1A. GENERAL INFORMATION

TERRA Mauricia Ltd (the "Company") is a public limited company incorporated and domiciled in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd since January 1, 2012. The address of its registered office is Beau Plan Business Park, Pamplemousses.

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

Principal activities

TERRA Mauricia Ltd is an investment holding company.
Details of subsidiaries' activities are disclosed in note 38.

1B. Basis of preparation

The financial statements of TERRA Mauricia Ltd comply with the Companies Act 2001 and Financial Reporting Act (FRA) and have been prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the Company and its subsidiary companies (collectively "The Group") and the separate financial statements of the Company.

The financial statements are presented in Mauritian Rupees (MUR) and all values are rounded to the nearest million (MUR'M) and one decimal place, except when otherwise indicated.

The financial statements are prepared under the historical cost convention except that:
(i) Land and buildings are carried at revalued amounts;
(ii) Financial assets at fair value through other comprehensive income (FVOCI) are stated at their fair value;
(iii) Consumable biological assets are stated at their fair value less costs to sell;
(iv) Net defined benefit liability is measured at fair value of plan assets less the present value of the defined benefit obligation.
(v) Investments in subsidiaries and associates in separate financial statements of the Company are measured at their fair value.

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

Where the standards and interpretations may have an impact at a future date, they have been discussed below:

IFRS 16 *Leases*

IFRS 16 Leases results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The Group has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for 2018, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in note 2.9.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was between 4.5% and 8.5%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

The impact of IFRS 16 on the Group's financial statements is disclosed in note 46.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about judgements and estimates made in preparing the financial statements and the potential impact of uncertainties that are not reflected. The existing accounting policies for uncertain tax treatments are consistent with the requirements in IFRIC 13.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied.

The standard did not have a significant impact on the financial statements.

Annual Improvements to IFRS standards 2015-2017 Cycle

As part of its process to make non-urgent but necessary amendments to IFRS, the International Accounting Standards Board (IASB) has issued the below Annual Improvements to IFRS Standards 2015-2017 cycle:

- IFRS 3 Business Combinations - clarify that obtaining control of a business that is a joint operation is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.
- IFRS 11 Joint Arrangements - clarify that party obtaining/maintaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 Income Taxes - clarify that income tax consequences of dividends (including payments on financial instruments classified as equity) should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 Borrowings Costs - clarify that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The annual improvements did not have a significant impact on the financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:
- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- disregard the effect of asset ceiling when calculating the gain or loss on any settlement of the plan and separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments had no material impact on the Group's financial statements.

2.1A Standards, Amendments to published Standards and Interpretations issued but not yet effective

At the date of authorisation of the consolidated and separate financial statements for the year ended December 31, 2019, the following standards and interpretations were in issue but not yet effective:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1A *Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)*

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

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The IASB has decided to defer the effective date for these amendments indefinitely. Early adoption is still permitted.

When a company loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.

Under the consolidation standard, the company recognises the full gain on the loss of control. But under the standard on associates and JVs, the company recognises the gain only to the extent of unrelated investors' interests in the associate or JV.

In either case, the loss is recognised in full if the underlying assets are impaired.

In response to this conflict and the resulting diversity in practice, on 11 September 2014 the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The Board is still assessing the impact on the financial statements.

Definition of a Business (Amendments to IFRS 3)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

The Board is still assessing the impact on the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1A Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from January 1, 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 1, 2020, unless the new guidance contains specific scope outs.

The Board is still assessing the impact on the financial statements.

Classification of liabilities as current or non–current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are effective from January 1, 2022. The board is still assessing the impact of this amendment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment

Property, plant and equipment are measured at cost at recognition. Buildings are subsequently stated at their revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is subsequently stated at its revalued amount being the fair value at the date of revaluation, less subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount, 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. Subsequent costs are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land and buildings are revalued every three years, unless there is evidence that the fair value of the assets differ materially from the carrying amount. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

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

Buildings on Leasehold Land	2 – 10%
Buildings	1 – 20%
Power Plant	1 – 4 %
Factory Equipment	2 – 50%
Agricultural Equipment	2 – 25%
Motor Vehicles	10 – 25%
Furniture and Office Equipment	2 – 35%
Bearer plants	12.5%

Land is not depreciated.

Depreciation is charged to either cost of sales or other expenses based on the function the asset holds. For those assets which are involved in the core operations of the entity, the depreciation is charged to cost of sales. For those assets which are involved in administrative operations, the depreciation is charged to administrative expenses.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss shall be recognised in profit or loss.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. 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 are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investment properties

Investment properties comprise land and buildings. Investment properties, held to earn rentals, are initially stated at cost plus transaction costs. Subsequently buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual values over the estimated useful life. Land is not depreciated.

The principal annual rate is as follows:

Buildings	2 – 8%

An entity shall transfer a property to, or from, investment property, when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet the definition of investment property and there is evidence of the change in use. Transfers between investment properties, owner-occupied property and inventories are made at the carrying amounts of the property transferred.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:
- Freehold land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

2.4 Intangible assets and goodwill

(a) Intangible assets consist of land conversion rights (LCRs), goodwill, brands/distribution rights and computer software.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives comprise of computer software and are amortised over the useful economic life and assessed at the end of each reporting period whether there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives comprise of land conversion rights, goodwill and brands/distribution rights and are not amortised, but are tested for impairment annually and wherever there is an indication that the intangible asset may be impaired, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets and goodwill (Cont'd)

(i) Land conversion rights

The reform of the Sugar Industry in the years 2000 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

An LCR is recognised as a non-current asset and is initially measured at cost at the date on which the Group is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with.

Land conversion rights (LCRs) are assumed to have an indefinite useful life as per the terms of the agreement entered with the Government of Mauritius.

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

(ii) Brands/distribution rights

Brands/distribution rights are shown at cost and tested annually for impairment.

(iii) Computer software

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

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

(b) Goodwill arising on an acquisition of a business is measured at cost less accumulated impairment losses, if any.

Goodwill is not amortised but tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

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

(c) Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value.

Consolidated financial statements

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

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

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

Non-controlling interests are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Any difference between any consideration paid/received and the relevant share of the carrying value of net assets of the subsidiary is recorded within equity, separately from the equity of the owners of the Company. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value.

Consolidated financial statements

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

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the gain or loss previously recognised in other comprehensive income is reclassified to profit or loss relative to that reduction in ownership interest.

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.

2.7 Financial instruments

(a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification and subsequent measurement

(i) Financial assets

On initial recognition, the Group and the Company classify financial assets as subsequently measured at amortised cost or fair value through other comprehensive income based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(b) Classification and subsequent measurement (Cont'd)

(i) Financial assets (Cont'd)

Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. Any gain on derecognition is also recognised in profit or loss.

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

Impairment allowance for receivables from related parties and loans to related parties is recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the impairment allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company determine that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

From time to time, the Group and the Company elect to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest method and any resulting difference to the carrying value is recognised in profit or loss.

The Group's financial assets measured at amortised cost comprise trade and other receivables excluding prepayments/taxes receivable/deposits, cash in hand and at bank and other financial assets at amortised cost in the statement of financial position.

The Company's financial assets measured at amortised cost comprise trade and other receivables excluding deposits, cash in hand and at bank and other financial assets at amortised cost in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(b) Classification and subsequent measurement (Cont'd)

(i) Financial assets (Cont'd)

Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

Fair value through other comprehensive income (Cont'd)

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features, and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group's financial assets at fair value through other comprehensive income comprise of equity securities.

The Company's financial assets at fair value through other comprehensive income comprise of investments in subsidiaries, investments in associates and equity securities.

(ii) Financial liabilities

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes the initial transaction costs and any premium payable on redemption, as well as any interest payable while the liability is outstanding.

The Group's other financial liabilities include borrowings and trade and other payables (excluding VAT). The Company's other financial liabilities include borrowings and trade and other payables.

Derivative financial liabilities

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(c) Derecognition

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

The Group and the Company enter into transactions whereby they transfer assets recognised in their statement of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(ii) Financial liabilities (Cont'd)

(c) Derecognition (Cont'd)

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Biological assets

(i) Bearer Biological assets – Deer farming

Bearer biological assets, excluding bearer plants are stated at cost.

(ii) Consumable Biological assets – Sugar cane

Sugar canes are measured at their fair value less costs to sell. The fair value of sugar canes is the present value of expected net cash flows from the sugar canes discounted at the relevant market determined pre-tax rate. Changes in fair value is recognised in profit or loss.

2.9 Leases

(i) As a lessee

In 2018, leases were classified as finance leases where the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Finance leases were 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 was allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged to profit or loss unless they were attributable to qualifying assets in which case, they were capitalised in accordance with the policy on borrowing costs (see note 2.21).

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (Cont'd)

(i) As a lessee (Cont'd)

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset, and
(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise through use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. The terms of the leases previously classified as operating lease under IAS 17 are disclosed in note 23(c). The lease liability classified as finance lease obligations under IAS 17 is disclosed in note 22. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (Cont'd)

(i) As a lessee (Cont'd)

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets such as IT equipments are recognised on a straight-line basis as an expense in profit or loss.

Right of use assets comprise of Land, Buildings and Motor Vehicles.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

All leases are classified as operating leases from a lessor perspective.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Current and deferred income tax

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

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 for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility (CSR)

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Inventories

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

2.12 Non-current assets classified as 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 but 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, such extension does not preclude the asset from being classified as held for sale.

The Group

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.

When the Group is committed to a sale plan involving disposal of an investment in an associate, or a portion of an investment in an associate, the investment, or the portion of the investment in associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in associate that has not been classified as held for sale continues to be accounted for using the equity method.

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognised in profit or loss.

2.13 Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

2.14 Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

Defined benefit plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (Cont'd)

Defined benefit plans (Cont'd)

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

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

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

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

Gratuity on retirement

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

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date then they are discounted to their present value.

Measurement of defined benefit obligations: Key actuarial assumptions

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 on 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 liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (Cont'd)

Measurement of defined benefit obligations: Key actuarial assumptions (Cont'd)

Other key assumptions, such as discount rate, inflation rate, future salary increase and average retirement age for pension obligations are based on current market conditions.

2.15 Provisions

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

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

2.16 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using MUR, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated and seperate financial statements are presented in MUR, which is the Company's and the Group'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 dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying as cash flow hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents is presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss.

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

Translation differences on non-monetary items, such as equities classified as financial assets at fair value through OCI, are included in the fair value reserve in equity.

(iii) Group companies

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Foreign currencies (Cont'd)

(iii) Group companies (Cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings are taken to shareholders' equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.17 Impairment of non-financial assets

Impairment of non-financial assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Goodwill

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

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

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the Group still has physical possession only if:
- the arrangement is substantive (i.e. requested by the customer);
- the finished goods have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the Company does not have the ability to use the product to direct it to another customer.

Determining the transaction price

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

Allocating amounts to performance obligations

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

Practical expedients

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

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods/services before transferring them to the customer.

(i) Cane cluster

The performance obligation relating to the sale of sugar and by-products is satisfied upon delivery of those goods. At the grower stage, control of the goods passes when the delivery truck crosses the weighbridges. At the miller and refiner stage, control of the goods passes to the customer upon delivery.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (Cont'd)

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

(ii) Power cluster

The energy cluster generates revenue from the sale of electricity, which is recognised over time as and when distributed on the grid.

(iii) Brands cluster

The performance obligation is satisfied upon delivery of those goods when control of the goods passes to the customer upon delivery.

