Statements of Changes in Equity

year ended December 31, 2015

THE GROUP

	Note	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Fair value reserve Rs'000	Hedging reserve Rs'000	Actuarial losses reserve Rs'000	Associate earnings Rs'000	Retained earnings Rs'000	Owners' interests Rs'000	Non-controlling interests Rs'000	Share application monies Rs'000	Total equity Rs'000
		Attributable to owners of the parent											
Balance at January 1, 2015		**502,593**	**292,450**	**6,416,233**	**118,646**	**9,729**	**(95,601)**	**-**	**1,707,386**	**8,951,436**	**1,024,026**	**-**	**9,975,462**
Total comprehensive income for the year:													
- Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**230,941**	**230,941**	**56,893**	**-**	**287,834**
- Other comprehensive income for the year		**-**	**-**	**-**	**(15,906)**	**(45,385)**	**(73,267)**	**(43,369)**	**-**	**(177,927)**	**(29,176)**	**-**	**(207,103)**
Transfers		**-**	**-**	**(42,762)**	**-**	**-**	**-**	**-**	**42,762**	**-**	**-**	**-**	**-**
Dividends	34	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(167,531)**	**(167,531)**	**(86,000)**	**-**	**(253,531)**
Balance at December 31, 2015		**502,593**	**292,450**	**6,373,471**	**102,740**	**(35,656)**	**(168,868)**	**(43,369)**	**1,813,558**	**8,836,919**	**965,743**	**-**	**9,802,662**
Balance at January 1, 2014		502,593	292,450	6,432,072	112,432	(27,345)	(98,861)	-	1,644,823	8,858,164	806,148	163,217	9,827,529
Total comprehensive income for the year:													
- Profit for the year		-	-	-	-	-	-	-	214,375	214,375	50,136	-	264,511
- Other comprehensive income for the year		-	-	-	6,214	37,074	3,140	-	-	46,428	20,621	-	67,049
Transfers		-	-	(15,839)	-	-	120	-	15,719	-	163,016	(163,016)	-
Dividends	34	-	-	-	-	-	-	-	(167,531)	(167,531)	(86,000)	-	(253,531)
Acquisition of shares by non-controlling interests		-	-	-	-	-	-	-	-	-	70,105	-	70,105
Transfer to trade and other payables		-	-	-	-	-	-	-	-	-	-	(201)	(201)
Balance at December 31, 2014		502,593	292,450	6,416,233	118,646	9,729	(95,601)	-	1,707,386	8,951,436	1,024,026	-	9,975,462

THE COMPANY

	Note	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Fair value reserve Rs'000	Actuarial losses reserve Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at January 1, 2015		**502,593**	**292,450**	**5,899,129**	**4,884**	**(79,443)**	**1,625,056**	**8,244,669**
Total comprehensive income for the year:								
- Profit for the year		**-**	**-**	**-**	**-**	**-**	**707,922**	**707,922**
- Other comprehensive income		**-**	**-**	**-**	**(1)**	**(36,226)**	**-**	**(36,227)**
Transfer		**-**	**-**	**(42,762)**	**-**	**-**	**42,762**	**-**
Dividends	34	**-**	**-**	**-**	**-**	**-**	**(167,531)**	**(167,531)**
Balance at December 31, 2015		**502,593**	**292,450**	**5,856,367**	**4,883**	**(115,669)**	**2,208,209**	**8,748,833**
Balance at January 1, 2014		502,593	292,450	5,914,968	10,690	(76,885)	1,380,282	8,024,098
Total comprehensive income for the year:								
- Profit for the year		-	-	-	-	-	396,466	396,466
- Other comprehensive income		-	-	-	(5,806)	(2,558)	-	(8,364)
Transfer		-	-	(15,839)	-	-	15,839	-
Dividends	34	-	-	-	-	-	(167,531)	(167,531)
Balance at December 31, 2014		502,593	292,450	5,899,129	4,884	(79,443)	1,625,056	8,244,669

The notes on pages 131 to 179 form an integral part of these financial statements.
Auditors' report on page 126.

Statements of Cash Flows

year ended December 31, 2015

	Notes	THE GROUP 2015 Rs'000	THE GROUP Reclassified 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY Reclassified 2014 Rs'000
Cash generated from/(absorbed by) operating activities					
Operating profit before working capital changes	36(a)	**1,124,422**	1,056,817	**(39,312)**	(22,125)
Working capital requirements	36(b)	**(145,969)**	(548,665)	**395,718**	(909,468)
		978,453	508,152	**356,406**	(931,593)
Interest paid		**(678,539)**	(673,476)	**(349,681)**	(314,671)
Tax paid	12(b)	**(11,290)**	(33,971)	**-**	-
Net cash from/(absorbed by) operating activities		**288,624**	(199,295)	**6,725**	(1,246,264)
Cash (used in)/from investing activities					
Purchase of property, plant and equipment	14(g)	**(240,411)**	(264,151)	**(9,132)**	(11,134)
Investment in bearer biological assets	20	**(34,742)**	(43,264)	**(25,191)**	(33,288)
Purchase of intangible assets	15	**(5,023)**	(18,805)	**(612)**	(15,000)
Acquisition of investments in subsidiary companies	16	**-**	-	**(200)**	(200)
Acquisition of investments in associated companies	17	**(169,191)**	(242,597)	**-**	-
Purchase of available-for-sale financial assets	18	**(1,759)**	(60,900)	**(1,759)**	-
Deposit on investment	19	**(247,042)**	-	**(210,998)**	(181,305)
Expenditure on land under development		**(736,582)**	(419,593)	**(736,582)**	(419,593)
Proceeds from sale of land		**46,458**	893,348	**46,458**	893,348
Proceeds from sale of plant and equipment		**13,412**	4,423	**3,858**	21,710
Proceeds from non-current asset held for sale		**-**	1,654	**-**	-
Proceeds on sale of financial assets		**-**	38,981	**-**	38,981
Expenditure on VRS and Blue print costs		**(6,096)**	(66,408)	**-**	-
Interest received		**87,682**	95,486	**388,360**	317,362
Dividends received from subsidiary companies		**-**	-	**132,500**	134,500
Dividends received from available-for-sale financial assets		**6,028**	8,793	**457**	3,217
Net cash (used in)/from investing activities		**(1,287,266)**	(73,033)	**(412,841)**	748,598
Cash from/(used in) financing activities					
Dividends paid to company's shareholders	36(c)	**(167,531)**	(184,284)	**(167,531)**	(184,284)
Dividends paid to minority shareholders		**(86,000)**	(86,000)	**-**	-
Payments of long-term and short-term borrowings		**(1,236,640)**	(1,054,695)	**(412,856)**	(356,667)
Finance lease principal payments		**(22,936)**	(17,329)	**(3,590)**	(1,688)
Proceeds from long-term and short-term borrowings		**1,864,086**	1,043,044	**472,320**	662,000
Acquisition of shares by non-controlling interests		**-**	70,105	**-**	-
Net cash from/(used in) financing activities		**350,979**	(229,159)	**(111,657)**	119,361
Net decrease in cash and cash equivalents		**(647,663)**	(501,487)	**(517,773)**	(378,305)
At January 1,		**(1,567,315)**	(1,070,103)	**(1,908,819)**	(1,530,514)
Decrease		**(647,663)**	(501,487)	**(517,773)**	(378,305)
Effect of foreign exchange rate changes		**7,750**	4,275	**3,125**	-
At December 31,	37(d)	**(2,207,228)**	(1,567,315)	**(2,423,467)**	(1,908,819)

The notes on pages 131 to 179 form an integral part of these financial statements.
Auditors' report on page 126.

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Notes to the Financial Statements

year ended December 31, 2015

1 GENERAL INFORMATION

Omnicane Limited and its subsidiaries is a public limited liability company incorporated and domiciled in Mauritius. The address of its registered office is 7th Floor, Anglo-Mauritius House, Adolphe de Plevitz Street, Port Louis.

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Omnicane Limited and its subsidiaries comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company). The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000), except where otherwise indicated.

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

(i) land is carried at revalued amount;

(iii) available-for-sale investments are stated at fair value; and

(iii) consumable biological assets are stated at fair value.

Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Group's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Group's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Group's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Group's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Group's financial statements.

IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Group's financial statements.

IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Group's financial statements.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

Annual Improvements 2010-2012 Cycle *(Continued)*

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Group's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.

IFRS 3,'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Group's financial statements.

IFRS 13,'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Group's financial statements.

IAS 40,'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2016 or later periods, but which the Group has not early adopted.

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

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

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

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Revenue recognition

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

(i) *Sale of goods*

Revenue represents the gross proceeds of sugar, molasses and bagasse, the sale of electricity and ethanol and hospitality services.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Revenue recognition *(Continued)*

(i) *Sale of goods (Continued)*

Sugar and molasses proceeds are recognised on total production of the crop year. Bagasse proceeds are accounted as and when it is receivable for the Group. Sugar and molasses prices are based on prices recommended by the Mauritius Cane Industry Authority for the crop year after consultation with the Mauritius Sugar Syndicate. The difference between the recommended price and the final price is reflected in the financial year in which it is established.

Sale of electricity and ethanol are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) *Rendering of services*

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

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

- Interest income - on a time-proportion basis using the effective interest method. When receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income.
- Dividend income - when the shareholders' right to receive payment is established.
- SIFB compensation - on an accrual basis.

2.3 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.4 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its derivatives as hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance cost.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within finance cost.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Derivative financial instruments and hedging activities *(Continued)*

Cash flow hedge (Continued)

The Group has foreign bank loans (hedge item) denominated in Euro and USD and has its revenue streams (hedge instrument) in Euro and USD. The Group has a cash flow hedge whereby the foreign exchange exposure arising from translation of the bank loan is hedged against the revenue streams.

Exchange differences arising from the translation of the loan is taken to 'Hedging reserve'. The realised gain/(loss) on repayment of the bank loan is then released to the statement of profit or loss and other comprehensive income.

2.5 Property, plant and equipment

Freehold land is stated at fair value, based on valuations by external independent valuers. Buildings held for use in the production or supply of goods or for administrative purposes, are stated at historical cost, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

Buildings	2 - 2.25 %
Leasehold properties	1%
Power, plant and equipment	5 - 7 %
Refinery plant	5 %
Factory, plant and equipment	2 - 20 %
Distillery plant	4 %

Freehold land is not depreciated.

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

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

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

2.6 Intangible assets

(a) *Accounting software*

The accounting software has been granted for a period of three years with the option of renewal at the end of this period.

(b) *Goodwill*

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

Goodwill is tested annually for impairment.

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(c) *Centralisation costs*

The cash compensation together with the costs of land and infrastructure payable under the Blue Print and Early Retirement Scheme is capitalised as deferred expenditure. Such costs are charged to profit or loss when the associated benefits related to the special rights to acquire, convert and sell agricultural land are realised. At the end of each financial year, the carrying amount is subject to testing for impairment and reduced to the recoverable amount, if this is less.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Intangible assets *(Continued)*

(d) *Management contract - The Company*

The Company had acquired the rights to manage its subsidiary Omnicane Milling Operations Limited under a management contract. The cost has been recognised as an intangible asset with indefinite life as the contract does not have a defined lifetime. The contract is assessed annually for impairment.

(e) *Energy management contract - The Group*

Omnicane Milling Operations Limited acquired the rights of the management contract between Omnicane Milling Operations Limited and the two energy generating entities, Omnicane Thermal Energy Operations (St Aubin) Limited and Omnicane Thermal Energy Operations (La Baraque) Limited.

This management contract will run for a period of twenty years in line with the provisions of the Purchasing Power Agreement between Omnicane Thermal Energy Operations (St Aubin) Limited and the Central Electricity Board and between Omnicane Thermal Energy Operations (La Baraque) Limited and the Central Electricity Board. These rights have been recognised as an intangible asset and are amortised over the life of the contract.

(f) *Factory upgrading and modernising expenditure*

Following the closure of Riche-en-Eau, Mon Trésor Mill, Union St Aubin Mill and Saint Félix Mill, Omnicane Milling Operations Limited has become the sole cane receiving mill in the Southern region. Omnicane Milling Operations Limited has therefore upgraded and modernised its factory to cater for the transfer of cane to its mill. The cost of upgrading and modernising will be financed through special rights to acquire, convert and sell agricultural land under the provisions of the Sugar Industry Efficiency Act (SIE Act). Omnicane Milling Operations Limited has recognised these rights as an intangible asset and valued them at the cost of the expenditure incurred. Management has determined that this intangible asset has an indefinite life and is assessed for impairment on an annual basis.

