERTIFICATIONS

To ensure the safety of our attractions at Casela we have a European Rope Course Association (ERCK) certification for ziplines, SGS certification for F&B, and Technischer Überwachungs-Verein (TUV) certification for sports rides.

Concorde is certified ISO 9001:2015 - the international standard that specifies requirements for a quality management system (QMS). Organisations use the standard to demonstrate their ability to consistently provide products and services that meet customer and regulatory requirements.

IT SYSTEMS

The processes and systems through which we deliver these value-creating activities are increasingly supported by technology development and digitalisation.

For example to generate efficiency, to develop insights from data and to create value, our finance teams will need to increasingly lean on technology to carry out the transformation required to achieve the Group's objectives. For this, we are targeting the customisation of the Fintech concept for Medine. Technology is an enabler for all our clusters and departments for better understanding our operations and competitive landscape.

After having analysed our processes across the Group, we are now embarking on the implementation of a Group-wide ERP software to enhance the availability of financial data, provide real-time analytics and visualisation, and enhance decision-making at every level. In addition, we will be gradually gearing several services to be cloud-based and will explore additional flexibility on working practices to support better work-life balance.

For the Leisure cluster, we are working on multi-channel booking channels (CRM, B2B, B2C, mobile applications) to address and keep pace with the evolving needs of our clients. Airlines, hotels and online travel agents are disrupting the traditional model in promoting direct booking via their digital platforms to eliminate intermediary costs.

SPARC: PERFECTGYM

PerfectGym is a gym management cloud-based solution that offers features such as a client portal, point of sale, marketing and Customer Relationship Management (CRM). The client portal allows operators to sign up new members and upsell add-on packages.

CASELA: FOCUSPOINT ONLINE BOOKING

FocusPoint online booking system is a cloud-based B2C solution directly interfaced to the on-premise FocusPoint system, which allows clients to purchase their admission ticket and activities on the web.

CASELA: FOCUSPOINT ECONSIGNMENT

FocusPoint Online eConsignment module is a cloud-based B2B solution directly interfaced to the on-premise FocusPoint system which allows tour operators to book activities.

TAMARINA GOLF ESTATE: TEESHEET ONLINE BOOKING

Teesheet online booking is a cloud-based solution that offers features such as a tee off and lessons booking.

AWARDS

The awards that we have received bear testimony to the exceptional levels of quality and excellence of our knowledge base, systems and procedures.

Concorde, our travel agent has been awarded:

1. Air Austral Silver Award in recognition of an outstanding sales performance for the year 2017-2018 and again in 2018-2019.
2. Air Austral Recognition Certificate for an outstanding sales performance on Reunion Route for the year 2017-2018.
3. South African Airlines Certificate Best of Sales Progression.
4. Voyage Privé Best Selling DMC on 120 Destinations.



SOCIAL & RELATIONSHIP CAPITAL

As an organisation with an extensive breadth of operations and an important geographical footprint, the 'Social and Relationship Capital' forms an integral component of our value creation process. The strategic management of this capital includes the relationships we have nurtured with our ecosystem actors, our customers, business partners, retailers, investors and communities.

INVESTORS & SHAREHOLDERS

As a listed company, shareholders and investors are Medine's life force. An important reason for this first integrated report and our new analyst meeting is to keep them informed of the Group's strategies, plans and performance and thereby gain their trust and confidence in the Group. Through the Group's strategies and Master Plan, Medine takes a long-term view of the business to generate returns to shareholders in a sustainable manner. As a new member on the Official Market of the SEM, this year we launched our first analyst meeting in July. This endeavour showcases a new approach for the Group, which will now focus on establishing regular financial communication through these meetings, as well as on internal and external communication platforms. We are also busy reviewing and enhancing our governance frameworks and policies in line with the new Code, and the transfer from the DEM to the Official Market of the SEM.

HOW WE COMMUNICATE:

- Annual General Meeting
- Analyst meetings
- The annual report
- Interim financial statements
- Press conferences and media releases
- Social media
- An investor relations section with downloadable information on our website

CUSTOMERS

Our customers are at the heart of our activities and value creation process. It is imperative to consistently enhance our customer value proposition and communicate effectively with them. We strive to build trust and protect brand value through our communications. As such, our marketing communications are guided by the principles of ethical business, transparency, accuracy and honesty. Customer rights are ensured through the legitimate use of customer-centric data and secure data storage, in accordance with the law.

The quality standards of our services and products are an integral element of our competitive advantage. This has allowed us to nurture and sustain mutually beneficial, long-term relationships with our clients. Within our education hub, the quality of our programmes and teachings are closely monitored by our partnering institutions, who ensure that Unicity is at par with the offerings in their home countries. At Casela, the safety of our customers is paramount. Regular risk assessments are conducted according to standard operating procedures available for each type of activity and interaction. Our employees undergo training to ensure their safety and that of their clients (fire, induction, first aid etc.). Internal daily and monthly incident reports allow us to see the trend levels and act swiftly. Finally, Casela has a nurse on site to cater for immediate incidents for the welfare and medical assistance of visitors.

BUSINESS PARTNERS

Relationships with our business partners is an important part of our operations. When selecting and commencing a relationship with a business partner, it is essential that we find a strategic fit whose benefits extend beyond the financial aspect. Collaboration with our business partners produces the differentiation we strive for, which enables us to offer unique value propositions to our customers. Products and solutions responsibly sourced from our providers, combined with Medine's expertise, enable us to offer unique experiences to our customers.

We seek to partner with those who are trustworthy, have strong safety records, and a strong environmental performance. We have established processes to ensure that we engage with all our business partners in a fair and transparent manner – please see our Corporate Governance Report page 76.

HOW WE COMMUNICATE:

- The annual report
- Routine and ad hoc meetings
- Financial reports

COMMUNITIES

Corporate Social Responsibility (CSR) in its broader definition (i.e. above and beyond local legal compliance) has been a long-standing commitment of the Group. We believe that we can enable a larger number of people to participate in and benefit from economic progress. These are the very same people who tomorrow could be important customers, business partners, and an important part of our Smart City - as such CSR is aligned with our strategy and business model. We identify critical areas of development that require investment and intervention through our material matters (page 36), as well as through proactive engagement with our stakeholders.



FONDATION MEDINE
HORIZONS

In 2006, we established Fondation Medine Horizons (FMH) with a view to channelling Medine Group's support for the social growth of vulnerable groups living in Medine's catchment area. This area extends from Chebel to Yemen, goes up to Henrietta and includes the suburbs of the towns of Vacoas, Beau Bassin and Rose Hill.

Three priority zones, namely education, housing and environment, have been earmarked as requiring the Group's involvement with a view to enabling the sound development and social inclusion of the overall communities living within Medine's catchment area.

The mission of Fondation Medine Horizons is not only to support the population of the region in attaining an improved quality of life: FMH also aims to bring about effective concertation and collaboration among the social actors of the region. FMH's own actions are guided by Medine Group's strong belief that development is effectively sustainable only if it is also inclusive. The Group's integrated development plan for its catchment area therefore articulates itself around the promotion of long-term partnerships with employees, government collaborators, private enterprises and the civil society of the region.

In this context, Medine Volunteers and other stakeholders are called upon for goods donations, financial support and to engage in activities for the benefit of vulnerable communities in priority of the West region. Through the Medine Group's ACT, GIVE, FUND philosophy, FMH wishes to call out to the sense of solidarity to support and to bring some relief to the most vulnerable members of society in the Medine catchment area.

In January 2019, Fondation Medine Horizons set up its new centre to welcome the different groups it interacts with, namely people of the community of the western region, and in particular the most vulnerable ones; NGOs operating in the Group's catchment area as well as the Group's employees. Since its inception, the foundation has been supporting its own projects as well as close to 200 external social projects within the Western region.

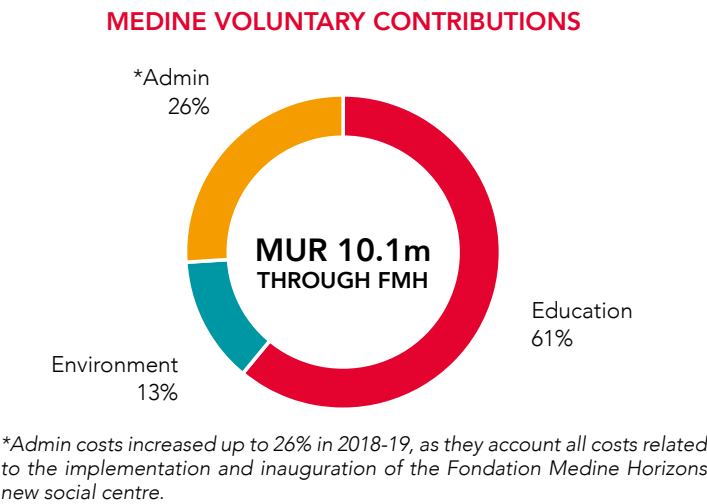


HOW WE COMMUNICATE:

- Through our foundation
- Through local NGOs
- Social media platforms
- Communication campaigns
- Through our partners

SOCIAL & RELATIONSHIP CAPITAL

COMMUNITIES (CONT'D)



In addition to its voluntary financial contributions, the Group promoted numerous in-kind donations and volunteering actions to support local NGOs, associations and vulnerable groups of its catchment area.

These included:

FONDATION MEDINE HORIZONS NEW HEADQUARTERS

In January 2019, the Fondation Medine Horizons (FMH) set up its new headquarters to create a space to welcome its stakeholders such as the local citizens, NGOs etc. but also establish an operating base for all actions undertaken by the Medine Group's foundation.

EDUCATION

- **Medine Excellency Scholarships:** Medine has provided 20 deserving young Mauritians who have produced great academic performance but who are financially restricted, with access to top-notch higher education programmes from Unicity Education Hub.
- **Employees' children scholarships:** Fifteen youngsters benefited from these grants in 2018/19, of which seven are newly enrolled students.

ENVIRONMENT

- **La Promenade de Medine.** La Promenade de Medine is a 5-acre green park located in Bambous offering to the inhabitants of the locality a place of leisure.
- **Plantons 100,000 arbres.** The Medine Group supported this initiative to fight against global warming by planting thousands of trees all around Mauritius, by sponsoring plants.
- **Awareness campaign called 'Nou Park Nou Zanimu'.** As part of the International Animal Day celebrated in October 2018, Casela engaged in a series of activity featuring the life of the animals in the park, as well as educating the public about the importance of protecting and respecting the animals.



LAND AND BUILDING FACILITIES

Medine also provides land and/or buildings to several NGOs at a significant discount, or for a token gesture.

New projects

Ecole de photographie. This school introduces children to, and trains them in art and photography. A building was fully renovated for the school during the financial year 2018/19 by Medine.

On-going projects

- **Local Hands** handicraft project
- **General Construction Co. Ltd social centre**
- **Association Kinouete**
- **École Familiale de l'Ouest**
- **The Mauritian Wildlife Foundation**
- **Association for the Welfare of Orphans and Handicapped Children**
- **Groupe Elan**
- **Fondation pour l'Enfance - Terre de Paix**

ACT. GIVE. FUND AND MEDINE VOLUNTEERS PROGRAM

Medine Group believes that sustainable development can only be effective if it is geared by an inclusive and collaborative approach. Joint actions on a near-monthly basis, bring together the Group's employees to act, give or fund social activities that are also financially supported by the Group. The volunteering programme is also extended to the Medine Group's partners. Volunteering activities initiated in 2018/19 by the FMH are:

EDUCATION

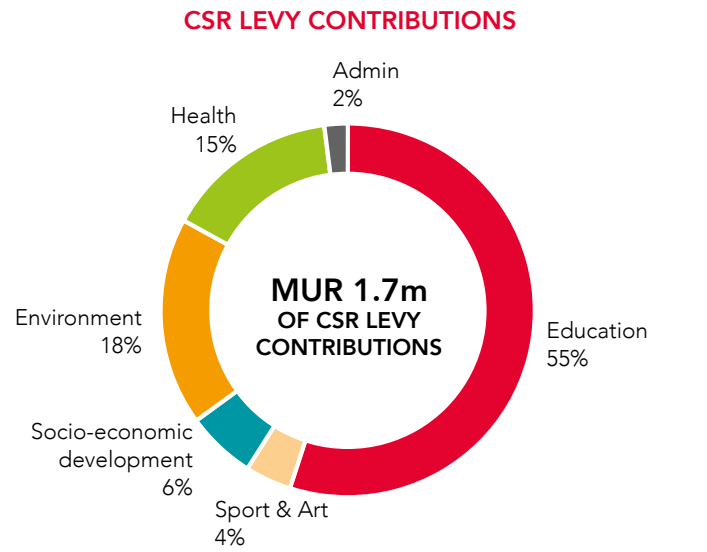
- Christmas celebration with the children of Caritas Bambous
- Painting of games by Unicity Education Hub on New Bambous (Geoffroy) Government School's playground
- Painting by Unicity Education Hub of the outside wall of New Bambous Government school
- Donation of school materials
- Embellishment Works for Caritas Centre d'Éveil, Bambous
- Help to Albion Government School
- School fees for 30 students of Ecole Familiale de l'Ouest
- Donation to Pitila Petzi and embellishment of the nursery by Westcoast International Secondary school

ENVIRONMENT

- World Clean-Up Day 2018. 12 tonnes of waste collected
- Independence Day celebrations: Planting Day – a rocky garden created and 40 trees planted.

GIVE PROJECT

Since February 2019, this project promotes a circular economy by way of collecting and redistributing donations received from partners and Medine's employees.



In addition to the above-mentioned projects and after the payment of the 50% levy to the NCSR Foundation, Fondation Medine Horizons received MUR 1.7m of CSR levy contributions from 11 Group and non-Group companies. Over and above its own CSR levy contribution (Group companies), FMH benefited from the support of external contributors (non-Group companies) for the financial support of projects inside but also outside Medine's catchment area and guidelines.

This has enabled us to support 25 NGOs, of which, 13 NGOs* were directly selected and financed by some of the non-Group companies and 12 NGOs* received financial help as per the FMH recommendations and guidelines.

ENVIRONMENT

- **The Mauritian Wildlife Foundation**
- **Mission Verte***
- **We Recycle**

EDUCATION

- **École Familiale de l'Ouest (EFO)***
- **Centre d'Amitié***
- **Quartier de Lumière (Centre La Ruche)***
- **Caritas Ile Maurice - Centre d'Éveil, Saint Sauveur, Bambous***
- **Palma State Secondary School*** adult literacy and life skills courses for two Grade 8 extended stream classes

- **Institut Cardinal Jean Margéot (Les Amis de Zippy)***
- **Association d'Alphabétisation de Fatima**
- **Association Les Enfants d'un Rêve***
- **Anges du Soleil**
- **Garderie Maternelle L'Étoile**
- **Willfly**

POVERTY ALLEVIATION AND SOCIO-ECONOMIC DEVELOPMENT

- **Caritas SEED Visitation, Vacoas***
- **SAFIRE**
- **Étoile du Berger***
- **Lovebridge**

SPORTS AND LEISURE

- **Bambous Martial Art & Sports***
- **Rugby Union Mauritius**

HEALTH

- **Haemophilia Association Mauritius**
- **Chrysalide**
- **Association de Parents d'Enfants Inadaptés de l'Île Maurice (APEIM)**
- **Rêve et Espoir***
- **PILS* for the prevention of HIV/Aids**

FUTURE ENDEAVOURS

With the CSR levy framework further reducing the total amount of funds directly operated by FMH, the Group will continue to support social projects while focusing on the most impactful.

Additionally, Medine will continue to promote a culture of dialogue and collaboration with all concerned parties (authorities & stakeholders, including the community), to help implement and better coordinate actions for the sustainable development of its catchment area.

Internal and external committees will lead, support and implement social initiatives in the Medine catchment area. The Group will also continue to promote a volunteering culture, whereby employees are invited to participate in hands-on activities that benefit vulnerable communities and contribute towards the preservation and uplifting of the environment, through the sharing of expertise, knowledge, skills, talents and time. The in-kind donations already being favoured will continue to benefit the most vulnerable of the region.

More activities and new projects are also in the pipeline as well as a more sustainable approach in doing business. During the upcoming year, the Fondation Medine Horizons will lead two major projects, namely the launch of an online collaborative platform on which citizens, NGOs, private companies etc. will be able to Act, Give and Fund to support social initiatives in the West region. The foundation will also play an active role in the implementation of a housing committee with other major stakeholders of the region to work on a housing project for the benefit of the most vulnerable families of the area.

NATURAL CAPITAL

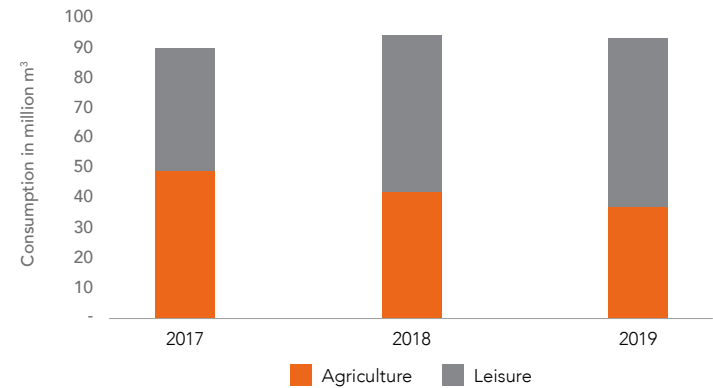
Our business output is a product of our society and contributes to the national economy, and is ultimately and undeniably dependent on the environment. Preserving this environment is thus essential to the long-term viability of our Group and Mauritius. Medine owns 10,000 hectares of land in Mauritius, endowing us with a great responsibility to develop inclusively and sustainably. In order to do this, we must tackle several global and local challenges, while harnessing business opportunities.

AWARENESS OF OUR OWN IMPACT

Firstly, it is important for us to be aware of our own consumption patterns and their related impact on biophysical stocks and ecosystems. By measuring our consumption patterns, we will be better equipped in the future to reduce and contain any negative impact. We have started doing this for our Agriculture and Leisure clusters, both of which underwent important changes and are also our biggest ‘consumers’ of natural resources.

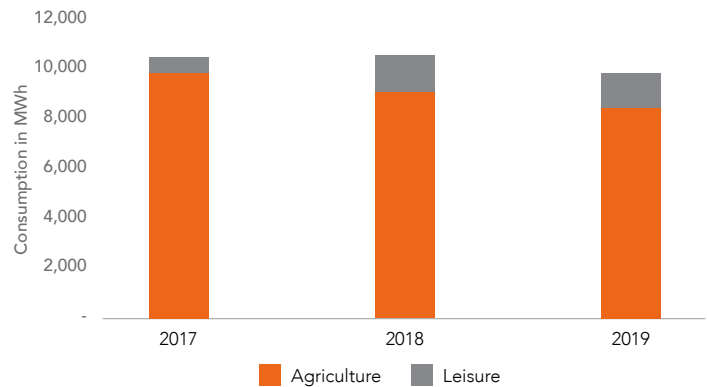
Overall, we note either a slight decline or stagnation in most of our inputs, with a few exceptions. This is in line with our restructuring, such as the closing down of certain underperforming activities notably in the Agriculture sector, and the streamlining of our processes for leaner management. This result is positive both for us and the planet.

WATER CONSUMPTION FOR AGRICULTURE & LEISURE



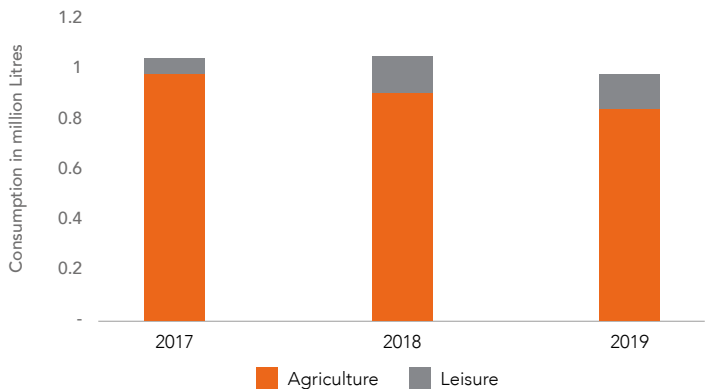
For the Agricultural cluster, we have managed to reduce our water consumption year-on-year. Most of our water is sourced from gravity water and canals that run through Medine’s property. Only a fairly small amount is bought additionally from the CWA.

ELECTRICITY CONSUMPTION FOR AGRICULTURE & LEISURE



Vehicles owned in 2019: 68 heavy vehicles, 24 vehicles for goods transportation and 128 lighter vehicles for the transportation of people.

FUEL CONSUMPTION FOR AGRICULTURE & LEISURE



SECTOR SPECIFIC INPUTS:

AGRICULTURE INPUTS	2017	2018	2019	CHANGE
Herbicide (kg)	35,066	28,693	27,847	▼
Insecticide/fungicide (kg)	5,985	4,432	3,343	▼
Fertilisers (tonnes)	1,259	1,195	1,154	▼
Compost (tonnes)	11,686	8,133	7,457	▼
Scums from mills (tonnes)	21,644	19,186	19,273	▲
Poultry manure + sugarcane trash (tonnes)	7,599	8,184	4,978	▼
Poultry litter (tonnes)	2,490	2,564	2,247	▼

LEISURE INPUTS	2017	2018	2019	CHANGE
Litter (tonnes)	655,784	790,827	436,463	▼
Concentrate- pellets, hay, powder, supplements (tonnes)	219.9	215.8	137.2	▼
Births at Casela (no.)	54	59	61	▲
Medication MUR	711,573	531,482	417,424	▼
Zoo keepers (no.)	26	24	24	◀▶

As shown above, our chemical input has consistently decreased in the past three years. This is in line with our mission to offer food crops that come from practices based on what we term ‘agriculture raisonnée’.

INVESTING IN GREEN DESIGN

Globally, cities account for up to 80% of energy consumption as well as 75% of global waste and carbon emissions. In addition, due to the concentration of people, infrastructure, housing and economic activities, cities are particularly vulnerable to climate change and natural disasters. The increased and often unplanned urbanisation witnessed worldwide has led to increased pressure on the environment and social exclusions.

At Medine, we developed our Master Plan in 2000 in order to promote sound urban planning. We have thus invested in:

- The production of renewable energy at Henrietta Solar Plant.
- Our smart city planning has considered soil and water ecosystems to ensure resilience. Our city is ‘green by design’ as we have integrated the ecosystem by respecting the green and blue corridors of the site, and by creating eco-drains.
- For our restoration points and campuses, we now have straws, cutlery, take away packaging and trays that are all compostable.
- Our architecture school does not require air conditioning due to its green design.
- We have already planted over a thousand trees within the smart city, and thousands more will be planted in the coming years.
- Student Life Residences are partially powered by solar energy.
- Paper recycling at our Group Head Office (together with the Property cluster) in partnership with Paper Link Ltd.
- The Agriculture sector makes its own compost and has stopped using plastic bags for our bananas and replaced them with a paper label and two paper strips. Our papayas and bananas are no longer wrapped in cling film, with only a paper sticker used to brand the product.

NATURAL CAPITAL



ENCOURAGING ‘GREEN’ LIFESTYLES

Modern consumption and production patterns are generally viewed as unsustainable and need to change, in order to ensure a better life for future generations. Our goal is to promote lifestyles that balance social, environmental and economic abundance. To do this, we ensure accessibility, open green spaces, education and sustainable lifestyles. We believe this will make our region even more attractive and enjoyable for all.

The activities and initiatives we propose to Mauritians for an eco-friendly lifestyle:

- Eco-activities proposed by Yemen Experience and Casela.
- Eco-market event happening regularly at Cascavelle Shopping Village.
- Recycling bins at Cascavelle and Tamarina in partnership with Mission Verte.
- We have a Medine Volunteers programme, where our employees are involved in cleaning, planting, and wall painting on the theme of environmental protection.
- Our foundation – FMH – supports Mission Verte in the sensitisation of school children in the region.

PROTECTING BIODIVERSE ECOSYSTEMS

Lastly, this year’s report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) painted an alarming and sobering picture of the state of the world’s biodiversity and ecosystems. According to IPBES Chair, Sir Robert Watson. “The health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever. We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide.” In addition, illegal trading of animals and poaching continue nearly unabated, leaving many African wildlife species in increasing danger.

In order to protect this fragile biodiversity, we do the following:

- Our Mondrain Nature Reserve is managed by the Mauritian Wildlife Foundation for the preservation of the fauna and flora.
- Yemen has designated approx. 3000 hectares as a protected reserve.
- Casela’s initiatives:
 - In collaboration with the National Parks and Conservation Services (NPCS) we signed an MoU for the preservation of the Mauritian ecosystem (endemic species of fauna and flora).
 - We are also members of the Pan-African Association of Zoos and Aquaria (PAAZA), currently representing 70 institutional,

affiliate and associate members in 12 African countries. “The association upholds modern zoo best practice in the provision of supportive environments for the animals, personnel and public; active involvement in the maintenance of biodiversity; management for the wider benefit of the community and the provision of education opportunities for learning about animals and their environments.” Our animal enclosures are designed as per guidelines from international zoo associations like PAAZA, the World Association of Zoos and Aquariums (WAZA) or the European Association of Zoos and Aquaria (EAZA) to ensure the safety and welfare of the animals. All enclosures are checked daily by keepers.

- Animal keepers undergo on-the-job training on how to work and act with and around animals. Animal health is monitored on a regular basis by our veterinarian consultant and animal keepers. There is an intensive prophylactic treatment for each species and group of animals to reduce/eliminate risk of zoonosis. All treatment provided are recorded.
- There is an educational department at Casela that sensitises our guests to the cause of animals at large through specific activities like workshops for students, animal talks, zoo keeping activities, guided visits.

FINANCIAL CAPITAL



Over the past 18 months, the Group redirected and optimised its operations with a view to achieve higher efficiency and mitigate headwinds in the changing economic landscape. In recent years, Medine had accumulated deficits on certain operations and especially those of sugarcane milling and some executive education offerings yielding low margins. With the continuing challenges in the sugar industry, it became necessary to take bold cost efficiency actions and exit activities that were impairing profit margins and were considered as having no viable potential for improvement in the future. In addition, the Group needed to maintain the competitive advantage of our Leisure cluster with innovative activities in Casela, reinforced through the acquisition of Concorde to increase our exposure to a different segment of the tourism value chain.

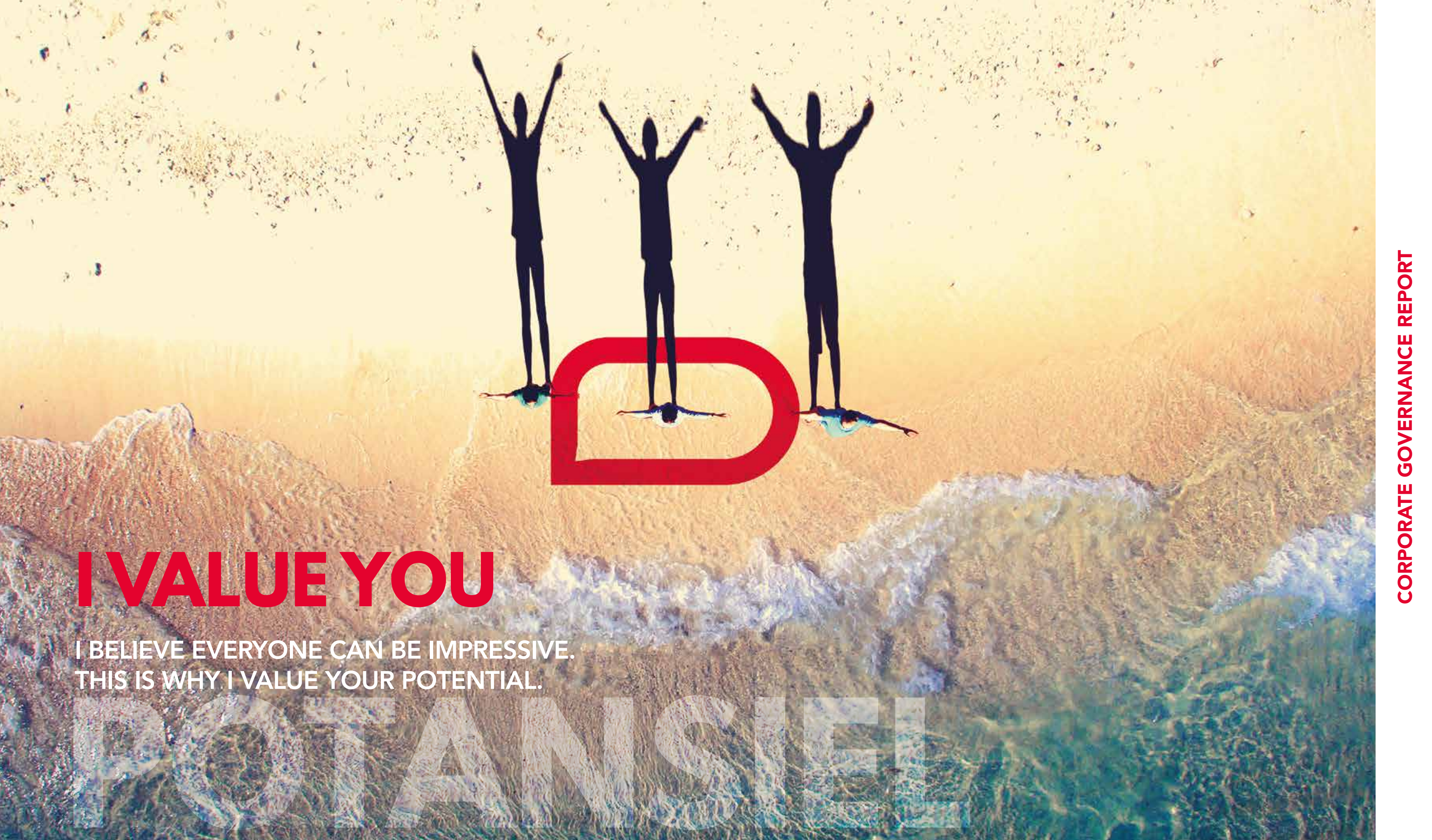
The year under review therefore saw bold restructuring actions to enable the Group to improve its underlying financial performance. In highlight, the authorisation request submitted in September 2018 to close its milling operations was duly approved on 29 March 2019. The Mill’s operations, which had been loss making for a number of years, have since ceased. Poultry operations, which lacked operational scale, were also terminated and the farms leased to a third-party operator. This decision to exit loss-making activities also contributed to a MUR 96m improvement in the overall bottom line of the Group through a reduction in losses and gains on sale proceeds.

Other than the milling and poultry activities, discontinued operations for the year also included the golf and hotel operations. These have been reclassified to reflect the Group’s intention to seek an external operator to lease these operations, with negotiations ongoing as at the financial year end 2019.

With respect to funding its investing activities, the Group has several sources of financing including mainly bonds, bank loans and bank overdrafts. The last 12 months saw a comprehensive debt restructuring programme executed. This was necessary to match the term of borrowings with the nature of the expenditure being incurred. The resulting impact has seen an increase in long-term borrowings on the statement of financial position, with a corresponding fall in our short-term debt. Overall, the Group has maintained an acceptable level of gearing. Going forward, as the property portfolio grows, the Group expects to partially fund further investments from this new sustainable revenue stream.

In addition to financial measures, Medine Ltd migrated its ordinary shares from the DEM to the Official Market of the SEM on the 1 August 2019 to raise its profile and visibility towards institutional investors, both local and international.

Increased transparency and trade liquidity are two factors that will contribute to the Group’s attractiveness to institutional investors.



I VALUE YOU

I BELIEVE EVERYONE CAN BE IMPRESSIVE.
THIS IS WHY I VALUE YOUR POTENTIAL.

POTENTIAL

CORPORATE GOVERNANCE REPORT

Medine Limited is a public interest entity, as defined under the Financial Reporting Act 2004. The Board of Directors adheres to the highest principles of good governance and ensures that these are followed and applied throughout the Group. It recognises the importance of such principles and views their application as an opportunity to critically review the Company's structure and processes. It believes that the adoption of the highest standards of governance is imperative for the enhancement of stakeholder value.

The Company's compliance with the principles of the National Code of Corporate Governance for Mauritius (2016) is set out in the report.

PRINCIPLE 1: GOVERNANCE STRUCTURE

Medine Limited is led by a unitary Board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

ROLE OF THE BOARD

The main role of the Board is to maintain a high standard of governance so as to protect and enhance shareholders' value. It sets the overall strategy for the Group, oversees executive management and ensures that good corporate governance policies and practices are developed within the Group. The Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. It is responsible for leading and controlling the Company and meeting all legal and regulatory requirements.

ROLE OF BOARD COMMITTEES

The Board delegates its duties and powers, where necessary, to board committees, in order to ensure operational efficiency and that specific issues are being handled with relevant expertise. Two board committees have been established, namely the Audit & Risk Committee and the Corporate Governance Committee. Each Committee has its specific duties and authorities set out in its charter, which is available on the Company's [website](#).

ROLE OF MANAGEMENT

Management is responsible for the Company's day-to-day business operations and is accountable for the performance of the clusters forming part of the Group.

KEY ROLES AND RESPONSIBILITIES

The Position Statements of the Chairman, the Chief Executive Officer and the Company Secretary have been approved by the Corporate Governance Committee. Their key roles and responsibilities have been clearly defined and are summarised below. The functions and roles of the Chairman and the Chief Executive Officer are separate to ensure a better balance of power and authority on the Board.