(iv) Property cluster

Revenue is recognised when control over the land has been transferred to the customer, that is, when the legal title has passed to the customer upon signature of the "Acte de Vente". Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract.

(b) Revenue from sale of sale of morcellement lots

Revenue from the sale of morcellement lots is net of rebates and discounts. The Company uses the percentage of completion method to determine the appropriate amount of revenue to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract (or by reference to surveys of work performed or completion of a physical proportion the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Other revenues earned by the Group/Company are recognised on the following bases:
- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.

(c) Remaining performance obligations

The vast majority of the Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, certain design contracts and contracts for the delivery of goods have been entered into for which both:
- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

In addition, sales of extended warranties for periods of greater than one year and material rights relating to discounts on future contracts do not meet these conditions.

2.19 Dividend distribution

Dividend which have been appropriately authorised and which is non-discretionary, on or before the end of the reporting period but not distributed at the end of the reporting date is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.20 Segment reporting

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

2.22 Other income

Other income earned by the Group is recognised on the following basis:
- Profit on sale of property, plant and equipment and land is recognised when the significant risks and returns have been transferred to the buyer.
- Agricultural diversification represents the gross proceeds of sale of fruits and vegetables and animals, revenue from agricultural diversification is recognised when goods are delivered and title has passed.
- Sugar Insurance Fund Board (SIFB) compensation represents the compensable loss in excess of the sugar accrued on supply and the total insurable sugar and is recognised on accrual basis unless there is uncertainty on the outcome of the compensation in which case the normal contingent asset policy as per IAS 37 applies.
- Others include rent and transport, cane supply agreement and other consultancy fees, which are recognised in the accounting year in which the services are received.
- Interest income is calculated by applying the effective interest method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest method is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.23 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Fair value measurement (Cont'd)

The Management determines the policies and procedures for both recurring fair value measurement, such as land, investment properties and unquoted financial assets at fair value through OCI, and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Finance Executive, Chief Finance Officers, Heads of the investment properties segment.

External valuers are involved for valuation of significant assets, such as properties and land conversion rights. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.24 Net finance costs

The finance income and finance costs include:
- foreign exchange gain and loss;
- interest expense;
- interest income.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.25 Contingent asset

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.26 Contingent liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group and the Company endeavor to manage their exposure to market risks and to minimize the impact of volatility in exchange rates and interest rates on the bottom line of Group companies.

The Group's and the Company`s activities expose them to a variety of financial risks which have to be effectively managed so as to protect their long term sustainability and to safeguard the interests of their stakeholders.

The Group's and the Company`s overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's and the Company's financial performance.

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

(a) Market risk
(b) Credit risk
(c) Liquidity risk and
(d) Cash flow and fair value interest rate risk

(a) Market risk

(i) Currency risk

The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro (EUR), the US dollar (USD) and the Seychellois Rupee (SCR). This risk affects both the crop proceeds and the fair value of the biological assets. The Group also has investments in foreign entities, whose net assets are exposed to currency translation risk.

The Group and the Company are exposed to currency risks from their exports and imports both for their commercial and production activities. As such they are subject to risks from changes in currency values that could affect earnings. Given the limited availability of financial instruments locally, short term transaction risks arising from currency fluctuations are not hedged.

Subject to cost and availability of finance, the Group and the Company aim to minimise their foreign exposure by borrowing in local and foreign currency to mirror their currency commitments as they fall due.

Retranslation risks are not hedged.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Currency profile

The currency profile of the Group's and the Company's financial assets and liabilities are summarised below:

THE GROUP	MUR	EUR	USD	SCR	Other currencies	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2019						
Trade and other receivables	**1,055.7**	**115.1**	**213.8**	**85.0**	**2.4**	**1,472.0**
Other financial assets at amortised cost	**45.6**	**–**	**–**	**–**	**–**	**45.6**
Cash in hand and at bank	**466.2**	**16.3**	**4.5**	**–**	**4.5**	**491.5**
Financial assets at fair value through other comprehensive income	**250.2**	**–**	**252.6**	**–**	**–**	**502.8**
Total assets	**1,817.7**	**131.4**	**470.9**	**85.0**	**6.9**	**2,511.9**
Trade payables	**691.7**	**8.1**	**130.2**	**73.6**	**–**	**903.6**
Borrowings	**3,315.4**	**225.6**	**–**	**–**	**–**	**3,541.0**
Lease liabilities	**36.1**	**–**	**–**	**–**	**–**	**36.1**
Total liabilities	**4,043.2**	**233.7**	**130.2**	**73.6**	**–**	**4,480.7**
At December 31, 2018						
Trade and other receivables	911.3	62.2	8.7	65.0	4.3	1,051.5
Other financial assets at amortised cost	162.7	–	0.3	–	1.7	164.7
Cash in hand and at bank	366.5	6.6	14.5	–	–	387.6
Financial assets at fair value through other comprehensive income	373.3	–	92.2	–	–	465.5
Total financial assets	1,813.8	68.8	115.7	65.0	6.0	2,069.3
Trade payables	613.0	263.8	85.0	64.0	–	1,025.8
Borrowings	2,512.0	193.1	–	–	–	2,705.1
Total financial liabilities	3,125.0	456.9	85.0	64.0	–	3,730.9

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Currency profile (Cont'd)

THE COMPANY	MUR	USD	EUR	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2019				
Trade and other receivables	**59.6**	**-**	**-**	**59.6**
Other financial assets at amortised cost	**9.1**	**-**	**-**	**9.1**
Cash in hand and at bank	**12.0**	**0.1**	**0.1**	**12.2**
Investment in subsidiaries	**12,969.7**	**102.6**	**-**	**13,072.3**
Investment in associates	**139.3**	**-**	**87.4**	**226.7**
Financial assets at fair value through other comprehensive income	**265.2**	**252.6**	**-**	**517.8**
Total assets	**13,454.9**	**355.3**	**87.5**	**13,897.7**
Borrowings	**860.3**	**-**	**-**	**860.3**
Trade and other payables	**30.3**	**-**	**-**	**30.3**
Total liabilities	**890.6**	**-**	**-**	**890.6**
At December 31, 2018				
Trade and other receivables	11.8	-	-	11.8
Other financial assets at amortised cost	8.0	-	-	8.0
Cash in hand and at bank	38.2	11.0	0.2	49.4
Investment in subsidiaries	13,226.7	117.9	-	13,344.6
Investment in associates	930.0	-	165.0	1,095.0
Financial assets at fair value through other comprehensive income	388.4	92.2	-	480.6
Total assets	14,603.1	221.1	165.2	14,989.4
Borrowings	527.3	-	-	527.3
Trade and other payables	21.3	-	-	21.3
Total liabilities	548.6	-	-	548.6

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2019	2018	**2019**	2018
	MUR	MUR	**MUR**	MUR
EUR	**39.79**	40.26	**40.64**	39.20
USD	**35.66**	34.18	**36.35**	34.40
SCR	**2.53**	2.45	**2.59**	2.43

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Sensitivity analysis

A reasonably possible strengthening/weakening of the MUR against all other currencies at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

THE GROUP	**2019**	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
	+4%	+2%	**-4%**	-2%
EUR	**(4.1)**	(7.8)	**4.1**	7.8
	+6%	+2%	**-6%**	-2%
USD	**20.4**	0.6	**(20.4)**	(0.6)

THE COMPANY	**2019**	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
	+4%	+2%	**-4%**	-2%
EUR	**3.5**	3.3	**(3.5)**	(3.3)
	+6%	+2%	**-6%**	-2%
USD	**21.3**	4.4	**(21.3)**	(4.4)

Given that the Group has limited foreign currency exposure to SCR, no sensitivity analysis was carried out.

(ii) Equity price risk

The Group and the Company are exposed to equity securities price risk because of investments in financial assets at fair value through other comprehensive income. To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's and the Company's profit or loss and equity.

The analysis is based on the assumption that the fair value increases/decreases by 3% (2018: 5%).

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
	+/-3%	+/-5%	**+/-3%**	+/-5%
Financial assets at fair value through OCI	**+/- 4.8**	+/- 10.5	**+/- 5.2**	+/- 11.3

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(iii) Commodity price risk

The Group is also exposed to price risk with the incidence of the market price of sugar.

The table below summarises the impact of increases/(decreases) in the price of sugar on the Group. The analysis is based on the assumption that the price of sugar increases/decreases by 9% (2018: 11%).

	THE GROUP	
	Impact on profit or loss and equity	
	2019	2018
	MUR'M	MUR'M
Price of sugar	47.3	45.7

(b) Credit risk

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

The amounts presented in the statement of financial position, are net of impairment loss, estimated by the Company's and the Group's management based on prior experience and the current environment.

As regards the Cane and Power segments, the Group has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through reputable institutions where risk of default is very remote.

As for the Brands segment, the Company and the Group have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company and the Group have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial institution.

Exposure to credit risk and ECLs for trade receivables and other financial assets at amortised cost have been disclosed in their respective notes.

(c) Liquidity risk

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

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2019				
Borrowings including bank overdrafts	**3,364.1**	**61.2**	**115.7**	**3,541.0**
Lease liabilities	**13.9**	**22.2**	**-**	**36.1**
Trade and other payables	**903.6**	**-**	**-**	**903.6**
At December 31, 2018				
Borrowings including bank overdrafts	2,461.7	59.3	184.1	2,705.1
Trade and other payables	1,025.8	-	-	1,025.8

THE COMPANY	Less than 1 year
	MUR'M
At December 31, 2019	
Borrowings including bank overdrafts	**860.3**
Trade and other payables	**30.3**
At December 31, 2018	
Borrowings including bank overdrafts	527.3
Trade and other payables	21.3

Details of going concern and subsequent events are disclosed in note 4.1(e) and note 44 respectively.
Details of loan covenants are disclosed in note 22(g).
Details of liquidity risk management are disclosed in note 4.1(e).

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(d) Cash flow and fair value interest rate risk

The Group's and the Company`s interest-rate risks arise from borrowings. Borrowings issued at variable rates expose the Group and the Company to cash flow interest-rate risk. Borrowings issued at fixed rates also expose the Group and the Company to fair value interest-rate risk.

At December 31, 2019, if interest rates on MUR-denominated borrowings and EUR-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	MUR denominated borrowings (50 basis points)		EUR denominated borrowings (50 basis points)	
	2019	2018	**2019**	2018
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Impact on post-tax profit and shareholders' equity	**13.8**	10.4	**1.0**	0.8
THE COMPANY				
Impact on post-tax profit and shareholders' equity	**3.6**	2.2	**NA**	NA

At December 31, 2019, if variable interest rates on deposit at bank had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would not be significantly impacted.

3.2 Fair value estimation

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

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 method, EBITDA multiple and net asset value are used to determine fair value for the remaining financial instruments.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital Risk Management

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

The Company and the Group set the amount of capital in proportion to risk. The Company and the Group manage the capital structure and make 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. Consistent with others in the industry, the Company and the Group monitor capital on the basis of the net debt-to-adjusted capital ratio. Adjusted capital comprises all components of equity (i.e stated capital, revaluation and other reserves, and retained earnings).

During 2019, the Company's and the Group's strategy, which was unchanged from 2018, was to reduce the net debt-to-adjusted capital ratio to a reasonable level in order to secure access to finance at a reasonable cost.