(g) *Rebranding cost*

In 2009, the Group completed a rebranding exercise aiming at regrouping all members under a common brand. All costs associated to the rebranding exercise have been capitalised and included as an intangible asset. Rebranding cost is amortised over a period of 20 years, time at which a full review of the brand will be performed.

(h) *Bond expenses*

In previous years, the Company has issued multi-currency bonds totalling Rs.2 billion. All transaction costs relating to the issue have been capitalised and included as intangible assets. These bonds expenses are amortised over the life of the bonds, which are 3 and 5 years.

(i) *Legal and professional costs in respect of Power Purchase Agreement (PPA)*

The two energy generating entities, Omnicane Thermal Energy Operations (St Aubin) Limited and Omnicane Thermal Energy Operations (La Baraque) Limited incurred costs in relation to the Power Purchase Agreement (PPA) with the Central Electricity Board, the useful life is taken as the term of the contract, that is 20 years. These legal and professional costs are amortised over the term of the contract, which is 20 years.

2.7 Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Investment in subsidiaries *(Continued)*

Consolidated financial statements (Continued)

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

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

Transactions with non-controlling interests

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

Disposal of subsidiaries

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

2.8 Investment in associated companies

Separate financial statements of the investor

In the separate financial statements of the investor, investment in associated companies is carried at cost.

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

Consolidated financial statements

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

Investment in associates is accounted for using the equity method except when classified as held for sale. Investment in associates is initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets

(a) *Categories of financial assets*

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

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.

The Group's loans and receivables comprise of cash and cash equivalents, and trade and other receivables.

(ii) *Available-for-sale financial assets*

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

(b) *Recognition and measurement*

Purchase and sale of financial assets is recognised on trade date or settlement date, the date on which the Group commits to purchase or sell the asset. Available-for-sale investments are initially measured at fair value plus transaction costs.

Available-for-sale financial assets are subsequently carried at their fair value. Loans and receivables are carried at amortised cost using the effective interest method.

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

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

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

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(c) *Impairment of financial assets*

(i) *Financial assets classified as available-for-sale*

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

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

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

(ii) *Financial assets carried at amortised cost*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets *(Continued)*

(c) *Impairment of financial assets (Continued)*

(ii) *Financial assets carried at amortised cost (Continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.10 Impairment of non-financial assets

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

2.11 Biological assets

Bearer biological assets are valued at cost less amortisation. Consumable biological assets are stated at their fair value.

(a) Bearer biological assets

These relate to cane replantation costs and are amortised over a period of 7 years.

(b) Consumable biological assets

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

2.12 Deferred Expenditure

Sugar Industry Vouluntary Retirement Scheme (VRS)

VRS costs (net of refunds under the Multi-Annual-Adaptation Scheme and pension obligations previously provided for) are carried forward on the basis that under the Scheme, the Company acquires the right to sell land on which no conversion taxes are payable. These amounts are amortised over a period of seven years. The amortisation is reviewed and reassessed yearly to ascertain the adequacy of the yearly charge taking into account the right exercised.

2.13 Current and deferred income tax

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

Current tax

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

Deferred tax

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

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

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

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of coal and molasses in the energy cluster is determined by first-in first-out (FIFO) method. Cost of other inventories is determined by the weighted average method. The cost of finished goods and work in progress comprise of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but exclude borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and applicable variable selling expenses.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 Land under development

Land under development comprise of cost of land to be sold and related infrastructural costs. This expenditure is released to profit or loss to the extent that proceeds are received on the sale of land.

2.16 Trade receivables

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

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

2.17 Cash and cash equivalents

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

2.18 Non-current assets held for sale

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

Events or circumstances may extend the period to complete the sale beyond one year if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

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.

2.19 Share capital

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

2.20 Borrowings

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

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

2.21 Leases

(a) Leases are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) *Accounting for leases - where the Company is the lessee*

Finance lease are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged to profit or loss.

2.22 Retirement benefit obligations

Defined benefit plan

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Retirement benefit obligations *(Continued)*

Defined benefit plan (Continued)

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

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

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

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of the 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.

2.23 Trade and other payables

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

2.24 Provisions

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

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

2.25 Dividend distribution

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

2.26 Foreign currencies

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedge.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'.

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

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

(iii) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Statements of Profit or Loss and Other Comprehensive Income

year ended December 31, 2015

	Notes	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Revenue	2.2/5	**4,098,894**	3,878,200	**301,303**	287,309
Gain/(loss) in fair value of consumable biological assets	24	**40,333**	(66,519)	**32,099**	(57,140)
Other operating income	6	**57,555**	99,664	**62,740**	60,841
		4,196,782	3,911,345	**396,142**	291,010
Operating expenses	7	**(3,631,068)**	(3,472,408)	**(469,437)**	(442,824)
Operating profit/(loss)	8	**565,714**	438,937	**(73,295)**	(151,814)
Investment income	9	**93,710**	104,279	**521,317**	455,079
Amortisation of VRS costs	21	**(13,023)**	(14,084)	**(13,023)**	(14,024)
Finance costs	10	**(649,939)**	(656,021)	**(338,496)**	(322,477)
Share of profit/(loss) of associates	17	**173,275**	(63,187)	**-**	-
Profit/(loss) before exceptional items		**169,737**	(190,076)	**96,503**	(33,236)
Exceptional items	11	**164,666**	459,434	**623,554**	419,992
Profit before taxation		**334,403**	269,358	**720,057**	386,756
Income tax (charge)/credit	12(a)	**(46,569)**	(4,847)	**(12,135)**	9,710
Profit for the year		**287,834**	264,511	**707,922**	396,466
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
(Decrease)/increase in fair value of investment	18	**(16,535)**	6,581	**(1)**	(5,806)
Cash flow hedge	2.4	**(64,586)**	55,754	**-**	-
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	30	**(97,191)**	5,545	**(42,619)**	(3,009)
Income tax relating to remeasurements of defined benefit obligations	22(c)	**14,578**	(831)	**6,393**	451
Share of other comprehensive income of associate	17	**(43,369)**	-	**-**	-
Other comprehensive income for the year, net of tax		**(207,103)**	67,049	**(36,227)**	(8,364)
Total comprehensive income for the year		**80,731**	331,560	**671,695**	388,102
Profit attributable to:					
Owners of the parent		**230,941**	214,375	**707,922**	396,466
Non-controlling interests		**56,893**	50,136	**-**	-
		287,834	264,511	**707,922**	396,466
Total comprehensive income attributable to:					
Owners of the parent		**53,014**	260,803	**671,695**	388,102
Non-controlling interests		**27,717**	70,757	**-**	-
		80,731	331,560	**671,695**	388,102
Earnings per share (Rs)	13	**3.45**	3.20	**10.56**	5.92

The notes on pages 131 to 179 form an integral part of these financial statements.
Auditors' report on page 126.

Statements of Financial Position

December 31, 2015

	Notes	THE GROUP 2015 Rs'000	THE GROUP Reclassified 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY Reclassified 2014 Rs'000
ASSETS EMPLOYED					
Non-current assets					
Property, plant and equipment	14	**13,042,348**	13,278,278	**5,562,041**	5,779,359
Intangible assets	15	**1,491,311**	1,523,252	**234,023**	246,134
Investment in subsidiary companies	16	**-**	-	**2,427,111**	1,682,721
Investment in associated companies	17	**2,043,807**	1,464,695	**11,463**	11,463
Investment in available-for-sale financial assets	18	**293,628**	308,404	**7,741**	5,983
Deposit on investments	19	**283,082**	36,040	**1,065,634**	706,535
Bearer biological assets	20	**165,578**	173,497	**124,662**	131,920
Deferred expenditure	21	**-**	14,023	**-**	14,023
Deferred tax assets	22	**74,547**	48,203	**8,970**	11,195
		17,394,301	16,846,392	**9,441,645**	8,589,333
Current assets					
Inventories	23	**528,523**	584,825	**9,673**	12,888
Consumable biological assets	24	**116,404**	76,071	**84,932**	52,833
Receivable from related parties	25	**450,627**	369,421	**3,862,570**	4,242,309
Trade and other receivables	26	**3,600,106**	2,774,907	**2,171,038**	1,476,389
Current tax assets	12(b)	**15,582**	18,879	**-**	-
Cash and cash equivalents	36(d)	**475,275**	541,408	**48,951**	83,156
		5,186,517	4,365,511	**6,177,164**	5,867,575
Non-current assets classified as held for sale	35	**469,172**	469,172	**456,279**	456,279
Total assets		**23,049,990**	21,681,075	**16,075,088**	14,913,187
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	27	**502,593**	502,593	**502,593**	502,593
Share premium		**292,450**	292,450	**292,450**	292,450
Revaluation and other reserves	28	**6,228,318**	6,449,007	**5,745,581**	5,824,570
Retained earnings		**1,813,558**	1,707,386	**2,208,209**	1,625,056
Owners' interests		**8,836,919**	8,951,436	**8,748,833**	8,244,669
Non-controlling interests		**965,743**	1,024,026	**-**	-
Total equity		**9,802,662**	9,975,462	**8,748,833**	8,244,669
LIABILITIES					
Non-current liabilities					
Borrowings	29	**5,753,021**	5,711,537	**1,722,150**	2,617,799
Deferred tax liabilities	22	**228,258**	187,934	**-**	-
Retirement benefit obligations	30	**350,143**	253,811	**196,696**	161,919
		6,331,422	6,153,282	**1,918,846**	2,779,718
Current liabilities					
Payable to related parties	31	**207,201**	160,929	**47,458**	79,486
Trade and other payables	32	**1,923,150**	1,846,982	**1,451,596**	1,352,021
Current tax liabilities	12(b)	**4,715**	1,291	**3,517**	-
Borrowings	29	**4,471,217**	3,226,410	**3,737,307**	2,288,762
Blue print costs	33	**142,092**	149,188	**-**	1,000
Proposed dividend	34	**167,531**	167,531	**167,531**	167,531
		6,915,906	5,552,331	**5,407,409**	3,888,800
Total equity and liabilities		**23,049,990**	21,681,075	**16,075,088**	14,913,187

The financial statements have been approved for issue by the Board of Directors on 30 March 2016.

Kishore Sunil Banymandhub
Chairperson

Jacques M. d'Unienville
Chief Executive Officer

The notes on pages 131 to 179 form an integral part of these financial statements. Auditors' report on page 126.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 Foreign currencies *(Continued)*

(iii) *Group companies (Continued)*

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses are translated at the date of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity are translated at the closing rate.

2.27 Segment reporting

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks; market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Treasury Department under policies approved by the Board of Directors. The Treasury Department identifies, evaluates and hedges financial risks in close co-operation with the operating units. The Risk Committee of the Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

(a) **Market risk**

(i) **<u>Currency risk</u>**

The Group's activities is mainly in the sugarcane growing and milling, electricity and ethanol production and hospitality services. The market strategy for the sale of raw and refined sugar rests with the Mauritius Sugar Syndicate (MSS) which is responsible for negotiating the sale of the sugar production of the country with potential buyers. There is a much wider and diverse demand for white sugar in Europe which mitigates the market risk. The Group invoices its refined sugar in Euro to the MSS and ethanol in USD to Alcogroup S.A. For electricity production, sale is made solely to the Central Electricity Board (CEB) and is based on a Power Purchase Agreement (PPA) for both energy companies. Coal used for electricity production is purchased in US dollar but its effect is mitigated by the fact that the tariff of electricity sold to the Central Electricity Board is adjusted in respect to changes in exchange rates.

At December 31, 2015, if the Rupee had weakened/strenghthened by 5% against the US Dollar and the Euro with all other variables held constant, post tax profit and equity would have been Rs'000 2,983 (2014: Rs'000 5,837) higher/lower for the Company, mainly as a result of foreign exchange gains/losses on translation of US Dollar and Euro denominated cash balances and foreign exchange gains/losses on translation of US Dollar and Euro denominated short term bank facility.

At December 31, 2015, if the Rupee had weakened/strenghthened by 5% against the US Dollar, GBP, Euro and Zar with all other variables held constant, post tax profit would have been Rs'000 44,282 higher/lower (2014: Rs'000 25,900) for the Group following changes in foreign exchange differences on translation of US Dollar, GBP, Euro and Zar denominated cash balances, trade receivables and bank borrowings.

(ii) **<u>Price risk</u>**

The Group is exposed to equity securities price risk because of investments in financial assets held by the Group and classified on the consolidated statement of financial position as available-for-sale. The Group is exposed to commodity price risk. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

3 FINANCIAL RISK MANAGEMENT

(a) **Market risk** *(Continued)*

(ii) **Price risk** *(Continued)*

Sensitivity analysis

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

	Impact on equity			
	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Available-for-sale	**14,681**	15,420	**387**	299

(iii) **Cash flow and fair value interest rate risk**

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At December 31, 2015 if interest rates on rupee denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year and equity would have changed as shown below:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Impact on post-tax profit and shareholders' equity	**47,905**	44,690	**25,915**	24,533

(b) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables.