Chairman

- Responsible for the leadership of the Board
- Ensures the Board's effectiveness
- Ensures that Directors receive accurate, timely and clear information
- Encourages active participation of all Board members in discussions and decisions
- Ensures effective communication with stakeholders

Chief Executive Officer

- Responsible for the day-to-day running of the Group's operations
- Develops and recommends to the Board strategies in line with the long-term vision of the Group
- Responsible for the implementation of the strategy and policies set by the Board

Company Secretary

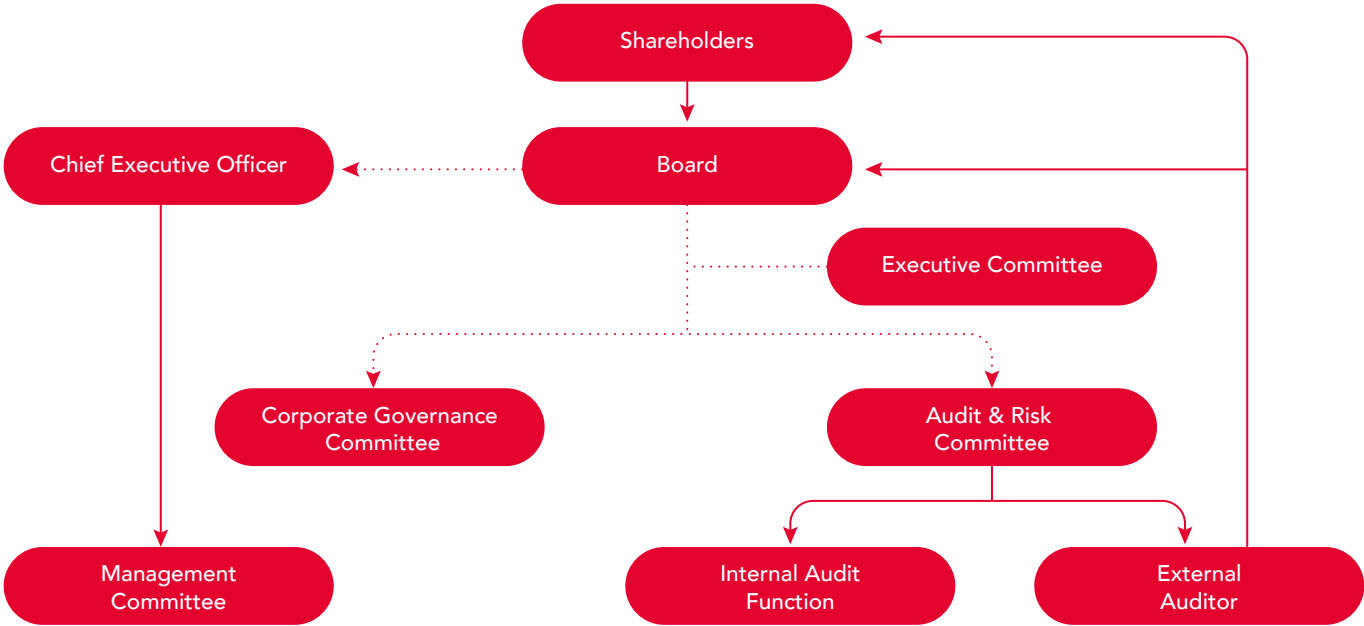
- Ensures compliance with all relevant statutory and regulatory requirements
- Prepares and circulates the agenda for Board and Board Committees meetings, with any supporting document
- Participates in the induction process of newly appointed Directors
- Provides comprehensive practical support and guidance to Directors as to their responsibilities
- Monitors governance processes

ORGANISATIONAL STRUCTURE AND STATEMENT OF ACCOUNTABILITIES

The Group's organisational structure showing the key senior positions and their respective reporting lines is found on page 22 of this report.

CORPORATE GOVERNANCE FRAMEWORK

The current corporate governance framework of the Group is set out below:



BOARD CHARTER

The Board has approved its Charter, a copy of which is available on the [website](#).

CONSTITUTION

The Company was incorporated as a public company on 27 June 1913 under the name of The Medine Sugar Estates Company Limited. It changed its name to Medine Limited on 9 September 2009.

The Company's Constitution is in conformity with the provisions of the Companies Act 2001 and comprises the following main clauses:

- The Company has wide objects and powers;
- There are no pre-emptive rights on share transfers;
- Fully paid shares are freely transferable;
- The Company is authorised to purchase or otherwise acquire its own shares;
- The quorum for a meeting of shareholders is three shareholders present or represented, and holding at least 51% of the ordinary shares of the Company;

- The minimum number of Directors is six and the maximum number is fourteen;
- The quorum for a meeting of the Board is five;
- An additional Director may be appointed by the shareholders by ordinary resolution but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with the Constitution;
- The Board has the right to appoint any person to be a Director to fill a casual vacancy. A Director so appointed shall hold office only until the next Annual Meeting and shall then retire but still be eligible for appointment;
- A Director who is interested shall not be allowed to vote on any matter relating to the transaction or proposed transaction in which he is interested and shall not be counted in the quorum present at the meeting;
- In case of equality of votes at either a Board meeting or a meeting of shareholders, the chairman of the meeting has a casting vote.

A copy of the Company's Constitution is available on the [website](#) and upon request in writing to the Company Secretary at the registered office of the Company, 4 Unicity Office Park, Rivière Noire Road, Bambous 90203.

CORPORATE GOVERNANCE REPORT

CODE OF ETHICS AND BUSINESS CONDUCT

Medine has adopted a Code of Ethics and Business Conduct, which supports its commitment to a policy of fair dealing, honesty and integrity in the conduct of its business.

The Code of Ethics and Business Conduct lists and details the standards of behaviour that have made Medine’s reputation. They are the standards that all Directors and employees are expected to uphold in conducting the Company’s business. They go beyond the requirements of law. The Code has been actively endorsed by the Board of Directors and shared with all employees at all levels in the Group.

Compliance by all employees with the high moral, ethical and legal standards of the Code is mandatory, and if employees become aware of, or suspect, a contravention of the Code, they are encouraged to promptly and confidentially report it.

The Code of Ethics and Business Conduct is available on the Company’s [website](#).

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

THE BOARD

Board Composition

The Company’s Constitution provides that the Board should consist of a minimum of six and a maximum of fourteen Directors.

As at 30 June 2019, the Board was composed of twelve Directors who have a complementary set of skills, expertise and experience, namely in agriculture, property and business project development, corporate governance, marketing, banking, law, finance and strategy.

All Directors ordinarily reside in Mauritius.

The names and profiles of the Board members are set out on pages 81 to 84 and are available on the [website](#).

The Company has only one Executive Director since the former Chief Executive Officer, who was an Executive Director, retired in September 2017.

BALANCE (12)



AVERAGE AGE



GENDER DIVERSITY



LENGTH OF TENURE



Change in Directors

On the recommendation of the Corporate Governance Committee, Mr Gilbert Gnany was appointed by the Board as Non-Executive Director on 14 November 2018 to replace Mr Daniel Giraud, G.O.S.K. who resigned in December 2017. His appointment was approved at the annual meeting of the shareholders held on 21 December 2018.

Mr Pierre Doger de Spéville resigned as Director of the Company on 12 June 2019 after 40 years in office. On the recommendation of the Corporate Governance Committee, Mrs Marie Thérèse Doger de Spéville was appointed by the Board as Non-Executive Director on 25 June 2019 to replace him. Her appointment will be proposed for ratification at the forthcoming annual meeting of the shareholders.

Board meetings

The Board meets regularly, at least at quarterly intervals, and holds additional meetings as and when it deems appropriate. Meetings are scheduled annually in advance, according to an annual Board calendar.

Ten Board meetings were held during the year under review. The Directors reviewed and adopted the Company’s and the Group’s audited financial statements, approved the Company’s and the Group’s budget and unaudited quarterly results, as well as the declaration of an interim and a final dividend, reviewed management reports pertaining to the Group’s different clusters, approved the Group’s Strategic Plan 2018-2023, the migration of the Company’s shares from the DEM to the Official Market of the SEM, and the Company’s new logo, values, vision and mission statement, inter alia.

The agenda is prepared by the Company Secretary and circulated to the Chairman and the Chief Executive for their comments and approval. Once finalised, the agenda and accompanying Board papers are sent to all Directors at least one week prior to the meeting, giving them the opportunity to participate fully in the Board meeting.

Minutes of Board meetings are prepared by the Company Secretary with details of decisions reached, any concerns raised, and dissenting views expressed. Draft minutes are shared with the Chairman, the Chief Executive and the Chief Operating Officer for review, before circulating to the Directors at least one week prior to the next meeting. Once approved by the Board, minutes are signed by the Chairman of the meeting.

Attendance at Board Meetings

The Directors who held office and their attendance at Board Meetings during financial year ended 30 June 2019 is given below:

DIRECTORS	CATEGORY	ATTENDANCE AT MEETINGS
René Leclézio (<i>Chairman</i>)	Non-Executive	10/10
Pierre Doger de Spéville (<i>up to 12th June 2019</i>)	Non-Executive	7/9
Marie Thérèse Doger de Spéville (<i>as from 25th June 2019</i>)	Non-Executive	1/1
Thomas Doger de Spéville	Non-Executive	10/10
Gilbert Gnany (<i>as from 14th November 2018</i>)	Non-Executive	5/9
Lajpati Gujadhur	Non-Executive	8/10
Ramapatee Gujadhur	Non-Executive	7/10
Marc Lagesse	Independent Non-Executive	9/10
Jacques Tin Miow Li Wan Po, G.O.S.K. (<i>Vice Chairman</i>)	Non-Executive	10/10
Jocelyne Martin	Non-Executive	10/10
Shakil Moollan	Independent Non-Executive	10/10
Marc de Ravel de L’Argentiére	Non-Executive	10/10
Thierry Sauzier	Executive	10/10

Where Board meetings could not be held, the Directors approved matters by way of written resolutions circulated to them. Supporting documents were also circulated in the process.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

To assist the Board in the discharge of its duties, the following Board committees were established with charters approved by the Board and which clearly define their terms of reference, composition and functionality.

Audit & Risk Committee

The Audit & Risk Committee is composed of four members whose attendance at meetings is given below:

MEMBERS	CATEGORY	ATTENDANCE AT MEETINGS
Jacques Tin Miow Li Wan Po, G.O.S.K. (Chairman)	Non-Executive Director	8/8
Jocelyne Martin	Non-Executive Director	8/8
Shakil Moollan	Independent Non-Executive Director	7/8
Marc de Ravel de L'Argentière	Non-Executive Director	8/8

The committee met eight times during the year under review, satisfactorily fulfilling its role, as defined by its terms of reference, namely:

- Reviewing the financial reporting process, in particular the accuracy, reliability, integrity and compliance with legal and regulatory requirements of the Company's interim and annual financial statements.
- Reviewing the adequacy and effectiveness of its risk management and internal control system.
- Assessing and recommending the appointment of internal and external auditors.
- Reviewing the annual financial statements before their submission to the Board and discussing the results of the external audit process with the external auditor.

The Chairman of the Audit & Risk Committee is no more an Independent Director since he has served on the Board for more than nine consecutive years, from the date of his first election. However, the Board believes that he has the requisite skills and experience to chair that committee.

Corporate Governance Committee

As at 30 June 2019, the Corporate Governance Committee was composed of four members whose attendance at meetings is given below:

MEMBERS	CATEGORY	ATTENDANCE AT MEETINGS
Marc Lagesse (Chairman)	Independent Non-Executive Director	3/3
Pierre Doger de Spéville (up to 12 th June 2019)	Non-Executive Director	2/2
René Leclézio	Non-Executive Director	3/3
Jocelyne Martin	Non-Executive Director	3/3
Thierry Sauzier	Executive Director	3/3

Mr Thomas Doger de Spéville (Non-Executive Director) was appointed as member of the Corporate Governance Committee on 23 September 2019.

The committee met three times during the year under review and, in accordance with its formal terms of reference, acted in its capacity as:

- The Nomination Committee, with the role of making recommendations to the Board in respect of issues relating to the appointment of Directors and the composition, size and structure of the Board, and of ensuring that there is a clearly defined and transparent procedure for shareholders to recommend potential candidates.
- The Remuneration Committee, with the role of making recommendations to the Board on remuneration issues for executive Directors and the Company's general policy on Executive and Senior Management remuneration and packages.
- The committee with the responsibility of driving the process for the implementation of the National Code of Corporate Governance for Mauritius throughout the Group and ensuring that the disclosure and reporting requirements set by the Code are complied with.

The Company Secretary acts as secretary of both Board committees. Minutes of each meeting are recorded.

There is transparency and full disclosure from Board committees to the Board of Directors. Minutes of the meetings of the Audit & Risk Committee are submitted to the Board for noting.

The charters of both committees are reviewed as and when necessary. These are available on the [website](#).



Executive Committee

The Executive Committee was set up pursuant to the Constitution of the Company. Its main role is to review the operational and financial performance of the different clusters of the Group. Hence, it is not a decision-making committee.

The Committee is composed of the Chairman, Mr René Leclézio, the Vice Chairman, Mr Jacques Tin Miow Li Wan Po, G.O.S.K. and the Chief Executive Officer, Mr Thierry Sauzier. The Committee is chaired by Mr Leclézio and meets on a monthly basis.

The Company Secretary acts as secretary of this committee, for which minutes of each meeting are recorded.

In addition to Board Committees, a Management Committee was set up in 2018 with defined terms of reference.

Management Committee

The Management Committee comprises of the Chief Executive Officer, the Chief Operating Officer and the Managing Director of each business cluster. The Committee is chaired by the Chief Executive and meets on a monthly basis. At the Chair's request, the Committee may have regular invitees, but these invitees have no voting rights nor constitute the committee's quorum.

The Committee's responsibility is to deal with the day-to-day activities of the Group's business, develop and implement business plans, policies, procedures and budgets that have been recommended and approved by the Board, monitor the operating and financial performance of the Group, prioritise and allocate investment and resources, manage and develop talent, and manage the risk profile of the Group.

The Committee implements the policy and strategy adopted by the Board and deals with all operational matters affecting the Group. Of its own motion or at the Board's request, it promptly gives or makes available to the Board such information, reports and other documents to enable the Board to carry out its duties.

Full profiles of Senior Management can be read on pages 20 to 21 of this report.

BOARD PROFILE



1 RENÉ LECLÉZIO
(Born in 1956)
Non-Executive Director and Chairman

Appointed as:

- Director on 25 June 2001
- Vice Chairman from 27 September 2002 to 30 June 2011
- Chairman on 1 July 2011
- Member of the Corporate Governance Committee on 11 April 2005

Qualifications

- BSc (Chem Eng), Imperial College, London
- MBA (London Business School)

Professional Journey

- Chemical engineer in the oil and gas industry, London
- Assistant Manager of Project Finance at Lloyds Merchant Bank, London

Skills

- Investment management
- Property development
- Experience across several economic sectors
- Detailed knowledge of Medine Group
- Finance and Strategy

Current External Commitments

- Managing Director of Promotion and Development Ltd
- Director of several public and private companies

Current External Appointments in Listed Companies

- Promotion and Development Ltd
- Caudan Development Ltd
- Mauritius Freeport Development Company Ltd
- Swan General Ltd
- Swan Life Ltd
- Excelsior United Development Companies Limited

2 JACQUES TIN MIOW LI WAN PO, G.O.S.K.
(Born in 1944)
Non-Executive Director and Vice Chairman

Appointed as:

- Director on 28 July 2004
- Vice Chairman on 1 July 2011
- Member and Chairman of the Audit & Risk Committee on 11 April 2005

Qualifications

- Fellow of the Association of Chartered Certified Accountants (FCCA)

Professional Journey

- Executive Chairman in the food processing sector of Food Canners Ltd, as well as in the alcoholic drinks sector of New Goodwill Co. Ltd / International Distillers (Mauritius) Ltd
- Founder of Sungold Trading Ltd in 1989
- Owner of the Pizza Hut franchise
- Former member of the Monetary Policy Committee
- Board Member of the Bank of Mauritius from 2006 to 2014

Skills

- Extensive knowledge in the food and alcohol manufacturing industries, in marketing consumer products and in business project development
- Strong financial skills and strategic understanding
- Experience in setting up corporate structures
- Well versed in operational control
- Good knowledge of banking and other financial institutions

Current External Commitments

- Executive Chairman of Food Canners Ltd and its associated companies, as well as that of the New Goodwill Investment Group, which includes International Distillers (Mauritius) Ltd
- Director of several companies and institutions

Current External Appointments in Listed Companies

- None

3 THIERRY SAUZIER
(Born in 1968)
Executive Director and Chief Executive Officer

Appointed as:

- Director on 10 December 2010
- Deputy Chief Executive Officer from 14 February 2011 to 30 September 2017
- Chief Executive Officer on 1 October 2017
- Member of the Corporate Governance Committee on 9 February 2018

Qualifications

- Maîtrise d'Économie Appliquée (University of Paris Dauphine)

Professional Journey

- Started his career at the Credit Lyonnais in France
- Joined the MCB Stockbrokers Ltd in 1992, qualified as a Licensed Stockbroker in 1993 and managed the company for seven years
- In 2000, he joined the Corporate Banking Department of the Mauritius Commercial Bank Ltd
- Appointed at Medine in 2004 as Project Consultant. Development under his leadership of Tamarina Golf Estate, Mauritius' first IRS Project
- In 2007, he set up the function that was to become the Property cluster
- Managing Director of the Property cluster from December 2009 to September 2017
- Deputy CEO of Medine Group since February 2011
- Development under his leadership of the Education cluster and Unicity, the Group's Smart City
- CEO of Medine Group since October 2017

Skills

- Finance and Strategy
- Significant experience in Property Development
- Strong strategic understanding and detailed knowledge of Medine Group

Current External Commitments

- None

Current External Appointments in Listed Companies

- None

CORPORATE GOVERNANCE REPORT

4 NG YUNG MARIE THÉRÈSE DOGER DE SPÉVILLE
(Born in 1954)
Non-Executive Director

Appointed as:

- Director on 25 June 2019

Qualifications

- Notary Public

Professional Journey

- Practised as Notary Public from 1995 to 2009

Skills

- Social leadership
- International laws and human rights

Current External Commitments

- None

Current External Appointments in Listed Companies

- None

5 THOMAS DOGER DE SPÉVILLE
(Born in 1989)
Non-Executive Director

Appointed as:

- Director on 30 June 2015
- Member of the Corporate Governance Committee on 23 September 2019

Qualifications

- MBA from the Institut Supérieur de Commerce de Paris, France

Professional Journey

- Founder and Managing Director of two companies specialised in online promotion on the French market
- General Manager of Monoprix Bagatelle (CMPL Ltd) from December 2014 to June 2016

Skills

- Marketing and commercial skills
- Strategy development and execution

Current External Commitments

- Managing Director of Saffra Ltd, an investment holding company based in Mauritius
- Director of several companies

Current External Appointments in Listed Companies

- Excelsior United Development Companies Limited

6 GILBERT GNANY
(Born in 1962)
Non-Executive Director

Appointed as:

- Director on 14 November 2018

Qualifications

- Licence ès Sciences Economiques (Economie Mathématique)
- Maîtrise en Économétrie
- DESS en Méthodes Scientifiques de Gestion et Calcul Économique Approfondi

Professional Journey

- Former Senior Advisor on World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors
- Former Economic Advisor to the Minister of Finance in Mauritius
- Former Chief Economist and Group Head of Strategy, Research & Development at MCB Group
- Was involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius, the Statistics Advisory Council and the Statistics Board. Was a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a Director of the Board of Investment, a member of the Financial Services Institute and a member of the IMF Advisory Group for sub-Saharan Africa (AGSA)

Skills

- Wide-ranging experience across several sectors, including banking and financial services, property development, agriculture
- Regional and international experience
- Proficiency in areas including economics/econometrics, statistics, finance and strategy formulation
- Well versed in Corporate Governance matters
- Broadly-based NED experience
- Good knowledge of the Group

Current External Commitments

- Chief Strategy Officer and Executive Director of MCB Group Limited
- Chairperson/Board member of several companies within the MCB Group
- Member of the Financial Services Consultative Council
- Chairperson of the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue

Current External Appointments in Listed Companies

- MCB Group Ltd
- Promotion and Development Ltd
- Caudan Development Ltd
- COVIFRA

Current External Appointments in Listed Funds

- MCB India Sovereign Bond ETF
- African Domestic Bond Fund

7 LAJPATI GUJADHUR
(Born in 1943)
Non-Executive Director

Appointed as:

- Director on 26 October 1988

Qualifications

- Attorney-at-Law/ particular interest in property & company law and civil litigation

Professional Journey

- Attorney-at-Law since April 1969
- Attorney of the Supreme Court of Mauritius since 21 May 1969
- Company Secretary of four family companies
- Director of Rogers & Co. Ltd from 1990 to 2000

Skills

- 50 years' experience in legal matters, particularly civil law

Current External Commitments

- None

Current External Appointments in Listed Companies

- Excelsior United Development Companies Limited

8 RAMAPATEE GUJADHUR
(Born in 1945)
Non-Executive Director

Appointed as:

- Director on 21 January 2004

Qualifications

- Associate member of the Institute of Bankers in England and Wales (ACIB)

Professional Journey

- Former Senior Manager at The Mauritius Commercial Bank Ltd
- Former Director of Air Mauritius Ltd from 2001 to 2014

Skills

- Well versed in Corporate Governance Matters
- Valuable experience across several sectors
- Detailed knowledge of the Group
- Strong Financial skills and strategic understanding

Current External Commitments

- Director of several companies
- Director of Mahanagar Telephone (Mauritius) Ltd, a fully-owned subsidiary of MTML India.

Current External Appointments in Listed Companies

- None

9 MARC LAGESSE
(Born in 1963)
Independent Non-Executive Director

Appointed as:

- Director on 27 September 2017
- Member of the Corporate Governance Committee on 27 September 2017
- Chairman of the Corporate Governance Committee on 9 February 2018

Qualifications

- BSc Statistics, Computing, Operational Research and Economics (University College London)
- MBA with specialisation in Finance and Macroeconomics (London Business School)

Professional Journey

- Proprietary trader in derivatives in the UK
- Former General Manager and Director of Mauritius Fund Management Co. Ltd
- Former CEO of MCB Investment Management Co. Ltd
- Former Group Head of Capital Markets of MCB Ltd
- Former Chief Executive Officer of Hertshten Group Ltd

Skills

- Member of the initial National Corporate Governance Committee, involved in the writing of the Code for Mauritius
- Considerable experience in the identification and development of new business opportunities
- Valuable executive level experience across several sectors and geographies, including India, China, Africa
- Broadly-based NED experience and interest across diverse sectors
- Strong capital markets knowledge and experience

Current External Commitments

- Member of the Investment Committee of the S.I.P.F.
- Chair of the Africa Investment Committee of the UK based, International donor funded, PIDG Ltd
- Chair of the Board of Governors of Clavis International Primary School

Current External Appointments in Listed Companies

- Independent Non-Executive Director and Chair of the Corporate Governance Committee at United Investments Limited
- Excelsior United Development Companies Limited

CORPORATE GOVERNANCE REPORT

10 JOCELYNE MARTIN
(Born in 1960)
Non-Executive Director

- Appointed as:
- Director on 18 June 2014
 - Member of the Audit & Risk Committee on 30 June 2015
 - Member of the Corporate Governance Committee on 13 November 2015

- Qualifications
- BSc (Hons) in Statistics at the London School of Economics
 - Member of the Institute of Chartered Accountants of England and Wales

- Professional Journey
- Trained at Deloitte Haskins & Sells, London (now part of PwC)
 - Senior Manager at De Chazal Du Mée
 - Group Financial Controller at Promotion and Development Ltd from 1995 and thereafter appointed to the Board of Directors of Promotion and Development Ltd and Caudan Development Ltd in December 2004

- Skills
- Strong financial skills
 - Extensive executive experience of financial reporting and corporate finance
 - Portfolio development and commercial skills
 - Strategic understanding of organisational and human resources issues
 - Valuable experience across several sectors of the economy

- Current External Commitments
- Finance Director of Promotion and Development Ltd, its Group and Subsidiaries

- Current External Appointments in Listed Companies
- Promotion and Development Ltd
 - Caudan Development Ltd
 - Excelsior United Development Companies Limited
 - Mauritius Freeport Development Company Ltd

11 SHAKIL MOOLLAN
(Born in 1972)
Independent Non-Executive Director

- Appointed as:
- Director on 30 September 2015
 - Member of the Audit & Risk Committee on 27 September 2017

- Qualifications
- BA (Hons) Finance and Accounting from the University of East London (UK)
 - Member of the Chartered Institute of Management (UK)

- Professional Journey
- 20 years' experience as Partner in accounting and audit firms
 - Founder of Moollan & Moollan (Chartered Certified Accountants)
 - Founder of several business units forming the Moollan & Moollan Group, providing turnkey solutions to businesses for their financial administration

- Skills
- Hands on expertise in Corporate turnaround
 - Well versed in Corporate Finance
 - Strong Marketing portfolio development
 - Valuable experience across several sectors

- Current External Commitments
- Group Managing Partner of Moollan & Moollan (Chartered Certified Accountants)
 - Independent Non-Executive Director of a bank in Mauritius and Chair of its Audit Committee
 - Director of various Global companies

- Current External Appointments in Listed Companies
- None

12 MARC DE RAVEL DE L'ARGENTIÈRE
(Born in 1963)
Non-Executive Director

- Appointed as:
- Director on 1 July 2008
 - Member of the Audit & Risk Committee on 30 June 2011

- Qualifications
- Certificate in Accounting, Marketing, Negotiation, Organisational Behaviour, Project Management (Edinburgh Business School)

- Professional Journey
- Manager and promoter of several business entities
 - Manager at Grays Ltd from 1988 to 2007, responsible of managing world repute brands, and of importing, marketing and distributing in Mauritius and Madagascar
 - Audit team member at De Chazal Du Mée Chartered Accountants from 1987 to 1988
 - Worked at De Ravel & Co. Chartered Accountants South Africa from 1985 to 1987

- Skills
- Strong commercial skills
 - Valuable experience across several sectors
 - Strong Financial skills and strategic understanding

- Current External Commitments
- Manager and promoter of several business entities involved in property development and agriculture
 - Managing Director of Mont Calme Ltd since 2007, involved in property development

- Current External Appointments in Listed Companies
- Excelsior United Development Companies Limited



PIERRE DOGER DE SPÉVILLE
(Born in 1938)
Non-Executive Director

- Appointed as:
- Director from 25 September 1978 to 12 June 2019
 - Chairman from 23 June 1999 to 30 June 2011
 - Member of the Corporate Governance Committee from 19 October 2005 to 12 June 2019
 - Chairman of the Corporate Governance Committee from 30 June 2011 to 6 February 2018

- Qualifications
- Notary Public

- Professional Journey
- Notary Public from 1965 to 1997
- Skills
- Valuable experience across several sectors
 - Detailed knowledge of the Company

- Current External Commitments
- None
- Current External Appointments in Listed Companies
- Excelsior United Development Companies Limited



PATRICIA GODER, ACIS
Group Company Secretary

Born in 1968. Chartered Secretary from the Institute of Chartered Secretaries and Administrators in UK. Worked for accounting and company secretarial firms before joining the Group as Deputy Secretary in 2000. Group Company Secretary since November 2006. Completed an Executive Management Programme with Essec Business School in 2016.



CORPORATE GOVERNANCE REPORT

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

BOARD EFFECTIVENESS

Succession Planning

The Board of Directors assumes the responsibilities for succession planning and for the appointment of new Directors to the Board. The nomination process of new Directors has been delegated to the Corporate Governance Committee, in its capacity as Nomination Committee.

The Succession Plan for senior management positions is in the process of being set up.

Nomination Process

The nomination of any Director is reviewed and discussed by the Corporate Governance Committee taking into account the candidate's skills, qualifications and experience. The Committee recommends to the Board the nomination to be put before the annual or special meeting of the shareholders for approval.

Board Induction and Training

An induction pack is immediately sent to a newly appointed Director upon his appointment, containing namely his letter of appointment, a copy of the last Annual Report, minutes of recent Board meetings, a schedule of dates of future Board meetings, an organisational structure and other documents pertaining to his role, legal duties and responsibilities, namely the Constitution, the Code of Ethics and Business Conduct, the Code of Corporate Governance and salient features of the DEM rules, the Companies Act and the Securities Act. He would meet the Chief Executive and senior management to be briefed on the operations and businesses of the Group.

A newly appointed Director is required to notify the Company Secretary of his interests and those of his associates in the Company's shares for entry in the Register of Interests and further notification to the relevant authorities.

Newly appointed Directors are encouraged to register as members of the Mauritius Institute of Directors and to follow training courses to develop and refresh their knowledge and skills, fees of which are borne by the Company.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

DIRECTORS' DUTIES

Legal Duties

The Directors are made aware of their legal duties upon their appointment through the induction pack handed to them that contain the Code of Ethics, and relevant extracts of the Companies Act 2001, among others.

Directors and Officers Liability Insurance

The Directors and Officers of the Company and of its subsidiaries benefit from an indemnity insurance cover contracted by the Company.

Conflicts of Interest

Directors do their best to avoid conflicts of interest. Should any conflict or potential conflict occur, it would be the duty of the Director to make a full and timely disclosure to the Board. Any declaration of interest is entered into the Register of Interests.

However, the Constitution of the Company provides that a Director who is interested would not be allowed to vote on any matter relating to the transaction or proposed transaction in which he is interested and would not be counted in the quorum present at the Board meeting.

Contracts of Significance

During the year under review, there was no contract of significance to which the Company was a party and in which a Director of the Company was interested, either directly or indirectly.

Related Party Transactions

Details on related-party transactions are given in Note 47 of the financial statements.

Information, Information Technology and Information Security Governance

An Information Technology Security Policy is in place within the Group. It includes appropriate organisational and technical precautions for access control, access rights, virus protection and data protection. The effectiveness of these measures is continuously monitored and reviewed by the internal auditor as well as the external auditor. The Information Technology Security Policy is in the process of being reviewed.

Directors' Service Contracts

Mr Thierry Sauzier has an employment contract with the Company with no expiry date. The other Directors have no service contract with the Company.

Directors' dealings in Shares

With regard to Directors' dealings in the shares of the Company, the Directors confirm that they have followed the principles of the Model Code for Securities Transactions by Directors, as detailed in Appendix 6 of the Listing Rules, issued by the Stock Exchange of Mauritius Limited.

The Company Secretary maintains a Register of Interests that is updated with any dealing in shares or any transaction entered into by Directors and their associates, which is required to take place outside the close periods, of which they are informed by the Company Secretary.

Directors' Share Interests

The Directors' direct and indirect interests in the shares of the Company as at 30 June 2019 were as follows:

Directors	ORDINARY		
	DIRECT		INDIRECT
	Number	%	%
René Leclézio	2,985	-	0.97
Marie Thérèse Doger de Spéville	8,109	0.01	12.80
Thomas Doger de Spéville	16,265	0.02	-
Gilbert Gnany	42,122	0.04	-
Lajpati Gujadhur	373,407	0.36	-
Ramapatee Gujadhur	1,585,962	1.51	-
Marc Lagesse	190,000	0.18	-
Jacques Tin Miow Li Wan Po, G.O.S.K.	669	-	0.39
Jocelyne Martin	6,100	0.01	-
Shakil Moollan	5,660	0.01	-
Marc de Ravel de L'Argentièrè	462,032	0.44	-
Thierry Sauzier	175,000	0.17	-

During the year under review, share dealings by Directors were as follows:

	NUMBER OF SHARES ACQUIRED	
	DIRECTLY	INDIRECTLY
Marie Thérèse Doger de Spéville	4,509	25,000
Shakil Moollan	4,200	2,700

Senior Officers' Share Interests

Senior Officers' direct and indirect interests in the shares of the Company as at 30 July 2019 were as follows:

Senior Officers	ORDINARY		
	DIRECT		INDIRECT
	Number	%	%
Patricia Goder	100	-	-
Dhiren Ponnusamy	5,000	-	-
Thierry Sauzier	175,000	0.17	-

During the year under review, share dealings by Senior Officers were as follows:

	NUMBER OF SHARES ACQUIRED DIRECTLY	
Dhiren Ponnusamy	5,000	

CORPORATE GOVERNANCE REPORT

DIRECTORS’ REMUNERATION AND BENEFITS

Statement of Remuneration Philosophy

The members of the Corporate Governance Committee, in its capacity as the Remuneration Committee, have been entrusted with determining and recommending to the Board, for its approval, the level of Non-Executive Directors’ fees, and a general policy on executive and senior Management remuneration.

The Group’s underlying philosophy is to set remuneration at an appropriate level to attract, retain and motivate high-calibre personnel and to reward them in accordance to their individual as well as collective contribution towards the achievement of the Company’s objectives and performance, whilst taking into account current market conditions and the Company’s financial position.

The remuneration policy for Executive Directors approaching retirement is determined by the Corporate Governance Committee on a case-by-case basis.

Non-Executive Directors receive an annual fixed fee payable on a monthly basis. Any revision in fees is submitted to the shareholders for approval at the annual meeting of shareholders. Directors who also serve on Board Committees receive an attendance fee per meeting. In addition, Board members may also be entitled to non-material preferential tariffs in some of the Group’s business activities. The Corporate Governance Committee, in its capacity as Remuneration Committee, reviewed both the Directors’ fees and benefits, and have made recommendations to the Board for an increase in Directors’ fees and for a fixed fee instead of an attendance fee for Committee members’ fees. The same has been approved by the Board and will be proposed for approval at the next annual meeting of the shareholders.

Non-Executive Directors have not received remuneration in the form of share options or bonuses directly associated with the Company’s performance.

Fees to which Directors and Board Committee members are currently entitled are as follows:

BOARD	ANNUAL FIXED FEES Rs	ATTENDANCE FEE PER MEETING Rs
Chairman	240,000	-
Vice Chairman	200,000	-
Director	180,000	-
CORPORATE GOVERNANCE COMMITTEE		
Chairman	-	15,000
Member	-	10,000
AUDIT & RISK COMMITTEE		
Chairman	-	20,000
Member	-	15,000

In addition to the fees paid to the Chairman, the Company paid an annual fee of Rs 2,484,000 to Promotion and Development Ltd for the services and time spent by the Chairman, who is the latter Company’s Managing Director. This has since been reviewed as part of the overall review of Directors’ fees and benefits.

The remuneration of the Directors for the year under review is set out below:

DIRECTORS OF THE HOLDING COMPANY	2018/19 Rs	2017/18 Rs
Remuneration and benefits paid by the holding company to:		
Executive Directors	14,952,886	29,057,098
Non-Executive Directors	2,675,000	2,485,000
Remuneration and benefits paid by subsidiary companies to:		
Executive Directors	5,000	45,000
Non-Executive Directors	320,000	190,000
OTHER DIRECTORS OF SUBSIDIARY COMPANIES		
Remuneration and benefits paid by the respective subsidiary companies to:		
Executive Directors	4,268,306	-
Non-Executive Directors	180,000	90,000

The remuneration of the Directors has not been disclosed on an individual basis, due to the commercial sensitivity of such information.

