Rogers

Energy drives sustainability.

INTEGRATED REPORT
2018

Dear Shareholder,

Your Board of Directors is pleased to present the Integrated Report of Rogers and Company Limited for the year ended 30 June 2018. This report was approved by the Board on 13 September 2018, and is available on our website www.rogers.mu.

Jean-Pierre Montocchio
Chairman

Philippe Espitalier-Noël
Director & CEO

About this Report

Integrated Reporting

In 2016-17, we embarked on our Integrated Reporting (<IR>) journey to provide a more comprehensive reporting to our shareholders and other stakeholders on our strategy, business model, operating context, sectors' performance, risk management and governance. This year, we have further pushed our Integrated thinking and made our report more concise and better integrated while remaining in line with the <IR> Framework. We consider that 5 of the 6 capitals of <IR> are relevant to Rogers, namely Financial, Human, Intellectual, Social and Natural, and throughout this report we discuss about them and their relevance towards creating value and achieving our strategic objectives. For the purpose of this report, we are reporting Social and Natural Capital together. Our capitals are illustrated in the report as follows:

Financial Capital | **Human Capital** | **Intellectual Capital** | **Social & Natural Capital**

Compliance Reporting

This report is in compliance with the:

- International Financial Reporting Standards ('IFRS');
- International <IR> Framework of the Integrated Reporting Council ('IIRC');
- Companies Act 2001;
- National Code of Corporate Governance for Mauritius (2016); and
- Financial Reporting Act 2004.

Targeted Audience

This report has been prepared primarily for the shareholders of Rogers and Company Limited but is also relevant to other stakeholders including the Government, regulatory bodies, prospective investors, providers of capital, customers & clients, suppliers & service providers, communities and any other stakeholder who has an interest in the performance of the Group.

Forward-Looking Statements

Our report contains certain forward-looking statements with respect to the Group's financial conditions, results, operations and businesses. These statements and forecasts involve risk and uncertainty and are based on management assumptions which may change in the future. These could cause actual performance to differ from the information expressed or implied by these forward-looking statements.

External Audit and Assurance

An independent audit of the Group's and Company's separate financial statements was performed by BDO & Co. They also report on the extent of compliance with the Code of Corporate Governance. The rest of this integrated report has not been subject to an independent audit or review and is derived from the Group's internal sources or from information available in the public domain.

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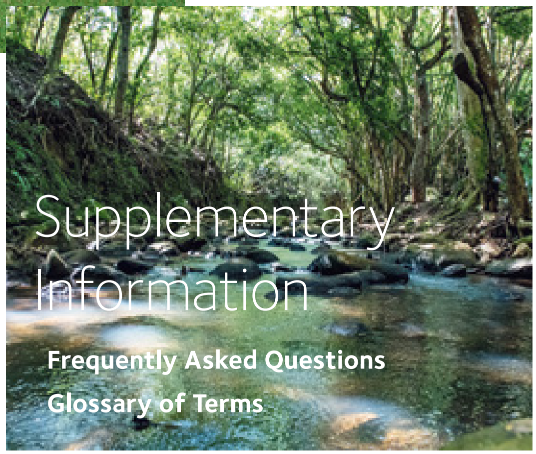
Financial Performance



Supplementary Information

Rogers at a Glance

Our Group

Stepping into its 120th year of operations, Rogers and Company Limited positions itself as a listed international services and investment company. We are acknowledged for our pioneering and leading contribution to the economic development in Mauritius and strive towards sustainability. We are also a prominent employer in the services sectors in Mauritius with a strong emphasis on the value of our social and natural capital.

Our edge

Over the years, we have built a sound asset base as well as a quality network of contacts and partners. The expertise of our united, competent and balanced team is widely recognised and our Group maintains a significant market share in each of our served markets.

Our capabilities

Our domestic and international operations are spread across four served markets: FinTech, Hospitality, Logistics and Property. We have extensive specialist expertise in these markets and all the businesses within our different sectors have a strong leading industry position.

Our values

Leadership, Dynamism and Agility are the core values that are embedded in our every action. It is fundamental in the way we conduct business and engage with our stakeholders. We uphold the belief that Energy drives everything within our Group, from Dynamism to Inspiration, Agility, Performance, Sustainability and Happiness.

Total revenue
Rs m 9,472 (↑**9**%)

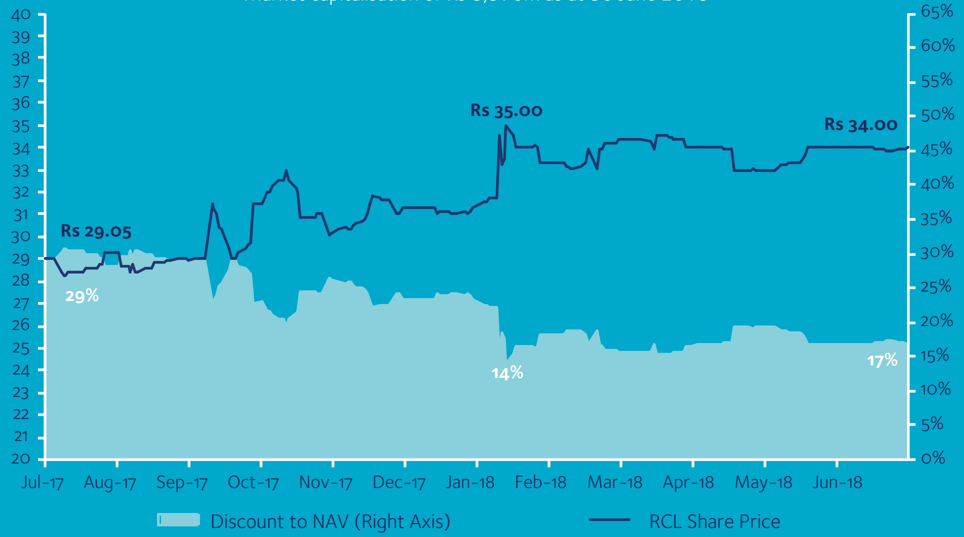
EBITDA*
Rs m 2,065 (↑**2**%)

PAT*
Rs m 901 (↓**6**%)

* Excluding exceptional items

Evolution of Share Price & Discount to NAV

Market capitalisation of Rs 8,570m as at 30 June 2018



* Excluding exceptional items

Total Assets

Rs m

33,608

(↑7%)

DPS Rs 0.97 (↑5%)

EPS* Rs 1.58 (↑20%)

Demographics**

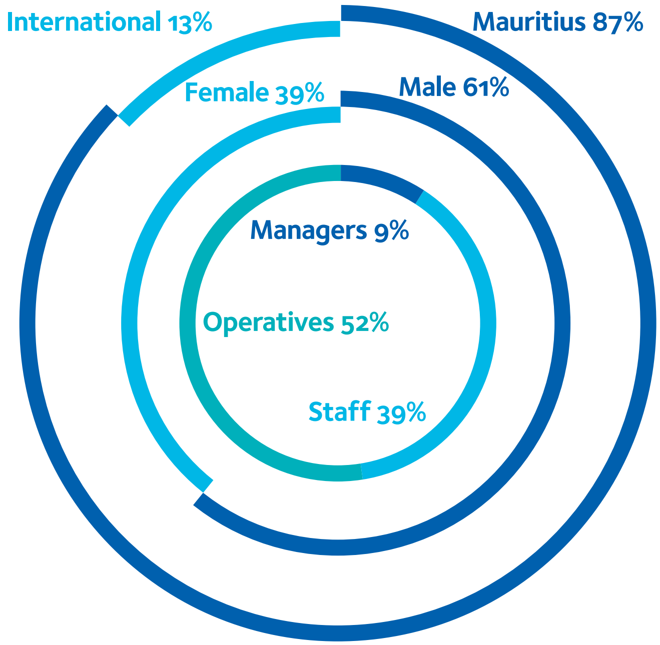
5,013 Employees

110 Workplaces

16 Nationalities

13 Countries

4 Served Markets



Geography

Mauritius	International
4,360	653

Gender

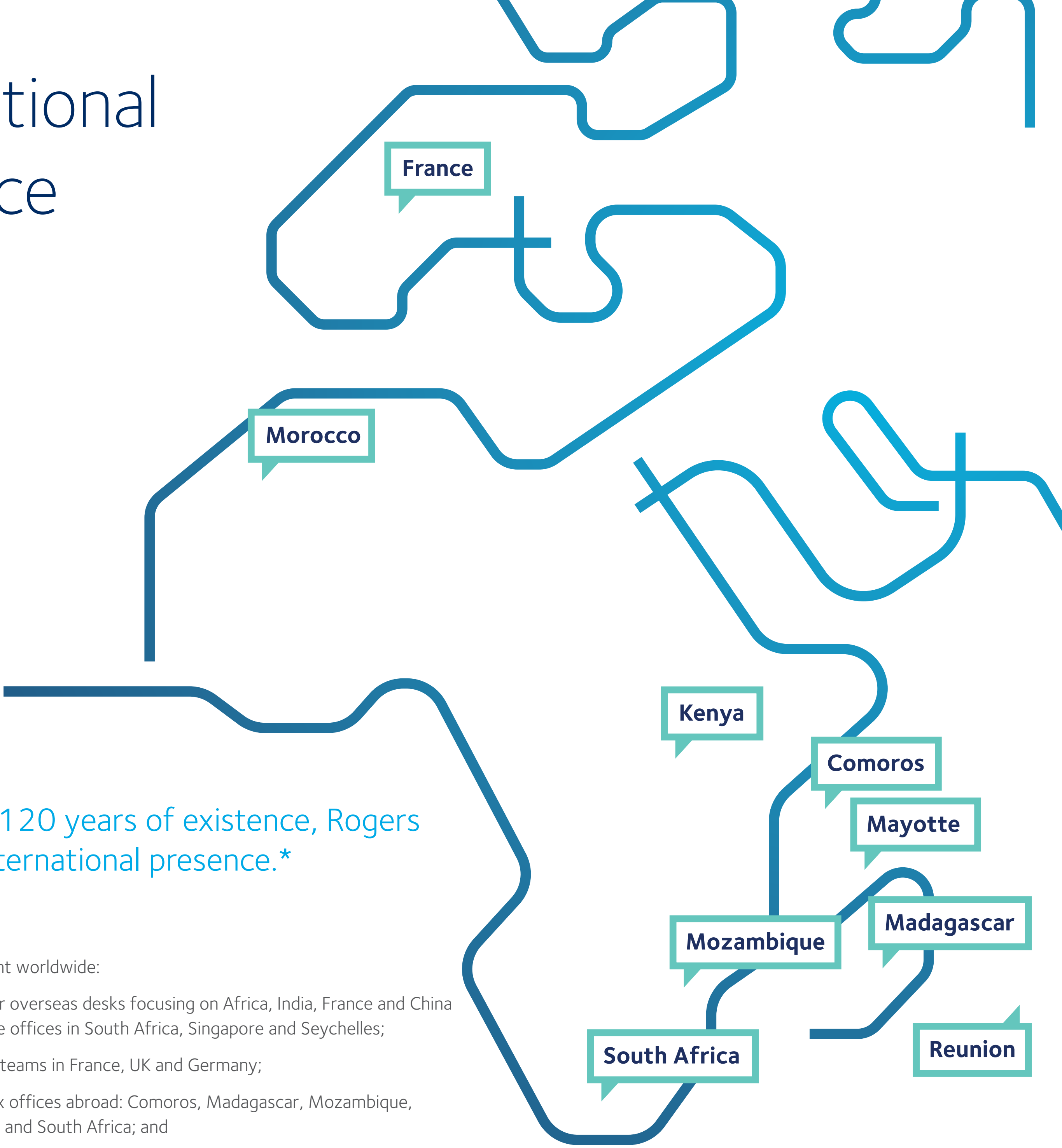
Male	Female
3,076	1,937

Category

Managers	Staff	Operatives
461	1,943	2,609

** Excluding associates

International Presence

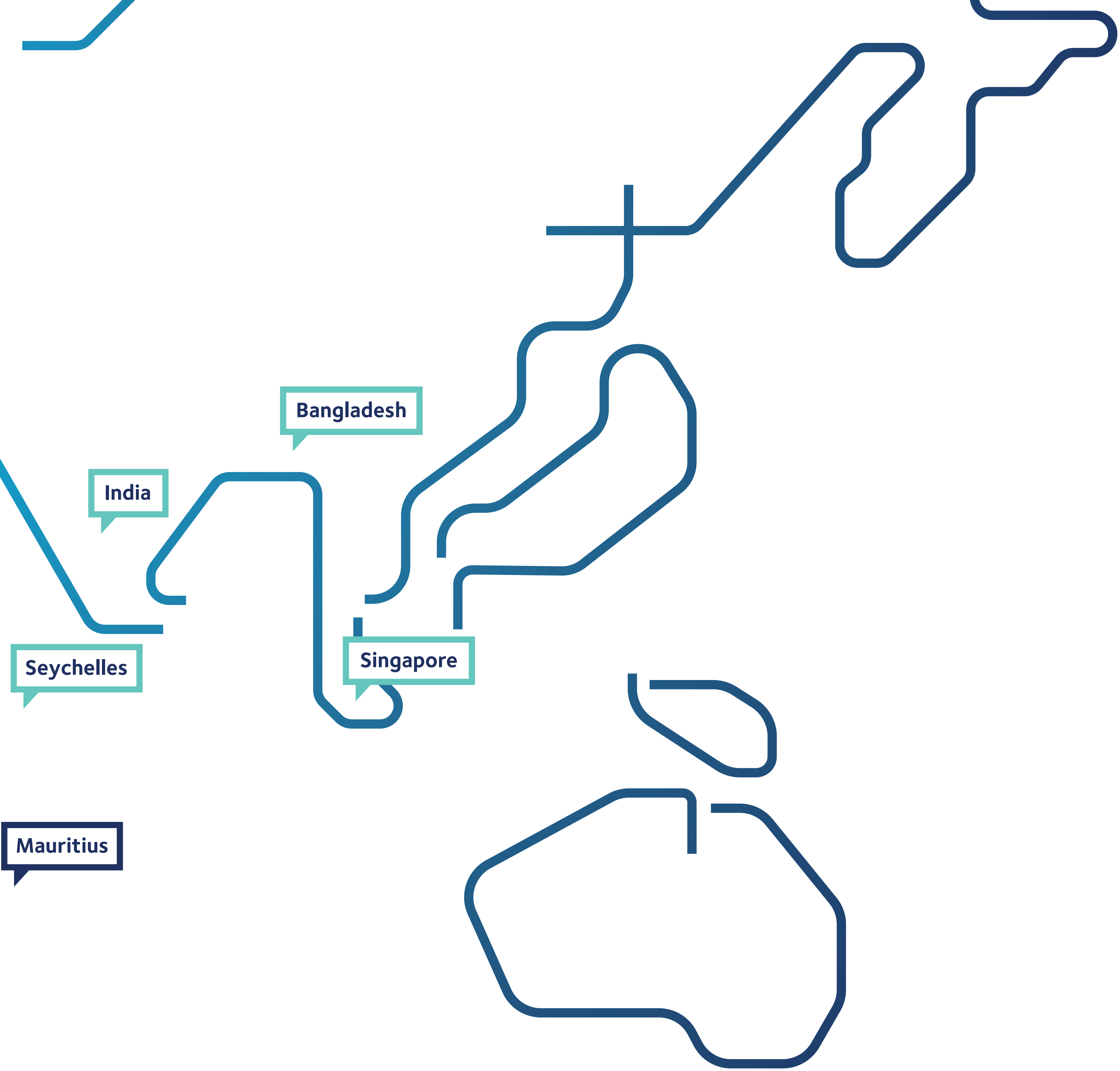


With just over 120 years of existence, Rogers has a strong international presence.*

The Rogers brand is present worldwide:

- **Rogers Capital** has four overseas desks focusing on Africa, India, France and China and three representative offices in South Africa, Singapore and Seychelles;
- **VLH** currently has sales teams in France, UK and Germany;
- **Rogers Aviation** has six offices abroad: Comoros, Madagascar, Mozambique, Mayotte, Reunion Island and South Africa; and
- **Velogic**'s offices are present in well-established strategic locations such as Reunion Island, Madagascar, Kenya, France, India and Singapore. Velogic has a franchise office in Bangladesh and it also represents the UPS brand through agents in Seychelles, Comoros and Mayotte.

* Including associates


Bangladesh
India
Seychelles
Singapore
Mauritius

Group Structure

	FINTECH	HOSPITALITY
SERVED MARKETS	• Operating under the Rogers Capital brand, our FinTech platform provides services in three sectors. • Rogers also directly holds a 29.37% stake in Swan General and a 20% holding in Swan Financial Solutions.	• The Hospitality served market provides a vertical integration of services which includes Hotels, Travel and Leisure. • Through our operations in VLH and a 22.98% equity investment in NMH, Rogers is a major player in the tourism industry, accounting for more than 20% of total rooms available in Mauritius.
SECTORS	**Corporate Services** **Technology Services** **Financial Services**	**Hotels** **Travel** **Leisure**
MAIN COMPANIES	**Rogers Capital**	**Veranda Leisure & Hospitality** **Rogers Aviation** **Island Living**
KEY INVESTMENTS	Swan General Swan Financial Solutions	New Mauritius Hotels Air Mauritius Mautourco

LOGISTICS

- Our Logistics arm, Velogic provides an integrated logistics platform with services consolidated under Port and Haulage Services, Freight Forwarding, Shipping and Sugar Packaging.

Logistics Solutions

Velogic

PROPERTY

- The property portfolio includes our 36.25% equity investment in Ascencia, the largest property fund listed on the Stock Exchange of Mauritius, as well as our agricultural, property and leisure activities carried out in Heritage Bel Ombre.

Property Investments

Property Development & Agribusiness

Ascencia

Compagnie Sucrière de Bel Ombre

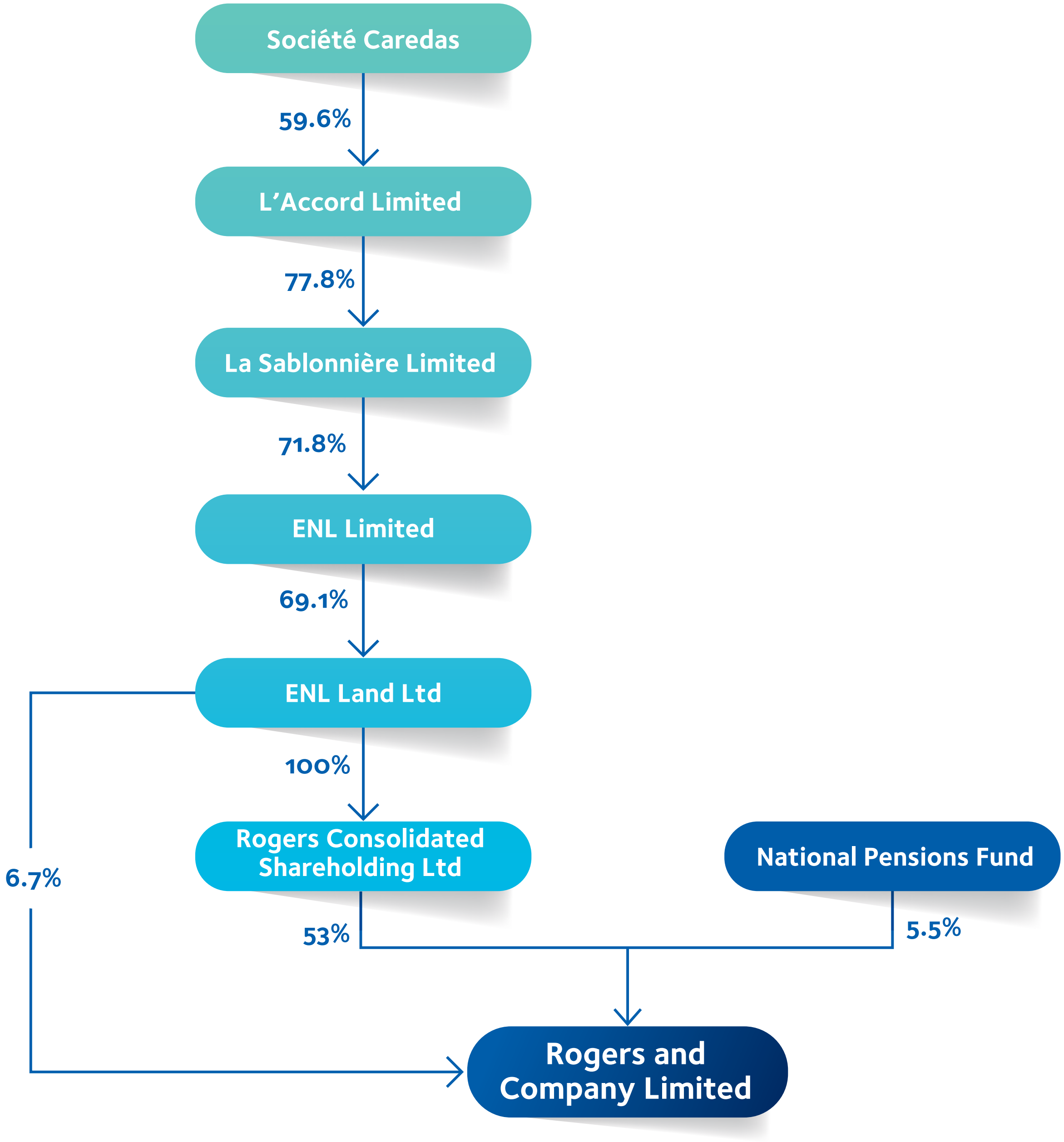
Les Villas de Bel Ombre

Moka City

Le Morne Development Corporation ('LMDC')

Shareholding Structure

as at 30 June 2018



Value Creation Map

Financial
- Equity raising
- Debt financing
- Reinvestment

Human
- Strong leadership team
- Skills and career development
- Engaged workforce

Intellectual
- Culture shaping
- Brand and reputation
- Systems

STRATEGIC MAP

BUILDING A LEADING SERVICES AND INVESTMENT BUSINESS FOCUSED ON FOUR SERVED MARKETS

Served Markets | **Strategic Objectives** | **Achievements in 2017-18**

FinTech

Expand FinTech services with new credit offering and innovative solutions.

Corporate Services
- Acquisition of Globefin Management Services;
- Launch of a China desk;
- Launch of French payroll and HR services.

Financial Services
- Successful go-to-market on Hire Purchase, Leasing & Loans;
- Fund management of largest listed property fund, Ascencia.

Technology Services
- Successful ERP systems integration in public sector;
- National engagement survey powered by Rogers Capital Technology Services ('RCTS');
- New digital capability.

Hospitality

Enhance the customer experience and scale-up of our Leisure & Hotel businesses.

Hotels
- Launch of new Heritage brand for Bel Ombre activities;
- Renovations completed for Heritage Le Telfair, Heritage Awali, Heritage Le Château and Veranda Paul et Virginie;
- A successful beach erosion containment and lagoon protection in Bel Ombre;
- Successful reopening and repositioning of Veranda Paul et Virginie as a 4-star;
- Successful AfrAsia Bank Mauritius Open in November 2017 at Heritage Resorts providing huge international visibility to Heritage Resorts, Bel Ombre and Mauritius.

Travel
- Consolidation of ground handling activities in Mozambique and Madagascar;
- Launch of the new online tour operating concept, Islandian;
- Turnaround of BlueSky Reunion;
- New GSA representations in Mauritius and Mozambique.

Leisure
- Creation of Leisure pole with acquisition of Island Living and its minority stakes in Voilà Hotel and Seafood Basket;
- Cap D'Abondance has now taken over the management of Compagnie Sucrière de Bel Ombre ('CSBO') and Case Noyale's leisure activities;
- Continued good performance of "Quick Service Restaurant" ('QSR') brands;
- Year-on-year growth for select service, mid-scale Voilà Hotels brand.

Logistics

Improve performance of our existing service lines.

Logistics
- Completion of transition of the new regional courier representation;
- Launch of freight forwarding business in Kenya.

Property

Re-invent our Agribusiness operations.

Consolidate Ascencia's portfolio in the retail segment and secure new avenues of expansion.

Property Investments - Ascencia
- Roll-out of new brand identity;
- Opening of So'flo Mall in November 2017;
- Entry of Atterbury Consortium (Pty) Mauritius into the share capital of Ascencia;
- Installation of photovoltaic farms with capacity of 3 MW at Phoenix Mall.

Property Development & Agribusiness
- Launch of an umbrella brand for the Bel Ombre destination;
- Execution of land sale;
- Initiation of turnaround plan;
- Transfer of leisure properties for management by Island Living.

STRATEGIC PILLARS: COMPETITIVENESS, PREDICTABILITY AND GROWTH

GROUP LEVERAGE: BRANDING, CORPORATE GOVERNANCE, FINANCING, LEADERSHIP, RISK MANAGEMENT & VALUES

Financial
- Access to competitive financial capital
- Optimisation of resources towards served markets
- Delivering shareholder return

Human
- Top-of-mind employer
- People development (skilled and engaged employee base)
- Positive and empowering climate

Intellectual
- Enabling organisation culture which drives Leadership, Agility and Dynamism
- Strong brand image
- Robust systems supporting our operations

VALUE IN

Social & Natural

- Customer relationships
- Stakeholders' confidence
- Corporate Social Responsibility

Targets in 2018-19

Main Risks impacting objectives (Refer to page 75)

Corporate Services
- Representative offices in India and France;
- Fully licenced management company in Seychelles.

Technology Services
- New commercial and development plan;
- New high value offering in Information Security;

Financial Services
- Introduction of factoring services and further digitalisation of consumer finance offerings;
- Launch of an electronic payment solution (subject to regulatory approvals);
- Corporate advisory for Global Business customers.

Main Risks: A B C E G H I

Hotels
- Renovation (started April 2018) and relaunch of Veranda Tamarin (reopening 01 November 2018);
- Start construction of Heritage second 18-hole signature golf course and sales of memberships;
- Completion of inventory growth opportunities in Mauritius and the region;
- Experience enhancement projects at Heritage C Beach Club, Heritage Le Château, Heritage Le Telfair and Heritage Awali;
- Initiation of Bel Ombre Voluntary Marine Conservation Area ('VMCA');
- Creation of Heritage Hotel School in Bel Ombre;
- Guest experience enrichment at Heritage Bel Ombre with new activities, product offerings and events.

Travel
- Opening of new territory for GSA;
- Repositioning of BlueSky lounge for leisure travel;
- Leverage on Amex franchise for corporate travel;
- Revamping of experiences for boat activities;
- Expansion of ground handling activities in Africa.

Leisure
- Launch of Domino's Pizza brand;
- Launch of Seeloy Island Clubs brand;
- Implementation of online bookings for destination restaurants and leisure brands;
- Point of sale upgrade;
- Upgrading of digital dashboards.

Main Risks: B C E G H J

Logistics
- Completion of turnarounds for the Haulage and France businesses;
- Expansion in East Africa;
- Continued development of the regional courier business.

Main Risks: B C D G H I

Property Investments - Ascencia
- Extension of Bagatelle Mall;
- Construction of mall at Beau Vallon (projected 10,000 sqm);
- Carry on with green mall campaigns.

Property Development & Agribusiness
- Accelerate the agricultural diversification programme;
- Position Chamarel 7 Coloured Earth as a Geopark destination.

Main Risks: B C D E G

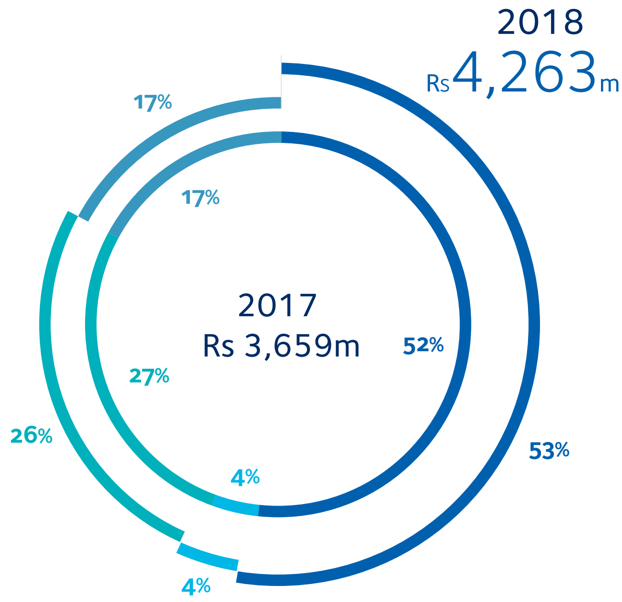
Social & Natural

- Sustainable protection of natural resources
- Focused support and monitoring of projects
- Caring community development

VALUE OUT

OUTCOMES

(Consolidated Value Added Statement)



Rs m	2018	2017 Restated
Revenue	**9,472**	8,663
Bought-in materials & services	**(5,209)**	(5,004)
Total value added	**4,263**	3,659
EMPLOYEES, 53%		
Wages, salaries, bonuses, pensions & other benefits	**2,253**	1,908
GOVERNMENT, 4%		
Income Tax	**190**	165
PROVIDERS OF CAPITAL, 26%		
Dividends paid to:		
- Shareholders of Rogers and Company Limited	**245**	232
- Outside shareholders of Subsidiary Companies	**291**	215
Banks & other lenders	**550**	539
REINVESTED, 17%		
Depreciation & amortisation	**424**	353
Retained Profit	**310**	247

Note: The above statement excludes any amount of Value Added tax paid or collected.

Stakeholder Engagement

Stakeholders	Expectations	Response
Shareholders, Investors, Regulatory bodies and Providers of Capital	• Sustainable growth in shareholders' equity; • Responsible management with transparency; and • Sustainable interest cover and debt levels.	• An experienced Board of Directors consisting of Executive, Non-Executive and Independent Non-Executive Directors to encompass the whole spectrum of the Group's activities; • An established Risk Management and Audit Committee ('RMAC') which oversees the soundness of financial, operational, compliance and strategic risk management; • A Corporate Governance Committee ('CGC'), also acting as Nomination and Remuneration Committees, ensures that the Group complies with the provisions of the National Code of Corporate Governance; • Rogers has no formal dividend policy. Payment of dividend is subject to the profitability of Rogers, its foreseeable investment, capital expenditure and working capital requirements; • Financial performance is reported in a timely manner to the authorities and to the public on a quarterly basis. Additional resources have been deployed in the Marketing and Communication Department to enhance communication through our website and other forms of media; • Rogers organises Investors Briefing twice a year to present analysts, stockbrokers, fund managers, bankers and other financial experts its half-yearly and yearly results and to discuss the Group's strategy and outlook; and • An updated medium-term strategic plan that guides the resource allocation to sectors, both in terms of investment and working capital needs.
Employees, Trainees and Alumni	• Career growth opportunities; • Professional development (Training, coaching, mentoring and cross-exposure); • Job engagement and recognition; • Market-related terms of employment and benefits; • Safe, sound and enabling work environment; and • Positive employee experience.	• The Rogers Management model focuses on the performance and development of our People; • Internal mobility and career progression philosophy; • Culture building programmes across sectors; • Group-wide skills development initiatives; • Competitive remuneration and employment conditions; • Pension benefits, Medical plan and Insurance cover provided to all employees; • Group code of ethics and personal conduct; • Annual Health and Wellness events; • Group-wide engagement surveys and action plans; • A remuneration benchmarking is carried out every 2 years; • Rogers Leaders Award and sector specific recognition programmes; and • Executive directors are not remunerated for serving on the Board and its committees. Their remuneration package as employees of Rogers, including their performance bonus, which are aligned to market rate are disclosed in the table set out on page 37. Such package is reviewed and approved by the Corporate Governance Committee of Rogers on an annual basis.

Outcomes

Capital Impacted

Events during the year

- Sep-17: Investors briefing (Presentation of 30 June 2017 results);
- Oct-17: Annual Meeting of Shareholders;
- Nov-17: Publication of first quarter results and declaration of Interim dividend (Rs 0.34 per share);
- Dec-17: Payment of Interim dividend;
- Feb-18: Publication of second quarter results and investors briefing (Presentation of half-yearly results for financial year 2017-18);
- May-18: Publication of third quarter results;
- Jun-18: Approval by the Board of the budget plan for financial year ending 30 June 2019 and declaration of Final dividend (Rs 0.63 per share); and
- Jul-18: Payment of Final dividend and Rogers re-integrated the SEM-10 Index.

Committee meetings held in 2017-18

- 5 board meetings;
- 5 RMAC; and
- 3 CGC.

Key Performance Metrics

- An increase in Profit attributable to shareholders to Rs 554m (2017: Rs 479m);
- A growth of 5% in total dividends paid (Rs 0.97 per share) representing a total of Rs 244m;
- Share price appreciation of 17% to Rs 34.00 yielding a market capitalisation of Rs 8,570m as at 30 June 2018;
- A debt to equity ratio of 0.56 against 0.52 last year; and
- Interest cover of 3.0x against 3.1x in 2017.

Financial

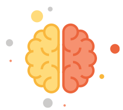
Human Capital Development and Value-add

- 2,698 employees trained (2017: 2,480);
- 3 man days per trained employee (2017: 2 man days);
- Rs 31m training investment (2017: Rs 26m);
- Training investment of Rs 11,587 per employee;
- Investments in training covered 66% of employee base (2017: 55%); and
- +2% on employee engagement survey.

Top 3 training areas

- Technical skills;
- Leadership skills; and
- Customer service.

Human



Intellectual

Stakeholder Engagement

Stakeholders	Expectations	Response
Customers and Clients	• Strong brand image and reputation; • Representation of internationally recognised brands; • Customer satisfaction through interacting processes; • Innovating capabilities; • Adherence to intellectual property rights such as Patents and Trade Marks; and • Staff competencies and skills.	• Enhance Rogers brand's visibility locally and internationally; • Focus on communication with coordination at all levels; • Establishment of a process to obtain useful information on brand image and customer loyalty; • Enlarged offering through our integrated services, such as a one-stop shop for Travel, Accommodation and Leisure provided for in the Hospitality served market; • Customer Relationship Management in place; and • Investment in skills, processes and technology.
Suppliers and Service Providers	• Favourable contract terms and timely payment; and • Promoting joint growth opportunities in a responsive and mutually respectful manner.	• Regular communication with major suppliers; • Develop sustainable business relationships; and • Opportunities for cross-selling across the Group.
Government and Authorities	• Support to Government initiatives; • Consultative dialogue and propositions; and • Participate in the development of the country in a sustainable way.	• Regular dialogues conducted with Ministers and relevant authorities; • Participation in pre-budgetary consultations; • Participation in Business Mauritius; • Contribution to national welfare and national events; • Responsible management with transparency; and • Engagement in Environmental, Social and Governance.
Communities, Authorities and NGOs	• Responsible corporate citizenship integral to the community and the environment in which our businesses operate; • Responsiveness to concerns and impacts on social and environmental issues; • Operations conducted in a safe and lawful manner; • Investment in community infrastructure and development; and • Contributing responsibly and transparently to broader societal interests.	• Cooperation and networking with the authorities and private sectors; • Commitment to finding beneficial solutions to identified social concerns like poverty and education; and • Effective coordination of our CSR initiatives with the aim of improving the socio-economic conditions within neighbouring communities.

Outcomes	Capital Impacted
• Enhanced brand image through our "Energy drives everything" campaign; • Digitalisation of offerings to enhance customers' experience; • Organisation and participation in Seminars, Conferences and Events (e.g. Rogers Aviation participated in the 'Salon du Prêt-à-Partir' and Rogers Capital in the 'Salon de l'Automobile'); • Opening of new desks and offices (e.g. China and French desks for Rogers Capital); • Represent some 52 local and international brands (Refer to pages 32 and 33 for our main brands); and • Strong sub-brands that are closer to the market.	Financial, Intellectual
• Roadshows organised with partners (e.g Rogers Business forum organised in Paris which looked at bringing together experts in financial services and luxury property); and • Communication through our magazines (such as Présence, Network and E-network) and our website.	Financial, Intellectual
• Participated in the 50 years' celebrations of independence through a dedicated campaign towards Sustainability; • Contributed to the Vision 2030 initiative of the Government; • The Group CEO is currently the President of the Sustainability and Inclusive Growth Committee which is focusing on a number of sustainability areas (Energy and Transport, Waste management, Lagoon and Coastal Beach preservation, Poverty alleviation through inclusion, Smart agriculture and Sustainable Cities and Communities) in collaboration with the Government and relevant authorities; • Participation in the Festival of Contemporary Nature, Port Louis by Nature; • Tax contribution of Rs 190m for financial year 2017-18; and • Other initiatives are elaborated in the Energy drives sustainability on page 18 to 23.	Financial, Human, Social & Natural
• Refer to the Energy drives sustainability section on page 18 to 23 for initiatives on social and natural capital.	Financial, Human, Social & Natural

Energy drives sustainability.

When leading with the intention of making a meaningful impact, the word 'Sustainable' is the one that comes to mind. Over the years, we have realised that we would have to find new ways to protect our social and natural capital in order to chart a future for the welfare of our citizens and businesses. For us at Rogers, the increase in our stakeholders' plea has added to our growing consciousness of the need for greater sustainability and for the implementation of responsible business practices.

The UN Global Compact Yearbook 2017 featuring the Rogers Group best practice article on sustainable mechanisms has captured the attention of observers worldwide. Indeed, our efforts for sustainable and integrated development in the Bel Ombre region have put the spotlight on us, while influencing the whole island.

As demonstrated by our actions, we firmly believe that our deployed Energy truly 'drives sustainability' in the country. In this vein it is heartening to observe the amount of effort currently driven by a wide variety of stakeholders. Indeed, amongst others, the Business Mauritius Commission on Sustainability and Inclusive Growth is succeeding in uniting towards reinforced sustainable efforts. As part of these efforts, members of the business community are working together to make a difference in a pragmatic fashion.

Within this broader context of collaboration, I am proud to present the environmental, social and cultural initiatives that accompanied our Group's business activities throughout this financial year. As we refine our diagnostic, further progress towards enhanced sustainable and inclusive practices are expected in the forthcoming financial year.

Philippe Espitalier-Noël

At Rogers, we take into account three important dimensions; Environmental, Social and Cultural that all intertwine to meet the present needs of our stakeholders without compromising future generations

CSR & Sustainability initiatives 2017-18

ENVIRONMENTAL

- Educational awareness on Marine and Coastal environment with Bis Lamer
- Rogers Capital cleans-up 'Les Salines' in Port Louis
- Our CEO as Chairman of the Business Mauritius Commission on Sustainability and Inclusive Growth
- 9 Eco-schools received awards for their green attitude
- Earth Hour movement at Heritage Le Telfair
- Rogers CSR & Sustainability Manager sets an example with 100 % electric car

"Bis Lamer"
26,945
marine and coastal awareness (Adults & Students)

"Renault Zoë"
100%
electric - autonomy 400Km

- Support to NGO called Project Rescue Ocean Mauritius for regular beach cleans-up around Mauritius
- Electrical and electronic waste recycling initiative by Rogers Group
- 2,000 in-room copies of Lagoon Directories for Heritage Resorts Guests
- 2 'plogging' initiatives in Port Louis
- Beach rehabilitation at Heritage Resorts
- "Hip Hip Hip, No Waste" campaign & 50 Eco-moves

- Heritage Resorts obtains Green Key accreditation 2nd year in a row
- Social and Environmental Responsibility engagement of Ascencia through a Green market at Bagatelle Mall
- CSBO produces its first smart agriculture vegetables
- "The Last Straw" campaign at Ocean Basket and 'Refuse the Straw' initiative at Heritage Resorts
- "One swing, one piece of waste collected" - sums up the "We Swing for our Coast" campaign
- Integrated Annual Report 2018: reduction of 30% of printed pages as compared to 2017

"We Swing for our Coast"
845 kgs
of waste collected at the foot of Chamarel Waterfall

SOCIAL

- Ongoing community support to Cité Sainte Catherine
- Fund and support to a Rugby club in Bel Ombre by Heritage Villas Valriche
- Aid to poverty alleviation programmes through Lovebridge
- Continuous support to Centre d'Éveil, Bel Ombre

" Centre d'Éveil food programme"
50 students
12,160
free meals

"Lovebridge"
18
families accompanied

- Support to "'La Boul' du Kap", pétanque club in Bel Ombre by Heritage Villas Valriche
- Supporting Beekeepers in Rodrigues
- Partnership between Velogic and Caritas for a community garden
- Social needs analysis by Veranda Resorts to identify social issues in Tamarin region

CULTURAL

- Watercolor drawings on "Nature, Art & Science" by Malcy de Chazal-Moon sponsored by Rogers Foundation
- Tikoulou reprint of "The Legend of Bel Ombre"

"Tikoulou"
6,000
free copies
3,000
sold

"Ti SOLO Grand Héros"
50
children from Rodrigues illustrated the story

- "TI SOLO Grand Héros" supported by Rogers Foundation
- Rogers sponsors European Tour for Patyatann

HIGHLIGHTS FOR 2017-18

"HIP HIP HIP, NO WASTE" CAMPAIGN

We marked the 50th anniversary of the Independence of Mauritius through a series of green initiatives running from March to December 2018.

Striking a patriotic chord among the Mauritian people, the "Hip Hip Hip, No Waste" campaign has five different strands: 'plogging' (jogging while picking up trash) in the streets of Port Louis to raise awareness and sensitise the public on waste disposal; an interactive website displaying 50 simple eco-moves; a short clip on waste and energy management, awareness raising and resolution through concrete actions; nature preservation; and energy efficiency and sustainable natural resource use.

The initiatives include the launch of an electrical and electronic waste recycling programme across the Group, in line with the recommendation of the Business Mauritius Commission on Sustainability and Inclusive Growth.

The three Ocean Basket outlets in Mauritius also decided to discontinue the use of plastic straws since May 2018. The restaurants joined 'The Last Straw' campaign's fight against plastic straws to cement their status as responsible ocean citizens.