The amounts presented in the statement of financial position are net of allowance for doubtful receivables, estimated by the Group's management based on prior experience and the current environment.

The Group's main debtors are the Mauritius Sugar Syndicate on account of sugar proceeds receivable, the Central Electricity Board for the sale of electricity and Alcogroup for the sale of ethanol.

The Group's energy cluster's credit risk is highly mitigated by the fact that accounts receivable from its sole customer, the Central Electricity Board, is guaranteed by the Government.

(c) **Liquidity risk**

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

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

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity risk *(Continued)*

Forecasted liquidity reserve as at December 31, 2015 is:

	THE GROUP		THE COMPANY	
	Forecast 2016 *Rs'000*	Actual 2015 *Rs'000*	**Forecast 2016 *Rs'000***	Actual 2015 *Rs'000*
Opening balance for the period	**(2,207,228)**	(1,567,315)	**(2,423,467)**	(1,908,819)
Cash from/(used in) operating activities	**986,138**	288,624	**(145,783)**	6,725
Cash from/(used in) investing activities	**377,385**	(1,287,266)	**1,371,307**	(412,841)
Cash (used in)/from financing activities	**(77,865)**	350,979	**(79,021)**	(111,657)
Effect of foreign exchange rate changes	**-**	7,750	**-**	3,125
Closing balance for the period	**(921,570)**	(2,207,228)	**(1,276,964)**	(2,423,467)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

THE GROUP	**Less than 1 year** *Rs'000*	**Between 1 and 2 years** *Rs'000*	**Between 2 and 5 years** *Rs'000*	**Over 5 years** *Rs'000*
At December 31, 2015				
Trade and other payables	**1,923,150**	-	-	-
Bank borrowings	**3,486,568**	**887,259**	**2,169,704**	**1,555,912**
Finance lease obligations	**27,649**	**24,496**	**35,650**	**-**
Bonds	**920,000**	**1,080,000**	**-**	**-**
Loan from related party	**37,000**	**-**	**-**	**-**
Payable to related parties	**207,201**	**-**	**-**	**-**
At December 31, 2014				
Trade and other payables	1,846,982	-	-	-
Bank borrowings	3,155,635	558,656	1,725,824	1,372,567
Finance lease obligations	20,575	21,694	32,796	-
Bonds	-	920,000	1,080,000	-
Loan from related party	50,200	-	-	-
Payable to related parties	160,929	-	-	-

THE COMPANY	**Less than 1 year** *Rs'000*	**Between 1 and 2 years** *Rs'000*	**Between 2 and 5 years** *Rs'000*	**Over 5 years** *Rs'000*
At December 31, 2015				
Trade and other payables	**1,451,596**	-	-	-
Bank borrowings	**2,775,403**	**302,985**	**322,965**	**-**
Finance lease obligations	**4,904**	**5,316**	**10,884**	**-**
Bonds	**920,000**	**1,080,000**	**-**	**-**
Loan from related party	**37,000**	**-**	**-**	**-**
Payable to related parties	**47,458**	**-**	**-**	**-**

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(c) **Liquidity risk** *(Continued)*

THE COMPANY	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Over 5 years Rs'000
At December 31, 2014				
Trade and other payables	1,352,021	-	-	-
Bank borrowings	2,236,225	202,965	405,930	-
Finance lease obligations	2,337	2,843	6,061	-
Bonds	-	920,000	1,080,000	-
Loan from related party	50,200	-	-	-
Payable to related parties	79,486	-	-	-

3.2 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

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

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt over adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash in hand and at bank. Adjusted capital comprises of all components of equity (i.e. share capital, share premium, retained earnings, non-controlling interest, revaluation surplus and other reserves) other than amounts recognised in equity relating to cash flow hedges.

The debt-to-adjusted capital ratios at December 31, 2015 and December 31, 2014 were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Total debt (note 30)	**10,224,238**	8,937,947	**5,459,457**	4,906,561
Less: cash and cash equivalents (note 37(d))	**(475,275)**	(541,408)	**(48,951)**	(83,156)
Net debt	**9,748,963**	8,396,539	**5,410,506**	4,823,405

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Owners' interest	**8,836,919**	8,951,436	**8,748,833**	8,244,669
Less amount recognised in equity relating to cash flow hedges	**35,656**	(9,729)	**-**	-
Adjusted capital	**8,872,575**	8,941,707	**8,748,833**	8,244,669
Debt-to-adjusted capital ratio	**1.10**	0.94	**0.62**	0.59

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

3.4 Biological assets

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(i) **Biological assets**

(a) **Bearer biological assets**

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

(b) **Consumable biological assets - Standing Canes**

The fair value of consumable biological assets has 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 for standing canes. The harvesting costs and other direct expenses are based on the yearly budgets of the Group.

(ii) **Fair value of securities which are not quoted in an active market**

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

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

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

(iv) **Recoverability of proceeds from sale of land**

At December 31, 2015, management considered the recoverability of proceeds from sale of land under Section 8 of the Land Acquisition Act. Proceeds have been determined on a case by case basis and have taken into account the location of the land, surveyors' report and previous sale of similar properties in the vicinity.

(v) **Depreciation policies**

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

The directors therefore make estimates based on historical experience and use their best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(vi) **Pension benefits**

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

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

Other key assumptions for pension obligations are based in part on currrent market conditions. Additional information is disclosed in note 31.

(vii) **Revaluation of property, plant and equipment**

The Group carries its land at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine its fair value as at 31 December 2012.

(viii) **Limitation of sensitivity analysis**

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(viii) **Limitation of sensitivity analysis** *(Continued)*

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

(ix) **Asset lives and residual values**

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

(x) **Assets and Investments in respect of Omnicane Limited and Omnicane Milling Operations Limited**

An implementation committee set up to analyse the recommendations of the LMC Report has submitted its recommendations to Government.

As a consequence of which, several measures have been announced in December 2015 including a special assistance of Rs 2000/ tonne of sugar accrued for crop 2015, as was the case for crop 2014. This stems from the Actuarial Report of 2014.

It is understood that Government would shortly come up with legislation to translate the relevant measures of the LMC Report into legislation.

It is also understood that, as recommended in the 2014 Actuarial Report, the SIFB would shortly commission a study to consider the post 2015 period and make appropriate recommendations.

The EU Commission document "**Prospects for EU Agricultural Markets and Income**" of December 2015 when comparing the prices for 2014 and 2015 indicates an increase of 60 euros/tonne.

A new EU funded study has been launched for all ACP countries for the post 2017 situation and is expected to come up with recommendations in mid 2016. The objective of this study is to provide policymakers with a comprehensive and structured economic analysis that would facilitate their decision making in considering strategic options in agricultural and sugar policy.

In light of the above, assets and investments in respect of cane growing and milling entities have been reviewed accordingly.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

5 REVENUE

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Sugar, molasses and bagasse	**1,207,277**	1,081,813	**217,220**	162,967
Compensation from Sugar Insurance Fund Board	**88,994**	82,713	**28,990**	25,078
	1,296,271	1,164,526	**246,210**	188,045
Electricity generation	**2,185,858**	2,353,470	**-**	-
Ethanol	**449,620**	196,426	**-**	-
Hotel revenue	**87,128**	45,761	**-**	-
Agricultural diversification and others	**80,017**	118,017	**55,093**	99,264
	4,098,894	3,878,200	**301,303**	287,309

6 OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Insurance compensation	**3,262**	6,785	**-**	-
Sugar bagging fee	**36,635**	12,454	**-**	-
Sundry income	**12,101**	10,667	**3,479**	4,214
Management fees	**1,001**	16,793	**55,403**	55,277
Profit on sale on non-current asset held for sale	**-**	51,407	**-**	-
Profit on sale of plant and equipment	**4,556**	1,558	**3,858**	1,350
	57,555	99,664	**62,740**	60,841

7 OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Depreciation on property, plant and equipment (note 14)	**496,134**	482,858	**21,425**	19,551
Amortisation of bearer biological assets (note 20)	**42,661**	43,381	**32,449**	32,919
Amortisation of intangible assets (note 15)	**36,964**	38,241	**12,723**	14,776
Raw materials and consumables used (note 23)	**1,243,226**	1,275,851	**46,693**	48,679
Employees remuneration (note 8(a))	**658,628**	589,601	**176,118**	163,743
Sugar Insurance Fund Board premium	**2,277**	26,691	**1,842**	8,135
Service fee and market premium payable	**32,276**	45,535	**-**	-
Growing expenses	**77,787**	61,137	**97,929**	85,392
Milling and refinery expenses	**283,113**	229,342	**-**	-
Lorries and haulage expenses	**115,128**	126,283	**-**	-
Energy expenses	**346,404**	267,184	**-**	-
Ethanol expenses	**30,370**	12,421	**-**	-
Hospitality expenses	**43,465**	33,283	**-**	-
Management fees	**78,908**	80,194	**31,635**	46,637
Administrative expenses	**107,363**	107,552	**48,623**	22,992
Others	**36,364**	52,854	**-**	-
	3,631,068	3,472,408	**469,437**	442,824

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

8 OPERATING PROFIT/(LOSS)

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Operating profit/(loss) is arrived at after:				
charging:				
Depreciation on property, plant and equipment (note 14)	**496,134**	482,858	**21,425**	19,551
Amortisation of bearer biological assets (note 20)	**42,661**	43,381	**32,449**	32,919
Amortisation of intangible assets (note 15)	**36,964**	38,241	**12,723**	14,776
Raw materials and consumables used (note 23)	**1,243,226**	1,275,851	**46,693**	48,679
Employee benefit expense (note 8(a))	**658,628**	589,601	**176,118**	163,743
and crediting:				
Profit on sale of property, plant and equipment (note 6)	**(4,556)**	(1,558)	**(3,858)**	(1,350)

(a) **Employee benefit expense**

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Wages and salaries	**572,521**	535,832	**145,830**	135,433
Pension costs and social costs	**86,107**	53,769	**30,288**	28,310
	658,628	589,601	**176,118**	163,743

9 INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Interest income	**87,682**	95,486	**388,360**	317,362
Dividend income	**6,028**	8,793	**132,957**	137,717
	93,710	104,279	**521,317**	455,079

10 FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Foreign exchange (gains)/losses	**(28,600)**	(17,455)	**(11,185)**	7,806
Interest expense:				
- Bank overdrafts	**147,774**	130,602	**132,648**	117,247
- Bank and other loans	**392,909**	408,277	**82,172**	56,043
- Amount payable to subsidiary companies	**-**	-	**2,350**	11,075
- Amount payable to related parties	**8,196**	4,937	**2,851**	646
- Bonds	**129,660**	129,660	**129,660**	129,660
	678,539	673,476	**349,681**	314,671
	649,939	656,021	**338,496**	322,477

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

11 EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Profit on disposal of land	**32,752**	406,525	**623,554**	406,525
Gain on bargain purchase	**131,914**	39,442	**-**	-
Profit on sale of investments in available-for-sale financial assets	**-**	13,467	**-**	13,467
	164,666	459,434	**623,554**	419,992

12 TAXATION

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
(a) **Charge/(credit) for the year**				
Current tax on adjusted profit for the year at 15% (2014: 15%)	**18,011**	14,709	**3,517**	-
Underprovision in previous year	**-**	105	**-**	-
Deferred tax (note 22(c))	**28,558**	(9,967)	**8,618**	(9,710)
Tax charge/(credit) for the year	**46,569**	4,847	**12,135**	(9,710)

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

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Profit before taxation	**334,403**	**269,358**	**720,057**	386,756
Tax calculated at 15% (2014: 15%)	**50,160**	40,404	**108,009**	58,013
Income not subject to tax	**(119,475)**	(87,677)	**(116,908)**	(85,920)
Expenses not deductible for tax purposes	**112,043**	60,605	**21,034**	17,136
Underprovision in previous year	**-**	105	**-**	-
Utilisation of tax losses	**(3,713)**	(9,651)	**-**	-
Tax losses not utilised	**769**	1,061	**-**	1,061
Tax losses for which no deferred tax recognised	**6,785**	-	**-**	-
Tax charge/(credit) for the year	**46,569**	4,847	**12,135**	(9,710)