The net debt-to-adjusted capital ratios at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2019	Restated 2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 22)	**3,541.0**	2,705.1	**860.3**	527.3
Less: cash in hand and at bank	**(491.5)**	(387.6)	**(12.2)**	(49.4)
Net debt	**3,049.5**	2,317.5	**848.1**	477.9
Total equity	**15,053.6**	13,992.2	**13,749.6**	14,441.0
Net debt-to-adjusted capital ratio	**0.20:1**	0.17:1	**0.06:1**	0.03:1

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

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

(a) Measurement of fair value

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.
Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 5(c) - land and building
- Note 8 - investment in subsidiaries
- Note 9 - investment in associates
- Note 10 - financial assets at fair value through other comprehensive income
- Note 17 - consumable biological assets

(b) Pension benefits

The present value of 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.

(c) Impairment of non-financial assets

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

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

The land conversion rights ("LCRs") granted under the Sugar Industry Efficiency ("SIE") Act 2001 have been tested for impairment using the the valuation of an independent propert valuer. The details are provided in note 30(iv).

(d) Impairment of financial assets

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

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

(e) Going concern

THE GROUP

The Group generated a profit after tax of MUR'M 380.7 (2018: MUR'M 319.6) for the year-ended December 31, 2019 and had net equity of MUR 15 billion (2018: MUR 14 billion). However, the Group had a net current liability position of MUR'M 952 at December 31, 2019 (2018: MUR'M 736.6).

The Group manages liquidity risk by maintaining adequate committed unused short term borrowing facilities of MUR 2.3 billion and working capital funds at December 31, 2019. The Board monitors the net debt level of the Group taking into consideration the expected outlook of the Group's financial position, cash flows and future capital commitments. The Group adopts a prudent approach in managing its liquidity risk, taking into account any volatility in its business and investment activity requirements.

The Group has nevertheless sufficient liquid assets and unused borrowing facilities with sufficient headroom to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these consolidated financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Liquidity management

The overall group net debt amounted to MUR'M 3,541 (2018: MUR'M 2,705.1) which is an increase of 24% over the prior year. Out of the net debts are MUR'M 3,261 (2018: MUR'M 2,372.1) which are short term money market lines which are renewed on an ongoing basis. The Group never had instances where the short term money market loan had not been renewed.

The increase is mainly attributable to the Group's ongoing long-term projects being financed by short term borrowings at competitive interest rates. We have since raised long term finance for an amount of MUR 2.1 billion to refinance that net current liability. The net debt-to-equity ratio of 20% as at December 31, 2019 is also within the acceptable range and being monitored closely and the Group has nevertheless sufficient liquid assets (level 1 investments) and unused borrowing facilities with sufficient headroom to meet all its current obligations as they fall due in the normal course of business.

THE COMPANY

The Company is an investment holding company whose main source of income is dividends from investments. The Company generated a profit after taxation of MUR'M 178.7 (2018: MUR'M 197.2) for the year-ended December 31, 2019 and had net equity of MUR 13.7 billion (2018: MUR 14.4 billion). The Company has a net current liability position of MUR'M 657 (2018: MUR'M 487). Out of the Company's total current liabilities, MUR'M 860.3 (2018: MUR'M 521) pertains to intercompany loans with the treasury entity of the Group, which have fully been subordinated as long as the Company's current liabilities exceed its current assets. After deduction of the intercompany loans which are subordinated, the Company's has a net current asset position of MUR'M 203 at December 31, 2019.

Taking into account the subordination agreement, the Company has liquid assets and cash flows to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these separate financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2019											
- Cost											
- As previously reported	3,798.2	279.3	466.0	352.1	891.0	459.0	609.6	475.2	-	639.3	7,969.7
- Restatements (note 47(ac))	880.2	(89.0)	224.6	(0.8)	(782.6)	144.0	(165.0)	216.6	-	-	428.0
- Effect of prior year adjustments (note 47)	(1,069.1)	(52.8)	(95.8)	1,750.8	1,236.5	-	-	-	-	-	1,769.6
- As restated	3,609.3	137.5	594.8	2,102.1	1,344.9	603.0	444.6	691.8	-	639.3	10,167.3
- Valuation adjustment											
- As previously reported	4,956.2	-	1,591.1	2,107.9	1,343.7	-	-	-	-	-	9,998.9
- Restatements (note 47(ac))	(936.0)	-	(338.9)	-	-	-	-	-	-	-	(1,274.9)
- Effect of prior year adjustments (note 47)	221.1	-	(556.1)	(2,107.9)	(1,343.7)	-	-	-	-	-	(3,786.6)
- As restated	4,241.3	-	696.1	-	-	-	-	-	-	-	4,937.4
- Total Cost/Valuation - restated	7,850.6	137.5	1,290.9	2,102.1	1,344.9	603.0	444.6	691.8	-	639.3	15,104.7
Additions	-	2.7	13.6	18.1	71.3	27.2	27.6	40.2	0.6	54.5	255.8
Reclassification adjustments	-	-	-	-	-	-	-	0.2	(0.3)	-	(0.1)
Transfer to intangible assets (note 7)	-	-	-	-	-	-	-	(10.1)	-	-	(10.1)
Transfer to inventories	(1.7)	-	-	-	-	-	-	-	-	-	(1.7)
Revaluation adjustments	1,127.8	-	2,019.1	-	-	-	-	-	-	-	3,146.9
Disposals/scrapped assets	(40.6)	-	(1.2)	(0.5)	-	(10.1)	(16.0)	(1.9)	-	-	(70.3)
Translation differences	-	1.4	-	-	-	-	0.7	0.8	-	-	2.9
At December 31, 2019											
- Cost	**3,567.0**	**141.6**	**607.2**	**2,119.7**	**1,416.2**	**620.1**	**456.9**	**721.0**	**0.3**	**693.8**	**10,343.8**
- Valuation adjustment	**5,369.1**	**-**	**2,715.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,084.3**
- Total Cost/Valuation	**8,936.1**	**141.6**	**3,322.4**	**2,119.7**	**1,416.2**	**620.1**	**456.9**	**721.0**	**0.3**	**693.8**	**18,428.1**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP (CONT'D)

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2019											
- As previously reported	-	101.0	1,574.2	1,374.2	1,607.2	431.4	465.1	354.4	-	389.6	6,297.1
- Restatements (note 47(ac))	-	(60.4)	(131.0)	(2.9)	(727.5)	100.7	(118.0)	92.4	-	(0.2)	(846.9)
- Effect of prior year adjustments (note 47)	-	-	(613.9)	(222.5)	(68.2)	-	-	-	-	-	(904.6)
- As restated	-	40.6	829.3	1,148.8	811.5	532.1	347.1	446.8	-	389.4	4,545.6
Charge for the year	-	4.0	35.5	50.0	60.5	20.1	47.4	50.6	-	73.2	341.3
Transfer to intangible assets (note 7)	-	-	-	-	-	-	-	(2.7)	-	-	(2.7)
Revaluation adjustments	-	-	1,549.7	-	-	-	-	-	-	-	1,549.7
Impairment (note 30(ii,iii))	427.9	-	-	-	-	-	-	-	-	32.4	460.3
Disposals/scrapped assets	-	-	(0.8)	(0.2)	-	(10.1)	(14.6)	(1.3)	-	-	(27.0)
Translation differences	-	0.4	-	-	-	-	0.5	0.6	-	-	1.5
At December 31, 2019	**427.9**	**45.0**	**2,413.7**	**1,198.6**	**872.0**	**542.1**	**380.4**	**494.0**	**-**	**495.0**	**6,868.7**
CARRYING AMOUNTS											
At December 31, 2019	**8,508.2**	**96.6**	**908.7**	**921.1**	**544.2**	**78.0**	**76.5**	**227.0**	**0.3**	**198.8**	**11,559.4**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE GROUP

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION										
At January 1, 2018										
– Cost										
– As previously reported	3,811.4	274.5	418.3	338.3	836.5	432.2	614.5	444.1	586.9	7,756.7
– Restatements (note 47(ac))	874.8	(87.3)	235.7	89.2	(782.6)	144.0	(165.0)	216.6	–	525.4
– Effect of prior year adjustments (note 47)	(928.4)	(54.5)	(99.1)	1,660.8	1,236.5	–	–	–	–	1,815.3
– As restated	3,757.8	132.7	554.9	2,088.3	1,290.4	576.2	449.5	660.7	586.9	10,097.4
– Valuation adjustment										
– As previously reported	4,547.5	–	1,627.7	2,107.9	1,343.7	–	–	–	–	9,626.8
– Restatements (note 47(ac))	(936.0)	–	(344.6)	(90.0)	–	–	–	–	–	(1,370.6)
– Effect of prior year adjustments (note 47)	92.8	–	(602.2)	(2,017.9)	(1,343.7)	–	–	–	–	(3,871.0)
– As restated	3,704.3	–	680.9	–	–	–	–	–	–	4,385.2
– Total Cost/Valuation–restated	7,462.1	132.7	1,235.8	2,088.3	1,290.4	576.2	449.5	660.7	586.9	14,482.6
Additions	–	7.5	67.8	20.7	60.8	36.9	24.6	38.4	52.4	309.1
Revaluation adjustments	537.0	–	15.2	–	–	–	–	–	–	552.2
Disposals of subsidiaries	–	–	–	(3.7)	–	–	(3.5)	(6.0)	–	(13.2)
Transfer to investment properties (note 6)	(210.9)	–	(5.4)	–	–	–	–	–	–	(216.3)
Disposals/Scrapped assets	(13.2)	(2.7)	(21.7)	(3.2)	(6.3)	(10.1)	(25.5)	(0.7)	–	(83.4)
Transfer from intangible assets (note 7(a)), prior year adjustments (note 47)	75.6	–	–	–	–	–	–	–	–	75.6
Translation differences	–	–	(0.8)	–	–	–	(0.5)	(0.6)	–	(1.9)
At December 31, 2018										
– Cost	**3,609.3**	**137.5**	**594.8**	**2,102.1**	**1,344.9**	**603.0**	**444.6**	**691.8**	**639.3**	**10,167.3**
– Valuation	**4,241.3**	**–**	**696.1**	**–**	**–**	**–**	**–**	**–**	**–**	**4,937.4**
– Total Cost/Valuation–restated	**7,850.6**	**137.5**	**1,290.9**	**2,102.1**	**1,344.9**	**603.0**	**444.6**	**691.8**	**639.3**	**15,104.7**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE GROUP (CONT'D)

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
At January 1, 2018										
– As previously reported	–	96.7	1,543.7	1,318.3	1,535.4	421.0	434.8	319.1	313.2	5,982.2
– Restatements (note 47(ac))	–	(58.7)	(131.0)	(2.9)	(727.5)	100.7	(118.0)	92.4	(0.2)	(845.2)
– Effect of prior year adjustments (note 47)	–	–	(614.9)	(213.3)	(52.5)	–	–	–	–	(880.7)
– As restated	–	38.0	797.8	1,102.1	755.4	521.7	316.8	411.5	313.0	4,256.3
Charge for the year–restated	–	2.6	45.2	49.1	62.4	20.5	54.1	37.5	76.4	347.8
Disposals of subsidiaries	–	–	–	(0.5)	–	–	(0.8)	(1.5)	–	(2.8)
Disposals/scrapped assets	–	–	(13.6)	(1.9)	(6.3)	(10.1)	(22.6)	(0.4)	–	(54.9)
Translation differences	–	–	(0.1)	–	–	–	(0.4)	(0.3)	–	(0.8)
At December 31, 2018	**–**	**40.6**	**829.3**	**1,148.8**	**811.5**	**532.1**	**347.1**	**446.8**	**389.4**	**4,545.6**
CARRYING AMOUNTS										
At December 31, 2018	**7,850.6**	**96.9**	**461.6**	**953.3**	**533.4**	**70.9**	**97.5**	**245.0**	**249.9**	**10,559.1**
At January 1, 2018	**7,462.1**	**94.7**	**438.0**	**986.2**	**535.0**	**54.5**	**132.7**	**249.2**	**273.9**	**10,226.3**