HIP HIP HIP
Rogers
NO WASTE

Energy drives Sustainability

The 27-year-old inspirational speaker and World Blind Golf Champion Jeremy Poincenot kick-started the "We Swing for our Coast" campaign

SWINGING FOR OUR COAST

Rogers launched the "We Swing for our Coast" campaign in September 2017 ahead of the AfrAsia Bank Mauritius Open. Our employees were invited to practice their swing by hitting a golf ball into a special net.

For each 20 swing made, Rogers Foundation engaged to collect pieces of trash from the beaches and rivers of the South-West of Mauritius.

This project, which ran from September to December 2017, was also used to create awareness on marine conservation in each subsidiary of the Group. The 27-year-old inspirational speaker, coach and World Blind Golf Champion Jeremy Poincenot was the ambassador for the campaign.

'Plogging' in the streets of Port Louis

INNOVATIVE COASTAL PROTECTION MEASURES

For the first time in Mauritius, four hotels joined efforts in restoring the Bel Ombre coastline, after a lagoon and beach survey carried out in 2016 showed substantial erosion in the area. The initiative benefited from the contribution of the oceanographer Professor Kerry Black and the international marine ecologist Iain Watt.

The restoration work carried out between May and September 2017 consisted in stabilising the beach shoreline and reducing the impact of wind and currents. The innovative and sustainable approach comprised the modernisation of storm water outfalls, introduction of artificial reef structures, replenishment of beach sand and educating and engaging the local communities. The Reef Conservation NGO will conduct environmental monitoring and reporting on a quarterly basis over the next three years.

On 28 October 2017, via the "We Swing for our Coast" campaign we collected 845 kgs of trash accumulated at the Chamarel Waterfall in Chamarel 7 Coloured Earth Geopark. Several partners participated in this project including the Groupe d'Intervention de la Police Mauricienne ('GIPM'), volunteer trekkers from Rando Trail & Nature, Belle-Verte and Institut du Bon Pasteur staff and employees of companies forming part of the Esprit de Chamarel Association.

The restoration work carried out on the Bel Ombre coastline consisted in stabilising the beach shoreline

CLEANING UP MAURITIUS

On 04 August 2017, employees of Rogers Capital took part in a half-day activity to clean up waste that had accumulated around the Robert Edward Hart garden in Les Salines, Port Louis.

Employees of Veranda Leisure & Hospitality ('VLH'), Heritage Resorts and volunteers from the surrounding communities in Grand Gaube, Grand Bay and Pointe aux Biches teamed up during the weekend of 03 and 04 March 2018 to tidy up the beaches, roadsides and villages in the vicinity of the hotels.

The VLH organised the collection of used household appliances and a sustainable development awareness campaign in schools.

The Group also supports Project Rescue Ocean, an association whose aim is to raise awareness among the public, especially the youngest, about the state of the coasts. The actions of the association include regular beach clean-ups around the island.

Cleaning up at Chamarel Waterfall

Energy drives sustainability.

GIVING A BOOST TO ARTS AND SPORTS

After sponsoring the launch of Patyatann's first album in 2016, Rogers continued its support to the homegrown music band by funding their air tickets to participate in festivals in Switzerland and France.

The Rogers Foundation sponsored the publication of "Nature, Art & Science", in 2017 by Nelly and David Ardill. This compilation of 162 botanical drawings, by the 19th century Mauritian-born watercolourist Malcy de Chazal-Moon, has strong literary and educational values and is in line with the Foundation's mission to raise awareness about regional environmental issues.

In the sports area, Heritage Villas Valriche provides funding and support to the U11 and U13 rugby teams in Bel Ombre and helped "'La Boul' du Kap", a pétanque club in the same region.

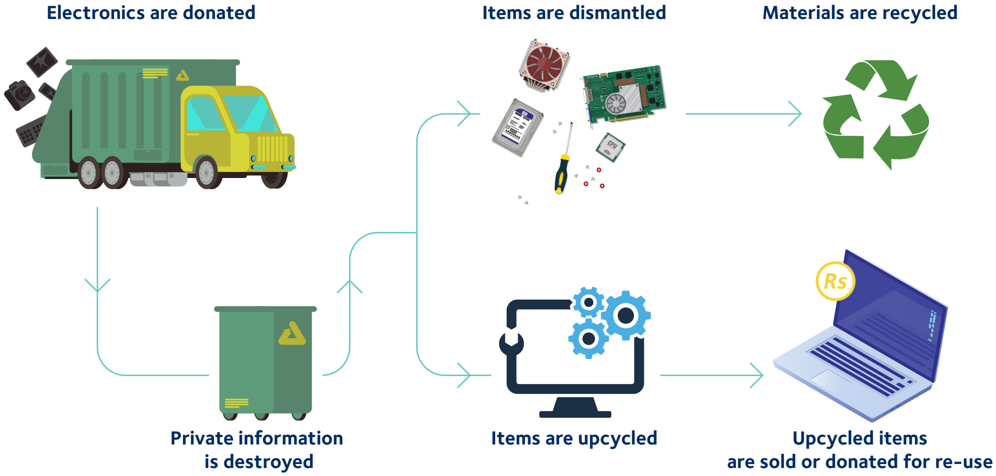
Rogers had a hand in Patyatann's tour in Switzerland and France by funding their air tickets

TAKING THE SUSTAINABILITY COMMITMENT FURTHER

In March 2017, our Group CEO was appointed Chair of Business Mauritius Commission on Sustainability and Inclusive Growth.

The committee focuses its efforts on the areas of energy and transport, waste management, lagoon and beach preservation, poverty alleviation through inclusion, smart agriculture and sustainable cities and communities.

It also strives to encourage private sectors' participation in community development and ensures coherence and coordination between the private and public sectors on these matters. This appointment is in line with the Group's commitment to sustainability and environment protection.



Celebration of World Environment Day at Bagatelle Mall

GREEN MARKET AT BAGATELLE MALL

Ascencia celebrated the World Environment Day by holding its first Green Market from 08 to 10 June 2018 at Bagatelle Mall. Visitors had the opportunity to discover the many facets of organic and all-natural products, the benefits of recycling and herbal cosmetics, among others.

The Mauritian Wildlife Foundation seized the opportunity to sensitize on the damages caused by plastic waste.

WORKING TOWARDS POVERTY ALLEVIATION

Rogers has continued its contribution to poverty alleviation through various programmes including its support to Lovebridge, an NGO involved in the fight against extreme poverty under the aegis of Business Mauritius.

Rogers also helps “Les Tilous”, a pre-school in Bel Ombre managed by the Caritas NGO, which welcomes children aged between 2 to 3 years old.

In the same region 50 school children from Bel Ombre and Baie du Cap are offered a free meal daily through social workers from Caritas, to assist their healthy development and encourage school attendance.

An ongoing three-year community enhancement project is co-sponsored by Rogers, Eclosia and ENL Foundation at Cité Sainte Catherine, Saint Pierre.

Velogic is backing a community vegetable garden project launched by Caritas in Roche Bois to promote backyard gardening.

SUPPORTING BEEKEEPERS IN RODRIGUES

In March 2018 Sukpak Ltd, Velogic’s subsidiary specialising in sugar packing for export, shipped 400 kgs of sugar sweepings to the Care-Co Rodrigues beekeepers, intended to feed honey bees to compensate for the shortage of pollen outside the flowering period.

This is a good example of circular economy as the sweepings, a waste in sugar packing, are turned into raw material in the production of honey.

Sukpak Ltd is also a member of the Sedex platform, which promotes ethical and socially responsible business practices.

REWARDING YOUNG ECO-CITIZENS

9 out of the 99 schools in Mauritius and Rodrigues taking part in the Eco-Schools programme have been awarded the Green Flag status for achieving a series of environmental and educational criteria.

This programme created by the Foundation for Environmental Education is led in Mauritius by the Reef Conservation NGO, with the support of the Indian Ocean Commission and the Rogers Foundation. Twenty-five other schools that made significant progress received the Silver Award and 22 others the Bronze Award.

Award ceremony for the Eco-Schools programme

For further information on our sustainable initiatives, please visit our website www.rogers.mu

Leadership

Board of Directors

ADAM, GUY (GA) (Born in 1950)

Non-Executive Director

APPOINTMENT
05 October 1994
Member of Corporate Governance Committee
since 18 January 2012

QUALIFICATIONS
- Doctor of Medicine (MD)
- Fellowship of the Royal College of Surgeons (FRCS)

CONTINUING PROFESSIONAL DEVELOPMENT
- Corporate Governance Seminar organised by CIEL 2016
- The National Code of Corporate Governance for Mauritius (2016) workshop – Dr Chris Pierce

ESPITALIER-NOËL, ERIC (EEN) (Born in 1959)

Non-Executive Director

APPOINTMENT
02 February 1994
Member of Corporate Governance Committee since 18 January 2012
Member of Risk Management and Audit Committee since 26 April 2017

QUALIFICATIONS
- Bachelor's degree in Social Sciences (University of Natal, South Africa)
- Master's degree in Business Administration (University of Surrey, UK)

ESPITALIER-NOËL, GILBERT (GEN) (Born in 1964)

Non-Executive Director

APPOINTMENT
15 July 1999

QUALIFICATIONS
- BSc (University of Cape Town, South Africa)
- BSc (Hons) (Louisiana State University, USA)
- MBA (INSEAD Fontainebleau, France)

ESPITALIER-NOËL, HECTOR (HEN) (Born in 1958)

Non-Executive Director

APPOINTMENT
22 December 1987

QUALIFICATIONS
Member of the Institute of Chartered Accountants in England and Wales

DIRECTORSHIP LIST
For full directorship list of the Directors, please refer to link below:
https://rogers.mu/content/board-directors

ESPITALIER-NOËL, PHILIPPE (PEN)
(Born in 1965)

Chief Executive Officer and Executive Director

APPOINTMENT

06 February 2004
Member of Corporate Governance Committee since 18 January 2012

QUALIFICATIONS

- BSc in Agricultural Economics (University of Natal, South Africa)
- MBA (London Business School)

CONTINUING PROFESSIONAL DEVELOPMENT

- The National Code of Corporate Governance for Mauritius (2016) workshop – Dr Chris Pierce

POSITION STATEMENT

Please refer to the link below
As Chief Executive Officer- https://rogers.mu/content/board-directors

HUGNIN, THIERRY (TH)
(Born in 1966)

Independent Director

APPOINTMENT

12 February 2018
Member of Risk Management and Audit Committee since 10 May 2018

QUALIFICATIONS

- Master's Degree in Computer Science and Management, University of Paris Dauphine, France
- Institute of Chartered Accountants England and Wales ICAEW
- Various professional qualifications in Investment Management industry, including IMC, UK

MAKOOND, DEONANAN (MD)
(Born in 1952)

Independent Director

APPOINTMENT

02 May 2018

QUALIFICATIONS

- BA (Hons) in Economics
- MSc in Tourism Planning

MAMET, DAMIEN (DM)
(Born in 1977)

Executive Director and Chief Finance Executive

APPOINTMENT

10 May 2017

QUALIFICATIONS

- Member of the Institute of Chartered Accountants in England & Wales

CONTINUING PROFESSIONAL DEVELOPMENT

- The National Code of Corporate Governance for Mauritius (2016) workshop – Dr Chris Pierce

POSITION STATEMENT

Please refer to the link below
As Chief Finance Executive - https://rogers.mu/content/board-directors

DIRECTORSHIP LIST

For full directorship list of the Directors, please refer to link below:
https://rogers.mu/content/board-directors

MASSON, VIVIAN (VM)
(Born in 1956)

Independent Director

APPOINTMENT
10 September 2015
Member of Risk Management and Audit Committee since 10 December 2015
Acting Chairman of Risk Management and Audit Committee

QUALIFICATIONS
- Masters in Economics (University of Paris-Assas)
- Diplôme d'Etudes Comptables Supérieures (DECS, France)

CONTINUING PROFESSIONAL DEVELOPMENT
- Consulting in MedTech industry

POSITION STATEMENT
Please refer to the link below
As Acting RMAC Chairman - https://rogers.mu/content/governance

MONTOCCHIO, JEAN PIERRE (JPM)
(Born in 1963)

Chairman and Non-Executive Director

APPOINTMENT
25 March 2002
Chairman since 25 March 2002
Chairman of Corporate Governance Committee since 19 January 2012

QUALIFICATIONS
Notary in Mauritius

POSITION STATEMENTS
Please refer to the links below
As Chairman of the Board - https://rogers.mu/content/board-directors
As Chairman of the CGC - https://rogers.mu/content/governance

RADHAKEESOON, ARUNA (AR)
(Born in 1970)

Executive Director, Chief Legal and Compliance Executive and Company Secretary

APPOINTMENT
18 October 2012

QUALIFICATIONS
- BA (Hons) in Jurisprudence (Balliol College, Oxford University)
- Solicitor of England and Wales (NP)
- Attorney-at-law (Mauritius)

CONTINUING PROFESSIONAL DEVELOPMENT
- The National Code of Corporate Governance for Mauritius (2016) workshop – Dr Chris Pierce
- GDPR - IJLS
- Bitcoin and Blockchain for the financial services industry
- Defining your Distribution Strategy as a Monopoly

POSITION STATEMENTS
Please refer to the links below
As Company Secretary - https://rogers.mu/content/governance
As Chief Legal Executive - https://rogers.mu/content/board-directors

DIRECTORSHIP LIST
For full directorship list of the Directors, please refer to link below:
https://rogers.mu/content/board-directors

RUHEE, ASHLEY COOMAR (ACR)
(Born in 1977)

Executive Director and Chief Executive Officer - FinTech

APPOINTMENT
20 July 2017

QUALIFICATIONS
- First Degree – Mathematics and Physics (Faculté des Sciences de Luminy, Marseilles)
- Masters in Engineering – Automatic Control, Electronics and Computer Engineering with specialisation in Real Time Engineering and Systems (Institut National des Sciences Appliquées, Toulouse)
- Executive education programmes at London Business School and INSEAD

POSITION STATEMENT
Please refer to the link below
As Chief Executive Officer – FinTech https://rogers.mu/content/board-directors

Executive Team

1 COTRY, ERIC

Head of Internal Audit & Risk Management

Eric is a fellow member of the Association of Chartered Certified Accountants (FCCA) with over 16 years' experience in the audit field. He started his career as external auditor with De Chazal du Mée in 1997 and has an extensive audit experience in various sectors such as property investments, hotels, sugar, retail, logistics and financial.

Eric has also worked in Rwanda as acting CFO in a commercial bank in Bernuda and Guernsey in the hedge fund industry.
Before joining Rogers, Eric was a Senior Manager at BDO in the audit division. He was appointed Head of Internal Audit & Risk Management of Rogers Group in April 2017.

2 KOENIG, RICHARD

Chief Projects and Development Executive - Real Estate portfolio

He holds a BSc in Electronic Engineering as well as an MBA. He started his career as Management Information Consultant with Andersen Consulting in South Africa and moved to Mauritius in 1993.

He joined the ENL Group in 1994 as a Corporate Executive and was subsequently appointed Chief Executive Officer of South West Tourism Development in July 2009. He was appointed Chief Projects and Development Executive in July 2017.

3 ESPITALIER-NOËL, PHILIPPE

Chief Executive Officer and Executive Director

Please refer to page 26

4 RADHAKEESOON, ARUNA

Executive Director, Chief Legal and Compliance Executive and Company Secretary

Please refer to page 27

5 EYNAUD, FRANÇOIS

Chief Executive Officer - Hotels

He holds a "Diplôme d'école de commerce". He started his career with Sagem (France) as Export Director and was subsequently appointed successively as Country Manager of Sagem in the Caribbean Islands and in England.

He returned to Mauritius in 1991 to join Ciel Textile as Marketing Director and was promoted as Executive Director of Tropic Knits in 2000. He was appointed Managing Director of Veranda Resorts in August 2008 and Chief Executive Officer of VLH Group in October 2010. François was President of l'Association des Hoteliers et Restaurateurs de l'Ile Maurice (AHRIM) in 2013 and 2014.

6 RUHEE, ASHLEY COOMAR

Executive Director and Chief Executive Officer - FinTech

Please refer to page 27

7 STEDMAN, RICHARD*

Chief Executive Officer – Leisure

Richard graduated from the "Ecole Hotelière de Lausanne" in 1983 and had a 21-year career with Hyatt International. After holding various senior operational positions, he became a General Manager, specialising in openings as well as Resort management under the Hyatt brand.

Richard joined the Food and Allied group in 2004 as the opening General Manager for Le Telfair Golf & Spa Resort. As from 2008, he joined ENL Property as a Development Manager. From 2011 up to now, Richard has spearheaded the development and growth of Island Living Ltd, an operational cluster that manages 13 Lifestyle, Leisure & Hospitality Brands (including Voilà Hotels, Ocean Basket, Savinia Bistrot, MOKA'Z, Domino's Pizza, Chamarel 7 Coloured Earth Geopark, Le Chamarel restaurant and Heritage Nature Reserve etc).

* Absent from the photo

Executive Team

8 FAYD'HERBE DE MAUDAVE, ALEXANDRE

Chief Executive Officer - Travel

He holds a BCom (Hons) and is a qualified Chartered Accountant from the South African Institute of Chartered Accountants.

He joined Rogers Aviation in 2001 as General Manager - Finance & Administration. Prior to joining Rogers, he worked in South Africa for a period of 7 years with Arthur Andersen. He was appointed Managing Director of Rogers Aviation in October 2006 and Chief Executive Officer in October 2010.

9 PILOT, MICHEL

Senior Manager – Agribusiness

Michel holds a Bcom in Finance and Management and a Master of Finance from Curtin University (Australia). In 2014 he also obtained an MBA from INSEAD.

He started his career in the financial service industry and was Portfolio Manager for High Net Worth Individuals before joining Rogers in 2016 as Corporate Manager. He is now Senior Manager of the group Agribusiness activities.

10 NUNKOO, NAYENDRANATH

Chief Executive Officer - Logistics

He holds an MSc in Engineering from the Odessa Technological Institute of Food Industry and a Master's degree in Business Administration from the University of Mauritius. He also followed Executive Training Programs, at the London Business School and INSEAD.

He joined Rogers in 1993 and has since been involved in a number of business activities in the Group which allowed him to develop a wide-ranging managerial capability. He has worked as Project Manager, Deputy General Manager of RIDS Madagascar, General Manager of EIS Ltd, the IT subsidiary of the Rogers Group, and Corporate Manager - Strategic Planning. In July 2011, he was appointed Chief Executive Officer of Velogic which is a logistics company employing 1500 people in Mauritius, Reunion Island, Madagascar, Mozambique, Kenya, India and France.

11 BUNDHUN, MANISH

Chief Human Resources Executive

He holds a Masters in Business Administration and a BSc (Hons) Management. He started his career in the Human Resources field, with a varied exposure in Telecommunications, ICT, and Aviation industries.

He joined Rogers in the Logistics sector in January 2006 as Division Manager - Human Resources and was subsequently appointed Chief Human Resources Executive of Rogers in September 2008. He holds a Certified Masters in NLP (Neuro Linguistic Programming) and in Neuro Semantics, and is a certified Agility Coach and Trainer. Manish is also a Co-active Coach from the Coach Training Institute (CTI). He acts as an Executive Coach and delivers executive leadership and team coaching workshops. Manish also practices as adjunct professor in Human Resources Management and Organisation Development at post graduate level.

12 CURÉ, KARINE

Chief Marketing and Communication Executive

Karine holds an Executive Master (MSc) in Marketing (Hons) from the University of Paris-Dauphine (France) and a BSc. She started her career in the field of communication in Paris and has worked in Mauritius in the tourism, leisure and hotel sectors.

She joined the Group's Hotels sector in February 2008 as Marketing and Communication Manager and was subsequently appointed Corporate Manager at Rogers in October 2015 and Chief Marketing and Communication Executive in July 2016.

13 TYACK, FRÉDÉRIC

Chief Executive Officer - Ascencia

Frédéric Tyack is a member of the Institute of Chartered Accountants in England and Wales and holds a BSc (Hons) degree in Accounting and Finance from the London School of Economics. He joined the Rogers Group from 1997 to 2004 and was appointed Managing Director of the Logistic Sub Cluster.

He joined Plastinax Austral Ltd in 2004 as General Manager before moving to ENL Property Ltd in 2008 and was later appointed Managing Director of EnAtt, the Asset and Property Management Company of the ENL Group, in 2011. Frédéric Tyack is an Executive Director of ENL Property Ltd and is the Chief Executive Officer of Ascencia since July 2015.

14 MAMET, DAMIEN

Executive Director and Chief Finance Executive

Please refer to page 26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9
10
11
12
13
14

Organisational Chart

CHIEF EXECUTIVE OFFICER

Philippe Espitalier-Noël

ROGERS EXECUTIVE TEAM

CHIEF FINANCE EXECUTIVE
Damien Mamet

CHIEF LEGAL AND COMPLIANCE EXECUTIVE
Aruna Radhakeesoon

CHIEF HUMAN RESOURCES EXECUTIVE
Manish Bundhun

CHIEF MARKETING AND COMMUNICATION EXECUTIVE
Karine Curé

HEAD OF INTERNAL AUDIT & RISK MANAGEMENT
Eric Cotry

CHIEF PROJECTS AND DEVELOPMENT EXECUTIVE
Richard Koenig

FINTECH

CHIEF EXECUTIVE OFFICER
Ashley Coomar Ruhee

CHIEF FINANCE & INVESTMENT OFFICER
Marc Ah Ching

Rogers Capital
CORPORATE • TECHNOLOGY • FINANCIAL

HOSPITALITY

HOTELS

CHIEF EXECUTIVE OFFICER
François Eynaud

CHIEF FINANCE OFFICER
Thierry Montocchio

TRAVEL

CHIEF EXECUTIVE OFFICER
Alexandre Fayd'herbe de Maudave

CHIEF FINANCE OFFICER
Cédric Poonisami

Veranda Grand Baie Hotel & Spa - Mauritius
Veranda Paul et Virginie Hotel & Spa - Mauritius
Veranda Palmar Beach Hotel - Mauritius
Veranda Pointe aux Biches Hotel - Mauritius
Veranda Tamarin Hotel - Mauritius

Heritage Golf Club Mauritius
Heritage Awali Mauritius
Heritage Le Telfair Mauritius
Heritage Le Château Mauritius

Heritage C Beach Club Mauritius
Heritage The Villas Mauritius
Seven Colours® Wellness Experiences
Blue Earth Boutique

Rogers Aviation
BlueSky
Holidays by BlueSky
Islandian
Croisières Australes
Yacht Management
PATS Plaisance Air Transport Services Ltd.

SERVED MARKETS

LEISURE

CHIEF EXECUTIVE OFFICER
Richard Stedman

CHIEF FINANCE OFFICER
Reshmee Boodhooa

LOGISTICS

CHIEF EXECUTIVE OFFICER
Nayendranath Nunkoo

CHIEF FINANCE OFFICER
Naveen Sangeelee

PROPERTY

PROPERTY DEVELOPMENT & AGRIBUSINESS

SENIOR MANAGER
Michel Pilot

FINANCE MANAGER
Yashinn Bhoyroo

PROPERTY INVESTMENTS

CHIEF EXECUTIVE OFFICER
Frédéric Tyack

FINANCE MANAGER
Ashvin Chatoorsing

FUND MANAGER – ROGERS AND COMPANY LIMITED
Rep. by Robert Boullé

PROPERTY & ASSET MANAGEMENT – EnAtt Ltd
Rep. by FrédéricTyack

Board of Directors' Report

Dear Shareholders,

We believe that this year's Annual Report provides our most comprehensive and integrated report yet, reflecting what Rogers does and how it operates.

The Board of Rogers assumes responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Rogers is headed by a unitary Board comprising of 12 Directors. The profiles of Directors and their full directorship lists are available on: *https://www.rogers.mu/content/board-directors.*

The National Code of Corporate Governance for Mauritius (2016)

The Board has set up a Corporate Governance Committee ('CGC') and a Risk Management and Audit Committee ('RMAC') to assist in the discharge of its duties. The governance, risk and audit issues relating to the businesses of the subsidiaries of Rogers operating in the Fintech, Hospitality, Logistics and Property (excluding Ascencia Limited) are overseen by the CGC and RMAC. The membership and terms of reference of these committees are available on: *https://www.rogers.mu/content/governance*. On 14 August 2018 and 06 September 2018, the CGC and RMAC reviewed their terms of reference and noted that they had met their objectives.

On 23 February 2018, the Directors attended a training workshop facilitated by Dr Chris Pierce on The National Code of Corporate Governance for Mauritius (2016) – (the 'Code').

With regard to the implementation of the Code, the Board adopted the key principles associated with Effective Reporting relating to Principle 6 and the following documents relating to Principles 1 to 8 of the Code were adopted:

- Position Statements of Senior Governance Officers (*https://www.rogers.mu/content/board-directors*) (*https://www.rogers.mu/content/governance*) (*https://www.rogers.mu/content/organisational-chart*)
- Organisational Chart *(https://www.rogers.mu/content/organisational-chart*)
- Statement of Accountability (*https://www.rogers.mu/content/group-structure*)
- Revised terms of reference for the CGC and RMAC (*https://www.rogers.mu/content/governance*)
- Category of Directors and Balance of Skills (*https://www.rogers.mu/content/board-directors*)
- Nomination Process and Appointment of Directors (*https://www.rogers.mu/sites/default/files/nomination_process_0.pdf*)
- Terms and Conditions relating to the appointment of Non-Executive and Independent Non-Executive Directors (including contents of Induction pack) (*https://www.rogers.mu/content/board-directors*)
- Related Party Transactions approval process (*https://www.rogers.mu/content/board-directors*)

Post 30 June 2018, the Board also approved the following documents:

- Revised Code of Ethics (*https://www.rogers.mu/content/policies*)
- Overview of the Information Technology Policy (*https://www.rogers.mu/content/policies*)

The Rogers policies are available on: *https://www.rogers.mu/content/policies.* The material clauses of the Constitution of the company are available on *https://www.rogers.mu/content/governance.*

The Board resolved that no board evaluation be conducted for the financial year ended 30 June 2018. Such exercise will be carried out in the second quarter of financial year 2018-19. Furthermore, the Board is in the process of looking for an experienced external consultant to conduct the individual director evaluation.

The Board further resolved not to adopt a Board Charter for the financial year ended 30 June 2018 as it is of the view that its content is already found in the Company's constitution, the prevailing legislation, rules and regulations.

Upon appointment to the Board and/or its committees, the new director receives a comprehensive induction pack and an induction programme and orientation process is supervised by the Senior Executives of the Company.

For the year under review, dealings in the shares of Rogers by Directors and Associates of Directors are set out in table below:

Dealings in the Shares by Directors and Associates of Directors

Names	No. of shares acquired	No. of shares disposed
Hector Espitalier-Noël	-	23,800
Vivian Masson	28,800	-
Minor Juliette Espitalier-Noël*	-	5,500
Minor Lucie Espitalier-Noël*	-	5,500

*Associate of Philippe Espitalier-Noël

A Directors' and Officers' liability insurance policy has been subscribed to and renewed by Rogers. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of Rogers Group. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

For the year under review, instances where Directors were conflicted were duly noted and conflicts of interest arising from transactions were effectively managed using the same process as for Related Party Transactions process.

The Related Party Transactions approved by the Board using the Related Party Transaction process for the year under review were as follows:

- Sale of a 20 % stake held by Compagnie Sucrière de Bel Ombre ('CSBO'), a subsidiary of Rogers in Espral Ltd to ENL Property Ltd ('ENLP'). Rogers and ENLP are subsidiaries of ENL Land Ltd ('ENLL'); and
- Sale of a 100% stake held by Rogers Corporate Services Ltd, a subsidiary of Rogers, in Motor City Limited to The Old Factory Limited, a subsidiary of ENLP. Rogers and ENLP are subsidiaries of ENLL.

Data Protection

In keeping with the Data Protection Act 2017, Rogers has reinforced the safety and security measures in place to protect the personal data it collects, stores and processes. It has revised its Data Protection Policy and adopted a Data Protection Notice, which sets out the rights of data subjects and a Data Protection Compliance Manual, which describes out the comprehensive approach of Rogers to personal data protection. Regular audits of all sectors will be carried out to ensure compliance with the said Manual.

Having taken into account all the matters considered by the Board and brought to its attention during the year, we are satisfied that the Annual Report and accounts taken as a whole are fair, balanced and understandable.

We would like to extend our deepest gratitude to our Shareholders for their constant support and trust in our vision and our ability to deliver value. We would like to thank Messrs Ziyad Bundhun and Philippe Forget, who have resigned as Directors, for their valuable contribution to the Group. We are pleased to welcome two new members, Messrs Thierry Hugnin and Deonanan Makoond, to our ranks.

The Board expresses its unreserved appreciation to the Chief Executive Officer, Philippe Espitalier-Noël, the management team and all employees of Rogers for their continued dedication and hard work.

Sincerely yours,

Your board of directors.

Governance

1. Category of Directors and Balance of Skills as at 30 June 2018.

Name of Director	Appointment date	CATEGORY	Accounting	Board Matters	Governance Skills	Risk & Audit Issues	Business Skills	Financial Skills	HR skills	Legal Skills	Communication skills	Entrepreneurial skills	Strategic Dimension	International Exposure	Knowledge of the Fintech Served Market	Knowledge of the Hospitality Served Market	Knowledge of the Logistics Served Market	Knowledge of the Property Served Market
ACR	20/07/2017	ED		/			/	/	/		/	/	/	/	/			
DM	10/05/2017	ED	/	/		/	/	/	/			/	/			/		/
GA	05/10/1994	NED		/	/		/	/	/		/	/						
HEN	22/12/1987	NED	/	/	/	/	/	/	/	/	/	/	/	/		/		/
JPM	25/03/2002	NED		/	/		/		/	/			/	/		/		/
MD	02/05/2018	INED		/	/	/	/	/				/	/	/	/	/		
EEN	02/02/1994	NED		/	/	/	/	/	/		/	/	/	/		/	/	/
GEN	15/07/1999	NED	/	/	/	/	/	/	/		/	/	/	/		/		/
VM	10/09/2015	INED	/	/		/	/	/	/		/	/	/	/				
AR	18/10/2012	ED		/	/		/		/	/	/	/	/		/	/		/
PEN	06/02/2004	ED		/	/	/	/	/	/		/	/	/	/		/	/	/
TH	12/02/2018	INED	/	/	/		/	/	/			/	/	/	/			

ED – Executive Director **NED** – Non-Executive Director **INED** – Independent Non-Executive Director

N.B: • The independence test was based on the criteria of Principle 2 of the Code. • All Directors reside in Mauritius. • Size of the Board is in line with s.79 of the Constitution of Rogers (i.e. not less than 12 and not more than 15).

2. Composition and attendance at Board, Committee meetings and Annual Meeting of Shareholders, Remuneration and Benefits.

Directors	Category	Board	Corporate Governance Committee ('CGC')	Risk Management and Audit Committee ('RMAC')	Annual Meeting of Shareholders	Remuneration and benefits (in Rs)
Dr Guy Adam	NED	5/5	2/3	n/a	1/1	500,000
Ziyad Bundhun[1]	ED	3/3	n/a	n/a	1/1	231,136
Eric Espitalier-Noël	NED	5/5	3/3	4/5	1/1	781,250
Gilbert Espitalier-Noël	NED	4/5	n/a	n/a	1/1	340,000
Hector Espitalier-Noël	NED	3/5	n/a	n/a	1/1	457,502
Philippe Espitalier-Noël	ED	5/5	3/3	n/a	1/1	20,193,397
Philippe Forget[2]	INED	3/3	n/a	3/3	1/1	358,181
Thierry Hugnin[3]	INED	2/2	n/a	1/1	n/a	157,500
Damien Mamet[4]	ED	5/5	n/a	1/1	1/1	7,436,108
Jean-Pierre Montocchio *(Chairman of the Board and CGC)*	NED	5/5	3/3	n/a	1/1	880,000
Deonanan Makoond[5]	INED	2/2	n/a	n/a	n/a	110,000
Vivian Masson *(Acting Chairman of RMAC)*	INED	5/5	n/a	5/5	1/1	819,000
Aruna Radhakeesoon	ED	5/5	n/a	n/a	1/1	7,797,569
Ashley Coomar Ruhee	ED	5/5	n/a	n/a	1/1	8,257,694

[1] Resigned as director on 10 February 2018

[2] Resigned as director and RMAC member on 10 February 2018

[3] Appointed as director and RMAC member on 12 February 2018 and 10 May 2018 respectively

[4] Co-opted to attend the RMAC meeting of 30 October 2017

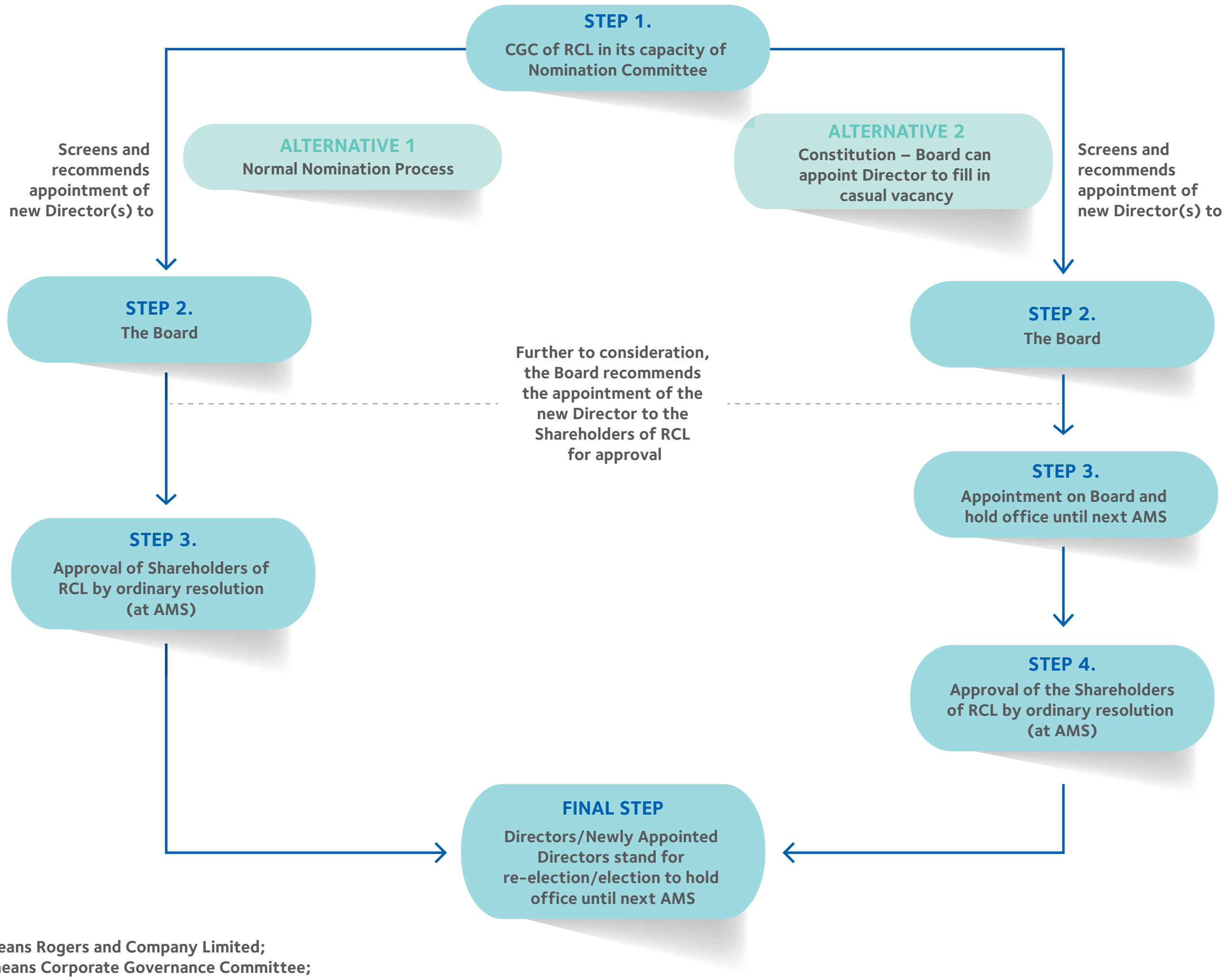
[5] Appointed as director on 02 May 2018

INED: Independent Non-Executive Director **NED**: Non-Executive Director **ED**: Executive Director

Remuneration of INED and NED (was last reviewed in December 2012) is composed of a basic monthly fee and an attendance fee. The Committee members are paid a monthly fee only and the Chairman of the Board and Chairmen of Committees are paid a higher monthly fee.

For remuneration of ED, please refer to Stakeholder Engagement's section.

3. The Nomination Process and Appointment of Directors.



Whereas:
1) 'RCL' means Rogers and Company Limited;
2) 'CGC' means Corporate Governance Committee;
3) 'Board' means board of directors of RCL; and
4) 'AMS' means Annual Meeting of Shareholders.

Financial Reporting Council – Statement of Compliance

Name of Public Interest Entity: Rogers

We, the Directors of Rogers confirm that to the best of our knowledge, Rogers has complied with all its obligations and requirements under the principles of the National Code of Corporate Governance for Mauritius (2016).

With regard to the **Board Charter**, the Board is of the view that its content is already found in the Company's constitution, the prevailing legislation, rules and regulations. Hence, the duplication is not necessary. The Board has consequently resolved not to adopt a charter for the financial year ending 30 June 2018.

The Board resolved that no **board evaluation survey** be conducted for the financial year 2017-18 and that such exercise be carried out in the second quarter of the financial year 2018-19. The Board is looking for an experienced external consultant to conduct the **individual director evaluation**. It is expected that the **succession planning** will also be addressed during this exercise.

Management is working on a full fledge **conflict of interest policy** which will be tabled before the Board for approval.

The Board has approved an overview of the Information Policy, which includes aspects relating to **Information Security and Technology Policy** (the 'IT Policy'). Management is currently working on the details of such IT Policy which will be tabled before the Board for approval.

Jean-Pierre Montocchio
Chairman

Philippe Espitalier-Noël
Director & CEO

13 September 2018

Secretary's Certificate

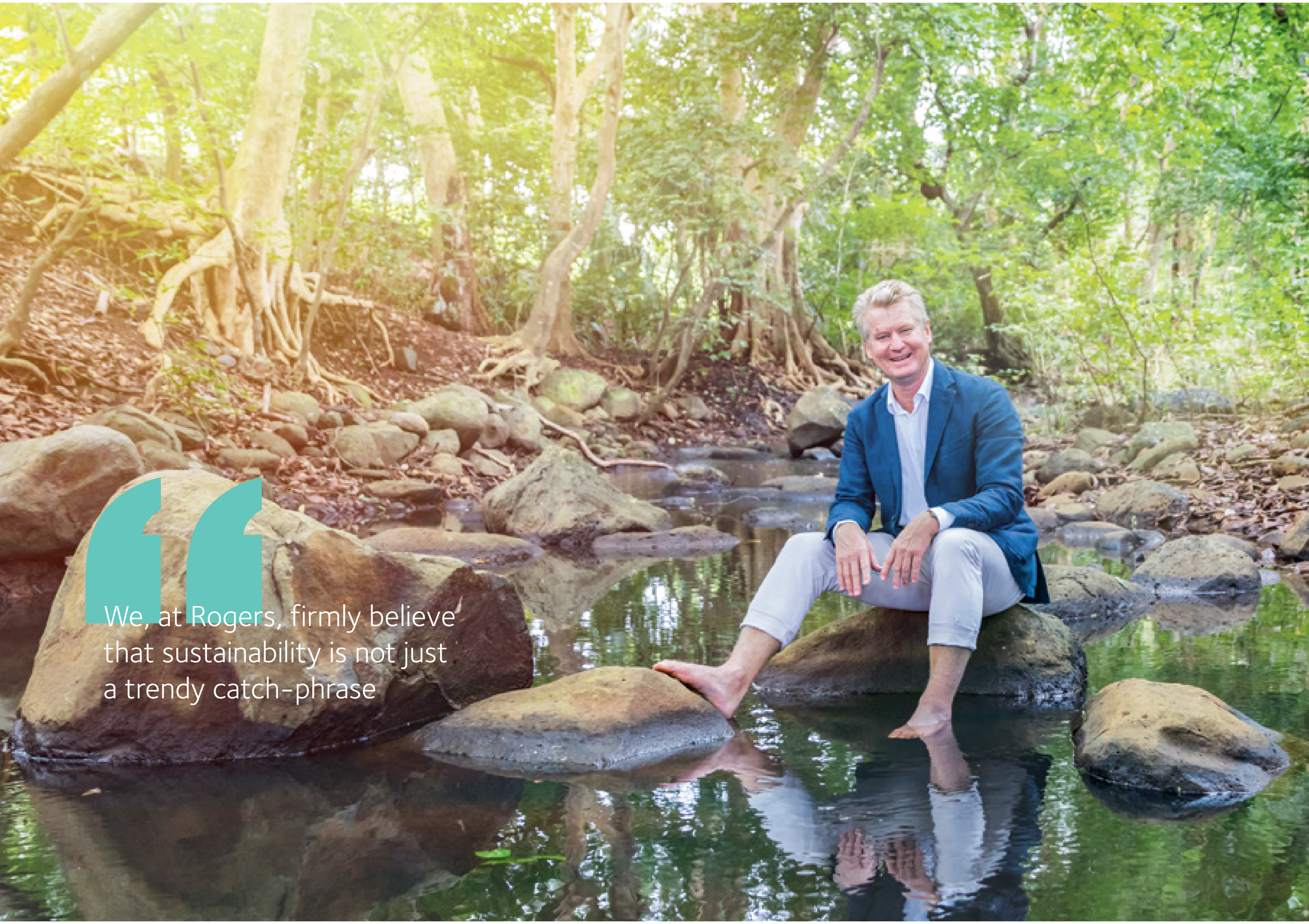
In my capacity as Company Secretary of Rogers, I hereby confirm that, to the best of my knowledge and belief, Rogers has filed with the Registrar of Companies, for the financial year ended 30 June 2018, all such returns as are required of the Company under the Companies Act 2001.