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

12 TAXATION *(Continued)*

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
(b) **Current tax (assets)/liabilities**				
At January 1,	**(17,588)**	1,569	**-**	-
Movement during the year:				
Current tax on the adjusted profit for the year at 15% (2014: 15%)	**18,011**	14,709	**3,517**	-
Underprovision in previous year	**-**	105	**-**	-
	18,011	14,814	**3,517**	-
Tax paid	**(11,290)**	(33,971)	**-**	-
At December 31,	**(10,867)**	(17,588)	**3,517**	-
Disclosed as follows:				
Current tax assets	**(15,582)**	(18,879)	**-**	-
Current tax liabilities	**4,715**	1,291	**3,517**	-
	(10,867)	(17,588)	**3,517**	-

13 EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
Basic earnings per share	Rs.	**3.45**	3.20	**10.56**	5.92
Profit attributable to equityholders of the Company (Rs'000)		**230,941**	214,375	**707,922**	396,466
Number of ordinary shares in issue		**67,012,404**	67,012,404	**67,012,404**	67,012,404

14 PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Notes	Freehold land Rs'000	Buildings Rs'000	Leasehold properties Rs'000	Power plant & equipment Rs'000	Factory equipment Rs'000	Refinery plant Rs'000	Plant and equipment Rs'000	Work in progress Rs'000	Total Rs'000
2015										
Valuation/Cost		**6,332,439**	**970,494**	**98,103**	**5,173,006**	**971,078**	**1,561,702**	**1,230,528**	**6,828**	**16,344,178**
Accumulated depreciation		**-**	**(128,336)**	**(3,020)**	**(2,210,434)**	**(314,262)**	**(389,959)**	**(255,819)**	**-**	**(3,301,830)**
Net book value		**6,332,439**	**842,158**	**95,083**	**2,962,572**	**656,816**	**1,171,743**	**974,709**	**6,828**	**13,042,348**
2014										
Valuation/Cost		6,319,048	935,595	84,103	5,044,875	954,301	1,556,314	1,189,738	-	16,083,974
Accumulated depreciation		-	(101,229)	(2,052)	(1,957,569)	(260,053)	(325,440)	(159,353)	-	(2,805,696)
Net book value		6,319,048	834,366	82,051	3,087,306	694,248	1,230,874	1,030,385	-	13,278,278
NET BOOK VALUE										
2015										
At January 1, 2015		**6,319,048**	**834,366**	**82,051**	**3,087,306**	**694,248**	**1,230,874**	**1,030,385**	**-**	**13,278,278**
Additions		**1,291**	**38,844**	**14,000**	**128,131**	**16,777**	**4,495**	**64,817**	**7,721**	**276,076**
Disposals		**(6,919)**	**(3,945)**	**-**	**-**	**-**	**-**	**(4,911)**	**-**	**(15,775)**
Depreciation		**-**	**(27,107)**	**(968)**	**(252,865)**	**(54,209)**	**(64,519)**	**(96,466)**	**-**	**(496,134)**
Write off		**-**	**-**	**-**	**-**	**-**	**-**	**(97)**	**-**	**(97)**
Transfers		**19,019**	**-**	**-**	**-**	**-**	**893**	**(19,019)**	**(893)**	**-**
At December 31, 2015		**6,332,439**	**842,158**	**95,083**	**2,962,572**	**656,816**	**1,171,743**	**974,709**	**6,828**	**13,042,348**
2014										
At January 1, 2014		6,338,556	808,433	61,863	3,300,879	707,587	1,290,214	974,874	13,165	13,495,571
Additions		-	60,345	1,200	37,038	23,383	5,033	169,736	311	297,046
Disposals		(18,908)	(10,990)	-	-	-	-	(2,864)	-	(32,762)
Depreciation		-	(25,049)	(828)	(250,611)	(52,526)	(64,373)	(89,471)	-	(482,858)
Write off		-	-	-	-	-	-	-	(829)	(829)
Transfers		(600)	1,627	19,816	-	12,647	-	(20,843)	(12,647)	-
Transfer from non-current assets held for sale	36(b)	-	-	-	-	3,157	-	-	-	3,157
Transfer to intangible assets	15	-	-	-	-	-	-	(1,047)	-	(1,047)
At December 31, 2014		6,319,048	834,366	82,051	3,087,306	694,248	1,230,874	1,030,385	-	13,278,278

14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(b) THE COMPANY

	Freehold land *Rs'000*	Buildings *Rs'000*	Leasehold properties *Rs'000*	Plant and equipment *Rs'000*	Total *Rs'000*
2015					
Valuation/Cost	**5,455,508**	**65,556**	**4,915**	**311,237**	**5,837,216**
Accumulated depreciation	**-**	**(24,503)**	**(2,448)**	**(248,224)**	**(275,175)**
Net book value	**5,455,508**	**41,053**	**2,467**	**63,013**	**5,562,041**
2014					
Valuation/Cost	5,615,815	65,162	63,087	289,045	6,033,109
Accumulated depreciation	-	(22,541)	(1,836)	(229,373)	(253,750)
Net book value	5,615,815	42,621	61,251	59,672	5,779,359
NET BOOK VALUE					
2015					
At January 1, 2015	**5,615,815**	**42,621**	**61,251**	**59,672**	**5,779,359**
Additions	**-**	**394**	**-**	**22,192**	**22,586**
Disposals	**(160,307)**	**-**	**(58,172)**	**-**	**(218,479)**
Depreciation	**-**	**(1,962)**	**(612)**	**(18,851)**	**(21,425)**
At December 31, 2015	**5,455,508**	**41,053**	**2,467**	**63,013**	**5,562,041**
2014					
At January 1, 2014	5,634,723	55,038	61,863	74,362	5,825,986
Additions	-	511	-	22,671	23,182
Disposals	(18,908)	(10,990)	-	(20,360)	(50,258)
Depreciation	-	(1,938)	(612)	(17,001)	(19,551)
At December 31, 2014	5,615,815	42,621	61,251	59,672	5,779,359

(c) Depreciation charge of Rs'000 496,134 (2014: Rs'000 482,858) for the Group and Rs'000 21,425 (2014: Rs'000 19,551) for the Company has been included in operating expenses.

(d) If the Freehold land was stated on the historical cost basis, the amounts would be as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
At December 31,				
Freehold land	**395,696**	339,543	**51,678**	169,223

(e) Freehold land is measured at fair value and information about the fair value hierarchy as at December 31, 2015 is as follows:

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
		Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
At December 31,					
Freehold land	**Level 1**	**6,332,439**	6,319,048	**5,455,508**	5,615,815

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(f) Borrowings are secured by floating charges on the assets of the Company or its subsidiaries, including property, plant and equipment (note 29).

(g) Non-cash transactions

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Additions	**276,076**	297,046	**22,586**	23,182
Additions under finance lease	**(35,665)**	(32,895)	**(13,454)**	(12,048)
	240,411	264,151	**9,132**	11,134

(h) Assets under finance lease comprise of transport equipment:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Cost - capitalised finance lease	**158,998**	123,333	**27,057**	13,603
Accumulated depreciation	**(62,061)**	(37,905)	**(8,389)**	(2,570)
Net book value	**96,937**	85,428	**18,668**	11,033

15 INTANGIBLE ASSETS

(a) THE GROUP

	Software and Professional fees	**Goodwill**	**Centralisation costs**	**Management contracts**	**Bond expenses**	**Rebranding costs**	**Total**
	Rs'000	*Rs'000*	*Rs'000*	*Rs'000*	*Rs'000*	*Rs'000*	*Rs'000*
COST							
At January 1, 2014	92,565	73,253	919,420	555,200	36,852	11,333	1,688,623
Additions	12,599	-	-	-	6,206	-	18,805
Transfer from property, plant and equipment (note 14)	1,047	-	-	-	-	-	1,047
At December 31, 2014	**106,211**	**73,253**	**919,420**	**555,200**	**43,058**	**11,333**	**1,708,475**
Additions	5,023	-	-	-	-	-	5,023
At December 31, 2015	**111,234**	**73,253**	**919,420**	**555,200**	**43,058**	**11,333**	**1,713,498**
AMORTISATION							
At January 1, 2014	32,975	-	12,432	83,922	13,621	4,032	146,982
Charge for the year	11,869	-	-	16,785	9,020	567	38,241
At December 31, 2014	**44,844**	**-**	**12,432**	**100,707**	**22,641**	**4,599**	**185,223**
Charge for the year	10,593	-	-	16,785	9,020	566	36,964
At December 31, 2015	**55,437**	**-**	**12,432**	**117,492**	**31,661**	**5,165**	**222,187**
NET BOOK VALUE							
At December 31, 2015	**55,797**	**73,253**	**906,988**	**437,708**	**11,397**	**6,168**	**1,491,311**
At December 31, 2014	**61,367**	**73,253**	**906,988**	**454,493**	**20,417**	**6,734**	**1,523,252**

15 INTANGIBLE ASSETS *(Continued)*

(b) THE COMPANY

	Rebranding costs *Rs'000*	Management contract *Rs'000*	Bond expenses *Rs'000*	Other expenses *Rs'000*	Total *Rs'000*
COST	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At January 1, 2014	1,039	219,500	36,852	4,639	262,030
Additions	-	-	6,206	8,794	15,000
At December 31, 2014	**1,039**	**219,500**	**43,058**	**13,433**	**277,030**
Additions	-	-	-	612	612
At December 31, 2015	**1,039**	**219,500**	**43,058**	**14,045**	**277,642**
AMORTISATION					
At January 1, 2014	260	-	13,622	2,238	16,120
Charge for the year	52	-	9,020	5,704	14,776
At December 31, 2014	**312**	**-**	**22,642**	**7,942**	**30,896**
Charge for the year	52	-	9,020	3,651	12,723
At December 31, 2015	**364**	**-**	**31,662**	**11,593**	**43,619**
NET BOOK VALUE					
At December 31, 2015	**675**	**219,500**	**11,396**	**2,452**	**234,023**
At December 31, 2014	**727**	**219,500**	**20,416**	**5,491**	**246,134**

(c) Amortisation charge of Rs'000 36,964 (2014: Rs'000 38,241) for the Group and Rs'000 12,723 (2014: Rs'000 14,776) for the Company has been included in operating expenses.

(d) Goodwill is allocated to the cash generating units. The carrying amount of goodwill had been allocated as follows:

	THE GROUP **2015 and 2014** *Rs'000*
Floréal Limited	**427**
Omnicane Agricultural Operations Limited	**20,152**
Omnicane Milling Holdings (Britannia Highlands) Limited	**6,077**
Omnicane Thermal Energy Holdings (St Aubin) Limited	**46,597**
	73,253

16 INVESTMENT IN SUBSIDIARY COMPANIES

	2015 ***Rs'000***	2014 *Rs'000*
COST		
At January 1,	**1,682,721**	1,364,205
Additions	**200**	200
Share consideration for transfer of land to Trade Park Mon Trésor Ltd	**744,190**	-
Transfer from receivables from related parties (note 25)	**-**	105,142
Transfer from deposit on investments (note 19)	**-**	213,174
At December 31,	**2,427,111**	1,682,721

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

16 INVESTMENT IN SUBSIDIARY COMPANIES *(Continued)*

(a) Subsidiaries of Omnicane Limited:

			2015			2014		
			% Holding		**Amount**	% Holding		Amount
Companies	**Type of shares held**	**Activity**	**Held directly**	**Held by other group companies**	***Rs'000***	Held directly	Held by other group companies	*Rs'000*
Direct Holding								
. Omnicane Milling Holdings (Mon Trésor) Limited	Ordinary	Investment	**80**	**-**	**118,242**	80	-	118,242
. Omnicane Milling Holdings (Britannia Highlands) Limited	Ordinary	Investment	**80**	**-**	**272,037**	80	-	272,037
. Floréal Limited	Ordinary	Investment	**100**	**-**	**3,188**	100	-	3,188
. FAW Investment Limited	Ordinary	Investment	**100**	**-**	**148,207**	100	-	148,207
. Omnicane Logistic Operations Limited	Ordinary	Transport	**100**	**-**	**25**	100	-	25
. Omnicane Thermal Energy Holdings (St Aubin) Limited	Ordinary	Investment	**100**	**-**	**287,271**	100	-	287,271
. Omnicane Holdings (La Baraque) Thermal Energy Limited	Ordinary	Investment	**100**	**-**	**535,221**	100	-	535,221
. Omnicane Wind Energy Limited	Ordinary	Energy	**100**	**-**	**0.1**	100	-	0.1
. Omnicane Britannia Wind Farm Operations Limited	Ordinary	Energy	**100**	**-**	**0.1**	100	-	0.1
. Omnicane Ethanol Holdings Limited	Ordinary	Investment	**60**	**-**	**105,154**	60	-	105,154
. Airport Hotel Ltd	Ordinary	Hotel	**51**	**-**	**213,174**	51	-	213,174
. Omnicane Africa Investment Ltd	Ordinary	Investment	**100**	**-**	**1.0**	100	-	1.0
. La Baraque Maintenance And Services Ltd	Ordinary	Security	**100**	**-**	**1.0**	100	-	1.0
. Omnicane International Investment Co Ltd	Ordinary	Investment	**100**	**-**	**0.1**	100	-	0.1
. Omnicane Hydro Energy Limited	Ordinary	Management	**100**	**-**	**100**	100	-	100
. Blueport Investment Limited	Ordinary	Real Estate	**100**	**-**	**100**	100	-	100
. Trade Park Mon Trésor Limited	Ordinary	Real Estate	**100**	**-**	**744,190**	100	-	-
. Mon Trésor Smart City Ltd	Ordinary	Real Estate	**100**	**-**	**100**	100	-	-
. Mon Trésor Smart City Management Ltd	Ordinary	Real Estate	**100**	**-**	**100**	100	-	-
					2,427,111			1,682,721
Indirect Holding								
. Omnicane Milling Operations Limited	Ordinary	Sugar Milling	**-**	**80**	**390,888**	-	80	390,888
. Omnicane Agricultural Operations Limited	Ordinary	Sugar Growing	**-**	**100**	**10,400**	-	100	10,400
. Omnicane Thermal Energy Operations (St Aubin) Limited	Ordinary	Energy	**-**	**60**	**153,000**	-	60	153,000
. Omnicane Thermal Energy Operations (La Baraque) Limited	Ordinary	Energy	**-**	**60**	**456,600**	-	60	456,600
. Omnicane Ethanol Production Ltd	Ordinary	Ethanol	**-**	**100**	**10**	-	100	10
. Omnicane Bio-Ethanol Operations Limited	Ordinary	Ethanol	**-**	**100**	**142,368**	-	100	142,368
. Omnicane Hydroneo Limited	Ordinary	Management	**-**	**50**	**5**	-	50	5
. Hydroneo-Omnicane Limited	Ordinary	Construction	**-**	**50**	**5**	-	50	5

(b) The financial statements of all the above subsidiaries, included in the consolidated financial statements, are co-terminous with those of the holding company. Except for FAW Investment Limited, which is incorporated in the Isle of Man, all the subsidiary companies are incorporated in the Republic of Mauritius.

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16 INVESTMENT IN SUBSIDIARY COMPANIES *(Continued)*

(b) **Subsidiaries with material non-controlling interests**

Details of subsidiaries that have non-controlling interests that are material to the entity:

Name	Profit/(loss) allocated to non-controlling interests during the year *Rs'000*	Accumulated non-controlling interests at December 31, *Rs'000*
2015		
Omnicane Ethanol Holdings Limited	**15,596**	**166,726**
Omnicane Thermal Energy Operations (St Aubin) Limited	**31,358**	**220,980**
Omnicane Thermal Energy Operations (La Baraque) Limited	**77,003**	**469,277**
Omnicane Milling Operations Limited	**(33,685)**	**(4,110)**
Airport Hotel Ltd	**(29,908)**	**116,740**
2014		
Omnicane Ethanol Holdings Limited	(3,246)	161,099
Omnicane Thermal Energy Operations (St Aubin) Limited	32,922	219,971
Omnicane Thermal Energy Operations (La Baraque) Limited	69,650	448,896
Omnicane Milling Operations Limited	(15,070)	45,155
Airport Hotel Ltd	(29,167)	149,304

(c) **Summarised financial information on subsidiaries with material non-controlling interests**

(i) Summarised statements of financial position and statements of profit or loss and other comprehensive income

Name	Current assets *Rs'000*	Non-current assets *Rs'000*	Current liabilities *Rs'000*	Non-current liabilities *Rs'000*	Revenue *Rs'000*	profit/(Loss) for the year *Rs'000*	Other comprehensive income for the year *Rs'000*	Total comprehensive income for the year *Rs'000*	Dividend paid to non-controlling interests *Rs'000*
2015									
Omnicane Ethanol Holdings Limited	**495,333**	**819,307**	**599,296**	**569,323**	**771,806**	**38,991**	**(24,921)**	**14,070**	**-**
Omnicane Thermal Energy Operations (St Aubin) Limited	**442,278**	**856,061**	**235,216**	**510,502**	**710,686**	**77,562**	**(871)**	**76,691**	**30,000**
Omnicane Thermal Energy Operations (La Baraque) Limited	**1,322,227**	**2,688,353**	**793,547**	**2,043,509**	**1,643,186**	**191,685**	**(1,556)**	**190,129**	**56,000**
Omnicane Milling Operations Limited	**556,562**	**3,058,092**	**2,579,691**	**812,503**	**1,065,484**	**(147,288)**	**(77,901)**	**(225,189)**	**-**
Airport Hotel Ltd	**36,753**	**749,933**	**85,189**	**412,860**	**90,678**	**(76,686)**	**(6,812)**	**(83,498)**	**-**
2014									
Omnicane Ethanol Holdings Limited	390,108	786,410	1,041,872	2,695	196,426	(8,114)	3	(8,111)	-
Omnicane Thermal Energy Operations (St Aubin) Limited	587,299	765,846	197,545	592,975	760,920	81,554	89	81,643	30,000
Omnicane Thermal Energy Operations (La Baraque) Limited	1,318,895	2,726,052	698,922	2,223,629	1,717,834	173,348	464	173,812	56,000
Omnicane Milling Operations Limited	545,223	3,115,705	3,140,268	72,011	1,009,126	(75,348)	24,718	(50,630)	-
Airport Hotel Ltd	81,772	767,112	55,097	421,652	49,079	(74,786)	39,629	(35,157)	-

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16 INVESTMENT IN SUBSIDIARY COMPANIES *(Continued)*

(c) **Summarised financial information on subsidiaries with material non-controlling interests** *(Continued)*

(ii) Summarised cash flow information

Name	Operating activities *Rs'000*	Investing activities *Rs'000*	Financing activities *Rs'000*	Net increase/ (decrease) in cash and cash equivalents *Rs'000*
2015				
Omnicane Ethanol Holdings Limited	**(155,870)**	**(71,671)**	**288,942**	**61,401**
Omnicane Thermal Energy Operations (St Aubin) Limited	**324,902**	**(169,071)**	**(150,266)**	**5,565**
Omnicane Thermal Energy Operations (La Baraque) Limited	**246,450**	**(232,053)**	**(124,045)**	**(109,648)**
Omnicane Milling Operations Limited	**(593,081)**	**(54,378)**	**546,507**	**(100,952)**
Airport Hotel Ltd	**51,522**	**(14,743)**	**(1,457)**	**35,322**
2014				
Omnicane Ethanol Holdings Limited	(153,266)	(137,244)	294,621	4,111
Omnicane Thermal Energy Operations (St Aubin) Limited	204,944	(50,908)	(142,972)	11,064
Omnicane Thermal Energy Operations (La Baraque) Limited	536,758	(52,669)	(314,737)	169,352
Omnicane Milling Operations Limited	324,154	(38,797)	(256,300)	29,057
Airport Hotel Ltd	(301,643)	(58,304)	60,742	(299,205)

The summarised financial information above is the amount before intra-group eliminations.

17 INVESTMENT IN ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2015 ***Rs'000***	2014 *Rs'000*	**2015** ***Rs'000***	2014 *Rs'000*
At January 1,	**1,464,695**	1,245,843	**11,463**	500,653
Additions	**169,191**	242,597	**-**	-
Transfer from receivable from related parties	**148,101**	-	**-**	-
Transfer to deposit on investments (note 19)	**-**	-	**-**	(489,190)
Share of profit/(loss) after taxation	**173,275**	(63,187)	**-**	-
Share of other comprehensive income	**(43,369)**	-	**-**	-
Gain on bargain purchase	**131,914**	39,442	**-**	-
At December 31,	**2,043,807**	1,464,695	**11,463**	11,463

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17 INVESTMENT IN ASSOCIATED COMPANIES *(Continued)*

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

Name	Year end	Principal place of business	Nature of business	Direct Interest %	Indirect Interest %	Assets Rs'000	Liabilities Rs'000	(Loss)/ Profit Rs'000	Revenues Rs'000
2015									
Kwale International Sugar Co. Ltd	December 31,	Kenya	Sugar Growing	**20.00**	**-**	**9,614,784**	**4,383,961**	**(57,546)**	**414,675**
Coal Terminal (Management) Co. Ltd	December 31,	Mauritius	Distributor of coal	**-**	**24.43**	**42,353**	**39,738**	**380**	**63,837**
Copesud (Mauritius) Ltée	December 31,	Mauritius	Agricultural products	**25.00**	**-**	**58,093**	**45,732**	**3,689**	**52,990**
The Real Good Food plc*	March 31,	United Kingdom	Manufacturer and distributor of food & industrial ingredients	**-**	**29.68**	**6,639,016**	**1,669,115**	**595,701**	**5,052,594**
2014									
Kwale International Sugar Co. Ltd	December 31,	Kenya	Sugar Growing	20.00	-	6,774,604	7,330,525	(30,367)	4,939
Coal Terminal (Management) Co. Ltd	December 31,	Mauritius	Distributor of coal	-	24.43	24,877	22,684	536	61,577
Copesud (Mauritius) Ltée	December 31,	Mauritius	Agricultural products	25.00	-	59,165	50,192	4,517	69,958
The Real Good Food plc*	March 31,	United Kingdom	Manufacturer and distributor of food & industrial ingredients	-	28.77	7,795,253	3,796,085	(97,317)	6,320,717

All of the above associates are accounted for using the equity method.

*For group accounts purpose, unaudited figures for the year ended December 31, 2015 have been used.

18 INVESTMENT IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

(i) The movement in investments in financial assets may be summarised as follows:

	THE GROUP					THE COMPANY			
	2015				2014	**2015**			2014
AVAILABLE-FOR-SALE	**Level 1 *Rs'000***	**Level 2 *Rs'000***	**Level 3 *Rs'000***	**Total *Rs'000***	Total *Rs'000*	**Level 1 *Rs'000***	**Level 3 *Rs'000***	**Total *Rs'000***	Total *Rs'000*
At January 1,	**161,584**	**138,739**	**8,081**	**308,404**	266,437	**494**	**5,489**	**5,983**	37,303
Additions	**-**	**-**	**1,759**	**1,759**	60,900	**-**	**1,759**	**1,759**	-
Disposal	**-**	**-**	**-**	**-**	(25,243)	**-**	**-**	**-**	(25,243)
Write off	**-**	**-**	**-**	**-**	(271)	**-**	**-**	**-**	(271)
(Decrease)/increase in fair value	**(3,978)**	**(5,776)**	**(6,781)**	**(16,535)**	6,581	**(1)**	**-**	**(1)**	(5,806)
At December 31,	**157,606**	**132,963**	**3,059**	**293,628**	308,404	**493**	**7,248**	**7,741**	5,983

(ii) At the reporting date, the directors reviewed the carrying amount of unquoted investments and in their opinion, there is no objective evidence that the investments are impaired.

(iii) Available-for-sale financial assets are denominated in Mauritian rupee.

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19 DEPOSIT ON INVESTMENTS

	THE GROUP		THE COMPANY	
		Reclassified		Reclassified
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Opening balance	**36,040**	-	**706,535**	254,973
Additions	**247,042**	-	**210,998**	181,305
Transfer from receivables from related parties	**-**	-	**148,101**	-
Transfer from trade and other receivables (note 26)	**-**	36,040	**-**	36,040
Transfer from investment in associated companies (note 17)	**-**	-	**-**	489,190
Transfer to investment in subsidiary companies	**-**	-	**-**	(213,174)
Transfer to receivable from related parties	**-**	-	**-**	(41,799)
	283,082	36,040	**1,065,634**	706,535

THE GROUP

	REFAD Rwanda Ltd	**Omnicane Thermal Valorisation Limited**	**Total**
	Rs'000	*Rs'000*	*Rs'000*
As at January 1, 2014	-	-	-
Transfer from trade and other receivables (note 26)	36,040	-	36,040
As at December 31, 2014	**36,040**	**-**	**36,040**
Additions	55,942	191,100	247,042
As at December 31, 2015	**91,982**	**191,100**	**283,082**

As at December 31, 2015, deposit on investment represents the value of the share application monies in REFAD Rwanda Ltd and in Thermal Valorisation Co Ltd. These deposits will be converted into shares in the foreseeable future.