(c) Measurement of fair value of land and buildings

The fair value measurements of the freehold land and buildings of the Group as at December 31, 2019 were performed by Noor Dilmohamed & Associates, an independent professional valuer not related to the Group and having the appropriate qualifications (Certified Practising Valuer (Australia) & Registered Valuer; API Mem. Reg. No. 00064007) and recent experience in fair value of properties. The valuation was based on recent market transactions on arm's length terms for similar properties determined based on market comparable approach. Where the market value of an asset cannot be established, its value is arrived at using a surrogate such as Depreciated Replacement Cost.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Measurement of fair value of land and buildings (cont'd)

If land and buildings were stated on the historical cost basis, their carrying amounts would be as follows:

THE GROUP	Land		Buildings	
	2019	Restated 2018	2019	Restated 2018
	MUR'M	MUR'M	MUR'M	MUR'M
Cost	3,567.0	3,609.3	607.2	594.8
Accumulated depreciation	-	-	(247.9)	(246.8)
Carrying amount	3,567.0	3,609.3	359.3	348.0

Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

2019	Fair value hierarchy	Significant unobservable input	Range of unobservable input
Agricultural Land	Level 3	Price per Ha	305,000 – 7,000,000
		Bulk discount rate	35.0%
Non-Agricultural Land	Level 3	Price per Ha	2,000,000 – 25,000,0000
		Bulk discount rate	35.0%
Buildings	Level 3	Price per Square meter	2,000 – 50,000
		Bulk discount rate	35.0%

The bulk discount of 35% has been determined using the following assumptions:
- around 330 Hectares may be disposed of annually;
- the period of sale would be 20 years;
- the rate of growth of agricultural land more particularly cane land at around 2 per cent per annum; and
- the discount rate 6.5 per cent per annum.

An increase in the price per Ha and the price per Square meter would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

(d) Impairment losses

For the year ended December 31, 2019, the Group recognised an impairment of MUR'M 427.9 (2018: Nil) on land based on recoverable amount of the Agricultural business unit. The impairment loss was charged to other comprehensive income against revaluation surplus recognised on land during the year (Note 30(ii)).

For the year ended December 31, 2019, the Group recognised an impairment of MUR'M 32.4 (2018: Nil) on bearer plants based on a valuation carried out by management. The impairment loss was charged to profit or loss (Note 30(iii)).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Cost of sales	190.4	184.3
Other expenses	150.9	163.5
	341.3	347.8

(f) At December 31, 2019, the net carrying amount of leased agricultural equipment held under finance leases was MUR'M 13.7 (2018: MUR'M 26.2).

5A. RIGHT-OF-USE ASSETS

THE GROUP	Land	Buildings	Motor Vehicles	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2019				
- as previously reported	-	-	-	-
Impact of change in accounting policy (note 46)	11.2	47.0	3.3	61.5
- as restated	11.2	47.0	3.3	61.5
Depreciation	(0.1)	(17.8)	(0.7)	(18.6)
At December 31, 2019	11.1	29.2	2.6	42.9

5B. FINANCE LEASE RECEIVABLES

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Year 1	1.5	127.3
Year 2	1.6	1.5
Year 3	1.7	1.6
Year 4	1.8	1.7
Year 5	1.8	1.8
Onwards	3,487.9	3,489.7
Undiscounted lease payments	3,496.3	3,623.6
Less: unearned finance income	(3,451.8)	(3,455.2)
Present value of lease payments receivable	44.5	168.4
Net investment in the lease	44.5	168.4
Undiscounted lease payments analysed as:		
Recoverable after 12 months	3,494.8	3,496.3
Recoverable within 12 months	1.5	127.3
	3,496.3	3,623.6
Net investment in the lease analysed as:		
Recoverable after 12 months	42.4	44.6
Recoverable within 12 months	2.1	123.8
	44.5	168.4

5B. FINANCE LEASE RECEIVABLES (CONT'D)

The Group entered into finance leasing arrangements as a lessor for plots of land at morcellement Le Hameau.

The term of the lease entered into is 99 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in MUR.

5C. LEASE PREPAYMENTS

	THE GROUP 2019	THE GROUP Restated 2018
	MUR'M	MUR'M
At January 1,		
- As previously reported	**-**	-
- Effect of prior year adjustments (note 47)	**5.8**	5.8
- As restated	**5.8**	5.8
Impact of change in accounting policy (note 46) - transfer to rights-of-use	**(5.8)**	-
At December 31,	**-**	5.8

6. INVESTMENT PROPERTIES

THE GROUP	Investment property under development 2019	Investment property under development Restated 2018	Land and buildings 2019	Land and buildings Restated 2018	Total 2019	Total Restated 2018
COST	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
At January 1,						
- As previously reported	**-**	-	**328.8**	299.6	**328.8**	299.6
- Restatements (note 47(ac))	**-**	-	**(2.7)**	(2.7)	**(2.7)**	(2.7)
- Effect of prior year adjustments (note 47)	**85.8**	9.0	**589.9**	373.0	**675.7**	382.0
- As restated	**85.8**	9.0	**916.0**	669.9	**1,001.8**	678.9
Additions	**301.9**	105.8	**-**	29.8	**301.9**	135.6
Disposals	**-**	-	**(20.5)**	-	**(20.5)**	-
Transfer from land & buildings (note 5)	**-**	-	**-**	216.3	**-**	216.3
Transfer to inventories	**-**	-	**(36.1)**	-	**(36.1)**	-
Transfer from work-in-progress	**(104.2)**	(29.0)	**104.2**	-	**-**	(29.0)
At December 31,	**283.5**	85.8	**963.6**	916.0	**1,247.1**	1,001.8
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
At January 1,						
- As previously reported	**-**	-	**103.8**	97.3	**103.8**	97.3
- Restatements (note 47(ac))	**-**	-	**(2.7)**	(2.7)	**(2.7)**	(2.7)
- Effect of prior year adjustments (note 47)	**-**	-	**120.1**	122.2	**120.1**	122.2
- As restated	**-**	-	**221.2**	216.8	**221.2**	216.8
Charge for the year	**-**	-	**8.4**	4.4	**8.4**	4.4
Reversal of impairment (note 30)	**-**	-	**(8.1)**	-	**(8.1)**	-
At December 31,	**-**	-	**221.5**	221.2	**221.5**	221.2
CARRYING AMOUNTS						
At December 31,	**283.5**	85.8	**742.1**	694.8	**1,025.6**	780.6

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

6. INVESTMENT PROPERTIES (CONT'D)

(a) Details of the Group's investment properties and information about the fair value hierarchy is as follows:

December 31,	Level 3 2019	Level 3 2018
	MUR'M	MUR'M
Land and buildings	**1,561.7**	1,209.7

The fair value of investment property was determined by an external, independent property valuer, Noor Dilmohamed & Associates who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 5(c)).

(b) The following amounts have been recognised in profit or loss:

	THE GROUP 2019	THE GROUP 2018
	MUR'M	MUR'M
Rental income	**37.1**	44.2
Direct operating expenses from investment properties that generate rental income	**1.3**	17.0
Direct operating expenses from investment properties that do not generate rental income	**-**	-

(c) The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index rate.

Minimum lease payments receivable on leases of investment properties are as follows:

	THE GROUP 2019	THE GROUP 2018
	MUR'M	MUR'M
Within 1 year	**52.0**	53.4
Between 1 and 2 years	**45.6**	52.0
Between 2 and 3 years	**54.6**	45.6
Between 3 and 4 years	**52.1**	54.6
Between 4 and 5 years	**50.7**	52.1
Later than 5 years	**977.5**	931.0
	1,232.5	1,188.7

(d) Additions to investment properties relate to subsequent expenditure.

(e) Investment property under development include land development and other related costs. There was no transfer from investment property under development to investment property (land & buildings) during the financial year (2018: Nil).

7. INTANGIBLE ASSETS AND GOODWILL

(a) THE GROUP

	Goodwill	Land Conversion Rights	Computer Software	Brands/ Distribution Rights	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST					
At January 1, 2019					
– As previously reported	**22.3**	**319.6**	**64.2**	**58.4**	**464.5**
– Restatements (note 47(ac))	**–**	**–**	**9.0**	**–**	**9.0**
– Effect of prior year adjustments (note 47)	**–**	**(75.6)**	**–**	**–**	**(75.6)**
– As restated	**22.3**	**244.0**	**73.2**	**58.4**	**397.9**
Additions	**–**	**–**	**10.1**	**–**	**10.1**
Transfer from property, plant and equipment (note 5)	**–**	**–**	**10.1**	**–**	**10.1**
Adjustment	**–**	**(25.0)**	**–**	**–**	**(25.0)**
At December 31, 2019	**22.3**	**219.0**	**93.4**	**58.4**	**393.1**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES					
At January 1, 2019					
– As previously reported	**–**	**–**	**55.6**	**–**	**55.6**
– Restatements (note 47(ac))	**–**	**–**	**9.0**	**–**	**9.0**
– As restated	**–**	**–**	**64.6**	**–**	**64.6**
Charge for the year	**–**	**–**	**8.9**	**–**	**8.9**
Impairment (note 30(iv))	**–**	**98.3**	**–**	**–**	**98.3**
Transfer from property, plant and equipment (note 5)	**–**	**–**	**2.7**	**–**	**2.7**
At December 31, 2019	**–**	**98.3**	**76.2**	**–**	**174.5**
CARRYING AMOUNTS					
At December 31, 2019	**22.3**	**120.7**	**17.2**	**58.4**	**218.6**

7. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

(a) THE GROUP

	Goodwill	Land Conversion Rights	Computer Software	Brands/ Distribution Rights	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST					
At January 1, 2018					
– As previously reported	22.3	319.6	59.1	56.7	457.7
– Restatements (note 47(ac))	–	–	9.0	–	9.0
– As restated	22.3	319.6	68.1	56.7	466.7
Transfer to land (note 5(b)), prior year adjustments (note 47)	–	(75.6)	–	–	(75.6)
Additions	–	–	5.1	1.7	6.8
At December 31, 2018	**22.3**	**244.0**	**73.2**	**58.4**	**397.9**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES					
At January 1, 2018					
– As previously reported	–	–	49.9	–	49.9
– Restatements (note 47(ac))	–	–	9.0	–	9.0
– As restated	–	–	58.9	–	58.9
Charge for the year	–	–	5.7	–	5.7
At December 31, 2018	**–**	**–**	**64.6**	**–**	**64.6**
CARRYING AMOUNTS					
At December 31, 2018	**22.3**	**244.0**	**8.6**	**58.4**	**333.3**
At January 1, 2018	**22.3**	**319.6**	**9.2**	**56.7**	**407.8**

(b) *Amortisation*
The amortisation of computer software totalling MUR'M 8.9 (2018: MUR'M 5.7) has been charged to other expenses.

(c) *Impairment test*
For December 31, 2019, an impairment loss of MUR'M 98.3 was recognised (2018: MUR'M nil) and charged to profit or loss (note 30(iv)).

(d) *Useful life*
Goodwill and Distribution Rights have an indefinite useful life. These are not amortized because there is no foreseeable limit to the cash flows generated by those intangible assets.