Aruna Radhakeesoon
Company Secretary

13 September 2018

Interview with the Chief Executive Officer

Philippe Espitalier-Noël



We, at Rogers, firmly believe that sustainability is not just a trendy catch-phrase

The CEO of Rogers and Company Limited, Philippe Espitalier-Noël gives some insight on the Group's developments in the 2017-18 financial year and its commitment to the sustainability agenda.

What are the major developments and initiatives that have been carried out within the Group in 2017-18?

Throughout 2017-18, we continued to build on the momentum created previously and we implemented new initiatives to support the Group's strategy across our different served markets.

In the wake of the launch of the Rogers Capital brand, we have added yet another dimension to our FinTech operations with the successful introduction, in November 2017, of new disruptive consumer finance solutions, including hire purchase, leasing and loan facilities. The acquisition of Globefin Management Services in October 2017 also drove further consolidation in the Corporate Services line of business.

During the year, the Group's courier operations underwent a significant change with the representation of UPS for the Indian Ocean being secured, whilst TNT was being taken over by the FedEx acquisition worldwide. After a delicate transition, the Group is emerging stronger than before with an exciting coverage of markets extending beyond Mauritius.

In the Hospitality served market, Heritage Bel Ombre was established in October 2017 as the umbrella brand for our Resorts, Property, Golf, Leisure & Events activities in Bel Ombre, inviting guests to "Embrace the Extraordinary" experience. Between May and September 2017, the two Heritage Resorts also spearheaded an innovative beach rehabilitation project in the area.

Throughout the financial year, we continued to invest in the upgrading of our properties to ensure we are exceeding guests' expectations. Heritage Le Telfair was closed for renovation in mid-May 2017 and reopened in early September 2017 with a strengthened positioning in the luxury marketplace. Over the same period, extensive renovation was carried out at Heritage Le Château by Perrot & Richard Architects. Two months' work was completed in late August 2017 at Heritage Awali to enhance the connection and cohesion with three properties, Heritage Le Château, Heritage Golf Club and Heritage Le Telfair.

At Veranda Resorts' level, Veranda Paul et Virginie reopened as a 4-star adult-only hotel in September 2017 after three months' renovation. Veranda Tamarin is also undergoing a makeover since April 2018 and is set to reopen in November 2018 with increased room capacity and a 3-star plus status.

Our Leisure sector has also taken a significant turn with the acquisition of Island Living, previously known as ENL Lifestyle. The leasing of the leisure activities carried out by Compagnie Sucrière de Bel Ombre and Case Noyale Limited, such as Le Chamarel Restaurant, Seven Coloured Earth and Frederica Nature Reserve, to Island Living has brought added depth to the services offered. The latter underwent a rebranding and were renamed Le Chamarel Panoramic Restaurant, Chamarel 7 Coloured Earth Geopark and Heritage Nature Reserve respectively.

Ascencia has rolled out a new brand identity and has also expanded the Gross Lettable Area of its mall portfolio by 7,395 sqm with the opening of So'flo Mall in November 2017. The mall currently boasts a 89% occupancy rate with an average monthly footfall of 124,410 visitors.

What are the strategic priorities mapped out to keep up the momentum?

The main focus of our energies and efforts going forward will be to achieve a more balanced contribution from our different served markets.

In order to attain this objective, we have broadened our offer in the FinTech served market with the launch of new consumer finance and an electronic payment solutions to come, in the domestic sphere. A strategic partnership sealed in May with BlockCerts International, a private blockchain platform developed by Finaeos, will also boost the activities of Rogers Capital in this ecosystem of the future, namely in the Indian Ocean and African region. With all these developments, this served market is poised to grow into a major profit contributor in the coming years.

As for our Hospitality served market, our Hotels sector should deliver a significant leap in profitability in 2018-19 with the completion of renovation works. The Leisure sector made a landmark move with the signing of a Master Franchise Agreement with the world's No. 1 pizza company, Domino's Pizza International Franchising Inc. Island Living is now planning to roll out the brand in Mauritius by end-2018. The opening of Seeloy Island Club at La Balise Marina and of a new B&B establishment in Bel Ombre will further consolidate our operations.

We are forever shaping fresh ambitions for Bel Ombre, which carries our vision and our dreams for the future. The sustainable development of Heritage Bel Ombre is a long-term project that requires continuous effort and long-standing ambitions. In our endeavour to showcase Heritage Bel Ombre as a well-thought-out development, we are taking special care to preserve the precious historical value as well as the abundant fauna and flora that the destination is blessed with. We intend to take our time and adopt a holistic and inclusive approach for further development of the estate. The completion target for another phase of development encompassing a number of projects in the social, property, hospitality, leisure and sustainability areas has been set for end 2022.

At the level of Ascencia, the mall's portfolio will be strengthened with 33.33% participation in the construction of a new shopping venue with a Gross Lettable Area of 10,000 sqm at Beau Vallon in the South. Ascencia has an option to purchase the remaining 66.66% over the years. Construction works which started in August 2018 are due to be completed in September 2019. The extension work starting off in parallel at Bagatelle will expand the portfolio by another 5,000 sqm.

In your view, what are the key challenges ahead for Rogers?

There are indeed a number of economic and industry-level challenges that Rogers and other operators will have to overcome.

Rogers Capital Corporate Services has a wide service offering and a diversified geographical client base which reduces dependency on treaty business. However, the renegotiation of the tax treaty with India and removal of the automatic effective tax rate of 3% on the foreign source income of Global Business companies have somewhat weakened the attractiveness of our jurisdiction.

Despite being included on the OECD White List, Mauritius has been described in an unfavourable light by one of its peers in the ESAAMLAG (Eastern and Southern Africa Anti-Money Laundering Group) mutual evaluation reports. Our country has continued to thrive towards an improvement of its already robust anti-money laundering and anti-terrorist-financing framework by the addition of new provisions in its existing laws. We are confident that the recent amendments brought about by the Finance Act 2018 will rectify any remaining deficiency pointed out by the report and that the country's reputation as an IFC will help to overcome adverse impacts. At operational level, we have a defined structure in place with a zero-tolerance policy and a Risk Management & Corporate Governance Framework in place.

Our Hospitality served market, and especially the Hotels sector is faced with the problem of high employee turnover in specific positions in the industry. We have developed a human capital strategy focused on capacity building, talent attraction and engagement as well as the establishment of a strong service culture. We are creating a Heritage Academy to promote human capital development and retention. The first six months of our financial year are likely to deliver excellent results, but current visibility on the second half of the financial year remains weak with likely increases in ticket prices in the wake of significant rise in petrol prices at international level.

With regard to the Property Development & Agribusiness sector, the challenging climate in the sugar industry remains a concern for us. We have decided this year to completely review the prevailing cultivation mix and land use; and we are actively looking at a number of alternative agricultural activities. The leisure component of the estate is likely to be strengthened in the process together with a refined version of our property development strategy.

You are the President-in-office of the Business Mauritius Commission on Sustainability and Inclusive Growth. Could you explain what the objectives of the Commission are?

Firstly, it is worth mentioning that Business Mauritius is an association of more than 1,200 local businesses with a total workforce of 120,000 people, representing 25% of the working population and contributing to roughly 50% of the country's GDP.

The Commission on Sustainability and Inclusive Growth showcases the commitment of members of the Association to community development. It boasts a coordinated action which engages with the Government, relevant authorities and the public in general. The environment remains a major concern with the World Risk Report 2017 ranking Mauritius 13th among the most vulnerable countries to climate change. We therefore wish to draw attention to the various environmental issues that are threatening to hit us with full force if we do not tackle them, such as land, sea and air pollution, depletion of natural resources, beach erosion and loss of biodiversity. To that end, the business community is focusing on the areas of inclusive economic development, lagoon and coastal beach preservation, sustainable cities and communities, waste and waste management, carbon emission and alternative energy production, smart agriculture and the financing of projects that make an effort to protect our environment.

One of the objectives of Business Mauritius is to frame a circular economy model which gives a second life to things, especially since 1,300 tonnes of waste are generated daily in Mauritius. The aim is to improve and modernise the waste collection logistics while promoting new recycling channels, the safe disposal of E-waste, green-job creation, and the proactive support of SMEs focusing on waste management and recycling.

Our country celebrated its 50th Independence Anniversary this year and as we so successfully took responsibility for the development of our island state, we need to mobilise now on the emerging exigencies of the next fifty years and beyond.

How is the Group's commitment to sustainability reflected in the way you operate your business?

Our long-standing sustainability commitment and CSR tradition tie in with the objectives of the Business Mauritius Commission on Sustainability and

Inclusive Growth. While continuing with our existing programmes, we have taken a number of steps to reinforce our sustainable practices this past year.

Our ongoing waste reduction initiatives include a better disposal process. We have paid particular attention to E-waste with the launch of a recycling programme across the Group, stemming from a recommendation of the Commission. Ascencia has also stepped up progress towards using renewable energy sources in its malls, hence reducing its carbon footprint with the installation, in July 2018, of a first photovoltaic farm at Phoenix Mall.

On the inclusive development front, our response includes a renewed commitment towards coastal management through our 'Respect Our Coast' programme launched in 2013 and concentrating on the Bel Ombre region.

Rogers has carried out major beach rehabilitation and coastal management initiatives in Bel Ombre, including the projected setting up of a Voluntary Marine Conservation Area to protect the lagoon and the implementation of a sustainable development strategy by Heritage Resorts in conjunction with other hoteliers operating in the region. Another priority area is the development of smart agriculture. Compagnie Sucrière de Bel Ombre has already started to implement this model on the estate, one of its components being the supply of products coming out of the smart agriculture programme to Heritage Resorts guests and Heritage Villas Valriche homeowners. We also show great care and attention to architectural quality and well-thought-out urban development.

What explains the Group's decision to focus its communication on Energy drives sustainability?

We, at Rogers, firmly believe that sustainability is not just a trendy catch-phrase but a responsibility. There is also increasing stakeholders' demand for greater sustainability and implementation of best environmental practices in business.

CSR and responsible development are now an important element of our strategy, and the triple bottom line approach of financial performance, social and environmental responsibilities has become mainstream practice across the Group. We attach equal importance to social, environmental and cultural dimensions through various widespread actions.

We have placed a special focus on the environment in the year under review. The issue of plastic pollution has become a significant challenge and we have engaged our subsidiaries to look into ways of raising awareness in order to make their activities greener and contribute to eliminate this global threat. At Ocean Basket for instance, a no-straw policy has been implemented as part of the "Last Straw" campaign while Heritage Resorts has launched the "Refuse the Straw" initiative.

Another noteworthy contribution to environmental protection is the "Hip Hip Hip, No Waste" campaign to mark the 50th Independence Anniversary of Mauritius. A number of actions were taken to support this campaign such as two 'plogging' initiatives to clean up the streets of Port Louis, an interactive website promoting simple eco-moves, a video on waste and energy management, awareness-raising and resolution through concrete actions, nature preservation as well as energy efficiency and sustainable natural resource use. This campaign running from March through December 2018 appeals to the patriotic spirit of the Mauritian people.

A Green Market was also held at Bagatelle Mall and VLH scheduled a cleaning week to sensitise employees, the community and school children about E-waste management and recycling.

Six of our hotels, namely Heritage Awali, Heritage Le Telfair, Veranda Grand-Baie, Veranda Palmar Beach, Veranda Paul et Virginie and Veranda Pointe aux Biches, participated in the *Programme National d'Efficacité Energétique*. This audit pointed out a potential energy saving from our six hotels, amounting to Rs 31 million per year and a reduction of CO_2 of 3,987 tons/year.

Ascencia also embarked on sustainable energy initiatives, launching a photovoltaic farm at Phoenix Mall, powered by EnVolt's technical know-how. The project, which was set-up under the Medium Scale Distributed Generator (MSDG) Scheme of the Central Electricity Board, has a production capacity of 730 kWp (kilowattpeak). Thanks to the solar farm, the mall could potentially benefit from a carbon footprint reduction of 440 tons/year and supply some 28 % of the mall's electricity need.

Velogic took the commitment to dispose responsibly of used oil, in accordance with Mauritian legislation and had recourse to an external company, namely Virgin Oil. The latter is one of the two recyclers for crude oil that are approved and recommended by Government. Recycled oil is reused for fuelling industrial machines.

Rogers also provides support to "Les Tilous", a pre-school in Bel Ombre, managed by the non-profit organisation Caritas, which welcomes children aged 2 to 3 years old.

We welcome our shareholders and the public to go through our 'Energy drives sustainability' section on pages 18 to 23 and to access our website, *www.rogers.mu* for further information on our sustainability initiatives.

As we forge ahead with our journey of integrating sustainability into value creation, we remain steadfast in the pursuit of our strategic objectives, driven and inspired by the passion and dedication of our management team, employees and stakeholders at large. We take additional comfort from the unwavering encouragement and trust that our shareholders and Board of Directors place in our effort to build a better quality of life for all Mauritians.

Chief Finance Executive Report

> Since 2015, the Group's total assets expanded by 48% to reach Rs 34bn

Damien Mamet
Chief Finance Executive and
Executive Director

Group Performance Highlights 2017-18

- **Revenue** for the Group improved by 9% to Rs 9,472m and was mainly driven by the acquisition of Island Living, and increased revenue from VLH;
- **EBITDA**, excluding exceptional items, for the year was Rs 2,065m against Rs 2,022m in 2017;
- **PAT**, excluding exceptional items, was lower at Rs 901m compared to Rs 962m in 2017. The Hospitality served market recorded a very good set of results. On the other hand, Ascencia booked lower fair value gains and Rogers Capital Financial Services incurred pre-operational and launching costs;
- **Earnings per share**, excluding exceptional items, improved to Rs 1.58 (2017: Rs 1.32);
- **An exceptional profit** of Rs 221m was realised in 2018 (2017: Rs 151m) and was principally made up of a sale of bare land by CSBO of Rs 106m and a profit on amalgamation of Mall of Mauritius into Moka City for Rs 79m;
- **Attributable Earnings** grew by 16% to Rs 554m mainly on the back of better contribution from the Hospitality served market;
- **Dividends per share** increased by 5% to Rs 0.97;
- **Return on Equity**, excluding exceptional items, was 3.8% (2017: 3.2%); and
- **Share price** for the year improved by 17% to Rs 34.00 with a market capitalisation of Rs 8,570m as at 30 June 2018.

Served Market Highlights 2017-18

- **FinTech:**
  - Revenue for Rogers Capital Corporate Services ('RCCS') improved by 40% driven by both organic growth and the acquisition of Globefin Management Services;
  - The improvement in profitability for RCCS to Rs 104m (2017: Rs 83m) was offset by pre-ops expenses relating to the launch of new offering in the credit management space; and
  - Contribution from the associate companies, Swan General and Swan Financial Solutions improved by 6% to Rs 95m.
- **Hospitality:**

Hotels

- VLH recorded an increase of Rs 342m in Revenue on the back of improvement in Occupancy rate, Guest Night Spending and Total Revenue per available room;
- In spite of four hotel renovations carried during the year, the PAT for the hotel group improved by 16% to Rs 208m; and
- Last year's results included an exceptional negative year-end adjustment of Rs 152m relating to NMH September 2016 year-end.

Travel

- PAT for Travel more than doubled to Rs 42m on the back of an excellent performance of the Ground Handling activities.

Leisure

- Island Living which was acquired on 01 July 2017 yielded a contribution of Rs 496m to the Group's Revenue; and
- The new Leisure sector recorded a PAT of Rs 26m.

- **Logistics:**
  - The good results in the overseas freight forwarding activities were mitigated by lower volumes and reduced rates on the container depot operations, and a decrease in transportation activities.
- **Property:**

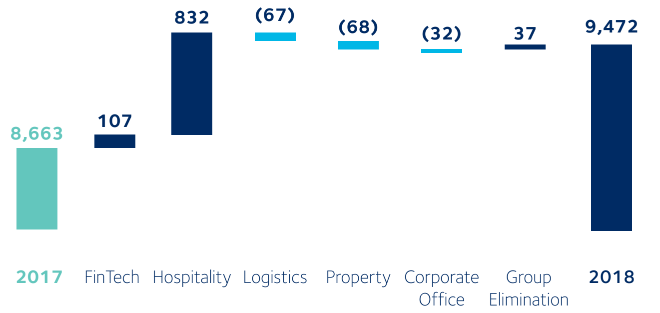
Property Investments

- Ascencia improved its operational profit which was achieved on the back of better renewal rental rates, an increase of 10% in footfall and the opening of So'flo in November 2017; and
- Overall PAT was reduced by lower fair value gains of Rs 496m (2017: Rs 629m).

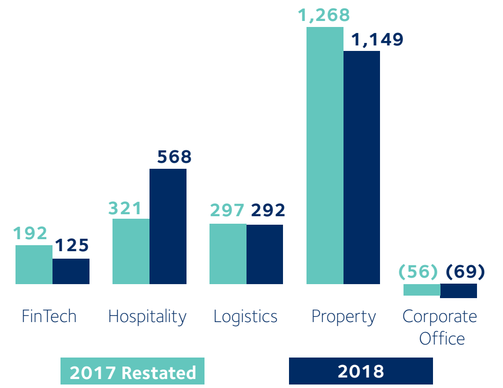
Property Development & Agribusiness

- Property Development reported losses due to lower revenue from Les Villas de Bel Ombre; and
- Agribusiness activities were impacted by lower revenue from the sugar activities and a drop in livestock results.

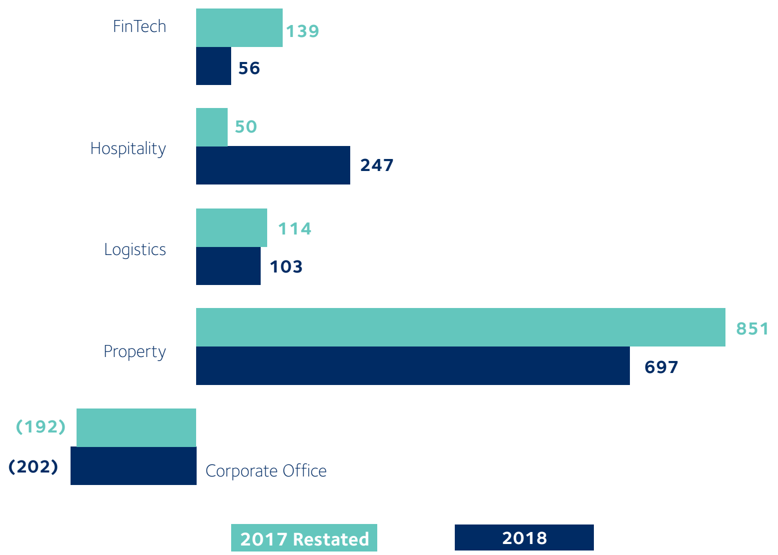
Movement in Group Revenue by Served Market (Rs' m)



EBITDA excluding exceptional items (Rs' m)



PAT excluding exceptional items by Served Market (Rs' m)



Chief Finance Executive Report

Financial Management and Group Treasury

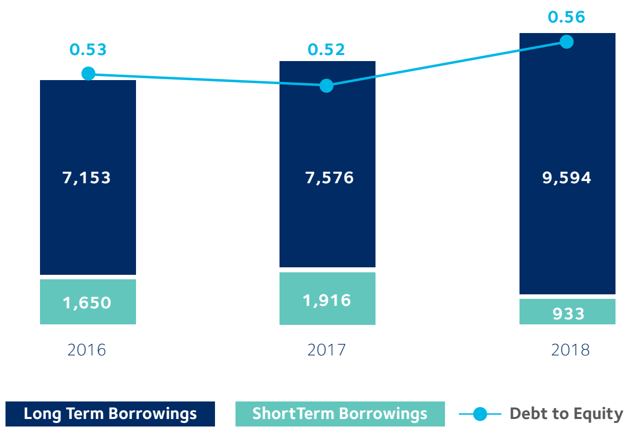
- **Group Borrowings** increased by 11% to Rs 11bn mainly on the back of:
  - Additional loans contracted by Rogers Capital for the acquisition of Globefin Management Services and launch of new services; and
  - Increase in loans taken by VLH for the renovation of its hotels.

- **Finance costs** amounted to Rs 550m reflecting a growth of 2% over the last financial year. The Group benefitted from a reduction in repo rate of 50 basis points in September 2017. Hence, the effective interest rate (simple average) was lower at 5.5% (2017: 5.9%).

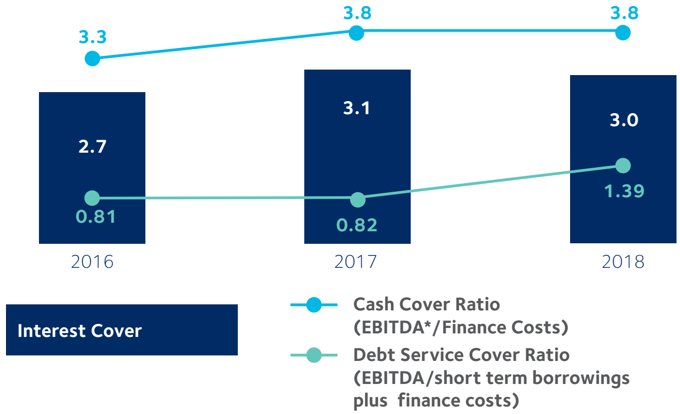
- During the financial year, our subsidiaries have generated excess cash which will be used for development purposes at a later stage. In order to maximise the benefits for the Group and as part of the **treasury management** function, the excess cash has been deposited on an at call basis at the level of Rogers and Company Limited (Corporate Office). Hence for the financial year ended 30 June 2018, the Company's current liabilities exceeded its current assets by Rs 702 m (2017: Rs 1,100m).

- The Group is exposed to **foreign currency loans**, mainly EUR and USD, for the FinTech, Hospitality and Property served markets. These loans have been contracted on a medium term to hedge against currency fluctuation. On a shorter term basis, currency forward contracts are entered into and as at 30 June 2018 the Group's net exposure was Rs 2bn (2017: Rs 1bn).

Total Borrowings (Rs m) and Debt to Equity (x)



Coverage Ratios



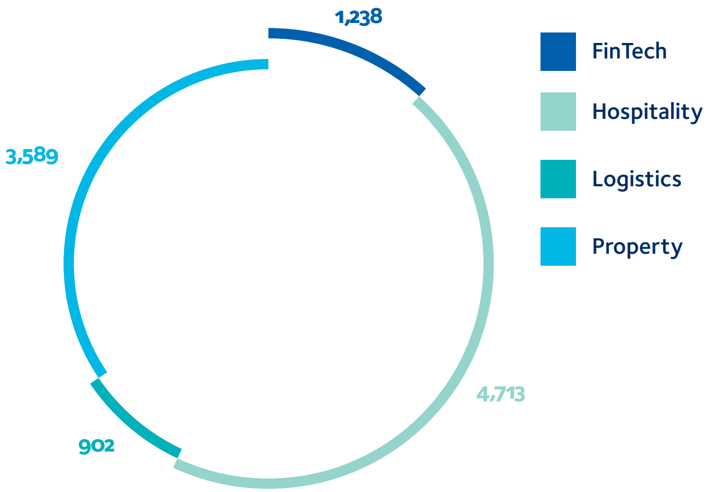
* Excluding exceptional items

Cash Generation and Utilisation

Cash flow generated from operations amounted to Rs 934m and was utilised as follows:

- Rs 553m was used to service the cost of debt;
- Dividends paid to shareholders, net of dividends received, amounted to Rs 340m;
- An outflow of Rs 410m was required mainly for the acquisitions of Island Living and Globefin Management Services, in the Hospitality and FinTech served markets respectively;
- An inflow of Rs 297m was received from the disposal of Gardens of Bagatelle, EnAtt and other financial assets;
- Net contracted loans amounted to Rs 869m and was partly used to finance the renovation of hotels and Heritage Le Château, with some Rs 400m remaining in cash and cash equivalents for forthcoming capital commitments.

NAV by Served Market (Rs m)



Outlook

Over the last three years, the Group has taken a number of initiatives geared towards strengthening and consolidating its position in its four served markets, which has resulted in a more than 30% increase in Group Revenue to Rs 9.5bn. Since 2015, the Group's total assets expanded by 48% to reach Rs 34bn as at 30 June 2018. These has been achieved while maintaining a reasonable debt level of 56%, and delivering an average dividend yield above 3%.

Based on our 2018-19 budget exercise, we expect a gradual rebalancing of the Group's profitability away from the Property served market with greater contribution expected from the Hospitality and FinTech markets over the medium to long-term. In 2018-19, we will revisit our strategic plan for the next 3 years to incorporate a new digital and marketing approach. We are also in the process of embarking on a digitalisation initiative with the first step comprising of the implementation of a management analytics tool, which will assist us in sharper measurement, and monitoring of our budget and strategic plans.

I would like to thank all our stakeholders, including my colleagues, for their unflinching commitment and partnership in contributing to our Group's success.

Discount to NAV fell to 17% (2017: 30%)

Served Market Performance

FinTech

Hospitality

Logistics

Property

FinTech

Rs 757m
revenue

Sectors

Corporate Services

Technology Services

Financial Services

Company

Rogers Capital

Key Investments

Swan General

Swan Financial Solutions

Rs125m
EBITDA*

Rs 56m
PAT*

* Excluding exceptional items

Served Market Overview

The Financial Services industry is facing a wave of technological disruption and exogenous challenges:

- new and disruptive business models are driving disintermediation, reducing time to market and widening distribution channels;
- predictive analytics based on increasingly large volume of unstructured data are significantly accelerating and enhancing the forecast of consumer behaviour patterns and their accuracy;
- mobile technologies and applications are redefining customer experience and enabling ubiquity and instantaneousness of transactional processes; and
- regulatory requirements from global institutions as regards to information disclosure, tax base erosion and profit shifting, data protection and compliance with international reporting standards are becoming increasingly stringent.

Rogers Capital, the FinTech served market of the Rogers Group, was established in 2016 to explore and transform business opportunities along those dynamics.

The businesses revolve around the following three core activities:

- **Corporate Services** includes fiduciary, outsourcing and consulting services such as tax advisory, captive insurance management, fund administration and actuarial services;
- **Technology Services** is an end-to-end provider of integrated business solutions, cloud computing, digital and collaborative solutions, and managed services; and
- **Financial Services** that provides consumer finance solutions i.e. hire purchase, leasing and loans. It also supplies niche corporate advisory services to the Group and to external customers.

Rogers Capital employs 481 professionals with representative offices in South Africa, Seychelles and Singapore.

Market Overview

The financial year 2017-18 proved to be a transitional year for the Global Business ('GB') industry in Mauritius. Government initiated the elaboration of a blueprint for the Financial Services sector on account of the need to further promote our country as an international financial centre ('IFC') of choice as well as the imperative of its resiliency vis-à-vis exogenous factors.

In anticipation of the imminent publication of the report, operators of the GB sector welcomed a number of initiatives announced in the national budget including:

- the harmonisation of the fiscal regime for domestic and Global Business Companies ('GBCs');
- the progressive phasing out of tax exempt Category 2 GBCs; and
- Government's continued impetus on the need for enhanced substance for the jurisdiction.

Consolidation in the sector further materialised domestically and Rogers Capital completed the acquisition of Globefin Management Services ('GMS') in October 2017, its fourth one in this industry since 2015.

Rogers Capital also successfully launched its consumer finance business in November 2017.

Rogers' share of results of associates, Swan General and Swan Financial Solutions, recorded a PAT of Rs 95m, a steady 6% increase as compared to the previous year.

> The acquisition of Globefin Management Services whose footprint on the African continent is now well established bodes well with the strategic intent of further tapping into opportunities in mainland Africa in an agile manner

* Excluding exceptional items

Despite negligible marketing and advertising costs at the time of this report, hire purchase and leasing activities enjoyed a hefty growth momentum since their inception

Performance Review

Rogers Capital Corporate Services sector produced solid results with EBITDA of Rs 139m and after tax earnings of Rs 104m, a 35% and 25% increase respectively as compared to last year. The good performance of the fiduciary activities was mainly attributed to significantly enhanced business development and presence in our targeted markets, the capture of additional market share on higher value offerings such as tax advisory and the full consolidation of the results of the newly acquired management company.

The acquisition of GMS whose footprint on the African continent is now well established bodes well with the strategic intent of further tapping into opportunities in mainland Africa in an agile manner.

Rogers Capital Corporate Services ('RCCS') further deepened the visibility of its three existing desks (South African, French and Indian) while introducing a China desk. Some new offerings were also developed e.g. French payroll capability whose contribution is expected to unfold as from next year.

Rogers Capital Technology Services ('RCTS') produced satisfactory results. Despite an 8% drop in revenue, RCTS reported an EBITDA of Rs 36m and a PAT of Rs 10m. This performance was achieved as a result of the sale of higher value added and complex systems integration services namely in the areas of cloud solutions (Solutions as a Service - SaaS) and managed services.

Rogers Capital Finance was introduced to the domestic market in November 2017 as a provider of consumer finance products. Significant investments in human capital, technology and customer service were made during the year and financing requirements were secured for the rapid growth of the business. Despite negligible marketing and advertising costs at the time of this report, hire purchase and leasing activities enjoyed a hefty growth momentum since their inception. The sector recorded a loss of Rs 70m for the year due to the investments and pre-ops expenses associated with the launch of the new services.

	REVENUE		PAT	
Rs m	2018	2017	2018	2017 Restated
Rogers Capital Corporate Services	422	302	104	83
Rogers Capital Technology Services	315	343	10	3
Rogers Capital Financial Services	20	5	(70)	(4)
Rogers Capital Corporate Office	-	-	(83)	(33)
Subtotal	**757**	**650**	**(39)**	**49**
Investments (Swan General and Swan Financial Solutions)	-	-	95	90
Total	**757**	**650**	**56**	**139**

Net profit margin of

38%

for GMS

Outlook

The financial year 2018-19 will be a pivotal year for the GB sector in Mauritius. Notwithstanding the implementation of the structural changes mentioned earlier in the report and the continued regulatory pressure of the OECD and the EU on the jurisdiction, the provisions of the amended Mauritius - India double taxation avoidance treaty will come into full effect as from April 2019.

While navigating in such unchartered waters in an agile manner, Rogers Capital will further grow its fiduciary activities. The consumer finance business will further progress on its digitalisation roadmap while growing its book of business and an electronic payment solution will be introduced. The restructuring of the technology business into four new lines namely Cloud, Digital, Data and Security will be carried out.

In excess of

20,000

financing contracts signed since inception in November 2017

A new leadership core composed of high calibre resources has been established to focus on two strategic priorities next year: the commercial development and marketing of the service offerings and human capital development with emphasis on talent management.

Main Risks and Mitigating Actions

Sectors	Risks	Actions
FinTech - Corporate Services	**Political**	
	• Future changes in law, regulation and international tax agreements; and	• Monitoring of new legislation and amended treaties as well as Financial Services blueprint to identify potential issues and take appropriate measures; and
	• Potential loss of clients relating to India – Mauritius DTAA as well as harmonisation of tax system.	• Identification of impact on, and close collaboration with clients to ensure a seamless transition.
FinTech - Financial Services	**Financial**	
	• Credit risk - failure by a customer or a counterparty to meet their obligations;	• Continuous debtors monitoring/robust credit sanction/recovery frameworks;
	• Credit concentration risks;	• Ongoing monitoring of maximum exposure;
	• Interest rate risk - marked increase in Repo rate; and	• Diversified portfolio of banking facilities with differing lending rates and maturity period/variable rates on customer credit contracts; and
	Regulatory	
	• Increased compliance requirements by regulatory bodies.	• Regular updates of all manuals to reflect changes in regulatory framework.
FinTech - Technology Services	**Skills attraction, performance and retention**	
	• Scarcity of experienced resources in new and disruptive technologies for development of innovative solutions e.g. AI, Blockchain.	• Emphasis on talent management and human capital development as well as implementation of employer value proposition; and
		• Sourcing strategy of key technical resources from overseas niche markets.

Hospitality

Rs 3,405 m
revenue

Sectors
Hotels
Travel
Leisure

Main Companies
Veranda Leisure & Hospitality (VLH)
Rogers Aviation
Island Living

Key Investments
New Mauritius Hotels
Air Mauritius
Mautourco

Rs 247 m
PAT*

Rs 568 m
EBITDA*

* Excluding exceptional items

Sector Overview

The Veranda Leisure & Hospitality ('VLH') portfolio includes two hotel brands, Veranda Resorts and Heritage Resorts, with seven properties totalling 802 rooms in the three-to five-star range and a managed rental pool of 42 luxury villas at Heritage The Villas.

Heritage Resorts includes:

- Heritage Le Telfair Golf & Wellness Resort, 158 rooms/5*+
- Heritage Awali Golf & Spa Resort, 161 rooms/5*
- Heritage The Villas, 42 rental villas/5*+

Veranda Resorts consists of five hotels:

- Veranda Paul et Virginie Hotel & Spa, 81 rooms/4*
- Veranda Pointe aux Biches Hotel, 115 rooms/4*
- Veranda Grand Baie Hotel & Spa, 94 rooms/3*+
- Veranda Tamarin Hotel, 116 rooms/3*+
- Veranda Palmar Beach Hotel, 77 rooms/3*

Market Overview

The tourism industry in Mauritius performed well in 2017-18 with a 4% growth in arrivals and a 5% increase in the total aircraft seat capacity. The national hotel occupancy rate achieved a record high of 77% in 2017 compared to 73% in 2016. The industry has also benefited from the better EUR and GBP exchange rates since July 2017.

During the year under review, VLH completed the renovation of Veranda Paul et Virginie, which reopened as a 4-star adult-only hotel. Heritage Le Telfair was successfully repositioned in the luxury market while Heritage Awali and Heritage Le Château were beautifully redecorated and landscaped in order to strengthen the link with Heritage Le Telfair and Heritage Golf.

> Despite the closure of four hotels for renovation, VLH recorded a 17% growth in revenue

Following its acquisition in 2016, Veranda Tamarin Hotel started a six-month renovation in April 2018. The hotel will reopen in the 3-star plus category in November with strong differentiating concepts and with an increased number of rooms to 116.

The above product enhancements will enable VLH to provide its guests with further improved quality and unique experiences.

Performance Review

Despite the closure of four hotels for renovation, VLH performed extremely well for the financial year under review, achieving a 17% growth in revenue. This was mainly driven by a continued rate optimisation strategy which resulted in an 18% increase in Guest Night Spending and yielded an occupancy rate of 82% (2017: 79.5%). As a result, VLH recorded an EBITDA of Rs 466m (2017: Rs 416m) and Profit after tax (PAT) of Rs 208m (2017: Rs 179m).

82% **occupancy**

18% **growth** in Guest Night Spending

Room occupancy in Veranda Resorts hotels gained 2.5 percentage points to 87.4% and TRevPAR (total revenue per available room) increased by 17%. Veranda Paul et Virginie has confirmed its new positioning as a 4-star hotel with TRrevPAR rising by 45%. Other Veranda Resorts properties continued to show strong financial and operational performance.

The Heritage Resorts hotels performed very well with an average room occupancy rate of 75.5% compared to 73.0% in the previous year and TRevPAR improved by 28%. Following renovation, EBITDA for Heritage Le Telfair went up by 128%. Heritage Awali maintained consistent results with TRevPAR and EBITDA growing by 28% and 8% respectively over the year.

Heritage The Villas has now become profitable while Heritage Le Château and Heritage C Beach Club were adversely impacted by the closure of Heritage Resorts hotels for renovation.

Heritage Golf Club revenue fell by 3% to Rs 91m, again impacted by hotel closures and inclement weather during the high season.

A negative contribution of Rs 29m was recorded from New Mauritius Hotels ('NMH') against a loss of Rs 147m last year, whereby the results were then impacted by significant year-end adjustments pertaining to their financial year ended September 2016.

Rs m	REVENUE 2018	REVENUE 2017	PAT 2018	PAT 2017 Restated
Veranda Resorts	847	741	175	145
Heritage Resorts	1,435	1,260	86	37
Corporate Services	72	11	(53)	(3)
Total Hotels excluding NMH	**2,354**	**2,012**	**208**	**179**
NMH	-	-	(29)	(147)
Total	**2,354**	**2,012**	**179**	**32**

"In 2018-19, VLH will reap the full benefits of product enhancement and a significant increase in profit is expected

Outlook

Tourists arrivals in calendar year 2018 are expected to increase by 5% and hotel occupancy will probably drop to 75% with fewer hotels closing for renovation.

During the 2018-19 financial year, VLH will reap the full benefits of product enhancement and a significant increase in profit is expected. Forward bookings and revenue to December look very promising.

There is little visibility for 2019. Rising petrol prices coupled with the increased popularity of competing destinations like Maldives and Mediterranean countries could slow down tourism growth in Mauritius.

VLH intends to further invest in its human capital strategy to address the shortage of skilled personnel, which should worsen with the opening of new hotels.

Various projects, including a second golf course in Bel Ombre, and local/regional inventory growth opportunities are also expected to materialise next year.

Main Risks and Mitigating Actions

Risks	Actions
Skills attraction, performance and retention	Talent recruitment, rewards and incentives, training, improvement of work environment quality.
Strategic Projects, strategic partnership and acquisition.	Adequate due diligence, feasibility study, financing arrangements, legal framework analysis, sensitivity analysis and back-up plan.
Sustainability Environment risk	Higher reefs, retaining wall and beach sand replenishment to address erosion.

Sector Overview

Rogers Aviation has been an industry pioneer in Mauritius for more than 70 years and has established itself as a one-stop centre in the region for travel-related solutions operating in Mauritius, Madagascar, South Africa, Reunion Island, Comoros, Mayotte and Mozambique with expertise in the following areas:

- Ground Handling in Mozambique, and Warehousing in Mauritius and Madagascar;
- Airline Representation for passenger and cargo services ('GSA'), GDS Representation (Sabre) and Visa services;
- Travel Agencies; and
- Leisure Services with boat cruises, online tour operating and destination management companies.

Rogers Aviation holds stakes in the leading destination management company in Mauritius, Mautourco Ltd, as well as a customer relationship centre, BlueConnect, a partnership with a subsidiary of the Air France-KLM group.

Rogers and Company Limited has also an effective 13.5% ownership in the national airline, Air Mauritius.

> Our value proposition is to be a single partner for multiple geographies

45%

of travellers today use travel apps to plan their trip

Market Overview

The International Air Transport Association ('IATA') forecasts solid profitability in 2018 for the global industry despite rising costs. Passenger numbers will reach 4.3 billion this year up by 230 million compared to last year. Spending by international tourists travelling by air should improve to US Dollar 750 billion.

In Africa, while passenger traffic is growing, load factors for the continent's airlines are just over 70%, which is more than 10 percentage points lower than the industry average. The African Union's plan to create a Single Africa Air Transport Market has the potential to unlock economic and social benefits and to transform the continent's fortunes. Rogers Aviation has strengthened its position in Mozambique with the representation of Fast Jet, the leading African Low Cost Carrier to operate in this domestic market.

The aviation and travel industry has been at the forefront of digital innovation, and technology trends suggest that further change lies ahead. The travel ecosystem is evolving, with blurring boundaries and changing roles across the industry landscape. Travel is becoming frictionless, blending seamlessly with other everyday activities. Rogers Aviation is actively adjusting to capture the opportunities availed by digital transformation with the launch of:

- A chatbot for air ticket reservation automation;
- An online booking tool for our leisure activities;
- CRM tool; and
- Affiliation with world known brands such as "Kayak" and "Guide du Routard".

Performance Review

Profit after tax (PAT) for the Travel sector in the financial year increased by 133% to Rs 42m (2017: Rs 18m) while EBITDA stood at Rs 80m (2017: Rs 53m). This improved financial performance was achieved through excellent results from our associates in the Ground Handling segment.

The Airlines & Systems segment performed better than last year to reach a PAT of Rs 26m (2017: Rs 20m) with noteworthy performance from visa activities in South Africa and new airline representations in Mauritius.

Increased profitability from Rs 11m to Rs 34m for Ground Handling was mainly driven by the renegotiation of customer agreements in Mozambique and full-year benefits derived from the acquisition in May 2017 of a major client for cargo handling in Madagascar.

Travel Agencies are still challenged with a reported loss of Rs 10m (2017: loss of Rs 11m). In Mauritius, the Holidays by BlueSky lounge at Bagatelle Mall performed below expectations while the Corporate segment was impacted by discounted service fees and lower incentives from airlines. In Mozambique, profitability was impeded by market share loss and provision for doubtful debts made during the year.

The financial performance of the Leisure segment for the year has been mainly affected by one-off compensation paid to the former manager of BlueSky Reunion. Boat Cruises posted similar profit as in the previous year despite the impact of bad weather conditions and unavailability of a speed boat during the peak season. While experiencing a 33% growth in revenue, the strategic investment in Islandian still incurred significant losses for the year under review and is now expected to breakeven in 2020. Our associate in the Leisure segment produced comparable results to last year.

	REVENUE		PAT	
Rs m	2018	2017	2018	2017 Restated
Airlines & Systems	215	252	26	20
Ground Handling	72	57	34	11
Travel Agencies	97	100	(10)	(11)
Leisure	171	152	(8)	(2)
Total	**555**	**561**	**42**	**18**

Outlook

The industry is undergoing constant transformation and digital travellers are having greater control. Our value proposition is to be a single partner for multiple geographies to promote the image of our airlines.

We expect sustainable performances from Airline Representation and Ground Handling, with partnership-building driving our regional expansion strategy for these segments. BlueSky will continue to leverage the American Express Global Business Travel franchise to grow its Corporate segment. Much focus will be put on the repositioning of Holidays by BlueSky brand, by improving our customer touchpoints, to capture more holiday makers.

Our Leisure segment will offer more tailor-made products and social experiences. Islandian has edged closer to top-of-the-class competitors and we expect to reach a 2.5% share in targeted markets. The main focus will be to enhance the direct sale conversion rate, improve margins and diversify our markets.