THE COMPANY

	Airport Hotel Limited	**REFAD Rwanda Ltd**	**Omnicane Africa Investment Limited**	**Total**
	Rs'000	*Rs'000*	*Rs'000*	*Rs'000*
As at January 1, 2014	254,973	-	-	254,973
Transfer to investment in subsidiary companies	(213,174)	-	-	(213,174)
Transfer to receivable from related parties	(41,799)	-	-	(41,799)
Additions	-	-	181,305	181,305
Transfer from trade and other receivables (note 26)	-	36,040	-	36,040
Transfer from investment in associated company	-	-	489,190	489,190
As at December 31, 2014	**-**	**36,040**	**670,495**	**706,535**
Additions	-	55,942	155,056	210,998
Transfer from receivables from related party (note 26)	-	-	148,101	148,101
As at December 31, 2015	**-**	**91,982**	**973,652**	**1,065,634**

As at December 31, 2015, deposit on investment represents the value of the share application monies in REFAD Rwanda Ltd and in its wholly owned subsidiary, Omnicane Africa Investment Limited in respect to investment in Kwale International Sugar Co. Ltd. These deposits will be converted into shares in the foreseeable future.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

20 BEARER BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
COST				
At January 1,	**349,207**	352,718	**265,996**	269,734
Additions	**34,742**	43,264	**25,191**	33,288
Write off	**(48,300)**	(46,775)	**(36,573)**	(37,026)
At December 31,	**335,649**	349,207	**254,614**	265,996
AMORTISATION				
At January 1,	**175,710**	179,104	**134,076**	138,183
Amortisation	**42,661**	43,381	**32,449**	32,919
Write off	**(48,300)**	(46,775)	**(36,573)**	(37,026)
At December 31,	**170,071**	175,710	**129,952**	134,076
NET BOOK VALUE				
At December 31,	**165,578**	173,497	**124,662**	131,920

Bearer biological assets represent cane replantation expenditure that have an expected life cycle of 7 years as they would normally generate 7 years of crop harvest.

In line with IAS 41 - Agriculture, the replantation costs are deferred and amortised over 7 years.

21 DEFERRED EXPENDITURE

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	*Rs'000*
VOLUNTARY RETIREMENT SCHEME COSTS		
COST		
At January 1,	**213,715**	220,430
Reversal of provision	**(1,000)**	(6,715)
At December 31,	**212,715**	213,715
AMORTISATION		
At January 1,	**199,692**	185,608
Charge for the year	**13,023**	14,084
At December 31,	**212,715**	199,692
NET BOOK VALUE		
At December 31,	**-**	14,023

21 DEFERRED EXPENDITURE *(Continued)*

Under the terms of the Multi-Annual Adaptation Scheme, the Company has received a refund from the Sugar Reform Trust (SRT) for their VRS in respect of cash disbursements and infrastructural costs to be incurred and for land to be distributed to the relevant employees and other eligible Voluntary Retirement Scheme (VRS) costs.

The VRS costs comprise of compensation payments, provision for land infrastructure and other costs less refunds received from the SRT. The net expenses are amortised over a period of 7 years.

Estimates regarding land infrastructure and other eligible VRS costs yet to be disbursed, are carried as payables. Under the scheme, the Company acquired the right to sell land on which no land conversion tax is payable.

22 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2014: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

The following amounts are shown on the statements of financial position:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Deferred tax assets	**(74,547)**	(48,203)	**(8,970)**	(11,195)
Deferred tax liabilities	**228,258**	187,934	**-**	-
	153,711	139,731	**(8,970)**	(11,195)

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
(b) Tax losses				
Unused tax losses at end of the reporting date	**1,223,986**	1,185,740	**-**	89,035
Deferred tax assets recognised on tax losses	**159,614**	176,800	**-**	12,293
Deferred tax assets not recognised on tax losses	**23,984**	1,061	**-**	1,061

At the end of the reporting year, the Group had unused tax losses of Rs'000 1,223,986 (2014: Rs'000 1,185,740) and the Company had unused tax losses of Rs'000 Nil (2014: Rs'000 89,035) available for offset against future profits. Deferred tax assets have been recognised in respect of Rs'000 1,064,093 (2014: Rs'000 1,178,667) for the Group and for the Company Rs'000 Nil (2014: Rs'000 81,953) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses for the Group due to unpredictability of future profit stream.

As at December 31, 2015, the unused tax losses is classified as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Carried forward indefinitely	**1,000,521**	976,687	-	17,130
Expiring on a rolling basis over 5 years	**223,465**	209,053	-	71,905
	1,223,986	1,185,740	-	89,035

22 DEFERRED TAX ASSETS/(LIABILITIES) *(Continued)*

(c) Movement on the deferred income tax account:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
At January 1,	**139,731**	148,867	**(11,195)**	(1,034)
Charged/(credited) to profit or loss (note 12(a))	**28,558**	(9,967)	**8,618**	(9,710)
(Credited)/charged to statements of comprehensive income:				
- Income tax relating to remeasurement of defined benefit obligations	**(14,578)**	831	**(6,393)**	(451)
At December 31,	**153,711**	139,731	**(8,970)**	(11,195)

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

THE GROUP	**VRS costs** *Rs'000*	**Accelerated tax depreciation** *Rs'000*	**Bearer biological assets** *Rs'000*	**Total** *Rs'000*
Deferred tax liabilities				
At January 1, 2014	5,703	300,880	19,734	326,317
(Credited)/charged to profit or loss	(3,600)	32,222	55	28,677
At December 31, 2014	2,103	333,102	19,789	354,994
(Credited)/charged to profit or loss	(2,103)	31,154	(1,089)	27,962
At December 31, 2015	**-**	**364,256**	**18,700**	**382,956**

	Tax losses *Rs'000*	**VRS costs** *Rs'000*	**Retirement benefit obligations** *Rs'000*	**Total** *Rs'000*
Deferred tax assets				
At January 1, 2014	(140,156)	(1,638)	(35,656)	(177,450)
(Credited)/charged to profit or loss	(36,899)	1,488	(3,233)	(38,644)
Charged to statements of comprehensive income	-	-	831	831
At December 31, 2014	(177,055)	(150)	(38,058)	(215,263)
Charged to profit or loss	199	150	247	596
Credited to statements of comprehensive income	-	-	(14,578)	(14,578)
At December 31, 2015	**(176,856)**	**-**	**(52,389)**	**(229,245)**

22 DEFERRED TAX (ASSETS)/LIABILITIES *(Continued)*

THE COMPANY	**VRS costs** *Rs'000*	**Accelerated tax depreciation** *Rs'000*	**Bearer biological assets** *Rs'000*	**Total** *Rs'000*
Deferred tax liabilities				
At January 1, 2014	17,351	1,642	7,606	26,599
(Credited)/charged to profit or loss	(3,120)	2,002	55	(1,063)
At December 31, 2014	14,231	3,644	7,661	25,536
Credited to profit or loss	(2,104)	(1,807)	(1,089)	(5,000)
At December 31, 2015	**12,127**	**1,837**	**6,572**	**20,536**

	Tax losses *Rs'000*	**VRS costs** *Rs'000*	**Retirement benefit obligations** *Rs'000*	**Total** *Rs'000*
Deferred tax assets	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2014	(4,789)	(1,166)	(21,678)	(27,633)
(Credited)/charged to profit or loss	(7,504)	1,017	(2,160)	(8,647)
Credited to statement of comprehensive income	-	-	(451)	(451)
At December 31, 2014	(12,293)	(149)	(24,289)	(36,731)
Charged to profit or loss	12,293	149	1,176	13,618
Credited to statement of comprehensive income	-	-	(6,393)	(6,393)
At December 31, 2015	**-**	**-**	**(29,506)**	**(29,506)**

23 INVENTORIES

	THE GROUP		THE COMPANY	
	2015 **Rs'000**	2014 *Rs'000*	**2015** **Rs'000**	2014 *Rs'000*
Spare parts and consumables				
- Growing	**9,673**	12,888	**9,673**	12,888
- Milling	**66,085**	161,730	**-**	-
- Energy production	**346,327**	365,559	**-**	-
- Ethanol & Molasses	**96,866**	39,861	**-**	-
- Logistics & Hotel	**9,572**	4,787	**-**	-
	528,523	584,825	**9,673**	12,888

(i) The cost of inventories recognised as expense and included in operating expenses amounted to Rs'000 1,243,226 (2014: Rs'000 1,275,851) for the Group and Rs'000 46,693 (2014: Rs'000 48,679) for the Company.

(ii) The bank borrowings are secured by floating charges on the assets of the Company or its subsidiaries, including inventories (note 30).

24 CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Standing canes (at fair value)				
At January 1,	**76,071**	142,590	**52,833**	109,973
Gain/(loss) arising from changes in fair value	**40,333**	(66,519)	**32,099**	(57,140)
At December 31,	**116,404**	76,071	**84,932**	52,833

Consumable biological assets represent the fair value of standing canes. The fair value has been arrived at by discounting the present value of expected net cash flows at the relevant market determined pre-tax rate. The expected cash flows have been computed by estimating the expected crop, the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct costs are based on yearly budgets.

At December 31, 2015, standing canes comprised of approximately 2,577 hectares of cane plantations (2014: 2,546 hectares) for the Group and 2,102 hectares (2014: 2,094 hectares) for the Company.

During the year, the Group harvested approximately 254,401 tonnes of canes (2014: 196,822 tonnes) and for the Company 191,773 tonnes (2014: 158,088 tonnes).

The principal assumptions used are:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
Expected price of sugar per tonne (Rs)	**15,200**	12,500	**15,200**	12,500
Expected sugar accruing (tonnes)	**18,756**	19,114	**14,402**	14,588
Expected average extraction rate (%)	**10.27**	10.33	**10.33**	10.40

25 RECEIVABLE FROM RELATED PARTIES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Subsidiary companies	**-**	-	**3,535,592**	3,901,737
Companies with common directors	**61,340**	1,959	**49,983**	1,959
Associated companies	**235,678**	157,042	**6,133**	7,620
Subsidiaries of holding company	**7,958**	13,601	**7,799**	12,878
Other related companies	**145,651**	196,819	**263,063**	318,115
	450,627	369,421	**3,862,570**	4,242,309

Receivables from related parties bear interest between 6% to 8.65% per annum (2014: 8.15% to 8.65%).

26 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Trade receivables	**701,645**	490,261	**94,125**	63,250
Prepayments and other receivables	**884,312**	1,010,159	**124,219**	186,524
Deferred project expenses	**200,824**	118,996	**128,369**	71,124
Land under development	**1,824,325**	1,155,491	**1,824,325**	1,155,491
	3,611,106	2,774,907	**2,171,038**	**1,476,389**
Less provision for impairment	**(11,000)**	-	**-**	-
	3,600,106	2,774,907	**2,171,038**	**1,476,389**

Trade debtors represent mainly electricity, ethanol and sugar proceeds receivable. The sugar proceeds receivable are paid by the Mauritius Sugar Syndicate (MSS) as and when proceeds are received. Advances on sugar proceeds are paid on a weekly basis and the final settlement for the crop year is made at latest in June of the following year. Refined sugar become receivable as and when the Group invoices the MSS.

Electricity and refined sugar proceeds receivable are generally paid within one month.

The carrying amount of trade and other receivables approximate their fair value.

At December 31, 2015, trade and other receivables past due and impaired for the Group was Rs'000 38,715 (2014: nil) and the Company was Rs'000 nil (2014: Rs'000 nil).

The ageing of these receivables is as follows:

	THE GROUP	
	2015	2014
	Rs'000	*Rs'000*
Over 6 months	**38,715**	-

Movements on the provision for impairment of trade and other receivables are as follows:

	THE GROUP
	2015
	Rs'000
At January 1,	-
Provision for receivable impaired	**11,000**
At December 31,	**11,000**

The carrying amount of trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Mauritian Rupee	**3,426,555**	2,653,670	**2,171,038**	1,476,389
UK Pound Sterling	**80**	-	**-**	-
Euro	**110,264**	50,257	**-**	-
US Dollar	**63,207**	70,980	**-**	-
	3,600,106	2,774,907	**2,171,038**	1,476,389

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

27 SHARE CAPITAL

	THE GROUP AND THE COMPANY **2015 & 2014** ***Rs'000***
Issued and Fully paid	
67,012,404 ordinary shares of Rs.7.50 each	**502,593**

The total authorised number of ordinary shares is 67,012,404 shares (2014: 67,012,404) with a par value of Rs.7.50 per share (2014: Rs.7.50). All issued shares are fully paid.