PERFORMANCE

Board and Directors’ Evaluation

The Board did not conduct a Board or Directors’ evaluation during the financial year ended 30 June 2019 but has started an engagement with an external independent consultant to conduct the relevant exercise during the financial year 2019/20.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Risk Management report is found on pages 102 to 107.

WHISTLE-BLOWING POLICY

There is no formal whistle-blowing policy, but this is presently under review for potential future implementation.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Directors are responsible for preparing the Annual Report and consider that the said report and the financial statements are fair, balanced and understandable and provide the relevant information for shareholders and other stakeholders to assess the Groups’ position, performance and outlook.

The Statement of Directors’ Responsibilities is found on page 98.

CHARITABLE AND POLITICAL DONATIONS

The Group generally channels all CSR initiatives through Fondation Medine Horizons. In compliance with the CSR Fund Provision introduced by the Finance Act 2009, the Company and its subsidiaries usually entrust Fondation Medine Horizons with their CSR levy. During the year under review, Medine Limited made some charitable contributions and further ones through Fondation Medine Horizons to support various social initiatives, as described in the Corporate Social Responsibility Report. Political donations made during the year were made up of several contributions and in line with the Group’s apolitical position. Other donations in the prior year included a contribution made to the Cyclone Relief Fund.

	GROUP		COMPANY	
	2018/19 Rs M	2017/18 Rs M	2018/19 Rs M	2017/18 Rs M
Donations made during the year:				
Political	0.5	1.8	0.5	1.8
CSR - Voluntary	3.0	1.4	3.0	1.4
Other donations	0.4	2.5	0.4	2.5

ENVIRONMENTAL POLICY AND INITIATIVES

Medine recognises the importance of environmental initiatives and aims to be environment-friendly in all its dealings.

The Company has thus identified its most significant adverse environmental impacts as:

- Depletion of natural resources through the procurement and use of goods and services;
- Carbon emissions into the atmosphere from the use of fossil-fuel-based energy in its offices and through its business transport requirements;
- Production of waste in its offices;
- Use of water resources and the discharge of wash water to the sewer.

It has also identified its positive environmental impacts as:

- The reduction of waste through the promotion of recycling and waste-management activities;
- The introduction and use of a range of energy-saving devices and practices;
- The implementation of practices that reduce its carbon emissions.

Medine is committed to managing its environmental impacts and continuously improving its environmental performance by:

- Complying, as a minimum requirement, with relevant legislation, regulations and other relevant requirements;
- Setting realistic objectives and targets for each of its most significant environmental impacts;
- Minimising its energy consumption and carbon emissions and encouraging the use of less polluting forms of transport whenever possible;
- Minimising the amount of waste produced by way of reduction, recovery, re-use and recycling;
- Communicating its Environmental Statement and relevant procedures to employees and other stakeholders and promoting environmentally sensitive behaviour;
- Where possible, reporting its environmental commitment and performance.

GENERAL POLICY ON SOCIAL, SAFETY AND HEALTH AT WORK

Management monitors the enforcement of health and safety guidelines by:

- Promoting a health and safety culture within the Group;
- Providing employees with adequate training and equipment, so as to ensure safe work practices;
- Providing necessary resources to avoid employees taking any undue risks;
- Undertaking necessary corrective and preventive actions when unhealthy or unsafe working conditions are identified.

The employees’ adherence to established safety practices is mandatory. Medine undertakes to comply with all the health and safety principles, as set out in the Occupational Safety and Health Act 2005, so far as they are reasonably practical to comply with.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 7: AUDIT

EXTERNAL AUDITOR

The Audit & Risk Committee is responsible for making a recommendation on the appointment, reappointment and removal of the external auditor.

The Committee plays a key role in evaluating the effectiveness and independence of the external auditor. Any instruction to the external auditor to provide non-audit services is closely reviewed and approved by the Board, on the recommendation of the Audit & Risk Committee, thus ensuring the auditor’s independence.

The Finance Act 2016 provides that listed companies are required to rotate their auditor every seven years, and a subsequent regulation (Government Notice No. 64 of 2017) provided that the current auditor be allowed to continue in office for the financial year ended 30 June 2019. Consequently, the Company undertook to rotate its external auditors be allowed, BDO & Co, as from financial year ending 30 June 2020 since it has been appointed as its auditor for more than seven years.

Following a tender exercise, the appointment of Ernst and Young as external auditor was recommended by the Audit and Risk Committee and approved by the Board. A resolution for its appointment as external auditor of the Company for financial year ending 30 June 2020 will be proposed at the next annual meeting of the shareholders.

AUDITOR’S REMUNERATION

	GROUP		COMPANY	
	2018/19 Rs	2017/18 Rs	2018/19 Rs	2017/18 Rs
Audit fees paid to:				
BDO & Co.	3,715,000	3,140,000	1,135,000	975,000
Other firms	-	-	-	-
Fees paid for other services provided by:				
BDO & Co.	-	-	-	-
Other non-audit BDO entities	567,300	567,100	129,150	123,000

BDO & Co. was the external auditor of Medine Limited and of all its subsidiaries during financial years ended 30 June 2018 and 2019.

INTERNAL AUDIT

The Internal Audit section is found on pages 108 to 111.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of communication with shareholders.

Shareholders are kept informed, through press communiqués, of all material events affecting the Company, especially if an event could have an effect on the share price.

During the year under review, the Group’s quarterly results, half-yearly results and audited financial statements, were submitted to the Stock Exchange of Mauritius Ltd and to the Financial Services Commission, immediately after being approved by the Directors, and were published accordingly.

Shareholders are encouraged to attend all meetings of shareholders, annual or special, in order to remain informed of the Group’s strategy and objectives.

The Annual Report, including the notice of the Annual Meeting of Shareholders, will be sent to each shareholder of the Company, and the notice of the meeting will be published in two daily newspapers at least 21 days before the meeting. The present Integrated Report is available on the Company’s [website](#).

At a shareholders’ meeting, the shareholders are given the opportunity to ask questions. The Chairman and the Chief Executive Officer are normally available to answer them. All Directors, including the chairmen of both Board committees, are expected to attend the Annual Meeting. The Chief Financial Officer and the external auditor are also present to assist the Directors in addressing queries by shareholders.

Shareholders’ queries that are received by telephone, letter or email, are properly attended to by the Company Secretary and by the Registrar and Transfer Agent of the Company.

Any matter in relation to any off-market transfer of shares, change of name or address and loss of share certificates or dividend cheques should be addressed to the Registrar and Transfer Agent as follows:

MCB Registry & Securities Ltd,
2nd Floor, MCB Centre,
Sir William Newton Street,
Port Louis;
Tel. 202 5640;
Email address: mcbbs.backoffice@mcbcm.mu

In addition, any request for copies of quarterly accounts or integrated report, and of the statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 should be addressed to the Company Secretary as follows:

4, Unicity Office Park,
Rivière Noire Road,
Bambous 90203;
Tel. 401 6101;
Email address: corporate@medine.com

CORPORATE GOVERNANCE REPORT

ANALYST MEETING AND MEDIA TOUR

The Medine Group held its first Analyst Meeting at SPARC, Uniciti on 10 July 2019. It was an important milestone for the Group before its migration from the Development and Enterprise Market (DEM) to the Official Market of the Stock Exchange of Mauritius. The Chief Executive Officer presented to the analysts and institutional investors a summary of the Group’s financial performance, the deep transformation in which Medine has embarked since the past eighteen months and shared its vision, in the presence of the Chairman and of the Management Committee. The day after that meeting, the local press was also convened to a presentation of Medine followed by a Media Tour of Uniciti. Regular events will henceforth be organised to keep the analysts and institutional investors informed of the Group’s financial performance and strategic developments.

Shareholding Profile

As at 30 June 2019, the stated capital of the Company amounted to Rs 1,050,000,000 made up of 105,000,000 Ordinary Shares.

The Ordinary Shares of the Company have been listed on the DEM since 2006. The Board decided on 09 May 2019 to migrate the Company from the DEM to the Official Market of the SEM. Such migration entailed a cancellation of the admission of the listing on the DEM in accordance with the DEM Rules and an application by the Company to list the Ordinary Shares on the Official Market of the SEM in accordance with the SEM Rules. The shareholders of the Company approved such migration by a special resolution on the 25 June 2019.

SHARE OWNERSHIP ANALYSIS

The Company's share ownership spread, shareholder category profile and substantial shareholders as at 30 June 2019 were as follows:

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	% HOLDING
1 -500 shares	1,146	177,810	0.17
501 - 1,000 shares	312	239,208	0.23
1,001 - 5,000 shares	800	2,085,620	1.99
5,001 - 10,000 shares	296	2,108,212	2.01
10,001 - 50,000 shares	400	8,770,434	8.35
50,001 - 100,000 shares	69	4,717,857	4.49
100,001 - 250,000 shares	51	7,487,571	7.13
250,001 - 500,000 shares	14	520,997	4.96
Above 500,000 shares	27	74,205,291	70.67
Total	3,115	105,000,000	100.00

The cancellation of the Company's admission on the DEM and the listing of the Company's shares on the Official Market were subsequently approved by Listing Executive Committee of the SEM.

The last day of trading of the shares on the DEM was 26 July 2019 and the cancellation of the admission on the DEM took place on 31 July 2019. On the 1st August 2019, the shares of the Company were admitted on the Official Market of the SEM.

On the first day of trading on the Official Market, 1,000 Ordinary Shares of the Company were made available for trading at an indicative price equivalent to the closing price on the last day of trading on the DEM.

There is no ultimate holding company in the capital structure but PAD (i.e. Promotion and Development Ltd and its 100% subsidiary, Commercial Holding Ltd) is the largest shareholder of the Company, holding 35.1% of its share capital.

Common Directors

Messrs René Leclézio, Gilbert Gnany and Mrs Jocelyne Martin are Directors of Promotion and Development Ltd, and Mr Leclézio is also a Director of Commercial Holding Ltd.

CATEGORY	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	% HOLDING
Individuals	2,730	45,084,662	42.94
Insurance and Assurance companies	9	2,791,859	2.66
Investment and Trust companies	65	38,102,414	36.29
Pensions and Provident Funds	41	6,058,054	5.77
Other Corporate Bodies	270	12,963,051	12.34
Total	3,115	105,000,000	100.00

SHAREHOLDING OVER 5% HOLDING	NUMBER OF SHARES HELD	% HOLDING
PAD*	36,857,598	35.10
Mr Pierre Doger de Spéville**	13,435,366	12.80

*Promotion and Development Ltd's shareholding, inclusive of that of its 100% subsidiary, Commercial Holding Ltd (2,013,237 shares/1.92%).

**Mr Pierre Doger de Spéville's shareholding, inclusive of that of his wholly owned société, Sperry & Cie (4,336,900 shares/4.13%).

The number of shareholders given above is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active shareholders as at 30 June 2019 was 3,165.

Shareholders’ Agreement

There is no shareholders’ agreement with regard to the Company.

Third Party Management Agreement

There is no third-party management agreement with regard to the Company or its subsidiaries.

Dividend Policy

The policy of the Board is to pay a reasonable dividend taking into consideration the net asset value of the Company.

Dividend per ordinary share paid over the past five years:

FINANCIAL YEAR END	INTERIM Rs	FINAL Rs	TOTAL Rs
30.06.2019	1.45	1.50	2.95
30.06.2018	1.20	1.45	2.65
30.06.2017	0.90	1.20	2.10
30.06.2016	0.80	0.80	1.60
30.06.2015	0.60	0.60	1.20

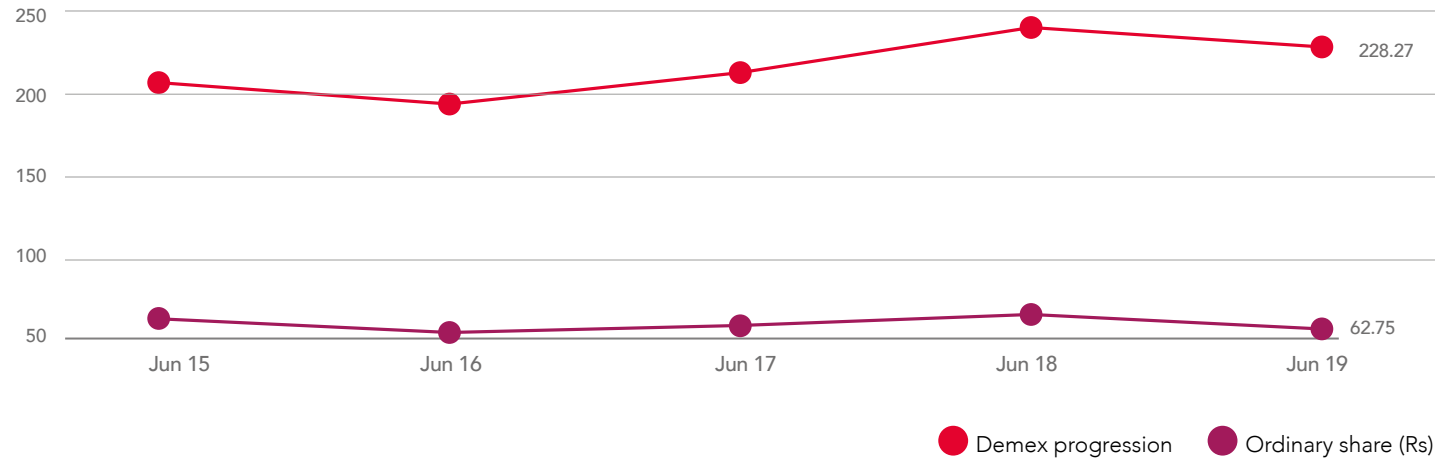
An interim dividend of Rs 1.45 and a final dividend of Rs 1.50 per ordinary share and totalling Rs 309.75 million (2017/18 totals: Rs 2.65 per ordinary share – Rs 278.25 million) were declared on 21 December 2018 and 25 June 2019 respectively, for the year ended 30 June 2019. These were paid on 15 February and 16 September 2019 respectively.

CORPORATE GOVERNANCE REPORT

CALENDAR OF EVENTS

EVENTS	DATE
Balance Sheet Date	30 June
Last Annual Meeting of Shareholders	December 2018
Interim dividend 2018/19 Declaration Payment	December 2018 February 2019
Final dividend 2018/19 Declaration Payment	June 2019 September 2019
Publication of first-quarter results	November
Publication of half-year results	February
Publication of third-quarter results	May
Publication of end-of-year results	September
Publication of Integrated Report 2018/19	November 2019
Forthcoming Annual Meeting of Shareholders	December 2019

SHARE PRICE PERFORMANCE VS DEMEX OVER THE PAST FIVE YEARS



EMPLOYEE SHARE OPTION SCHEME

There is no employee share option plan in place within the Group.

René Leclézio
Chairman

23 September 2019

Thierry Sauzier
Chief Executive Officer and Director

DIRECTORS OF MEDINE LIMITED’S SUBSIDIARIES AS AT 30 JUNE 2019

DIRECTORS	Cascavelle Shopping Mall Limited	Casela Limited	Clarens Fields Ltd	Concorde Tourist Guide Agency Limited	Forestia Estate Ltd	Le Cabinet Limited	Pierrefonds Estate Company Limited	Société Reufac	Tamarina Beach Club Hotel Limited	Tamarina Golf Club Limited	Tamarina Golf Estate Company Limited	Tamarina Leisure Properties Ltd	The Medine Sugar Milling Company Limited	Uniciti Commercial Properties Ltd	Uniciti Education Hub Ltd	Uniciti Education Properties Ltd	Uniciti Eduhousing Ltd	Uniciti Ltd	Uniciti Management Services Co. Ltd	Uniciti Office Park Ltd	Uniciti Residential Properties Co. Ltd	Uniciti Sports and Cultural Properties Ltd
René Leclézio		*	*	*		*	*		*	*	*		*	*		*	*	*	*	*	*	*
Gansam Boodram													*									
Marc Desmarais															*							
Pierre Doger de Spéville													*									
Thomas Doger de Spéville				*									*									
Jean Marie Dupuis				*																		
Eric Espitalier Noël								*														
Hector Espitalier Noël								*														
Catherine Frécaut				*																		
Lajpati Gujadhur													*									
Ramapatee Gujadhur				*																		
Sheo Shankar Gujadhur													*									
Hubert Harel												*										
Marc Lagesse													*									
Bruno Lebreux				*																		
Jacques Tin Miow Li Wan Po, G.O.S.K.													*	*					*		*	
Jack Loupy				*																		
James Mackay	*																					
Raoul Maurel		*				*			*													
Dhiren Ponnusamy	*		*		*	*	*	*					*				*	*	*	*	*	*
Marc de Ravel de L’Argentière													*									
Georges Eddy Sandian													*									
Thierry Sauzier	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements for each financial year as per IFRS and the Companies Act 2001, and which give a true and fair view of the financial position, financial performance and cash flow of the Company and of the Group. In preparing such financial statements, the Directors are required to:

- Ensure that adequate accounting records and an effective system of internal control and risk management have been maintained;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy and at any time, the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors report that:

- Adequate accounting records and an effective system of internal control and risk management have been maintained;
- The Code of Corporate Governance has been adhered to and, where there has not been compliance, relevant explanations have been provided in the Corporate Governance Report;
- The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Signed on behalf of the Board of Directors

René Leclézio
Chairman

23 September 2019

Thierry Sauzier
Chief Executive Officer and Director

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ('P.I.E.'): Medine Limited

Reporting period: Year ended 30 June 2019

We, the Directors of Medine Limited, hereby confirm that to the best of our knowledge the Company has not fully complied with all its obligations and requirements under the National Code of Corporate Governance (2016).

The areas of non-compliance, whose reasons are included in the Corporate Governance Report, are as follows:

Principles	Areas of non-compliance
2	Board Composition Composition of the Audit & Risk Committee
3	Succession Plan relating to Senior Management
4	Remuneration of Directors Board and Directors' evaluation exercise
5	Whistle-blowing Policy

Signed by

René Leclézio
Chairman

23 September 2019

Thierry Sauzier
Chief Executive Officer and Director



A full-page background image showing two hikers on a rocky mountain peak at sunset. One hiker is helping the other up. A large, stylized red logo is visible in the background.

I TREASURE YOUR IDEAS

I AM DRIVEN BY PASSION WHICH IS AT THE
HEART OF MY BUSINESS.

TO BANNI LIDE

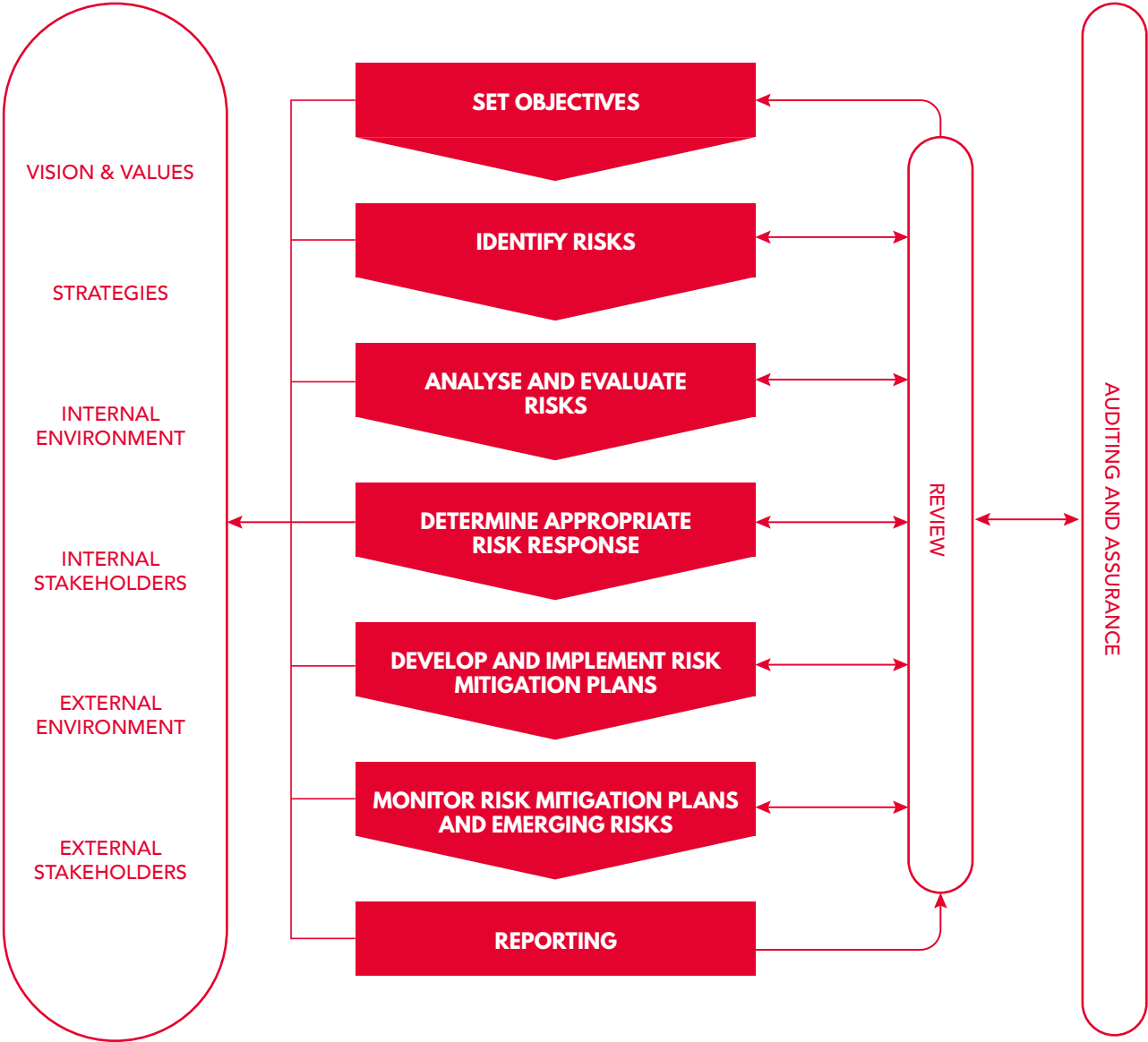
RISK MANAGEMENT

OUR RISK MANAGEMENT APPROACH

Risk management is the process of identifying, assessing, evaluating, managing and mitigating risks in order to provide reasonable assurance of achieving an organisation's objectives.

Medine has adopted an integrated risk management framework and the process flow below provides an overview of its alignment to the characteristics of the organisation, the cyclical nature of monitoring, review and continuous process improvement. The role of internal audit function is to provide a continuous independent review and assessment of the adequacy and effectiveness of the risk management process.

OUR INTEGRATED RISK MANAGEMENT FRAMEWORK



OUR INTEGRATED RISK MANAGEMENT FRAMEWORK (CONT'D)

The process is integrated with regular movement forward and backward among the steps, facilitating a deeper understanding of risks and opportunities faced by Medine.

It is the first time that a risk assessment exercise has been carried out within the Medine Group and the steps are explained below:

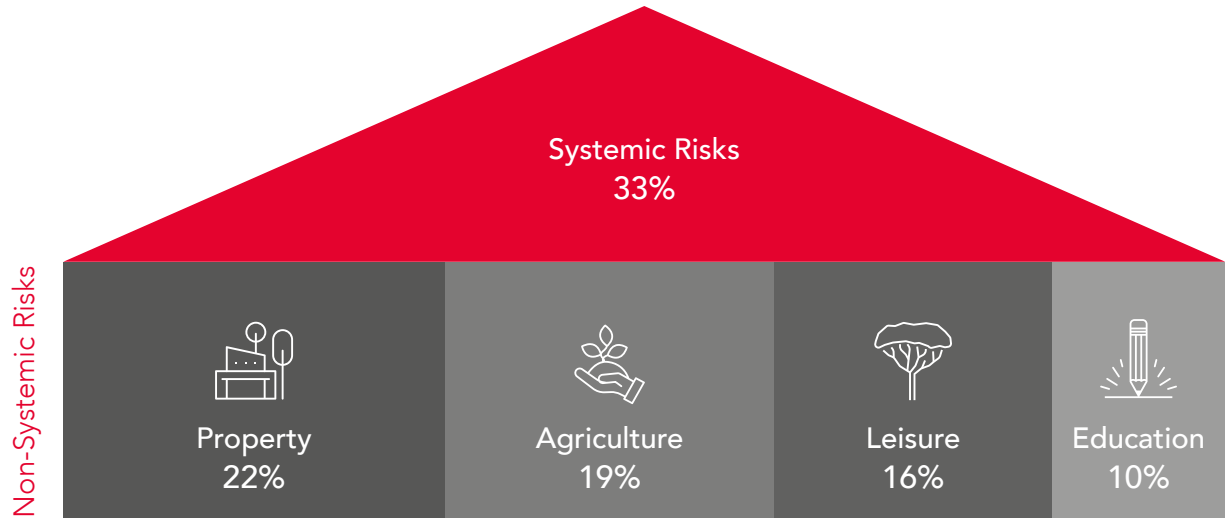
	RISK MANAGEMENT PROCESS	HOW WE APPLIED AT MEDINE
OBJECTIVE SETTING	Set objectives that are aligned with the organisation's vision, values and strategic objectives	<ul style="list-style-type: none">• New Vision, Values and Strategies defined
IDENTIFICATION OF RISKS	External and internal factors that create opportunities and threats resulting in the upside or downside of risks	<ul style="list-style-type: none">• Bottom-up approach where open-ended questionnaires were sent to key employees for identification of risks in their cluster/businesses• Brainstorming with key employees where additional risks were identified freely• Interview with the Chief Executive Officer, Directors and Chairpersons of the Board and of the Audit & Risk Committee
RISK ASSESSMENT	Assessment of potential events (likelihood and impact) that affect the achievement of objectives	<ul style="list-style-type: none">• Focus groups set with each cluster• Key stakeholders measured risks in terms of likelihood and impact• Rating and prioritisation of risks both in terms of inherent and residual risks
RISK RESPONSE	Risk responses options and their effect on likelihood and impact and the design in implementing risk responses	<ul style="list-style-type: none">• Risk responses determined• Improvement of controls by management• ERM internal audit plan developed
RISK MITIGATION PLANS	Developing and implementing risk mitigation plans	<ul style="list-style-type: none">• Risk Champions to be identified in each cluster• Establish formal risk mitigation plans
MONITORING	Ongoing monitoring activity ensure the presence and functioning of all components in the framework and ensure quality and performance over time	<ul style="list-style-type: none">• Set-up of an Operational Risk Management Committee to monitor risk management activities and the risk mitigation plans
REPORTING	Reporting on the risk management processes and risks, including risk mitigation plans and emerging risks	<ul style="list-style-type: none">• Reporting on the principal risks and emerging risks of the Group at the Audit & Risk Committee

RISK MANAGEMENT

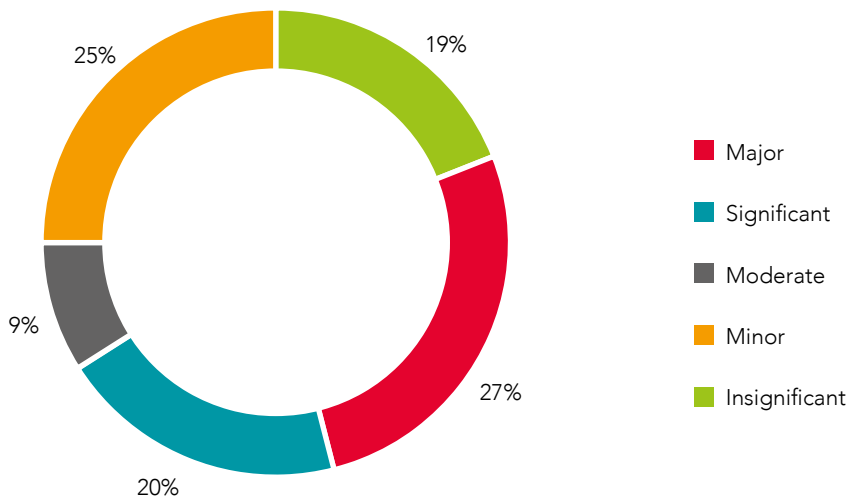
KEY EMERGING STATISTICS

Risks identified during the exercise have been classified as systemic and non-systemic. Some key statistics that emerged from the 79 risks identified within the Group are:

SYSTEMIC¹ VS NON-SYSTEMIC² RISKS



INHERENT RISK EXPOSURE



1: Risk identified and voted in more than one cluster.
2: Risk identified and voted in a specific cluster.

KEY RISK INDICATORS AND WALKTHROUGH

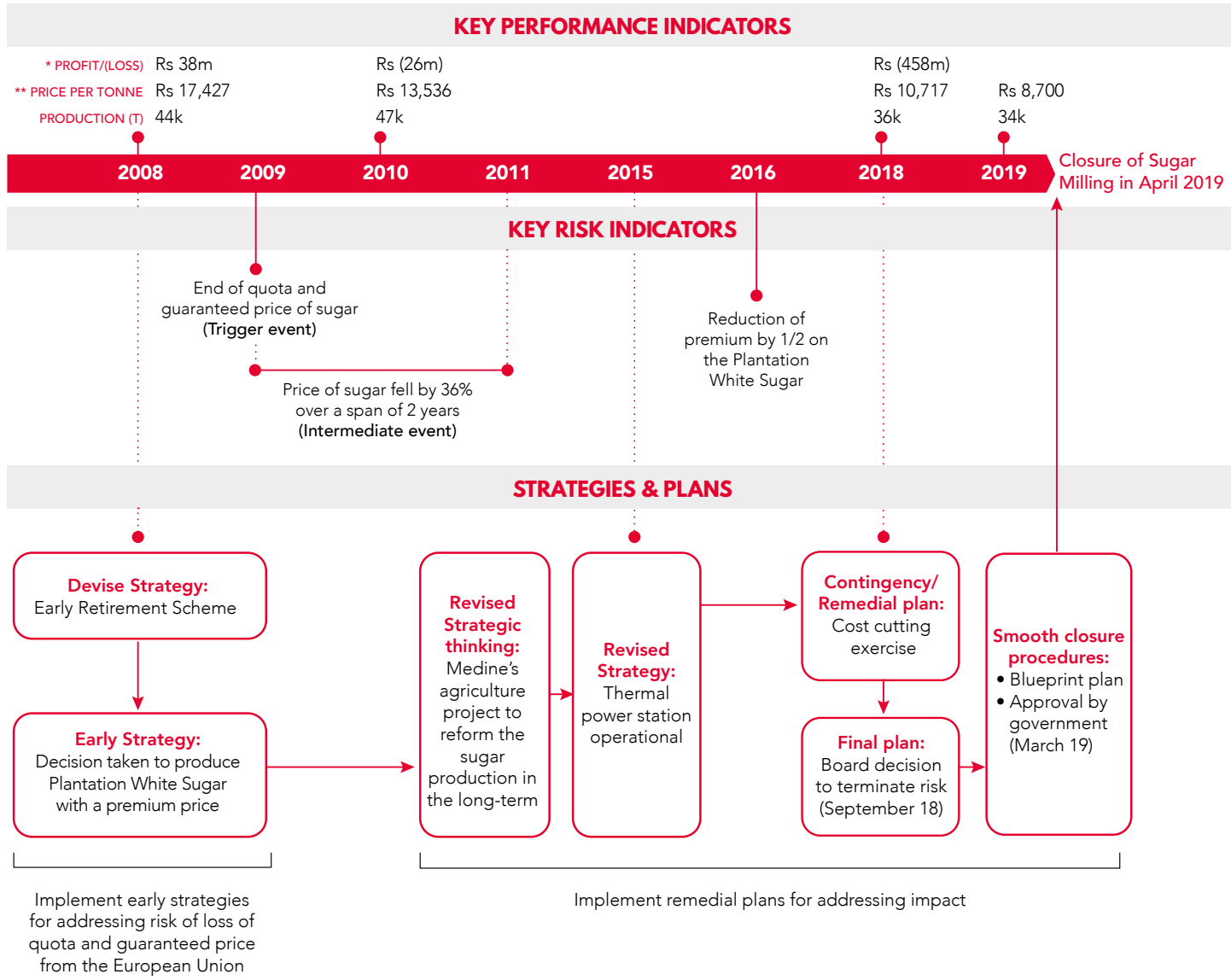
Risks are managed on a day to day basis and are integrated in the decision making process. A relevant example of the effectiveness of the risk management process is the Sugar Milling operations.

After more than 100 years of existence, the Medine Sugar Milling closed down in April 2019. The decision to close down was directly linked to the risk factors involved in this industry, namely:

- Constant and substantial fall in the global price of sugar
- Reduction in the national production of sugar as a result of third party growers reducing their cultivation over the years

- Lack of operational scale and efficient power generation capability
- Resulting lack of profitability and increase in debt burden

All of these risk factors made the activity unsustainable in the medium and long-term. The decision to manage and mitigate such business and industry risks was approved by the Board. The diagram below illustrates the situation that led to the termination of such risk.



* As per audited accounts
** Mauritius Sugar Syndicate base sugar kitty price excluding any accompanying measures

RISK MANAGEMENT

OUR PRINCIPAL INHERENT RISKS

The principal inherent risks of the Medine Group are highlighted in the risk radar below. These risks could materially affect the Group businesses, revenue and profit. Risks have been categorised under:

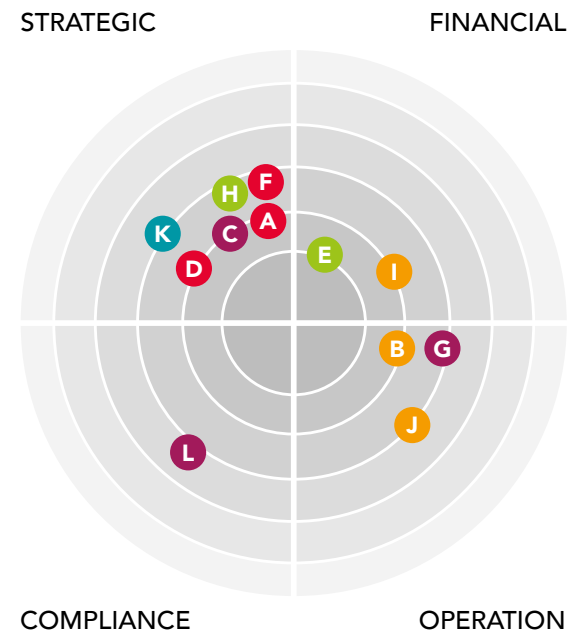
(i) Strategic

(ii) Financial

(iii) Operation

(iv) Compliance

RISK RADAR - INTERENT RISK EXPOSURE



Interpretation of the radar is that risks closer to the centre have greater likelihood and impact on the strategic objectives of the business. These principle risks are being mitigated and addressed in priority by Senior Management as shown in the table.