Main Risks and Mitigating Actions

Risks	Actions
Innovation	• Digital transformation of operations; • Enhanced online presence and web-to-store strategy; and • Development of appropriate tools: Bots, BI, CRM, digital platform, booking engine, tour operator tool, online system.
Skills attraction and retention	• Development of Employee Value Proposition; • Creation of Employee Experience/HR Touchpoints; and • Talent Management Strategy.
Theft, Fraud & Corruption risk	• Internal audit review and system analysis; • Regular quality control on work processes; and • Checks and tests performed by external auditors.

40,000

guests experienced our boating activities in Mauritius this year

Sector Overview

Island Living (formerly ENL Lifestyle) originates from a restructuring exercise carried out in mid-2017 by the Rogers Group with the objective of creating a Leisure sector.

The organisation adopts an innovative asset-light strategy, placing most of its efforts in ensuring operational efficiency through customer-centricity, embracing continuous improvement and innovation, with an experience-driven approach and contemporary leadership.

Geared towards excellence in providing 'valued experience' to customers, Island Living owns a combination of organic and franchised international brands and focuses on 5 distinct business segments:

Mid-scale Accommodation	Quick Service Restaurants	Destination Restaurants	Land & Sea Adventures	Meetings & Events
• Voilà Hotels / Voilà Apart'Hotels • Kaz'Alala – Hosted B&B	• Domino's Pizza Mauritius • Ocean Basket Mauritius • MOKA'Z	• Le Chamarel Panoramic Restaurant • Savinia Bistrot • Seeloy Island Clubs	• Chamarel 7 Coloured Earth Geopark • Heritage Nature Reserve	• Voilà Meetings • Racing Republic • Case Noyale Events

Market Overview

The business and leisure service industry developed at a rather fast pace in 2017-18. This is driven by increasing consumer spending power, and a burgeoning middle class population related to an increase of 3.8% growth in the country's GDP. The operational strategies included strong marketing campaigns, regular promos and upgraded package offerings with perceived value. The impact of rising inflationary pressures on the cost base, following the increase in the Consumer Price Index by 4.3% in 2017-18 (2016-17: 2.4%), has been contained through strategic cost management techniques.

Island Living leveraged from the favourable economic factors and an evolving spending habits to factor in operational strategies that yielded good results for its restaurant and leisure activities principally. At the level of accommodation and meetings, Voilà Hotels benefitted from both an increase in business travellers and demand for meeting spaces and conferences.

In order to position itself in the Leisure segment and feast on the fine growth in tourist arrivals, Island Living secured management contracts for Le Chamarel Panoramic Restaurant, Chamarel 7 Coloured Earth Geopark, Heritage Nature Reserve and Case Noyale Events. The prime objective is to provide niche services such as ecotourism and cultural tourism with minimal ecological footprint.

> Island Living experienced a buoyant financial year through restructuring and a drive to expand operations

80%
Customer Satisfaction Index

Performance Review

Island Living experienced a buoyant financial year through restructuring and a drive to expand operations. The hotel business reported revenue of Rs 146m and EBITDA of Rs 30m, rising by 11% and 28% respectively compared to the previous financial year. The amplified results were achieved through securing competitive yet money-spinning contracts with corporate clients, shipping companies and transient groups and through effective cost control and management.

Moreover, the upswing in restaurant activities were driven by positive growth in covers sold and average spending. The restaurants, Ocean Basket and Savinia Bistrot posted a combined revenue of Rs 173m and EBITDA of Rs 18m. This was a reasonable achievement as the key contributor, Ocean Basket Bagatelle was closed for renovation for 5 months. Conversely, MOKA'Z restaurant saw an 11% rise in revenue of Rs 13m and EBITDA shifted from a loss of Rs 1.4m to Rs 60k profit, representing a major turnaround.

Furthermore, the newly merged Leisure sector, including Le Chamarel Panoramic Restaurant, Chamarel 7 Coloured Earth Geopark and Heritage Nature Reserve, yielded a combined revenue of Rs 148m and EBITDA of Rs 9m. Despite having no comparative financial data, it is apparent that the financial result was linked to the 4% growth in tourist arrivals in 2017-18 as most of the revenue for this segment is derived from major tour operators on the island.

	REVENUE	PAT
Rs m	2018	2018
Island Living (Holding Company)	15	(8)
Voilà Bagatelle	146	19
Seafood Basket	173	7
MOKA'Z	13	1
Cap D'Abondance	149	7
Total	**496**	**26**

Note: We have not included comparative figures (30 June 2017) for Island Living which was acquired on 01 July 2017.

Outlook

At national level, GDP is expected to increase, with a consequent positive impact on leisure consumption. The Mauritian middle class is also forecast to grow by 2% in 2018-19 and international tourists arrival should grow from 1.3m to 1.4m visitors.

The focus for 2018-19 will be towards consolidation of existing performing activities that have an established brand/equity value, while developing new activities in the Restaurant, Accommodation and Events segments. These are expected to contribute to greater value return for all stakeholders in the medium to long-term.

Island Living is pleased to announce the signing of a Master Franchise Agreement with the world's No. 1 pizza company, Domino's Pizza International Franchising Inc. to operate 12 stores in Mauritius. The debut of the brand in the 4th quarter of calendar year 2018 will broaden the choice offered to the public.

The launch in early 2018-19 of Seeloy Island Clubs, Racing Republic and Kaz'Alala (Hosted B&B) will also scale up expansion plans. These products are all tailored to market demand and in line with international standards.

Main Risks and Mitigating Actions

Risks	Actions
Business continuity A major disaster that threatens the ability to sustain	• Procedures in place to cater for natural calamities and other unforeseen events.
Health and safety	• Regular audit by SGS; • Mystery shopper performed; and • Regular internal surprise check by Training Manager.
Skills attraction, performance and retention	• Regular employee surveys and engagement initiatives; and • Buddy system in place.

Logistics

Rs 3,424 m
revenue

Sectors
Logistics Solutions

Company
Velogic

Rs 103 m
PAT*

Rs 292 m
EBITDA*

* Excluding exceptional items

Sector Overview

Velogic is an integrated logistics platform that uses its established capabilities and in-depth expertise to make complex international trade seamless.

Headquartered in Mauritius, the company operates 36 offices with a workforce of close to 1,400 full-time employees across different geographies, including France, India, Madagascar, Mozambique, Reunion Island, Kenya and Bangladesh. Velogic also partners with a network of logistics companies worldwide to move cargo to and from any country in the world.

Velogic offers a full range of integrated international logistics services that includes freight forwarding, customs clearance, haulage, warehousing, courier and container handling. Velogic is also involved through its subsidiaries in the following additional services in Mauritius:

- Freeport logistics and trade exhibitions through Freeport Operations Ltd;
- Sugar packing operating under the brand Sukpak; and
- Shipping operations through the brand Rogers Shipping in Mauritius and Singapore. A stevedoring activity is also carried out in Rodrigues.

Market Overview

The general contraction in the export-oriented manufacturing sector resulted in further downward pressures on volumes and margins for the freight forwarding business.

The plummeting of international sugar prices led to a slowdown in sugar exports that affected negatively the container depot's throughput volumes, and negatively impacted on the results of the sugar-packing activity.

The haulage activity delivered a relatively stable performance in an intensely competitive market despite a fall in project cargo revenue following completion of the Saint Louis Power Station project last year.

On the international scene, the broad-based cyclical upturn benefitted the freight forwarding operations in Madagascar, India and France. In Kenya, the business was disrupted by general elections and the difficult start of the new railway container transport service between Nairobi and Mombasa, launched earlier in the calendar year 2018.

Performance Review

	REVENUE		PAT	
Rs m	2018	2017	2018	2017 Restated
Port and Haulage Services	638	733	28	49
Sugar Packing	60	81	2	10
Shipping	50	49	8	7
Freight Forwarding	2,676	2,628	65	55
Corporate Services	-	-	-	(7)
Total	**3,424**	**3,491**	**103**	**114**

The Freeport and storage activities have performed well during the year. However, the Port and Haulage Services were affected due to lower contribution from the container depot as a result of downward pressures on margins from shipping lines, lower sugar volumes handled and a fall in the USD rate during the year. Furthermore, there was a drop in volumes of reefer containers stored as customers used other cold storage options. In addition, lower project cargo activity during the year affected the haulage business. The transport activity in Kenya was negatively impacted with the new railway and the introduction of a minimum wage.

Shipping services yielded slightly better results in a flat market for agency work.

Freight forwarding profits improved as a result of continued growth in Madagascar and India. Despite the difficult business environment in Kenya, overall performance was in line with last year. The freight forwarding business in France improved on higher volumes but was offset by provisions for long outstanding debts on the discontinued warehouse activity. In Mauritius, the difficult transition of the new courier business affected results but there was a notable recovery towards the end of the financial year. Freight forwarding profit in Mauritius continue to be under pressure in an intensely competitive and shrinking export market. The newly acquired courier business in Reunion Island contributed positively to profitability.

Outlook

Performance is expected to improve next year with the regional courier business expected to deliver upsides and better rates for the container handling activity. Freight forwarding and transport in Mauritius should benefit from the implementation of new commercial and operational initiatives. Global growth is likely to have a positive effect on overseas operations but the unpredictability of the Brexit process, faltering local manufacturing and uncertainties over the sugarcane sector could dampen performance in Mauritius.

In Kenya, renewed business confidence should have favourable ramifications for the Customs Clearance business, although it is still likely to be challenged if the existing difficulties with the new railway line persist.

The sale of the General Sales Agent operation in Mozambique to Rogers Aviation effective from July 2018 will allow to better focus on and expand the core logistics activities in Africa.

Maritime shipments in 2018 ('TEUs')

14,636

(2017: 12,847)

> Performance is expected to improve next year with the regional courier business expected to deliver upsides

Main Risks and Mitigating Actions

Risks	Actions
Financial Impact of the Standard Gauge Railway ('SGR') on the transport activity in Kenya.	Fleet reorganisation to tap into new business opportunities around SGR.
Economic & Industry Impact of reduction in sugar volumes in Mauritius on the transport activity.	Taking advantage of any consolidation.
Political & Currency Adverse Brexit outcome on the GBP, and hence the sugar packing activity.	Broadening the client base in other geographies.

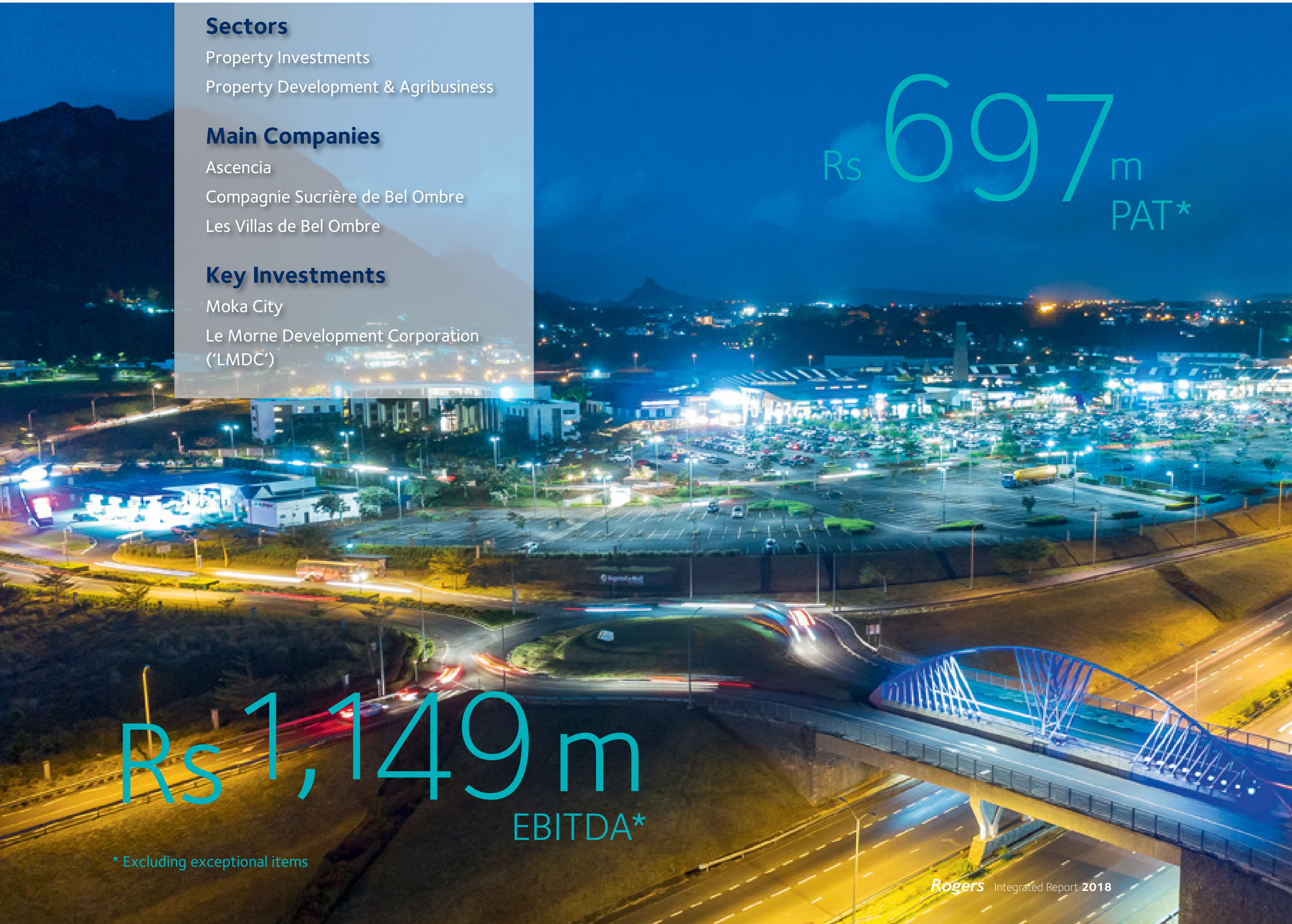
Air Shipments in 2018 (Tons)

20,518

(2017: 19,274)

Property

Rs 1,907 m
revenue



Sectors

Property Investments

Property Development & Agribusiness

Main Companies

Ascencia

Compagnie Sucrière de Bel Ombre

Les Villas de Bel Ombre

Key Investments

Moka City

Le Morne Development Corporation ('LMDC')

Rs 697 m
PAT*

Rs 1,149 m
EBITDA*

* Excluding exceptional items

Property Investments

Sector Overview

Ascencia is the largest dedicated retail property company in Mauritius. Listed on the Development and Enterprise Market since 2008, Ascencia has been a major player in the local real estate market. The Company's core activities are to acquire, hold and manage investments in real estate mainly across Mauritius, with a view of optimising returns to its shareholders. That trend is expected to stay the course.

With an experienced management team and a vigorous risk and corporate governance structure, Ascencia diligently manages its portfolio and "Shaping Singular Places" by delivering the best quality services and experiences to its visitors.

The portfolio of properties is currently valued at Rs 11.2 bn and comprises Bagatelle Mall, the largest shopping mall in Mauritius, Phoenix Mall and Riche Terre Mall, two popular regional malls, and three convenience shopping centres namely, Kendra and Les Allées. Of note, the investment property value excludes So'flo, the latter being a joint venture as at 30 June 2018.

Market Overview

The retail market faces new challenges every year, and the past period brought about significant changes to the landscape of Mauritius. Gross Lettable Area ('GLA') has grown by an average of 12% over the past 8 years, with notably So'flo Mall (GLA: 7,395 sqm) one of the latest addition to the Mauritian landscape.

The Smart Cities and Urban Terminals of the Metro Express projects will create new opportunities in the industry over the coming years. The expected increase in the supply of retail GLA may well put some downward pressure on rentals and increase the casualty rate of retailers over the short term. However, measures taken by the Government to boost growth, notably through infrastructural development and lower unemployment rates, will increase consumer confidence. Furthermore, the low interest rate environments shall continue to benefit the sector.

Average Income Yield (%) of

8.1%

(2017:7.1%)

> Ascencia diligently manages its portfolio and "Shaping Singular Places" by delivering the best quality services and experiences to its visitors

Performance Review

	REVENUE		PAT	
Rs m	2018	2017	2018	2017 Restated
Ascencia	1,230	1,160	859	966
Other Properties	80	79	–	1
Investments	–	–	23	13
Total	**1,310**	**1,239**	**882**	**980**

This year again, Ascencia delivered a strong financial and operational performance. On a comparable basis, Net Operational Income grew by 14% to reach Rs 843m. Overall PAT was reduced by lower fair value gains of Rs 496m (2017: Rs 629m).

These performances were particularly driven by an increase in gross contractual income coupled with higher exhibition and advertising revenues.

Furthermore, the 10% increase in footfall and higher trading densities across our portfolio, ultimately improved our tenants' performances. The ratio of gross rental to tenant turnover remained healthy (2018: 7.9% v/s 2017: 7.5%).

The refinancing of Ascencia's debt, the sale of non-core assets and the cost containment measures taken, have contributed to release additional cash flow and allowed Ascencia to reward its shareholders with Rs 345m as dividends. Dividend per Class A share increased by 50% to Rs 0.75 (2017: Rs 0.50).

Net Asset Value per share grew to Rs 15.10, representing a 7% increase on last year.

During the year, Ascencia significantly improved its Class A shares liquidity with more than 8,479,048 shares traded on the market (2017: 4,318,098). The total market capitalisation increased to Rs 8.3bn as at 30 June 2018 (2017: Rs 4.9bn), representing the largest capitalisation on the Development and Enterprise Market of the Stock Exchange of Mauritius at that date. This was due to the entry of Atterbury Mauritius Consortium (Pty) Limited in our share capital, together with a strong capital appreciation over the year. The share price stood at Rs 17.15 as at 30 June 2018 (2017: Rs 11.40). Ascencia's total investment property portfolio was valued at Rs 11.2bn (2017: Rs 10.7bn) by the international and independent commercial property valuer, Jones Lang Lasalle ('JLL').

Investment from associates and jointly-controlled entities delivered a PAT of Rs 23m (2017: Rs 13m) which was mainly attributable to So'flo Mall which started operations in November 2017.

> "Ascencia has decided to engage itself in a number of green initiatives: waste recycling, energy efficiency and clean energy

Outlook

Over the coming years, Ascencia has plans to increase its portfolio and consolidate its position in Mauritius. The Beau Vallon Mall will be fully operational by end of 2019, with a GLA of approximately 10,000 sqm. Works on the extension of Bagatelle Mall are due to start this year and is planned to be operational by end of financial year 2020. The extension will primarily comprise of additional parking spaces and an entrance at the back of the Mall. Ascencia is also considering diversification in other sectors of the property market. Last but not least, Ascencia has committed to engage itself in a number of green initiatives such as waste recycling, energy efficiency and clean energy which are the main projects for the next financial year.

Main Risks and Mitigating Actions

Risks	Actions
Strategic Group concentrated in retail industry	Regular monitoring of the challenges in commercial retail sector at management and Board level.
Financial Inability of the Group to meet financial obligations in medium term	Restructuring of the company's debt.
Business Continuity Breakdown in operations due to major health and safety incident / accidents	Regular assessment, review and implementation of security, health and safety standards and disaster recovery plans.

Increase in footfall of

10%

Sector Overview

The Property Development & Agribusiness activities of Rogers are located in the South of Mauritius in the Bel Ombre region, which is one of the most valuable land assets for the Group. The need for reinventing the destination remains a key priority and much energy is being geared towards this objective. The Domaine de Bel Ombre appellation has been changed to Heritage Le Domaine, a name that leverages the equity of the already established resort brand to give additional impetus and cohesion to the Group's activities in the region.

Market Overview

The sector is continuing its relentless efforts to turnaround the agribusiness activities as a result of the negative impact of declining sugar prices and fragile conditions in livestock activities.

The strategic reorientation of leisure activities was a major landmark. Now under the management of Rogers' newly established leisure company, Island Living Ltd, the activity remained the main contributor to the sector's Profit after tax (PAT).

The Integrated Resorts Scheme ('IRS') market has again faced headwinds both locally and internationally and the performance of Heritage The Villas was challenged by this and other difficult market conditions. New marketing initiatives have been launched to penetrate untapped markets and optimise operations.

> The IRS market has again faced headwinds both locally and internationally

Performance Review

Rs m	REVENUE 2018	REVENUE 2017	PAT 2018	PAT 2017 Restated
Real Estate	349	420	(122)	(87)
Agribusiness	172	185	(101)	(59)
Leisure	76	131	37	13
Investments	-	-	1	4
Total	**597**	**736**	**(185)**	**(129)**

In the Real Estate segment, a decrease in revenue for Les Villas de Bel Ombre, albeit with an increase in villa sales (2018: 6 units v/s 2017: 4 units) attributable to completion of three sales at the end of the financial year. This resulted in lower accounted revenue generated from achievement of milestones.

Agribusiness activities posted a decrease in sugar revenue from lower prices and a drop in livestock results from "Action de Chasse" due to a change in revenue recognition policy. However, revenue increased from the sale of deer meat.

PAT was affected by a negative movement in consumable assets (standing cane worth Rs 12m) due to a decrease in sugar production and prices as well as higher coffee production costs due to a poor harvest.

The Leisure business experienced a reduction in revenue due to the transfer of activities to Cap D'Abondance Ltd. Revenue was generated only from rental income, whilst PAT includes a turnover rental from upside in operations. This resulted in an improvement in PAT of Rs 16m, after the write-off of the remaining net book value of Le Chamarel Panoramic Restaurant (2017: Rs 13m).

Outlook

The 2018-19 financial year will bring a paradigm shift in our agricultural operations from traditional monoculture to a diversified agricultural landscape. This will lay out the premise for achieving our long-term agritourism vision, and further diversification of our land assets towards leisure activities.

Our livestock strategy will be geared towards re-establishing healthy pastures through strict management of herds' size and movements while also focusing on operational efficiency.

Our Real Estate operations will be focused on exploring new marketing ventures while revisiting the operational model to reduce costs. A new master plan for the region had been outlined and the first development phase is likely to start in the 2018-19 financial year.

Main Risks and Mitigating Actions

Risks	Actions
Financial Sustainability Decline in sugar price	A turnaround initiative is under way for the Agribusiness activities.
Information Technology IT and data risk due to obsolete equipment	Revamping of IT equipment and planning.

134,000 sqm

of instant lawn sold

“ The 2018-19 financial year will bring a paradigm shift in our agricultural operations

Risk Management Report and Other Statutory Disclosures

Other Statutory Disclosures

DIRECTORS

A list of Directors of the subsidiary companies of Rogers is given on pages 80 to 85.

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which Rogers, or one of its subsidiaries, was a party and in which a director of Rogers was materially interested either directly or indirectly.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the subsidiaries has service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

In Rs million	30 June 2018	30 June 2017
DIRECTORS' REMUNERATION & BENEFITS		
Remuneration and benefits paid by the Company and subsidiary companies to:		
Directors of Rogers and Company Limited		
Executive - full time	43.7	33.9
Non-executive	4.6	4.4
Directors of subsidiary companies		
47 executive - full time (42 in 2017)	191.3	172.5
87 non-executive (80 in 2017)	2.6	0.3

	GROUP		COMPANY	
In Rs million	30 June 2018	30 June 2017	30 June 2018	30 June 2017
DONATIONS				
Donations made during the year				
Political	1.3	1.6	1.3	1.6
Corporate Social Responsibility				
Statutory	6.5	7.9	0.9	-
Voluntary	2.7	0.3	-	1.0
Number of institutions	20	33	11	8
AUDITORS' REMUNERATION				
Audit fees paid to:				
BDO & Co	12.0	10.4	0.8	0.8
Other firms	7.8	7.6	-	-
Fees paid for other services provided by:				
BDO & Co	2.2	3.1	0.2	0.2
Other firms	11.8	7.0	-	-

Fees paid for other services to BDO & Co are in respect of taxation and consultancy services.

Risk Management Report

1 Overview

2 Managing our Risks

3 Principal Risks

Leveraging on an established risk management framework and with the appropriate culture, the Risk Management and Audit Committee believes that Rogers is well equipped to address and manage the risks and challenges faced by the Group in the diverse served markets

Vivian Masson
Acting Chairman
Risk Management
and Audit Committee

1. Overview

The Risk Management and Audit Committee ('RMAC') has continued to play a key oversight role for the Board of Directors. During this financial year significant emphasis was laid on enhancement of the risk management process, principal risks and uncertainties that may impact the Group's strategic objectives. Leveraging on an established risk management framework and with the appropriate culture, the Risk Management and Audit Committee believes that Rogers is well equipped to address and manage the risks and challenges faced by the Group in the diverse served markets.

1.1 Risk Management and Audit Committee

Members of the RMAC are financially well-versed and expert in their field of work. The composition of the committee and attendance to meetings are disclosed on page 37. The committee met during the financial year to acknowledge/review/discuss the following:

Review of principal risks/uncertainties	• Principal risks and uncertainties which impact Rogers were reviewed by the RMAC and discussed with the Group Chief Executive Officer ('CEO') including: – Financial performance of some activities such as agribusiness, livestock and property development (IRS villas); – Political interference/legislations in the global business sector; – Liquidity, credit and interest rate risks; – Unpredictable events such as natural calamities; and – Cyber threats and fraud.
Review of risk management process and RMAC charter	• The risk reporting process was identified as an area where the Group can improve and be more efficient. Implementation is under way. • RMAC charter and risk management process were reviewed in light of The National Code of Corporate Governance for Mauritius (2016). Risks were identified by management of each sector and incorporated in the budget/strategic plan to ensure decisions are based on proper risk assessment. • Internal audit plan for the next 3 years has been reviewed in line with Group risks.
Review of internal controls in all sectors	• An exercise involving management of all sectors is being carried out with the main objective to review and create a user-friendly Group policy manual. The latter includes the whole spectrum of the Group's businesses and focuses on the internal controls and risks associated with the different activities of the sectors. • Reports from the Head of Internal Audit & Risk Management on risk areas and internal controls were reviewed.
External audit	• Critical policies, judgements, estimates, significant issues were discussed and reviewed with the Group Chief Finance Executive ('CFE') and external auditor. • During the year the Chairman of the RMAC met with the external auditors without the presence of management. • The existing external auditor was reappointed at the Annual Meeting of Shareholders and has been in tenure for more than seven years. The tendering process for audit services is in progress and is in line with prevailing legislations.

Meetings held

5

Reports reviewed during the year

31

Independent Directors

2/3

Other matters	• A new member of the RMAC was appointed. • Review of quarterly abridged financial statements and reports from the Group CFE. • Review of Related Party Transactions. • The existing malpractice policy sets out the process whereby information relating to questionable practices within the Group is disclosed in good faith by employees. Employees are encouraged to raise such questionable practices to their direct reporting manager or Group Chief Human Resources Executive at Rogers. The latter will consequently report to the Group CEO who will approve any required investigations.

I would like to thank our former member Mr Philippe Forget for his involvement and valuable contribution to the RMAC. Mr Thierry Hugnin has since then been appointed as our new member to consolidate the skills, knowledge and experience of the RMAC.

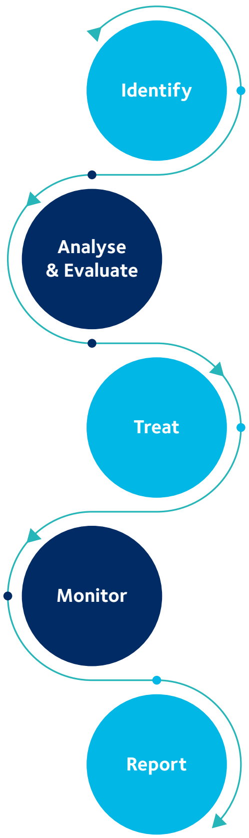
Last but not least, a special thank you to the RMAC members as well as the Group's Chief Executive Officer, the Group's Chief Finance Executive, management team, external auditors and the Risk & Audit department for their constant support and commitment throughout the year.

Vivian Masson
Acting Chairman
Risk Management and Audit Committee

2. Managing our Risks

Since last year, Rogers has adopted an integrated risk management approach. The **integrated risk management process**, **four lines of defence** and the **risk governance structure** at Rogers are as follows:

2.1 Integrated Risk Management Process



How we identify, analyse and evaluate risks at Rogers

Operational & Compliance risks	• Through regular management meetings held in sectors whereby emerging/new and other risks are identified as well as activities and processes that gave rise to the risks. • During audits carried out by internal and external auditors or appointed specialist consultants.
Financial & Strategic risks	• At time of preparation of the annual budget and three-year strategic plan by Chief Finance Officers ('CFOs') and CEOs. • Through risk workshops organised in some sectors involving Directors, CEOs, top and middle management and Head of Internal Audit & Risk Management. A business intelligence software is used for voting/assessing inherent and residual risks based on their potential financial impact and the likelihood of occurrence. Principal risks are then derived. • During audits carried out by internal and external auditors or appointed specialist consultants.

Treatment, monitoring and reporting

- Management in sectors devise appropriate mitigating strategies in light of their business model and set risk appetite. The implementation of remedial actions and monitoring is performed by management.
- Principal risks are reported by management to Group CEO, Board of Directors ('Board') of sectors and Rogers' Board. The Group CFE and the Risk & Audit department report risks and other findings to the RMAC and to all Boards. A follow up on the progress made on the implementation of the recommendations is performed at a later stage by the Risk & Audit department.

2.2 Our four lines of defence

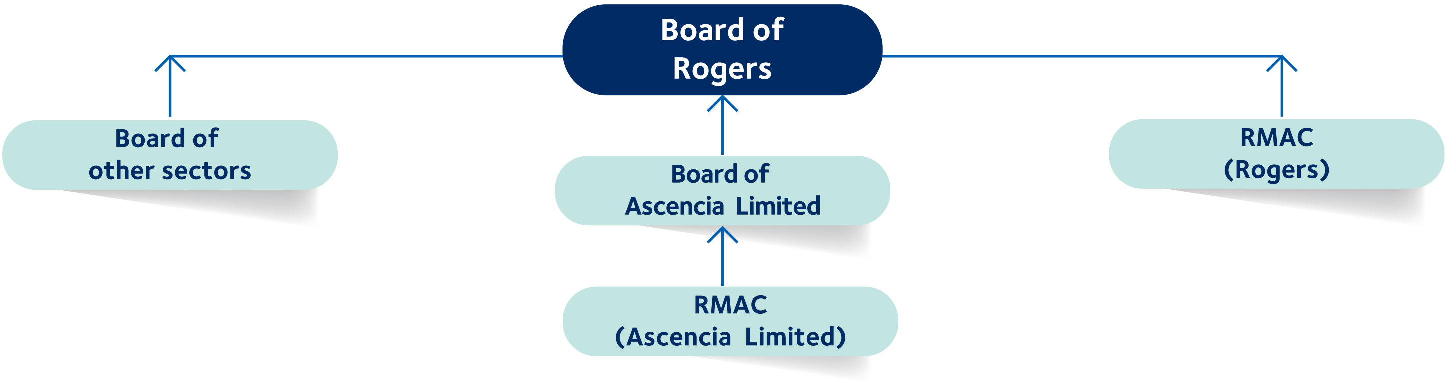
At Rogers, our four lines of defence are as follows:

People, Process and Technology | Management and Oversight | Internal Audit | External Assurance

1ST LINE **People, Process and Technology**	• Controls are operated by employees involved in day-to-day activities. • The adequacy and relevance of internal controls is supported by the Rogers Guidelines and Policies Manual.
2ND LINE **Management and Oversight**	• Management teams of sectors meet on a regular basis for the assessment, identification, and escalation of new/emerging events. • Monitoring of risk and control effectiveness are performed and reported to the respective sectorial boards.
3RD LINE **Internal Audit**	• Internal audit is an independent in-house function with the Head of Internal Audit & Risk Management reporting to the Chairman of the RMAC. • The audit focus during this financial year was on higher risk areas and completion of the three-year audit plan which excludes joint ventures and associates. Key areas of focus were on: - operational controls; - safety and health controls; - financial controls; - human resources management; and - legal, regulatory and internal compliance. • Internal audit findings and progress on implementation of recommendations were reported to the RMAC and the Board of sectors. There were no major limitations or restrictions in the audit scope, access to records, management and employees. The structure and qualifications of the key members of the department is detailed on the Rogers website.
4TH LINE **External Assurance**	Assurance from independent external consultants and auditors is obtained on: - Valuation of investment properties and retirement benefit obligations; - Financial statements; and - Safety risks.

2.3 Risk Governance

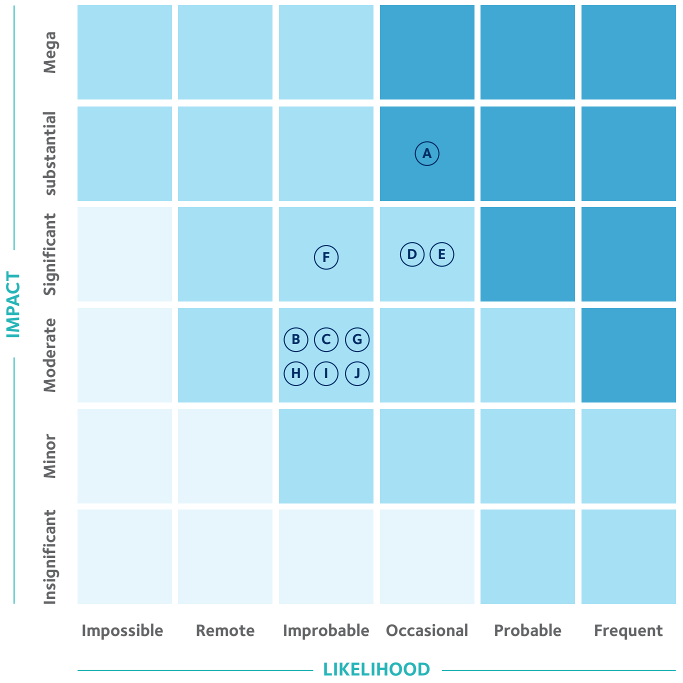
The Board of Directors ('Board') of Rogers and sectorial Boards are responsible for the governance of risks and the RMAC ensures that risks are managed effectively within the Group. Our risk governance structure is as follows:



3. Principal Risks

3.1 Risk Heat Map

The Risk Heat Map provides an overview of the 10 principal residual risks identified and how these risks have evolved over the financial year under review.



A	Political ◎	△
B	Projects development, strategic partnerships and acquisitions	◁○▷
C	Stakeholder engagement	◁○▷
D	Financial sustainability (Industry Risk)	△
E	Liquidity/Interest Rate/Foreign exchange	◁○▷
F	Business continuity	◁○▷
G	Information Technology	◁○▷
H	Skills performance and retention	◁○▷
I	Theft, fraud and corruption	◁○▷
J	Legal and regulatory compliance	◁○▷

KEY:

- △ Risk has increased
- ◁○▷ No movement in risk level
- ◎ Emerging risk

Risk Management

3.2 Principal risks, mitigating actions and opportunities

The principal risks, mitigating actions/opportunities and their corresponding capital/strategic objectives impacted were identified.

Principal Risks	Description & Risk Context
Strategic risks	
A Political	• International political interference which impacts future changes in law, regulations and international tax agreements (FinTech served market). • Political instability in some African countries in which Rogers has operations (Travel sector and Logistics served market). • Interference of the Government of Kenya on legislation around the introduction of the railway which impacts the transport activity in Kenya (Logistics served market).
B Projects development, strategic partnerships and acquisitions	• Inadequate due diligence/feasibility study on acquisitions and project development. • Inefficient or ineffective alliance with strategic partners.
C Stakeholder engagement	• Inadequate relationship management and conflict with stakeholders. • Inability to meet clients' expectations.
Financial risks	
D Financial sustainability (Industry Risk)	• Changes in conditions that threaten the attractiveness or long-term viability of industries in which the sectors operate: – Loss-making activities (Property Development & Agribusiness sector); – Low sugar prices on the international market (Property Development & Agribusiness sector); – Decrease in volumes of sugar and sugar cane transported (Logistics served market); and – Gradual degradation of the environment - beach erosion and marine pollution (Hotels sector).
E Liquidity/Interest Rate/ Foreign exchange	• Inability of the Group to meet financial obligations. • Delay in receiving money from debtors. • Significant changes in interest rates. • Adverse fluctuation in exchange rates.

Mitigating Actions and Opportunities	Strategic / served market objectives impacted	Capital Impacted
• Close monitoring of impact of changes of legislations and amended treaties to identify potential opportunities. • Joining the financial services community to lobby on laws and amendments. • Broadening client-base in other geographies. • Fleet reorganisation to tap into business opportunities around the railway.		
• Carrying out due diligence checks to review the financial, technical, risk and legal aspects of each acquisition. Investment is based on strict Key Performance Indicators. • Partnership with reputed international brand "Domino's Pizza". • Requiring feasibility study for all projects and carefully selecting strategic partners. • Ensuring proper contractual agreements between all parties involved. • Use of external independent experts for valuations.		
• Ongoing relationship management with clients, suppliers and authorities. • Organising regular briefings for investors and employees. • Launch of common brand for activities in Bel Ombre. • Roll-out of new brand identity for Ascencia Limited for improved communication.		
• Reviewing loss-making activities through implementation of Turnaround plans (Property Development & Agribusiness sector). • Appointment of a new Head and focus approach on Property Development & Agribusiness sector. • Reopening of refurbished Heritage Le Château and its surroundings in Bel Ombre. • Disposal of non-core assets. • Innovative coastal rehabilitation of the beaches and reefs in Bel Ombre. • Taking advantage of any consolidation (Logistics served market).		
• Reassessment of treasury function. • Improving recoveries and reduction in arrears through stringent debtors' management. • Ongoing negotiations with bankers to secure favourable rates for the Group. • Opting for fixed rate borrowings/instruments instead of variable rate. • Monitoring level of gearing. • Use of currency hedging.		

KEY: Financial Capital · Human Capital · Intellectual Capital · Social & Natural Capital
FinTech · Hospitality · Logistics · Property

Risk Management

Principal Risks	Description & Risk Context
Operational risks	
F **Business continuity**	• Cessation of activities due to: – Unforeseen natural calamities; – Uncontrollable events, for example fire, cyclone, flooding, tsunami, violence and terrorism attacks; and – Major health and safety incidents/accidents. • No proper business continuity plan.
G **Information Technology**	Innovation & Technology • Not leveraging on innovation to sustain competitive advantage. • Inability to adapt to disruptive technology. IT Security • Cyber threats. • IT system failure. • Inadequate security of data. • Data privacy issues and financial losses resulting from cyber-attacks and fraudulent phishing attempts.
H **Skills, performance and retention**	• Low staff engagement. • Limited availability of adequate skills and talents (Hotels sector). • Scarcity of experienced resources in new and disruptive technologies for development, for example, Artificial Intelligence and Blockchain.
I **Theft, fraud and corruption**	• Misappropriation of assets. • Inability to implement and communicate policies and procedures, for example malpractice reporting policy and internal compliance procedures. • Fake bank transfer instructions received by email and illegal transactions not detected (FinTech served market).
Compliance Risks	
J **Legal and regulatory compliance**	• Non-adherence to existing or new legislation and regulations such as Data Protection Act, General Data Protection Regulations and The National Code of Corporate Governance for Mauritius (2016). • Changes to laws and regulations not communicated and training not provided. • Not systematically applying enhanced due diligence with respect to high risk clients (FinTech served market).

Mitigating Actions and Opportunities	Strategic / served market objectives impacted	Capital Impacted
• Procedures in place in case of cyclones and fire. • Review of business continuity plan is under way and its completion is targeted for next year. • External safety assessment done, recommendations implemented and monitoring ongoing (Property Investments sector). • Adequate insurance coverage against major risks.		
Innovation & Technology • Focus on digital transformation through the technology arm of Rogers. • Introduction of cloud services. • Launch of digital services (FinTech served market). • Founding partner of the Mauritius Blockchain Centre of Excellence (FinTech served market). • Improvement to management information system through the implementation of the corporate business analytic system (Corporate Office). • Successful go-to-market on Hire Purchase, Leasing and Loans (FinTech served market). **IT Security Measures reinforcement** • Regular IT audits. • Regular upgrade in information security.		
• Yearly engagement surveys. • Management Development Programme course. • Rogers Leaders Award. • Excellence Awards for employees of the Hotel sector. • Continuous training provided to employees. • Implementation of employer value proposition with emphasis on talent management and human capital development (FinTech served market). • Full remuneration survey to align to market and retention plan in place.		
• Review and implementation of ethics policy. • Ensuring proper segregation of duties. • Implementation of recommendations on internal controls made by internal and external auditors. • Zero tolerance policy on risk of errors and fraud (FinTech served market). • Review and update of Rogers Guidelines and Policies Manual.		
• Seminars and workshops organised for Directors and management with respect to The National Code of Corporate Governance for Mauritius (2016). • Compliance with General Data Protection Regulations and Data Protection Act. • Monitoring implementation of new legislations. • Recruitment of key staff to reinforce compliance function (FinTech served market).		