28 REVALUATION AND OTHER RESERVES

(a) THE GROUP

	Revaluation reserve *Rs'000*	**Fair value & Hedging reserves** *Rs'000*	**Actuarial losses and Associate reserves** *Rs'000*	**Total** *Rs'000*
At January 1, 2015	**6,416,233**	**128,375**	**(95,601)**	**6,449,007**
Remeasurement of defind benefit obligations	**-**	**-**	**(73,267)**	**(73,267)**
Movement in associate reserve	**-**	**-**	**(43,369)**	**(43,369)**
Decrease in fair value of investment	**-**	**(15,906)**	**-**	**(15,906)**
Transfer to retained earnings	**(42,762)**	**-**	**-**	**(42,762)**
Cash flow hedge	**-**	**(45,385)**	**-**	**(45,385)**
At December 31, 2015	**6,373,471**	**67,084**	**(212,237)**	**6,228,318**
At January 1, 2014	6,432,072	85,087	(98,861)	6,418,298
Remeasurement of defind benefit obligations	-	-	3,140	3,140
Increase in fair value of investment	-	6,214	-	6,214
Transfer to retained earnings	(15,839)	-	120	(15,719)
Cash flow hedge	-	37,074	-	37,074
At December 31, 2014	6,416,233	128,375	(95,601)	6,449,007

(b) THE COMPANY

	Revaluation reserve *Rs'000*	**Fair value and Hedging reserves** *Rs'000*	**Actuarial losses reserve** *Rs'000*	**Total** *Rs'000*
At January 1, 2015	**5,899,129**	**4,884**	**(79,443)**	**5,824,570**
Remeasurement of defind benefit obligations	**-**	**-**	**(36,226)**	**(36,226)**
Decrease in fair value of investment	**-**	**(1)**	**-**	**(1)**
Transfer to retained earnings	**(42,762)**	**-**	**-**	**(42,762)**
At December 31, 2015	**5,856,367**	**4,883**	**(115,669)**	**5,745,581**
At January 1, 2014	5,914,968	10,690	(76,885)	5,848,773
Remeasurement of defind benefit obligations	-	-	(2,558)	(2,558)
Decrease in fair value of investment	-	(5,806)	-	(5,806)
Transfer to retained earnings	(15,839)	-	-	(15,839)
At December 31, 2014	5,899,129	4,884	(79,443)	5,824,570

28 REVALUATION AND OTHER RESERVES *(Continued)*

Revaluation surplus

The revaluation surplus relates to the surplus on revaluation of land and buildings.

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Hedging reserve

The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to the hedged transactions that have not yet occurred.

Actuarial losses reserve

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligations recognised.

29 BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Non-current				
Bank loans (note 29(a))	**4,612,875**	3,657,047	**625,950**	608,895
Finance lease obligations (note 29(c))	**60,146**	54,490	**16,200**	8,904
Bonds (note 29(d))	**1,080,000**	2,000,000	**1,080,000**	2,000,000
	5,753,021	5,711,537	**1,722,150**	2,617,799
Current				
Bank overdrafts (note 29(b))	**2,682,503**	2,108,723	**2,472,418**	1,991,975
Bank loans (note 29(a))	**804,065**	1,046,912	**302,985**	244,250
Loan from related party (note 29(e))	**37,000**	50,200	**37,000**	50,200
Finance lease obligations (note 29(c))	**27,649**	20,575	**4,904**	2,337
Bonds (note 29(d))	**920,000**	-	**920,000**	-
	4,471,217	3,226,410	**3,737,307**	2,288,762
Total borrowings	**10,224,238**	8,937,947	**5,459,457**	4,906,561

(a) **Bank loans**

The bank loans are secured by floating charges on the Company's or subsidiaries' assets, including property, plant and equipment and inventories (notes 14 and 23). The rates of interest on these loans vary between 6.70% and 9.20% at year end (2014: 6.75% and 9.20%).

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
The maturity of non-current bank loans are as follows:				
- After one year and before two years	**887,259**	558,656	**302,985**	202,965
- After two years and before five years	**2,169,704**	1,725,824	**322,965**	405,930
- After five years	**1,555,912**	1,372,567	**-**	-
	4,612,875	3,657,047	**625,950**	608,895

29 BORROWINGS *(Continued)*

(b) **Bank overdrafts**

The bank overdrafts are secured by floating charges on the Company's or subsidiaries' assets. The rates of interest on bank overdrafts vary between 5.50% and 8.65% at year end (2014: 5.65% and 8.65%).

(c) **Finance lease liabilities - minimum lease payments**

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Not later than one year	**33,267**	25,365	**6,384**	3,152
Later than one year and not later than two years	**27,548**	24,965	**6,384**	3,482
Later than two years and not later than five years	**39,627**	35,389	**12,193**	6,655
	100,442	85,719	**24,961**	13,289
Future finance charges on finance leases	**(12,647)**	(10,654)	**(3,857)**	(2,048)
Present value of finance lease liabilities	**87,795**	75,065	**21,104**	11,241
The present value of finance lease liabilities may be analysed as follows:				
Not later than one year	**27,649**	20,575	**4,904**	2,337
Later than one year and not later than two years	**24,496**	21,694	**5,316**	2,843
Later than two year and not later than five years	**35,650**	32,796	**10,884**	6,061
	87,795	75,065	**21,104**	11,241

(d) **Bonds**

These relate to multi-currency medium term notes amounting to Rs.2 billion. The notes are secured, bear fixed coupon rate and are repayable over a one to two year period.

(e) **Loan from related party**

The loan from related party bears interest of 6.00%-9.40% (2014: 5.90%-6.00%).

(f) All rupee denominated bank overdrafts and bank borrowings bear interest rates which can fluctuate anytime when the banks modify their Prime Lending Rates based on the Bank of Mauritius' Repo rate. Euro denominated bank borrowings bear fixed and floating interest rates.

(g) The carrying amount of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Mauritian Rupee	**8,283,178**	8,303,648	**5,379,417**	4,789,741
Euro	**1,445,404**	634,299	**80,040**	116,820
United States Dollars	**495,656**	-	**-**	-
	10,224,238	8,937,947	**5,459,457**	4,906,561

29 BORROWINGS *(Continued)*

(h) The carrying amount of borrowings are not materially different from the fair value.

(i) The effective interest rates at the date of the statement of financial position were as follows:

THE GROUP	**2015**		2014	
	Rs	**Euro & USD**	Rs	Euro & USD
	%	**%**	%	%
Bank loans	**6.70-9.20**	**1.15-5.32**	6.75-9.20	1.115-5.31
Bank overdrafts	**5.50-8.65**	**N/A**	5.65-8.65	3.31-3.53
Loan-Related party	**6.00-9.40**	**N/A**	5.90-6.00	N/A
Finance lease obligations	**5.50-8.50**	**N/A**	5.50-8.50	N/A
Bonds	**5.70-7.15**	**N/A**	5.70-7.15	N/A

(ii) The effective interest rates at the date of the statement of financial position were as follows:

THE COMPANY	**2015**		2014	
	Rs	**Euro & USD**	Rs	Euro & USD
	%	**%**	%	%
Bank loans	**6.70-8.25**	**3.00-3.01**	6.75-8.25	N/A
Bank overdrafts	**5.50-8.15**	**N/A**	5.65-8.15	3.31
Loan-Related party	**6.00-9.40**	**N/A**	5.90-6.00	N/A
Finance lease obligations	**7.75-8.25**	**N/A**	7.75-8.25	N/A
Bonds	**5.70-7.15**	**N/A**	5.70-7.15	N/A

30 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Amounts recognised in the statements of financial position as non-current liabilities:				
- Pension benefits (note 30(ii))	**350,143**	253,811	**196,696**	161,919
Amount charged to profit or loss:				
- Pension benefits (note 30(vi))	**32,047**	28,869	**18,029**	16,572
Amount charged/(credited) to other comprehensive income:				
- Pension benefits (note 30(vii))	**97,191**	(5,545)	**42,619**	3,009

(a) **Pension benefits**

(i) The Group operates a final salary defined benefit pension or retirement plan for some employees and any plan assets are held separately from the Group. The assets of the plan are invested in unitised funds held within the SIPF. Other post retirement benefits relate mainly to gratuities on death and on retirement that are based on length of service and salaries at date of death and retirement.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at December 31, 2015 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

30 RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

(a) **Pension benefits** *(Continued)*

(ii) Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Present value of funded obligations	**720,595**	309,747	**428,550**	213,946
Fair value of plan assets	**(421,953)**	(99,698)	**(231,854)**	(52,027)
	298,642	210,049	**196,696**	161,919
Present value of unfunded obligations	**51,501**	43,762	**-**	-
Liability in the statements of financial position	**350,143**	253,811	**196,696**	161,919

(iii) Movements in the statements of financial position are:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
At January 1,	**253,811**	237,794	**161,919**	144,513
Charged to profit or loss	**32,047**	28,869	**18,029**	16,572
Charged/(credited) to other comprehensive income	**97,191**	(5,545)	**42,619**	3,009
Contributions paid	**(32,906)**	(7,307)	**(25,871)**	(2,175)
At December 31,	**350,143**	253,811	**196,696**	161,919

	THE GROUP		THE COMPANY	
(iv) Movement in the defined benefit obligations:				
At January 1,	**353,509**	286,574	**213,946**	174,473
Current service cost	**12,960**	11,359	**6,038**	5,845
Employee contributions	**2,126**	1,593	**1,127**	847
Interest cost	**46,621**	22,042	**26,761**	13,729
Past service cost	**164,399**	-	**163,931**	-
Benefits paid	**(38,169)**	(2,915)	**(22,034)**	(305)
Settlement loss	**-**	-	**-**	-
Actuarial gains	**48,635**	13,767	**-**	-
Transfer in due to valuation of SIPF 1	**141,767**	-	**-**	-
Liability experience losses	**39,754**	12,356	**38,988**	10,624
Liability losses/(gains) due to change in financial assumptions	**494**	8,733	**(207)**	8,733
At December 31,	**772,096**	353,509	**428,550**	213,946
(v) Movement in the fair value of plan assets of the year:				
At January 1,	**99,698**	48,780	**52,027**	29,960
Interest income	**28,002**	4,533	**14,770**	3,002
Return on plan assets excluding interest income	**(8,308)**	31,667	**(3,838)**	7,615
Employer contributions	**32,345**	6,737	**25,871**	1,870
Employee contributions	**2,126**	1,593	**1,127**	847
Liability gain due to charge in financial assumptions	**-**	8,733	**-**	8,733
Benefits paid	**(37,608)**	(2,345)	**(22,034)**	-
Transfer in due to valuation of SIPF 1	**305,698**	-	**163,931**	-
At December 31,	**421,953**	99,698	**231,854**	52,027

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

30 RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

(a) **Pension benefits** *(Continued)*

(vi) Amounts recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Current service cost	**12,960**	11,359	**6,038**	5,845
Past service cost	**468**	-	**-**	-
Interest expense	**220**	18	**-**	-
Net interest on net defined benefit liability	**18,399**	17,492	**11,991**	10,727
Total included in employee benefit expense	**32,047**	28,869	**18,029**	16,572
(vii) The amounts recognised in other comprehensive income are:				
Liability experience losses	**88,457**	26,122	**38,988**	10,624
Actuarial losses/(gains) arising from changes in financial assumptions	**426**	-	**(207)**	-
	88,883	26,122	**38,781**	10,624
Return on plan assets excluding interest income	**8,308**	(31,667)	**3,838**	(7,615)
	97,191	(5,545)	**42,619**	3,009
(viii) The assets in the plan were:				
Overseas equities	**84,391**	15,952	**46,371**	8,324
Local equities	**122,366**	27,915	**67,238**	14,568
Fixed interest - Overseas	**29,537**	6,979	**16,230**	3,642
Fixed interest - Local	**88,610**	21,934	**48,689**	11,446
Property	**97,049**	22,931	**53,326**	11,966
Investment Funds	**-**	3,987	**-**	2,081
Total market value of assets	**421,953**	99,698	**231,854**	52,027

(ix) The assets of the plan are invested in equities, fixed interest bonds and bank deposits. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(x) The funding policy is to pay contributions to an external legal entity at the rate recommended by the Group's actuary. Expected contributions to post-employment benefit plans for the year ending December 31, 2016 are Rs'000 14,457 for the Group and Rs'000 2,587 for the Company.

(xi) The weighted average duration of the defined benefit obligations for the Group at the end of the reporting period is 8 years.

30 RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

(a) **Pension benefits** *(Continued)*

(xii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2015	2014
	%	%
Discount rate	**7.00**	7.50
Future salary increases	**5.50**	5.00
Average retirement age (ARA)	**60**	60

(xiii) The defined benefit pension plan exposes the Group to actuarial 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.