Emerging risks on our watch list are:

- Cybersecurity treats.
- Global awareness of animal rights and welfare affecting the perception of Casela.

RISK NAME	INHERENT RISK DESCRIPTION	CLUSTER CONCERNED	RISK MITIGATING ACTION PLANS & CONTROLS	CAPITAL IMPACTED	STRATEGIES IMPACTED*
<div>A</div> Business risk	<ul style="list-style-type: none">• Delays in obtaining permits and licenses from government authorities.		<ul style="list-style-type: none">• Collaborating with the Economic Development Board to support critical/urgent projects.• Improvement in the internal process to ensure completeness of all documents prior to submission.		<ul style="list-style-type: none">• Land & asset development
<div>B</div> Internal business process risk	<ul style="list-style-type: none">• Overburdened administrative procedures to obtain relevant approvals for purchases and payments.		<ul style="list-style-type: none">• Review of the procure to pay process to optimise approval chains and remove redundant dependencies.• Signatory matrix being reviewed and extended where appropriate for low risk internal transactions. Higher limits for intra-group transactions also under review.• Electronic payment process is currently under study at Group Head Office and will be rolled out in due course.		<ul style="list-style-type: none">• Restructuring• Innovation & development
<div>C</div> Concentration risk	<ul style="list-style-type: none">• Over-reliance/high dependency on few educational institutions.		<ul style="list-style-type: none">• Diversification of the portfolio of institutions and look for reputable courses.		<ul style="list-style-type: none">• Restructuring
<div>D</div> Market risk	<ul style="list-style-type: none">• Mismatch in demand and supply in the real estate market.• Adequacy of marketing strategy to attract new clients, vis-à-vis competitors.		<ul style="list-style-type: none">• Market research being conducted in-house.• Strengthen the marketing executive team.		<ul style="list-style-type: none">• Land & asset development• Innovation & development
<div>E</div> Event risk	<ul style="list-style-type: none">• Projected production and revenue from food crops not met due to adverse weather conditions, natural disasters and events affecting yields.		<ul style="list-style-type: none">• Improve productivity via protected cultures where applicable (greenhouses and nethouses).		<ul style="list-style-type: none">• Restructuring• Innovation & development
<div>F</div> Legal and regulatory risk	<ul style="list-style-type: none">• Changes in laws and regulations.		<ul style="list-style-type: none">• Medine collaborates with other promoters in order to identify issues in legal framework and propose solutions to the authorities.• Active participation of Medine Group in private sector forums such as Business Mauritius.		<ul style="list-style-type: none">• Land & asset development
<div>G</div> Health and safety risk	<ul style="list-style-type: none">• Exposure to acts of terrorism, vandalism, violence and illegal dealings on the west coast.		<ul style="list-style-type: none">• There is a private security patrol conducted on Medine's properties.		<ul style="list-style-type: none">• Sustainably develop the West's heritage
<div>H</div> Natural Resources risk	<ul style="list-style-type: none">• Increase demand in water resources/decrease in water supply as a result of drought or other events.		<ul style="list-style-type: none">• Efficient irrigation equipment system in place.• Legal support ensuring that Medine's water rights are protected.• Secure our water supply by regular maintenance and supervision of existing canals.		<ul style="list-style-type: none">• Innovation & development
<div>I</div> Liquidity and gearing risks	<ul style="list-style-type: none">• Inappropriate level of gearing and unreasonable operational cost at Group level.		<ul style="list-style-type: none">• Bond issue to restructure the Group debt from short-term to long-term.• Improve cash flow and treasury management.		<ul style="list-style-type: none">• Restructuring
<div>J</div> Human capital risk	<ul style="list-style-type: none">• Clear human resource strategy (e.g. reward system, training and career progression).• Departure of key personnel and no documented succession planning.		<ul style="list-style-type: none">• Performance appraisal system with a performance related bonus is in place.• Quarterly staff meetings to communicate quarterly financial results and strategy of the cluster.		<ul style="list-style-type: none">• Innovation & development
<div>K</div> Macro-economic risk	<ul style="list-style-type: none">• External factors influencing the size of the current and potential market. (E.g. decreasing influx of tourists, increase in competitions from the partners - airlines, hotels and cruises in terms of prices, economic and political conditions).		<ul style="list-style-type: none">• Continuously monitoring the external environment and reviewing strategies accordingly.		All
<div>L</div> Compliance risk	<ul style="list-style-type: none">• Accreditation from authorities for courses delivered by the institutions.		<ul style="list-style-type: none">• Collaboration with the relevant authorities to ensure compliance with the regulations.		All

* Refer to page 39 for detailed strategic objectives

CLUSTERS

Agriculture

Education

Leisure

Property

Group

CAPITALS

Human

Intellectual

Natural

Financial

Social and relationship

Manufactured

AUDIT & RISK COMMITTEE REPORT

"The Audit and Risk Committee is a sub-committee of the Board, was set up in 2005 and continues to play an essential oversight role in the risk management, internal control and financial reporting of the Medine Group. With the implementation of the new 5-year strategy, the aim is to strengthen the risk culture and be more dynamic to the effect of external factors."

Jacques Tin Miow Li Wan Po
F.C.C.A., G.O.S.K.
Chairman of the Audit and Risk Committee



CONTROL STRUCTURE & RISK GOVERNANCE

Internal Control

The system of internal control is designed to provide the Board of Directors (Board) with reasonable assurance that assets are properly safeguarded, that transactions are authorised and recorded and that material frauds and other irregularities are either prevented or detected within a reasonable time.

Responsibilities of Internal Control

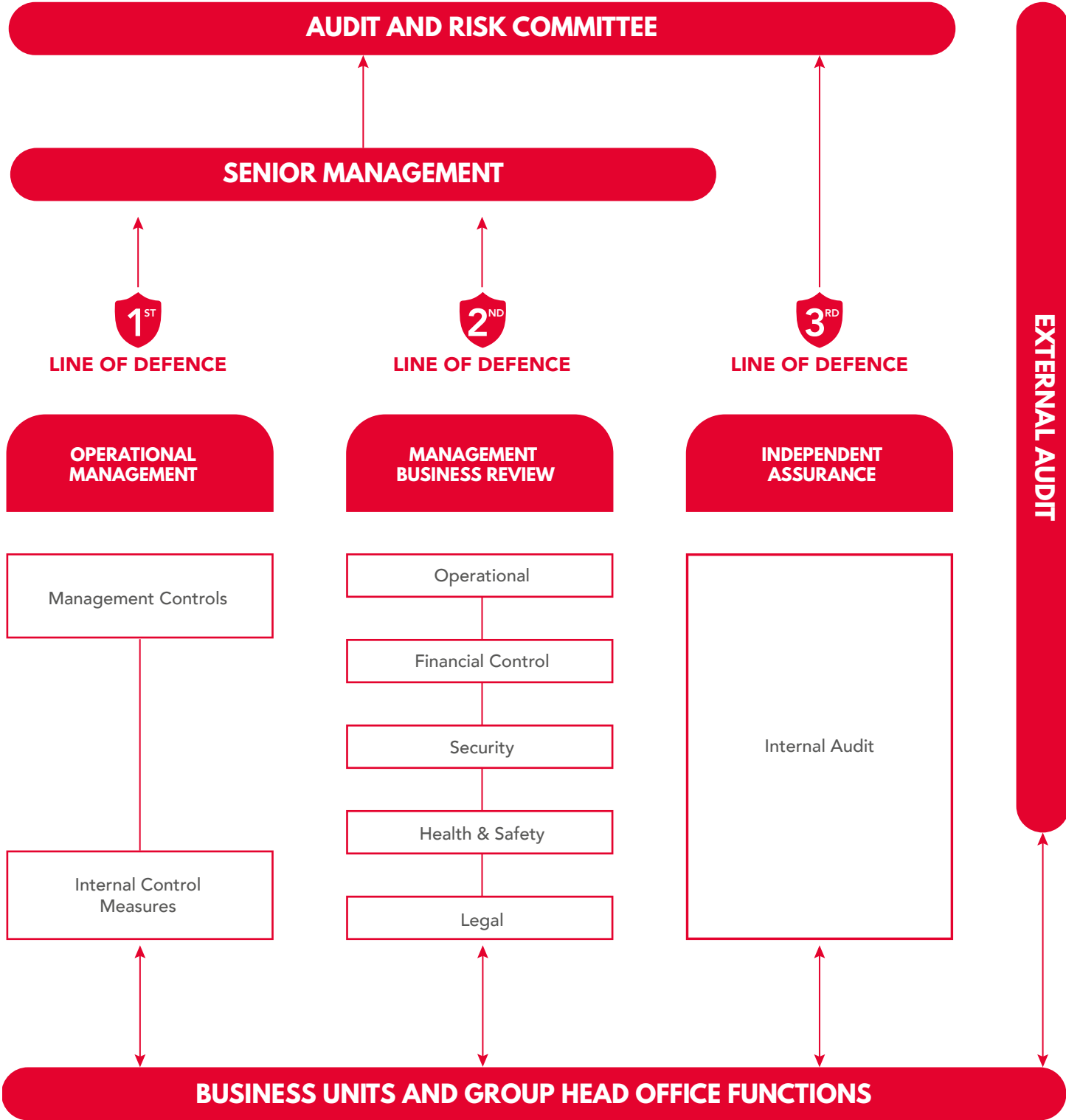
The responsibility for the Group's internal control system and risk management lies with the Board, which has delegated appropriate responsibilities to management. Management has a duty to put in place adequate internal controls that focus on managing the risks of implementing strategies and policies adopted by the Board and integrating them in the day to day operations.

In this context, the Medine's Board has set up an Audit & Risk Committee (ARC) in 2005 and its main objectives are the existence and efficiency of internal control which reflects the size and diversity of the Group. The Board is able to receive assurance from the ARC that the fundamental areas of risk recognition and mitigation are adequately covered in a responsible manner.

Our lines of defence

The responsibilities of internal control is reflected in the adoption of the three lines of defence model which integrates the management of risk in the structure depicted on the next page.

CONTROL STRUCTURE & RISK GOVERNANCE (CONT'D)



AUDIT & RISK COMMITTEE REPORT

CONTROL STRUCTURE & RISK GOVERNANCE (CONT'D)

ROLES OF THE THREE LINES OF DEFENCE			
PRIMARY STAKEHOLDERS	FIRST LINE	SECOND LINE	THIRD LINE
Senior management Governance body: <ul style="list-style-type: none">• Board• Audit & Risk Committee	Operational management: They own and manage risks	Risk Management & Assurance: They provide risk oversight	Independent assurance provided by the Internal audit function

A sound and effective system of internal control should comprise Three Lines of Defence:

The **First Line of Defence** consists of the front-line personnel responsible for the day-to-day operations and for ensuring that the risk and control environment is established.

The **Second Line of Defence** is provided by those who are responsible for defining and maintaining the risk management and compliance framework, and undertaking its own oversight of the First Line of Defence in its daily management of mitigating risks.

The **Third Line of Defence**, as the final line of defence, consists of the internal audit function which reports directly to the Audit and Risk Committee.

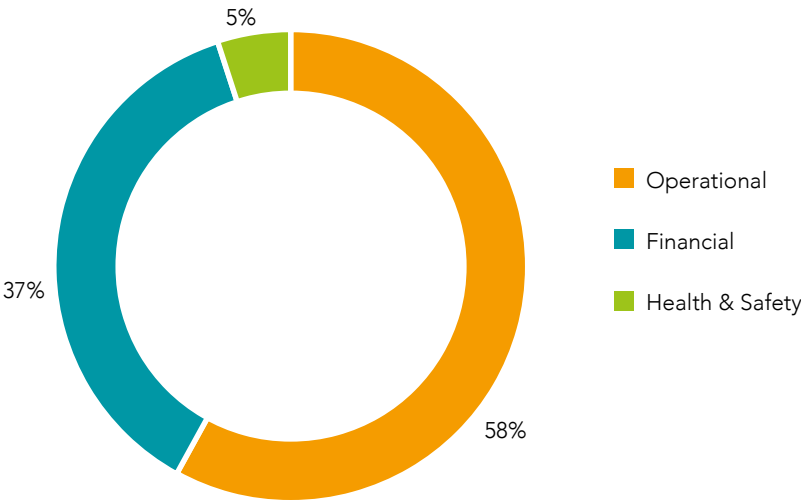
Internal audit is responsible for assessing compliance and for providing an independent challenge and evaluation of the adequacy and effectiveness of the policies and procedures as part of the overall risk, control framework and governance processes.

The internal audit function was outsourced to Messrs Ernst & Young (EY). During the year, the ARC has decided to have a co-sourcing model, where a Head of Internal Audit & Risk Management was recruited and worked in coordination with EY. The Head of Internal Audit & Risk Management reports functionally to the Audit & Risk Committee, administratively to the Group’s Chief Operating Officer and maintains an open line of communication with Management.

Critical findings arising from the internal audit activity is formally reported to the ARC.

Audit Areas covered

The following areas were covered by the internal audit function during the financial year 2019:



The Board is comforted that all significant areas of the organisation have been covered by the internal audit function and no restriction has been placed over the right of access to records, management and employees.

KEY MATTERS UNDER THE OVERSIGHT ROLE OF THE COMMITTEE

Our key responsibilities are to:

- Overview the annual and interim financial statements.
- Review the nature, scope and results of the internal and external audit.
- Review the adequacy and effectiveness of the system of internal control.
- Review the principal risks of the Group and to oversee the implementation of appropriate measures to manage such risks.
- Assess and recommend the appointment of internal and external auditor, in relation to their independence, qualifications, performance and cost effectiveness.

As Chairman of the ARC, I report to the Board on the committee’s work on a regular basis. All members of the committee have appropriate skills, knowledge and understanding of financial matters. Full biographies of each member can be found on pages 81 to 84.

The Company’s secretary is the secretary to the committee and attends all meetings. Other attendees include the:

	REGULAR ATTENDEE	ATTENDS AS REQUIRED
Chief Operating Officer	•	
Chief Financial Officer & Head of Technology	•	
Head of Internal Audit & Risk Management	•	
Messrs Ernst & Young		•
External Auditor-BDO		•
Cluster’s Senior Management		•

The committee met 8 times during the year and there was no material event that has been reported to prevent the ARC from discharging its responsibilities.

Our key activities for the financial year 2019:

- Review of quarterly accounts and financial statements
- Appointment of the Head of Internal Audit and Risk Management
- Recommend approval of the Internal Audit Charter to the Board
- Review the external audit tendering process
- Review of 19 internal audit reports
- Review of the inherent and residual risks of the Medine Group
- Approval of the internal audit methodology and the ERM audit plan for the financial year 2020
- Review and approve the tendering process of the main contractors for the property cluster

Our focus for the financial year 2020:

- Review processes related to:
- The external audit tendering process and make recommendation to the Board.
 - The update the Audit & Risk Committee Charter
 - The reinforcement of the Three lines of Defence and strengthening the risk culture
 - The monitoring of the Group’s top risks and related emerging risks
 - The implementation of a whistleblowing policy
 - Risks associated with the implementation of the new Enterprise Resource Planning system
 - Alignment of the risk management process to the new strategy, vision, values and culture
 - Internal controls and ensuring that management delivers the agreed internal control improvements.

To conclude, I would like to extend my appreciation and thanks to the Audit & Risk Committee members, the senior management team, the external auditor and the internal audit team for their contribution and support during the year.

I AM COMMITTED TO PURSUE SUSTAINABLE DEVELOPMENT

BECAUSE I HAVE A VISION.

VISION

SECRETARY’S CERTIFICATE

JUNE 30, 2019

In my capacity as Company Secretary of Medine Limited (the “Company”), I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies for the financial year ended June 30, 2019 all such returns as are required of the Company under the Companies Act 2001.



Patricia Goder
Company Secretary

23 September 2019

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MEDINE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Medine Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 118 to 215 which comprise the statements of financial position as at June 30, 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 118 to 215 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of investment properties	
Investment properties, which are significant assets in the Group’s statement of financial position, are valued at Rs.4,606,425,000 as at June 30, 2019.	As part of our audit procedures, we:
The Group measures its investment properties at fair value.	- Observed management’s controls and effectiveness of systems in place for the valuation of investment properties;
Fair value, which is a significant accounting estimate, is dependent on a range of judgemental assumptions. The valuation of investment properties was performed by an independent property surveyor.	- Assessed the independent external valuer’s competence, capabilities and objectivity;
Due to the level of judgment involved in the valuation of investment properties as well as the significance of these assets to the Group’s statement of financial position, this is considered to be a key audit matter.	- Assessed the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry;
	- Verified on a sample basis the accuracy and relevance of the input data used within the fair value calculations; and
	Based on our audit procedures, we found investment properties to be properly accounted and disclosed in the financial statements.
Refer to Notes 4 & 6 in the financial statements	

INDEPENDENT AUDITOR’S REPORT (CONT’D)

TO THE SHAREHOLDERS OF MEDINE LIMITED

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon. The other information, with the exception of the Corporate Governance Report, is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the other information, with the exception of the Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance 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 public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Conclude on the appropriateness of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

OTHER MATTER

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



BDO & Co.
Chartered Accountant

Port Louis, Mauritius.

Date: 23 September 2019



Per Georges Chung Ming Kan, F.C.C.A
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019

Notes	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	15,523,101	16,573,642	11,865,781
Investment properties	6	4,606,425	2,965,055	1,017,642
Intangible assets	7	195,898	43,344	36,673
Investments in subsidiaries	8	-	-	6,024,616
Investments in associates	9	144,714	145,733	124,939
Financial assets at fair value through other comprehensive income	10	114,353	-	-
Investments in available-for-sale financial assets	11	-	106,924	106,916
Other financial assets at amortised cost	17	-	-	-
Deferred expenditure	12	816,428	1,037,129	231,144
Biological assets	13	9,716	11,913	11,913
Deferred tax assets	14	15,227	8,385	-
		21,425,862	20,892,125	19,419,624
Current assets				
Property, plant and equipment	5	-	108,210	-
Deferred expenditure	12	224,381	181,498	181,498
Biological assets	13	130,241	132,782	132,782
Inventories	15	19,851	35,445	13,665
Contract assets	27(e)	32,457	-	-
Trade and other receivables	16	491,830	417,690	250,203
Other financial assets at amortised cost	17	95,942	-	-
Other current assets	18	104,626	-	-
Amount due from Group companies	19	-	-	687,586
Cash in hand and at bank	39(a)	66,311	39,729	13,938
		1,165,639	915,354	1,279,672
Assets classified as held-for-sale	45(b)	145,605	-	-
Total assets		22,737,106	21,807,479	20,699,296
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	20	1,050,000	1,050,000	1,050,000
Revaluation surplus and other reserves	21	13,026,565	13,003,572	9,980,626
Retained earnings		580,481	556,417	5,311,791
Owners' interest		14,657,046	14,609,989	16,342,417
Non-controlling interests		9,119	35,323	-
Total equity		14,666,165	14,645,312	16,119,955
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	14	11,063	21,282	-
Borrowings	22	5,675,674	2,697,363	870,875
Retirement benefit obligations	23	307,199	340,880	320,610
		5,993,936	3,059,525	1,191,485
Current liabilities				
Retirement benefit obligations	23	-	53,908	-
Borrowings	22	735,264	2,734,896	2,244,895
Trade and other payables	24	713,329	1,161,588	698,261
Contract liabilities	27(e)	123,853	-	-
Amount due to Group companies	25	-	-	69,988
Current tax liabilities	37	274	-	-
Dividends	26	157,500	152,250	152,250
		1,730,220	4,102,642	3,165,394
Liabilities associated with assets classified as held-for-sale	45(b)	346,785	-	-
Total liabilities		8,070,941	7,162,167	4,356,879
Total equity and liabilities		22,737,106	21,807,479	20,699,296

The financial statements were approved for issue by the Board of Directors on 23 September 2019.


René Leclézio
Chairman


Thierry Sauzier
Chief Executive Officer

The notes on pages 123 to 215 form an integral part of these financial statements.
Auditor's report on pages 115 to 117.

STATEMENTS OF PROFIT OR LOSS

YEAR ENDED JUNE 30, 2019

Notes	THE GROUP		THE HOLDING COMPANY	
	2019	Restated 2018	2019	Restated 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Revenue	27(b)	1,305,620	1,206,242	677,491
Operating expenses	28	(1,421,595)	(1,419,352)	(912,026)
Changes in fair value of consumable biological assets	13	(8,241)	(80,210)	(80,210)
Other gains/(losses) - net	30	224,162	33,194	28,450
Profit on sale of land	31	439,874	184,848	1,587,286
Other income	32	58,042	14,502	81,623
Share of profit in associates	9	11,004	4,960	-
Impairment losses	33	(64,475)	(71,754)	(69,974)
Profit/(Loss) before finance costs		544,391	(127,570)	325,625
Finance costs	34	(297,169)	(238,291)	(165,145)
Profit/(Loss) before taxation	36	247,222	(365,861)	1,147,495
Income tax credit/(charge)	37	10,472	(3,215)	-
Profit/(Loss) for the year from continuing operations		257,694	(369,076)	1,147,495
Profit/(Loss) for the year from discontinued operations	45(c) & (e)	10,962	(475,592)	(366,744)
Profit/(Loss) for the year		268,656	(844,668)	780,751
Profit/(Loss) attributable to:				
- Owners of the parent		263,831	(756,712)	(99,492)
- Non-controlling interests		4,825	(87,956)	-
		268,656	(844,668)	780,751
Other comprehensive income for the year				
Items that may be reclassified subsequently to profit or loss				
Decrease in fair value of available-for-sale investments	11 & 40	-	(531)	-
Items that will not be reclassified subsequently to profit or loss				
Changes in fair value of financial assets at fair value through other comprehensive income	10 & 40	(5,431)	-	(5,431)
Remeasurement of retirement benefit obligations	23 & 40	81,552	(88,769)	77,045
Share of other comprehensive income of associates	9 & 40	(523)	-	-
Gain on revaluation of property, plant and equipment	21	18,554	-	115,166
Impairment losses on property, plant and equipment	33 & 40	-	(82,918)	-
Income tax relating to component of other comprehensive income	14(b) & 40	1,132	9,115	-
Other comprehensive income for the year, net of tax		95,284	(163,103)	186,780
Total comprehensive income for the year		363,940	(1,007,771)	87,288
Total comprehensive income attributable to:				
- Owners of the parent		360,883	(902,502)	87,288
- Non-controlling interests		3,057	(105,269)	-
		363,940	(1,007,771)	87,288
Total comprehensive income for the year analysed as:				
- Continuing operations		342,714	(445,613)	314,041
- Discontinued operations		21,226	(562,158)	(226,753)
		363,940	(1,007,771)	87,288
Earnings/(Loss) per share (Rs.)				
- From continuing and discontinuing operations	38	2.51	(7.21)	(0.95)
- From continuing operations	38	2.45	(3.52)	1.21

The notes on pages 123 to 215 form an integral part of these financial statements.
Auditor's report on pages 115 to 117.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2019

THE GROUP

	Note	Attributable to owners of the parent				
		Stated Capital	Revaluation Surplus and Other Reserves	Retained Earnings	Total	Non-Controlling Interests
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2018		1,050,000	13,003,572	556,417	14,609,989	35,323
Profit for the year		-	-	263,831	263,831	4,825
Other comprehensive income for the year	40(a)	-	97,052	-	97,052	(1,768)
Total comprehensive income for the year		-	97,052	263,831	360,883	3,057
Non-controlling interest arising on business combination	43	-	-	-	-	104,386
Transactions with non-controlling interest	44	-	-	(4,076)	(4,076)	(127,067)
Transfer - revaluation surplus realised on disposal of land	21(a)	-	(74,059)	74,059	-	-
Dividends to owners of the parent	26	-	-	(309,750)	(309,750)	-
Dividends to non-controlling interests		-	-	-	-	(6,580)
Balance at June 30, 2019		1,050,000	13,026,565	580,481	14,657,046	9,119
Balance at July 1, 2017		1,050,000	13,153,741	1,587,000	15,790,741	117,398
Loss for the year		-	-	(756,712)	(756,712)	(87,956)
Other comprehensive income for the year	40(a)	-	(145,790)	-	(145,790)	(17,313)
Total comprehensive income for the year		-	(145,790)	(756,712)	(902,502)	(105,269)
Consolidation adjustment	(i)	-	-	-	-	23,194
Transfer - revaluation surplus realised on disposal of land	21(a)	-	(4,379)	4,379	-	-
Dividends to owners of the parent	26	-	-	(278,250)	(278,250)	-
Balance at June 30, 2018		1,050,000	13,003,572	556,417	14,609,989	35,323

Note (i): The consolidation adjustment is in respect of the increase in the stated capital of Cascavelle Shopping Mall Limited in 2018.

The notes on pages 123 to 215 form an integral part of these financial statements.
Auditor's report on pages 115 to 117.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2019

THE HOLDING COMPANY

	Note	Stated Capital	Revaluation Surplus and Other Reserves	Retained Earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000
		Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2018		1,050,000	9,980,626	5,311,791	16,342,417
Loss for the year		-	-	(99,492)	(99,492)
Other comprehensive income for the year	40(b)	-	186,780	-	186,780
Total comprehensive income for the year		-	186,780	(99,492)	87,288
Transfer - revaluation surplus realised on disposal of land	21(b)	-	(77,086)	77,086	-
Dividends	26	-	-	(309,750)	(309,750)
Balance at June 30, 2019		1,050,000	10,090,320	4,979,635	16,119,955
Balance at July 1, 2017		1,050,000	11,642,450	3,219,020	15,911,470
Profit for the year		-	-	780,751	780,751
Other comprehensive income for the year	40(b)	-	(71,554)	-	(71,554)
Total comprehensive income for the year		-	(71,554)	780,751	709,197
Transfer - revaluation surplus realised on disposal of land	21(b)	-	(1,590,270)	1,590,270	-
Dividends	26	-	-	(278,250)	(278,250)
Balance at June 30, 2018		1,050,000	9,980,626	5,311,791	16,342,417

The notes on pages 123 to 215 form an integral part of these financial statements.
Auditor's report on pages 115 to 117.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

Notes	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Cash received from customers	1,301,174	1,169,467	719,122	676,185
Cash paid to suppliers and employees	(1,219,806)	(889,162)	(851,822)	(723,092)
Cash generated from/(absorbed by) operations	81,368	280,305	(132,700)	(46,907)
Tax paid	37(a) (3,278)	-	-	-
Interest paid	(286,187)	(245,227)	(199,232)	(166,641)
Interest received	32 7,930	1,044	77,971	55,163
Net cash (absorbed by)/generated from operating activities	(200,167)	36,122	(253,961)	(158,385)
Investing activities				
Net proceeds from sale of land	359,226	227,455	396,684	3,923,156
Expenditure in respect of land development	(171,561)	(871,168)	(34,637)	(164,629)
Purchase of property, plant and equipment	(122,440)	(169,508)	(28,474)	(34,573)
Proceeds on disposal of property, plant and equipment	49,161	5,884	45,513	5,194
Proceeds on disposal of investment properties	5,140	-	5,132	392,018
Purchase of intangible assets	7 (159,440)	(2,395)	(158,317)	(314)
Purchase of investment properties	6 (360,595)	(179,701)	-	-
Disposal of subsidiaries, net of cash disposed	45(f) -	8,768	-	8,275
Investment in subsidiaries	-	-	(268,082)	(4,161,847)
Purchase of investment in associates	9 -	(5,668)	-	(5,668)
Acquisition of subsidiary, net of cash acquired	43(c) (88,647)	-	-	-
Dividends received	13,033	11,369	8,866	1,769
Net cash used in investing activities	(476,123)	(974,964)	(33,315)	(36,619)
Financing activities				
Cash granted to Group companies	-	-	(510,854)	(428,752)
Cash (to)/from related companies	44 (110,592)	62,569	(284,923)	53,536
Transactions with non-controlling interest	(131,143)	-	-	-
Issue of shares to non-controlling interest	-	23,194	-	-
Loans received	31,000	1,516,892	-	1,025,000
Loans repaid	(2,532,849)	(231,590)	(2,421,142)	(130,144)
Bonds issued	3,973,900	-	3,973,900	-
Finance lease repaid	(551)	(522)	(551)	(522)
Dividends paid to non-controlling interest	(6,580)	-	-	-
Dividends paid to owners of the parent	26 (304,500)	(252,000)	(304,500)	(252,000)
Net cash from financing activities	918,685	1,118,543	451,930	267,118
Net (decrease)/increase in cash and cash equivalents from discontinuing activities	45(d) & (e) (2,879)	(69,602)	24,254	9,029
Increase in cash and cash equivalents	239,516	110,100	188,908	81,143
Movement in cash and cash equivalents				
At July 1,	(790,467)	(900,567)	(663,255)	(744,398)
Increase	239,516	110,100	188,908	81,143
At June 30,	39(b) (550,951)	(790,467)	(474,347)	(663,255)

The notes on pages 123 to 215 form an integral part of these financial statements.
Auditor's report on pages 115 to 117.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

1. GENERAL INFORMATION

Medine Limited is a limited liability company incorporated and domiciled in Mauritius. The main activities of the Company consist principally of the planting of sugarcane for the production of sugar and by-products of sugarcane namely molasses and bagasse, the production of other agricultural products and the holding of investments. The registered office of Medine Limited is situated at 4, Uniciti Office Park, Black River Road, Bambous and its place of business is at Bambous.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary company (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees.

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

- (i) certain property, plant and equipment are carried at revalued amounts/deemed costs;
- (ii) investment properties are stated at fair value;
- (iii) consumable biological assets are stated at fair value; and
- (iv) relevant financial assets and financial liabilities are stated at fair value or at amortised cost.

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

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from July 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2.7. The Group has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Group has adopted IFRS 15 Revenue from Contracts with Customers from July 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2.21. In accordance with the transition provisions in IFRS 15, the Group has not restated comparatives for the 2018 financial year.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the ‘overlay approach’. Both approaches are optional. The amendment has no impact on the Group’s financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group’s financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group’s financial statements.

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Group’s financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 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:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 PROPERTY, PLANT AND EQUIPMENT

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Up to 2004, certain property, plant and equipment were revalued yearly on a replacement cost basis using indices provided by the Mauritius Sugar Authority less subsequent depreciation.

All other property, plant and equipment are initially recorded at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

Properties in the course of construction for production, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Bearer plants

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

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

	ANNUAL RATES (%)
Leasehold land	5%
Improvement to land	1% and 10%
Factory buildings and equipment	1% - 33%
Weighing equipment	2.5% - 3.6%
Cultivation equipment	3% - 20%
Transport equipment	10% and 20%
Animals	2.5% - 6.67%
Bearer plants	12.5%
Hotel and leisure building	2% - 5%
Other buildings and equipment	1% - 33%
Golf course and infrastructure	1%

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 PROPERTY, PLANT AND EQUIPMENT (CON'D)

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation method 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 disposal of property, plant and equipment are determined by reference to their carrying amount and are included in profit or loss. On disposal of revalued assets, amounts in revaluation surplus relating to that asset are transferred to retained earnings.

2.3 INVESTMENT PROPERTY

Investment property, held to earn rentals/or for capital appreciation or both and not occupied by the Group is carried at fair value, representing open-market value determined annually. Changes in fair values are included in profit or loss.

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

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2.4 INTANGIBLE ASSETS

(a) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(b) 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 over their estimated useful lives (3 - 10 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

(c) Land conversion rights - Closure costs of The Medine Sugar Milling Company Ltd

The cash compensation paid in respect of the closure of The Medine Sugar Milling Company Ltd is capitalised as land conversion rights on the basis that under the provision of the Sugar Industry Efficiency Act, the Company acquires the right to sell land on which no conversion taxes are payable. Such costs are charged to profit or loss when the associated benefits related to the land conversion rights are realised. At the end of each financial year, the carrying amount of the land conversion rights is subject to testing for impairment and reduced to the recoverable amount, if this is less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 INVESTMENTS IN SUBSIDIARIES

Separate financial statements of the investor

Investments in subsidiaries 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 interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value 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 profit or loss as a bargain purchase gain.

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

Transactions with non-controlling interests

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

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In additions, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 INVESTMENTS IN ASSOCIATES

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. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition over 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.

2.7 FINANCIAL ASSETS

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(a) Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 FINANCIAL ASSETS (CONT'D)

(a) Amortised cost (CONT'D)

Impairment provisions for trade receivables are recognised based on the simplified approach with 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 provisions are recorded in a separate provision account with the loss being recognised in Profit or Loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against associated provision.

Impairment provisions 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. 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.

From time to time, the Group elects to renegotiates the terms of trade receivables due from customers with which it has previously has a good trading history. Such renegotiations will lead to changes in the timing of payments rather that changes to amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise of trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

(b) Fair value through other comprehensive income

The Group has investments in unquoted 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL LIABILITIES

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

- (a) Bank borrowings and bonds which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding.

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.
- (b) Trade payables and other short-term liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- (c) The Group obtains deposits from tenants, which may be used towards payment of rental and service charges. Such deposits are treated as financial liabilities in accordance with IFRS 9. They are initially recognised at fair value and subsequently measured at amortised cost.

2.9 SHARE CAPITAL

Ordinary shares are classified as equity.

2.10 BIOLOGICAL ASSETS

Consumable biological assets
Standing sugarcane crop

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

Other crops and plants

Other crops and plants are measured at their fair value. The fair value of the other crops and plants is the present value of expected net cash flows from the sale of the other crops and plants, discounted at the relevant market determined pre-tax rate.