KEY: Financial Capital · Human Capital · Intellectual Capital · Social & Natural Capital · FinTech · Hospitality · Logistics · Property

Directors of Subsidiary Companies

FINTECH

	Aubdool Muhammad Riad	Ah Ching Cheong Shaow Woo	Boullé Fabrice Francois	Chung Kai To Cyril Yin Choon	Chung Tick Kan Georges	Cooposamy Deven	Corneillet Virginie Anne	Espitalier-Noël M.M. Hector	Espitalier-Noël M.H. Philippe	Jingree Jayachund	Legrigore Jean-Francois	Li Ting Chung Richard	Lenette Louis Jean Vincent Didier	Mangar Binesh	Mamet Damien	Nathoo Roshan	Quek Hung Guan	Randera Taher Mowlooda Ismael	Ruhee Ashley Coomar	Shah Sharmil Dhanraj	Ujoodha Dhanun	Wong Leung Pak Vacher Belinda
Globefin Management Services Ltd		A				A			A				A			X			A			
Globefin Corporate Services Ltd						A					X		A			X						
Globefin Nominees Ltd											X		A			X						
Rogers Capital Nominee 2 Ltd													X					X	X		X	
Roger Capital City Executives Ltd													X					X	X		X	
Rogers Capital Nominee Ltd													X					X	X		X	
Rogers Capital Accounting Services Ltd	A												X					X			X	
Rogers Capital Actuarial Services Ltd												X	X						C		A	
Rogers Capital Business Services Ltd													X					X			X	
Rogers Capital Corporate Services Ltd		X			X		X		C	X			X						X			
Rogers Capital Corporate Services (Singapore) Pte Limited												X	X				X		X			
Rogers Capital Specialist Services Ltd												X	X						X		X	
Rogers Capital Captive Insurance Management Services Ltd												X	X						C		X	
Rogers Capital Fund Services Ltd													X					X	X		X	
Rogers Capital Finance Ltd		X		X															X			R
Rogers Capital Nominee 1 Ltd													X					X	X		X	
Rogers Capital Investment Advisors Ltd							X	X	C										X			
Rogers Capital Ltd		X	X		X		X	X	C	X									X			
Rogers Capital Management Services Ltd		A			A		A	A	A	A					R				A			
Rogers Capital Payroll Services Ltd	A												X					X			X	
River Court Nominees Limited													X								X	
Rogers Capital Trustees Services Limited										X			X							X	X	
Rogers Capital Payment Solutions Ltd		A							R					A					A			R

C- Chairman X-In office as Director A-Appointed as Director R-Resigned as Director

FINTECH

	Ah Ching Cheong Shaow Woo	André Emmanuel René	Allagapen Gary Deva	Corneillet Virginie Anne	Depierre Yvan	Espitalier-Noël M.H.Philippe	Hurkoo Dev Harish	Nunkoo Nayendranath	Ruhee Ashley Coomar
Rogers Capital Outsourcing Ltd			X	A		C	A		X
Rogers Capital Technology Services Ltd	X	X		A	X	C	A	X	X

OTHER INVESTMENTS

	Bhoyroo Mohammad Yashinn	Chummun Dipak	Radhakeesoon Aruna Lata Vidia	Curé Karine Marie	D'Hotman De Villiers Marie Joseph Bernard	D'Hotman De Villiers Audrey	De Comarmond Louis Marie Maurice André	Espitalier-Noël M.M. Hector	Espitalier-Noël M.H.Philippe	Gunness Lilladhur	Kanhama Denise Do N. Cornelio	Koenig J. H. V. Richard	Leclézio J. M. René	Mamet Damien	Martins Edmilson De Jesus	Rogers Francois Michel	Wilain Jean-Luc Vincent Marie
Rogers Foundation Ltd				A		X	X		C			X		X		X	
Mauritian Coal & Allied Services Co. Ltd		X	X						C	X			X				C
Rogers Corporate Services Ltd	X								A			A					
Jacotet Bay Limited					X			X			X	X			R		

C- Chairman X-In office as Director A-Appointed as Director R-Resigned as Director

Directors of Subsidiary Companies

HOSPITALITY

	Bastiaan Jeremy Steven	Berman Laurence Marie	Caesens Koenig Amaury Bruno	Charles Jacques Jean Francois	Cisneros Gilbert Jean Antoine	Cisneros Maria Antoinette Yolande	Corneillet Virginie Anne	Curé Karine Marie	Dupont Danielle Christine	Espitalier-Noël M.A. Eric	Espitalier-Noël M. M. Hector	Espitalier-Noël M. H. Philippe	Eynaud Francois Paul Philippe	Fayd'herbe de Maudave Alexandre	Hugnin Guy	Hugnin De Loppinot Brigitte	Koenig J. H. V. Richard	Mamet M. J. Jean-Pierre	Mamet Jeremy Alan	Mamet Damien	Marrier D'Unienville Jean Albert	Menteath Jonathan Lawrence	Montocchio Francois Thierry	Motet Joseph Jacques	Nadassen Kishen	Pilot Johan M. J.	Radhakeesoon Aruna Lata Vidia	Rey D. A Thierry Hugues	Robert Francois Richard	Stedman Richard Sohrab	Van Der Watt Louis Lukas S.
Bagatelle Hotel Operations Company Limited										R	R																			X	R
Cap D'abondance Ltd			R				R				R	X														R				X	
CCC LAH Limited											R															R		R		X	
DOMC Ltd								A				A		A				A		R					A		R	A		A	
Island Living Ltd			R				R	A		R	R	C	A	A											A	R			A	X	
Seafood Basket Limited										R	R																			X	R
Sweetwater Ltd	A										R	A																		A	
Sports-Event Management Operation Co Ltd												C	A								A								A	A	
Heritage Golf Club Ltd				X					X				C				X		X				X								
Heritage Events Company Ltd													C									X	X								
VLH Ltd		X								X		X	X	X	X	X				X			X	X						X	
Seven Colours Spa Ltd										X			X		X	X															
VLH Training Ltd										X			C		X	x															
Adnarev Ltd										X			C		X	x															
Veranda Tamarin Ltd					X	X							X										X								

C- Chairman   X-In office as Director   A-Appointed as Director   R-Resigned as Director

HOSPITALITY

	Almeida James	Artur Magalhaes	Bhoyroo Mohammad Yashinn	Breiner Marc Francois Stephane	Bouic Joseph Guillaume Karl	Carlos Sitoe	Cassam Raficq	Radhakeesoon Aruna Lata Vidia	Corroy Marie Sybil Anick	De Laubier Tanguy Hubert Joachim	Dupont Danielle Christine	Espitalier-Noël M. H. Philippe	Eynaud Francois Paul Philippe	Fayd'herbe de Maudave Alexandre	Giraud Paul France	Gisela Mabota	Granger Gilles	Hardy Emmanuel Michel Laurent	Hardy Jean Marie Bertrand	Laulloo Mohammad Faiz Hafiz	Masrani Hasu	Dahoo Noor Mohamed Eshan	Omarjee Zakaria	Papet Mathias	Patel Kiran	Peretti Lacombe Frederique Anne	Poonisami Jean Yan Cedric	Ramchurn - Oogarah Soorya Devi	Rivalland Robert	Robert Francois Richard	Ruhee Ashley Coomar	Schaub Dimitri	Taloumis Panayotis	Taloumis Vassilis	Taloumis Loanis	Tchamo Jeremias	Tyack Frédéric Gerard	U King Im Marie Guylette Nicole	Yon Germain Joseph
Rogers Aviation Comores S.A.R.L														X																									
Air Cargo Service Madgascar														X						X													X	X	X				X
Ario Seychelles Ltd																													X			X							
Rogers Aviation France S.A.R.L														X																									
Rogers Aviation Reunion SARL														X									R																
Rogers Aviation Kenya Ltd							X							X						X																			
Beavia Kenya Limited									X					X							X				X			X											
Rogers Aviation International Ltd (ex Ario Ltd)			X						R					X						X							X	X											
Rogers Aviation Madagascar S.A.R.L														X													X	X											
Rogers Aviation Mayotte SARL														X									R																
Rogers Aviation Mozambique LDA.									X					X													X	X											
Rogers Aviation (Mauritius) Ltd			X											C													X	X											
Blue Connect Ltd				X						C				X												X	X												
BlueAlizé Ltd					X									C					X								X												X
BS Travel Management Ltd									R					X						X							X	X											X
BS REUNION (Run Tourisme)														X									R																
BS Travel Management Limitada									X					X													X	X											
Bluesky Mayotte SARL														X																									
Bluesky Madgascar SARL														X								X					X	X											
Croisières Australes Ltée														X					X								X											X	X
GS Africa Airline Services Ltd														X													X												
Mozambique Airport Handling Services Lta(MAHS)	R	X				C								X		A																				R			
Plaisance Air Transport Services Ltd.														C						X							X												X
Rogers Aviation South Africa (Proprietary) Limited														X													X	X											
Rogers Aviation Holding Co Ltd			X					X				C	X	X													X										X		
Transcontinent S.A.R.L.														X	X																								
Travelia														X																									
Resaplanet Ltd											X	X		X			X							X			X			X	X								X
Yacht Management Ltd														X				X		X							X												X

C- Chairman X-In office as Director A-Appointed as Director R-Resigned as Director

Directors of Subsidiary Companies

LOGISTICS

	Abraham Bertrand Denis	Arrowsmith Sarah Carmen	Avrillon Francis Vincent	Bhatt Mehul Hitesh Kumar	Bosch Josep Oriol	Cayeux Joseph Maxime Bruno	De Comarmond Marie Maurice André	Driver H. W. Anthony	Elysee David	Elysee Louis Jacquelin	Espitalier-Noël M.E. Gilbert	Espitalier-Noël M. H. Philippe	Evard Christoph	Girard Sylvain	Gobindram Shah Nawaz	Hugnin Thierry	Hung Han Yun Denis	Kone-Dicoh Khady-Lika	Lallchand Jawaharlall	Mamet Damien	Merrick Raymond	Mokar Shah Kirtikumar	Noël Alexandre Joseph Raoul	Nunkoo Nayendranath	Olivier Vivian	Rigouzzo Luc André Emmanuel	Ronoowah Rishi Kapoor	Sangeelee Naveen	Yue Chi Ming Tony
Cargo Express Madagascar S.A.R.L.							X																						X
Express Logistics Solutions Ltd	X						X										X							X				X	
F.O.M Warehouses Ltd	X		X				X										X							X					
Freeport Operations (Mauritius) Ltd	X						X										X							X				X	
Logistics Solutions Ltd											X	C								X				X					
Velogic Ltd							X																	X				X	
Velogic Holding Company Ltd											X	C						X		X				X		X			
P.A.P.O.L.C.S. Ltd.								X		R									X					C	X		X	X	
Papol Holding Ltd								X	X	R														X				X	
Velogic Depot & Warehouse Ltd							X																	X					
Rogers IDS (France) SA														X															
Rogers IDS Madagascar SA							X																						X
Rogers IDS Limitada Mozambique							X																	X					
VSR SA							X																	X				X	
Velogic Express Reunion SAS							X																	X				X	
Velogic India Private Limited															X									X				X	
VK Logistics Ltd				X									X			X								X				X	
General Cargo Services Limited				X	R								X									X		X				X	
Gencargo (Transport) Limited				X	R								X									X		X				X	
Rogers Shipping PTE (Singapore)											X	X											X	X					
Rogers Logistics International Ltd												X												X				X	
Rogers Logistics Services Company Ltd	X						X										X							X				X	
Rogers Shipping Ltd																								X	X			X	
Southern Marine & Co Ltd																								X				X	
Sukpak Ltd		X										C									X			X				X	
Transworld International Ltd.							X																	X					
Thermoil Company Limited			X																						X				
Velogic Haulage Services Ltd	X					R	X																	X				X	
Velogic Garage Services Ltd	X					R	X										X							X				X	
MTL Logistics & Distribution Co. Ltd																												X	
Associated Container Services Limited							X																	C				X	

C- Chairman X-In office as Director A-Appointed as Director R-Resigned as Director

PROPERTY

	Ah Ching Cheong Shaow Woo	Boyramboli Bojrazsingh	Bhoyroo Mohammad Yashinn	Bundhun Manish	Conhye Koosiram	Radhakeesoon Aruna Lata Vidia	Ramdoss Itysha Sharona	Espitalier-Noël M. M. Hector	Espitalier-Noël M.H. Philippe	Galéa Marie Henri Dominique	Lam Kin Teng Dean Allen	Louw Lucille Helen	Mamet Damien	Pascal Pierre Yves	Tyack Frédéric Gerard	Van Der Watt Louis Lukas S.	Veerasamy Naderasen Pillay	Wong Leung Pak Vacher Belinda
FPHL Infra Ltd													X					
Foresite Property Holding Ltd						X			C				X					
Ascencia Limited	X	R			A		A	X	C	X	A	A	X	A	X	A	X	R
Motor Traders Ltd			X															
Reliance Facilities Ltd				X					C									
Reliance Security Services Ltd				X					C									
Reliance Systems Ltd				X														
Bagaprop Ltd									X			X	X		X	X		

PROPERTY

	Bhoyroo Mohammad Yashinn	Blandin de Chalain Jean-Marie Nicolas	Caine Russell Glenn	De Waal Anton	Descroizilles Marcel Vivian	Dupont Jacques Desiré Dominic	Espitalier-Noël M.A. Eric	Espitalier-Noël M.M.Hector	Espitalier-Noël M. H. Philippe	Eynaud Francois Paul Philippe	Hart De Keating Christopher	Hebert Thierry Jacques M. A.	Koenig J. H. V. Richard	Lenoir Gustave E. Jean Pierre	Mc Nally Kevin Garth	Pople Richard Clive	Tribolet Paul	Wiehe L. H. Georges
South West Tourism Development Company Limited							X	X	X									
Le Marche Du Moulin Ltd			X															
Case Noyale Limitée					X		X	C	X	X	A		X	X				R
Compagnie Sucrière De Bel Ombre Limited					X		X	C	X	X	A		X	X				R
Les Villas De Bel Ombre Ltée							X	X	X	X	A							R
Villas Valriche Resort Ltd		X		X		X						A			R	A	X	
Les Villas De Bel Ombre Amenities Ltd							A	C	A	A	A							

C- Chairman X-In office as Director A-Appointed as Director R-Resigned as Director

Financial Performance

Directors' Report

Independent Auditor's Report

Financial Statements

Financial Performance Contents

DIRECTORS' REPORT

FINANCIAL STATEMENTS

The Directors of Rogers are responsible for the integrity of the audited financial statements of the Group and the Company and the objectivity of the other information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

(i) selected suitable accounting policies and applied them consistently;

(ii) made judgements and estimates that are reasonable and prudent;

(iii) stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;

(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;

(v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and

(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN STATEMENT

On the basis of current projections, we are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. The Board believes that the Group's systems of Internal Control and Risk Management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

DONATIONS

For details on political and charitable donations made by the Company, please refer to page 69.

STATEMENT OF COMPLIANCE

Throughout the year ended 30 June 2018, to the best of the Board's knowledge, Rogers has complied with the National Code of Corporate Governance for Mauritius (2016). Rogers has applied the 8 principles set out in the Code and explained how these principles have been applied.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 94 to 161 were approved by the Board on 13 September 2018 and are signed on their behalf by:

Jean-Pierre Montocchio	Philippe Espitalier-Noël
Chairman	Director & CEO

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Rogers and Company Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 94 to 161 which comprise the Statements of Financial Position as at 30 June 2018, 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 94 to 161 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018, 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 judgement, 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.

We provide below our description of how our audit was addressed for each key audit matter identified.

1. Land and Buildings and Investment Properties

Key Audit Matter

At 30 June 2018, the Group has land and buildings which are included in property, plant and equipment amounting to Rs 8,433m and investment properties amounting to Rs 11,626m. The significance of the land, buildings and investment properties on the Statements of Financial Position resulted in them being identified as a key audit matter.

Land and buildings are stated at their fair value based on periodic valuations by directors of the Group subsequent to valuation carried out by external valuers, less subsequent depreciation for buildings. The fair value of land and buildings is arrived by using the market value approach.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value as determined annually by the directors subsequent to the valuation carried out by external valuers which is based on the discounted cash flow model and open-market basis as appropriate.

Related Disclosures

Refer to notes 10 and 11 of the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD)

Report on the Financial Statements (contd)

1. Land and Buildings and Investment Properties (contd)

Audit Response

Our audit procedures included testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of detail to ensure completeness and accuracy of the land and buildings and investment properties through the following:

- Ensured the estimated remaining useful lives and residual values of land and buildings are reasonable, by comparing the directors' estimates to the useful lives of assets with similar characteristics.
- Reviewed the Group's depreciation policy for land and buildings and verified the inputs to the calculation.
- Performed predictive tests on depreciation charge.
- Checked consistency and reasonableness of the component allocation with previous years.

We tested the key inputs to the valuation of the Group's land and buildings and investment properties as follows:

- Assessment and discussion of management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.
- Obtained the external valuation reports and discussed with the external valuers about the results of their work on a sample of properties. We discussed and challenged the valuation process, performance of the portfolio, significant judgements and assumptions applied to the valuation model, including yields, occupancy rates, capitalisation rates and lease incentives. We benchmarked and challenged the key assumptions to external industry data and comparable property valuation.
- Testing the integrity of a sample of the data provided to the external valuers. This included verifying a sample of information provided to the external valuers to underlying lease agreements.
- Testing land values by comparing the values used by the valuers to land values of similar characteristics.

2. Valuation of Goodwill

Key Audit Matter

The Group has goodwill amounting to Rs 1,275m at 30 June 2018. Significant judgement is required by management in assessing the impairment of goodwill annually, which is determined using discounted cash flows for each Cash Generating Units (CGU) for which goodwill has been allocated. This test and assessment is largely based on expected future cash flows from the latest management planning, extrapolated on the basis of long term revenue expected growth rates and assumptions with regard to terminal values and discount rates. The judgements and the estimates applied in these calculations result in the carrying value of the goodwill being identified as a key audit matter.

Related Disclosures

Refer to note 12 of the accompanying financial statements.

Audit Response

- We checked the validity and reasonableness of the forecasts in line with the assumptions used.
- We reviewed the latest management decision with regards to the business model to assess whether the assumptions are in line with the valuation assumptions made.
- We performed procedures relating to the disclosures on impairment testing included in the financial statements, looking specifically at the disclosure of assumptions that have the most significant effect on the determination of the recoverable amount of goodwill. In connection with this, we verified whether these disclosures are adequate and provide sufficient insight into the disclosed assumptions and sensitivities of the assumptions underlying the valuation.
- We performed sensitivity analysis on the assumptions used to determine the impact on the carrying values.

Report on the Financial Statements (contd)

3. Revenue recognition

Key Audit Matter

The Group's revenue is made up of sales of goods and services, management fees, interest income, dividend and rental income and revenue from sales of villas. Revenue is measured at the fair value of the consideration received or receivable after eliminating sales within the Group. We focussed on this area due to the significant value of revenue for the Group and the risk attached to the timing of recognition of revenue.

Related Disclosures

Refer to note 3 of the accompanying financial statements.

Audit Response

Our audit procedures to address the risks of material misstatement relating to revenue recognition included:

- An understanding of key controls management has in place to ensure that revenue is recognised in the appropriate period and in line with the respective terms and conditions.
- Testing the operating effectiveness of the key controls, the information used and management's review and approval of revenue recognised.
- Ensuring completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.
- Obtained explanation from management on major variations noted.
- Obtained confirmation from component auditors on the revenue accounted at group level and any major unadjusted items and weaknesses reported.
- Ensured all intergroup revenue is eliminated.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Board of Directors Report, Interview with the Chief Executive Officer, Chief Finance Executive Report, Served Market Performance, Risk Management Report, Other Statutory Disclosures, Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

When we read the Annual Report, if we conclude there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

INDEPENDENT AUDITOR'S REPORT (CONTD)

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 judgement and maintain professional scepticism throughout the audit. We also:

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

Financial Reporting Act 2004

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

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

Other Matter

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

BDO & Co

Chartered Accountants

Port Louis

Mauritius.

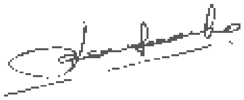
13 September 2018

Ameenah Ramdin FCCA, ACA

Licensed by FRC

FINANCIAL STATEMENTS

These financial statements have been approved for issue by the board of directors on 13 September 2018.



Jean-Pierre Montocchio

Chairman

Philippe Espitalier-Noël

Director & CEO

Primary Statements

STATEMENTS OF PROFIT OR LOSS

Year ended 30 June 2018

In Rs million	NOTES	GROUP 2018	GROUP 2017 Restated	COMPANY 2018	COMPANY 2017
Revenue	3	9,472.0	8,663.0	734.1	515.8
Profit from operations before finance costs	4	1,037.5	1,052.7	393.1	193.1
Finance costs	5	(550.4)	(538.7)	(163.7)	(180.2)
Fair value gains on investment properties	11	495.7	637.9	12.1	2.8
Share of results of jointly controlled entities	14	(11.7)	(16.6)	-	-
Share of results of associated companies	14	119.6	(8.2)	-	-
Profit before exceptional items		1,090.7	1,127.1	241.5	15.7
Exceptional items					
Excess of fair value of net assets over consideration price	6	79.0	144.5	-	-
Fair value loss on financial assets	6	(9.7)	-	-	-
Profit (loss) on disposal of financial assets	6	34.5	(3.0)	53.4	117.7
Profit on sale of properties	6	117.0	9.3	-	-
Profit before taxation		1,311.5	1,277.9	294.9	133.4
Taxation	7	(189.6)	(165.0)	-	-
Profit for the year		1,121.9	1,112.9	294.9	133.4
Attributable to					
Owners of the parent		554.1	478.5		
Non-controlling interests		567.8	634.4		
Profit for the year		1,121.9	1,112.9		
Earnings per share	8	Rs2.20	Rs1.90		

The explanatory notes on pages 100 to 161 form an integral part of these financial statements.
Auditor’s report on pages 89 to 93.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2018

		GROUP		COMPANY	
In Rs million	NOTES	2018	2017 Restated	2018	2017
Profit for the year		1,121.9	1,112.9	294.9	133.4
Other comprehensive income					
(Losses) gains on property revaluation	9	(47.6)	924.9	–	–
Remeasurements of post employment benefit obligations	9	2.1	28.0	4.2	10.6
Share of other comprehensive income of associated companies	9	(5.2)	(52.6)	–	–
Items that will not be reclassified to profit or loss		(50.7)	900.3	4.2	10.6
Exchange differences on translating foreign entities	9	(18.7)	(17.7)	–	–
(Losses) gains arising on fair value of available-for-sale financial assets	9	(46.1)	40.1	(56.8)	57.9
Share of other comprehensive income of jointly controlled entities	9	(0.3)	(0.3)	–	–
Share of other comprehensive income of associated companies	9	(223.4)	13.6	–	–
Items that may be reclassified subsequently to profit or loss		(288.5)	35.7	(56.8)	57.9
Other comprehensive income for the year		(339.2)	936.0	(52.6)	68.5
Total comprehensive income for the year		782.7	2,048.9	242.3	201.9

	2018	2017 Restated
Attributable to		
Owners of the parent	266.9	1,066.6
Non-controlling interests	515.8	982.3
Total comprehensive income for the year	782.7	2,048.9

The explanatory notes on pages 100 to 161 form an integral part of these financial statements.
Auditor's report on pages 89 to 93.

STATEMENTS OF FINANCIAL POSITION

30 June 2018

		GROUP			COMPANY	
			30 June 2017	1 July 2016		
In Rs million	NOTES	30 June 2018	Restated	Restated	30 June 2018	30 June 2017
ASSETS						
Non current assets						
Property, plant and equipment	10	9,414.8	9,009.9	7,790.4	21.1	26.8
Investment properties	11	11,626.1	11,334.2	10,758.2	141.0	128.0
Intangible assets	12	1,508.9	836.0	796.8	5.2	4.2
Investment in subsidiary companies	13	-	-	-	4,212.6	3,773.1
Investment in jointly controlled entities	14	145.2	157.2	135.5	-	-
Investment in associated companies	14	5,006.2	5,036.6	4,817.4	3,720.8	3,427.2
Investment in financial assets	15	558.1	676.8	627.0	263.5	661.1
Non current receivables	16	52.5	68.6	84.7	75.9	469.7
Net investment in leases and other credit agreements	17	306.3	-	-	-	-
Deferred expenditure	18	314.5	212.7	150.2	-	-
Total non current assets		28,932.6	27,332.0	25,160.2	8,440.1	8,490.1
Current assets						
Consumable biological assets	19	77.3	86.5	90.7	-	-
Inventories	20	367.9	278.3	288.9	-	-
Net investment in leases and other credit agreements	17	188.4	-	-	-	-
Trade and other receivables	21	2,483.7	2,461.1	3,106.4	20.4	41.1
Amounts receivable from group companies	22	-	-	-	329.6	285.8
Bank balances and cash	33	1,466.6	888.1	944.1	12.5	166.2
Total current assets		4,583.9	3,714.0	4,430.1	362.5	493.1
Assets classified as held-for-sale	40	91.7	453.1	-	-	-
Total assets		33,608.2	31,499.1	29,590.3	8,802.6	8,983.2
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	23	1,260.2	1,260.2	1,260.2	1,260.2	1,260.2
Reserves		9,182.8	9,130.7	8,331.7	3,913.1	3,915.3
Equity attributable to owners of the parent		10,443.0	10,390.9	9,591.9	5,173.3	5,175.5
Non-controlling interests	24	8,472.2	7,849.8	6,921.9	-	-
Total equity		18,915.2	18,240.7	16,513.8	5,173.3	5,175.5
Non current liabilities						
Borrowings	27	9,594.2	7,575.6	7,152.5	2,553.5	2,198.1
Deferred tax liabilities	28	665.6	587.9	415.3	-	-
Retirement benefit obligations	29	184.2	163.8	180.9	11.8	16.1
Total non current liabilities		10,444.0	8,327.3	7,748.7	2,565.3	2,214.2
Current liabilities						
Borrowings	27	933.3	1,915.6	1,650.2	163.7	1,027.5
Trade and other payables	30	3,078.5	2,672.3	3,490.2	156.2	182.4
Amounts payable to group companies	32	-	-	-	585.3	232.4
Income tax liabilities		38.8	25.1	38.9	-	-
Provisions	31	-	7.4	7.4	-	-
Dividends payable	26	158.8	151.2	141.1	158.8	151.2
Total current liabilities		4,209.4	4,771.6	5,327.8	1,064.0	1,593.5
Liabilities directly associated with assets classified as held-for-sale	40	39.6	159.5	-	-	-
Total liabilities		14,693.0	13,258.4	13,076.5	3,629.3	3,807.7
Total equity and liabilities		33,608.2	31,499.1	29,590.3	8,802.6	8,983.2

The explanatory notes on pages 100 to 161 form an integral part of these financial statements.
Auditor's report on pages 89 to 93.

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2018

GROUP In Rs million	NOTES	Share capital	Capital reserves	Revaluation reserves	Translation reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
At 1 July 2016 (As previously stated)		1,260.2	210.8	2,836.6	(66.2)	5,235.7	9,477.1	6,942.8	16,419.9
Effect of prior year adjustments	41	-	-	140.3	-	(25.5)	114.8	(20.9)	93.9
At 1 July 2016 (Restated)		1,260.2	210.8	2,976.9	(66.2)	5,210.2	9,591.9	6,921.9	16,513.8
Effect on issue of shares		-	-	-	-	-	-	137.2	137.2
Dividends	26	-	-	-	-	(231.9)	(231.9)	(214.8)	(446.7)
Profit for the year		-	-	-	-	478.5	478.5	634.4	1,112.9
Other comprehensive income for the year	9	-	-	598.8	55.4	(66.1)	588.1	347.9	936.0
Transfers		-	(9.5)	(11.7)	10.0	11.2	-	-	-
Movement in reserves		-	7.7	-	-	(14.4)	(6.7)	-	(6.7)
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	(48.1)	(48.1)	26.0	(22.1)
Acquisition and deconsolidation of group companies		-	1.6	4.8	0.4	12.3	19.1	(2.8)	16.3
At 30 June 2017 (Restated)		1,260.2	210.6	3,568.8	(0.4)	5,351.7	10,390.9	7,849.8	18,240.7
At 1 July 2017 (As previously stated)		1,260.2	210.6	3,436.8	(0.4)	5,384.0	10,291.2	7,878.4	18,169.6
Effect of prior year adjustments	41	-	-	132.0	-	(32.3)	99.7	(28.6)	71.1
At 1 July 2017 (Restated)		1,260.2	210.6	3,568.8	(0.4)	5,351.7	10,390.9	7,849.8	18,240.7
Effect on issue of shares		-	-	-	-	-	-	192.1	192.1
Dividends	26	-	-	-	-	(244.5)	(244.5)	(290.6)	(535.1)
Profit for the year		-	-	-	-	554.1	554.1	567.8	1,121.9
Other comprehensive income for the year	9	-	-	(44.4)	(183.0)	(59.8)	(287.2)	(52.0)	(339.2)
Transfers		-	(13.8)	25.0	-	(11.2)	-	-	-
Movement in non-distributable reserves	14	-	97.0	-	-	-	97.0	-	97.0
Adjustment of non-controlling interests' share of acquired goodwill	12	-	-	-	-	-	-	218.6	218.6
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	(67.3)	(67.3)	(13.5)	(80.8)
At 30 June 2018		1,260.2	293.8	3,549.4	(183.4)	5,523.0	10,443.0	8,472.2	18,915.2

COMPANY In Rs million	NOTES	Share capital	Revaluation reserves	Retained earnings	Total
At 1 July 2016		1,260.2	162.0	3,783.3	5,205.5
Dividends	26	-	-	(231.9)	(231.9)
Profit for the year		-	-	133.4	133.4
Other comprehensive income for the year	9	-	57.9	10.6	68.5
At 30 June 2017		1,260.2	219.9	3,695.4	5,175.5
At 1 July 2017		1,260.2	219.9	3,695.4	5,175.5
Dividends	26	-	-	(244.5)	(244.5)
Profit for the year		-	-	294.9	294.9
Other comprehensive income for the year	9	-	(56.8)	4.2	(52.6)
At 30 June 2018		1,260.2	163.1	3,750.0	5,173.3

The explanatory notes on pages 100 to 161 form an integral part of these financial statements.
Auditor's report on pages 89 to 93.

STATEMENTS OF CASH FLOWS

Year ended 30 June 2018

		GROUP		COMPANY	
In Rs million	NOTES	2018	2017	2018	2017
OPERATING ACTIVITIES					
Cash generated from (absorbed by) operations	34	1,036.6	1,177.8	(104.7)	(148.5)
Income tax paid		(103.0)	(68.4)	-	-
Net cash flow from (used in) operating activities		933.6	1,109.4	(104.7)	(148.5)
INVESTING ACTIVITIES					
Dividends received		111.1	123.1	341.0	264.2
Purchase of financial assets		(98.3)	(571.0)	(399.9)	(693.6)
Proceeds from sale of financial assets		155.7	210.9	115.9	117.0
Interest received		9.0	7.8	24.8	45.5
Difference in exchange		4.1	(5.8)	-	-
Purchase of investment property and property, plant and equipment		(837.4)	(1,008.1)	(6.5)	(140.6)
Proceeds from sale of investment property and property, plant and equipment		328.4	61.2	1.0	1.1
Purchase of intangible assets		(31.4)	(48.3)	(1.4)	(0.2)
Loans granted		-	(16.2)	(457.4)	(70.5)
Loans recovered		16.2	198.9	804.7	743.5
Acquisition of subsidiaries net of cash	35	(410.2)	(7.2)	-	-
Deconsolidation of subsidiaries net of cash	36	296.5	-	-	-
Net cash flow (used in) from investing activities		(456.3)	(1,054.7)	422.2	266.4
FINANCING ACTIVITIES					
Proceeds from borrowings		5,134.8	2,538.9	839.0	606.8
Repayment of borrowings		(4,265.4)	(1,806.9)	(1,309.8)	(327.1)
Interest paid		(552.7)	(528.9)	(174.3)	(175.7)
Dividends paid to shareholders of Rogers and Company Limited		(236.9)	(221.8)	(236.9)	(221.8)
Dividends paid to outside shareholders of subsidiary companies		(213.8)	(304.1)	-	-
Proceeds from issue of shares by subsidiary companies to non-controlling interests		103.0	78.4	-	-
Net cash flow used in financing activities		(31.0)	(244.4)	(882.0)	(117.8)
Net increase (decrease) in cash and cash equivalents		446.3	(189.7)	(564.5)	0.1
Cash and cash equivalents - opening		431.4	616.5	0.1	-
Cash and cash equivalents of subsidiary classified as held-for-sale		-	3.6	-	-
Effects of exchange rate on cash and cash equivalents		(11.2)	1.0	-	-
Cash and cash equivalents - closing	33	866.5	431.4	(564.4)	0.1

The explanatory notes on pages 100 to 161 form an integral part of these financial statements.
Auditor's report on pages 89 to 93.

EXPLANATORY NOTES

30 June 2018

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These policies have been consistently applied to all the periods presented, unless otherwise stated and where necessary, comparative figures have been amended. The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees and all values are rounded to nearest million (Rs million), except when otherwise indicated.

The financial statements are prepared under the historical cost convention except that:

- land and buildings are carried at revalued amounts
- investment properties are stated at fair value
- investments held-for-trading and available-for-sale financial assets are stated at fair value
- held-to-maturity financial assets are carried at amortised cost
- consumable biological assets are valued at fair value

Note 1 sets out the Group's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

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

The following Standards, Amendments to published Standards and Interpretations are effective in the reporting period and are not expected to have any impact on the Group's financial statements.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. A reconciliation of the opening and closing carrying amount for each item for which cash flows have been or would be classified as financial activities is presented in note 34.

Annual Improvements to IFRSs 2014-2016 cycle

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held-for-sale or as discontinued operations.

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

Certain standards, amendments to published standards and interpretations issued are effective for the Group's accounting periods beginning on or after 1 July 2018, but which the Group has not early adopted.

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

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

1. PRINCIPAL ACCOUNTING POLICIES (CONTD)

(a) Basis of preparation (contd)

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014–2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

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)

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.

IFRS 9 Financial instruments - effective for annual periods beginning on or after 1 January 2018

In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences may arise. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortised cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in other comprehensive income.

Impairment

The impairment requirements apply to financial assets measured at amortised cost, lease receivables, and certain loan commitments and financial guarantee contracts.

At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be in 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

EXPLANATORY NOTES

30 June 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD)

(a) Basis of preparation (contd)

IFRS 9 Financial instruments - effective for annual periods beginning on or after 1 January 2018 (contd)

Impairment (contd)

The assessment of whether credit risk has increased significantly since initial recognition is performed at the end of each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.

At the level of the Group, the simplified model will be applied.

An entity measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15 and that do not contain a significant financing component in accordance to IFRS 15. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Hedge accounting

The general hedge accounting requirements aim to simplify hedge accounting, creating a stronger link between it and risk management strategy and permitting the former to be applied to a greater variety of hedging instruments and risks. The standards do not explicitly address macro hedge accounting strategies, which are being considered in a separate project. To remove the risk of any conflict existing macro hedge accounting practise and the new general hedge accounting requirement, IFRS9 includes accounting policy choice to remain with IAS 39 hedge accounting.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationship might be eligible for hedge accounting as the Standard introduces a more principles-based approach.

Transitional impact

The requirements of IFRS 9 'Financial Instruments' will be adopted by the Group from 1 July 2018. The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening Statements of Financial Position at the date of initial application, with no requirement to restate comparative periods. The Group does not intend to restate comparatives.

The Group does not expect changes in the classification and measurement of its financial assets as compared to IAS 39.

The adoption of IFRS 9 is not expected to affect significantly the net assets at 1 July 2018.

These estimates are based on accounting policies, assumptions, judgements and estimation technique that remain subject to change until the Group finalises its financial statements for the year ending 30 June 2019.

IFRS 15 Revenue from Contracts with Customers - effective for annual periods beginning on or after 1 January 2018

IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases). IFRS 15 provides a single, principle based five-step model to be applied to all contracts with customers and revenue under this standard will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard will also specify a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers. The Group has assessed the impact of IFRS 15 and is not expecting that there will be a significant impact on the net assets as at 1 July 2018.

1. PRINCIPAL ACCOUNTING POLICIES (CONTD)

(a) Basis of preparation (contd)

IFRS 16 Leases - effective for annual periods beginning on or after 1 January 2019

Adoption of IFRS 16 will result in the Group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group is still assessing the impact of the standard on its financial statements.

(b) Principles of consolidation

The consolidated financial statements include the Company, its subsidiaries, jointly controlled entities and associated companies. The results of subsidiaries, jointly controlled entities and associated companies acquired or disposed of during the year are included in the consolidated Statements of Profit or Loss and Statements of Profit or Loss and Other Comprehensive Income from the date of their acquisition or up to the date of their disposal. The consolidated financial statements have been prepared in accordance with the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred. Acquisition-related costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised in the Statements of Profit or Loss of the current year. The consideration for the acquisition includes contingent consideration arrangement. Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value, with the resulting gain or loss recognised in Statements of Profit or Loss. Amounts previously recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised in equity attributable to owners of the Company. When the Group disposes or loses control of a subsidiary, the profit or loss is calculated as the difference between the consideration received, grossed up for any non-controlling interest, and the fair value of assets (including goodwill) and liabilities. Amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In preparing consolidated financial statements, the Group combines the financial statements of the parent and its subsidiaries on a line by line by adding together like items of assets, liabilities, equity, income and expenses. Intragroup balances and transactions, including income, expenses and dividends are eliminated in full.

Subsidiaries are all entities, including structured entities, over which the Group has control. The Group controls an entity when it 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.

(c) Impairment of non-financial assets

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease to the extent of the corresponding revaluation surplus. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

EXPLANATORY NOTES

30 June 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD)

(d) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using 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 Group's functional and presentation currency. Foreign currency transactions are translated into Mauritian Rupees using exchange rates prevailing at 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 the Statements of Profit or Loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

The results and financial position of the Group entities that have a functional currency different from Mauritian Rupee are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the reporting date.
- Income and expenses for each Statement of Profit or Loss are translated at average exchange rates.

All resulting exchange differences are recognised in Other Comprehensive Income.

On disposal of foreign entities, such translation differences are recognised in the Statements of Profit or Loss as part of the gain or loss.

(e) Derivative financial instruments

Derivative which comprise of foreign exchange forward contracts are initially recognised at fair value on the dates the derivatives contracts are entered into and are subsequently re-measured at their fair value. These derivatives do not qualify for hedge accounting.
Changes in the fair value of derivatives are recognised immediately in the profit or loss. These derivatives are trading derivatives and are classified as current asset or liability. Changes in fair values of derivatives are included in the profit or loss within finance costs.

(f) Assets classified as held-for-sale

Assets classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

(g) Offsetting of financial instruments

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

(h) Comparatives

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies in the current year.

(i) Significant accounting judgements and estimates

The preparation of the financial statements requires that management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimates are incorporated and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined in the relevant note.

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group covers to the extent possible exposures through certain hedging operations. Written principles have been established for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

The Group operates internationally and is exposed to foreign exchange risk arising from various major currencies. Group's entities use forward contracts, whenever possible, to hedge their exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings.

Exposure in major currencies are as follows:

	GROUP					COMPANY
In Rs million	EURO	USD	GBP	Rs & others	Total	Rs & others
30 June 2017						
Non current financial assets	-	52.1	-	693.3	745.4	1,130.8
Non current financial liabilities	(448.3)	(253.2)	-	(6,874.1)	(7,575.6)	(2,198.1)
Long term exposure	(448.3)	(201.1)	-	(6,180.8)	(6,830.2)	(1,067.3)
Current financial assets	755.0	304.6	5.6	2,126.9	3,192.1	491.1
Current financial liabilities	(564.4)	(502.5)	-	(3,521.0)	(4,587.9)	(1,442.3)
Short term exposure	190.6	(197.9)	5.6	(1,394.1)	(1,395.8)	(951.2)
Total exposure	(257.7)	(399.0)	5.6	(7,574.9)	(8,226.0)	(2,018.5)
30 June 2018						
Non current financial assets	-	55.1	-	861.8	916.9	339.4
Non current financial liabilities	(1,298.8)	(541.0)	(53.4)	(7,701.0)	(9,594.2)	(2,553.5)
Long term exposure	(1,298.8)	(485.9)	(53.4)	(6,839.2)	(8,677.3)	(2,214.1)
Current financial assets	748.1	378.0	32.2	2,843.0	4,001.3	354.7
Current financial liabilities	(496.7)	(962.8)	-	(2,552.3)	(4,011.8)	(905.2)
Short term exposure	251.4	(584.8)	32.2	290.7	(10.5)	(550.5)
Total exposure	(1,047.4)	(1,070.7)	(21.2)	(6,548.5)	(8,687.8)	(2,764.6)

The sensitivity of the net result for the year and equity with regards to the Group's financial assets and liabilities and the EURO to Rupee, USD to Rupee and GBP to Rupee exchange rate is shown in note 2(a).

(a) Foreign exchange risk

If Rupee had strengthened / weakened by 1% against EURO, USD and GBP the financial impact will be as follows:

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Net result for the year (+ / -)	21.4	6.5	-	-
Equity (+ / -)	21.4	6.5	-	-

EXPLANATORY NOTES

30 June 2018

2. FINANCIAL RISK MANAGEMENT (CONTD)

(b) Interest rate risk

The Group's income and operating cash flows are influenced by changing market interest rates. The Group's borrowings and lendings are contracted at variable rates.

The sensitivity of the net result for the year and equity to a possible change in interest rates of + or - 0.25%, with effect from the beginning of the year is shown below.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Net result for the year (+ / -)	26.3	23.7	6.8	8.0
Equity (+ / -)	26.3	23.7	6.8	8.0

(c) Credit risk

The Group has policies in place to ensure that leases and other credit facilties are made to customers after a credit assessment has been carried out and credit terms agreed. The Group has no significant concentration of credit risk, with exposure spread over a large number of local and overseas customers.

Credit facilities to customers are monitored and the Group has policies in place to identify defaults and recover amounts due. Specific provision and portfolio provision are made accordingly. Leases and hire purchase granted are also effectively secured as the rights to the leased asset revert to the lessor in the event of default.

There are two types of leases, finance lease and operating lease. Most of the assets financed are motor vehicles and the remaining are various parts of equipment. Period of lease will normally vary between three to seven years and are mostly given at fixed rates.

The maximum exposure to credit risks at the reporting date is the fair value of the receivables.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities from financial institutions. Due to the dynamic nature of the underlying businesses, Group treasury aims at maintaining flexibility in funding by keeping committed credit facilities with banks.

(e) Derivative financial instruments

At 30 June 2018, the Group had foreign exchange contracts for a notional amount of Rs 320.5m (2017: Rs 250.3m) and a corresponding fair value of Rs 312.5m (2017: Rs 252.2m).

(f) Capital risk management

The Group and the Company aim at distributing an adequate dividend whilst ensuring that sufficient resources are maintained to continue as a going concern and for expansion. The ratio of debt to equity is used to manage capital risk and is kept below 0.75.