8. INVESTMENTS IN SUBSIDIARIES

(a) Reconciliation of movements in investment in subsidiaries is presented below:

(i)

	THE COMPANY		
	Level 2	Level 3	Total
2019	MUR'M	MUR'M	MUR'M
At January 1,	956.0	12,388.6	13,344.6
Decrease in fair value	13.9	(286.2)	(272.3)
At December 31,	969.9	12,102.4	13,072.3
2018			
At January 1,	942.2	12,516.2	13,458.4
Disposals	-	(8.6)	(8.6)
Decrease in fair value	13.8	(119.0)	(105.2)
At December 31,	956.0	12,388.6	13,344.6

(ii) Fair value through other comprehensive income financial assets include the following:

	THE COMPANY	
	2019	2018
	MUR'M	MUR'M
Unquoted - Level 2, recurring fair value	969.9	956.0
Unquoted - Level 3, recurring fair value	12,102.4	12,388.6
	13,072.3	13,344.6

Details of subsidiaries are set out in note 38.

The accounting policies relevant for investment in subsidiaries described in the summary of significant accounting policies (Note 2.5).

(b) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

(c) Measurement of fair value – Level 3

The discounted cash flows (DCF) method, net asset value and the EBITDA multiple valuation methodologies were used to estimate the fair value of investment in subsidiaries. The DCF valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Measurement of fair value – Level 3 (Cont'd)

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2019

Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	MUR'M
Investment in subsidiaries	DCF	Discount rate	2% – 4.6%	+1.45%	(423.5)
				-1.45%	586.3
		Growth rate	0%-5%	+2.4%	811.2
				-2.4%	(594.9)
	EBITDA Multiple	Multiple	6.9	+33%	74.1
				-33%	(74.1)
		Discount	21%	+7.55%	(21.5)
				-7.55%	21.5

Some subsidiaries have been valued using the net asset value because either the underlying assets are fair valued (land & buildings (note 5)) or net asset value represents the best estimate of fair value at the measurement date.

9. INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	THE GROUP	
		Restated
	2019	2018
	MUR'M	MUR'M
(i) Group's share of net assets	2,624.2	3,021.9
Goodwill	299.0	299.0
At December 31,	2,923.2	3,320.9

Details of associates are set out in note 39.

The accounting policies relevant for investments in associates described in the summary of significant accounting policies (Note 2.6).

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) THE GROUP

(ii) Reconciliation of movements in investments in associates is presented below:

	THE GROUP 2019	THE GROUP Restated 2018
At January 1,	**MUR'M**	MUR'M
As previously reported	**3,455.4**	3,245.9
– Effect of prior year adjustments (note 47)	**(134.5)**	137.2
As restated	**3,320.9**	3,383.1
Transfer to non-current assets classified as held for sale (note 19)	**(503.6)**	-
Transfer to financial assets at fair value through other comprehensive income (note 10(ii))	**-**	(30.5)
Transfer to investment in subsidiaries	**(2.6)**	-
Redemption of preference shares	**(1.7)**	-
Additions	**65.5**	10.0
Share of results of associates	**170.9**	254.0
Impairment of associates	**(120.1)**	(66.0)
Dividend received	**(75.2)**	(84.2)
Share of other comprehensive income	**36.4**	(175.9)
Movements in translation reserves	**32.7**	9.3
Other adjustments	**-**	21.1
At December 31,	**2,923.2**	3,320.9

(b) THE COMPANY

(i) Reconciliation of movements in investment in associates is presented below:

	Level 1	**Level 2**	**Level 3**	**Total**
2019	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,				
As previously reported	**545.1**	**96.5**	**389.6**	**1,031.2**
– Effect of prior year adjustments (note 47)	**63.8**	**-**	**-**	**63.8**
As restated	**608.9**	**96.5**	**389.6**	**1,095.0**
Transfer to non-current assets classified as held for sale (note 19)	**(503.6)**	**-**	**-**	**(503.6)**
Decrease in fair value	**(64.1)**	**(34.3)**	**(266.3)**	**(364.7)**
At December 31,	**41.2**	**62.2**	**123.3**	**226.7**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) THE COMPANY

(ii)

	Level 1	Level 2	Level 3	Total
2018 - Restated	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,				
As previously reported	592.5	104.0	481.4	1,177.9
- Effect of prior year adjustments (note 47)	55.2	-	-	55.2
As restated	647.7	104.0	481.4	1,233.1
Additions	-	-	10.0	10.0
Transfer to financial assets at fair value through other comprehensive income (note 10 (iv))	-	-	(30.5)	(30.5)
Decrease in fair value	(38.8)	(7.5)	(71.3)	(117.6)
At December 31,	608.9	96.5	389.6	1,095.0

(iii) Fair value through other comprehensive income financial assets include the following:

	THE COMPANY 2019	THE COMPANY 2018
	MUR'M	MUR'M
Quoted - Level 1, recurring fair value	**41.2**	608.9
Unquoted - Level 2, recurring fair value	**62.2**	96.5
Unquoted - Level 3, recurring fair value	**123.3**	389.6
	226.7	1,095.0

(iv) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

(The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities).

(v) Measurement of fair value – Level 3

The EBITDA multiple was used to estimate the fair value of investment in associates. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2019

Type	**Valuation techniques**	**Key unobservable inputs**	**Range of unobservable inputs**	**Sensitivity of the input to fair value %**	**Sensitivity of the input to fair value MUR'M**
Investment in associates	**EBITDA multiple**	**Multiple**	**5 – 5.4**	**+33%**	**62.3**
				-33%	**(62.3)**
		Discount	**15%-21%**	**+7.55%**	**(10.4)**
				-7.55%	**10.4**

Summarised information on investments in associates are disclosed in note 39.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) 2019

Equity investments at fair value through other comprehensive income included the following:

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,				
As previously reported	273.9	163.1	92.3	529.3
– Effect of prior year adjustments (note 47)	(63.8)	–	–	(63.8)
As restated	210.1	163.1	92.3	465.5
Additions	–	–	173.3	173.3
Disposals	(17.5)	–	–	(17.5)
Change in fair value recognised in OCI	(26.1)	(79.4)	(13.0)	(118.5)
At December 31,	166.5	83.7	252.6	502.8

Investments in equity investments at fair value through other comprehensive income are not subject to impairment.

(ii) 2018 – restated

Equity investments at fair value through other comprehensive income included the following:

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,				
As previously reported	232.9	150.5	–	383.4
– Effect of prior year adjustments (note 47)	(55.2)	–	–	(55.2)
As restated	177.7	150.5	–	328.2
Additions	–	–	74.8	74.8
Transfer from investments in associates (note 9(a)(ii))	–	–	30.5	30.5
Change in fair value recognised in OCI	32.4	12.6	(13.0)	32.0
At December 31,	210.1	163.1	92.3	465.5

(iii) 2019

Equity investments at fair value through other comprehensive income included the following:

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,				
As previously reported	289.4	162.7	92.3	544.4
– Effect of prior year adjustments (note 47)	(63.8)	–	–	(63.8)
As restated	225.6	162.7	92.3	480.6
Additions	–	–	173.3	173.3
Disposals	(17.6)	–	–	(17.6)
Change in fair value recognised in OCI	(26.1)	(79.4)	(13.0)	(118.5)
At December 31,	181.9	83.3	252.6	517.8

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(iv) 2018 – restated

Equity investments at fair value through other comprehensive income included the following:

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,				
As previously reported	248.2	145.4	–	393.6
– Effect of prior year adjustments (note 47)	(55.2)	–	–	(55.2)
As restated	193.0	145.4	–	338.4
Additions	–	0.9	74.8	75.7
Transfer from investments in associates (note 9(b)(ii))	–	–	30.5	30.5
Change in fair value recognised in OCI	32.6	16.4	(13.0)	36.0
At December 31,	225.6	162.7	92.3	480.6

(v) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Quoted – Level 1	**166.5**	210.1	**181.9**	225.6
Unquoted – Level 2	**83.7**	163.1	**83.3**	162.7
Unquoted – Level 3	**252.6**	92.3	**252.6**	92.3
	502.8	465.5	**517.8**	480.6

(vi) Financial assets measured at fair value through other comprehensive income include the Company's/Group's strategic equity investments not held for trading and debt securities held to collect and sell. The Company/Group have made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

(vii) Investments in equity instruments at fair value through other comprehensive income are not subject to impairment.

(viii) **Level 1**

The fair value of quoted securities is based on published market prices.

Level 2

Unquoted securities include investments in entities which hold shares in quoted securities. The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(viii) Level 3

The significant unobservable inputs used in measuring the fair value of Level 3 securities are as follows:

Description	Fair values at December 31, 2019	2018	Valuation technique	Unobservable inputs
	MUR'M	MUR'M		
Investment in Inside Equity Fund (IEF)	**252.6**	92.3	IEF was set up as an investment fund with investments in unquoted equity securities classified under the level 3 fair value hierarchy. The value of the fund is determined by the underlying fair value of its investment. The investment in the fund is reflected by its net asset value (NAV). NAV has therefore been used as valuation technique.	The NAV of IEF is primarily based on the valuation of its underlying investments which are fair valued using price of recent transactions.

Sensitivity analysis

The following table indicates the approximate change in the Group's and Company's equity in response to reasonably possible changes in net asset value of investment.

	Impact on equity	
	2019	2018
	MUR'M	MUR'M
5% increase in Net Asset Value (2018: 5%)	**12.6**	4.6

(ix) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2019	Restated 2018	**2019**	Restated 2018
	MUR'M	MUR'M		MUR'M
MUR	**250.1**	373.3	**265.2**	388.4
USD	**252.7**	92.2	**252.6**	92.2
	502.8	465.5	**517.8**	480.6

(x) One of the Company/Group's strategic investments is a 38.4% interest in Inside Equity Fund (the "Fund"). This investment is not accounted for using the equity method (as an associate) as the Company/Group do not have the power to participate in the Fund's operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level and a contractual arrangement which enables the board to take all operational and strategic decisions without consultation with shareholders of the Fund.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(xi) There have been no dividends arising on investments derecognised during the year while dividends received on investments held at year end amounted to MUR'M 4.3 (2018: MUR'M 5.7) for the Group and the Company.

11. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2019		Restated 2018	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Loans to related parties (see note 42)	**30.0**	**15.6**	81.9	82.8
	30.0	**15.6**	81.9	82.8

	THE COMPANY			
	2019		2018	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Loans to related parties (see note 42)	**-**	**9.1**	-	8.0
	-	**9.1**	-	8.0

Loans to related parties (current) are unsecured, interest-free and repayable within one year.

(a) ***Impairment and risk exposure***

There is no impairment loss on loans to related parties.

The carrying amounts of other financial assets at amortised cost represent the maximum credit exposure.

(b) The carrying amounts of the other financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2019	Restated 2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**45.6**	162.7	**9.1**	8.0
USD	**-**	0.3	**-**	-
Other currencies	**-**	1.7	**-**	-
	45.6	164.7	**9.1**	8.0

There is no exposure to price risk as the investments will be held to maturity.

12. FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

THE GROUP	Carrying amount				Fair value			
	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
December 31, 2019	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M	MUR'M	**MUR'M**
Financial assets measured at fair value								
Equity securities	502.8	–	–	502.8	166.5	83.7	252.6	502.8
	502.8	–	–	502.8	166.5	83.7	252.6	502.8
Financial assets not measured at fair value								
Trade and other receivables (note 12(i))	–	1,472.0	–	1,472.0				
Other financial assets at amortised cost	–	45.6	–	45.6				
Cash in hand and at bank	–	491.5	–	491.5				
	–	2,009.1	–	2,009.1				
Financial liabilities not measured at fair value								
Lease liabilities	–	–	36.1	36.1				
Borrowings	–	–	3,541.0	3,541.0				
Trade and other payables	–	–	903.6	903.6				
	–	–	4,480.7	4,480.7				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE GROUP	Carrying amount				Fair value			
	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
December 31, 2018	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M	MUR'M	**MUR'M**
Financial assets measured at fair value								
Equity securities	465.5	–	–	**465.5**	210.1	163.1	92.3	**465.5**
	465.5	–	–	**465.5**	210.1	163.1	92.3	**465.5**
Financial assets not measured at fair value								
Trade and other receivables (note 12(i))	–	1,051.5	–	**1,051.5**				
Other financial assets at amortised cost	–	164.7	–	**164.7**				
Cash in hand and at bank	–	387.6	–	**387.6**				
	–	1,603.8	–	**1,603.8**				
Financial liabilities not measured at fair value								
Borrowings	–	–	2,705.1	**2,705.1**				
Trade and other payables (note 12(ii))	–	–	1,025.8	**1,025.8**				
	–	–	3,730.9	**3,730.9**				

(i) Trade and other receivables as stated above exclude prepayments, deposits and taxes.

(ii) Trade and other payables as stated above exclude VAT payable.

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE COMPANY	Carrying amount				Fair value			
	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
December 31, 2019	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M	MUR'M	**MUR'M**
Financial assets measured at fair value								
Investment in subsidiaries	**13,072.3**	**–**	**–**	**13,072.3**	**–**	**969.9**	**12,102.4**	**13,072.3**
Investment in associates	**226.7**	**–**	**–**	**226.7**	**41.2**	**62.2**	**123.3**	**226.7**
Equity securities	**517.8**	**–**	**–**	**517.8**	**181.9**	**83.3**	**252.6**	**517.8**
	13,816.8	**–**	**–**	**13,816.8**	**223.1**	**1,115.4**	**12,478.3**	**13,816.8**
Financial assets not measured at fair value								
Trade and other receivables (note 12(iii))	**–**	**59.6**	**–**	**59.6**				
Other financial assets at amortised cost	**–**	**9.1**	**–**	**9.1**				
Cash in hand and at bank	**–**	**12.2**	**–**	**12.2**				
	–	**80.9**	**–**	**80.9**				
Financial liabilities not measured at fair value								
Borrowings	**–**	**–**	**860.3**	**860.3**				
Trade and other payables	**–**	**–**	**30.3**	**30.3**				
	–	**–**	**890.6**	**890.6**				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE COMPANY	Carrying amount				Fair value			
	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
December 31, 2018	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M	MUR'M	**MUR'M**
Financial assets measured at fair value								
Investment in subsidiaries	13,344.6	–	–	**13,344.6**	–	956.0	12,388.6	**13,344.6**
Investment in associates	1,095.0	–	–	**1,095.0**	608.9	96.5	389.6	**1,095.0**
Equity securities	480.6	–	–	**480.6**	225.6	162.7	92.3	**480.6**
	14,920.2	–	–	**14,920.2**	834.5	1,215.2	12,870.5	**14,920.2**
Financial assets not measured at fair value								
Trade and other receivables (note 12(i))	–	11.8	–	**11.8**				
Other financial assets at amortised cost	–	8.0	–	**8.0**				
Cash in hand and at bank	–	49.4	–	**49.4**				
	–	69.2	–	**69.2**				
Financial liabilities not measured at fair value								
Borrowings	–	–	527.3	**527.3**				
Trade and other payables	–	–	21.3	**21.3**				
	–	–	548.6	**548.6**				

(iii) Trade and other receivables as stated above exclude deposits.

13. BEARER BIOLOGICAL ASSETS

	THE GROUP	
	Deer farming	
	2019	2018
	MUR'M	MUR'M
At January 1, and December 31,	**–**	7.4

Bearer biological assets (other than bearer plants) are stated at cost.

14. LAND DEVELOPMENT EXPENDITURE

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,		
As previously reported	**85.7**	27.4
– Effect of prior year adjustments (note 47)	**(85.7)**	(27.4)
As restated	**–**	–
At December 31,	**–**	–

15. DEFERRED INCOME TAXES ASSETS/LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 5%/17%/25% (2018: 5%/17%/25%).

(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 in the statements of financial position:

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Deferred tax assets	**(193.5)**	(181.7)
Deferred tax liabilities	**258.4**	225.0
	64.9	43.3

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Unused tax losses available for offset against future taxable profits	**578.8**	788.3

15. DEFERRED INCOME TAXES ASSETS/LIABILITIES (CONT'D)

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
The tax losses expire on a rolling basis over 5 years as follows:		
Year 1	**20.7**	273.9
Year 2	**37.0**	17.2
Year 3	**202.3**	37.0
Year 4	**251.8**	208.4
Year 5	**67.0**	251.8
	578.8	788.3

Deferred tax assets have not been recognised on tax losses because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,		
– As previously reported	**99.1**	91.0
– Effect of prior year adjustments (note 47)	**(55.8)**	(48.8)
– As restated	**43.3**	42.2
Credited to profit or loss (note 27(b))	**0.8**	(19.8)
Credited to equity	**20.8**	20.9
At December 31,	**64.9**	43.3

(c) The deferred income tax charged/(credited) to other comprehensive income during the year is as follows:

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Fair value reserves in shareholders' equity:	**36.3**	7.4
– Land and building	**(15.5)**	13.5
– Retirement benefit obligation	**20.8**	20.9

15. DEFERRED INCOME TAXES ASSETS/LIABILITIES (CONT'D)

(d) Deferred tax assets and liabilities, deferred tax movement in profit or loss and equity are attributable to the following items:

2019	At January 1, 2019					
	As previously reported	Effect of prior year adjustments	As restated	Profit or Loss	Release to Equity	**At December 31, 2019**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	**MUR'M**
THE GROUP						
Deferred income tax liabilities						
Accelerated tax depreciation	215.7	(1.7)	214.0	(0.7)	(0.1)	**213.2**
Asset revaluations	29.7	0.2	29.9	(10.4)	36.4	**55.9**
	245.4	(1.5)	243.9	(11.1)	36.3	**269.1**
Deferred income tax assets						
Accelerated tax depreciation	56.2	51.6	107.8	(8.9)	-	**98.9**
Tax losses carried forward	(0.6)	1.1	0.5	(0.3)	-	**0.2**
Right-of-use assets	-	-	-	1.1	-	**1.1**
Retirement benefit obligations	90.5	0.7	91.2	(4.3)	15.5	**102.4**
Provisions	0.2	0.9	1.1	0.5	-	**1.6**
	146.3	54.3	200.6	(11.9)	15.5	**204.2**
Net deferred income tax liabilities	99.1	(55.8)	43.3	0.8	20.8	**64.9**

2018	At January 1, 2018					
	As previously reported	Effect of prior year adjustments	As restated	Profit or Loss	Release to Equity	**At December 31, 2019**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	**MUR'M**
THE GROUP						
Deferred income tax liabilities						
Accelerated tax depreciation	161.8	(54.5)	107.3	(1.6)	-	**105.7**
Asset revaluations	29.6	6.5	36.1	(13.6)	7.4	**29.9**
	191.4	(48.0)	143.4	(15.2)	7.4	**135.6**
Deferred income tax assets					-	
Tax losses carried forward	5.2	(5.2)	-	-	-	**-**
Retirement benefit obligations	94.9	5.6	100.5	4.2	(13.5)	**91.2**
Provisions	0.3	0.4	0.7	0.4	-	**1.1**
	100.4	0.8	101.2	4.6	(13.5)	**92.3**
Net deferred income tax liabilities	91.0	(48.8)	42.2	(19.8)	20.9	**43.3**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

16. INVENTORIES

		THE GROUP	
		2019	Restated 2018
		MUR'M	MUR'M
(a)	Raw materials	**307.2**	314.8
	Work-in-progress	**42.7**	45.1
	Inventory property	**24.1**	41.4
	Finished goods	**450.2**	394.2
	Spare parts and consumables	**267.4**	247.4
	Less: Provision for obsolescence	**(9.5)**	(9.5)
		1,082.1	1,033.4

(b) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Cost of inventories consumed in respect of other inventories	**2,086.7**	3,108.8
Cost of inventories consumed in respect of sales of completed inventory property	**28.4**	77.4
	2,115.1	3,186.2

17. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP	
	Sugar cane	
	2019	2018
	MUR'M	MUR'M
At January 1,	**52.9**	98.8
Net changes in fair value less estimated costs to sell	**84.3**	(45.9)
At December 31,	**137.2**	52.9

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

At December 31, 2019, sugar canes comprised of approximately 4,841.09 hectares of sugar cane plantations (2018: 4,763 hectares). The Group manages sugar cane plantations on land that the Group owns and this land has been classified under "Property, plant and equipment" (note 5).

During the year, the Group harvested approximately 388,715 tonnes of canes (2018: 356,494 tonnes), which had a fair value less costs to sell of MUR'M 137.2 (2018: MUR'M 52.9) at the date of harvest.

17. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

THE GROUP 2019	Key unobservable inputs	Range of unobservable inputs 2019	 2018
Sugar cane	Cane maturity	**20.00%**	20.00%
	Price of sugar	**11,600**	8,800
	Extraction rate	**10.5%**	10.5%
	Estimated cane production in metric tonnes	**380,000**	380,000

An increase in each of the key unobservable inputs would give rise to an increase in the fair value of consumable biological assets.

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
		Restated		Restated
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**871.1**	879.2	**-**	-
Less: allowance for impairment	**(58.9)**	(28.8)	**-**	-
Trade receivables - net	**812.2**	850.4	**-**	-
Dividend receivable	**39.9**	-	**-**	-
Short term loans	**17.1**	-	**-**	-
Receivable from related parties (Note 42)	**14.1**	14.4	**56.3**	11.8
Deposit on investments	**163.4**	38.1	**161.4**	-
Prepayments	**51.7**	38.4	**-**	-
Sugar proceeds receivable	**415.6**	150.0	**-**	-
Compensation receivable from SIFB	**71.0**	-	**-**	-
Other receivables	**134.7**	96.8	**3.3**	-
	1,719.7	1,188.1	**221.0**	11.8

The carrying amounts of trade and other receivables approximate their fair value. Other receivables comprise mainly of rental income and VAT receivable.

The Group and the Company made an assessment of impairment of 'other receivables' under the Expected Credit Losses (ECL) model and determined that the impairment is immaterial.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

18. TRADE AND OTHER RECEIVABLES (CONT'D)

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**1,503.1**	1,023.6	**221.0**	11.8
USD	**10.4**	9.7	**-**	-
EUR	**123.2**	41.1	**-**	-
SCR	**83.0**	-	**-**	-
Other currencies	**-**	113.7	**-**	-
	1,719.7	1,188.1	**221.0**	11.8

(i) Impairment of trade and other receivables

Trade receivables

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

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

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at December 31, 2019 was determined as follows for trade receivables:

THE GROUP	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2019					
Expected loss rate	**3.9%**	**6.4%**	**20.6%**	**86.4%**	
Gross carrying amount - Trade receivable	**778.1**	**51.5**	**16.5**	**25.0**	**871.1**
Loss allowance	**(30.6)**	**(3.3)**	**(3.4)**	**(21.6)**	**(58.9)**

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Impairment of trade receivables (Cont'd)

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2018					
Expected loss rate	3.0%	2.6%	11.8%	76.5%	
Gross carrying amount - trade receivable	870.2	3.9	1.7	3.4	879.2
Loss allowance	(25.9)	(0.1)	(0.2)	(2.6)	(28.8)

The closing loss allowances for trade receivables as at December 31, reconcile to the opening loss allowances as follows:

	2019	Restated 2018
	MUR'M	MUR'M
Loss allowance as at January 1, 2019	**28.8**	35.7
Loss allowance recognised in profit or loss during the year	**43.4**	-
Receivables written off during the year as uncollectible	**(13.3)**	-
Unused amount reversed	**-**	(6.9)
At December 31, 2019	**58.9**	28.8

(ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above except for other receivables and prepayments. The Group and the Company do not hold any collateral as security.