Changes in fair value of consumable biological assets are recognised in profit or loss.

2.11 DEFERRED EXPENDITURE

Land Development and Expenditure is in respect of costs incurred to prepare land in a saleable condition that is to be sold and is released to profit or loss on disposal.

2.12 CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises of 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 CURRENT AND DEFERRED INCOME TAXES (CONT'D)

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of 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 date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit 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 certain 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 whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale.

2.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.14 RETIREMENT BENEFIT OBLIGATIONS

(a) Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Group has not legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered services that entitle them to the contributions.

(b) Defined benefit plans

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, years of service and compensation.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Remeasurement of the net defined benefit liability, which comprise 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 benefit 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.

- (c) Gratuity on retirement
Artisans and labourers of sugar companies are entitled to a gratuity on death or retirement, based on years of service. 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 the above pension plans, the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated by an actuary and provided for. The obligations arising under this item are not funded.

2.15 FOREIGN CURRENCIES

- (a) **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. All values are rounded to the nearest thousand (Rs'000) except where otherwise indicated.

- (b) **Transactions and balances**
Foreign currency transactions are translated into the functional currency 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 translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 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 asset 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).

2.17 ACCOUNTING FOR LEASES

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

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

The property, plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

2.18 OPERATING LEASES

Assets leased out under operating leases are included in investment properties in the statement of financial position. The carrying amounts of investment properties represent their fair value. Rental income is recognised in profit or loss on a straight line basis over the lease term.

2.19 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. Other borrowing costs are expensed.

2.20 DIVIDEND DISTRIBUTION

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

2.21 REVENUE RECOGNITION

- (a) **Revenue from contracts with customers**

Performance obligations and timing of revenue recognition

- (i) **Sales of goods**

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 REVENUE RECOGNITION (CONT'D)

(a) Revenue from contracts with customers (cont'd)

Performance obligations and timing of revenue recognition (cont'd)

(i) Sales of goods (cont'd)

The recognition of sugar and molasses proceeds is based on total production of the crop year. Bagasse proceeds are accounted for in the year in which it is received. Sugar prices are based on the recommendations made to all sugar companies by the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate. Any differences between the recommended prices and the final prices are reflected in profit or loss of the period in which they are established.

(ii) Rendering of Services

The Group carries out services for clients, with revenue recognised typically on an over time basis. This is because for such services rendered, the customer simultaneously receives and consumes the economic benefit provided by the Group's performance and the contracts would require payment to be received for the time and effort spent by the Group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the Group's failure to perform its obligations under the contract. The Group recognises revenue based on services delivered and represents a direct measurement of the value of services transferred to date in comparison with the remaining services to be provided under the contract (an output based method). This is considered a faithful depiction of the transfer of services as it depicts the entity's performance towards complete satisfaction of the performance obligation.

(iii) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term, with revenue recognised typically on an over time basis.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold or services rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered or service rendered in such contracts (it is the total contract price divided by the number of units ordered or service rendered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the assets is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

Practical Exemptions

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 REVENUE RECOGNITION (CONT'D)

(b) Other revenues earned by the Group are recognised on the following bases:

- Dividend income is recognised when the shareholder's right to receive payment is established.
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Other income – on an accrual basis unless collectability is in doubt.

2.22 SALE OF LAND

The profit arising on sale of land is recognised in profit or loss on the date the deed of sale is signed and the corresponding debtor accounted in the statement of financial position. All other prepayments collected in respect of sale of land are credited to "Deposit on sale of land" in the statement of financial position.

2.23 PROVISIONS

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

2.24 SEGMENT REPORTING

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

2.25 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

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

When the Group is committed to a sale plan involving loss of control of subsidiaries, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria describe above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

- Foreign exchange risk;
- Credit risk;
- Interest rate risk;
- Liquidity risk;
- Equity market price risk; and
- Market risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US dollars, Euros and GBP. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The Group's dealings in foreign currency purchases is managed by seeking the best rates. Fluctuations arising on purchase transactions are partly offset by sales transactions, effected in US dollars, Euros and GBP to some extent.

The Group

At June 30, 2019, if the rupee had weakened/strengthened by 1% against the US dollar/Euro/GBP with all variables held constant, post-tax profit of the Group for the year would have been Rs.347,000 higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro/GBP denominated assets.

At June 30, 2018, if the rupee had weakened/strengthened by 1% against the US dollar/Euro/GBP with all variables held constant, post-tax loss of the Group for the year would have been Rs.175,000 lower/higher, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro/GBP denominated assets.

	USD	EURO	GBP	MUR	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2019					
Bank balances	3,898	16,711	378	45,324	66,311
Trade and other receivables	-	19,893	-	471,937	491,830
2018					
Bank balances	3,221	9,902	530	26,076	39,729
Trade and other receivables	-	6,902	76	410,712	417,690

The Holding Company

At June 30, 2019, if the rupee had weakened/strengthened by 1% against the US dollar/Euro/GBP with all variables held constant, post tax profit of the Company for the year would have been Rs.33,000 (2018: Rs.36,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro/GBP denominated assets. Profit is more sensitive to movement in exchange rates in 2019 than 2018 because of the increased amount of US dollar/Euro/GBP denominated assets.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties are accepted.

Sales to retail customers are required to be settled by bank transfers, 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 and/ or regions.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

Interest rate risk

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group has interest-bearing assets.

The Group

At June 30, 2019, if the interest rates on rupee-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.51,339,000 higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

At June 30, 2018, if the interest rates on rupee-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax loss for the year would have been Rs.36,747,000 lower/higher, mainly as a result of lower/higher interest expense on floating rate borrowings.

The above risk is mitigated by the interest-bearing assets as follows:

At June 30, 2019, if the interest rates on rupee-denominated bank balances and interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.2,979,000 lower/higher, mainly as a result of lower/higher interest income on bank balances.

At June 30, 2018, if the interest rates on rupee-denominated bank balances and interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax loss for the year would have been Rs.448,000 higher/lower, mainly as a result of lower/higher interest income on bank balances.

The Holding Company

At June 30, 2019, if the interest rates on rupee-denominated borrowings had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.32,274,000 (2018: Rs. 23,020,000) higher/lower, mainly as a result of lower/higher interest expense on floating rate borrowings.

The above risk is mitigated by the interest-bearing assets as follows:

At June 30, 2019, if the interest rates on rupee-denominated bank balances and interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs.45,000 (2018: Rs. 448,000) lower/higher, mainly as a result of lower/higher interest income on bank balances and interest bearing assets.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

Liquidity risk (Cont'd)

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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Bank overdrafts	552,538	-	-	-	552,538
Finance lease	582	615	616	-	1,813
Bonds	-	-	2,348,843	1,625,057	3,973,900
Bank loans	182,144	185,421	587,410	927,712	1,882,687
Trade and other payables	713,329	-	-	-	713,329
At June 30, 2018					
Bank overdrafts	830,196	-	-	-	830,196
Finance lease	560	582	1,222	-	2,364
Bank loans	1,904,140	163,499	1,300,768	1,231,292	4,599,699
Trade and other payables	1,161,588	-	-	-	1,161,588

The Holding Company	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Bank overdrafts	487,242	-	-	-	487,242
Bank loans	15,071	-	-	-	15,071
Bonds	-	-	2,348,843	1,625,057	3,973,900
Finance lease	582	615	616	-	1,813
Amount due to Group companies	223,904	-	-	-	223,904
Trade and other payables	503,475	-	-	-	503,475
At June 30, 2018					
Bank overdrafts	677,193	-	-	-	677,193
Bank loans	1,567,142	21,071	848,000	-	2,436,213
Finance lease	560	582	1,222	-	2,364
Amount due to Group companies	69,988	-	-	-	69,988
Trade and other payables	698,261	-	-	-	698,261

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 available-for-sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

Equity market price risk (Cont'd)

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on equity. The analysis is based on the assumption that the fair value has increased/decreased by 5%

	Impact on equity			
	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	5,718	-	4,818	-
Available-for-sale financial assets	-	5,347	-	5,346

Market risk

The Group is exposed to market risk arising from changes in sugar prices and the incidence of the exchange rate. This risk will directly impact on future crop proceeds. The risk is not hedged.

3.2 FAIR VALUE ESTIMATION

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

Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined 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 instruments 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.

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 cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3.3 BIOLOGICAL ASSETS

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.4 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the entity'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 sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown in the Statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, and revaluation surplus and other reserves).

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at June 30, 2019 and at June 30, 2018 were as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Total debt (Note 22)	6,410,938	5,432,259	4,478,026	3,115,770
Less: cash and cash equivalents (Note 39)	(66,311)	(39,729)	(12,895)	(13,938)
Net debt	6,344,627	5,392,530	4,465,131	3,101,832
Total equity	14,666,165	14,645,312	16,119,955	16,342,417
Add: subordinated debt instruments	-	-	-	-
Adjusted capital	14,666,165	14,645,312	16,119,955	16,342,417
Debt-to-adjusted capital ratio	0.43 : 1	0.37:1	0.27 : 1	0.19:1

The increase in the debt-to-adjusted capital ratio during 2019 resulted primarily from the increase in borrowings.

There were no changes in the Group's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

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

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

(b) Biological assets

Consumable biological assets - Standing Sugarcanes

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

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

Other key assumptions for biological assets are disclosed in Note 13.

(c) Land

The land were valued at June 30, 2016 at fair value based on the valuation report made by JPW International Ltd, Independent Property Surveyor, in association with Professional Valuers Co. Ltd, on an open market value basis. Additional information is disclosed in Note 5.

(d) Investment properties

Investment properties, held to earn rentals/or for capital appreciation or both and not occupied by the Group / Company is carried at fair value with changes in fair value being recognised in profit or loss. Investment properties consist of freehold land and buildings. Investment properties have been valued at their open market value on June 30, 2019 based on the valuation report made by an Independent Property Surveyor.

Additional information is disclosed in Note 6.

(e) Pension benefits

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

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

Other key assumptions for pension obligation are based in part on current market conditions. Additional information is disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(f) Limitations of sensitivity analysis

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

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

(g) Impairment of assets

Property, plant and equipment, investment properties and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows which are utilised in these assessments are extracted from the yearly budget.

(h) 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, multiple earnings, net asset value, cost, dividend or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quality and quantity of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(i) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(j) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(k) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the Directors reviewed the Group's investment property portfolio and concluded that certain of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted for certain of the Group's investment properties. As a result, the Group has recognised deferred taxes on changes in fair value of such investment properties.

(l) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP												
(i) COST AND VALUATION	Freehold Land	Leasehold Land	Factory Buildings & Equipment	Weighing & Cultivation Equipment	Transport Equipment	Animals	Hotel & Leisure Building and Structures	Golf Course and Infrastructure	Other Buildings and Equipment	Work in progress	Bearer Plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2018												
- Cost	-	111	742,282	608,636	173,520	38,725	742,052	234,456	1,658,210	63,842	151,624	4,413,458
- Valuation	14,599,341	-	368,641	4,721	762	-	-	-	39,239	-	-	15,012,704
	14,599,341	111	1,110,923	613,357	174,282	38,725	742,052	234,456	1,697,449	63,842	151,624	19,426,162
Additions	-	-	403	3,693	11,382	9	5,358	159	92,595	18,331	-	131,930
Acquisition through business combination	-	-	-	-	24,583	-	-	-	25,221	-	-	49,804
Disposals	-	-	(1,998)	(16,236)	(26,866)	-	-	-	(52,823)	-	-	(97,923)
Assets scrapped	-	-	-	(21,681)	(4,381)	(370)	(3,865)	-	(42,903)	(2,866)	-	(76,066)
Transfer to land development and expenditure (note 12)	(94,026)	-	-	-	-	-	-	-	-	-	-	(94,026)
Transfer from land development and expenditure (note 12)	-	-	-	-	-	-	-	-	9,442	-	-	9,442
Transfer from investment properties (note 6)	-	-	-	-	-	-	-	-	315	-	-	315
Transfer to investment properties (note 6)	(27,286)	-	-	-	-	-	(342,228)	(188,604)	(451,539)	-	-	(1,009,657)
Transfer to inventories	-	-	-	-	-	-	-	-	-	(265)	-	(265)
Transfer	-	-	-	-	-	-	-	-	35,502	(35,502)	-	-
Revaluation adjustment	(96,612)	-	-	-	-	-	-	-	81,952	-	-	(14,660)
Transfer to assets classified as held-for-sale	-	-	(1,054,770)	-	(26,928)	-	-	-	(146,906)	-	-	(1,228,604)
	14,381,417	111	54,558	579,133	152,072	38,364	401,317	46,011	1,248,305	43,540	151,624	17,096,452
At June 30, 2019												
- Cost	-	111	54,558	574,412	152,072	38,364	401,317	46,011	1,209,066	43,540	151,624	2,671,075
- Valuation	14,381,417	-	-	4,721	-	-	-	-	39,239	-	-	14,425,377
	14,381,417	111	54,558	579,133	152,072	38,364	401,317	46,011	1,248,305	43,540	151,624	17,096,452
DEPRECIATION												
At July 1, 2018												
Charge for the year	-	-	8,663	16,895	9,894	1,491	13,165	3,464	131,964	-	-	185,536
Acquisition through business combination	-	-	-	-	15,034	-	-	-	21,097	-	-	36,131
Impairment losses (note 33)	-	-	14,537	-	-	-	-	-	54,982	11,924	-	81,443
Transfer to investment properties (note 6)	-	-	-	-	-	-	(60,630)	(22,507)	(102,409)	-	-	(185,546)
Disposal adjustments	-	-	-	(14,397)	(26,863)	-	-	-	(35,543)	-	-	(76,803)
Adjustment for assets scrapped	-	-	-	(21,682)	(4,381)	(97)	(1,124)	-	(22,986)	-	-	(50,270)
Revaluation adjustment	-	-	-	-	-	-	-	-	(33,214)	-	-	(33,214)
Transfer to assets classified as held-for-sale	-	-	(979,765)	-	(22,079)	-	-	-	(126,392)	-	-	(1,128,236)
At June 30, 2019	-	100	54,178	528,314	136,736	5,385	76,505	15,052	593,532	11,924	151,624	1,573,351
NET BOOK VALUE												
At June 30, 2019	14,381,417	11	380	50,819	15,336	32,979	324,812	30,959	654,773	31,616	-	15,523,101
Analysed as follows:												
- Current	-	-	-	-	-	-	-	-	-	-	-	-
- Non-current	14,381,417	11	380	50,819	15,336	32,979	324,812	30,959	654,773	31,616	-	15,523,101
	14,381,417	11	380	50,819	15,336	32,979	324,812	30,959	654,773	31,616	-	15,523,101

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP												
(ii) COST AND VALUATION	Freehold Land	Leasehold Land	Factory Buildings & Equipment	Weighing & Cultivation Equipment	Transport Equipment	Animals	Hotel & Leisure Building and Structures	Golf Course and Infrastructure	Other Buildings and Equipment	Work in progress	Bearer Plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2017												
- Cost	-	111	728,057	620,405	190,807	38,702	725,912	234,456	1,247,375	48,534	134,496	3,968,855
- Valuation	14,601,242	-	368,641	4,721	762	-	-	-	39,239	-	-	15,014,605
	14,601,242	111	1,096,698	625,126	191,569	38,702	725,912	234,456	1,286,614	48,534	134,496	18,983,460
Additions	-	-	14,225	5,857	4,750	23	16,140	-	125,729	15,308	17,128	199,160
Disposals	-	-	-	-	(14,911)	-	-	-	(6,635)	-	-	(21,546)
Assets scrapped	-	-	-	(17,626)	(7,126)	-	-	-	(24,823)	-	-	(49,575)
Transfer to land development and expenditure (note 12)	(1,901)	-	-	-	-	-	-	-	(58)	-	-	(1,959)
Transfer from investment properties (note 6)	-	-	-	-	-	-	-	-	369,307	-	-	369,307
Transfer to investment properties (note 6)	-	-	-	-	-	-	-	-	(44,438)	-	-	(44,438)
Disposal of subsidiary company (note 45(f))	-	-	-	-	-	-	-	-	(8,247)	-	-	(8,247)
	14,599,341	111	1,110,923	613,357	174,282	38,725	742,052	234,456	1,697,449	63,842	151,624	19,426,162
At June 30, 2018												
- Cost	-	111	742,282	608,636	173,520	38,725	742,052	234,456	1,658,210	63,842	151,624	4,413,458
- Valuation	14,599,341	-	368,641	4,721	762	-	-	-	39,239	-	-	15,012,704
	14,599,341	111	1,110,923	613,357	174,282	38,725	742,052	234,456	1,697,449	63,842	151,624	19,426,162
DEPRECIATION												
At July 1, 2017	-	100	528,289	546,979	173,251	2,504	78,908	31,590	663,124	-	65,002	2,089,747
Charge for the year	-	-	44,311	18,145	10,844	1,487	46,186	2,505	90,597	-	17,048	231,124
Impairment losses (note 33)	-	-	438,143	-	-	-	-	-	-	-	69,574	507,717
Transfer to investment properties (note 6)	-	-	-	-	-	-	-	-	(27,238)	-	-	(27,238)
Disposal adjustments	-	-	-	-	(11,838)	-	-	-	(4,852)	-	-	(16,690)
Adjustment for assets scrapped	-	-	-	(17,626)	(7,126)	-	-	-	(7,851)	-	-	(32,603)
Disposal of subsidiary company (note 45(f))	-	-	-	-	-	-	-	-	(7,747)	-	-	(7,747)
At June 30, 2018	-	100	1,010,743	547,498	165,131	3,991	125,094	34,095	706,033	-	151,624	2,744,310
NET BOOK VALUE												
At June 30, 2018	14,599,341	11	100,180	65,859	9,151	34,734	616,958	200,361	991,416	63,842	-	16,681,852
Analysed as follows:												
- Current	-	-	99,086	1,696	-	-	-	-	7,428	-	-	108,210
- Non-current	14,599,341	11	1,094	64,163	9,151	34,734	616,958	200,361	983,988	63,842	-	16,573,642
	14,599,341	11	100,180	65,859	9,151	34,734	616,958	200,361	991,416	63,842	-	16,681,852

The impairment losses on factory relates to the Medine Sugar Milling Company Limited. Additional information is disclosed in note 4(l).
The impairment losses on the bearer plants is attributable to the fall in the prices of sugar.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

- (iii) No assets has been acquired under finance leases during the year (2018: Rs.nil)
- (iv) Leased assets included in property, plant and equipment:

	Transport Equipment	
	2019	2018
	Rs'000	Rs'000
Cost	3,874	3,874
Accumulated depreciation	(3,220)	(2,447)
Net book amount	654	1,427

- (v) Freehold land of the Group have been valued at their open market value as at June 30, 2016 by JPW International Ltd, Independent Property Surveyor, in association with Professional Valuers Co. Ltd.

The fair value of the land is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

The market value of the land was derived using the following approach:

- a) The Comparative Method of Valuation involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size;
- b) The Residual Method of Valuation involves the discounted cash flow analysis; and
- c) The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios which is capitalised at an appropriate rate of return to produce a capital value.

The factory buildings and equipment, weighing equipment and transport equipment of a subsidiary, were valued by the Directors on a replacement cost basis using indices provided by the Mauritius Sugar Authority. Revaluation of the said assets were made on an annual basis until December 31, 2004.

Details of the Group's property, plant and equipment measured at fair value and information about the fair value hierarchy as at June 30, 2019 are as follows:

	2019		2018	
	Level 2	Level 3	Level 2	Level 3
	Rs'000	Rs'000	Rs'000	Rs'000
Freehold land	14,381,417	-	14,599,341	-
Factory buildings and equipment	-	-	-	368,641
Weighing equipment	-	4,721	-	4,721
Transport equipment	-	-	-	762
Other buildings and equipment	-	39,239	-	39,239
Total	14,381,417	43,960	14,599,341	413,363

The revaluation surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

The fair value of land is classified in level 2 of the fair value hierarchy as it has been valued using observable market data but there is no active market.

At June 30, 2019, the most significant observable inputs for the valuation of land are as follows:

Use of land	Significant observable input	Range of observable input Rs.'000/Arpent
Agricultural	Price per arpent	366 - 1,478
Shrubs, bare land and hunting grounds	Price per arpent	94 - 1,430
Office and operations	Price per arpent	375 - 4,500
River reserves and reservoir	Price per arpent	38 - 375

Significant increase/(decrease) in the above observable inputs in isolation would result in a significant higher/(lower) fair value.

The movement in the opening balance and closing balance of the property, plant and equipment categorised within level 2 of the fair value hierarchy is as follows:

	2019	2018
	Rs'000	Rs'000
Level 2		
At July 1,	14,599,341	14,601,242
Transfer to land development and expenditure	(94,026)	(1,901)
Transfer to investment properties	(27,286)	-
Revaluation adjustment	(96,612)	-
At June 30,	14,381,417	14,599,341

The fair values of the factory buildings and equipment, weighing equipment, transport equipment and other buildings and equipment were determined on the basis of the costs from prior transactions, as adjusted on an annual basis up to December 31, 2004 using indices provided by the Mauritius Sugar Authority and on the basis of the estimated useful life of each asset. The fair values reflect the cost of a market participant to construct or acquire assets of comparable utility and age, adjusted for obsolescence. The indices provided by the Mauritius Sugar Authority is the most significant unobservable inputs used for this valuation. Significant increases/(decreases) in the above estimated range of unobservable inputs in isolation would result in a significant higher /(lower) fair value.

The movement in the opening balance and closing balance of the property, plant and equipment categorised within level 3 of the fair value hierarchy is as follows:

	2019	2018
	Rs'000	Rs'000
Level 3		
At July 1,	413,363	413,363
Reclassified to assets classified as held-for-sale	(369,403)	-
At June 30,	43,960	413,363

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

(vi) If the property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	Land	Factory Buildings & Equipment	Weighing & Cultivation Equipment	Transport Equipment	Other Buildings	Total
At June 30, 2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost	326,640	404,002	3,110	5,828	18,804	758,384
Accumulated depreciation	-	(404,002)	(2,285)	(5,828)	(18,804)	(430,919)
Net book value	326,640	-	825	-	-	327,465
At June 30, 2018						
Cost	347,400	404,002	3,110	5,828	18,804	779,144
Accumulated depreciation	-	(377,201)	(2,197)	(5,828)	(18,680)	(403,906)
Net book value	347,400	26,801	913	-	124	375,238

(vii) The above property, plant and equipment have been pledged as security for borrowings.

(viii) Depreciation charge has been charged in operating expenses.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY

(i) COST AND VALUATION

At July 1, 2018

- Cost	-	111	1,999	608,623	153,852	632,367	2,885	151,624	1,551,461
- Valuation	11,575,298	-	-	-	-	-	-	-	11,575,298

	11,575,298	111	1,999	608,623	153,852	632,367	2,885	151,624	13,126,759
Additions	-	-	-	3,693	7,016	11,750	6,015	-	28,475
Disposals	-	-	-	(14,835)	(23,640)	(52,080)	-	-	(90,555)
Assets scrapped	-	-	-	(21,682)	(4,381)	(31,011)	(2,866)	-	(59,939)
Transfer to investment properties (note 6)	(27,286)	-	-	-	-	(219,239)	-	-	(246,525)
Transfer from land development and expenditure (note 12)	-	-	-	-	-	9,442	-	-	9,442
Transfer to land development and expenditure (note 12)	(94,026)	-	-	-	-	-	-	-	(94,026)
Revaluation adjustment	-	-	-	-	-	81,952	-	-	81,952
	11,453,986	111	1,999	575,799	132,847	433,181	6,034	151,624	12,755,582

At June 30, 2019

- Cost	-	111	1,999	575,799	132,847	433,181	6,034	151,624	1,301,596
- Valuation	11,453,986	-	-	-	-	-	-	-	11,453,986
	11,453,986	111	1,999	575,799	132,847	433,181	6,034	151,624	12,755,582

DEPRECIATION

At July 1, 2018	-	100	836	544,459	145,677	418,282	-	151,624	1,260,978
Charge for the year	-	-	20	16,800	4,448	27,172	-	-	48,440
Disposal adjustments	-	-	-	(12,996)	(23,640)	(35,246)	-	-	(71,882)
Transfer to investment properties (note 6)	-	-	-	-	-	(48,449)	-	-	(48,449)
Revaluation adjustment	-	-	-	-	-	(33,214)	-	-	(33,214)
Adjustment for scrapped assets	-	-	-	(21,682)	(4,381)	(29,880)	-	-	(55,943)
At June 30, 2019	-	100	856	526,581	122,104	298,665	-	151,624	1,099,930

NET BOOK VALUE

At June 30, 2019	11,453,986	11	1,143	49,218	10,743	134,516	6,034	-	11,655,652
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY

(ii) COST AND VALUATION

	Freehold Land	Leasehold Land	Factory Equipment	Weighing & Cultivation Equipment	Transport Equipment	Buildings and Equipment	Work in progress	Bearer Plants	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2017									
- Cost	-	111	1,999	620,392	174,002	769,066	2,885	134,496	1,702,951
- Valuation	13,100,240	-	-	-	-	-	-	-	13,100,240
	13,100,240	111	1,999	620,392	174,002	769,066	2,885	134,496	14,803,191
Additions	-	-	-	5,857	946	10,642	-	17,128	34,573
Disposals	(1,523,041)	-	-	-	(14,431)	(101,964)	-	-	(1,639,436)
Assets scrapped	-	-	-	(17,626)	(6,665)	(881)	-	-	(25,172)
Transfer to investment properties (note 6)	-	-	-	-	-	(44,438)	-	-	(44,438)
Transfer to land development and expenditure (note 12)	(1,901)	-	-	-	-	(58)	-	-	(1,959)
	11,575,298	111	1,999	608,623	153,852	632,367	2,885	151,624	13,126,759
At June 30, 2018									
- Cost	-	111	1,999	608,623	153,852	632,367	2,885	151,624	1,551,461
- Valuation	11,575,298	-	-	-	-	-	-	-	11,575,298
	11,575,298	111	1,999	608,623	153,852	632,367	2,885	151,624	13,126,759
DEPRECIATION									
At July 1, 2017	-	100	816	544,038	155,939	413,531	-	65,002	1,179,426
Charge for the year	-	-	20	18,047	7,761	36,975	-	17,048	79,851
Disposal adjustments	-	-	-	-	(11,358)	(4,105)	-	-	(15,463)
Impairment losses (note 33)	-	-	-	-	-	-	-	69,574	69,574
Transfer to investment properties (note 6)	-	-	-	-	-	(27,238)	-	-	(27,238)
Adjustment for scrapped assets	-	-	-	(17,626)	(6,665)	(881)	-	-	(25,172)
At June 30, 2018	-	100	836	544,459	145,677	418,282	-	151,624	1,260,978
NET BOOK VALUE									
At June 30, 2018	11,575,298	11	1,163	64,164	8,175	214,085	2,885	-	11,865,781

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY (CONT'D)

(iii) No assets have been acquired under finance leases in 2018 and 2019.

(iv) Leased assets included in property, plant and equipment:

	Transport Equipment	
	2019	2018
	Rs'000	Rs'000
Cost	3,874	3,874
Accumulated depreciation	(3,220)	(2,445)
Net book amount	654	1,429

(v) Freehold land of the Company have been valued at their open market value as at June 30, 2016 by JPW International Ltd, Independent Property Surveyor, in association with Professional Valuers Co. Ltd.

The fair value of the land is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

The market value of the land was derived using the following approach:

- a) The Comparative Method of Valuation involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size;
- b) The Residual Method of Valuation involves the discounted cash flow analysis; and
- c) The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios which is capitalised at an appropriate rate of return to produce a capital value.

Details of the Company's property, plant and equipment measured at fair value and information about the fair value hierarchy as at June 30, 2019 are as follows:

	2019	2018
	Level 2	Level 2
	Rs'000	Rs'000
Freehold land	11,453,986	11,575,298

The revaluation surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity.

The fair value of land is classified in level 2 of the fair value hierarchy as it has been valued using observable market data but there is no active market.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE HOLDING COMPANY (CONT'D)

At June 30, 2019, the most significant observable inputs for the valuation of land are as follows:

Use of land	Significant observable input	Range of observable input Rs.'000/Arpent
Agricultural	Price per arpent	366 - 1,478
Shrubs, bare land and hunting grounds	Price per arpent	94 - 1,430
Office and operations	Price per arpent	375 - 4,500
River reserves and reservoir	Price per arpent	38 - 375

Significant increases/(decreases) in the observable inputs in isolation would result in a significant higher/(lower) fair value.

The movement in the opening balance and closing balance of the property, plant and equipment categorised within level 2 of the fair value hierarchy are as follows:

	2019	2018
	Rs'000	Rs'000
Level 2		
At July 1,	11,575,298	13,100,240
Disposals	-	(1,523,041)
Transfer to land development and expenditure	(94,026)	-
Transfer to investment properties	(27,286)	(1,901)
At June 30,	11,453,986	11,575,298

(vi) If the property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	2019	2018
	Rs'000	Rs'000
<u>Land</u>		
Net book value at June 30, 2019 and June 30, 2018	275,120	295,880

(vii) Above property, plant and equipment have been pledged as security for borrowings.

(viii) Depreciation charge has been charged in operating expenses.

(ix) If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

6. INVESTMENT PROPERTIES

VALUATION

At July 1,
Additions
Transfer from land development and expenditure (note 12)
Transfer to land development and expenditure (note 12)
Transfer to property, plant and equipment (note 5 (a))
Transfer from property, plant and equipment (note 5 (a) & (b))
Disposals
Increase/(Decrease) in fair value
At June 30,

THE GROUP		THE HOLDING COMPANY	
2019	2018	2019	2018
Rs'000	Rs'000	Rs'000	Rs'000
2,965,055	2,324,336	1,017,642	1,353,410
360,595	179,701	-	-
262,076	788,839	7,712	-
(31,243)	-	(31,243)	-
(315)	(369,307)	-	-
824,111	17,200	198,076	17,200
-	-	-	(392,018)
226,146	24,286	(29,288)	39,050
4,606,425	2,965,055	1,162,899	1,017,642

(a) Details of the Group's investment properties measured at fair value and information about the fair value hierarchy as at June 30, 2019 are as follows:

	THE GROUP	THE HOLDING COMPANY
	Rs'000	Rs'000
Fair value at June 30, 2019		
-Land	886,914	791,739
-Shopping mall, business park, educational buildings and other buildings	3,719,511	371,160
-Total	4,606,425	1,162,899

The land of the Group and the Holding Company have been valued by KnightFrank (KZN) (Pty) Ltd, Independent Property Valuer, at their open market value at June 30, 2019.

As at June 30, 2019, the fair value of the investment properties is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion. On the basis of current economic and property environment, the Directors are satisfied that the carrying amounts of the investment property reflects the fair value.

The market value of the land was derived using the following approach:

- (i) The Comparative Method of Valuation involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size;
- (ii) The Residual Method of Valuation involves the discounted cash flow analysis; and
- (iii) The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios which is capitalised at an appropriate rate of return to produce a capital value.

6. INVESTMENT PROPERTIES (CONT'D)

The buildings of the Group and the Holding Company have been valued by Knight Frank (KZN) (Pty) Ltd, Independent Property Valuer, at their open market value at June 30, 2019. Last year, the buildings of the Group and the Holding Company have been valued by management.

The methods of valuation used to value the buildings are firstly, the comparative method of valuation which involves the assessment of the retail floor space based on comparison of sales of office, retail and commercial spaces within the building or in close proximity to the property adjusted to reflect its characteristics, condition, floor and size and secondly, the investment method of valuation which involves the capitalisation of the rental income adjusted to take account of outgoings/taxes where applicable, at the estimated current rate of return expected from such properties. The most significant inputs into the valuation approach is price per square metre and rental income per square metre respectively.

The fair value of land is classified in level 2 of the fair value hierarchy as it has been valued using observable market data but there is no active market while the fair value of buildings is classified in level 3 of the fair value hierarchy as it has been valued by management using both costs and other valuation techniques.

At June 30, 2019, the most significant observable inputs for the valuation of land and buildings are as follows:

	Significant observable input	Range of observable input Rs.'000
Land	Price per Arpent	586 - 6,750
Buildings	Price per square metre	34 - 86

Significant increases/(decreases) in the above estimated range of unobservable inputs in isolation would result in a significant higher/(lower) fair value.

The movements in the opening balance and closing balance of the investment properties categorised within levels 2 and level 3 of the fair value hierarchy during the year are as follows:

THE GROUP

	2019		
	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
At July 1,	802,976	2,162,079	2,965,055
Additions	-	360,595	360,595
Transfer from land development and expenditure	-	262,076	262,076
Transfer to land development and expenditure	-	(31,243)	(31,243)
Transfer from property, plant and equipment	27,286	796,825	824,111
Transfer to property, plant and equipment	-	(315)	(315)
Increase in fair value	56,652	169,494	226,146
At June 30,	886,914	3,719,511	4,606,425

6. INVESTMENT PROPERTIES (CONT'D)

THE GROUP

	2018		
	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
At July 1,	2,324,336	-	2,324,336
Transfer	(1,521,360)	1,521,360	-
Additions	-	179,701	179,701
Transfer from land development and expenditure	-	788,839	788,839
Transfer from property, plant and equipment	-	17,200	17,200
Transfer to property, plant and equipment	-	(369,307)	(369,307)
Increase in fair value	-	24,286	24,286
At June 30,	802,976	2,162,079	2,965,055

THE HOLDING COMPANY

	2019	2018
	Rs'000	Rs'000
At July 1,	1,017,642	1,353,410
Disposals	-	(392,018)
Transfer from property, plant and equipment	198,076	17,200
Transfer from land, development and expenditure	7,712	-
Transfer to land, development and expenditure	(31,243)	-
(Decrease)/Increase in fair value	(29,288)	39,050
At June 30,	1,162,899	1,017,642

- (b) Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.
- (c) Rental income from the investment properties amounted to Rs.240,066,000 (2018: Rs.180,167,000) for the Group and Rs.46,858,000 (2018: Rs.59,477,000) for the Company (Note 27(b)). Direct operating expenses in respect of investment properties amounted to Rs.91,327,000 (2018: Rs.84,324,000) for the Group and Rs.18,355,000 (2018:Rs.21,519,000) for the Company.
- (d) The above investment properties have been pledged as security for borrowings.