	GROUP		COMPANY	
In Rs million	2018	2017 Restated	2018	2017
Debt	10,527.5	9,491.2	2,717.2	3,225.6
Equity	18,915.2	18,240.7	5,173.3	5,175.5
Debt / equity ratio	0.56	0.52	0.53	0.62

(g) Sensitivity analysis - equity price risk

The Group / Company is exposed to equity-price risk mainly because of its strategic investments in equity listed companies on the Stock Exchange of Mauritius. The investments are held for medium term and are exposed to fluctuations in the equity market. A 5% increase (decrease) in the relevant equity prices will increase (decrease) equity by Rs 8.4m (2017: Rs 28.3m).

Our process as regards to the risk associated with these investments is a monitoring of the entities' annual financial performance and the analysis of their return on investment.

3. REVENUE

Accounting policy

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Group.

The Group recognises revenue when it can reliably be measured, it is probable that future economic benefits will flow to the entity and when specific criteria described below are met.

Sales of goods are recognised on the transfer to the customer of the significant risks and rewards of ownership of the goods which generally coincides with delivery date.

Sales of services are recognised when the services have been performed and title have passed.

Management fees are recognised as and when the services are provided.

Interest income is recognised in a time-proportion basis using the effective interest method. This method uses the effective interest rate (EIR) that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Fees that the Company considers to be an integral part of these financial instruments are recognised in the EIR. Earnings from finance leases are recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted as interest income. Interest income on impaired financial instruments is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Earned income is derived from finance leases which are recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Commissions received from merchants on financing of credit agreements are initially recognised and presented in other liabilities in the Statements of Financial Position. The release to profit or loss is recognised in fee and commission income in the Statements of Profit or Loss. Otherwise, commission accrues when the service is provided and billable.

Dividend income accrues when the shareholders' right to receive payment is established.

Rental income is recognised in accordance with the substance of the relevant agreement.

Financial service fees form part of an integral part of the effective interest rate of a financial instrument. The recognition of revenue for financial service fees depends on the purposes for which the fees are assessed and the basis of accounting for any associated financial instrument. Such fees are generally treated as an adjustment to the effective interest rate. However, when the financial instrument is measured at fair value with the change in fair value recognised in profit or loss, the fees are recognised as revenue when the instrument is initially recognised.

Revenue from sale of villas is recognised using the percentage of completion method as construction progresses. Sale of villas is net of rebates and discounts and is accounted for as follows:

- 30% on signature of sales deed;
- 5% on completion of foundation stage;
- 35% on completion of building envelope;
- 25% on completion of testing of mechanical and electrical works; and
- 5% on submission of key.

EXPLANATORY NOTES

30 June 2018

3. REVENUE (CONTD)

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Revenue is made up of				
Sales of goods	1,278.1	902.8	-	-
Sales of services	7,572.5	7,205.6	-	-
Total sales	8,850.6	8,108.4	-	-
Commission	279.8	287.3	-	-
Other income	258.3	189.1	217.3	211.4
Rental income - Operating leases	1.1	-	-	-
- Others	35.4	33.8	51.3	45.5
Earned income	7.3	-	-	-
Investment income - Quoted	10.3	24.0	52.8	52.6
- Unquoted	16.0	8.0	394.1	154.5
Interest income	13.2	12.4	18.6	51.8
Total revenue	9,472.0	8,663.0	734.1	515.8

4. PROFIT FROM OPERATIONS BEFORE FINANCE COSTS

	GROUP		COMPANY	
In Rs million	2018	2017 Restated	2018	2017
Revenue (note 3)	9,472.0	8,663.0	734.1	515.8
Sundry income	11.0	18.1	0.4	1.5
Total income	9,483.0	8,681.1	734.5	517.3
Changes in inventories of finished goods and work in progress	89.6	(10.6)	-	-
Cost of raw materials, consumables and outsourced services	(3,926.0)	(3,817.3)	-	-
Employee benefits expense:				
Wages, salaries and related expense	(2,142.3)	(1,804.0)	(154.8)	(159.2)
Pension plans and other retirement benefit costs	(110.8)	(104.4)	(17.4)	(17.5)
Depreciation and amortisation	(423.6)	(352.5)	(11.2)	(12.3)
Foreign exchange differences	91.2	68.4	-	-
Other expenses and services including professional services	(2,023.6)	(1,608.0)	(158.0)	(135.2)
Profit from operations before finance costs	1,037.5	1,052.7	393.1	193.1

5. FINANCE COSTS

Accounting policy

Finance costs comprise interest on borrowings using the effective interest method or the contractual rate and accrue to the period end.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
The finance costs are on				
Bank overdrafts	32.9	28.5	1.6	2.6
Bank loans & other loans repayable by instalments	335.1	303.3	15.2	8.2
Bank loans & other loans not repayable by instalments	175.9	197.8	146.9	169.3
Finance leases	6.5	9.1	-	0.1
Total finance costs	550.4	538.7	163.7	180.2

6. EXCEPTIONAL ITEMS

Accounting policy

Exceptional items are material items of income or expense that have been disclosed separately in the Statements of Profit or Loss to clarify understanding of financial performance.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Excess of fair value of net assets over consideration price (see (a))	79.0	144.5	-	-
Fair value loss on financial assets (see (b))	(9.7)	-	-	-
Profit (loss) on disposal of financial assets (see (c))	34.5	(3.0)	53.4	117.7
Profit on sale of properties (see (d))	117.0	9.3	-	-
Total exceptional items	220.8	150.8	53.4	117.7

Profits (losses) in 2018 arose mainly from:

(a) the fair valuation of Mall of (Mauritius) at Bagatelle Ltd following its amalgamation into Moka City Ltd in exchange for shares in Moka City Ltd;

(b) the loss in value arising on the fair valuation of an asset classified as held-for-sale and the impairment of an associated company;

(c) (i) the disposal of its investment in the associate, EnAtt Ltd by the Company;

(ii) the disposal of its holdings in the subsidiary, The Gardens of Bagatelle Ltd and investment in the associate, Espral Co Ltd by subsidiary companies;

(iii) the loss from the conversion of the Company's holding in the preference shares of New Mauritius Hotels Limited into ordinary shares.

(d) the disposal of properties by Cie. Sucrière de Bel Ombre Ltd, a subsidiary company.

7. TAXATION

Accounting policy

The tax expense comprises current tax, deferred tax and Corporate Social Responsibility (CSR). Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

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

Deferred tax

Deferred income tax is recognised on temporary differences arising between the expected tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction which affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets have been recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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7. TAXATION (CONTD)

Accounting policy (contd)

Corporate Social Responsibility (CSR)

Every Mauritian Company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year. As from January 2017 and January 2018, the Company should remit 50% and 75% of the fund respectively to the Mauritian Tax Authorities. This practise is being interpreted and classified as taxation.

Significant accounting judgements and estimates

In determining the amount of current and deferred tax, the Group relies on estimates and assumptions and may involve a series of judgements about future events. Assumptions are made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations which may impact the amount of deferred tax assets, liabilities and provision for income taxes recorded in the Statements of Financial Position. In these circumstances the carrying amount of deferred tax assets, liabilities and provision for income taxes may change impacting the profit or loss of the Group.

	GROUP		COMPANY	
In Rs million	2018	2017 Restated	2018	2017
Provision for the year				
15% - 35% - (2017: 15% - 35%)	102.7	71.1	-	-
Corporate Social Responsibility (2%)	9.0	7.9	-	-
Under provision in previous years	5.9	0.6	-	-
Movement in deferred taxation (note 28)	72.0	85.4	-	-
Taxation for the year	189.6	165.0	-	-

The effective tax rate differs from that determined by applying the statutory income tax rate to profit before taxation. This is primarily due to different tax rates, investment allowance, non-deductible expenses, tax exempt income, tax credit income and unused tax losses.

	GROUP		COMPANY	
	2018	2017 Restated	2018	2017
	%	%	%	%
Reconciliation of effective tax rate is as follows				
Tax rate applicable	15.0	15.0	15.0	15.0
Corporate Social Responsibility tax	0.9	0.7	-	-
Allowable and non-allowable tax items	(10.2)	(12.5)	(18.5)	(16.8)
Recognised tax losses	(4.5)	(4.3)	-	-
Unrecognised tax losses	11.9	7.7	3.5	1.8
Difference between local tax rate and other rates	1.2	1.1	-	-
Deferred tax impact	4.9	6.7	-	-
Effective tax rate	19.2	14.4	-	-

8. EARNINGS PER SHARE

Accounting policy

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

GROUP In Rs million	2018	2017 Restated
Profit attributable to owners of the parent	554.1	478.5
Adjustments for exceptional items	(155.4)	(145.0)
Profit attributable to the owners of the parent before exceptional items	398.7	333.5
Number of shares in issue	252,045,300	252,045,300
Earnings per share (in Rs)	2.20	1.90
Earnings per share (excluding exceptional items) (in Rs)	1.58	1.32

9. OTHER COMPREHENSIVE INCOME

GROUP In Rs million	Revaluation reserves	Translation reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
30 June 2018						
Losses arising during the year	(17.2)	-	-	(17.2)	(33.5)	(50.7)
Deferred tax on revaluation of properties	2.4	-	-	2.4	0.7	3.1
Losses on property revaluation	(14.8)	-	-	(14.8)	(32.8)	(47.6)
Gains (losses) arising during the year (note 29)	-	-	4.0	4.0	(2.3)	1.7
Deferred tax on post employment benefit obligations	-	-	(0.3)	(0.3)	0.7	0.4
Remeasurement of post employment benefit obligations	-	-	3.7	3.7	(1.6)	2.1
Share of other comprehensive income of associated companies	(1.7)	-	(3.5)	(5.2)	-	(5.2)
Other comprehensive income that will not be reclassified to profit or loss	(16.5)	-	0.2	(16.3)	(34.4)	(50.7)
Exchange differences on translating foreign entities	-	(9.5)	(2.7)	(12.2)	(6.5)	(18.7)
Losses arising on fair value of available-for-sale financial assets	(35.2)	-	-	(35.2)	(10.9)	(46.1)
Share of other comprehensive income of jointly controlled entities	-	(0.1)	-	(0.1)	(0.2)	(0.3)
Share of other comprehensive income of associated companies	7.3	(173.4)	(57.3)	(223.4)	-	(223.4)
Other comprehensive income that may be reclassified subsequently to profit or loss	(27.9)	(183.0)	(60.0)	(270.9)	(17.6)	(288.5)
Other comprehensive income for the year ended 30 June 2018	(44.4)	(183.0)	(59.8)	(287.2)	(52.0)	(339.2)

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30 June 2018

9. OTHER COMPREHENSIVE INCOME (CONTD)

GROUP In Rs million	Revaluation reserves	Translation reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
30 June 2017 (Restated)						
Gains arising during the year	624.8	-	-	624.8	388.7	1,013.5
Deferred tax on revaluation of properties	(68.2)	-	-	(68.2)	(20.4)	(88.6)
Gains on property revaluation	556.6	-	-	556.6	368.3	924.9
Gains arising during the year (note 29)	-	-	24.5	24.5	4.5	29.0
Deferred tax on post employment benefit obligations	-	-	(1.0)	(1.0)	-	(1.0)
Remeasurement of post employment benefit obligations	-	-	23.5	23.5	4.5	28.0
Share of other comprehensive income of associated companies	(40.0)	-	(12.6)	(52.6)	-	(52.6)
Other comprehensive income that will not be reclassified to profit or loss	516.6	-	10.9	527.5	372.8	900.3
Exchange differences on translating foreign entities	-	(3.4)	-	(3.4)	(14.3)	(17.7)
Gains (losses) arising on fair value of available-for-sale financial assets	50.7	-	-	50.7	(10.6)	40.1
Share of other comprehensive income of jointly controlled entities	-	(0.3)	-	(0.3)	-	(0.3)
Share of other comprehensive income of associated companies	31.5	59.1	(77.0)	13.6	-	13.6
Other comprehensive income that may be reclassified subsequently to profit or loss	82.2	55.4	(77.0)	60.6	(24.9)	35.7
Other comprehensive income for the year ended 30 June 2017	598.8	55.4	(66.1)	588.1	347.9	936.0

COMPANY In Rs million	Revaluation reserves	Retained earnings	Total
30 June 2018			
Gains arising on remeasurement of post employment benefit obligations	-	4.2	4.2
Other comprehensive income that will not be reclassified to profit or loss	-	4.2	4.2
Losses arising on fair value of available-for-sale financial assets	(56.8)	-	(56.8)
Other comprehensive income that may be reclassified subsequently to profit or loss	(56.8)	-	(56.8)
Other comprehensive income for the year ended 30 June 2018	(56.8)	4.2	(52.6)
30 June 2017			
Gains arising on remeasurement of post employment benefit obligations	-	10.6	10.6
Other comprehensive income that will not be reclassified to profit or loss	-	10.6	10.6
Gains arising on fair value of available-for-sale financial assets	57.9	-	57.9
Other comprehensive income that may be reclassified subsequently to profit or loss	57.9	-	57.9
Other comprehensive income for the year ended 30 June 2017	57.9	10.6	68.5

10. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment is stated at cost, except for land and buildings, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statements of Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statements of Profit or Loss when the asset is derecognised.

Land and buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the Statements of Financial Position at fair value based on valuation performed normally every three years.

The Group accounts for land and buildings at fair value based on revaluation exercise carried out by qualified independent valuers in June 2017. All fair valuations are categorised in 'level 3' as per IFRS 13 definition.

The fair value of land and buildings is arrived by using the Market Value Approach.

Increases in the carrying amount arising on revaluation of land and buildings 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 in other comprehensive income and debited against revaluation reserves directly in equity; all other decreases are charged to profit or loss.

Bearer biological assets comprise of replantation costs relating to bearer canes and anthurium plants. Cane replantation costs are capitalised and amortised over a period of seven years, one year after the expenses have been incurred. Anthurium plants are valued at cost less amortisation.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statements of Profit or Loss.

When revalued assets are sold, the corresponding amounts included in revaluation reserves are transferred to retained earnings.

Depreciation

Freehold land is not depreciated. Depreciation on property, plant and equipment is calculated on the straight line method to write off the cost or revalued amounts of the assets to their residual values as follows:

	%
Buildings	2 - 4
Plant & equipment	15 - 100
Vehicles	15 - 25
Hotel buildings	3 - 4
Bearer plants	14

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting year.

Borrowing costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset.

All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Significant accounting judgements and estimates

Revaluation exercise is normally carried out every 3 years by Independent Qualified Valuers. Their assumptions are generally based on the value determinants affecting market conditions at the relevant time.

The techniques used are as follows:

- Where there are a significant number of similar transactions on the market, the market sales comparison approach are usually based upon to determine the open market values of both the land, freehold or leasehold and the buildings as well as the built-up improvements.
- For properties which are not regularly transacted on the open market, more particularly specialised properties, the depreciated replacement cost approach are used for the buildings and built-up improvements and the market sales comparison approach for the land component.
- For the unimproved sites, the basis of valuation remains the market sales approach, assuming the amount for which this asset could be exchanged between knowledgeable willing parties in an arm's length transaction.
- The estimates in relation to bearer biological assets include the cost of land preparation and planting costs of bearer canes and anthurium plants.

EXPLANATORY NOTES

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10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

Significant accounting judgements and estimates (contd)

Estimate of useful lives and residual value

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.

The depreciation and amortisation charge calculation require an estimate of the economic useful lives of the different assets. The Group uses historical experience and comparable market available data to determine useful lives.

GROUP In Rs million	Land and buildings	Plant and equipment	Vehicles	Bearer plants	Total
Cost or valuation					
At 1 July 2016	7,452.0	2,598.6	337.8	82.9	10,471.3
Additions	364.8	285.5	62.0	6.1	718.4
Disposals	(121.3)	(154.2)	(51.0)	-	(326.5)
Revaluation adjustment	550.1	-	-	-	550.1
Exchange differences	(9.8)	(6.4)	3.4	-	(12.8)
Impairment	(18.6)	-	-	-	(18.6)
Transfer to assets classified as held-for-sale (note 40)	(0.9)	(0.5)	-	-	(1.4)
Acquisition of subsidiaries	-	3.3	1.6	-	4.9
At 30 June 2017	8,216.3	2,726.3	353.8	89.0	11,385.4
Additions	462.6	308.4	55.8	-	826.8
Disposals	(27.7)	(144.1)	(22.1)	(6.0)	(199.9)
Revaluation adjustment	(50.7)	-	-	-	(50.7)
Acquisition of subsidiaries (note 35)	43.5	91.1	20.0	-	154.6
At 30 June 2018	8,644.0	2,981.7	407.5	83.0	12,116.2
Depreciation and impairment					
At 1 July 2016	427.1	1,971.7	218.0	64.1	2,680.9
Charge for the year	105.5	172.5	47.2	3.0	328.2
Disposal adjustment	-	(124.1)	(43.9)	-	(168.0)
Revaluation adjustment	(463.4)	-	-	-	(463.4)
Exchange differences	-	(2.9)	(0.2)	-	(3.1)
Impairment	(2.2)	-	-	-	(2.2)
Transfer to assets classified as held-for-sale (note 40)	(0.3)	(0.2)	-	-	(0.5)
Acquisition of subsidiaries	-	2.0	1.6	-	3.6
At 30 June 2017	66.7	2,019.0	222.7	67.1	2,375.5
Charge for the year	133.9	207.0	49.5	3.9	394.3
Disposal adjustment	(2.3)	(115.5)	(16.5)	-	(134.3)
Acquisition of subsidiaries (note 35)	12.3	45.3	8.3	-	65.9
At 30 June 2018	210.6	2,155.8	264.0	71.0	2,701.4
Carrying value					
At 30 June 2018	8,433.4	825.9	143.5	12.0	9,414.8
At 30 June 2017	8,149.6	707.3	131.1	21.9	9,009.9
Carrying value of assets pledged					
At 30 June 2018	7,671.9	685.1	121.9	-	8,478.9
At 30 June 2017	8,108.3	625.2	129.6	-	8,863.1

10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

(a) Additions include Rs 16.2 m (2017: Rs 94.5m) of assets held under finance leases.

(b) The Group accounts for land and buildings at revalued amounts derived from a revaluation exercise carried out by qualified independent valuers on a periodic basis. The last revaluation was made in June 2017.

COMPANY In Rs million	Land and buildings	Plant and equipment	Vehicles	Total
Cost or valuation				
At 1 July 2016	3.7	172.6	42.6	218.9
Additions	-	1.8	13.5	15.3
Disposals	-	(1.5)	(13.2)	(14.7)
At 30 June 2017	3.7	172.9	42.9	219.5
Additions	-	3.4	2.3	5.7
Disposals	-	(1.0)	(2.8)	(3.8)
At 30 June 2018	3.7	175.3	42.4	221.4
Depreciation				
At 1 July 2016	1.9	169.3	25.1	196.3
Charge for the year	0.9	2.9	7.3	11.1
Disposal adjustment	-	(1.5)	(13.2)	(14.7)
At 30 June 2017	2.8	170.7	19.2	192.7
Charge for the year	0.9	2.7	7.2	10.8
Disposal adjustment	-	(1.0)	(2.2)	(3.2)
At 30 June 2018	3.7	172.4	24.2	200.3
Carrying value				
At 30 June 2018	-	2.9	18.2	21.1
At 30 June 2017	0.9	2.2	23.7	26.8
Carrying value of assets pledged				
At 30 June 2018	-	2.9	18.2	21.1
At 30 June 2017	0.9	2.2	23.7	26.8

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30 June 2018

10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

		GROUP		COMPANY	
	In Rs million	2018	2017	2018	2017
(i)	Land and buildings represent				
	Freehold land and buildings	8,032.8	7,648.3	3.7	3.7
	Buildings standing on leasehold land	611.2	568.0	-	-
	Land and buildings	8,644.0	8,216.3	3.7	3.7
	On the Cost basis, these properties would have been as follows:				
	Cost	3,267.3	2,804.7	3.7	3.7
	Accumulated depreciation	(1,014.7)	(880.8)	(3.7)	(2.8)
	Carrying value	2,252.6	1,923.9	-	0.9
(ii)	Assets held under finance lease				
	Plant and equipment	109.8	115.7	-	-
	Vehicles	169.1	153.9	-	4.0
	Cost	278.9	269.6	-	4.0
	Plant and equipment	64.2	64.9	-	-
	Vehicles	84.7	74.4	-	4.0
	Accumulated depreciation	148.9	139.3	-	4.0
	Plant and equipment	45.6	50.8	-	-
	Vehicles	84.4	79.5	-	-
	Carrying value	130.0	130.3	-	-
(iii)	Assets held under operating lease				
	Plant and equipment	3.8	-	-	-
	Vehicles	33.2	-	-	-
	Cost	37.0	-	-	-
	Plant and equipment	0.3	-	-	-
	Vehicles	1.9	-	-	-
	Accumulated depreciation	2.2	-	-	-
	Plant and equipment	3.5	-	-	-
	Vehicles	31.3	-	-	-
	Carrying value	34.8	-	-	-

11. INVESTMENT PROPERTIES

Accounting policy

Investment properties which are held for rental outside the Group, capital appreciation or both are stated at fair value at the end of each reporting year. The Group accounts for land and buildings at fair valuation, based on revaluation exercises carried out by qualified independent valuers. Gains or losses arising from changes in fair value are included in Statements of Profit or Loss in the year in which they arise. Properties that are being constructed or developed for future use as investment properties are treated as investment properties.

Investment properties are derecognised when they are disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected on its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statements of Profit or Loss in the year of derecognition.

11. INVESTMENT PROPERTIES (CONTD)

Significant accounting judgements and estimates

Commercial properties and industrial properties

(a) The investment properties were valued at year end by Messrs Jones Lang Lasalle as independent valuers and the properties were transferred to assets held-for-sale at net realisable value.

(b) The investment properties are classified as level 3 on the fair value hierarchy.

The basis of valuation is 'Market Value' and this is defined by the Royal Institute of Chartered Surveyor, South African Institute of Valuers and International Valuation Standards Committee.

The fair value of the properties have been computed using the discounted cash flow method (DCF). The expected future net income for 5 years has been discounted at an appropriate discount rate and added to the estimated reversionary value. The reversionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounting at an appropriate rate.

The DCF valuation is also the approach by which private, institutional, local and overseas investors analyse property for investme nt purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

Main input used in the valuation of commercial properties is as follows:

Reversionary rate	7.50% - 12.00%
Discount rate	12.50% - 16.50%
Market rental growth	5%
Expense growth	5%
Net operating income from properties	Rs 14m - Rs 483m
DCF period	5 years

Real estate properties

The investment property is valued at fair value on an open-market basis by Gexim Real Estate Ltd. The valuation methodology is the open-market value basis and the fair value is classified as level 2.

The valuation consideration takes into account the following:

- the location of the property;
- existing new tarred road and utilities;
- that this area forms part of an established IRS development with clearances and permits in hand;
- the existing facilities that it will enjoy; and
- a stable market.

GROUP In Rs million	Level 2	Level 3	2018	2017
At 1 July (As previously stated)	338.6	10,855.3	11,193.9	10,617.9
Effect of prior year adjustment (note 41)	-	140.3	140.3	140.3
At 1 July (Restated)	338.6	10,995.6	11,334.2	10,758.2
Additions	-	15.9	15.9	419.8
Disposals	-	(152.1)	(152.1)	(18.3)
Fair value gains	-	495.7	495.7	637.9
Exchange differences	1.3	0.6	1.9	(13.1)
Transfer to assets classified as held-for-sale (note 40)	-	(69.5)	(69.5)	(450.3)
At 30 June	339.9	11,286.2	11,626.1	11,334.2
Value of assets pledged			4,106.9	3,959.0
Rental income			839.2	766.1
Direct operating expenses arising from investment properties that generate rental income			335.3	309.7
Direct operating expenses that did not generate rental income			24.2	28.2

EXPLANATORY NOTES

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11. INVESTMENT PROPERTIES (CONTD)

COMPANY In Rs million	2018 Level 3	2017 Level 2
At 1 July	128.0	-
Additions	0.9	125.2
Fair value gains	12.1	2.8
At 30 June	141.0	128.0
Value of assets pledged	-	-
Rental income	18.6	12.9
Direct operating expenses arising from investment properties that generate rental income	9.7	10.1
Direct operating expenses that did not generate rental income	0.2	0.1

The change from level 2 to level 3 classification follows the change in valuation methodology from open-market value basis to discounted cash flow method (DCF).

12. INTANGIBLE ASSETS

Accounting policy

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interest in the acquiree and the fair value of previously held equity interest in the acquiree over the amounts of identifiable assets acquired and liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree the excess is recognised immediately in the Statements of Profit or Loss. Differences from non-controlling interests acquired after control has been obtained, are set-off against equity. Goodwill is carried at cost less accumulated impairment losses.

Annual impairment tests applied to goodwill are carried out using discounted cash flow methods. This is done on the basis of expected future cash flows from the latest management planning, which are extrapolated on the basis of long-term revenue growth rates and assumptions with regard to margin development, and discounted for the capital costs of the business unit. Tests are performed at the cash generating unit (CGU) level. This test is applicable to all goodwill, except for one investment where fair value less cost to sell is used.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Other purchased goodwill consists mainly of premium paid by certain subsidiaries for acquiring agencies. This goodwill is either tested for impairment or amortised over a finite period of time to determine its carrying amount at the end of the year.

Computer software

Costs that are directly associated with identifiable software which will generate economic benefits beyond one year are recognised as intangible assets and are amortised over their estimated useful lives using straight line method.

Amortisation rates: 12% - 50%

Significant accounting judgements and estimates

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For acquired goodwill the value of the investment is based on a five year discounted cash flow method. The discount rate is estimated by management using a risk free rate of 4.47% based on the currently available interest rate and an estimated risk premium of 6.66%. This test is applicable to all goodwill, except for one investment where fair value less cost to sell is used.

At the end of the reporting year, the Group assessed the recoverable amount of goodwill and determined that there is no impairment to goodwill.

12. INTANGIBLE ASSETS (CONTD)

GROUP In Rs million	Goodwill on acquisition	Software	Others	Total
Cost				
At 1 July 2016	650.4	188.2	162.5	1,001.1
Additions	3.3	9.1	40.2	52.6
Disposals	-	(0.8)	-	(0.8)
Impairment	-	(2.2)	-	(2.2)
Exchange differences	-	0.2	(1.4)	(1.2)
Acqusition of subsidiaries	-	1.4	2.9	4.3
At 30 June 2017	653.7	195.9	204.2	1,053.8
Additions	444.2	32.0	1.1	477.3
Disposals	-	-	(0.7)	(0.7)
Adjustment of non-controlling interests' share of acquired goodwill (see note)	218.6	-	-	218.6
Exchange differences	-	-	0.2	0.2
Acquisition of subsidiaries	-	4.8	7.0	11.8
Deconsolidation of subsidiaries	(13.4)	-	-	(13.4)
At 30 June 2018	1,303.1	232.7	211.8	1,747.6
Amortisation				
At 1 July 2016	28.5	167.8	8.0	204.3
Charge for the year	-	8.2	2.7	10.9
Disposal adjustment	-	(0.8)	-	(0.8)
Transfer	-	(0.5)	0.5	-
Acqusition of subsidiaries	-	0.5	2.9	3.4
At 30 June 2017	28.5	175.2	14.1	217.8
Charge for the year	-	10.2	5.7	15.9
Acquisition of subsidiaries	-	4.4	0.6	5.0
At 30 June 2018	28.5	189.8	20.4	238.7
Carrying value				
At 30 June 2018	1,274.6	42.9	191.4	1,508.9
At 30 June 2017	625.2	20.7	190.1	836.0

Note

This adjustment relates to non-controlling interests' share of goodwill now recognised as intangible asset whereas previously deducted against non-controlling interests' share of equity.

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12. INTANGIBLE ASSETS (CONTD)

COMPANY In Rs million	Software	Others	Total
Cost			
At 1 July 2016	24.0	3.7	27.7
Additions	0.2	-	0.2
At 30 June 2017	24.2	3.7	27.9
Additions	1.4	-	1.4
At 30 June 2018	25.6	3.7	29.3
Amortisation			
At 1 July 2016	22.5	-	22.5
Charge for the year	1.2	-	1.2
At 30 June 2017	23.7	-	23.7
Charge for the year	0.4	-	0.4
At 30 June 2018	24.1	-	24.1
Carrying value			
At 30 June 2018	1.5	3.7	5.2
At 30 June 2017	0.5	3.7	4.2

13. INVESTMENT IN SUBSIDIARY COMPANIES

Accounting policy

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

	COMPANY In Rs million	2018	2017
(a)	At 1 July	3,773.1	3,308.3
	Additions	428.2	519.1
	Disposals	(91.4)	(77.4)
	Reversal of provision	102.7	23.1
	At 30 June	4,212.6	3,773.1

Non cash transactions included in additions and disposals amount to Rs 51.8m (2017: Rs 183.5m) and nil (2017: Rs 35.5m) respectively.

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Issued capital	Proportion of ownership interests Direct	Indirect	Proportion of effective ownership interests held by non-controlling interests	Principal activity
	Rs 000	%	%	%	
FINTECH					
Enterprise Information Systems Ltd (Kenya)	-	-	100.0	43.5	IT Services
* Globefin Corporate Services Ltd	-	-	100.0	43.5	Global business
* Globefin Management Services Ltd	600	-	100.0	43.5	Global business
* Globefin Nominee Ltd	10	-	100.0	43.5	Global business
River Court Nominees Limited	100	-	100.0	43.5	Global business
Rogers Capital Accounting Services Ltd	-	-	100.0	43.5	Global business
Rogers Capital Actuarial Services Ltd	1,100	-	100.0	43.5	Actuarial Services
Rogers Capital Business Services Ltd	-	-	100.0	43.5	Global business
Rogers Capital Captive Insurance Management Services Ltd	2,215	-	100.0	43.5	Global business
Rogers Capital City Executives Ltd	50	-	100.0	43.5	Global business
Rogers Capital Corporate Services Ltd	782	-	100.0	43.5	Global business
Rogers Capital Corporate Services (Singapore) Pte Ltd	238	-	100.0	43.5	Global business
* Rogers Capital Finance Ltd	125,000	-	100.0	43.5	Leasing, Hire purchase and short term financing
Rogers Capital Fund Services Ltd	500	-	100.0	43.5	Global business
Rogers Capital Investment Advisors Ltd	10,000	-	100.0	43.5	Asset Management
Rogers Capital Ltd	699,739	56.5	-	43.5	Investment
Rogers Capital Management Services Ltd	601	-	100.0	43.5	Investment
Rogers Capital Nominee Ltd	-	-	100.0	43.5	Global business
Rogers Capital Nominee 1 Ltd	-	-	100.0	43.5	Global business
Rogers Capital Nominee 2 Ltd	-	-	100.0	43.5	Global business
Rogers Capital Outsourcing Ltd	15,000	-	100.0	43.5	IT Services
*Rogers Capital Payment Solutions Ltd	-	-	100.0	43.5	Payment Solutions
Rogers Capital Payroll Services Ltd	10	-	100.0	43.5	Payroll Services
Rogers Capital Specialist Services Ltd	100	-	100.0	43.5	Global business
Rogers Capital Technology Services Ltd	15,977	-	100.0	43.5	IT Services
Rogers Capital Trustees Services Ltd	1,400	-	100.0	43.5	Global business
HOSPITALITY					
Adnarev Ltd	76,464	-	100.0	21.7	Hotel
Ario (Seychelles) Ltd	47	-	100.0	-	GSA of airlines
* Bagatelle Hotel Operations Company Limited	20,424	-	100.0	-	Hotel
BEAVIA Kenya Limited	36	-	70.0	30.0	Travel Agency
Blue Alize Ltd	-	-	80.0	20.0	Catamaran sightseeing
* BlueSky Madagascar SARLU	1,070	-	100.0	-	Travel Agency
Blue Sky Réunion SAS	2,813	-	100.0	-	Travel Agency
BS Travel Management Limitada	216	-	100.0	-	GSA of airlines
BS Travel Management Ltd	25,000	-	100.0	-	Travel Agency
BS Travel Mayotte	325	-	100.0	-	Travel Agency
* Cap D'Abondance Ltd	-	-	100.0	-	Leisure
* CCC LAH LTD (Moka'z)	14,500	-	86.2	13.8	Food Service
Croisières Australes Ltée	3,225	-	100.0	-	Catamaran sightseeing
* DOMC Ltd	8,743	-	51.0	-	Leisure
Heritage Events Company Ltd	100	-	100.0	21.7	Investment
Heritage Golf Club Ltd	310,350	-	100.0	35.4	Golf Course

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13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Issued capital	Proportion of ownership interests		Proportion of effective ownership interests held by non-controlling interests	Principal activity
		Direct	Indirect		
	Rs 000	%	%	%	
HOSPITALITY (CONTD)					
* Island Living Ltd	112,381	100.0	-	-	Leisure
Islandian SARL	461	-	90.5	9.5	Online tour operating
Plaisance Air Transport Services Ltd	1,500	-	100.0	-	Warehousing
Resaplanet Ltd	19,094	-	90.5	9.5	Online tour operating
Rogers Aviation (Mauritius) Ltd	2,525	-	100.0	-	GSA of airlines
Rogers Aviation Comores S.A.R.L.	824	-	100.0	-	GSA of airlines
Rogers Aviation France S.A.R.L.	20,760	-	100.0	-	Investment
Rogers Aviation Holding Company Ltd	115,410	100.0	-	-	Investment
Rogers Aviation International Ltd	51,390	-	100.0	-	GSA of airlines
Rogers Aviation Kenya Ltd	396	-	100.0	-	GSA of airlines
Rogers Aviation Madagascar S.A.R.L.	1,910	-	100.0	-	GSA of airlines
Rogers Aviation Mayotte S.A.R.L.	490	-	100.0	-	GSA of airlines
Rogers Aviation Mozambique Limitada	54	-	100.0	-	GSA of airlines
Rogers Aviation Reunion	20,001	-	100.0	-	GSA of airlines
Rogers Aviation Senegal S.A.R.L.	-	-	100.0	-	GSA of airlines / Travel / Tour operator
Rogers Aviation South Africa (Pty) Ltd	524	-	100.0	-	GSA of airlines
* Seafood Basket Limited	25,106	-	100.0	-	Food Service
Seven Colours Spa Ltd	20,025	-	100.0	21.7	Management Services
* Sports-Event Management Operation Co Ltd	1	-	100.0	-	Leisure
* Sweetwater Ltd	-	-	100.0	-	Leisure
Transcontinent S.A.R.L.	617	-	66.6	33.4	Travel Agency
Veranda Tamarin Ltd	210,000	-	51.0	60.1	Hotel
VLH Ltd	278,329	76.5	4.8	21.7	Hotel
VLH Training Ltd	1,015	-	100.0	21.7	Training
Yacht Management Ltd	10	-	51.0	49.0	Boat cruises
LOGISTICS					
Associated Container Services Ltd	18,301	-	100.0	33.3	Port Related Services
Cargo Express Madagascar S.A.R.L.	168	-	100.0	33.8	Freight Forwarding
Express Logistics Solutions Ltd	1	-	100.0	33.8	Dormant
FOM Warehouse Ltd	100	45.7	54.3	17.0	Dormant
Freeport Operations (Mtius) Ltd	133,447	-	100.0	34.7	Port Related Services
General Cargo Services Limited	889	-	100.0	66.2	Transport and port related services
Gencargo (Transport) Limited	1,422	-	80.0	73.0	Transport Services
Logistics Solutions Ltd	360,483	1.4	98.6	33.3	Investment
MTL Logistics and Distribution Co Ltd	1,688	-	100.0	33.3	Dormant
P.A.P.O.L.C.S. Ltd	100	-	80.0	68.2	Stevedoring
Papol Holding Limited	100	-	60.0	60.3	Investment
Rogers International Distribution Services Limitada	63	-	100.0	33.8	Freight Forwarding
Rogers International Distribution Services S.A.	18,291	-	100.0	33.8	Freight Forwarding
Rogers International Distribution Services Madagascar S.A.R.L.U	8	-	100.0	33.8	Freight Forwarding
Rogers Logistics International Ltd	80,204	-	100.0	33.8	Freight Forwarding

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Issued capital	Proportion of ownership interests Direct	Indirect	Proportion of effective ownership interests held by non-controlling interests	Principal activity
	Rs 000	%	%	%	
LOGISTICS (CONTD)					
Rogers Logistics Services Company Ltd	100	-	100.0	33.8	Freight Forwarding
Rogers Shipping Ltd	721	-	100.0	54.5	Shipping Services
Rogers Shipping Pte Ltd	3	-	51.0	66.2	Investment
Southern Marine & Co Ltd	500	-	100.0	54.5	Shipping Services
Sukpak Ltd	1,200	-	70.0	53.6	Packing of special sugars
Thermoil Company Ltd	100	80.0	-	20.0	Dormant
Transworld International Ltd	25	-	100.0	33.8	Dormant
Velogic Depot and Warehouse Ltd	300	-	100.0	33.8	Dormant
Velogic Express Reunion	8,341	-	100.0	33.8	Courier
Velogic Garage Services Ltd	50	-	100.0	33.3	Transport Company
Velogic Haulage Services Ltd	975	-	100.0	33.3	Transport Services
Velogic Holding Company Ltd	1,019,294	66.2	-	33.8	Investment
Velogic India Private Ltd	11,156	-	100.0	33.8	Freight Forwarding
VSR S.A.	4,085	-	100.0	33.8	Freight Forwarding
Velogic Ltd	83,985	-	100.0	33.8	Freight Forwarding
VK Logistics Ltd	163,814	-	51.0	66.2	Investment
PROPERTY					
Ascencia Limited	4,362,733	-	36.3	63.8	Property investment
Bagaprop Limited	1,252,101	-	100.0	63.8	Property investment
Case Noyale Ltée	7	1.3	52.3	62.7	Agriculture and leisure
Cie. Sucrière de Bel Ombre Ltd	33,300	1.2	52.3	62.7	Agriculture and Investment
Foresite Property Holding Ltd	1,028,269	100.0	-	-	Investment
Le Marché du Moulin Ltd	1,156	-	100.0	77.6	Retail
* Les Villas de Bel Ombre Amenities Ltd	-	-	100.0	77.6	Construction of sports complex and beach club for IRS home owners association
Les Villas de Bel Ombre Ltée	291,135	-	60.0	77.6	Construction and sales of villas
Motor Traders Ltd	700	100.0	-	-	Property
South West Tourism Development Co. Ltd	4,950	68.9	2.0	31.1	Investment
Villas Valriche Resorts Ltd	1	-	100.0	77.6	Rental pool management company
CORPORATE OFFICE					
Rogers Corporate Services Ltd	357,543	100.0	-	-	Investment

Note: Ordinary shares are issued for the above subsidiaries and the statutory reporting date is 30.06.2018 for the companies.

* Not Consolidated in 2017

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13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(c) The above subsidiaries are incorporated and operate in Mauritius except for:

	Country of incorporation / place of business
Ario (Seychelles) Ltd	Republic of Seychelles
BS Madagascar SARLU	Republic of Malagasy
BS Travel Management Limitada	Republic of Mozambique
BS Travel Mayotte	Mayotte
BEAVIA Kenya Limited	Republic of Kenya
Blue Sky Réunion SAS	Reunion Island
Cargo Express Madagascar S.A.R.L.	Republic of Malagasy
Enterprise Information Systems Ltd (Kenya)	Republic of Kenya
Gencargo (Transport) Limited	Republic of Kenya
General Cargo Services Limited	Republic of Kenya
Islandian S.A.R.L	Reunion Island
Rogers Capital Corporate Services (Singapore) Pte Ltd	Republic of Singapore
Rogers Aviation Comores S.A.R.L.	Republic of Comores
Rogers Aviation France S.A.R.L.	Reunion Island
Rogers Aviation Kenya Ltd	Republic of Kenya
Rogers Aviation Madagascar S.A.R.L.	Republic of Malagasy
Rogers Aviation Mayotte S.A.R.L.	Mayotte
Rogers Aviation Mozambique Limitada	Republic of Mozambique
Rogers Aviation Senegal S.A.R.L.	Republic of Senegal
Rogers Aviation South Africa (Pty) Ltd	Republic of South Africa
Rogers International Distribution Services Limitada	Republic of Mozambique
Rogers International Distribution Services S.A.	French Republic
Rogers International Distribution Services Madagascar S.A.R.L.U	Republic of Malagasy
Rogers Shipping Pte Ltd	Republic of Singapore
Transcontinent S.A.R.L.	Republic of Malagasy
Velogic Express Reunion	Reunion Island
Velogic India Private Ltd	Republic of India
VSR S.A	Reunion Island

(d) The financial statements of Ascencia Limited have been consolidated at 36.25% equity interests:

Foresite Property Holding Ltd, a subsidiary of Rogers and Company Limited ('Rogers') and ENL Property Ltd ('EPL') have respectively an effective holding of 36.25% and 25.13% in the share capital of Ascencia Limited;

ENL Ltd is the majority shareholder of both Rogers and EPL;

Both ENL Ltd and EPL hereby confirm that the Board of Ascencia Limited will systematically have a minimum of half of its Board members nominated by Rogers which shall also have the chairmanship and a casting vote;

Furthermore, for all shareholder matters concerning Ascencia Limited, EPL shall vote in the same manner as Rogers.

14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Accounting policy

Jointly controlled entities are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets and obligations for the liabilities of the joint arrangement. It is the contractually agreed sharing of control of an arrangement which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

Associated companies are entities 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 jointly controlled entities and associated companies are accounted for using the equity method. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the jointly controlled entity and associate after the date of acquisition. The Group's share of its jointly controlled entity and associate's post acquisition profits or losses is recognised in the Statements of Profit or Loss and its share of post acquisition movements in reserves in other comprehensive income.