(iii) The Group and the Company consider a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

(iv) Write-off

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group and the Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and the Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

(v) Other receivables

The Group and the Company used the simplified impairment approach to calculate for its ECL. Management have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. A loss given default (LGD) proxy of 45% was used for counterparties based in Mauritius which is representative of the corporate client's exposure. For receivables who settled their balances after the year end, management used the sovereign PD and a lower LGD of 10%.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	Restated 2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,				
- As previously reported	**28.8**	46.6	**-**	-
- Effect of prior year adjustments (note 47)	**(28.8)**	(46.6)	**-**	-
- As restated	**-**	-	**-**	-
Reclassified from investment in associates (note 9)	**503.6**	-	**503.6**	-
Fair value gain	**77.1**	-	**77.1**	-
At December 31,	**580.7**	-	**580.7**	-

For December 31, 2019, one of the associates was classified as held for sale following the decision of the Board to dispose of it in the forthcoming year.

Efforts to sell the investment in associates have started and a sale is expected to conclude within the next 12 months.

The associate being Level 1 quoted, the fair value less costs to sell was determined on the share price at year end.

The fair value gain is recognised through other comprehensive income at Company level and through profit or loss at Group level. The fair value gain has been recorded to the extent that it is does not exceed the previous cumulative impairment losses that were previously recognised in accordance with IAS 36.

20. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2019 & 2018	
	No.of shares	**MUR'M**
Issued and fully paid	**Million**	
Ordinary shares		
At December 31 ,	**227.5**	**11,976.0**

The total issued number of ordinary shares of TERRA Mauricia Ltd is 227,545,624 share of no par value each (2018: 227,545,624 shares). All issued shares are fully paid.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

21. REVALUATION AND OTHER RESERVES

	THE GROUP	Notes	Associates Reserves	Revaluation and Amalgamation Reserves	Actuarial Losses	Translation Reserve	Financial Assets at FVOCI Reserve	Total
			MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
(i)	At January 1, 2019							
	–As previously reported		128.2	1,332.6	(194.4)	11.6	(277.8)	1,000.2
	– Effect of prior year adjustments (note 47)		(249.4)	(289.5)	–	(11.6)	(22.3)	(572.8)
	– Restatements (note 47(ac))		–	(24.2)	–	24.2	–	–
	– As restated		(121.2)	1,018.9	(194.4)	24.2	(300.1)	427.4
	Revaluation of land and buildings, net of impairment		–	1,125.0	–	–	–	1,125.0
	Deferred tax on revaluation of buildings		–	(33.1)	–	–	–	(33.1)
	Remeasurements of post employment benefit obligations		–	–	(85.5)	–	–	(85.5)
	Deferred tax on remeasurements of post employment benefit obligations		–	–	14.8	–	–	14.8
	Transfer of accumulated fair value losses upon disposal of equity investments at fair value through other comprehensive income		–	–	–	–	7.5	7.5
	Release on disposal of land		–	(2.3)	–	–	–	(2.3)
	Changes in fair value of equity instruments at fair value through other comprehensive income	10	–	–	–	–	(118.5)	(118.5)
	Fair value gain on disposal of financial assets at fair value through other comprehensive income		–	–	–	–	2.0	2.0
	Other movements		–	2.1	–	–	–	2.1
	Movements in translation reserve		–	–	–	40.2	–	40.2
	Share of other comprehensive income of associates	9	36.4	–	–	–	–	36.4
	At December 31, 2019		**(84.8)**	**2,110.6**	**(265.1)**	**64.4**	**(409.1)**	**1,416.0**

21. REVALUATION AND OTHER RESERVES (CONT'D)

	THE GROUP	Notes	Associates Reserves	Revaluation and Amalgamation Reserves	Actuarial Losses	Translation Reserve	Financial Assets at FVOCI Reserve	Total
			MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
(ii)	At January 1, 2018							
	–As previously reported		6.3	960.5	(272.8)	(3.0)	(339.1)	351.9
	– Effect of prior year adjustments (note 47)		–	(456.6)	–	–	(13.7)	(470.3)
	– Restatements (note 47(ac))		23.3	(41.2)	–	17.9	–	–
	– As restated		29.6	462.7	(272.8)	14.9	(352.8)	(118.4)
	Revaluation of land and buildings		–	540.9	–	–	–	540.9
	Remeasurements of post employment benefit obligations		–	–	78.4	–	–	78.4
	Release to retained earnings		–	5.1	–	–	20.7	25.8
	Changes in fair value of equity instruments at fair value through other comprehensive income		–	–	–	–	32.0	32.0
	Share of other comprehensive income of associates	9	(175.9)	–	–	–	–	(175.9)
	Movements in translation reserve		–	–	–	9.3	–	9.3
	Other movements		25.1	10.2	–	–	–	35.3
	At December 31, 2018		**(121.2)**	**1,018.9**	**(194.4)**	**24.2**	**(300.1)**	**427.4**

21. REVALUATION AND OTHER RESERVES (CONT'D)

Associates reserves

Associates reserves comprise the cumulative change in other comprehensive income of associates.

Financial assets at fair value through OCI reserve

Financial assets at fair value through OCI reserve comprises the cumulative net change in financial assets through OCI that has been recognised in other comprehensive income until the investments are derecognised.

Translation reserve

The translation reserve consists of the foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

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

Actuarial losses

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

Amalgamation reserve

This arose upon the amalgamation of HF Investments Ltd with Terra Mauricia Ltd, in 2012.

THE COMPANY

The Company's revaluation and other reserves are made up of amalgamation reserve and financial assets at fair value through other comprehensive income reserve.

22. BORROWINGS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans (note 22(a))	**165.1**	232.0	**-**	-
Loans from related parties (note 42, 22(a))	**-**	10.6	**-**	-
Finance lease liabilities (note 22(c))	**3.8**	0.8	**-**	-
Other loans	**8.0**	-	**-**	-
Total non-current	**176.9**	243.4	**-**	-
Current				
Bank overdrafts (note 36(b))	**39.9**	31.1	**-**	6.3
Bank loans (note 22(a))	**60.5**	45.9	**-**	-
Loans from related parties (note 42, 22(a))	**-**	-	**860.3**	521.0
Finance lease liabilities (note 22(c))	**0.4**	5.5	**-**	-
Other loans	**2.3**	7.1	**-**	-
Money market lines (note 22(a))	**3,261.0**	2,372.1	**-**	-
	3,324.2	2,430.6	**860.3**	521.0
Total current	**3,364.1**	2,461.7	**860.3**	527.3
Total borrowings	**3,541.0**	2,705.1	**860.3**	527.3

22. BORROWINGS (CONT'D)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Breakdown of loans				
Loans from related parties	**-**	10.6	**860.3**	521.0
Bank loans	**225.6**	277.9	**-**	-
Money market lines	**3,261.0**	2,372.1	**-**	-
	3,486.6	2,660.6	**860.3**	521.0
Less: Repayable within one year	**(3,321.5)**	(2,418.0)	**(860.3)**	(521.0)
Repayable after one year	**165.1**	242.6	**-**	-

(b) The maturity of non-current loans is as follows:

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
- after one year and before two years	**60.9**	58.9
- after two years and before five years	**104.2**	183.7
	165.1	242.6

(c) Finance lease liabilities - minimum lease payments

	THE GROUP	
	2019	2018
Not later than one year	**0.4**	5.7
After 1 year and before 2 years	**0.3**	0.4
After 2 years and before 5 years	**3.6**	0.4
	4.3	6.5
Future finance charges	**(0.1)**	(0.2)
Present value of finance lease liabilities	**4.2**	6.3

The present value of finance lease liabilities may be analysed as follows:	**2019**	2018
	MUR'M	MUR'M
Current		
Not later than one year	**0.4**	5.5
Non-Current		
After 1 year and before 2 years	**0.3**	0.4
After 2 years and before 5 years	**3.5**	0.4
	3.8	0.8

The rate of interest on the finance leases varies between 5.5% - 8.15% (2018: 7% - 8.15%) during the year.

22. BORROWINGS (CONT'D)

(d) The carrying amounts of non-current borrowings are not materially different from the fair value.

Non-current borrowings can be analysed as follows:	THE GROUP	
	2019	2018
– After one year and before two years	**MUR'M**	MUR'M
Bank borrowings	**60.9**	58.9
Finance lease liabilities	**0.3**	0.4
	61.2	59.3
– After two years and before five years		
Bank borrowings	**104.2**	183.7
Finance lease liabilities	**3.5**	0.4
Other loans	**8.0**	-
	115.7	184.1
Total	**176.9**	243.4

(e) The rates of interest on MUR loans and other short term loans vary from 1% to 6.25% (2018: 1% to 6.25%) annually and on foreign currency loans - EUR Euribor 3 months +2.8% (2018: EUR Euribor 3 months +2.8%) annually.

(f) Money market lines are short term (1-3 months) borrowings with interest rates varying from 3% to 4%, renewable at the option of the Group.

(g) Borrowings are secured by fixed and floating charges on the land and buildings.

(h) The Group has secured bank loans with a total carrying amount of MUR'M 2,985.8 at December 31, 2019 (2018: MUR'M 2,238.1). These loans are repayable in full at maturity date with option to rollover. However the loans contained the following covenants:
- Debt to equity ratio not exceeding 2:1
- At any one point in time, utilisation under working capital facilities by the borrower availed from financing institutions shall not exceed MUR'M 2,500
- Minimum interest cover of 1.5:1 to be maintained at all times otherwise the loans will be repayable on demand.

The Group exceeded its thresholds during 2019 and the threshold was still exceeded at December 31, 2019. However, management obtained waivers from the banks between March and June 2020. Accordingly, the loans were not repayable on demand at December 31, 2019.

(i) For the Group, loans from related parties are unsecured, short term and interest free.

(j) For the Company, loans from related parties are unsecured, short term and bear interest rates varying between 3.3% to 5%.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

23. LEASE LIABILITIES

THE GROUP	Land	Buildings	Motor vehicles	Total
At January 1, 2019	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
- as previously reported	-	-	-	-
Impact of change in accounting policy (note 46)	**11.2**	**47.0**	**3.3**	**61.5**
- as restated	**11.2**	**47.0**	**3.3**	**61.5**
Interest expense	**0.4**	**2.7**	**0.1**	**3.2**
Lease payments	**(6.0)**	**(22.4)**	**(0.2)**	**(28.6)**
At December 31, 2019	**5.6**	**27.3**	**3.2**	**36.1**
Current				**13.9**
Non current				**22.2**
				36.1

(a) Nature of leasing activities (in the capacity as lessee)

The Group leases two plots of land from Goverment of Mauritius : (1) a portion of land and part of a Bassin in the district of Pamplemousses and (2) another portion of land in the district of Rivière du Rempart.