Interest risk

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

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality 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.

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

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
- Increase due to 1% decrease in discount rate	**66,048**	30,875	**31,007**	5,800
- Decrease due to 1% increase in discount rate	**56,952**	26,754	**26,545**	5,167

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

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

31 PAYABLE TO RELATED PARTIES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Holding company	**547**	9,122	**547**	9,122
Subsidiary companies	**-**	-	**26,090**	63,906
Subsidiaries of holding company	**125,457**	61,669	**20,821**	6,458
Companies with common directors	**81,197**	90,138	**-**	-
	207,201	160,929	**47,458**	79,486

The carrying amount of payable to related parties approximate their fair value.

32 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Trade payables	**190,656**	284,691	**28,641**	22,665
Other payables and accrued expenses	**403,806**	277,113	**94,267**	44,178
Deposits received from sale of land	**1,328,688**	1,285,178	**1,328,688**	1,285,178
	1,923,150	1,846,982	**1,451,596**	1,352,021

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

33 BLUE PRINT COSTS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Infrastructure and social costs	**142,092**	149,188	**-**	1,000

Blue print costs relate to future expenditure in respect to land and infrastructure costs for employees who opted for the Blue Print and Early Retirement Scheme for Omnicane Milling Operations Limited.

34 DIVIDENDS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Final proposed dividend of Rs.2.50 per share (2014: Rs.2.50)	**167,531**	167,531	**167,531**	167,531

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

35 NON-CURRENT ASSETS HELD FOR SALE

	Factory equipments (note 35(d))	Morcellement land (note 35(c))	Total 2015	Total 2014
(a) THE GROUP	*Rs'000*	*Rs'000*	*Rs'000*	*Rs'000*
At January 1, 2015	**12,893**	**456,279**	**469,172**	484,916
Transfer (to)/from property, plant and equipment (note 14)	-	-	**-**	(3,157)
Disposals	-	-	**-**	(12,587)
At December 31, 2015	**12,893**	**456,279**	**469,172**	469,172

(b) THE COMPANY	2015	2014
	Rs'000	*Rs'000*
<u>Morcellement land</u> (note 35(c))		
At January 1, and December 31,	**456,279**	456,279

(c) In financial year 2014, Omnicane Limited has embarked on the development of Morcellement Highlands Rose and freehold land earmarked for the Morcellement have been reclassified as held for sale. The Morcellement is expected to be completed during the second semester of 2016.

(d) One of the subsidiaries (Omnicane Milling Operations Limited) intend to dispose part of its factory equipment of Union St. Aubin and Mon Trésor which was part of the Company's milling operations.

36 NOTES TO THE STATEMENTS OF CASH FLOWS

	Notes	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
		Rs'000	***Rs'000***	***Rs'000***	*Rs'000*
(a) Operating profit before working capital changes:					
Profit before taxation		**334,403**	269,358	**720,057**	386,756
Adjustments for:					
Gain on bargain purchase		**(131,914)**	(39,442)	**-**	-
Depreciation of property, plant and equipment	14	**496,134**	482,858	**21,425**	19,551
Assets written off		**97**	829	**-**	-
Investments written off		**-**	-	**-**	2
Amortisation of intangible assets	15	**36,964**	38,241	**12,723**	14,776
Movement in provision for retirement benefit obligations		**(859)**	21,562	**(7,842)**	14,397
Dividend income	9	**(6,028)**	(8,793)	**(132,957)**	(137,717)
Interest income	9	**(87,682)**	(95,486)	**(388,360)**	(317,362)
Interest expense	10	**678,539**	673,476	**349,681**	314,671
Share of results of associates	17	**(173,275)**	63,187	**-**	-
Profit on sale of land		**(32,752)**	(406,525)	**(623,554)**	(406,525)
Profit on sale of non-current asset held for sale		**-**	(51,407)	**-**	-
Profit on sale of investment in financial assets		**-**	(13,467)	**-**	(13,467)
Profit on sale of plant and equipment		**(4,556)**	(1,558)	**(3,858)**	(1,350)
(Gain)/loss in fair value of consumable biological assets		**(40,333)**	66,519	**(32,099)**	57,140
Amortisation of bearer biological assets	20	**42,661**	43,381	**32,449**	32,919
Amortisation of VRS costs	21	**13,023**	14,084	**13,023**	14,084
Operating profit before working capital changes		**1,124,422**	1,056,817	**(39,312)**	(22,125)

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

36 NOTES TO THE STATEMENTS OF CASH FLOWS *(Continued)*

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
		Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
(b)	**Working capital requirements comprise of:**				
	Inventories	**56,302**	(82,779)	**3,215**	(247)
	Trade and other receivables	**(57,208)**	185,548	**73,341**	98,022
	Receivable from related parties	**(229,307)**	(135,833)	**289,810**	(643,412)
	Trade and other payables	**37,972**	(555,409)	**61,380**	(49,190)
	Payable to related parties	**46,272**	39,808	**(32,028)**	(314,641)
	Total working capital requirements	**(145,969)**	(548,665)	**395,718**	(909,468)
(c)	**Dividends paid**				
	Dividends are reconciled to the amounts disclosed in the statement of comprehensive income as follows:				
	Amounts due at beginning of the year	**(167,531)**	(184,284)	**(167,531)**	(184,284)
	Dividends declared	**(167,531)**	(167,531)	**(167,531)**	(167,531)
	Amounts due at the end of the year	**167,531**	167,531	**167,531**	167,531
	Dividends paid	**(167,531)**	(184,284)	**(167,531)**	(184,284)

(d) **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances with banks and bank overdrafts. Cash and cash equivalents are represented by:

	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Cash in hand and at bank	**475,275**	541,408	**48,951**	83,156
Bank overdrafts (note 30(b))	**(2,682,503)**	(2,108,723)	**(2,472,418)**	(1,991,975)
	(2,207,228)	(1,567,315)	**(2,423,467)**	(1,908,819)

37 CAPITAL COMMITMENTS

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

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Capital expenditure approved by the Board:				
- not contracted	**305,236**	24,182	**22,586**	23,182
- contracted	**443,447**	655,131	**108,700**	473,031
	748,683	679,313	**131,286**	496,213

38 CONTINGENT LIABILITIES

Bank guarantees

At December 31, 2015, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The bank guarantees amounted to Rs'000 98,330 (2014: Rs'000 883,699) for the Group and Rs'000 31,883 (2014: Rs'000 650,120) for the Company.

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

39 HOLDING COMPANY

The holding company is Omnicane Holdings Limited, a Company incorporated in Mauritius.

40 RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Sale/(purchase) of supplies and services		Interest income/ (expense)		Amount due to		Amount due from	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*
Holding company	**-**	-	**(1,357)**	(646)	**547**	9,122	**-**	-
Associated companies	**-**	-	**62,057**	72,475	**-**	-	**235,678**	153,464
Subsidiaries of holding company	**(85,646)**	(76,568)	**(971)**	(3,868)	**125,457**	61,669	**7,958**	13,221
Companies with common directors	-	-	**11,039**	-	**81,197**	90,138	**61,340**	202,736
Other related parties	-	-	**-**	-	**-**	-	**145,651**	-
	(85,646)	(76,568)	**70,768**	67,961	**207,201**	160,929	**450,627**	369,421

(b) THE COMPANY

	Sale/(purchase) of supplies and services		Interest income/ (expense)		Dividend income/ (payable)		Amount owed to		Amount due from	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*
Holding company	**-**	-	**(1,357)**	(646)	**(117,691)**	(117,691)	**546**	9,122	**-**	-
Subsidiary companies	**798,592**	54,277	**311,665**	224,398	**132,500**	134,500	**26,090**	63,834	**3,535,592**	3,901,737
Associated companies	**-**	-	**62,507**	72,475	**-**	-	**-**	-	**6,133**	135,225
Subsidiaries of holding company	**(33,282)**	(46,637)	**-**	-	**-**	-	**20,822**	6,530	**7,799**	12,492
Other related comapnies	**-**	-	**(971)**	-	**-**	-	**-**	-	**263,063**	5,926
Companies with common directors	**-**	-	**-**	-	**-**	-	**-**	-	**49,983**	186,929
	765,310	7,640	**371,844**	296,227	**14,809**	16,809	**47,458**	79,486	**3,862,570**	4,242,309

The above transactions have been made on normal commercial terms and in the normal course of business.

The sales to and purchased from the related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

There has been no guarantees provided or received for any related party receivables or payables.

(i) KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*
Short-term benefits	**64,270**	60,547	**19,539**	17,033
Post-employment benefits	**3,944**	2,907	**575**	595
	68,214	63,454	**20,114**	17,628

Notes to the Financial Statements *(Continued)*

year ended December 31, 2015

41 SEGMENT INFORMATION

The Group is organised into the following main business segments:

	Sugar		Energy		Hospitality		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*
Primary reporting format - business segments								
Segment revenue	**1,376,288**	1,282,543	**2,635,478**	2,549,896	**87,128**	45,761	**4,098,894**	3,878,200
Segment operating (loss)/ profit	**(26,369)**	(74,397)	**646,519**	598,081	**(54,436)**	(84,747)	**565,714**	438,937
Share of profit/(loss) of associates							**173,275**	(63,187)
Investment income							**93,710**	104,279
Amortisation of VRS costs							**(13,023)**	(14,084)
Exceptional items							**164,666**	459,434
Finance costs							**(649,939)**	(656,021)
Profit before taxation							**334,403**	269,358
Taxation							**(46,569)**	(4,847)
Profit for the year							**287,834**	264,511
Non-controlling interests							**(56,893)**	(50,136)
Profit attributable to owners of the parent							**230,941**	214,375

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

	Sugar		Energy		Hospitality		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	Rs'000	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*	***Rs'000***	*Rs'000*
Segment assets	**14,932,002**	12,882,811	**5,287,495**	6,484,684	**786,686**	848,885	**21,006,183**	20,216,380
Associates							**2,043,807**	1,464,695
							23,049,990	21,681,075
Segment liabilities	**9,165,336**	6,653,606	**3,583,943**	4,575,258	**498,049**	476,749	**13,247,328**	11,705,613
Owners' interests							**8,836,919**	8,951,436
Non-controlling interests							**965,743**	1,024,026
							23,049,990	21,681,075
Investment income	**80,925**	91,354	**12,785**	12,925	**-**	-	**93,710**	104,279
Interest expense	**374,248**	363,824	**280,315**	293,994	**23,976**	15,658	**678,539**	673,476
Capital expenditure	**103,152**	217,700	**157,232**	44,036	**15,692**	35,310	**276,076**	297,046
Depreciation	**169,994**	193,553	**295,638**	259,667	**30,502**	29,638	**496,134**	482,858

42 THREE YEARS FINANCIAL SUMMARY

THE GROUP	**2015 Rs'000**	2014 Rs'000	2013 Rs'000
(a) Results			
Turnover	**4,098,894**	3,878,200	3,930,119
Share of profit/loss of associates	**173,275**	(63,187)	25,830
Profit before taxation	**334,403**	269,358	567,864
Income tax (charge)/credit	**(46,569)**	(4,847)	(52,966)
Profit for the year	**287,834**	264,511	514,898
Other comprehensive income for the year	**(207,103)**	67,049	1,117,699
Total comprehensive income for the year	**80,731**	331,560	1,632,597
Profit attributable to:			
- Owners of the parent	**230,941**	214,375	418,319
- Non-controlling interests	**56,893**	50,136	96,579
	287,834	264,511	514,898
Total comprehensive income attributable to:			
- Owners of the parent	**53,014**	260,803	1,531,578
- Non-controlling interests	**27,717**	70,757	101,019
	80,731	331,560	1,632,597
Earnings per share (Rs.)	**3.45**	3.20	6.24
(b) Statement of financial position			
ASSETS			
Non-current assets	**17,863,473**	17,315,564	17,253,062
Current assets	**5,186,517**	4,365,511	3,940,533
Total assets	**23,049,990**	21,681,075	21,193,595
EQUITY AND LIABILITIES			
Owners' interests	**8,836,919**	8,951,436	8,858,164
Non-controlling interests	**965,743**	1,024,026	969,365
Total equity	**9,802,662**	9,975,462	9,827,529
LIABILITIES			
Non-current liabilities	**6,331,422**	6,153,282	6,208,991
Current liabilities	**6,915,906**	5,552,331	5,157,075
Total liabilities	**13,247,328**	11,705,613	11,366,066
Total equity and liabilities	**23,049,990**	21,681,075	21,193,595
Net assets per share (Rs.)	**131.87**	133.58	132.19