7. INTANGIBLE ASSETS

(a) THE GROUP

COST

	Land conversion rights	Computer Software	Goodwill	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2018	-	34,568	30,000	64,568
Additions	156,136	3,304	-	159,440
Acquisition through business combination (note 43)	-	9,439	31,881	41,320
Assets scrapped	-	(2,184)	-	(2,184)
Impairment losses (note 33)	-	(20,366)	(30,000)	(50,366)
Transfer to assets classified as held-for-sale	-	(1,137)	-	(1,137)
At June 30, 2019	156,136	23,624	31,881	211,641

AMORTISATION

At July 1, 2018	-	21,224	-	21,224
Acquisition through business combination	-	8,278	-	8,278
Charge for the year	-	4,726	-	4,726
Adjustment for assets scrapped	-	(2,184)	-	(2,184)
Impairment losses (note 33)	-	(15,468)	-	(15,468)
Transfer to assets classified as held-for-sale	-	(833)	-	(833)
At June 30, 2019	-	16,576	-	15,743

NET BOOK VALUE

At June 30, 2019	156,136	7,048	31,881	195,895
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COST

	Computer Software	Goodwill	Total
	Rs.'000	Rs.'000	Rs.'000
At July 1, 2017	32,058	69,522	101,580
Additions	2,510	-	2,510
Impairment losses (note 33)	-	(39,522)	(39,522)
At June 30, 2018	34,568	30,000	64,568

AMORTISATION

At July 1, 2017	15,007	-	15,007
Charge for the year	6,217	-	6,217
At June 30, 2018	21,224	-	21,224

NET BOOK VALUE

At June 30, 2018	13,344	30,000	43,344
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7. INTANGIBLE ASSETS (CONT'D)

(b) THE HOLDING COMPANY

COST

	Land conversion rights	Computer Software	Goodwill	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2018	-	21,102	30,000	51,102
Additions	156,136	2,181	-	158,317
Impairment losses (note 33)	-	(20,366)	(30,000)	(50,366)
At June 30, 2019	156,136	23,283	-	159,053

AMORTISATION

At July 1, 2018	-	14,429	-	14,429
Charge for the year	-	1,557	-	1,557
Impairment losses (note 33)	-	(15,468)	-	(15,468)
At June 30, 2019	-	518	-	518

NET BOOK VALUE

At June 30, 2019	156,136	22,765	-	158,535
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COST

	Computer Software	Goodwill	Total
	Rs.'000	Rs.'000	Rs.'000
At July 1, 2017	20,788	66,793	87,581
Additions	314	-	314
Impairment losses (note 33)	-	(36,793)	(36,793)
At June 30, 2018	21,102	30,000	51,102

AMORTISATION

At July 1, 2017	12,347	-	12,347
Charge for the year	2,082	-	2,082
At June 30, 2018	14,429	-	14,429

NET BOOK VALUE

At June 30, 2018	6,673	30,000	36,673
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- (c) Amortisation charge has been charged in operating expenses.
- (d) The above intangible assets have been pledged as security for borrowings.
- (e) Goodwill of Rs.31,881,000 arises on the acquisition of investment in Concorde Tourist Guide Agency Limited (note 43).
- (f) Impairment test for goodwill: goodwill is allocated to the Company's Cash-Generating Units (CGU's) identified according to the business segment.

8. INVESTMENTS IN SUBSIDIARIES

Unquoted

	THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
At July 1,	6,024,616	2,022,944
Additions (note (i))	268,082	4,180,547
Disposals (note (ii))	-	(18,875)
Impairment losses (note 33)	-	(160,000)
At June 30,	6,292,698	6,024,616

The impairment losses relates to The Medine Sugar Milling Company Limited. Additional information is disclosed in note 4(l).

Note (i):

Additional investments made in existing subsidiaries were as follows:

	THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
Cascavelle Shopping Mall Limited	131,004	30,607
Uniciti Ltd	-	3,902,540
Pierrefonds Estate Company Limited	-	213,000
TGE Managements Services Limited	-	18,700
Tamarina Golf Estate Limited	-	15,700
Acquisition of new subsidiary:		
Concorde Tourist Guide Agency Limited	137,078	-
	268,082	4,180,547

In 2019, the Company acquired a 50.16% interest in Concorde Tourist Guide Agency Limited for Rs.136,937,000. The Company further acquired an additional interest of 0.07% for Rs.141,000 during the year (Note 44(a)). The Company has also acquired additional shares in Cascavelle Shopping Mall Limited which is now a wholly owned subsidiary.

Note (ii): In 2018, the Company disposed all its investment in TGE Management Services Ltd to its associated company Broll Property and Facility Management Services Ltd. The following subsidiaries were also disposed at cost to Uniciti Ltd, a wholly owned subsidiary of Medine Limited.

	2018
	Rs'000
Uniciti Residential Properties Ltd	25
Uniciti Education Properties Ltd	25
Uniciti Eduhousing Ltd	25
Uniciti Office Park	25
Uniciti Commercial Properties Ltd	25
Uniciti Sports & Cultural Properties Ltd	25
Uniciti Management Services Ltd	25
	175

Note (iii): The impairment assessment of each cash generating unit is based mainly on the projected discounted future cash flows and also takes into account the difficult economic environment.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Main business	Place of business	Stated Capital	Cost of investment	Proportion of ownership interest				Proportion of ownership interests held by non-controlling interests	
					2019		2018		2019	2018
			Rs.'000	Rs.'000						
Societe Reufac	Loading zone	Bambous	3,000	2,160	72%	Direct	72%	Direct	28%	28%
The Medine Sugar Milling Company Limited	Sugar millers	Bambous	200,000	160,000	80%	Direct	80%	Direct	20%	20%
Tamarina Golf Estate Company Limited	Construction of luxury villas for sale	Tamarin	35,700	35,700	100%	Direct	100%	Direct	-	-
Tamarina Golf Club Limited	Golf course services	Tamarin	650,000	650,000	100%	Direct	100%	Direct	-	-
TGE Management Services Limited	Services of housekeeping and maintenance of villas	Tamarin	65,000	-	-	-	100%	Direct	-	-
Tamarina Beach Club Hotel Limited	Hotel resort	Tamarin	320,000	320,000	100%	Direct	100%	Direct	-	-
Clarens Fields Ltd	Rental of office buildings	Cascavelle	127,500	127,500	100%	Direct	100%	Direct	-	-
Cascavelle Shopping Mall Limited	Rental of commercial buildings	Cascavelle	345,800	325,916	100%	Direct	56.9%	Direct	-	43.1%
Uniciti Education Hub Ltd (formerly known as Talent Solutions Ltd)	Training and educational services	Pierrefonds	4,000	4,000	100%	Direct	100%	Direct	-	-
Tamarina Leisure Properties Ltd (formerly known as Medine Rum Limited)	Real Estate activity	Bambous	53,750	53,750	100%	Direct	100%	Direct	-	-
Casela Limited	Casela Nature and Leisure Park	Cascavelle	1,061,025	1,061,025	100%	Direct	100%	Direct	-	-
Le Cabinet Ltd	Hunting services	Cascavelle	2,076	18,000	100%	Direct	100%	Direct	-	-
Uniciti Residential Properties Ltd	Rental of residential properties	Cascavelle	25	25	100%	Indirect	100%	Indirect	-	-
Uniciti Education Properties Ltd	Rental of educational properties	Cascavelle	451,025	451,025	100%	Indirect	100%	Indirect	-	-
Uniciti Eduhousing Ltd	Rental of residential properties	Cascavelle	156,025	156,025	100%	Indirect	100%	Indirect	-	-
Uniciti Ltd	Land promoter and property developer	Cascavelle	3,902,565	3,902,565	100%	Direct	100%	Direct	-	-
Pierrefonds Estates Company Limited	Land promoter and property developer	Cascavelle	213,025	213,025	100%	Direct	100%	Direct	-	-
Uniciti Office Park Ltd	Real Estate activity	Cascavelle	265,025	265,025	100%	Indirect	100%	Indirect	-	-
Uniciti Commercial Properties Ltd	Real Estate activity	Cascavelle	36,025	36,025	100%	Indirect	100%	Indirect	-	-
Uniciti Sports and Cultural Properties Ltd	Restaurant, sports club and recreation	Cascavelle	180,025	180,025	100%	Indirect	100%	Indirect	-	-
Forestia Estate Ltd (formerly known as Pierrefonds Services Limited)	Real Estate activity	Dormant	25	25	100%	Direct	100%	Direct	-	-
Uniciti Management Services Co. Ltd	Management Consultancy Services	Dormant	25	25	100%	Indirect	100%	Indirect	-	-
Concorde Tourist Guide Agency Limited	Travel and tourism services	Floreal	7,766	137,078	50.2%	Direct	-	-	49.8%	-

Ordinary shares are held in the above subsidiaries. The Group holds 72% of the share of Société Reufac. The year-end of all the subsidiaries, which are incorporated in Mauritius, is June 30.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

Name of Company	Profit/(Loss) allocated to non-controlling interests during the period	Accumulated non-controlling interests
	Rs.'000	Rs.'000
2019		
The Medine Sugar Milling Company Limited	(1,001)	(87,445)
Cascavelle Shopping Mall Limited	4,240	-
Concorde Tourist Guide Agency Limited	1,587	95,431
2018		
The Medine Sugar Milling Company Limited	(91,566)	(88,497)
Cascavelle Shopping Mall Limited	3,610	122,689

(c) Summarised financial information on subsidiaries with material non-controlling interests.

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

Name of Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(Loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non- controlling interests
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2019									
The Medine Sugar Milling Company Limited	103,201	-	540,428	-	146,848	(5,007)	-	(5,007)	-
Cascavelle Shopping Mall Limited	19,241	1,166,874	365,974	411,524	89,005	124,021	-	124,021	-
Concorde Tourist Guide Agency Limited	252,465	41,640	37,194	65,167	81,157	3,180	-	3,180	6,580
2018									
The Medine Sugar Milling Company Limited	126,388	-	568,872	-	179,341	(457,831)	-	(457,831)	-
Cascavelle Shopping Mall Limited	14,646	851,347	127,303	454,095	103,623	8,375	-	8,375	-

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

(ii) Summarised cash flow information

Name of Company	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2019				
The Medine Sugar Milling Company Limited	(37,888)	(403)	28,735	(9,556)
Cascavelle Shopping Mall Limited	12,259	(189,209)	178,006	1,056
Concorde Tourist Guide Agency Limited	1,847	(7,197)	(13,202)	(18,552)
2018				
The Medine Sugar Milling Company Limited	(35,857)	(11,057)	74,752	27,838
Cascavelle Shopping Mall Limited	71,679	(104,345)	32,932	266

The summarised financial information above is the amount before intra-group eliminations.

9. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(a) At July 1,	145,733	144,705	124,939	119,271
Addition (notes (i))	-	5,668	-	5,668
Share of dividends	(10,000)	(9,600)	-	-
Share of profit net of tax	11,004	4,960	-	-
Disposal of associate (note (ii))	(1,500)	-	(7,119)	-
Share of reserves (note 40(a))	(523)	-	-	-
At June 30,	144,714	145,733	117,820	124,939

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

Note (i): In 2018, following the increase in the share capital of Broll Property and Facility Management Limited, Medine Limited has made additional investment of Rs.5,650,000 in Broll Property and Facility Management Limited, with no change in shareholding. Medine Limited has also invested Rs.13,000 in Akuo Energy Solution (Mauritius) Ltd and Rs.5,000 in Akuo Austral (Mauritius) Limited.

Note (ii): In June 2019, the Company has disposed of its 50% interest in The Indian Ocean Rum Company Limited.

(b) The associated companies are as follows:

Name of Company	Nature of business	Place of business	Class of shares held	Proportion of ownership Ownership interest and voting power	
				2019	2018
Safari Adventures Limited	Leisure activities	Cascavelle	Ordinary shares	40% Indirect	40% Indirect
The Indian Ocean Rum Company Limited	Production and sales of premium rum	Bambous	Ordinary shares	-	50% Direct
Broll Property and Facilitiy Management Limited	Property Management Services	Cascavelle	Ordinary shares	50% Direct	50% Direct
Middlesex International (Mauritius) Ltd	Education	Flic en Flac	Ordinary shares	49% Direct	49% Direct
Akuo Energy Solution (Mauritius) Ltd	Solar power	Henrietta	Ordinary shares	50% Direct	50% Direct
Akuo Austral (Mauritius) Limited	Solar power	Henrietta	Ordinary shares	49% Direct	49% Direct

All of the above associates are accounted using the equity method and there are no quoted market price for their shares.

The year-end of all the associated companies, which are incorporated in Mauritius, is June 30, except for Middlesex International (Mauritius) Ltd which is July 31, 2019 and Akuo Austral (Mauritius) Limited which is December 31, 2019. Consequently, management accounts of Middlesex International (Mauritius) Ltd and Akuo Austral (Mauritius) Limited for the period ended June 30, 2019 have been used.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

Name	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Profit/(loss) for the year	Other Comprehensive income	Total Comprehensive income	Dividends received during the year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2019									
Safari Adventures Limited	43,178	21,455	(21,377)	(1,996)	87,608	25,217	-	25,217	10,000
The Indian Ocean Rum Company Limited	13,002	294	(5,896)	(2,252)	10,925	(7,717)	(1,045)	(8,762)	-
Broll Property and Facility Management Limited	29,396	12,270	26,199	386	53,335	4,950	-	4,950	-
Akuo Energy Solution (Mauritius) Ltd	30,067	35	26,175	-	87,132	3,902	-	3,902	-
Akuo Austral (Mauritius) Limited	159,217	10	(5,160)	(159,611)	-	(5,553)	-	(5,553)	-
Middlesex International (Mauritius) Ltd	94,582	4,738	(95,561)	-	172,305	10,441	-	10,441	-
2018									
Safari Adventures Limited	25,806	24,650	(2,717)	(1,594)	81,669	27,007	-	27,007	9,600
The Indian Ocean Rum Company Limited	16,290	440	(845)	(4,125)	16,653	(3,231)	-	(3,231)	-
Broll Property and Facility Management Limited	25,998	12,017	(27,308)	(575)	38,919	(7,045)	-	(7,045)	-
Akuo Energy Solution (Mauritius) Ltd	25	-	-	-	-	-	-	-	-
Akuo Austral (Mauritius) Limited	10	-	-	-	-	-	-	-	-
Middlesex International (Mauritius) Ltd	52,094	2,491	(61,267)	-	155,965	(1,190)	-	(1,190)	-

The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRS.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

Name	Opening net assets July 1,	Issue of share capital	Total comprehensive income	Dividend for the year	Disposal of investment	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	Rs.'000
2019										
Safari Adventures Limited	46,157	-	20,103	(25,000)	-	41,260	40%	16,504	17,471	33,975
The Indian Ocean Rum Company Limited	11,762	-	(8,762)	-	(3,000)	-	50%	-	-	-
Broll Property and Facility Management Limited	10,132	-	4,950	-	-	15,082	50%	7,541	-	7,541
Middlesex International (Mauritius) Ltd	(6,682)	-	10,441	-	-	3,759	49%	1,842	102,109	103,951
Akuo Energy Solution (Mauritius) Ltd	25	-	3,902	-	-	3,927	50%	1,964	-	1,964
Akuo Austral (Mauritius) Limited	10	-	(5,553)	-	-	(5,543)	49%	(2,716)	-	(2,716)
Total	61,369	-	26,732	(25,000)	(3,000)	60,101		25,134	119,580	144,714
2018										
Safari Adventures Limited	43,150	-	27,007	(24,000)	-	46,157	40%	18,463	17,471	35,934
The Indian Ocean Rum Company Limited	14,993	-	(3,231)	-	-	11,762	50%	5,881	-	5,881
Broll Property and Facility Management Limited	968	11,300	(2,136)	-	-	10,132	50%	5,066	-	5,065
Middlesex International (Mauritius) Ltd	(235)	-	(6,447)	-	-	(6,682)	49%	(3,274)	102,109	98,835
Akuo Energy Solution (Mauritius) Ltd	-	25	-	-	-	25	50%	13	-	13
Akuo Austral (Mauritius) Limited	-	10	-	-	-	10	49%	5	-	5
Total	58,876	(2,504)	15,193	(24,000)	-	61,369		26,154	119,580	145,733

(e) Though the Group holds 20% of the equity share capital of Westcoast Secondary School Ltd, the Group does not have significant influence over the financial and operating policy decisions of this Company. Consequently, this investment is classified as financial assets at fair value through other comprehensive income.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Equity investments at fair value through other comprehensive income

	THE GROUP	THE HOLDING COMPANY
	2019	
	Rs'000	Rs'000
At July 1,	106,924	106,916
Disposal	(5,140)	(5,132)
Decrease in fair value (notes 21 & 40)	(5,431)	(5,431)
Acquisition through business combination	18,000	-
At June 30,	114,353	96,353
Current	-	-
Non-current	114,353	96,353
	114,353	96,353

(b) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	THE HOLDING COMPANY
	2019	
	Rs'000	Rs'000
Quoted:		
Equity securities	Country of Incorporation Mauritius	89,90089,900
Unquoted:		
Equity securities	Country of Incorporation Mauritius	6,4536,453
Equity securities	Reunion	18,000-
	24,4536,453	
	114,35396,353	

(c) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. The current portion relates to those assets the Group expects to sell within the next 12 months. In 2018, the Group had designated the investments as available-for-sale where management intended to hold them for the medium to long-term. See Note 11.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(d) The fair value of quoted securities is based on published market prices.

The quoted securities include the following:

	THE GROUP	THE HOLDING COMPANY
	2019	
	Rs'000	Rs'000
Constance Hotel Services Ltd	952	952
C-Care (Mauritius) Ltd	36,770	36,770
Mauritius Freeport Development Co. Ltd	33,222	33,222
The United Basalt Products Ltd	18,900	18,900
State Bank of Mauritius	56	56
	89,900	89,900

(e) The Directors are of opinion that the cost of the unquoted securities represent their fair value.

The unquoted securities include the following:

	THE GROUP	THE HOLDING COMPANY
	2019	
	Rs'000	Rs'000
Stock Exchange Of Mauritius	250	250
Fondation Medine Horizon (note (a))	25	25
West Coast Secondary School	1,914	1,914
SAS Voyages Reunion	18,000	-
Other Educational Institutions	2,902	2,902
Others	1,362	1,362
	24,453	6,453

(f) All fair value through other comprehensive income financial assets are denominated in Rupee.

(g) Investment in Fondation Medine Horizons

Details of the investment are as follows:

	Country of Incorporation	Class of shares held	Stated Capital	Nominal value of investment	% Holding 2019 & 2018
			Rs.'000	Rs.'000	
Fondation Medine Horizons	Mauritius	Ordinary	25	25	100%

Though Medine Limited holds 100% of the share capital of Fondation Medine Horizons, Fondation Medine Horizons is not considered as a subsidiary company of Medine Limited, as no portion of the income, property and funds of Fondation Medine Horizons shall be paid or transferred to Medine Limited.

(h) Impairment and risk exposure

All of the entity's debt investments at fair value through other comprehensive income are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The loss allowance for debt investments at fair value through other comprehensive income is recognised in profit or loss and reduces the fair value loss otherwise recognised in other comprehensive income.

None of the financial assets are either past due or impaired.

11. INVESTMENTS IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets

At July 1,
Decrease in fair value (notes 21 & 40)

At June 30,

Current
Non-current

	THE GROUP	THE HOLDING COMPANY
	2018	
	Rs'000	Rs'000
At July 1,	107,455	107,447
Decrease in fair value (notes 21 & 40)	(531)	(531)
At June 30,	106,924	106,916
Current	-	-
Non-current	106,924	106,916
	106,924	106,916

(a) Available-for-sale financial assets are analysed as follows:

	THE GROUP	THE HOLDING COMPANY
	2018	2018
	Rs'000	Rs'000
Quoted - Listed	18,145	18,145
Quoted - DEM	81,261	81,261
Unquoted	7,518	7,510
	106,924	106,916

(b) At June 30, 2018

	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
THE GROUP			
Available-for-sale financial assets	99,406	7,518	106,924
THE HOLDING COMPANY			
Available-for-sale financial assets	99,406	7,510	106,916

(c) The fair value of listed or quoted available-for-sale financial assets is based on the Stock Exchange of Mauritius or DEM quoted prices at the close of business at the end of the reporting period. There were no transfers between level 1 and level 3 in the period. For fair value measurement in level 3, the movement were as follows:

	THE GROUP	THE HOLDING COMPANY
	2018	2018
	Rs'000	Rs'000
Opening	8,470	8,462
Decrease in fair value	(952)	(952)
Closing	7,518	7,510

In assessing the fair value of unquoted available-for-sale financial assets, the Group uses mainly the cost basis.

11. INVESTMENTS IN AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONT'D)

Analysis of unquoted investments:	THE GROUP		THE HOLDING COMPANY	
	2018		2018	
	Rs'000		Rs'000	
Cost basis	7,518		7,510	

The Directors are of opinion that the carrying amounts of the investments in securities represent their fair value.

- (d) None of the financial assets are either past due or impaired.
- (e) All investments are denominated in Rupee.

12. DEFERRED EXPENDITURE

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Land development and expenditure	1,040,809	1,218,627	344,532	412,642
Analysed as follows:				
Current portion	224,381	181,498	148,505	181,498
Non-current portion	816,428	1,037,129	196,027	231,144
	1,040,809	1,218,627	344,532	412,642

Land development and expenditure	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	1,218,627	1,265,916	412,642	1,051,126
Expenditure for the year	171,561	871,168	34,637	164,629
Transfer from property, plant and equipment (note 5)	94,026	1,959	94,026	1,959
Deferred Expenditure written off	-	(11,165)	-	(11,165)
Transfer to profit or loss upon sale of land	(203,130)	(120,412)	(210,862)	(793,907)
Transfer to property, plant and equipment (note 5)	(9,442)	-	(9,442)	-
Transfer from investment properties (note 6)	31,243	-	31,243	-
Transfer to investment properties (note 6)	(262,076)	(788,839)	(7,712)	-
At June 30,	1,040,809	1,218,627	344,532	412,642

Borrowing costs of Rs.1,022,000 (2018: Rs.11,707,000) (note 34) arising on the financing of the development costs have been capitalised and have been included in 'Expenditure for the year'. This represents a capitalisation rate of 1% (2018: 1.6%) for the borrowing cost of the loan used to finance the project.

13. BIOLOGICAL ASSETS

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
Consumable biological assets		
Non-current		
Other crops and plants	9,716	11,913
Current		
Standing sugarcane crop	110,340	114,486
Other crops and plants	19,901	18,296
	130,241	132,782
Total	139,957	144,695

- (a) The movements in biological assets are as follows:

	THE GROUP AND THE HOLDING COMPANY		
	Standing sugar cane crop	Other crops and plants	Total
	Rs'000	Rs'000	Rs'000
At July 1, 2018	114,486	30,209	144,695
Expenditure for the year	-	3,503	3,503
(Decrease)/Increase in fair value			
- Due to harvest and sales	(114,486)	(45,938)	(160,424)
- Due to biological transformation	110,340	41,843	152,183
At June 30, 2019	110,340	29,617	139,957
Non-current	-	9,716	9,716
Current	110,340	19,901	130,241
Total	110,340	29,617	139,957
At July 1, 2017	193,544	27,666	221,210
Expenditure for the year	-	3,695	3,695
(Decrease)/Increase in fair value			
- Due to harvest and sales	(193,544)	(46,103)	(239,647)
- Due to biological transformation	114,486	44,951	159,437
At June 30, 2018	114,486	30,209	144,695
Non-current	-	11,913	11,913
Current	114,486	18,296	132,782
Total	114,486	30,209	144,695

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
(b) Number of hectares of sugarcane plantations at year end	3,447	3,363
Tonnage of sugarcane harvested during the year	272,031	300,000

13. BIOLOGICAL ASSETS (CONT'D)

		THE GROUP AND THE HOLDING COMPANY	
		2019	2018
(c)	Principal assumptions used are:		
	Expected price of sugar (ton)	Rs 10,646	11,125
	Discount rate	4.90%	4.90%
	Expected extraction rate (% sugar produced to sugarcane crushed)	10.60%	10.75%
	Expected sugarcane yield (ton of sugarcane harvested per hectare)	86.23	89.20

Biological assets have been pledged as security for borrowings.

(d) Details of the Group's biological assets measured at fair value and information about the fair value hierarchy as at June 30, 2019 are as follows:

At June 30, 2018	Level 3
	Rs'000
Standing sugarcane crop	110,340
Other crops and plants	29,617
Total	139,957

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

At June 30, 2019, the most significant unobservable inputs used for the valuation are as follows:

	Description of unobservable inputs	Unobservable inputs
Standing sugarcane crop	Sugarcane yield - tons of sugar cane harvested per hectare	86.23 tons
	Extraction rate - % sugar produced to sugarcane crushed	10.60%
	Price of sugar per ton	Rs.10,646
	Discount rate	4.9%

The higher the sugarcane yield, the extraction rate and the price of sugar, the higher the fair value.

The higher the discount rate, the lower the fair value.

(e) The Group is exposed to the following risks relating to its sugarcane plantations:

(i) Adverse climatic conditions such as droughts, floods and disease outbreaks as the sugar cane plantations are mainly located in the western region of the island.

(ii) Fluctuation in the price of sugar, the movement in exchange rate and fluctuation in the volume of sugar produced and sold. The Group has short-term contract in place for supply of sugar to its major customer.

(iii) The seasonal nature of the sugarcane growing business requires a high level of cash flow during the inter-crop season. The Group actively manages the working capital requirements and has secured sufficient credit facilities sufficient to meet the cash flow requirements.

14. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2018: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the 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		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	(15,227)	(8,385)	-	-
Deferred tax liabilities	11,063	21,282	-	-
	(4,164)	12,897	-	-

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

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	12,897	11,183	-	-
Acquisition of subsidiary	(4,189)	-	-	-
(Credited)/Charged to profit or loss (note 37)	(11,740)	10,829	-	-
Credited to other comprehensive income (note 37)	(1,132)	(9,115)	-	-
At June 30,	(4,164)	12,897	-	-

(c) Deferred tax assets and liabilities, deferred tax charge/(credit) to profit or loss and deferred tax charge/(credit) to other comprehensive income, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, are attributable to the following items.

	As at July 1, 2018	Acquisition of subsidiary	Charged/ (Credited) to other comprehensive income	Credited to profit or loss	As at June 30, 2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
THE GROUP					
At June 30, 2019					
Accelerated tax depreciation	23,299	196	-	5,505	29,000
	23,299	196	-	5,505	29,000
Deferred income tax assets					
Tax losses	(6,307)	-	-	(14,531)	(20,838)
Provision for loss allowance	-	-	-	(1,293)	(1,293)
Retirement benefit obligations	(4,095)	(4,385)	(1,132)	(1,421)	(11,033)
	(10,402)	(4,385)	(1,132)	(17,245)	(33,164)
Net deferred income tax liabilities	12,897	(4,189)	(1,132)	(11,740)	(4,164)

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YEAR ENDED JUNE 30, 2019 (CONTINUED)

14. DEFERRED INCOME TAXES (CONT'D)

	As at July 1, 2017	Charged/(Credited) to other comprehensive income	Charged to profit or loss	As at June 30, 2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
THE GROUP				
Deferred income tax liabilities				
Accelerated tax depreciation	30,053	(7,824)	1,070	23,299
Asset revaluations	3,841	(3,841)	-	-
	33,894	(11,665)	1,070	23,299
Deferred income tax assets				
Tax losses	(16,066)	-	9,759	(6,307)
Retirement benefit obligations	(6,645)	2,550	-	(4,095)
	(22,711)	2,550	9,759	(10,402)
Net deferred income tax liabilities	11,183	(9,115)	10,829	12,897

(d) Deferred income tax assets are recognised only to the extent that the related tax benefit is probable. The Group and the Company have respectively a net deferred tax assets of Rs.197,312,000 (2018: Rs.187,732,000) and Rs.117,638,000 (2018: Rs.128,400,000) to carry forward against future taxable income which have not been recognised in these accounts due to uncertainty of their recoverability.

The net deferred tax assets arises as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Tax losses not recognised	623,144	531,243	336,788	336,788
Timing differences not provided for				
- Retirement benefit obligations	269,156	325,546	257,302	320,610
- Accelerated tax depreciation	268,358	247,518	97,897	97,897
	537,514	573,064	355,199	418,507
Total tax losses and timing differences	1,160,658	1,104,307	691,987	755,295
Net deferred tax assets at 17% (2018:17%)	197,312	187,732	117,638	128,400

Tax losses expire on a rolling basis over 5 years.

15. INVENTORIES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Spare parts (realisable value)	2,986	3,917	2,986	3,272
Fertilizers and herbicides (cost)	7,688	7,871	7,688	7,871
General goods and consumables (cost)	8,435	20,066	413	749
Others (realisable value)	742	3,591	398	1,773
	19,851	35,445	11,485	13,665

- (a) Inventories have been pledged as security for borrowings.
- (b) The cost of inventories recognised as expense and included in operating expenses amounted to Rs.116,722,000 (2018: Rs.138,943,000) for the Group and Rs.34,281,000 (2018: Rs.34,967,000) for the Company.
- (c) Inventories are stated at the lower of cost and net realisable value as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At cost	28,436	59,031	20,070	23,176
Fall in value	(8,585)	(11,337)	(8,585)	(9,511)
Impairment losses (note 33)	-	(12,249)	-	-
At net realisable value	19,851	35,445	11,485	13,665

- (d) The additional fall in value in 2018 was Rs.1,104,000 and has been included in operating expenses (2019: nil).

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables				
- Sugar and molasses	62,147	31,415	62,147	22,278
- Land transactions	232,750	12,256	232,750	12,256
- Others	210,018	157,104	80,844	84,863
	504,915	200,775	375,741	119,397
Provision for receivable impairment	(13,085)	(14,318)	(2,732)	(7,082)
Trade receivables - net	491,830	186,457	373,009	112,315
Prepayments	-	55,579	-	14,224
Amount receivables from related companies	-	61,137	-	66,059
Other receivables	-	114,517	-	57,605
	491,830	417,690	373,009	250,203

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Impairment of Trade receivables

The Group 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 June 30, 2019 or July 1, 2018 respectively 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. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2018 and July 1, 2018 (on adoption of IFRS 9) was determined as follows for trade receivables.

THE GROUP		Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	
	Current				Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Gross carrying amount					
- Trade receivable	366,618	48,733	17,591	71,973	504,915
Expected loss rate	0.2%	4.9%	7.3%	11.9%	
Loss allowance	821	2,408	1,282	8,574	13,085

THE GROUP		Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	
	Current				Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2018					
Gross carrying amount					
- Trade receivable	129,995	21,501	6,440	42,839	200,775
Expected loss rate	0.2%	4.9%	7.3%	29.2%	
	291	1,062	469	12,495	14,318

THE HOLDING COMPANY		Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	
	Current				Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Gross carrying amount					
- Trade receivable	300,556	17,388	9,442	48,355	375,741
Expected loss rate	0.0%	1.8%	4.8%	3.8%	
Loss allowance	126	320	451	1,835	2,732

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Impairment of Trade receivables (CONT'D)

THE HOLDING COMPANY		Between 31 days and 60 days past due	Between 61 days and 90 days past due	More than 91 days past due	
	Current				Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2018					
Gross carrying amount					
- Trade receivable	93,837	10,075	2,546	12,939	119,397
Expected loss rate	0.0%	1.8%	4.8%	52.1%	
Loss allowance	39	185	122	6,736	7,082

(b) The closing loss allowances for trade receivables as at June 30, 2019 reconcile to the opening loss allowances as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2018 (IAS 39)/July 1, 2018 (IFRS 9) and July 1, 2017	14,318	16,555	7,082	6,743
Loss allowance recognised in profit or loss during the year (note 33)	5,325	2,180	246	400
Acquisition through business combination	3,311	-	-	-
Receivables written off during the year as uncollectible	(7,238)	(2,657)	(4,496)	(61)
Unused amounts reversed (note 32)	(1,786)	(1,164)	(100)	-
Transfer to assets classified as held-for-sale	(845)	-	-	-
Disposal of subsidiary company	-	(596)	-	-
At June 30, 2019 and June 30, 2018	13,085	14,318	2,732	7,082

(c) In 2018, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

(d) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Rupee	471,937	410,712	373,009	250,203
Euro	19,893	6,902	-	-
Pound Sterling	-	76	-	-
	491,830	417,690	373,009	250,203

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above except for the deposits and bank guarantees received from tenants covering rental charges for three months. The Group has no other collateral as security.
- (f) In 2018, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the Company would not be able to collect all amounts due according to the original terms of receivables.

17. OTHER FINANCIAL ASSETS AT AMORTISED COST

	2019			
	THE GROUP		THE HOLDING COMPANY	
	Current	Non-current	Current	Non-current
	Rs'000	Rs'000	Rs'000	Rs'000
Staff and workers loan receivables	3,077	-	2,319	-
Amount receivable from fellow subsidiaries	-	-	1,356,336	175,000
Amount receivable from related parties	95	-	95	-
Amount receivable from associated companies	92,770	-	77,157	-
	95,942	-	1,435,907	175,000
Less: Loss allowance for amount receivable from fellow subsidiaries at amortised cost (see note (b))	-	-	(222,867)	-
	95,942	-	1,213,040	175,000

- (a) Staff and workers loan receivables are interest free and are deductible against their respective monthly salaries.
- (b) Impairment and risk exposure
- The closing loss allowances for amount receivable from related parties as at June 30, 2019 reconcile to the opening loss allowances as follows:

	Fellow Subsidiaries
	Rs'000
THE HOLDING COMPANY	
Loss allowance at June 30, 2018 (IAS 39)/July 1, 2018 (IFRS 9)	178,980
Loss allowance recognised in profit or loss during the year (note 33)	43,887
Loss allowance at June 30, 2019	222,867

- (c) Due to the short term nature of the above receivable, their carrying amount are considered to be the same as their fair value.
- (d) The carrying amounts of the other financial assets at amortised cost are denominated in Mauritian Rupees. As a results, there is no exposure to foreign exchange risk.