Goodwill arising on the acquisition of a jointly controlled entity or an associate is included with the carrying amount of the jointly controlled entity or associate and tested annually for impairment. When the Group's share of losses exceeds the carrying amount of the investment, the latter is reported at nil value. Recognition of the Group's share of losses is discontinued except to the extent of the Group's legal and constructive obligations contracted on behalf of the jointly controlled entity or associate. If the jointly controlled entity or associate subsequently reports profits, the Group resumes recognising its share of those profits after accounting for its share of unrecognised past losses. Unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity or associate.

If the ownership interest in an associated company 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 of gains and losses arising in investments in associates are recognised in profit or loss.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence and the investment will then be measured at fair value. The Group recognises in the Statements of Profit or Loss the difference between the fair value of retained investment including any proceeds from disposal and the carrying amount of the investment at the date when significant influence is lost.

In the separate financial statements of the Company, investments in jointly controlled entities and associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Significant accounting judgements and estimates

Significant judgements and assumptions are made in determining whether an entity has joint control or significant influence over another entity and the type of joint arrangement. In considering the classification management considers whether control exists, the nature and structure of the relationship and other facts and circumstances.

	GROUP In Rs million	2018	2017
	Investment in jointly controlled entities		
(a)	Cost of investment in jointly controlled entities	236.4	232.5
	Share of reserves	(91.2)	(75.3)
	Carrying amount of the Group's interest in jointly controlled entities	145.2	157.2
(b)	Movement of share of net assets:		
	At 1 July	157.2	135.5
	Additions	–	38.6
	Share of loss for the year	(11.7)	(16.6)
	Share of other comprehensive income for the year	(0.3)	(0.3)
	At 30 June	145.2	157.2
(c)	Summarised financial information for jointly controlled entities is set out below:		
	Loss for the year	(23.4)	(33.2)
	Other comprehensive income for the year	(0.6)	(2.5)
	Total comprehensive income for the year	(24.0)	(35.7)
	Share of loss for the year	(11.7)	(16.6)
	Share of other comprehensive income for the year	(0.3)	(0.3)
	Share of total comprehensive income for the year	(12.0)	(16.9)
	Carrying amount of the Group's interest in jointly controlled entities	145.2	157.2

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14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

(d)

	Country of incorporation / place of business	Statutory reporting year	% Effective holding 2018	2017	Principal activity
Axa Customer Services Ltd	Mauritius	31.12.17	28.3	25.3	Business process outsourcing
Floreal Commercial Centre Ltd	Mauritius	30.09.17	18.1	20.2	Property
Jacotet Bay Ltd	Mauritius	30.06.18	11.2	11.2	Property

The above jointly controlled entities are private companies and there is no quoted market price available for these shares.

For jointly controlled entities having different reporting date, management accounts have been prepared at 30 June 2018.

(e)

COMPANY In Rs million	2018	2017
At 1 July	-	33.2
Disposals	-	(33.2)
At 30 June	-	-

	GROUP In Rs million	2018	2017
	Investment in associated companies		
(f)	Cost of investment in associated companies	3,934.8	3,740.1
	Share of reserves	1,071.4	1,296.5
	Carrying amount of the Group's interest in associated companies	5,006.2	5,036.6
(g)	Movement of share of net assets:		
	At 1 July	5,036.6	4,817.4
	Additions	51.1	395.2
	Conversion of preference shares into ordinary shares	328.6	-
	Disposals	(295.7)	(0.5)
	Share of profit (loss) for the year	119.6	(8.2)
	Excess of fair value of share of net assets over consideration price	-	144.5
	Impairment losses	(9.7)	-
	Share of other comprehensive income for the year	(228.6)	(39.0)
	Dividends	(70.5)	(90.2)
	Movement in non-distributable reserves	97.0	-
	Effect of share buy back	-	(163.0)
	Transfer	(22.2)	(19.6)
	At 30 June	5,006.2	5,036.6

Non cash transactions included in disposals amount to Rs 222.4m.

14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

(h) Summarised financial information in respect of the Group's major associated companies is set out below:

GROUP In Rs million	Year ended 30 June 2018 NMH	 Swan
Statements of Profit or Loss and Other Comprehensive Income		
Revenue	10,000.4	7,076.9
(Loss) profit for the year	(7.4)	258.2
Other comprehensive income for the year	(680.1)	225.4
Total comprehensive income for the year	(687.5)	483.6
Share of (loss) profit	(28.8)	68.6
Share of other comprehensive income	(231.5)	0.5
Share of total comprehensive income	(260.3)	69.1
Statements of Financial Position		
Non current assets	28,036.8	2,337.3
Current assets	8,051.2	45,249.4
Total assets	36,088.0	47,586.7
Capital and reserves	13,232.0	3,506.6
Non current liabilities	17,253.0	43,708.4
Current liabilities	5,603.0	371.7
Total equity and liabilities	36,088.0	47,586.7
Carrying amount of the Group's interest in the associated companies	2,913.8	1,565.6

GROUP In Rs million	Year ended 30 June 2017 NMH	 Swan
Statements of Profit or Loss and Other Comprehensive Income		
Revenue	9,510.5	6,515.7
(Loss) profit for the year	(764.9)	252.3
Other comprehensive income for the year	(249.7)	115.0
Total comprehensive income for the year	(1,014.6)	367.3
Share of (loss) profit	(147.2)	65.0
Share of other comprehensive income	(76.6)	35.5
Share of total comprehensive income	(223.8)	100.5
Statements of Financial Position		
Non current assets	27,587.7	39,729.2
Current assets	8,386.8	3,116.8
Total assets	35,974.5	42,846.0
Capital and reserves	12,218.3	2,848.5
Non current liabilities	15,498.2	39,714.1
Current liabilities	8,258.0	283.4
Total equity and liabilities	35,974.5	42,846.0
Carrying amount of the Group's interest in the associated companies	2,852.4	1,411.7

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30 June 2018

14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

(i) Summarised financial information for immaterial associated companies is set out below:

GROUP In Rs million	2018	2017
Profit for the year	79.8	74.0
Other comprehensive income for the year	2.7	2.1
Total comprehensive income for the year	82.5	76.1
Carrying amount of the Group's interest in the immaterial associated companies	526.8	772.5

(j)

COMPANY In Rs million	2018	2017
At 1 July	3,427.2	3,131.2
Additions	23.5	357.9
Disposals	(58.5)	(61.9)
Conversion of preference shares into ordinary shares	328.6	-
At 30 June	3,720.8	3,427.2

The following associated companies have been included in the consolidated financial statements:

	Country of incorporation / place of business	Statutory reporting year	% Effective holding 2018	% Effective holding 2017	Principal activity
Air Cargo Service Madagascar Ltd	Madagascar	31.12.17	50.0	50.0	Ground handling services
Bioculture (Mauritius) Ltd	Mauritius	31.12.17	25.4	25.4	Breeding and export of primates
Blue Connect Ltd	Mauritius	30.09.17	30.0	30.0	Business process outsourcing
*** Blue Frog Limited	Mauritius	30.06.18	-	27.3	Procurement management
*** Blue Frog Holding Limited	Mauritius	30.06.18	27.3	-	Investment holding
** EnAtt Ltd	Mauritius	30.06.18	-	21.3	Property management company
* ESP Landscapers	Mauritius	30.06.18	7.5	7.5	Landscaping services
** Espral Co Ltd	Mauritius	30.06.18	-	7.5	Property development
FPHL Infra Ltd	Mauritius	30.06.18	49.0	49.0	Investment
Indian Ocean Network News Ltd	Mauritius	31.12.17	27.0	27.0	Media and communication
Lagoona Cruise Ltd	Mauritius	30.06.18	33.0	33.0	Boat cruises activities
Le Morne Development Corporation Ltd	Mauritius	30.09.17	20.0	20.0	Property
** Mall of (Mauritius) at Bagatelle Ltd	Mauritius	30.06.18	-	25.0	Property
Mauritian Coal and Allied Services Company Ltd	Mauritius	30.09.17	25.6	25.6	Coal supplier
Motor City Ltd	Mauritius	30.06.18	25.0	25.0	Property
Mozambique Airport Handling Services Limitada	Mozambique	30.09.17	29.0	29.0	Ground handling services
New Mauritius Hotels Limited	Mauritius	30.09.17	23.0	22.8	Hospitality
Reliance Facilities Ltd	Mauritius	30.06.18	49.0	49.0	Security services
Reliance Security Services Ltd	Mauritius	30.06.18	49.0	49.0	Security services
Reliance Systems Ltd	Mauritius	30.06.18	49.0	49.0	Security services
* Sainte Marie Crushing Plant Ltd	Mauritius	30.06.18	8.8	8.8	Manufacture and sale of building materials
Société Pur Blanca	Mauritius	30.09.17	49.0	49.0	Investment
Swan Financial Solutions Ltd	Mauritius	31.12.17	20.0	20.0	Insurance
Swan General Ltd	Mauritius	31.12.17	29.4	28.8	Insurance

All the above associates are accounted for using the equity method. For associated companies having different reporting date, management accounts have been prepared at 30 June 2018.

As at 30 June 2018, the fair value of the Group interest in New Mauritius Hotels Limited and Swan General Ltd which are listed on the Stock Exchange of Mauritius were Rs 3,020.6m and Rs 898.7m respectively (2017: Rs 2,457.9m and Rs 745.2m respectively) based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

* Significant influence obtained through subsidiaries

** Disposed in 2018

*** The Company exchanged its stake in the associated company, Blue Frog Limited for the same stake in Blue Frog Holding Limited

15. INVESTMENT IN FINANCIAL ASSETS

Accounting policy

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables originated by the enterprises and the classification depends on the purpose of the financial asset.

- Available-for-sale investments

Available-for-sale assets are non-derivative investments and other assets that are either designated in this category or not classified in any of the other categories. Available-for-sale assets are included in non current assets unless management intends to dispose of them within 12 months of the period-end date.

- Loans and receivables originated by the enterprises

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the period-end date where these are classified as non current assets.

Recognition and measurement

Purchases and sales of financial assets are recognised on their trade date, which is the date when the Group contracts with the purchaser or seller. Financial assets are initially recognised at cost. Transaction costs are included for all financial instruments not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash have expired or have been transferred and the Group has transferred substantially all risks and rewards.

Financial assets classified as available-for-sale are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income. When available-for-sale assets are sold or impaired, the accumulated fair value adjustments are included in the Statements of Profit or Loss as gains and losses from investments.

Financial instruments classified as loans and receivables and amortised cost are subsequently measured using the effective interest method.

The Group assesses at each period-end date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are recognised only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably measured.

Level 1 financial assets are those with unadjusted quoted prices in active markets for identical investments.

Level 2 financial assets include quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (ie, interest rates or yields) and inputs that are derived from or corroborated by observable market data.

Level 3 includes unobservable inputs that reflect Directors' assumptions about what factors market participants would use in pricing such investments. These inputs are based on the best information available including the Group's own information.

(a)

GROUP In Rs million	Level 1	Level 3	2018 Total	2017 Total
Non current				
Available-for-sale investments				
At 1 July	446.3	230.5	676.8	627.0
Additions	-	302.8	302.8	0.1
Conversion of preference shares into ordinary shares	(333.2)	-	(333.2)	-
Disposals	-	(42.2)	(42.2)	(10.0)
Transfer	-	-	-	19.6
Change in fair value	(42.4)	(3.7)	(46.1)	40.1
At 30 June	70.7	487.4	558.1	676.8

Non cash transactions included in additions amount to Rs 301.4m.

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15. INVESTMENT IN FINANCIAL ASSETS (CONTD)

(b)

COMPANY			2018	2017
In Rs million	Level 1	Level 3	Total	Total
Non current				
Available-for-sale investments				
At 1 July	440.2	220.9	661.1	613.2
Additions	-	-	-	0.1
Conversion of preference shares into ordinary shares	(333.2)	-	(333.2)	-
Disposals	-	(7.6)	(7.6)	(10.1)
Change in fair value	(38.6)	(18.2)	(56.8)	57.9
At 30 June	68.4	195.1	263.5	661.1

16. NON CURRENT RECEIVABLES

Accounting Policy

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Non current receivables				
Loan receivable from subsidiary companies	-	-	75.9	469.7
Loan receivable from other companies	52.5	68.6	-	-
Total non current receivables	52.5	68.6	75.9	469.7

The carrying amount of loans receivable approximates their fair values. The loans are unsecured and are repayable by instalments after more than one year.

17. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS

Accounting policy

Leases are classified as finance leases where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Other credit arrangements include contracts for the hire of an asset that contain a provision giving the hirer an option to acquire title to the asset upon the fulfilment of agreed conditions and advances granted to individuals. Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, advances are measured at amortised cost using the effective interest method, less any impairment.

Finance Leases - lessor

Finance leases granted are accounted for in the Statement of Financial Position as a receivable at an amount equal to the net investment in leases after specific provision for bad and doubtful debt in respect of all identified impaired leases in the light of periodic reviews. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases-lessor

Assets leased out under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected lives on a basis consistent with similar assets. Rental income is recognised in profit or loss on a straight line basis over the lease term.

17. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONTD)

Accounting policy (contd)

Impairment of leases and other credit agreements

Allowance for credit losses consists of specific and portfolio provision for credit losses and is determined based on the Group's best estimate of Statements of Financial Position receivables.

An allowance for impairment is established if there is objective evidence that the Group will not be able to collect the amount due according to the original contractual terms of the lease and other credit agreements. The amount of the provision is the difference between the carrying amount at the time the lease and other credit agreement are considered doubtful and the recovered amount.

The provision amount also covers losses when there is objective evidence that probable losses are present in components of the lease and other credit agreements portfolio at the reporting date. They have been estimated based on the future specific losses inherent in the leases and upon historical patterns of losses in each component and the economic climate in which the clients operate. When a lease or other credit agreements are uncollectible, they are written off against the related provision for impairment; subsequent recoveries are credited to Profit or Loss.

Statutory and regulatory loss reserve requirements that exceed these amounts are dealt with in the capital reserve as an appropriation of retained earnings.

Significant accounting judgements and estimates

The Group reviews its individually significant net investment in leases and other credit agreements at each reporting date to assess whether an impairment loss should be recorded in profit or loss. The Group's impairment methodology for leases and other credit agreements results in the recording of provisions for specific impairment losses on individually significant or specifically identified exposures and portfolio provision on individually not significant exposures and incurred but not yet identified losses.

All categories include an element of management's judgement, in particular for the estimation of the amount and timing of future cashflows and collateral values when determining impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances. Additionally, judgements around the inputs and calibration of the portfolio provision models include the criteria for the identification of smaller homogeneous portfolios, the effect of concentrations of risks and economic data (including levels of unemployment, repayment trends, collateral values and the performance of different individual groups, and bankruptcy trends), and for determination of the emergence period. The methodology and assumptions are reviewed regularly in the context of actual loss experienced.

	GROUP In Rs million	Finance leases	Other credit agreements	Total
(a)	Gross investment			
	Within one year	49.7	183.7	233.4
	After one year and before two years	49.5	116.9	166.4
	After two years and before five years	133.2	22.7	155.9
	After five years	33.2	-	33.2
		265.6	323.3	588.9
	Unearned future finance income	(53.6)	(35.7)	(89.3)
	Present value of minimum lease payment	212.0	287.6	499.6
	Less provision for credit impairment			
	Portfolio provision	(2.1)	(2.8)	(4.9)
	Net finance lease receivables	209.9	284.8	494.7
(b)	Remaining term to maturity			
	Within one year	33.3	155.1	188.4
	After one year and before two years	36.1	107.6	143.7
	After two years and before five years	111.5	24.9	136.4
	After five years	31.1	-	31.1
		212.0	287.6	499.6
(c)	Allowance for credit impairment			
	Portfolio provision			
	Provision for credit impairment	2.1	2.8	4.9
	At 30 June 2018	2.1	2.8	4.9

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18. DEFERRED EXPENDITURE

Accounting policy

Voluntary Retirement Scheme (VRS)

VRS costs (net of receipts from Sugar Reform Trust), together with the costs of land and provision for infrastructure costs have been capitalised and amortised over a maximum period of five years. Any profit realised on sale of land under VRS is credited to the deferred expenditure account up to the total standing on this account. Any surplus is credited to the Statements of Profit or Loss.

Premium on Leasehold Land

Premium paid on leasehold land is accounted for as deferred expenditure and is debited to the Statements of Profit or Loss over the number of years remaining on those leases.

Others

In order to match cost and revenue of providing services over the period of the contract, certain expenditure related thereto is deferred. Professional fees are included in other deferred expenditure and will be released over the contract period.

GROUP In Rs million	Sugar industry Voluntary Retirement Scheme	Premium on leasehold land	Others	Total
Cost				
At 1 July 2016	50.4	29.9	251.3	331.6
Additions	-	-	81.0	81.0
Exchange differences	-	-	(5.7)	(5.7)
At 30 June 2017	50.4	29.9	326.6	406.9
Additions	-	-	114.5	114.5
Exchange differences	-	-	1.0	1.0
At 30 June 2018	50.4	29.9	442.1	522.4
Amortisation				
At 1 July 2016	50.4	10.8	120.2	181.4
Charge for the year	-	-	13.4	13.4
Exchange differences	-	0.8	(1.4)	(0.6)
At 30 June 2017	50.4	11.6	132.2	194.2
Charge for the year	-	6.3	7.1	13.4
Exchange differences	-	-	0.3	0.3
At 30 June 2018	50.4	17.9	139.6	207.9
Carrying value				
At 30 June 2018	-	12.0	302.5	314.5
At 30 June 2017	-	18.3	194.4	212.7

19. CONSUMABLE BIOLOGICAL ASSETS

Accounting policy

Consumable biological assets are stated at their fair values less costs to sell and relate to the value of standing crop, deer farming and palm trees.

Significant accounting judgements and estimates

The fair values of consumable biological assets have been arrived at by discounting the present value of expected net cash flows from standing canes at the relevant market determined pre-tax rate.The expected cash flows have been computed by estimating the expected crop and the 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 budgets.

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

GROUP In Rs million	2018	2017
At 1 July	86.5	90.7
Movement in fair value	(9.2)	(4.2)
At 30 June	77.3	86.5

At 30 June 2018, standing canes comprised approximately 540 hectares of cane plantations (2017: 601 hectares).

During the year, the Group harvested approximately 32,271 tonnes of canes (2017: 41,147 tonnes of canes).

20. INVENTORIES

Accounting policy

Inventories are valued at lower of cost and net realisable value.

Cost is determined at 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.

GROUP In Rs million	2018	2017
Raw materials and consumables	113.2	85.0
Goods for resale	232.0	167.0
Work in progress	22.7	26.3
Total inventories	367.9	278.3
Carrying value of inventories pledged	367.9	278.3
Value of inventories at cost	367.9	278.3

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21. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

The Group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the Group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group upon lodging of a bank guarantee as a security document or on a strictly prepaid (cleared funds) only basis.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. An impairment provision for receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. The amount of provision is recognised in the Statements of Profit or Loss.

Other debtors are reviewed on an ongoing basis and are written down to their recoverable amount when this amount is in excess of their carrying value.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Trade receivables	1,767.8	1,664.4	6.3	5.5
Less impairment	(164.1)	(160.8)	(3.6)	(3.6)
Carrying value of trade receivables	1,603.7	1,503.6	2.7	1.9
Prepayments	137.4	157.1	7.8	2.0
Receivable from associated companies	18.3	18.8	–	4.6
Other receivables	724.3	781.6	9.9	32.6
Total trade and other receivables	2,483.7	2,461.1	20.4	41.1
The carrying amount of the receivables is considered as a reasonable approximation of fair value.				
Ageing of trade receivables				
Less than 3 months	1,461.4	1,384.5	2.4	0.7
Impairment	–	–	–	–
Carrying value of trade receivables less than 3 months	1,461.4	1,384.5	2.4	0.7
More than 3 months	94.1	85.5	0.3	–
Impairment	–	(0.3)	–	–
Carrying value of trade receivables more than 3 months	94.1	85.2	0.3	–
More than 6 months	212.3	194.4	3.6	4.8
Impairment	(164.1)	(160.5)	(3.6)	(3.6)
Carrying value of trade receivables more than 6 months	48.2	33.9	–	1.2
Carrying value of trade receivables	1,603.7	1,503.6	2.7	1.9
Impairment of trade receivables				
At 1 July	(160.8)	(197.1)	(3.6)	(3.6)
Provision made during the year	(26.3)	(24.2)	–	–
Written off during the year	23.0	60.5	–	–
At 30 June	(164.1)	(160.8)	(3.6)	(3.6)

22. AMOUNTS RECEIVABLE FROM GROUP COMPANIES

COMPANY		
In Rs million	2018	2017
Subsidiary companies	329.6	285.8

The carrying amount of receivables approximate their fair values. The receivables are unsecured and are repayable within one year.

23. SHARE CAPITAL AND RESERVES

Accounting policy

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds. Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in equity attributable to the Company's equity holders.

Capital reserves

The capital reserves include movement in reserves resulting from statutory obligations.

Revaluation reserves

The revaluation reserves comprise the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired and the gains / losses arising on revaluation of properties.

Translation reserves

The foreign currency translation reserves record the foreign currency differences arising from the translation of the financial statements of foreign operations.

COMPANY In Rs million	2018	2017
Authorised		
At 30 June	1,260.2	1,260.2
Issued and fully paid		
At 30 June	1,260.2	1,260.2

24. NON-CONTROLLING INTERESTS

Accounting policy

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance. The Group accounts for transaction 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 of the carrying value of the net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(a) Substantial Non-Controlling Interests (NCI) are in:

GROUP		NCI % holding	
Name of entity	Segment	2018	2017
Rogers Capital Ltd (RC)	FinTech	43.56%	49.41%
VLH Ltd (VLH)	Hospitality	21.67%	22.02%
Velogic Holding Company Ltd (VHL)	Logistics	33.77%	33.77%
Ascencia Limited (Ascencia)	Property	63.75%	59.85%
Cie. Sucrière de Bel Ombre Ltd (CSBO)	Property	62.74%	62.74%

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24. NON-CONTROLLING INTERESTS (CONTD)

(b) Summarised financial information before intra-group elimination:

GROUP In Rs million	RC	VLH	VHL	Ascencia	CSBO
30 June 2018					
Statements of Profit or Loss and Other Comprehensive Income					
Revenue	922.9	2,548.3	4,262.2	1,441.2	619.4
(Loss) profit for the year	(38.9)	208.0	103.1	1,000.6	(68.5)
Other comprehensive income for the year	(3.5)	2.4	(10.8)	-	(69.3)
Total comprehensive income for the year	(42.4)	210.4	92.3	1,000.6	(137.8)
(Loss) profit attributable to NCI	(17.0)	38.2	44.7	560.1	(58.3)
Other comprehensive income attributable to NCI	(2.3)	0.5	(3.5)	-	(45.7)
Total comprehensive income attributable to NCI	(19.3)	38.7	41.2	560.1	(104.0)
Dividends paid to NCI	-	21.3	-	228.5	18.0
Statements of Financial Position					
Non current assets	1,617.9	5,152.7	3,311.7	14,125.0	5,613.3
Current assets	962.6	4,490.0	1,902.0	1,254.8	668.9
Non current liabilities	662.1	1,689.5	1,024.2	4,710.3	424.6
Current liabilities	998.1	4,218.9	1,369.3	616.6	1,072.0
Accumulated NCI	(44.1)	854.5	393.3	4,625.2	2,555.1
Statements of Cash Flows					
Net cash flow (used in) from operating activities	(256.8)	534.3	69.2	375.0	2.6
Net cash flow (used in) from investing activities	(530.8)	(1,027.2)	(23.9)	583.0	(163.3)
Net cash flow from (used in) financing activities	876.9	749.6	(143.5)	(285.0)	9.8
Net increase (decrease) in cash and cash equivalents	89.3	256.7	(98.2)	673.0	(150.9)
30 June 2017 (Restated)					
Statements of Profit or Loss and Other Comprehensive Income					
Revenue	809.5	2,157.2	4,076.1	1,308.7	759.2
Profit (loss) for the year	49.7	178.7	113.7	960.2	(128.9)
Other comprehensive income for the year	(4.2)	496.2	17.7	-	382.5
Total comprehensive income for the year	45.5	674.9	131.4	960.2	253.6
Profit (loss) attributable to NCI	24.2	41.2	57.1	609.0	(102.9)
Other comprehensive income attributable to NCI	(2.1)	111.2	2.4	-	237.6
Total comprehensive income attributable to NCI	22.1	152.4	59.5	609.0	134.7
Dividends paid to NCI	11.8	16.7	18.3	152.3	18.0
Statements of Financial Position					
Non current assets	757.0	4,749.0	3,264.7	3,861.1	5,584.7
Current assets	318.3	3,875.8	1,938.0	448.4	580.4
Non current liabilities	209.1	1,200.1	1,079.6	4,526.8	401.5
Current liabilities	319.7	3,816.9	1,421.8	496.2	776.3
Accumulated NCI	(29.7)	827.8	403.4	4,262.0	2,690.2
Statements of Cash Flows					
Net cash flow from (used in) operating activities	24.6	266.6	292.3	505.8	(125.3)
Net cash flow from (used in) investing activities	17.7	(1,168.9)	(44.2)	(294.9)	(19.8)
Net cash flow (used in) from financing activities	(92.8)	926.1	(152.1)	(279.6)	(10.9)
Net (decrease) increase in cash and cash equivalents	(50.5)	23.8	96.0	(68.7)	(156.0)

25. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL

During the year, the Group effected the following changes in proportion of effective ownership interests in subsidiaries that do not result in a loss of control. The net impact of these changes in shareholding resulted in a decrease of Rs 67m in retained earnings and a decrease of Rs 14m in non-controlling interests.

25. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL (CONTD)

Name of entity	From %	To %
FINTECH		
Enterprise Information Solutions Limited - Kenya	50.6	56.5
Globefin Corporate Services Ltd	50.6	56.5
Globefin Management Services Ltd	50.6	56.5
Globefin Nominee Ltd	50.6	56.5
River Court Nominees Limited	50.6	56.5
Rogers Capital Accounting Services Ltd	50.6	56.5
Rogers Capital Actuarial Services Ltd	50.6	56.5
Rogers Capital Business Services Ltd	50.6	56.5
Rogers Capital Captive Insurance Management Services Ltd	50.6	56.5
Rogers Capital City Executives Limited	50.6	56.5
Rogers Capital Corporate Services Ltd	50.6	56.5
Rogers Capital Corporate Services (Singapore) Pte Ltd	50.6	56.5
Rogers Capital Finance Ltd	50.6	56.5
Rogers Capital Fund Services Ltd	50.6	56.5
Rogers Capital Investment Advisors Ltd	50.6	56.5
Rogers Capital Ltd	50.6	56.5
Rogers Capital Management Services Ltd	50.6	56.5
Rogers Capital Nominee Ltd	50.6	56.5
Rogers Capital Nominee 1 Limited	50.6	56.5
Rogers Capital Nominee 2 Limited	50.6	56.5
Rogers Capital Outsourcing Ltd	50.6	56.5
Rogers Capital Payment Solutions Ltd	100.0	56.5
Rogers Capital Payroll Services Ltd	50.6	56.5
Rogers Capital Specialist Services Ltd	50.6	56.5
Rogers Capital Technology Services Ltd	50.6	56.5
Rogers Capital Trustees Ltd	50.6	56.5
HOSPITALITY		
Adnarev Ltd	78.0	78.3
Heritage Events Company Ltd	78.0	78.3
Heritage Golf Club Ltd	64.4	64.6
Seven Colours Spa Ltd	78.0	78.3
Veranda Tamarin Ltd	39.8	40.0
VLH Ltd	78.0	78.3
VLH Training Ltd	78.0	78.3
LOGISTICS		
Velogic Haulage Services Ltd	53.4	66.7
Velogic Garage Services Ltd	53.4	66.7
PROPERTY		
Ascencia Limited	40.2	36.2
Bagaprop Limited	34.1	36.2

26. DIVIDENDS

COMPANY In Rs million	2018	2017
Declared and paid		
Interim dividend of Rs 0.34 per ordinary share (2017: Rs 0.32)	85.7	80.7
Declared and payable		
Final dividend of Rs 0.63 per ordinary share (2017: Rs 0.60)	158.8	151.2
Total dividends	244.5	231.9

A final dividend of Rs 0.63 per share was declared on 20 June 2018 and paid on 24 July 2018. An amount of Rs 158.8m has been included in current liabilities at 30 June 2018.

EXPLANATORY NOTES

30 June 2018

27. BORROWINGS

Accounting policy

Borrowings are recognised initially at fair value and subsequently measured at amortised cost. Transaction costs incurred are included for those not held at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the Statements of Profit or Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily non-voting convertible at a specific date, are classified as liabilities and dividends on these preference shares are recognised in Statements of Profit or Loss as interest expense.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset 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 the Statements of Profit or Loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy of borrowing costs.

		GROUP		COMPANY	
	In Rs million	2018	2017	2018	2017
(a)	Non current				
	Bank borrowings - Secured (note b)	7,397.5	5,212.2	750.0	380.0
	- Unsecured	74.7	208.2	-	-
	Secured floating rate notes (note d)	1,500.0	1,500.0	1,500.0	1,500.0
	Convertible preference shares (note e)	37.5	71.5	-	-
	Debentures (note f)	210.7	210.7	-	-
	Loans from subsidiary companies	-	-	-	14.0
	Loans from other companies	303.5	304.1	303.5	304.1
	Finance lease obligations (note g)	70.3	68.9	-	-
	Total non current borrowings	9,594.2	7,575.6	2,553.5	2,198.1
	Current				
	Bank overdrafts	600.1	456.7	-	3.6
	Bank borrowings (note b)	238.7	1,265.9	110.0	880.0
	Convertible preference shares (note e)	48.7	55.6	-	-
	Loans from subsidiary companies	-	-	45.0	46.5
	Loans from other companies	8.7	96.6	8.7	96.6
	Finance lease obligations (note g)	37.1	40.8	-	0.8
	Total current borrowings	933.3	1,915.6	163.7	1,027.5
	Total borrowings	10,527.5	9,491.2	2,717.2	3,225.6

(b) These loans are secured by fixed and floating charges on the assets of the borrowing companies. The carrying amount of long term loans approximates their fair values and the rates of interest vary between 1.0% and 8.0% (2017: 3.0% and 8.0%).

The carrying amounts of borrowings are not materially different from their fair values, which are based on cash flows discounted using the borrowings rate and are within level 2 of the fair value hierarchy.

27. BORROWINGS (CONTD)

		GROUP		COMPANY	
	In Rs million	2018	2017	2018	2017
(c)	Repayable otherwise than by instalments				
	After one year and before two years	10.0	6.5	-	-
	After two years and before five years	653.5	304.1	653.5	318.1
	Secured floating rate notes	500.0	500.0	500.0	500.0
	After five years				
	Secured bank loans	-	350.0	-	350.0
	Secured floating rate notes	1,000.0	1,000.0	1,000.0	1,000.0
	Repayable by instalments				
	After one year and before two years	974.5	475.6	100.0	30.0
	After two years and before five years	1,198.5	638.6	300.0	-
	After five years	5,149.9	4,160.4	-	-
	Total non current borrowings*	9,486.4	7,435.2	2,553.5	2,198.1

* Excluding finance lease obligations and convertible preference shares

(d) Secured floating rate notes

On 16 March 2015, the Company issued 30,000 secured floating rate notes on private placement as follows:

Note description	Maturity	Interest rate
Tranche A (10,000 notes at Rs50,000 per note)	16 March 2021	Reference Bank of Mauritius repo rate + 1.35% p.a
Tranche B (10,000 notes at Rs50,000 per note)	16 March 2023	Reference Bank of Mauritius repo rate + 1.85% p.a
Tranche C (10,000 notes at Rs50,000 per note)	16 March 2025	Reference Bank of Mauritius repo rate + 2.35% p.a

These notes are secured by a floating charge over all the assets of the Company and the subsidiaries being financed .

(e) Convertible preference shares to non-group entities

On 30 June 2018, preference shares have been converted to Class A ordinary shares for an amount of Rs 40.9m (2017: Rs 71.5m).

Salient features of the convertible preference shares are as follows:

Preference shares shall be converted mandatorily on the 30th June of every financial year over 5 consecutive years into Class A ordinary shares of the subsidiary company without paying any additional fee.

The preference shares yield a dividend of 6.0% per financial year over 5 consecutive years, payable out of the profits of the subsidiary company and in priority to dividends payable to Class A ordinary shareholders. Dividend distribution shall be paid in June of each financial year.

Preference shareholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the subsidiary company.

The right to an equal share in the distribution of surplus assets among non-convertible preference shareholders on winding up, payable in priority to the holders of ordinary shares.

The convertible non-voting preference shares shall constitute unsecured and subordinated obligations of the subsidiary company and shall accordingly rank junior to all secured and unsubordinated creditors of the subsidiary company but ahead of Class A ordinary shares.

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27. BORROWINGS (CONTD)

(f) Debentures to non-group entities

During the year under review, Ascencia Limited, a subsidiary company has in issue 17,556,676 redeemable bonds at an issue price of Rs 12.00 each, totalling Rs 210.7m.

Salient features of the debentures are as follows:

A coupon rate of 6.0% per annum in respect of each financial year over 10 consecutive years, will be paid to Bondholders out of the profits of the entity. This will be paid in priority to dividends payable to Class A ordinary shareholders and preference shareholders. Coupon payment shall be paid in June of each financial year.

Bondholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the entity.

Bonds shall be redeemed automatically on the 30th June of every financial year over 5 consecutive years starting 30 June 2021, without paying any additional fee.

		GROUP		COMPANY	
	In Rs million	2018	2017	2018	2017
(g)	Finance lease obligations				
	Within one year	36.5	43.4	-	0.8
	After one year and before two years	48.4	34.1	-	-
	After two years and before five years	24.9	37.1	-	-
	After five years	1.7	2.7	-	-
	Finance lease liabilities - minimum lease payments	111.5	117.3	-	0.8
	Future finance charges	(4.1)	(7.6)	-	-
	Present value of finance lease obligations	107.4	109.7	-	0.8
	Within one year	37.1	40.8	-	0.8
	After one year and before two years	48.2	32.4	-	-
	After two years and before five years	20.3	34.8	-	-
	After five years	1.8	1.7	-	-
	Present value of finance lease obligations	107.4	109.7	-	0.8

Finance lease arrangement includes contract for the leasing of motor vehicles and equipment. At the expiry of the lease period, the lessee may purchase the equipment upon payment of the residual value. The lessor will have recourse to repossession of the asset upon default. No other restriction is stipulated.

28. DEFERRED TAX LIABILITIES

Accounting policy

Deferred tax

Deferred tax liabilities are provided in respect of taxable temporary differences, using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets arising from unused tax losses are recognised only to the extent that realisation of the related tax benefit is probable.

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

Significant accounting judgements and estimates

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from fair value of investment properties the directors reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all economic benefits embodied in the investment properties over time, rather than through sale. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any capital gain taxes on disposal of its investment properties.

		GROUP		COMPANY	
	In Rs million	2018	2017 Restated	2018	2017
(a)	At 1 July (As previously stated)	518.7	368.9	-	-
	Effect of prior year adjustments (note 41)	69.2	46.4	-	-
	At 1 July (Restated)	587.9	415.3	-	-
	Charged to Statements of Profit or Loss	72.0	85.4	-	-
	Charged to Statements of Profit or Loss and Other Comprehensive Income	(3.5)	89.6	-	-
	Acquisition of subsidiary companies	9.2	(2.4)	-	-
	At 30 June	665.6	587.9	-	-

At 30 June 2018, the Company had unused tax losses of Rs 142.7m (2017: Rs 114.9m) available to offset against future profits for which no deferred tax asset has been recognised.

(b) The movement in deferred tax liabilities during the year is as follows:

GROUP				
In Rs million	Accelerated capital allowance	Retirement benefit obligation	Impairment loss / fair value	Total
At 1 July 2016 (As previously restated)	154.9	(4.2)	218.2	368.9
Effect of prior year adjustments (note 41)	-	0.1	46.3	46.4
At 1 July 2016 (Restated)	154.9	(4.1)	264.5	415.3
Charged to Statements of Profit or Loss	34.4	12.2	38.8	85.4
Charged to Statements of Profit or Loss and Other Comprehensive Income	88.6	1.0	-	89.6
Acquisition of subsidiary companies	(2.4)	-	-	(2.4)
At 30 June 2017 (Restated)	275.5	9.1	303.3	587.9
Charged to Statements of Profit or Loss	6.9	(1.8)	66.9	72.0
Charged to Statements of Profit or Loss and Other Comprehensive Income	-	(0.4)	(3.1)	(3.5)
Acquisition of subsidiary companies	9.2	-	-	9.2
At 30 June 2018	291.6	6.9	367.1	665.6

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30 June 2018

29. RETIREMENT BENEFIT OBLIGATIONS

Accounting policy

Defined benefit pension plans and other retirement benefits

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

The present value of retirement benefit obligations is recognised in the Statements of Financial Position as a non current liability after adjusting for the fair value of plan assets. The assessment of these obligations is carried out annually by an independent firm of consulting actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using rates on government bonds.

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 the Statements of Profit or Loss and Other Comprehensive Income in the year in which they occur. Remeasurements recognised in the Statements of Profit or Loss and Other Comprehensive Income shall not be reclassified to the Statements of Profit or Loss in subsequent year.

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

State plan and defined contribution pension plans

Contributions to the National Pension Scheme and the Group's defined contribution pension plan are expensed to the Statements of Profit or Loss in the year in which they fall due.

Gratuity on retirement

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

Significant accounting judgements and estimates

The present value of retirement benefit obligations is recognised in the Statements of Financial Position as a non current liability after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost. The assessment of these obligations is carried out annually by an independent firm of consulting actuaries. The actuarial valuation involves making assumptions on discount rates, future pension increases, mortality rates, salary increases and expected rates of return on plan assets.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Amounts recognised in the Statements of Financial Position				
Pension plan (note a)	31.0	23.6	(35.7)	(30.0)
Other retirement benefits (note b)	153.2	140.2	47.5	46.1
Total retirement benefit obligations	184.2	163.8	11.8	16.1

(a) Pension plan

The Group runs a defined contribution plan, the Rogers Pension Fund (RPF), to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees, subject to them contributing regularly to the RPF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RPF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

In addition to the above, some companies have defined benefit plans which are funded and where the plan assets are held by The Swan Life Ltd and The Sugar Industry Pension Fund.

29. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Amounts recognised in the Statements of Financial Position				
Present value of funded obligations	2,001.7	1,612.4	1,796.3	1,435.3
Fair value of plan assets	(2,070.3)	(1,697.9)	(1,932.4)	(1,559.9)
Excess of fair value of plan assets over present value of funded obligations	(68.6)	(85.5)	(136.1)	(124.6)
Impact of minimum funding requirement / asset ceiling	99.6	109.1	100.4	94.6
Liability (asset) in the Statements of Financial Position	31.0	23.6	(35.7)	(30.0)
Reconciliation of net defined benefit liability (asset)				
At 1 July	23.6	18.4	(30.0)	(28.5)
Amount recognised in profit or loss	11.1	8.2	2.3	1.4
Amount recognised in other comprehensive income	(1.5)	2.4	(7.1)	(2.7)
Less employer contributions	(7.1)	(5.4)	(0.9)	(0.2)
Acquisition of subsidiaries	4.9	-	-	-
At 30 June	31.0	23.6	(35.7)	(30.0)
Reconciliation of fair value of plan assets				
At 1 July	1,697.9	1,431.8	1,559.9	1,293.3
Interest income	113.2	107.8	100.9	95.1
Employer contributions	7.1	5.4	0.9	0.2
Employee contributions	0.6	0.5	0.2	-
Benefits paid	(54.1)	(66.0)	(30.9)	(52.2)
Return on plan assets excluding interest income	305.6	218.4	301.4	223.5
At 30 June	2,070.3	1,697.9	1,932.4	1,559.9
Reconciliation of present value of defined benefit obligation				
At 1 July	1,612.4	1,341.1	1,435.3	1,170.3
Current service cost	10.9	9.5	4.3	3.5
Employee contributions	0.6	0.5	0.2	-
Interest expense	123.2	99.8	92.8	85.8
Past service cost	(6.3)	(0.4)	-	-
Settlement loss	5.4	-	-	-
Other benefits paid	(54.1)	(66.0)	(30.9)	(52.2)
Liability experience loss	200.6	229.0	202.3	231.3
Liability loss (gain) due to change in financial assumptions	104.1	(1.1)	92.3	(3.4)
Acquisition of subsidiaries	4.9	-	-	-
At 30 June	2,001.7	1,612.4	1,796.3	1,435.3
Reconciliation of the effect of the asset ceiling				
At 1 July	109.1	109.1	94.6	94.6
Amount recognised in profit or loss	(8.9)	7.1	6.1	7.1
Amount recognised in other comprehensive income	(0.6)	(7.1)	(0.3)	(7.1)
At 30 June	99.6	109.1	100.4	94.6
Components of amount recognised in Profit and Loss				
Current service cost	10.9	9.5	4.3	3.5
Past service cost	(6.3)	(0.4)	-	-
Settlement loss	5.4	-	-	-
Service cost	10.0	9.1	4.3	3.5
Net interest on net defined benefit liability (asset)	1.1	(0.9)	(2.0)	(2.1)
Amounts recognised in profit or loss	11.1	8.2	2.3	1.4

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29. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Components of amount recognised in other comprehensive income				
Return on plan assets excluding interest income	(305.6)	(218.4)	(301.4)	(223.5)
Liability experience loss	200.6	229.0	202.3	231.3
Liability loss (gain) due to change in financial assumptions	104.1	(1.1)	92.3	(3.4)
Change in effect of asset ceiling	(0.6)	(7.1)	(0.3)	(7.1)
Amounts recognised in other comprehensive income	(1.5)	2.4	(7.1)	(2.7)
Allocation of Plan assets at End of Year (%)				
Equity - Overseas quoted	21 - 28	18 - 29	28	29
Equity - Overseas unquoted	0 - 4	0 - 2	-	-
Equity - Local quoted	27 - 37	29 - 39	37	37
Equity - Local unquoted	0 - 2	-	-	-
Debt - Overseas quoted	0 - 10	0 - 7	-	-
Debt - Overseas unquoted	-	-	-	-
Debt - Local quoted	0 - 5	-	-	-
Debt - Local unquoted	8 - 25	21 - 24	25	24
Property - Overseas	-	0 - 2	-	-
Property - Local	2 - 19	2 - 21	2	2
Investment Funds	-	-	-	-
Cash and other	4 - 8	0 - 6	8	7
Other qualifying insurance policies	0 - 100	-	-	-
Allocation of Plan Assets at End of Period				
- Reporting entity's own transferable financial instruments	-	0 - 2	3	2
- Property occupied by reporting entity	-	-	-	-
- Other assets used by reporting entity	-	-	-	-
Principal Assumptions used at End of Period				
Discount rate	5.6%	6.5%	5.6%	6.5%
Rate of salary increases	3.5% - 4.5%	4.5% - 5.5%	3.5%	4.5%
Rate of pension increases	0.0% - 0.5%	0.0% - 0.5%	0.5%	0.5%
Rate of medical cost increases	-	-	-	-
Average retirement age (ARA)	60 - 65 years	60 years	60 years	60 years
Average life expectancy for:				
- Male	19.5 - 23.2 years	19.5 - 23.2 years	19.5 years	19.5 years
- Female	24.2 - 26.2 years	24.2 - 26.2 years	24.2 years	24.2 years
Sensitivity Analysis on Defined Benefit Obligation at End of Period				
Increase due to 1% decrease in discount rate	175.5	142.6	150.2	127.1
Decrease due to 1% increase in discount rate	143.9	116.5	124.0	105.0
Expected employer contribution for the next year	20.3	8.0	0.2	0.3
Weighted average duration of the defined benefit obligation	2 - 21 years	8 - 13 years	8 years	8 years

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligations.

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

The defined contribution pension plan exposes the Group to actual risks, such as investment, interest, longevity and salary risks.

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

29. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

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

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

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

Future cashflows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

		GROUP		COMPANY	
	In Rs million	2018	2017	2018	2017
	Defined contribution plan				
	Contributions to Rogers Pension Fund	64.5	58.0	9.5	8.9
(b)	Other retirement benefits				
	Other retirement benefits comprise of retirement gratuity and unfunded pensions paid to ex-employees of the Group				
	At 1 July	140.2	162.5	46.1	53.6
	Amount recognised in profit or loss	10.9	21.5	3.3	4.9
	Amount recognised in other comprehensive income	(0.6)	(30.5)	2.8	(7.9)
	Less employer contributions	(4.9)	(13.3)	(4.7)	(4.5)
	Acquisition of subsidiaries	7.6	-	-	-
	At 30 June	153.2	140.2	47.5	46.1
	Reconciliation of present value of defined benefit obligations				
	At 1 July	140.2	162.5	46.1	53.6
	Current service cost	6.7	8.5	0.6	1.1
	Interest expense	8.4	10.7	2.8	3.9
	Past service cost	(0.1)	2.3	(0.1)	(0.1)
	Settlement gain	(4.1)	-	-	-
	Benefits paid	(4.9)	(13.3)	(4.7)	(4.5)
	Liability experience (gain) loss	(7.7)	(0.7)	1.5	(0.3)
	Liability gain due to change in demographic assumptions	-	(30.0)	-	(7.0)
	Liability loss (gain) due to change in financial assumptions	7.1	0.2	1.3	(0.6)
	Acquisition of subsidiaries	7.6	-	-	-
	At 30 June	153.2	140.2	47.5	46.1

EXPLANATORY NOTES

30 June 2018

29. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Components of amount recognised in profit or loss				
Current service cost	6.7	8.5	0.6	1.1
Past service cost	(0.1)	2.3	(0.1)	(0.1)
Settlement gain	(4.1)	-	-	-
Service cost	2.5	10.8	0.5	1.0
Net interest on net defined benefit liability	8.4	10.7	2.8	3.9
Amounts recognised in profit or loss	10.9	21.5	3.3	4.9
Components of amount recognised in other comprehensive income				
Liability experience (gain) loss	(7.7)	(0.7)	1.5	(0.3)
Liability gain due to change in demographic assumptions	-	(30.0)	-	(7.0)
Liability loss (gain) due to change in financial assumptions	7.1	0.2	1.3	(0.6)
Amounts recognised in other comprehensive income	(0.6)	(30.5)	2.8	(7.9)
Principal Assumptions used at End of Period				
Discount rate	5.6%	6.5%	5.6%	6.5%
Rate of salary increases	3.0% - 5.6%	4.0 - 6.0%	3.5%	4.5%
Rate of pension increases	0.0% - 2.0%	0.0% - 2.0%	0.5%	0.5%
Average retirement age (ARA)	60 - 65 years	60-65 years	60 years	60-65 years
Average life expectancy for:				
- Male at ARA	15.9 - 23.2 years	15.9 - 19.5 years	15.9 years	15.9 years
- Female at ARA	20.0 - 26.2 years	20.0 - 24.2 years	20 years	20 years
Sensitivity Analysis on Defined Benefit Obligation at End of Period				
- Increase due to 1% decrease in discount rate	43.7	37.9	7.1	6.5
- Decrease due to 1% increase in discount rate	28.6	23.7	5.1	4.5
The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.				
Future cashflows				
- Expected employer contribution for the next year	14.7	10.1	0.1	-
- Weighted average duration of the defined benefit obligation	0 - 38 years	2 - 34 years	15 years	16 years
Retirement benefit obligations have been based on the report dated June 2018 submitted by Aon Hewitt Limited.				
(c) State pension plan				
National Pension Scheme contributions expensed	33.3	33.1	0.8	0.8

30. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

In Rs million	GROUP 2018	GROUP 2017 Restated	COMPANY 2018	COMPANY 2017
Trade payables	974.3	753.7	13.2	11.8
Payable to associated companies	1.9	1.9	-	-
Accruals	951.4	773.4	69.7	76.3
Other payables	1,150.9	1,143.3	73.3	94.3
Total trade and other payables	3,078.5	2,672.3	156.2	182.4

The carrying amount of the payables is considered as a reasonable approximation of fair value.

31. PROVISIONS

Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and when it is probable that this obligation will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring which has been notified to affected parties and comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

In Rs million	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
At 1 July	7.4	7.4	-	-
Released during the year	(7.4)	-	-	-
At 30 June	-	7.4	-	-

The carrying amount of the provisions is considered as a reasonable approximation of fair value.

32. AMOUNTS PAYABLE TO GROUP COMPANIES

COMPANY In Rs million	2018	2017
Subsidiary companies	585.3	232.4

The carrying amount of the payables is considered as a reasonable approximation of fair value. The payables are unsecured and are repayable within one year.

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33. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts.

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Bank balances and cash	1,466.6	888.1	12.5	166.2
Short term loans receivable and deposits	-	-	-	2.0
Short term loans payable	-	-	(576.9)	(164.5)
Bank overdrafts	(600.1)	(456.7)	-	(3.6)
Total cash and cash equivalents	866.5	431.4	(564.4)	0.1
The bank overdrafts are secured by floating charges on the assets of the borrowing companies. The rate of interest varies between 3.12% and 26.50%, inclusive of foreign denominated overdrafts.				
Non cash transactions	16.2	94.5	-	-

Non cash transactions relate to the purchase of equipment and motor vehicles by means of finance leases.

34. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash Flow generated from (absorbed by) operations

	GROUP		COMPANY	
In Rs million	2018	2017 Restated	2018	2017
Profit before taxation	1,311.5	1,277.9	294.9	133.4
Share of results of jointly controlled entities	11.7	16.6	-	-
Share of results of associated companies	(119.6)	8.2	-	-
Exceptional items	(220.8)	(150.8)	(53.4)	(117.7)
Profit from operations	982.8	1,151.9	241.5	15.7
Depreciation	394.3	328.2	10.8	11.1
Amortisation	29.3	24.3	0.4	1.2
Fair value gains on investment properties	(495.7)	(635.6)	(12.1)	(2.8)
Exchange difference on borrowings	44.0	0.4	-	-
Profit on sale of property, plant and equipment and investment properties	(10.8)	(17.5)	(0.4)	(1.1)
Profit on sale of intangible assets	-	0.1	-	-
Profit on disposal of financial assets	(0.2)	(1.1)	-	(0.4)
Impairment of property, plant and equipment	-	16.4	-	-
Reversal of provision of investments in subsidiary companies	-	-	(29.1)	(23.1)
Investment income	(26.3)	(32.0)	(446.9)	(207.1)
Interest expense	550.4	538.7	163.7	180.2
Interest income	(13.2)	(12.3)	(18.6)	(51.8)
Retirement benefit obligations	9.6	10.6	(0.1)	1.6
Cash generated from (used in) operations before working capital changes	1,464.2	1,372.1	(90.8)	(76.5)
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries)				
Net increase in leases and other credit agreements	(494.7)	-	-	-
Inventories	(165.7)	(64.5)	-	-
Trade and other receivables	(18.2)	570.6	69.5	(81.2)
Trade and other payables	251.0	(700.4)	(83.4)	9.2
Cash generated from (absorbed by) operations	1,036.6	1,177.8	(104.7)	(148.5)

34. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTD)

(b) Reconciliation of liabilities arising from financing activities

GROUP			Non cash items					
In Rs million	1 July 2017	Net cash flows	Leases contracted during the year	Transfer to cash and cash equivalents	Conversion to shares	Acquisitions of subsidiaries	Revaluation of foreign currency denominated loans	30 June 2018
Bank and other borrowings excluding bank overdraft	7,087.0	887.9	-	(20.7)	-	24.9	44.0	8,023.1
Secured floating rate notes	1,500.0	-	-	-	-	-	-	1,500.0
Convertible preference shares	127.1	-	-	-	(40.9)	-	-	86.2
Debentures	210.7	-	-	-	-	-	-	210.7
Lease liabilities	109.7	(18.5)	16.2	-	-	-	-	107.4
Total liabilities from financing activities	9,034.5	869.4	16.2	(20.7)	(40.9)	24.9	44.0	9,927.4

COMPANY				
In Rs million	1 July 2017	Cash flows	Non cash	30 June 2018
Long term borrowings	2,198.1	400.0	(44.6)	2,553.5
Short term borrowings	1,023.9	(870.8)	10.6	163.7
Total liabilities from financing activities	3,222.0	(470.8)	(34.0)	2,717.2

35. ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired the following subsidiaries:

	% holding	Group Effective % Holding	Principal Activity
Fintech			
Globefin Corporate Services Ltd	100.0	56.5	Global business
Globefin Management Services Ltd	100.0	56.5	Global business
Globefin Nominee Ltd	100.0	56.5	Global business
Leisure			
Island Living Ltd	100.0	100.0	Leisure
Bagatelle Hotel Operations Company Limited	100.0	100.0	Hotel
Cap D'Abondance Ltd	100.0	100.0	Leisure
CCC LAH LTD (Moka'z)	86.2	86.2	Food service
Seafood Basket Limited	100.0	100.0	Food service

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35. ACQUISITION OF SUBSIDIARIES (CONTD)

The fair value of assets acquired and liabilities assumed were as follows:

GROUP In Rs million	
Property, plant and equipment	88.7
Investment property	-
Intangible assets	6.8
Investment in financial assets	-
Inventories	20.7
Trade and other receivables	47.3
Cash and cash equivalents	40.3
Borrowings	(24.9)
Trade and other payables	(76.0)
Retirement benefit obligations	(12.5)
Deferred tax liability	(9.2)
	81.2
Goodwill acquired	429.3
	510.5
Non-controlling interests not acquired	(2.0)
	508.5
Cash and cash equivalents acquired	(40.3)
Deferred consideration payable to previous shareholders	(58.0)
Cash outflow on acquisition net of cash and cash equivalents	410.2
Satisfied by:	
Cash	450.5

The revenue and profit consolidated in the Group's Statements of Profit or Loss for the year ended 30 June 2018 amounted to Rs 427.7m and Rs 49.1m respectively.

36. DISPOSAL OF SUBSIDIARIES

On 01 July 2017, the Group disposed its shareholding in The Gardens of Bagatelle Ltd. Assets and liabilities disposed are as follows:

GROUP In Rs million	
Property, plant and equipment	0.9
Investment property	450.3
Trade and other receivables	1.6
Cash and cash equivalents	0.3
Borrowings	(153.1)
Trade and other payables	(6.4)
	293.6
Cash and cash equivalents disposed	2.9
Cash flow on disposal net of cash and cash equivalents	296.5
Satisfied by:	
Cash	293.6

The Group realised a loss of Rs 13.4m on the disposal of The Gardens of Bagatelle Ltd and is as follows:

Consideration received	293.1
Net assets disposed	(307.0)
Loss realised on disposal	(13.9)

37. COMMITMENTS

In Rs million	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Capital commitments				
Authorised by the Board of Directors				
(i) but not contracted for	133.6	500.0	–	220.0
(ii) contracted for but not provided in the financial statements	759.5	601.6	–	–

In Rs million	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Future minimum lease receivable under non-cancellable operating leases may be analysed as follows:				
Within one year	3.8	–	–	–
After one year and before two years	5.9	–	–	–
After two years and before five years	6.9	–	–	–
After five years	1.3	–	–	–
Future minimum lease receivable under non-cancellable operating leases	17.9	–	–	–

38. CONTINGENT LIABILITIES

In Rs million	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Pending legal matters	54.3	62.4	5.2	5.2
Guarantees given	1,355.5	1,608.6	356.1	454.5
Total contingent liabilities	1,409.8	1,671.0	361.3	459.7

Pending legal matters relate to a court case against some subsidiary companies, the outcome of which is unknown.

39. EVENTS AFTER THE REPORTING DATE

(a) On 5 September 2018, the Board of Ascencia Limited (Ascencia), a subsidiary company, has approved the acquisition of the remaining stake in The Floreal Commercial Centre Ltd (FCCL), the holding entity of the property So'flo.

Ascencia will increase its current 50% stake to 100% for a consideration of Rs 121.2m based on an independent valuation. The seller is ENL Property Ltd, a private company incorporated in Mauritius.

The impact of the additional 50% stake in FCCL for the year ended 30 June 2018 would have increased the profit of the Group by Rs 30.5m.

(b) DOMC Ltd, a subsidiary company, has secured the Master Franchise Agreement from Domino's Pizza International Franchising Inc. to operate twelve stores in Mauritius. This brand will be launched in fourth quarter of the calendar year 2018 and offer the Mauritian public more choice from the World's no 1 Pizza company.

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40. ASSETS CLASSIFIED AS HELD-FOR-SALE

Accounting policy

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

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

GROUP In Rs million	2018	2017
Property, plant and equipment	-	0.9
Investment in associated company	22.2	-
Investment properties	69.5	450.3
Trade and other receivables	-	1.6
Bank balances and cash	-	0.3
Assets classified as held-for-sale	91.7	453.1
Borrowings	-	153.1
Trade and other payables	39.6	6.4
Liabilities directly associated with assets classified as held-for-sale	39.6	159.5

(a) On 07 May 2018, the Board of Rogers Corporate Services Ltd, a subsidiary company, has approved, based on an evaluation carried out by Ernst & Young, to transfer its 25% stake in Motor City Limited in exchange for 2.2% holding in The Old Factory Limited. The effective date of the transaction is 03 July 2018, date on which the transfer of shares has been effected.

(b) At 30 June 2018, Ascencia Limited, a subsidary company, entered into a sale agreement to dispose several investment properties. This disposal is in line with the strategic plans of the subsidiary and the expansion of the subsidiary's main business activity.

41. PRIOR YEAR ADJUSTMENTS

(a) The Group changed its basis for calculating deferred tax to align with practices adopted by other Mauritian companies by including the 2% Corporate Social Responsibility (CSR) contribution as imposed by the government.

(b) The Group reported an adjustment of Rs 140.3m against the carrying amount of investment properties, being the intergroup profit realised on the setting up of Ascencia Limited, the property fund. In line with the strategic intention of Ascencia Limited to keep the properties for its core activities and to reflect their fair value, this adjustment is no longer required.

Restatement of impacted lines of the financial statements for prior periods.

GROUP In Rs million	2016 As previously stated	Adjustment of 2% CSR on deferred tax	Restatement of the carrying value of investment properties to its fair value	2016 Restated	2017 As previously stated	Adjustment relating to 2% CSR on deferred tax	Restatement of the carrying value of investment properties to its fair value	2017 Restated
Statements of Profit or Loss								
Profit from operations before finance costs	1,033.6	6.7	-	1,040.3	1,044.8	7.9	-	1,052.7
Profit before taxation	1,018.9	6.7	-	1,025.6	1,270.0	7.9	-	1,277.9
Taxation for the year	(129.2)	(27.8)	-	(157.0)	(145.5)	(19.5)	-	(165.0)
Profit for the year	889.7	(21.1)	-	868.6	1,124.5	(11.6)	-	1,112.9
Attributable to								
Owners of the parent	405.1	(9.6)	-	395.5	485.2	(6.7)	-	478.5
Non-controlling interests	484.6	(11.5)	-	473.1	639.3	(4.9)	-	634.4
Profit for the year	889.7	(21.1)	-	868.6	1,124.5	(11.6)	-	1,112.9
Earnings per share	1.61	(0.03)	-	1.58	1.93	(0.03)	-	1.90
Earnings per share (excluding exceptional items)	1.35	(0.03)	-	1.32	1.35	(0.03)	-	1.32
Statements of Profit or Loss and Other Comprehensive Income								
Profit for the year	889.7	(21.1)	-	868.6	1,124.5	(11.6)	-	1,112.9
Gains on property revaluation	-	-	-	-	936.0	(11.1)	-	924.9
Remeasurements of post employement benefit obligations	6.2	(0.3)	-	5.9	28.1	(0.1)	-	28.0
Other items that will not be reclassified to profit or loss	(21.1)	-	-	(21.1)	(52.6)	-	-	(52.6)
Items that will not be reclassified to profit or loss	(14.9)	(0.3)	-	(15.2)	911.5	(11.2)	-	900.3
Items that will be reclassified to profit or loss	19.8	-	-	19.8	35.7	-	-	35.7
Other comprehensive income for the year	4.9	(0.3)	-	4.6	947.2	(11.2)	-	936.0
Total comprehensive income for the year	894.6	(21.4)	-	873.2	2,071.7	(22.8)	-	2,048.9
Attributable to								
Owners of the parent	397.4	(9.8)	-	387.6	1,081.7	(15.1)	-	1,066.6
Non-controlling interests	497.2	(11.6)	-	485.6	990.0	(7.7)	-	982.3
Total comprehensive income for the year	894.6	(21.4)	-	873.2	2,071.7	(22.8)	-	2,048.9

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41. PRIOR YEAR ADJUSTMENTS (CONTD)

GROUP In Rs million	2016 As previously stated	Adjustment of 2% CSR on deferred tax	Restatement of the carrying value of investment properties to its fair value	2016 Restated	2017 As previously stated	Adjustment relating to 2% CSR on deferred tax	Restatement of the carrying value of investment properties to its fair value	2017 Restated
Statements of Financial Position								
Assets								
Investment Properties	10,617.9	-	140.3	10,758.2	11,193.9	-	140.3	11,334.2
Other non current assets	14,402.0	-	-	14,402.0	15,997.8	-	-	15,997.8
Total non current assets	25,019.9	-	140.3	25,160.2	27,191.7	-	140.3	27,332.0
Current assets	4,430.1	-	-	4,430.1	3,714.0	-	-	3,714.0
Assets classified as held-for-sale	-	-	-	-	453.1	-	-	453.1
Total assets	29,450.0	-	140.3	29,590.3	31,358.8	-	140.3	31,499.1
Equity and liabilities								
Capital and reserves								
Share capital	1,260.2	-	-	1,260.2	1,260.2	-	-	1,260.2
Reserves	8,216.9	(25.5)	140.3	8,331.7	9,031.0	(40.6)	140.3	9,130.7
Equity attributable to owners of the parent	9,477.1	(25.5)	140.3	9,591.9	10,291.2	(40.6)	140.3	10,390.9
Non-controlling interests	6,942.8	(20.9)	-	6,921.9	7,878.4	(28.6)	-	7,849.8
Total equity	16,419.9	(46.4)	140.3	16,513.8	18,169.6	(69.2)	140.3	18,240.7
Non current Liabilities								
Deferred tax liabilities	368.9	46.4	-	415.3	518.7	69.2	-	587.9
Other non current liabilities	7,333.4	-	-	7,333.4	7,739.4	-	-	7,739.4
Total non current liabilities	7,702.3	46.4	-	7,748.7	8,258.1	69.2	-	8,327.3
Current liabilities								
Trade and other payables	3,496.9	(6.7)	-	3,490.2	2,680.2	(7.9)	-	2,672.3
Income tax liabilities	32.2	6.7	-	38.9	17.2	7.9	-	25.1
Other current liabilities	1,798.7	-	-	1,798.7	2,074.2	-	-	2,074.2
Total current liabilities	5,327.8	-	-	5,327.8	4,771.6	-	-	4,771.6
Liabilities directly associated with assets classified as held-for-sale	-	-	-	-	159.5	-	-	159.5
Total equity and liabilities	29,450.0	-	140.3	29,590.3	31,358.8	-	140.3	31,499.1
Statements of Changes in Equity								
Share capital	1,260.2	-	-	1,260.2	1,260.2	-	-	1,260.2
Revaluation reserves	2,836.6	-	140.3	2,976.9	3,436.8	(8.3)	140.3	3,568.8
Other reserves	144.6	-	-	144.6	210.2	-	-	210.2
Retained earnings	5,235.7	(25.5)	-	5,210.2	5,384.0	(32.3)	-	5,351.7
Equity attributable to owners of the parent	9,477.1	(25.5)	140.3	9,591.9	10,291.2	(40.6)	140.3	10,390.9
Non-controlling interests	6,942.8	(20.9)	-	6,921.9	7,878.4	(28.6)	-	7,849.8
Total equity	16,419.9	(46.4)	140.3	16,513.8	18,169.6	(69.2)	140.3	18,240.7

42. ULTIMATE HOLDING ENTITY

The ultimate holding entity is Société Caredas, a "société civile" registered in Mauritius.

43. RELATED PARTIES TRANSACTIONS

Accounting policy

Parties are considered to be related to the Group if they have the ability to, directly and indirectly, control the Group or exercise significant influence over the Group's financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Goods and services are sold at market related prices in force and terms that would be available to third parties.

(a) During the year, the Group transacted with related parties. Transactions which are not dealt with elsewhere in the financial statements are as follows:

	GROUP		COMPANY	
In Rs million	2018	2017	2018	2017
Sales of goods & services to				
Associates	128.3	180.7	-	-
Jointly controlled entities	5.2	16.0	-	-
Other related parties	43.5	120.4	-	-
Dividend and other income from				
Subsidiaries	-	-	548.7	355.5
Associates	-	-	70.5	80.7
Jointly controlled entities	-	-	-	0.9
Other related parties	3.4	4.4	3.4	4.4
Purchase of goods & services from				
Subsidiaries	-	-	29.2	14.4
Associates	72.6	160.8	8.9	15.3
Jointly controlled entities	0.9	0.8	-	0.4
Other related parties	54.3	296.8	1.5	13.1
Loans payable to				
Subsidiaries	-	-	45.0	60.6
Associates (see note b below)	1.2	19.2	1.2	19.2
Jointly controlled entities (see note b below)	19.0	5.0	-	-
Other related parties	-	20.0	19.0	5.1
Loans receivable from				
Subsidiaries	-	-	210.5	611.5
Other related parties	20.0	-	-	-
Amount owed by				
Subsidiaries	-	-	181.7	143.9
Associates	13.8	28.1	0.1	14.3
Jointly controlled entities	-	0.1	-	-
Other related parties	12.4	22.6	-	1.2
Amount owed to				
Subsidiaries	-	-	583.9	232.4
Associates	1.5	3.9	0.6	0.1
Other related parties	3.6	26.0	0.3	0.1
Remuneration of key management personnel				
Short term employee benefit	96.6	92.4	50.3	47.9
Post employment benefits	3.7	5.0	3.2	2.5

(b) These represent loans receivable from and payable to associates and joint controlled entities for which there is no fixed repayment terms, security or guarantee. All other transactions have been made on commercial terms and in the normal course of business.

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

(d) For the year ended 30 June 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017: Nil).

(e) Outstanding balances at year end are unsecured, except for lease receivables and hire purchase when facilities are effectively secured by the underlying assets. Settlement occurs in cash. There has been no other guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables related to amounts owed by the related parties. This assessment is undertaken each year through examining the financial position of the related party.

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44. BUSINESS SEGMENTS

Accounting policy

Operating segments are components of the Group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation.

Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included if management believes that information about these would be useful to users to better appraise financial information.

Year ended 30 June 2018

In Rs million	FinTech	Hospitality	Logistics	Property	Corporate Office	Corporate Treasury	Group Elimination	Total
Revenue	757	3,405	3,424	1,907	209	-	(230)	9,472
Profit (loss) from operations before finance costs	25	330	180	573	(80)	9	-	1,037
Finance costs	(17)	(51)	(34)	(298)	-	(150)	-	(550)
Fair value gain on investment properties	-	-	-	496	-	-	-	496
Share of results of associated companies and jointly controlled entities	60	11	-	17	20	-	-	108
Profit (loss) before exceptional items	68	290	146	788	(60)	(141)	-	1,091
Exceptional Items	-	-	-	236	(15)	-	-	221
Profit (loss) before taxation	68	290	146	1,024	(75)	(141)	-	1,312
Taxation	(12)	(43)	(43)	(91)	(1)	-	-	(190)
Profit (loss) for the year	56	247	103	933	(76)	(141)	-	1,122
Assets	3,787	9,919	2,864	17,861	1,276	-	(2,099)	33,608
Liabilities	1,483	3,179	1,599	6,962	3,569	-	(2,099)	14,693
Capital expenditure	(115)	(591)	(61)	(214)	(7)	-	-	(988)
Depreciation & amortisation	(36)	(213)	(105)	(62)	(8)	-	-	(424)

(a) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers.

(b) Product description of above segments:

FinTech - Credit, leasing & hire purchase businesses, acturial services, asset management, global business, investment in Swan General Ltd & Swan Financial Solutions Ltd, IT services and payroll services;

Hospitality - Boat cruises, catamaran sightseeing, golf course, GSA of airlines, hotel and spa services, restaurant, investment in New Mauritius Hotels Ltd, online tour operators and travel agency;

Logistics - Courier services, freight forwarding, packing of special sugars, port related and transport services, shipping services and warehousing;

Property - Agriculture and leisure, construction and sales of villas, property investment and rental pool management company;

Corporate Office - Performance monitoring, statutory reporting, strategy monitoring and support to SBUs; and

Corporate Treasury - Net financing cost.

44. BUSINESS SEGMENTS (CONTD)

Year ended 30 June 2017 (Restated)

In Rs million	FinTech	Hospitality	Logistics	Property	Corporate Office	Corporate Treasury	Group Elimination	Total
Revenue	650	2,573	3,491	1,975	242	-	(268)	8,663
Profit (loss) from operations before finance costs	83	257	187	548	(72)	50	-	1,053
Finance costs	(11)	(24)	(35)	(296)	-	(173)	-	(539)
Fair value gain on investment properties	-	-	-	638	-	-	-	638
Share of results of associated and jointly controlled entities	84	(125)	-	12	4	-	-	(25)
Profit (loss) before exceptional items	156	108	152	902	(68)	(123)	-	1,127
Exceptional Items	-	80	-	74	(3)	-	-	151
Profit (loss) before taxation	156	188	152	976	(71)	(123)	-	1,278
Taxation	(17)	(58)	(38)	(51)	(1)	-	-	(165)
Profit (loss) for the year	139	130	114	925	(72)	(123)	-	1,113
Assets	2,213	9,191	2,957	16,958	1,980	-	(1,800)	31,499
Liabilities	492	2,742	1,603	6,441	3,780	-	(1,800)	13,258
Capital expenditure	(32)	(364)	(157)	(704)	(15)	-	-	(1,272)
Depreciation & amortisation	(25)	(155)	(106)	(57)	(10)	-	-	(353)

45. FINANCIAL ASSETS / LIABILITIES BY CATEGORY

Accounting policy

Financial assets and financial liabilities are recognised in the Group's Statements of Financial Position when the Group has become a party to the contractual provisions of the instrument.

The Group's accounting policies in respect of the financial instruments are as follows:

Investment in financial assets

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

Held-to-maturity financial assets

Financial assets that the Group intends to hold to maturity are measured at amortised cost, less impairment loss recognised to reflect irrecoverable amounts.

Held-for-trading financial assets

Financial assets held-for-trading are measured at fair value. Unrealised gains and losses are recognised in the Statements of Profit or Loss. On disposal the profit or loss recognised in the Statements of Profit or Loss is the difference between the proceeds and the carrying amount of the asset.

Available-for-sale financial assets

Available-for-sale financial assets are those financial assets that are not held-for-trading or held-to-maturity.

They are carried at fair value. Unrealised gains and losses arising from change in fair value are recognised in Other Comprehensive Income. On disposal of available-for-sale financial assets, the gain or loss arising from the difference between the sale proceeds and the previous carrying amount adjusted for any prior adjustment that had been reported in Other Comprehensive Income to reflect the fair value of that asset, is recognised in the Statements of Profit or Loss.

Fair value for quoted financial assets is based on market quotation. If the market for a financial asset is not active, and for unquoted financial assets the Group establishes fair value by using recognised and acceptable valuation techniques. Financial assets are categorised according to a fair value hierarchy as follows:

Level 1 financial assets are those with unadjusted quoted prices in active markets for identical investments.

Level 2 financial assets include quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (ie, interest rates or yields) and inputs that are derived from or corroborated by observable market data.

Level 3 includes unobservable inputs that reflect directors' assumptions about what factors market participants would use in pricing such investments. These inputs are based on the best information available including the Group's own information.

EXPLANATORY NOTES

30 June 2018

45. FINANCIAL ASSETS / LIABILITIES BY CATEGORY (CONTD)

Accounting policy (contd)

Non current receivables

Non current receivables are measured at amortised cost using the effective interest rate method, less provision for impairment. The amount of loss is recognised in the Statements of Profit or Loss.

Trade and other receivables

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

The amount of provision is recognised in the Statements of Profit or Loss.

Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash in hand, deposits with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statements of Financial Position.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges are accounted for on an accrual basis.

Trade and other payables

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

Significant accounting judgements and estimates

A number of assets and liabilities included in the Group's financial statements are measured at fair value and utilises market observable inputs and data. Inputs used in determining fair value are categorised into:

Level 1: Quoted prices in active market for identical items (unadjusted).

Level 2: Observable inputs other than level 1.

Level 3: Unobservable inputs that are not derived from market data.

In assessing the fair value of financial instruments in level 3, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting date. The carrying value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented in the Group's and the Company's Statements of Financial Position at their fair values are not materially different from their carrying amounts. The fair value of securities not quoted in active market is determined by using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is appropriate.

(a) Financial assets by category

GROUP In Rs million	Available-for-sale	Loans and receivables	Other financial assets	Total
Per Statements of Financial Position				
At 30 June 2017 (Restated)				
Investment in financial assets (note 15)	676.8	-	-	676.8
Non current receivables (note 16)	-	68.6	-	68.6
Trade and other receivables (note 21)	-	2,304.0	-	2,304.0
Bank balances and cash (note 33)	-	-	888.1	888.1
Total financial assets	676.8	2,372.6	888.1	3,937.5
At 30 June 2018				
Investment in financial assets (note 15)	558.1	-	-	558.1
Non current receivables (note 16)	-	52.5	-	52.5
Net investment in leases and other credit arrangements (note 17)	-	-	494.7	494.7
Trade and other receivables (note 21)	-	2,346.3	-	2,346.3
Bank balances and cash (note 33)	-	-	1,466.6	1,466.6
Total financial assets	558.1	2,398.8	1,961.3	4,918.2

45. FINANCIAL ASSETS / LIABILITIES BY CATEGORY (CONTD)

(a) Financial assets by category (contd)

COMPANY In Rs million	Available-for-sale	Loans and receivables	Other financial assets	Total
Per Statements of Financial Position				
At 30 June 2017				
Investment in financial assets (note 15)	661.1	-	-	661.1
Non current receivables (note 16)	-	469.7	-	469.7
Trade and other receivables (note 21)	-	39.1	-	39.1
Amounts receivable from group companies (note 22)	-	285.8	-	285.8
Bank balances and cash (note 33)	-	-	166.2	166.2
Total financial assets	661.1	794.6	166.2	1,621.9
At 30 June 2018				
Investment in financial assets (note 15)	263.5	-	-	263.5
Non current receivables (note 16)	-	75.9	-	75.9
Trade and other receivables (note 21)	-	12.6	-	12.6
Amounts receivable from group companies (note 22)	-	329.6	-	329.6
Bank balances and cash (note 33)	-	-	12.5	12.5
Total financial assets	263.5	418.1	12.5	694.1

(b) Financial liabilities by category

GROUP In Rs million	Financial liabilities at amortised costs
Per Statements of Financial Position	
At 30 June 2017	
Borrowings (note 27)	9,491.2
Trade and other payables (note 30)	2,672.3
Total financial liabilities	12,163.5
At 30 June 2018	
Borrowings (note 27)	10,527.5
Trade and other payables (note 30)	3,078.5
Total financial liabilities	13,606.0

COMPANY In Rs million	Financial liabilities at amortised costs
Per Statements of Financial Position	
At 30 June 2017	
Borrowings (note 27)	3,225.6
Trade and other payables (note 30)	182.4
Amounts payable to group companies (note 32)	232.4
Total financial liabilities	3,640.4
At 30 June 2018	
Borrowings (note 27)	2,717.2
Trade and other payables (note 30)	156.2
Amounts payable to group companies (note 32)	585.3
Total financial liabilities	3,458.7

EXPLANATORY NOTES

30 June 2018

46. FINANCIAL SUMMARY

In Rs million		2018	2017 Restated	2016 Restated*
Statements of Profit or Loss and Other Comprehensive Income				
Revenue		9,472.0	8,663.0	8,167.4
Profit from operations before finance costs		1,037.5	1,052.7	1,040.3
Finance costs		(550.4)	(538.7)	(541.4)
Fair value gain on investment properties		495.7	637.9	385.2
Share of results of jointly controlled entities		(11.7)	(16.6)	(49.7)
Share of results of associated companies		119.6	(8.2)	88.0
Profit before exceptional items		1,090.7	1,127.1	922.4
Exceptional items		220.8	150.8	103.2
Profit before taxation		1,311.5	1,277.9	1,025.6
Taxation		(189.6)	(165.0)	(157.0)
Profit for the year		1,121.9	1,112.9	868.6
Attributable to				
Owners of the parent		554.1	478.5	395.5
Non-controlling interests		567.8	634.4	473.1
Profit for the year		1,121.9	1,112.9	868.6
Number of shares in issue		252,045,300	252,045,300	252,045,300
Earnings per ordinary share (EPS)	Rs	2.20	1.90	1.58
Profit attributable to owners of the parent from operations (excluding exceptional items)		398.7	333.5	331.3
Number of shares in issue		252,045,300	252,045,300	252,045,300
EPS (excluding exceptional items)	Rs	1.58	1.32	1.31
Other comprehensive income for the year		(339.2)	936.0	4.6
Cash dividends per ordinary share	Rs	0.97	0.92	0.88

* For comparative purposes, 2016 figures have been amended to reflect the change in basis for calculating deferred tax.

46. FINANCIAL SUMMARY (CONTD)

In Rs million	30 June 2018	30 June 2017 Restated	1 July 2016 Restated
Assets and Liabilities			
Non current assets	28,932.6	27,332.0	25,160.2
Current assets	4,583.9	3,714.0	4,430.1
Asset classified as held-for-sale	91.7	453.1	-
Total assets	33,608.2	31,499.1	29,590.3
Share capital	1,260.2	1,260.2	1,260.2
Reserves	9,182.8	9,130.7	8,331.7
Non-controlling interests	8,472.2	7,849.8	6,921.9
Non current liabilities	10,444.0	8,327.3	7,748.7
Current liabilities	4,209.4	4,771.6	5,327.8
Liabilities directly associated with assets classified as held-for-sale	39.6	159.5	-
Total equity and liabilities	33,608.2	31,499.1	29,590.3
Share Capital			
Authorised			
Number of ordinary shares	252,045,300	252,045,300	252,045,300
Ordinary shares of (Rs m)	1,260	1,260	1,260
Issued and fully paid			
Number of ordinary shares	252,045,300	252,045,300	252,045,300
Ordinary shares of (Rs m)	1,260	1,260	1,260

Frequently Asked Questions

1. What is an Annual Meeting of Shareholders (AMS)?

An AMS is a meeting of the Shareholders of a company. The law provides that it should be held not more than once in each calendar year and not later than 6 months after the balance sheet date of a company.

2. Who may attend the AMS?

In compliance with S120(3) of the Companies Act, the Board has resolved that only the Shareholders of the Company registered in the share register of the Company as at 28 September 2018 are entitled to attend the AMS.

3. Why should a Shareholder attend the AMS?

Shareholders are encouraged to attend the AMS as it:

- provides them with a direct contact with the Board and Management of the Company;
- enables them to have more insight in the operations, strategy and performance of the Company;
- provides them with reasonable opportunity to discuss and comment on the management of the Company; and
- allows them to participate in the election of the Directors of the Company.

4. What matters are discussed at the AMS?

Usually, the following business is transacted at the AMS:

- the approval of the audited accounts of the Company;
- the receiving of the auditor's report;
- the consideration of the Annual Report; and
- the Appointment of Directors.

5. What if a Shareholder cannot attend the AMS?

An individual Shareholder who cannot attend the meeting may appoint a proxy.

A Corporate Shareholder may, on the other hand, appoint a representative to attend the AMS and to act on its behalf.

6. What is a proxy?

A proxy is the person appointed by an individual Shareholder to represent him/her at the AMS. Such person, who need not necessarily be a Shareholder of the Company, may be heard at the meeting as if he/she were the Shareholder.

7. How does a Shareholder appoint a proxy/representative?

Individual Shareholders are requested to fill in the Proxy Form sent to them with the notice convening the meeting. Corporate Shareholders are requested to fill in the Corporate Resolution form to appoint their representative.

Should a Shareholder wish his/her proxy/representative to vote at the meeting in a particular manner, he/she is requested to fill in the resolution boxes featuring on the appropriate forms.

The appropriate forms should reach the Company Secretary no later than 24 hours before the start of the meeting.

8. Once a proxy/representative has been appointed, can another proxy/representative be appointed?

A Shareholder can change the proxy/representative appointed by him/her, provided such amended Proxy Form/Corporate Resolution reaches the Company Secretary no later than 24 hours before the start of the meeting. Shareholders are advised to attach an explanatory note to such amended Proxy Form/Corporate Resolution to explain the purpose of the amended document and expressly revoke the Proxy Form/Corporate Resolution previously signed by them.

9. After appointing a proxy, can a Shareholder still attend the AMS?

Yes, but he/she is requested to make himself/herself known to the Company Secretary as soon as he/she attends the meeting. The proxy will consequently have no right to be heard and to vote at the meeting.

10. How many votes does a Shareholder have?

Every Shareholder, present in person or by proxy/representative, shall have one vote on a show of hands.

Where a poll is taken, each Shareholder shall have the number of votes that corresponds to the number of shares held by him/ her in the Company.

11. What is the voting procedure?

Voting at the AMS is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and Shareholders will be requested to cast their votes thereon.

12. How are the votes counted?

On a show of hands, the Chairman shall count the votes. However, if a poll is demanded, the counting will be done by management under the supervision of the auditor of the company who will be acting as scrutineer.

13. How to obtain a copy of the minutes of proceedings of the last AMS of the Company?

A Shareholder may make such a request to the Company Secretary prior to the AMS.

14. How to put questions to the Board and/or Management at the AMS?

Before each resolution is put to the vote, the Chairman may invite Shareholders to put questions on that particular resolution. When all the items on the Agenda of the AMS have been tackled, there will be a question time when the Chairman shall invite Shareholders to put questions to the Board and/or to Management if they so wish.

15. What should a Shareholder do if he/she would like to propose a candidate for appointment to the board of directors of the Company?

Shareholders are encouraged to forward their request in writing to the Chairman of the Rogers Board Nomination Committee via the Company Secretary as early as the first week of June.

Glossary of Terms

CEO	Chief Executive Officer
CFE	Chief Finance Executive
CGC	Corporate Governance Committee
CRM	Customer Relationship Management
CSBO	Compagnie Sucrière de Bel Ombre
CSR	Corporate Social Responsibility
DPS	Dividends per share
DTAA	Double Tax Avoidance Agreement
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EPS	Earnings per share
ESAAMLAG	Eastern and Southern Africa Anti-Money Laundering Group
ERP	Enterprise Resource Planning
EU	European Union
GB	Global Business
GDP	Gross Domestic Product
GDS	Global Distribution System
GLA	Gross Lettable Area
GMS	Globefin Management Services Ltd
GSA	General Sales Agent
IATA	International Air Transport Association
IFC	International Financial Centre
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
IRS	Integrated Resort Scheme
Net Debt	Total borrowings less cash and cash equivalents
NGO	Non-Governmental organisation
NMH	New Mauritius Hotels
OECD	Organisation for Economic Co-operation and Development
PAT	Profit after tax
QSR	Quick Service Restaurant
RCCS	Rogers Capital Corporate Services
RCTS	Rogers Capital Technology Services
RMAC	Risk Management and Audit Committee
Rogers or the Company	Rogers and Company Limited
SaaS	Solutions as a service
SEM	Stock Exchange of Mauritius
SME	Small and Medium Enterprise
SGR	Standard Gauge Railway
Sqm	Square metre
TEU	Container of Twenty-foot equivalent unit
TRevPAR	Total Revenue Per Available Room
UN	United Nations
UPS	United Parcel Service
VLH	Veranda Leisure & Hospitality
VMCA	Voluntary Marine Conservation Area

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