18. OTHER CURRENT ASSETS

	2019	
	THE GROUP	THE HOLDING COMPANY
	Rs'000	Rs'000
Prepayments	61,736	12,010
Deposits	1,376	-
VAT receivables	11,155	-
Tax deducted at source	17,569	4,287
Tax receivable (note 37(a))	511	-
HRDC Refund	255	255
Deferred expenditure	12,024	12,024
	104,626	28,576

19. AMOUNT DUE FROM GROUP COMPANIES

	THE HOLDING COMPANY
	2018
	Rs'000
Current account with subsidiaries - Gross	866,566
Less impairment losses (note 33)	(178,980)
Current account with subsidiaries - Net	687,586

The carrying amounts of amount owed by Group companies approximate their fair value.

20. SHARE CAPITAL

	2019 & 2018
	Rs'000
105,000,000 issued and fully paid ordinary share of Rs.10 each	1,050,000

Ordinary shares carry one vote per share and carry a right to dividends.

21. REVALUATION SURPLUS AND OTHER RESERVES

(a)	THE GROUP	Revaluation surplus on fixed assets	Sugar Millers Development Fund	Fixed assets replacement reserve	Modernisation and agricultural diversification reserve	Actuarial loss reserve	Reserves of associates	Fair value reserve	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Balance at July 1, 2018	13,199,764	8,659	33,415	18,774	(315,503)	(219)	58,682	13,003,572
	Decrease in fair value of financial assets at fair value through other comprehensive income (notes 10 & 40(a))	-	-	-	-	-	-	(5,431)	(5,431)
	Gain on revaluation of fixed assets prior to reclassification to investment property	18,554	-	-	-	-	-	-	18,554
	Remeasurement of retirement benefit obligations (note 40(a))	-	-	-	-	84,452	-	-	84,452
	Share of other comprehensive income of associates	-	-	-	-	-	(523)	-	(523)
	Transfer - revaluation surplus realised on disposal of land	(74,059)	-	-	-	-	-	-	(74,059)
	At June 30, 2019	13,144,259	8,659	33,415	18,774	(231,051)	(742)	53,251	13,026,565
	Balance at July 1, 2017	13,261,145	8,659	33,415	18,774	(227,246)	(219)	59,213	13,153,741
	Decrease in fair value of available-for-sale investments (notes 11 & 40 (a))	-	-	-	-	-	-	(531)	(531)
	Remeasurement of retirement benefit obligations (note 40(a))	-	-	-	-	(88,257)	-	-	(88,257)
	Impairment losses on property, plant and equipment (note 40(a))	(57,002)	-	-	-	-	-	-	(57,002)
	Transfer - revaluation surplus realised on disposal of land	(4,379)	-	-	-	-	-	-	(4,379)
	At June 30, 2018	13,199,764	8,659	33,415	18,774	(315,503)	(219)	58,682	13,003,572

21. REVALUATION SURPLUS AND OTHER RESERVES (CONT'D)

(b)	THE HOLDING COMPANY	Revaluation surplus on fixed assets	Profit on disposal of milling assets	Sugar Millers Development Fund	Fixed assets replacement reserve	Modernisation and agricultural diversification reserve	Actuarial loss reserve	Fair value reserve	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Balance at July 1, 2018	10,097,558	45,753	8,659	33,415	15,473	(278,915)	58,683	9,980,626
	Decrease in fair value of financial assets at fair value through other comprehensive income (notes 10 & 40(b))	-	-	-	-	-	-	(5,431)	(5,431)
	Gain on revaluation of fixed assets prior to reclassification to investment property	115,166	-	-	-	-	-	-	115,166
	Remeasurement of retirement benefit obligations (note 40(b))	-	-	-	-	-	77,045	-	77,045
	Transfer - revaluation surplus realised on disposal of land	(77,086)	-	-	-	-	-	-	(77,086)
	At June 30, 2019	10,135,638	45,753	8,659	33,415	15,473	(201,870)	53,252	10,090,320
	Balance at July 1, 2017	11,687,828	45,753	8,659	33,415	15,473	(207,892)	59,214	11,642,450
	Decrease in fair value of available-for-sale investments (notes 10 & 40(b))	-	-	-	-	-	-	(531)	(531)
	Remeasurement of retirement benefit obligations (note 40(b))	-	-	-	-	-	(71,023)	-	(71,023)
	Transfer - revaluation surplus realised on disposal of land	(1,590,270)	-	-	-	-	-	-	(1,590,270)
	At June 30, 2018	10,097,558	45,753	8,659	33,415	15,473	(278,915)	58,683	9,980,626

(c) Revaluation surplus on fixed assets

The revaluation surplus relates to the revaluation of property, plant and equipment.

21. REVALUATION SURPLUS AND OTHER RESERVES (CONT'D)

- (d) **Profit on disposal of milling assets**
Profit on disposal of milling assets relates to profit arising on the transfer of fixed assets to a subsidiary company "The Medine Sugar Milling Company Limited". As the company holds 80% of the share capital of that subsidiary company, at Group level, this profit is hence not considered as realised.
- (e) **Sugar millers development fund**
Sugar Millers Development Fund is a reserve created for specific development project
- (f) **Fixed assets replacement reserve**
The fixed assets replacement reserve relates to a reserve for replacement of fixed assets.
- (g) **Modernisation and agricultural diversification reserve**
The Modernisation and Agricultural Diversification reserve is a statutory reserve earmarked to finance both modernisation and agricultural diversification.
- (h) **Fair value reserve**
The fair value reserve for investment comprises the cumulative net change in fair value of financial assets at fair value through other comprehensive income that has been recognised until the investments are derecognised or impaired.
- (i) **Actuarial gain/(loss) reserve**
The actuarial gain/(loss) reserve represents the cumulative remeasurement of defined benefit obligation recognised.
- (j) **Reserves of associates**
Reserves in associates relate to the Group's share of the reserves of associates arising on equity accounting.

22. BORROWINGS

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts (notes (a) and 39(b))	552,538	830,196	487,242	677,193
Bank loans (notes (a) and (b))	1,882,687	4,599,699	15,071	2,436,213
Obligations under finance leases (note (c))	1,813	2,364	1,813	2,364
Bonds (note (d))	3,973,900	-	3,973,900	-
	6,410,938	5,432,259	4,478,026	3,115,770
Analysed as follows:				
Current				
Bank overdrafts	552,538	830,196	487,242	677,193
Bank loans	182,144	1,904,140	15,071	1,567,142
Obligations under finance leases	582	560	582	560
	735,264	2,734,896	502,895	2,244,895
Non-current				
Obligations under finance leases	1,231	1,804	1,231	1,804
Bonds	3,973,900	-	3,973,900	-
Bank loans	1,700,543	2,695,559	-	869,071
	5,675,674	2,697,363	3,975,131	870,875
Total borrowings	6,410,938	5,432,259	4,478,026	3,115,770

22. BORROWINGS (CONT'D)

- (a) Borrowings are secured over the assets of the company.
The rates of interest on the bank loans vary between 4.65% and 7.15% for the Group and between 4.65% and 6.9% for the Company.
The rates of interest on the bank overdrafts vary between 6% and 7.75% for the Group and is 6% for the Company.

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Repayable by instalments				
-before one year	182,144	1,904,140	15,071	1,567,142
-after one year and before two years	185,421	163,499	-	21,071
-after two years and before three years	192,311	327,236	-	247,000
-after three years and before five years	395,099	973,532	-	601,000
-after five years	927,712	1,231,292	-	-
	1,882,687	4,599,699	15,071	2,436,213

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
Finance lease liabilities - minimum lease payments:		
Not later than one year	668	668
Later than one year and not later than two years	668	668
Later than two years and not later than three years	630	390
Later than three years and not later than five years	-	930
Later than five years	-	-
	1,966	2,656
Future finance charges on finance leases	(153)	(292)
Present value of finance lease liabilities	1,813	2,364

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	Rs'000	Rs'000
The present value of the finance lease liabilities may be analysed as follows:		
Not later than one year	582	560
Later than one year and not later than two years	615	582
Later than two years and not later than three years	616	355
Later than three years and not later than five years	-	867
Later than five years	-	-
	1,813	2,364

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
The rates of interest on these leases are 5.5%.

The Group leases various assets under non-cancellable finance lease agreement. The lease terms are five years and the ownership of the assets lie within the Group.

22. BORROWINGS (CONT'D)

(d) The Bonds is repayable as follows:

THE GROUP AND THE HOLDING COMPANY	
2019	2018
Rs'000	Rs'000
After one year and before two years	-
After two years and before three years	-
After three years and before five years	2,348,843
After five years	1,625,057
	3,973,900

The details of the Bonds is analysed as follows:

- 970,000 4.75% floating rate secured notes of Rs.1,000 each redeemable on December 26, 2023
- 1,394,270 5.4% fixed rate secured notes of Rs.1,000 each redeemable on December 26, 2023
- 805,535 5.1% floating rate secured notes of Rs.1,000 each redeemable on December 26, 2025
- 830,195 5.75% fixed rate secured notes of Rs.1,000 each redeemable on December 26, 2025

(e) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	THE GROUP				
	6 months	6 -12 months	1 - 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Total borrowings	6,410,938	-	-	-	6,410,938

At June 30, 2018					
Total borrowings	5,432,259	-	-	-	5,432,259

	THE GROUP				
	6 months	6 -12 months	1 - 5 years	Over 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2019					
Total borrowings	4,478,026	-	-	-	4,478,026

At June 30, 2018					
Total borrowings	3,115,770	-	-	-	3,115,770

(f) The carrying amounts of borrowings are not materially different from their fair value. The fair values are based on cash flows discounted using a rate based on the average borrowing rate of 5.25% (2018: 6.15%) and are within level 2 of the fair value hierarchy as the borrowing rate reflects market interest rate.

(g) The carrying amounts of the Group's borrowings are denominated in Rupee.

23. RETIREMENT BENEFIT OBLIGATIONS

THE GROUP		THE HOLDING COMPANY	
2019	2018	2019	2018
Rs'000	Rs'000	Rs'000	Rs'000

Amounts recognised in the Statements of financial position

- Pension benefits (note (a))	307,199	389,852	257,302	320,610
- Other post-retirement benefits (note (b))	-	4,936	-	-
	307,199	394,788	257,302	320,610

Analysed as follows :

- Current	-	53,908	-	-
- Non Current	307,199	340,880	257,302	320,610
	307,199	394,788	257,302	320,610

THE GROUP		THE HOLDING COMPANY	
2019	2018	2019	2018
Rs'000	Rs'000	Rs'000	Rs'000

Amounts charged to profit or loss (note 29)

- Pension benefits (note (a)(vi))	164,090	46,636	36,738	36,718
- Other post-retirement benefits (note (b))	290	189	-	-
Total included in Employee Benefit Expense	164,380	46,825	36,738	36,718

Analysed as follows:

- Continuing operations	127,163	43,012	36,738	36,718
- Discontinued operations	37,217	3,813	-	-
	164,380	46,825	36,738	36,718

Amounts charged to other comprehensive income

Remeasurement of retirement benefit obligations recognised in other comprehensive income (notes (a)(v) and 40)	(81,552)	88,769	(77,045)	71,023
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(a) Pension benefits

(i) Pension schemes
The Company has a defined contribution scheme with the Sugar Industry Pension Fund for certain employees. This contribution is topped up for certain employees with an insurance company so that the scheme operates as a defined benefit one.

The Group operates a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable 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 MCB Investment Management Co. Ltd and Confident Asset Management Ltd.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at June 30, 2019 by AON Hewitt Ltd (Actuarial Valuer). 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 JUNE 30, 2019 (CONTINUED)

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligations	886,424	1,042,551	778,094	871,460
Fair value of plan assets	(579,225)	(652,699)	(520,792)	(550,850)
Liability in the Statements of financial position	307,199	389,852	257,302	320,610

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

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	652,699	617,966	550,850	524,293
Acquisition through business combination	38,674	-	-	-
Interest income	41,902	39,306	33,287	33,237
Employer contributions	184,268	30,055	23,001	24,053
Employee contributions	3,218	3,456	2,707	2,928
Benefits paid	(223,995)	(60,471)	(57,760)	(53,320)
Return on plan assets excluding interest income	(36,879)	22,387	(31,293)	19,659
Transfer to liabilities associated with assets classified as held for sale	(80,662)	-	-	-
At June 30,	579,225	652,699	520,792	550,850

(iv) The movement in the present value of defined benefit obligations over the year is as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	1,042,551	902,468	871,460	761,215
Acquisition through business combination	64,468	-	-	-
Current service cost	26,626	27,195	18,148	22,254
Past service cost	(4,120)	2,023	357	(72)
Employee contributions	3,218	3,456	2,707	2,928
Interest cost	65,604	56,724	51,520	47,773
Benefits paid	(223,995)	(60,471)	(57,760)	(53,320)
Settlement gain	117,882	-	-	-
Liability experience gain	(56,383)	(3,080)	(44,222)	(7,673)
Liability (gain)/loss due to change in financial assumptions	(62,048)	114,236	(64,116)	98,355
Transfer to liabilities associated with assets classified as held for sale	(87,379)	-	-	-
Classified as held for sale				
At June 30,	886,424	1,042,551	778,094	871,460

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(v) The amounts recognised in profit or loss and other comprehensive income are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Service cost:				
Current service cost	26,626	27,195	18,148	22,254
Past service cost	(4,120)	2,023	357	(72)
Settlement gain	117,882	-	-	-
Net interest expense	23,702	17,418	18,233	14,536
Components of defined benefit costs recognised in profit or loss	164,090	46,636	36,738	36,718
Return on plan assets excluding interest income	36,879	(22,387)	31,293	(19,659)
Liability experience gain	(56,383)	(3,080)	(44,222)	(7,673)
Liability experience (gain)/loss due to change in financial assumptions	(62,048)	114,236	(64,116)	98,355
Components of defined benefit costs recognised in other comprehensive income	(81,552)	88,769	(77,045)	71,023
Total of defined benefit cost	82,538	135,405	(40,307)	107,741

The past service cost, the current service cost and the net interest expenses for the year is included in operating expenses in profit or loss. The actuarial gain/(loss) on retirement benefit obligations is included in other comprehensive income.

(vi) The reconciliation of the net defined benefit liability in the statement of financial position is as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	389,852	284,502	320,610	236,922
Acquisition through business combination	25,794	-	-	-
Amounts recognised in profit or loss	164,090	46,636	36,738	36,718
Amounts recognised in other comprehensive income	(81,552)	88,769	(77,045)	71,023
Employer contribution	(184,268)	(30,055)	(23,001)	(24,053)
Transfer to liabilities associated with assets classified as held for sale	(6,717)	-	-	-
At June 30,	307,199	389,852	257,302	320,610

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	%	%
Local equities	31	33
Local bonds	21	18
Property	12	12
Overseas bonds and equities	28	29
Other	8	8
Total Market value of assets	100	100

(viii) The principal actuarial assumptions used for accounting purposes are as follows:

	THE GROUP AND THE HOLDING COMPANY	
	2019	2018
	%	%
Discount rate	6.10%	6.10%
Future salary increases:		
- Staff	5.00%	5.00%
- Artisan Labourers	4.00%	4.00%
Future pension increases:		
- Staff	1.10%	1.50%
- Artisan Labourers	0.00%	0.00%
Rate of medical cost increase	6.10%	6.10%
Average retirement age (ARA)	60	60
Average life expectancy for:		
- Male at ARA	23.2 years	23.2 years
- Female at ARA	26.2 years	26.2 years

The weighted average duration of the defined benefit obligation is 11 years.

(ix) The assets of the plan are invested in bonds, equities and properties. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Actual return on plan assets	5,023	61,693	1,994	52,896

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(x) Sensitivity analysis on Defined benefit obligation at the end of the reporting period

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Increase in benefit obligation at end of period resulting from a 1% decrease in discount rate	132,866	148,077	106,516	126,628
Decrease in benefit obligation at end of period resulting from a 1% increase in discount rate	107,521	122,919	86,180	105,738

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

(x) 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 present value of the defined benefit obligation has been calculated using the projected unit credit method.

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

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

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

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

(xiii) The funding policy is to pay contributions to an external legal entities at the rate recommended by the entity's actuaries. The expected contributions to post-employment benefit plans for the year ending June 30, 2020 are Rs.46,754,000 for the Group and Rs.24,268,000 for the Company.

(b) Other post-retirement benefits

Other post-retirement benefits comprise mainly of retirement gratuity payable under the Employment Rights Act 2008.

(i) Movements in the retirement gratuity are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	4,936	5,132	-	-
Disposal of subsidiary company (note 45(f))	-	(385)	-	-
Payment during the year	(90)	-	-	-
Total current service cost charged in profit or loss	290	189	-	-
Transfer to liabilities associated with assets classified as held for sale	(5,136)	-	-	-
At June 30,	-	4,936	-	-

(ii) It has been assumed that the rate of future salary increases will be equal to the discount rate.

(iii) The total charge was included in 'operating expenses'.

24. TRADE AND OTHER PAYABLES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	103,536	154,708	19,327	43,243
Other payables and accruals	493,638	552,219	367,993	201,849
Provision for VRS cost of land and infrastructure	91,000	93,100	91,000	91,000
Deposit on sale of land	-	63,284	-	63,284
Amount payable to related companies	25,155	298,277	25,155	298,885
	713,329	1,161,588	503,475	698,261

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

25. AMOUNT DUE TO GROUP COMPANIES

	THE HOLDING COMPANY	
	2019	2018
	Rs.'000	Rs.'000
Current account with subsidiaries	223,904	69,988

The carrying amounts of amount owed to Group companies approximate their fair value.

26. DIVIDENDS

	THE HOLDING COMPANY	
	2019	2018
	Rs.'000	Rs.'000
Amount due at July 1, <u>Interim</u>	152,250	126,000
Re.1.20 per share proposed on December 19, 2017 and paid on February 15, 2018	-	126,000
Re.1.45 per share proposed on December 21, 2018 and paid on February 15, 2019	152,250	-
<u>Final</u>		
Re.1.45 per share proposed on June 21, 2018 and paid on September 18, 2018	-	152,250
Re.1.50 per share proposed on July 12, 2019 and payable on September 16, 2019	157,500	-
	309,750	278,250

<u>Dividends paid during the year</u>		
Final - Re.1.20 per share proposed on June 27, 2017 and paid on September 15, 2017	-	(126,000)
Interim - Re.1.20 per share proposed on December 19, 2017 and paid on February 15, 2018	-	(126,000)
Final - Re.1.45 per share proposed on June 21, 2018 and paid on September 18, 2018	(152,250)	-
Interim - Re.1.45 per share proposed on December 21, 2018 and paid on February 15, 2019	(152,250)	-
	(304,500)	(252,000)
<u>Amount due at June 30,</u>	157,500	152,250

27. REVENUE

(a) The following is an analysis of the Group's revenue for the year:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue from sale of goods	881,306	837,561	533,080	590,463
Revenue from rendering of services	635,588	715,731	54,290	74,857
Rental income from investment property	137,303	65,186	46,904	59,273
Revenue from service charges from investment property	41,300	38,396	37,289	36,259
Revenue from contracts with customers	1,695,497	1,656,874	671,563	760,852
Sugar insurance compensation	62,736	46,692	45,133	36,819
Total revenue	1,758,233	1,703,566	716,696	797,671

(b) Disaggregation of revenue from contracts with customers

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Sugar	369,572	434,401	287,374	318,634
Food crops and nursery	85,948	105,134	85,948	105,134
Poultry	100,612	120,180	100,612	120,180
Casela	366,103	318,078	-	-
Forestry and sale of deer	49,632	36,046	49,632	36,046
Landscaping	6,114	37,161	6,113	37,161
Hotel	127,574	133,710	-	-
Golf	75,899	64,093	-	-
Rental income	240,066	180,167	46,858	59,477
Travel and tours	83,785	-	-	-
Education and training	47,630	56,546	-	-
Sale of stones	31,488	24,240	31,488	24,240
Sale of electricity	43,916	50,750	-	-
IT support revenue	1,203	1,024	9,578	11,567
Commission, property and assets management fees	26,577	14,996	36,811	36,076
Commission on resale of villas	478	181	478	181
Other revenues	38,898	80,167	16,671	12,156
	1,695,497	1,656,874	671,563	760,852
Sugar insurance compensation	62,736	46,692	45,133	36,819
	1,758,233	1,703,566	716,696	797,671

Analysed as follows:

- Continuing activities	1,305,620	1,206,242	613,609	677,491
- Discontinued activities	452,613	497,324	103,087	120,180
Total revenue	1,758,233	1,703,566	716,696	797,671

Except for the sale of sugar, there are no other transactions with a single external customer that accounts for 10% or more of the Group's total revenue.

The primary geographic market is located in Mauritius.

27. REVENUE (CONT'D)

(c) The contract counterparties are as follows:

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Companies	798,752	729,372	228,250	229,560
Individuals	959,481	974,194	488,446	568,111
	1,758,233	1,703,566	716,696	797,671

(d) Timing of revenue recognition

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At a point in time	1,316,842	1,616,684	605,333	665,055
Over time	441,391	86,882	111,363	132,616
	1,758,233	1,703,566	716,696	797,671

(e) Contract assets and liabilities related to contracts with customers:

	THE GROUP		THE HOLDING COMPANY	
	2019		2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2018	16,502	123,101	13,561	78,930
Transfers in the period from contract assets to trade receivables	(13,667)	-	(10,726)	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	(93,225)	-	(69,508)
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	29,622	-	26,166	-
Cash received in advance of performance and not recognised as revenue during the period	-	93,977	-	61,868
At June 30, 2019	32,457	123,853	29,001	71,290

(f) Contract assets - Accrued income

Although payment terms and conditions vary, for the majority of the customer contracts, all of the services provided to the customer are invoiced within a monthly period. For certain customer contracts, the timing of the Company's performance may precede its right to invoice the customer for the total transaction price. Accrued income arises in relation to services provided that have not been invoiced at the year end. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Further details on the trade receivables are presented in Note 16.

(g) Contract liabilities

For other customer contracts, the right to payment or receive payment may be obtained prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes the Company's performance, a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

27. REVENUE (CONT'D)

(h) Impairment of Contract assets

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

To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30, 2019 or July 1, 2018 respectively 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. The Company has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The ageing of the contract assets as at June 30, 2019 and July 1, 2018 (on adoption of IFRS 9) was as follows.

THE GROUP At June 30, 2019	Not past due Rs.	Less than 30 days past due Rs.	Between 31 and 60 days past due Rs.	More than 61 days past due Rs.	Total Rs.
Gross carrying amount - contract assets	32,457	-	-	-	32,457
At July 1, 2018					
	Not past due Rs.	Less than 30 days past due Rs.	Between 31 and 60 days past due Rs.	More than 61 days past due Rs.	Total Rs.
Gross carrying amount - contract assets	41,360	-	-	-	41,360
THE COMPANY At June 30, 2019	Not past due Rs.	Less than 30 days past due Rs.	Between 31 and 60 days past due Rs.	More than 61 days past due Rs.	Total Rs.
Gross carrying amount - contract assets	29,001	-	-	-	29,001
At July 1, 2018					
	Not past due Rs.	Less than 30 days past due Rs.	Between 31 and 60 days past due Rs.	More than 61 days past due Rs.	Total Rs.
Gross carrying amount - contract assets	71,522	-	-	-	71,522

As at June 30, 2019 and 2018, there were no expected credit loss allowances as there are no records of amounts written off during the past years and the identified impairment loss was immaterial.

27. REVENUE (CONT'D)

(i) The amount of incremental costs to obtain contracts which has been recognised as an expense in the period is Rs.7,708,000. There were no incremental costs recognised as an asset.

(j) Remaining performance Obligations

The vast majority of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

28. EXPENSES BY NATURE

	THE GROUP		THE HOLDING COMPANY	
	2019 Rs'000	2018 Rs'000	2019 Rs'000	2018 Rs'000
Employee benefit expense (note 29)	675,436	673,734	427,899	392,652
Costs of inventories recognised as expense	116,722	138,943	34,281	34,967
Hiring of labour and agricultural equipment	94,642	102,043	94,642	102,043
Depreciation (note 5)	185,536	231,124	48,440	79,851
Amortisation (note 7)	4,726	6,217	1,557	2,082
Sugar insurance premium	11,181	15,174	8,504	11,268
Irrigation costs	29,213	27,978	29,213	27,978
Other expenses - sugar activities	74,041	69,395	74,041	69,395
Fertilizers	36,434	40,254	33,993	37,519
Other expenses - non sugar activities	184,731	225,201	76,259	99,806
Power station running costs	11,222	22,164	-	-
Utilities	57,577	81,050	17,733	19,567
Poultry expenses	78,864	94,312	78,864	94,312
Tour expenses	31,002	-	-	-
Administrative expenses	155,767	148,782	49,847	46,601
Assets scrapped - Property, plant and equipment (note 5)	25,796	16,972	3,996	-
Marketing and advertising expenses	35,503	59,167	3,457	5,136
Operating expenses	1,808,393	1,952,509	982,726	1,023,177
Analysed as follows:				
- Continuing activities	1,421,595	1,419,352	878,893	912,026
- Discontinued activities	386,798	533,157	103,833	111,151
	1,808,393	1,952,509	982,726	1,023,177

29. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Analysis of staff costs				
Wages and salaries	455,767	576,063	345,371	314,601
Social security costs and other benefits	55,289	50,846	45,790	41,333
Pension costs (note 23)	164,380	46,825	36,738	36,718
	675,436	673,734	427,899	392,652
	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(b) The number of employees at the end of the year was:				
- Production	603	715	247	276
- Administration	426	385	190	184
	1,029	1,100	437	460

30. OTHER GAINS/ (LOSSES) - NET

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Net foreign exchange (losses)/gains on operations (note 35)	(2,379)	872	(2,621)	-
Fair value gain/(loss) of investments properties	226,146	24,286	(29,288)	39,050
Gain in disposal of investment in associate	23,500	-	17,880	-
Gain /(Loss) on disposal of investment in subsidiary	-	8,910	-	(10,600)
	247,267	34,068	(14,029)	28,450
Analysed as follows:				
- Continuing activities	224,162	33,194	(31,909)	28,450
- Discontinued activities	23,105	874	17,880	-
	247,267	34,068	(14,029)	28,450

31. PROFIT ON SALE OF LAND

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue from sale of developed land	677,985	318,478	715,443	318,478
Cost of land and expenditure in respect of land development	(238,111)	(133,630)	(245,843)	(133,630)
Profit from sale of developed land	439,874	184,848	469,600	184,848
Revenue from sale of land (note (i))	-	-	-	3,087,811
Cost of land	-	-	-	(1,685,373)
Profit on sale of land	-	-	-	1,402,438
Total	439,874	184,848	469,600	1,587,286

Note (i) : Relates to sale of land to Unicity Ltd, a wholly subsidiary of Medine Limited.

32. OTHER INCOME

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income	3,033	1,769	8,866	1,769
Interest income	7,930	1,044	77,971	55,163
Profit on disposal of property, plant and equipment	28,102	1,208	26,840	989
Corporate management fees	15,488	8,592	52,253	23,092
Reversal of receivable impairment (note 16(b))	1,786	1,164	100	-
Creditors written back	1,399	-	-	-
Sundry income	5,144	2,713	573	610
	62,882	16,490	166,603	81,623
Analysed as follows:				
- Continuing activities	58,042	14,502	166,603	81,623
- Discontinued activities	4,840	1,988	-	-
	62,882	16,490	166,603	81,623

33. IMPAIRMENT LOSSES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Impairment losses on property, plant and equipment :				
- Factory (note 5)	14,537	438,143	-	-
Less: Reversal of revaluation surplus (note 40)	-	(82,918)	-	-
Impairment losses on property, plant and equipment				
- factory recognised in profit or loss	14,537	355,225	-	-
Impairment losses on property, plant and equipment				
- bearer plants (note 5)	-	69,574	-	69,574
Impairment losses on property, plant				
and equipment (note 5)	66,906	-	-	-
Impairment losses on intangible assets (note 7)	34,898	39,522	34,898	36,793
Impairment losses on inventories (note 15(c))	-	12,249	-	-
Impairment losses on investment in subsidiary				
(note 8)	-	-	-	160,000
Impairment losses on milling activities	-	-	170,000	-
Impairment losses on amount owed by subsidiary				
(note 17(b))	-	-	43,887	178,980
Impairment losses on financial assets	5,325	2,180	246	400
Total impairment losses recognised in profit and loss	121,666	478,750	249,031	445,747
Analysed as follows:				
- Continuing activities	64,475	71,754	5,144	69,974
- Discontinued activities	57,191	406,996	243,887	375,773
	121,666	478,750	249,031	445,747

34. FINANCE COSTS - NET

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Gain on exchange on financing activities (note 35)	1,732	4,491	868	1,496
Interest expense				
- Bank overdrafts	23,158	34,315	17,736	28,077
- Bank loans repayable by instalments	193,764	237,348	66,917	110,835
- Bonds	104,804	-	104,804	-
- On current account with related companies	2,242	9,262	9,658	27,729
- Others	1,562	1,575	117	-
	325,530	282,500	199,232	166,641
Less : amounts included in the cost of qualifying assets (note 12)	(1,022)	(11,707)	-	-
Interest expenses - net	324,508	270,793	199,232	166,641
Finance costs - net	(322,776)	(266,302)	(198,364)	(165,145)
Analysed as follows:				
- Continuing activities	(297,169)	(238,291)	(198,364)	(165,145)
- Discontinued activities	(25,607)	(28,011)	-	-
	(322,776)	(266,302)	(198,364)	(165,145)

35. NET FOREIGN EXCHANGE GAINS/(LOSSES)

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
The exchange differences credited to profit or loss are included as follows:				
Other gains/(losses) - net (note 30)	(2,379)	872	(2,621)	-
Finance costs - net (note 34)	1,732	4,491	868	1,496
	(647)	5,363	(1,753)	1,496

36. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(Loss) before taxation is arrived at after:				
charging :				
Depreciation on property, plant and equipment				
-owned assets	184,763	230,348	47,667	79,075
-leased assets	773	776	773	776

37. INCOME TAX

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Amounts shown on the statement of financial position is as follows:				
At July 1, 2018	-	-	-	-
Acquisition of subsidiary	1,839	-	-	-
Underprovision in previous years	2	-	-	-
Current tax on adjusted profit for the year	832	-	-	-
CSR Contribution	434	-	-	-
Less: Tax deducted at source	(66)	-	-	-
Less: Payment during the year	(3,278)	-	-	-
At June 30, 2019	(237)	-	-	-
Analysed as follows:				
Other current assets - tax receivable (note 18)	(511)	-	-	-
Current tax liabilities	274	-	-	-
	(237)	-	-	-

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

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(Loss) before tax from continuing operations	247,222	(365,861)	127,261	1,147,495
Profit/(Loss) before tax from discontinued operations	10,962	(467,978)	(226,753)	(366,744)
	258,184	(833,839)	(99,492)	780,751
Tax calculated at the rate of 15% (2018: 15%)	38,728	(125,076)	(14,924)	117,113
Income not subject to tax	(159,579)	(65,531)	(78,383)	(226,173)
Excess of depreciation over capital allowances	12,973	7,686	11,445	7,628
Other tax allowances	(60)	(2,614)	(27)	(2,614)
Expenses not deductible for tax purposes	80,896	84,559	63,096	84,117
Tax losses not recognised	27,874	100,976	18,793	19,929
Current tax on the adjusted profit	832	-	-	-
CSR Contribution	434	-	-	-
Underprovision in previous years	2	-	-	-
Deferred tax charge to profit or loss (note 14(b))	(11,740)	10,829	-	-
Charge to profit or loss	(10,472)	10,829	-	-
(Credit)/Charge to other comprehensive income (note 14 (b))	(1,132)	(9,115)	-	-
Total charge for the year	(11,604)	1,714	-	-

38. (LOSS) /EARNINGS PER SHARE

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) attributable to owners of the parent				
- From continuing and discontinuing operations	263,831	(756,712)	(99,492)	780,751
- From continuing operations	257,694	(369,076)	127,261	1,147,495
Earnings/(loss) per share (Rs.)				
- From continuing and discontinuing operations	2.51	(7.21)	(0.95)	7.44
- From continuing operations	2.45	(3.52)	1.21	10.93
Number of shares in issue ('000)	105,000	105,000	105,000	105,000

39. CASH AND CASH EQUIVALENTS

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash and bank balances	66,311	39,729	12,895	13,938
(b) Cash and cash equivalents and bank overdrafts include the following for the purpose of the statement of cash flows:				

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and bank balances	66,311	39,729	12,895	13,938
Bank overdrafts (note 22)	(552,538)	(830,196)	(487,242)	(677,193)
Asset classified as held for sale - Cash and cash equivalents (note 45(b))	(64,724)	-	-	-
	(550,951)	(790,467)	(474,347)	(663,255)

(c) Reconciliation of liabilities arising from financing activities

	THE GROUP		THE HOLDING COMPANY	
	At July 1, 2018	Cash Flows	Classified as held of sale	At June 30, 2019
	Rs'000	Rs'000	Rs'000	Rs'000
Finance liabilities	2,364	(551)	-	1,813
Current bank loans	1,904,140	(1,539,195)	(182,801)	182,144
Non - current bank loans and bonds	2,695,559	2,978,884	-	5,674,443
Liabilities arising from financing activities	4,602,063	1,439,138	(182,801)	5,858,400
Cash and cash equivalents and bank overdrafts	790,467	(237,069)	(67,171)	486,227
Net Debt	5,392,530	1,202,069	(249,972)	6,344,627

39. CASH AND CASH EQUIVALENTS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities (CONT'D)

(i) THE HOLDING COMPANY

	At July 1, 2018	Cash Flows	At June 30, 2019
	Rs'000	Rs'000	Rs'000
Finance lease liabilities	2,364	(551)	1,813
Current bank loans	1,567,142	(1,552,071)	15,071
Non - current bank loans and bonds	869,071	3,104,829	3,973,900
Liabilities arising from financing activities	2,438,577	1,552,207	3,990,784
Cash and cash equivalents and bank overdrafts	663,255	188,908	474,347
Net Debt	3,101,832	1,741,115	4,465,131

40. OTHER COMPREHENSIVE INCOME

(a) THE GROUP

	Fair value reserves	Retirement benefit obligations	Revaluation surplus on fixed assets	Share of reserves in associates	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) 2019					
Decrease in fair value of financial assets at fair value through other comprehensive income (note 10)	(5,431)	-	-	-	(5,431)
Remeasurement of retirement benefit obligations (note 23 (a)(v))	-	81,552	-	-	81,552
Gains on revaluation of land and buildings	-	-	18,554	-	18,554
Share of other comprehensive income of associates (note 9(a))	-	-	-	(523)	(523)
	(5,431)	81,552	18,554	(523)	94,152
Income tax (charge)/credit					
Deferred tax (note 14)	-	1,132	-	-	1,132
Other comprehensive income for the year 2019, net of tax	(5,431)	82,684	18,554	(523)	95,284
Other comprehensive income attributable to:					
- Owners of the parent	(5,431)	84,452	18,554	(523)	97,052
- Non-controlling interests	-	(1,768)	-	-	(1,768)
	(5,431)	82,684	18,554	(523)	95,284

40. OTHER COMPREHENSIVE INCOME (CONT'D)

(ii) 2018

Decrease in fair value of available-for-sale
investments (note 11)
Remeasurement of retirement benefit
obligations (note 23 (a)(v))
Impairment losses on property, plant
and equipment (note 33)
Share of other comprehensive income
of associates (note 9(a))

Income tax (charge)/credit
Deferred tax (note 14)

Other comprehensive income for the
year 2018, net of tax

Other comprehensive income attributable to:

- Owners of the parent
- Non-controlling interests

Fair value reserves	Retirement benefit obligations	Revaluation surplus on fixed assets	Total
Rs'000	Rs'000	Rs'000	Rs'000
(531)	-	-	(531)
	(88,769)	-	(88,769)
-	-	(82,918)	(82,918)
-	-	-	-
(531)	(88,769)	(82,918)	(172,218)
-	(2,550)	11,665	9,115
(531)	(91,319)	(71,253)	(163,103)
(531)	(88,257)	(57,002)	(145,790)
-	(3,062)	(14,251)	(17,313)
(531)	(91,319)	(71,253)	(163,103)

(b) THE HOLDING COMPANY

(i) 2019

Decrease in fair value of financial assets
at fair value through other comprehensive
income (note 10)
Gains on revaluation of land
and buildings
Remeasurement of retirement benefits
obligations (note 23 (a)(v))

Other comprehensive income for the year
2019, net of tax

Revaluation surplus on fixed assets	Fair value reserves	Retirement benefit obligations	Total
Rs'000	Rs'000	Rs'000	Rs'000
-	(5,431)	-	(5,431)
115,166	-	-	115,166
-	-	77,045	77,045
115,166	(5,431)	77,045	186,780

(ii) 2018

Decrease in fair value of available-for-sale investments
(note 10)
Remeasurement of retirement benefits obligations
(note 23 (a)(v))

Other comprehensive income for the year
2018, net of tax

Fair value reserves	Retirement benefit obligations	Total
Rs'000	Rs'000	Rs'000
(531)	-	(531)
-	(71,023)	(71,023)
(531)	(71,023)	(71,554)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019 (CONTINUED)

41. COMMITMENTS

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Capital Commitments				
Investment property	465,027	560,091	-	107,276
Property, plant and equipment	8,364	1,167	-	-
	473,391	561,258	-	107,276

(b) No provision has been made for the costs of land and infrastructure payable in respect of the closure of The Medine Sugar Milling Company Ltd as these costs will be capitalised as land conversion rights on the basis that under the provision of the Sugar Industry Efficiency Act, the Company acquires the right to sell land on which no conversion taxes are payable.

42. CONTINGENT LIABILITIES

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Corporate guarantee given for subsidiary and other companies	394,796	254,347	394,796	254,347

(b) It has been agreed that the Sugar Industry will allocate through the Mauritius Sugar Producers Association, “2,000 Arpents” of land to the Empowerment Programme for social and infrastructural projects. The quantum of land to be granted by the Company is 131 Arpents.

(c) There are pending cases before the Supreme Court between the Company and various persons claiming to be owners of portions of land totalling 168 hectares situated in the region of Albion, near Camp Creoles. The Directors strongly believe that these claims are not justified and will have no impact on the financial statements of the Company, as the lands being claimed are registered in the name of the Company in full ownership.

(d) The Company has contingent liabilities amounting to Rs.12.1m in respect of claims made by some ex-employees The Company is being sued by these ex-employees for pension related claims or compensation at the punitive rate for unfair dismissal. The outcome of these legal cases are still uncertain. The Directors strongly believe that these claims made by these ex-employees are not justified and consequently, no provision has been made in the financial statements.

43. ACQUISITION OF INVESTMENT IN SUBSIDIARY

(a) During the year ended June 30, 2019 the Group acquired a 50.16% interest in Concorde Tourist Guide Agency Limited for Rs.136,936,800 in cash. The principle activities of Concorde Tourist Guide Agency Limited is the provision of travel and tourism services.

	2019
	Rs'000
Purchase consideration	136,937
Fair value of equity interest in Concorde Tourist Guide Agency Limited	(105,056)
Goodwill	31,881

The goodwill arising from the acquisition is mainly attributable to the potential profitability of the acquired business in the long term.

(b) Recognised amounts of identifiable assets acquired and liabilities assumed.

	COST	FAIR VALUE
	2019	2019
	Rs'000	Rs'000
Property, plant and equipment	13,673	13,673
Intangible assets	1,161	1,161
Investment in financial assets	20,000	18,000
Deferred tax assets	4,189	4,189
Trade and other receivables	62,699	62,699
Amount receivable from Group companies	194,258	194,258
Cash and cash equivalents	48,290	48,290
Retirement benefit obligations	(25,794)	(25,794)
Trade and other payables	(105,195)	(105,195)
Current tax liabilities	(1,839)	(1,839)
	211,442	209,442
Ownership interest		50.16%
Fair value of equity interest in Concorde Tourist Guide Agency Limited		105,056

(c) Net cash outflow on acquisition of subsidiary

	2019
	Rs'000
Purchase consideration	136,937
Less: Cash and cash equivalents balances acquired	(48,290)
Net cash outflow on acquisition of subsidiary	88,647

(d) The revenue included in the consolidated Financial Statement since acquisition was Rs.83,785,000. Concorde Tourist Agency Limited also contributed profit of Rs.3,180,000 over the same period. Had Concorde Tourist Agency Limited been consolidated from July 1, 2018, revenue would have been Rs.147,390,000 and profit would have been Rs.5,674,000.

44. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) In May 2019, the Group acquired an additional 0.07% interest in Concorde Tourist Guide Agency Limited for Rs.141,000 in cash, increasing its ownership from 50.16% to 50.23%. The carrying amount of Concorde Tourist Guide Agency Limited's net assets in the financial statements on the date of the acquisition was Rs.201,471,000. The Group recognised a decrease in non-controlling interest of Rs.140,000 and a decrease of Rs.1,000 in retained earnings.

(b) In June 2019, the Group acquired an additional 43.11% interest in Cascavelle Shopping Mall Limited for Rs.131,002,000 in cash, increasing its ownership from 56.89% to 100%. The carrying amount of Cascavelle Shopping Mall Limited's net assets in the financial statements on the date of the acquisition was Rs.294,430,000. The Group recognised a decrease in non-controlling interest of Rs.126,927,000 and a decrease of Rs.4,075,000 in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

45. DISCONTINUED AND DISCONTINUING OPERATIONS

- (a) During the year ended June 30, 2019, the discontinued and discontinuing operations are as follows:
- (i) The management of Medine Limited has approved the proposal to dispose of its investment in Tamarina Beach Club Hotel Limited and Tamarina Golf Club Limited excluding certain assets, liabilities and activities related to the land and buildings of both companies. Consequently, these assets and liabilities to be disposed have been classified as held for sale by the Group. The operational results have therefore been classified under discontinuing operations.
- (ii) The Medine Sugar Milling Company Limited is insolvent and consequently on September 25, 2018, the Management have approved the decision to close permanently the milling operations as from the end of Crop 2018. In compliance with Section 30 of the Mauritius Cane Industry Authority Act 2011, the Ministry of Agro Industry and Food Security has approved the closure of the sugar factory on March 29, 2019, subject to the fulfilment of certain conditions. Consequently, certain assets and liabilities to be disposed have been classified as held for sale by the Group. The operational results have therefore been classified under discontinued operations.
- (iii) The management of Medine Limited have decided to cease the poultry activities. Consequently, certain assets were disposed during the year and other assets were rented out to Imodis Ltd. The operational results of the poultry activities have therefore been classified under discontinued operations.
- (iv) During the year ended June 30, 2019, the Company has disposed of its 50% interest in The Indian Ocean Rum Company Limited. The operational results have therefore been classified under discontinued operations.
- (b) The assets and liabilities classified as held for sale are as follows:

	The Medine Sugar Milling Company Limited	Tamarina Golf Club Limited	Tamarina Beach Club Limited	Total
	2019			
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Property, plant and equipment	75,005	14,936	10,427	100,368
Intangible assets	-	-	304	304
Inventories	960	5,542	4,515	11,017
Trade and other receivables	16,736	6,029	5,060	27,825
Provision for impairment on trade receivables	-	(381)	(464)	(845)
Other financial assets at amortised cost	311	-		311
Other current assets	1,658	1,533	987	4,178
Cash and cash equivalents	197	-	2,250	2,447
	94,867	27,659	23,079	145,605
Liabilities				
Borrowings	182,801	-	-	182,801
Bank overdraft	67,171	-	-	67,171
Retirement benefit obligation	6,717	2,771	2,365	11,853
Trade and other payables	58,705	4,441	9,190	72,336
Contract liabilities	-	6,446	6,178	12,624
	315,394	13,658	17,733	346,785
Net (liabilities)/assets	(220,527)	14,001	5,346	(201,180)

45. DISCONTINUED AND DISCONTINUING OPERATIONS (CONT'D)

- (c) The results for the year ended June 30, 2019 for the assets in the process of being disposed are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	Poultry/ Associate Activities	The Medine Sugar Milling Company Limited	Tamarina Golf Club Limited	Tamarina Beach Club Limited	Total
	2019				
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	103,087	146,847	75,899	126,780	452,613
Operating expenses	(103,833)	(109,258)	(64,727)	(108,980)	(386,798)
(Loss)/Profit before tax	(746)	37,589	11,172	17,800	65,815
Other income	-	3,784	794	262	4,840
Other gains - net	23,500	(153)	10	(252)	23,105
Impairment losses	(30,000)	(14,537)	(341)	(12,313)	(57,191)
Finance cost	-	(17,721)	(870)	(7,016)	(25,607)
(Loss)/Profit for the year from discontinued operations	(7,246)	8,962	10,765	(1,519)	10,962
Other comprehensive income:					
Remeasurement of retirement benefit obligations	-	10,264	-	-	10,264
Total comprehensive income	(7,246)	19,226	10,765	(1,519)	21,226

	Poultry Activities	The Medine Sugar Milling Company Limited	Tamarina Golf Club Limited	Tamarina Beach Club Limited	Total
	2018				
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	120,180	179,341	64,093	133,710	497,324
Operating expenses	(111,151)	(235,466)	(70,063)	(116,477)	(533,157)
(Loss)/Profit before tax	9,029	(56,125)	(5,970)	17,233	(35,833)
Other income	-	246	994	748	1,988
Other gains - net	-	190	50	634	874
Impairment losses	(39,522)	(367,474)	-	-	(406,996)
Finance cost	-	(19,180)	(1,181)	(7,650)	(28,011)
(Loss)/Profit before tax	(30,493)	(442,343)	(6,107)	10,965	(467,978)
Income tax charge	-	(7,614)	-	-	(7,614)
(Loss)/Profit for the year from discontinued operations	(30,493)	(449,957)	(6,107)	10,965	(475,592)
Other comprehensive income:					
Remeasurement of retirement benefit obligations	-	(12,187)	-	-	(12,187)
Impairment losses on property, plant and equipment	-	(82,918)	-	-	(82,918)
Income tax relating to component of other comprehensive income	-	8,539	-	-	8,539
Total comprehensive income	(30,493)	(536,523)	(6,107)	10,965	(562,158)

45. DISCONTINUED AND DISCONTINUING OPERATIONS (CONT'D)

(d) Summarised cash flow information

THE GROUP	Poultry/ Associate Activities	The Medine Sugar Milling Company Limited	Tamarina Golf Club Limited	Tamarina Beach Club Limited	Total
	2019				
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Operating cash flows	(746)	(26,631)	19,229	22,061	13,913
Investing cash flows	25,000	(403)	(3,485)	(5,541)	15,571
Financing cash flows	-	(17,952)	-	(14,411)	(32,363)
Net increase in cash and cash equivalents	24,254	(44,986)	15,744	2,109	(2,879)

THE GROUP	Poultry Activities	The Medine Sugar Milling Company Limited	Tamarina Golf Club Limited	Tamarina Beach Club Limited	Total
	2018				
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Operating cash flows	9,029	(35,857)	8,855	17,141	(832)
Investing cash flows	-	(11,057)	(12,918)	(5,612)	(29,587)
Financing cash flows	-	(19,828)	-	(19,355)	(39,183)
Net increase in cash and cash equivalents	9,029	(66,742)	(4,063)	(7,826)	(69,602)

(e) The results for the year ended June 30, 2019 for the assets in the process of being disposed are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

THE HOLDING COMPANY	Poultry/ Associate Activities	Milling activities	Total
	2019		
	Rs'000	Rs'000	Rs'000
Revenue	103,087	-	103,087
Operating expenses	(103,833)	-	(103,833)
Loss before tax	(746)	-	(746)
Other gains - net	17,880	-	17,880
Impairment losses	(30,000)	(213,887)	(243,887)
Loss for the year from discontinued operations	(12,866)	(213,887)	(226,753)

Included in the impairment losses of Rs.213,887,000, is an amount of Rs.170,000,000 in respect of the bank borrowings of The Medine Sugar Milling Company Limited, a subsidiary company of Medine Limited. On June 25, 2019, the Board of Directors of Medine Limited resolved to repay the bank borrowings of this subsidiary company.

45. DISCONTINUED AND DISCONTINUING OPERATIONS (CONT'D)

	Poultry Activities	Milling activities	Total
	2018		
	Rs'000	Rs'000	Rs'000
Revenue	120,180	-	120,180
Operating expenses	(111,151)	-	(111,151)
Profit before tax	9,029	-	9,029
Impairment losses	(36,793)	(338,980)	(375,773)
Loss for the year from discontinued operations	(27,764)	(338,980)	(366,744)

	Poultry/ Associate Activities	Milling activities	Total
	2019		
	Rs'000	Rs'000	Rs'000
Operating cash flows	(746)	-	(746)
Investing cash flows	25,000	-	25,000
Financing cash flows	-	-	-
Net increase in cash and cash equivalents	24,254	-	24,254

	Poultry/ Associate Activities	Milling activities	Total
	2018		
	Rs'000	Rs'000	Rs'000
Operating cash flows	9,029	-	9,029
Investing cash flows	-	-	-
Financing cash flows	-	-	-
Net increase in cash and cash equivalents	9,029	-	9,029

(f) In 2018, the Company disposed of all its investment in TGE Management Services Ltd at a net consideration of Rs 8,100,000. In addition, as stated in Note 8, certain subsidiaries were also disposed at cost to Unicity Ltd, a wholly owned subsidiary of Medine Limited.

(i) Consideration received is as follows:	THE GROUP	THE HOLDING COMPANY
	2018	
	Rs.'000	Rs.'000
Consideration received	8,100	8,275

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019 (CONTINUED)

45. DISCONTINUED AND DISCONTINUING OPERATIONS (CONT'D)

		THE GROUP
		2018
		Rs'000
(ii)	Analysis of assets and liabilities over which control was lost	
	<u>Current assets</u>	
	Inventory	289
	Trade and other receivables	16,053
	Provision for receivable impairment (note 15 (f))	(596)
	Cash and cash equivalents	56
	<u>Non-current assets</u>	
	Property, plant and equipment (note 5)	500
	<u>Current liabilities</u>	
	Trade and other payables	(16,003)
	Borrowings	(724)
	<u>Non-current liabilities</u>	
	Retirement benefit obligations (note 20(b))	(385)
	Net assets disposed of	(810)

		THE GROUP	THE HOLDING COMPANY
		2018	
		Rs'000	Rs'000
(iii)	Gain on disposal of investments in subsidiaries		
	Net consideration received	8,100	8,275
	Group's share of net assets disposed	(810)	-
	Cost of investment	-	(18,875)
	Gain/(Loss) on disposal	8,910	(10,600)

		THE GROUP	THE HOLDING COMPANY
		2018	
		Rs'000	Rs'000
(iv)	Net cash inflow on disposal of subsidiaries		
	Net consideration received	8,100	8,275
	Less: Cash and cash equivalents disposed of	(56)	-
	Add: Bank overdraft disposed of	724	-
	Net cash inflow on disposal of subsidiaries	8,768	8,275

46. SEGMENT REPORTING

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different resources and marketing strategies.

There are four main reportable segments:

- Agro - planter and miller of sugarcane for the production of sugar and by-products of sugarcane namely molasses and bagasse, sale of electricity, production of vegetables and fruits, landscaping and nursery.
- Leisure - operates a golf course and a hotel resort, Casela nature and leisure park, nature escapade and revenue from forestry and deer farming.
- Property - land transactions, rental of office and commercial buildings and property development.
- Education - provides integrated infrastructure for tertiary education provided by specialist institution.

46. SEGMENT REPORTING (CONT'D)

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 for intersegment sales and transfers as if the sales or transfer were to third parties, that is, at current market prices.

	Agro	Leisure	Property	Education	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2019						
Revenues	708,047	702,961	285,997	47,636	13,592	1,758,233
Segment result	3,714	28,768	61,203	(23,102)	(66,102)	4,481
Profit on sale of land	-	-	439,874	-	-	439,874
Impairment losses	(44,537)	(12,654)	(59,317)	(260)	(4,898)	(121,666)
Other gains - net	-	-	-	-	21,121	21,121
Fair value gain of investment properties	-	-	226,146	-	-	226,146
Share of profit/(loss) in associates	-	8,040	2,475	5,116	(4,627)	11,004
(Loss)/Profit before finance costs	(40,823)	24,154	670,381	(18,246)	(54,506)	580,960
Finance costs	(36,775)	(57,681)	(148,501)	(8,608)	(71,211)	(322,776)
(Loss)/Profit before taxation	(77,598)	(33,527)	521,880	(26,854)	(125,717)	258,184
Income tax charge	-	12,437	(1,965)	-	-	10,472
(Loss)/Profit for the year	(77,598)	(21,090)	519,915	(26,854)	(125,717)	268,656

Profit attributable to:	
- Owners of the parent	263,831
- Non-controlling interests	4,825
Profit for the year	268,656

Segment assets	5,099,697	3,039,983	7,949,262	67,289	-	16,156,231
Associates	-	33,975	7,541	103,951	(753)	144,714
Unallocated assets	-	-	-	-	6,436,161	6,436,161
Total assets	5,099,697	3,073,958	7,956,803	171,240	6,435,408	22,737,106

Segment liabilities	712,963	721,115	1,893,580	52,589	-	3,380,247
Unallocated liabilities	-	-	-	-	4,690,694	4,690,694
Total liabilities	712,963	721,115	1,893,580	52,589	4,690,694	8,070,941

Other segment items						
Capital expenditure	16,636	67,576	557,335	1,492	8,926	651,965
Depreciation	44,398	103,310	32,998	2,208	2,622	185,536
Amortisation	-	2,411	223	105	1,987	4,726

46. SEGMENT REPORTING (CONT'D)

	Agro	Leisure	Property	Education	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
June 30, 2018						
Revenues	825,541	551,928	260,408	55,207	10,483	1,703,566
Segment result	(159,457)	(21,790)	(6,087)	(26,067)	(100,570)	(313,971)
Profit on sale of land	-	-	184,848	-	-	184,848
Impairment losses	(473,841)	(2,729)	-	-	-	(476,570)
Fair value gain of investment properties	-	-	24,286	-	-	24,286
Gain on disposal of subsidiary	-	-	8,910	-	-	8,910
Share of profit/(loss) in associates	-	10,801	(1,068)	(3,159)	(1,614)	4,960
(Loss)/Profit before finance costs	(633,298)	(13,718)	210,889	(29,226)	(102,184)	(567,537)
Finance costs	(38,638)	(41,209)	(122,194)	(6,897)	(57,364)	(266,302)
(Loss)/Profit before taxation	(671,936)	(54,927)	88,695	(36,123)	(159,548)	(833,839)
Income tax charge	(7,614)	-	(3,215)	-	-	(10,829)
(Loss)/Profit for the year	(679,550)	(54,927)	85,480	(36,123)	(159,548)	(844,668)
Loss attributable to:						
- Owners of the parent						(756,712)
- Non-controlling interests						(87,956)
Loss for the year						(844,668)
Segment assets	5,257,543	3,024,444	6,724,344	51,134	-	15,057,465
Associates	-	35,934	5,065	98,835	5,899	145,733
Unallocated assets	-	-	-	-	6,604,281	6,604,281
Total assets	5,257,543	3,060,378	6,729,409	149,969	6,610,180	21,807,479
Segment liabilities	810,104	678,331	1,979,082	47,523	-	3,515,039
Unallocated liabilities	-	-	-	-	3,647,127	3,647,127
Total liabilities	810,104	678,331	1,979,082	47,523	3,647,127	7,162,167
Other segment items						
Capital expenditure	42,445	111,705	223,074	1,751	2,396	381,371
Depreciation	110,552	93,108	20,225	2,180	5,059	231,124
Amortisation	-	4,038	158	98	1,923	6,217

(a) Other operations of the Group comprised mainly of holding of investment and bottling services, which are not of a sufficient size to be reported separately.

(b) There are no sales or other transactions between the business segments. Others represent unallocated costs and corporate expenses. Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, investments in associates, deferred expenditure, biological assets, inventories, receivables and operating cash, and exclude investments in available-for-sale financial assets. Segment liabilities comprise mainly of payables, borrowings, retirement benefit obligations and exclude items such as corporate borrowings and proposed dividend. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

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

47. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	ASSOCIATED COMPANIES		DIRECTORS AND KEY MANAGEMENT PERSONNEL		COMPANIES WITH COMMON SHAREHOLDRES	
	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Sales of goods or services	12,733	9,811	-	-	4,517	10,513
Purchase of goods or services	12,552	15,600	-	-	1,833	5,128
Rental income	38,192	568	-	-	1,632	14,303
Management fee receivable	2,867	1,252	-	-	16,443	20,163
Remuneration and benefits	-	-	103,837	117,776	-	-
Dividend receivable	10,000	-	-	-	-	-
Interest income	4,943	109	-	-	261	501
Interest expense	619	352	-	-	2,182	8,910
Amount owed to related parties	25,155	6,018	-	-	-	292,259
Amount owed by related parties	92,770	57,858	3,359	-	95	3,279

(b) THE HOLDING COMPANY

	SUBSIDIARIES		ASSOCIATED COMPANIES		DIRECTORS AND KEY MANAGEMENT PERSONNEL		COMPANIES WITH COMMON SHAREHOLDRES	
	2019	2018	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Sales of goods or services	43,329	3,420,635	8,866	1,649	-	-	4,509	6,241
Purchase of goods or services	29,420	14,259	3,431	1,051	-	-	1,400	659
Rental income	5,859	240	49	568	-	-	1,632	10,361
Rental expenses	3,259	-	-	-	-	-	-	-
Management fee receivable	80,634	55,712	429	1,252	-	-	16,443	20,163
Remuneration and benefits	-	-	-	-	88,154	92,194	-	-
Dividend receivable	6,623	-	-	-	-	-	-	-
Interest income	58,160	54,334	4,943	109	-	-	261	501
Interest expense	6,856	18,467	619	352	-	-	2,182	8,910
Amount owed to related parties	223,904	69,988	25,155	6,018	-	-	-	292,866
Amount owed by related parties	1,531,336	687,586	77,157	57,858	3,359	-	95	8,201

47. RELATED PARTY TRANSACTIONS (CONT'D)

- (c) The above transactions have been made at arms' length, on normal commercial terms and in the ordinary course of business.
- The amount owed to/by related parties are unsecured, carried interest rate of 4.25% and settlement occurs in cash.
- There has been no guarantees provided or received for any related party payables or receivables.
- For the year ended June 30, 2018, the Group and the company has not recorded any impairment of receivables relating to amounts owed by related parties (2017: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(c) KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP		THE HOLDING COMPANY	
	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Salaries and short-term employee benefits	94,104	107,527	79,530	83,587
Post-employment benefits	9,733	10,249	8,624	8,607
	103,837	117,776	88,154	92,194

48. CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements

IFRS 9 and IFRS 15 were adopted without restating comparative information. Any adjustments arising from the new accounting policies are not reflected in the comparatives year ended July 1, 2018 but are recognised in the opening reserves on July 1, 2018.

The following reclassifications and adjustments were made to the amounts recognised in the statements of financial position at July 1, 2018.

THE GROUP	Note	At June 30, 2018	Reclassifications	At July 1, 2018
		Rs.'000	Rs.'000	Rs.'000
Investment in available-for-sale financial asset	(i)	106,924	(106,924)	-
Financial assets at fair value through other comprehensive income	(i)	-	(106,924)	106,924
		106,924	-	106,924
Trade and other receivables	(i)	417,690	(231,233)	186,457
Current contract assets	(i)	-	16,502	16,502
Other financial assets at amortised cost	(i)	-	75,933	75,933
Other current assets	(i)	-	138,798	138,798
		417,690	-	417,690
Trade and other payables	(i)	1,161,588	(123,101)	1,038,487
Current contract liabilities	(i)	-	123,101	123,101
		1,161,588	-	1,161,588

- (i) The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15 and IFRS 9:
- Financial assets at fair value through other comprehensive income were presented previously as Investment in available-for-sale financial asset (Rs.106,924,000 as at July 1, 2018);
 - Contract assets recognised in relation to contract services were previously presented as part of trade and other receivables (Rs.16,502,000 as at July 1, 2018);
 - Other financial assets at amortised cost were previously included in trade and other receivables (Rs.75,933,000 as at July 1, 2018);
 - Other current assets were previously included in trade and other receivables (Rs.138,798,000 as at July 1, 2018)
 - Contract liabilities were previously included in trade and other payables (Rs.123,101,000 as at July 1, 2018).

48. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(a) Impact on the financial statements

- (ii) The Group has adjusted certain amounts in the statement of financial position following adoption of IFRS 9 and IFRS 15.

THE HOLDING COMPANY	Note	At June 30, 2018	Reclassifications	At July 1, 2018
		Rs.'000	Rs.'000	Rs.'000
Investment in available-for-sale financial asset	(i)	106,916	(106,916)	-
Financial assets at fair value through other comprehensive income	(i)	-	106,916	106,916
		106,916	-	106,916
Trade and other receivables	(i)	250,203	(137,888)	112,315
Current contract assets	(i)	-	13,561	13,561
Other financial assets at amortised cost	(i)	-	66,150	66,150
Other current assets	(i)	-	58,177	58,177
		250,203	-	250,203
Trade and other payables	(i)	698,261	(78,930)	619,331
Current contract liabilities	(i)	-	78,930	78,930
		698,261	-	698,261

- (i) The Company has changed the presentation of certain amounts in the statement of financial position to reflect the terminology of IFRS 15 and IFRS 9:
- Financial assets at fair value through other comprehensive income were presented previously as Investment in available-for-sale financial asset (Rs.106,916,000 as at July 1, 2018);
 - Contract assets recognised in relation to contract services were previously presented as part of trade and other receivables (Rs.13,561,000 as at July 1, 2018);
 - Other financial assets at amortised cost were previously included in trade and other receivables (Rs.66,150,000 as at July 1, 2018);
 - Other current assets were previously included in trade and other receivables (Rs.58,177,000 as at July 1, 2018).
 - Contract liabilities were previously included in trade and other payables (Rs.78,930,000 as at July 1, 2018).

48. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(b) IFRS 9 Financial Instruments

• **Reclassifications of financial instruments on adoption of IFRS 9**

On the date of initial application, July 1, 2018, the financial instruments were as follows, with any reclassifications noted:

THE GROUP	Measurement category		Carrying amount		Difference
	Original (IAS 39)	New (IFRS 9)	Original	New	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current financial assets					
Financial assets at fair value through other comprehensive income	FVOCI	FVOCI	106,924	106,924	-
Trade receivables - net	Amortised cost	Amortised cost	186,457	186,457	-
Current contract assets	Amortised cost	Amortised cost	16,502	16,502	-
Other financial assets at amortised cost	Amortised cost	Amortised cost	75,933	75,933	-
Trade and other payables	Amortised cost	Amortised cost	1,038,487	1,038,487	-
Contract liabilities	Amortised cost	Amortised cost	123,101	123,101	-

THE HOLDING COMPANY	Measurement category		Carrying amount		Difference
	Original (IAS 39)	New (IFRS 9)	Original	New	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current financial assets					
Financial assets at fair value through other comprehensive income	FVOCI	FVOCI	106,916	106,916	-
Trade receivables - net	Amortised cost	Amortised cost	112,315	112,315	-
Current contract assets	Amortised cost	Amortised cost	13,561	13,561	-
Other financial assets at amortised cost	Amortised cost	Amortised cost	66,150	66,150	-
Trade and other payables	Amortised cost	Amortised cost	619,331	619,331	-
Contract liabilities	Amortised cost	Amortised cost	78,930	78,930	-

48. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(b) IFRS 9 Financial Instruments (Cont'd)

• **Impairment of financial assets**

The Group has three types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables;
- contract assets; and
- other financial assets at amortised cost.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The change in impairment methodology has no impact on the Group's retained earnings and equity as the identified increase in impairment loss was immaterial.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. As at July 1, 2018, there are no impact on the loss allowance for trade receivables, contract assets and other financial assets at amortised cost as the identified increase in impairment loss was immaterial.

(c) IFRS 15 Revenue from Contracts with customers

Agent and principal consideration

When another party is involved in providing goods or services to a customer, the entity should determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (that is, the entity is a principal) or to arrange for those goods or services to be provided by the other party (that is, the entity is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer.

As a consequence, operating expenses of Rs.34,410,000 have been reclassified against its corresponding revenue as the Group's performance obligation is to arrange for the provision of the specified services by another party.

(d) Had the Group continued to report in accordance with IAS 18 Revenue for the year ended June 30, 2019, it would have been reported the following amounts in these financial statements:

	As reported under IFRS 15	Effect	As would have been reported
	Rs.'000	Rs.'000	Rs.'000
Revenue	1,305,620	34,410	1,340,030
Operating expenses	(1,421,595)	(34,410)	(1,456,005)

The main reason for the differences concern the identification of specified services that the Group does not control and is provided by another party before that service is transferred to the customer (i.e. the Group acts as an agent).

MEDINE LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 108th Annual Meeting of the Shareholders of the Company will be held at 5 Uniciti Office Park, Rivière Noire Road, Bambous on Wednesday 18 December 2019 at 10.00 a.m. to transact the following business:

AGENDA

1. To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2019, including the annual report and the auditor's report.
2. To reappoint Mr Lajpati Gujadhur as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.
3. To reappoint Mr Ramapatee Gujadhur as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.
4. To reappoint Mr Jacques Tin Miow Li Wan Po, G.O.S.K. as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.
5. To appoint as director of the Company Mrs Ng Yung Marie Thérèse Doger de Spéville, who has been nominated by the Board on 25 June 2019 in replacement of Mr Pierre Doger de Spéville who has resigned.
6. To fix the Directors' remuneration.
7. To appoint Messrs Ernst & Young as auditor of the Company for the financial year ending 30 June 2020 and authorise the Board of Directors to fix its remuneration.
8. To ratify the remuneration paid to the auditor for the year ended 30 June 2019.

By Order of the Board



Patricia Goder
Company Secretary

26 November 2019

NOTES:

- (a) A shareholder of the Company may appoint a proxy to attend and vote at the meeting on his behalf. The instrument appointing the proxy must be deposited at the registered office of the Company, 4 Uniciti Office Park, Rivière Noire Road, Bambous 90203, not less than twenty-four hours before the meeting.
- (b) Profiles of the Directors are set out on pages 81 to 83 of the annual report.

MEDINE LIMITED

PROXY FORM

I/We (Block Capitals, please) being a shareholder/
shareholders of the above-named Company, hereby appoint of
..... or failing him of
..... as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Shareholders of
the Company to be held on **Wednesday 18 December 2019 at 10.00 a.m.** and at any adjournment thereof.

Signed this day of 2019.

.....

Please indicate with an X in the spaces below how you wish your votes to be cast.		FOR	AGAINST
RESOLUTION 1	To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2019, including the annual report and the auditor's report.		
RESOLUTION 2	To reappoint Mr Lajpati Gujadhur as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.		
RESOLUTION 3	To reappoint Mr Ramapatee Gujadhur as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.		
RESOLUTION 4	To reappoint Mr Jacques Tin Miow Li Wan Po, G.O.S.K. as Director of the Company until the next annual meeting in compliance with section 138 (6) of the Companies Act 2001.		
RESOLUTION 5	To appoint as Director of the Company Mrs. Ng Yung Marie Thérèse Doger de Spéville, who has been nominated by the Board on 25 June 2019 in replacement of Mr. Pierre Doger de Spéville who has resigned.		
RESOLUTION 6	To fix the Directors' remuneration.		
RESOLUTION 7	To appoint Messrs Ernst & Young as auditor of the Company for the financial year ending 30 June 2020 and authorise the Board of Directors to fix its remuneration.		
RESOLUTION 8	To ratify the remuneration paid to the auditor for the year ended 30 June 2019.		

NOTES

1. A member may appoint a proxy of his own choice.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
5. To be valid, this form must be completed and deposited at the registered office of the Company, 4 Uniciti Office Park, Rivière Noire Road, Bambous 90203, not less than twenty-four hours before the time fixed for holding the meeting or adjourned meeting.

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