The Group also leases a number of commercial properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

The Group also leases 5 motor vehicles for use in its operations.

(b) Lease payments

The lease payments for the plot of land and portion of Bassin in Pamplemousses is a fixed yearly amount while the other plot of land in Riviere du Rempart is against consideration of a premium and annual rental which is adjusted every 3 years by reference to cumulative inflaton based on Consumer Price Index (CPI) during the 3 year period which shall not exceed 15.8% in any case.

The lease payments for the commercial properties and motor vehicles are fixed yearly amounts.

(c) Lease term

The portion of land and part of Bassin in the district of Pamplemousses is for a period of 99 years as from August 7, 1963. The portion of land in the district of Riviere du Rempart is for a period of 60 years as from January 28, 2009.

The commercial properties are for a period of between 1 and 4 years.

The motor vehicles leases are for a period of 5 years.

23. LEASE LIABILITIES

(d)

	2019	2018
	MUR'M	MUR'M
Interest expense (included in finance cost)	3.2	-
Total cash outflows	28.6	-

24. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
Defined pension benefits	641.6	584.5
	641.6	584.5
Amount charged to profit or loss:		
- Defined pension benefits	64.2	65.4
- Defined contribution plan	23.4	20.8
	87.6	86.2
Amount charged/(credited) to other comprehensive income		
- Defined pension benefits	91.1	(67.9)
	91.1	(67.9)

(a) Defined pension benefits

(i) Retirement benefit obligations comprise of the Group's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans based on final salary and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF) and a pension arrangement with an insurance company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2019. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Present value of funded obligations	1,114.5	1,016.8
Fair value of plan assets	(664.9)	(641.0)
	449.6	375.8
Present value of unfunded obligations	192.0	208.7
Liability in the statement of financial position	641.6	584.5

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,	584.5	662.2
Charged to profit or loss	64.2	65.4
Charged/(credited) to other comprehensive income	91.1	(67.9)
Employer's contributions	(98.2)	(60.0)
Fair value adjustment on plan assets	-	(15.2)
At December 31,	641.6	584.5

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,	1,225.5	1,276.8
Current service cost	29.2	30.0
Interest cost	66.6	62.7
Employees' contributions	1.8	2.0
Effect of curtailments/settlements	2.0	-
Actuarial losses/(gains)	80.0	(70.1)
Benefits paid	(98.6)	(75.9)
At December 31,	1,306.5	1,225.5

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,	641.0	614.6
Interest income	36.4	30.5
Actuarial losses	(11.1)	(2.2)
Employers' contributions	98.2	60.0
Employees' contributions	1.8	2.0
Scheme expenses	(1.9)	(2.3)
Benefits paid	(98.6)	(75.9)
Cost of insuring risk benefits	(0.9)	(0.9)
Fair value adjustment on plan assets	-	15.2
At December 31,	664.9	641.0

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Current service cost	**29.2**	30.0
Scheme expense	**1.9**	2.3
Cost of insuring risk benefits	**0.9**	0.9
Interest expense	**30.2**	32.2
Effects of curtailments/settlements	**2.0**	-
Total included in employee benefit expense	**64.2**	65.4

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

	THE GROUP	
	2019	Restated 2018
Remeasurement on the net defined benefit liability:	MUR'M	MUR'M
Losses on pension scheme assets	**11.4**	2.1
Experience gains on the liabilities	**(30.1)**	(9.9)
Changes in assumption underlying the present value of the scheme	**109.8**	(60.1)
Actuarial losses/(gains) recognised in OCI	**91.1**	(67.9)

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

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
Local equities	**113.3**	136.6
Overseas equities	**131.8**	183.6
Fixed interest and properties	**296.9**	260.6
Qualifying insurance policies	**122.9**	60.2
Total market value of assets	**664.9**	641.0

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

The Company's ordinary shares are not included in the pension plan assets.

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

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
Discount rate	**4.7%-5.1%**	5.5%-6.1%
Future salary growth rate	**3%-4%**	3%-4%
Future pension growth rate	**0.0%**	0.0%

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
Discount rate (1% increase)	**123.8**	115.8
Future salary growth (1% increase)	**53.3**	52.5

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensivity of the assumptions shown.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

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

(xi) Risks Associated with the Pension promise/obligation. The Pension promise exposes the Group to actuarial risks such as longevity risk, interest rate risk, and salary risk.

(i) longevity risk - the liabilities disclosed are based on the mortality tables PA(92) for post-retirement mortality. Should the experience be less favorable than the standard mortality tables, the liabilities will increase.

(ii) interest rate risk - If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

(iii) salary risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

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

(xiii) The Group is expected to contribute MUR'M 26.1 to the pension scheme for the year ending December 31, 2020.

(xiv) The actual return of the total assets for the year 2019 is MUR'M 25.3 (2018: MUR'M 27.2).

(xiv) The weighted average duration of the defined benefit obligation is 9.3 years at the end of the reporting period.

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	2019	Restated 2018	2019	Restated 2018	2019	Restated 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Balance at January 1,	1,225.5	1,276.8	(641.0)	(614.6)	584.5	662.2
Included in profit or loss						
Current service cost	29.2	30.0	–	–	29.2	30.0
Employees' contributions	1.8	2.0	(1.8)	(2.0)	–	–
Scheme expenses	–	–	1.9	2.3	1.9	2.3
Cost of insuring risk benefit	–	–	0.9	0.9	0.9	0.9
Interest cost (income)	66.6	62.7	(36.4)	(30.5)	30.2	32.2
Effects of curtailments/settlements	2.0	–	–	–	2.0	–
	99.6	94.7	(35.4)	(29.3)	64.2	65.4
Included in OCI						
Remeasurement loss (gain) arising from:						
Actuarial loss/(gain)	80.0	(70.1)	11.1	2.2	91.1	(67.9)
	80.0	(70.1)	11.1	2.2	91.1	(67.9)
Others						
Contribution paid by the employer	–	–	(98.2)	(60.0)	(98.2)	(60.0)
Benefits paid	(98.6)	(75.9)	98.6	75.9	–	–
Fair value adjustment on plan assets	–	–	–	(15.2)	–	(15.2)
	(98.6)	(75.9)	0.4	0.7	(98.2)	(75.2)
Balance as at December 31,	1,306.5	1,225.5	(664.9)	(641.0)	641.6	584.5

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	Restated 2018
	MUR'M	MUR'M	MUR'M	MUR'M
Trade payables	456.4	637.1	–	0.1
Amounts due to subsidiaries (note 42)	–	–	3.2	1.1
Amounts due to related parties (note 42)	30.3	–	13.6	–
Sugar Insurance Premium	17.8	17.1	–	–
Accruals	346.2	199.6	2.2	–
Deposits	–	25.2	–	–
Others	52.9	155.3	11.3	20.1
	903.6	1,034.3	30.3	21.3

26. PROVISIONS

	THE GROUP	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,		
– As previously reported	–	–
– Effect of prior year adjustments (note 47)	54.1	71.2
– As restated	54.1	71.2
Movements during the year	(3.1)	(17.1)
Reversal of provision	(25.0)	–
At December 31,	26.0	54.1

Centralisation in accordance with restructuration

Provisions for compensation payments in respect of restructuration were recognised after a formal plan was estalished and when the obligation was incurred. Estimates are regularly reviewed and adjusted as appropriate for new circumstances. The provision is expected to be settled in the next financial year. Movements relate solely to when expenditure is incurred.

27. TAXATION

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
(a) Liabilities/(assets) in the statements of financial position				
At January 1,	28.3	20.6	(0.2)	0.7
Over provision in previous years	(2.2)	0.8	(0.5)	(1.4)
Tax recovered	1.2	–	–	–
	27.3	21.4	(0.7)	(0.7)
Current tax on the adjusted profits for the year @ 3%/15%/25%/30% (2018: 3%/15%/25%/30%)	65.6	60.9	0.3	0.5
Tax paid	(55.6)	(54.0)	–	–
At December 31,	37.3	28.3	(0.4)	(0.2)

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	2018
(b) Charge in profit or loss	MUR'M	MUR'M	MUR'M	MUR'M
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2018: 3%/15%/25%/30%)	65.6	60.9	0.3	0.5
Under/(over) provision in previous years	0.7	(2.9)	0.2	(1.0)
Deferred taxation (note 15)	0.8	(19.8)	–	–
Charge for the year	67.1	38.2	0.5	(0.5)

27. TAXATION (CONT'D)

(c) The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2019	Restated 2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation	**447.8**	357.8	**179.2**	196.7
Tax calculated at a rate of 3%/15%/25%/30% (2018: 3%/15%/25%/30%)	**64.7**	48.3	**26.9**	29.5
Income not subject to tax	**(10.5)**	(42.4)	**(26.9)**	(36.0)
Expenses not deductible for tax purposes	**12.9**	5.1	**0.3**	7.0
Overprovision in previous years	**0.7**	(2.9)	**0.2**	(1.0)
Tax adjustments relating to prior years	**(10.2)**	(15.9)	**-**	-
Effect on changes in tax rate in deferred tax liabilities	**9.5**	46.0	**-**	-
	67.1	38.2	**0.5**	(0.5)

(d) The current tax rate differs as per the Group's activities and juridictions it operates in.

(e) Expenses not deductible for tax purposes comprise mostly of depreciation of property, plant and equipment, amortisation of intangible asset and loss on foreign exchange. Income not subject to tax mainly includes dividends received and interest income.

28. REVENUE

(a) The Group is organised into the following main business segments:

- Cane which includes sugar cane growing and milling activities.
- Power, which includes the production and sale of electricity processed from coal and *bagasse*.
- Brands, which includes the manufacturing, bottling and retailing of alcohol products and sale of consumable goods.
- Property & Leisure, which includes the rental of properties, property development and leisure services.
- Others, which include management and manufacture and sale of building materials, none of which constitute a separately reportable segment.

28. REVENUE (CONT'D)

	THE GROUP						THE COMPANY
2019	Cane	Power	Brands	Property & Leisure	Others	Total	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Recognised at a point in time:							
Sale of goods	969.3	-	2,273.6	-	209.3	3,452.2	-
Sale of services	57.1	-	14.9	180.4	10.8	263.2	-
Sale of properties	-	-	-	33.6	-	33.6	-
Recognised over time:							
Sale of electricity	-	1,294.7	-	-	-	1,294.7	-
Dividend income	-	-	-	-	3.6	3.6	234.3
Total revenue from contracts with customers	**1,026.4**	**1,294.7**	**2,288.5**	**214.0**	**223.7**	**5,047.3**	**234.3**

	THE GROUP						THE COMPANY
2018 - restated	Cane	Power	Brands	Property & Leisure	Others	Total	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Recognised at a point in time:							
Sale of goods	835.7	-	2,410.9	-	-	3,246.6	-
Sale of services	-	-	-	112.5	203.1	315.6	-
Sale of properties	-	-	-	172.6	-	172.6	-
Recognised over time:							
Sale of electricity	-	1,450.6	-	-	-	1,450.6	-
Dividend income	-	-	-	-	-	-	244.1
Total revenue from contracts with customers	**835.7**	**1,450.6**	**2,410.9**	**285.1**	**203.1**	**5,185.4**	**244.1**

28. REVENUE (CONT'D)

(b) Geographical segments

The Group's five reportable segments are managed locally and operate in the following main geographical areas:

	Sales		Total assets		Capital expenditure	
	2019	2018	**2019**	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**4,729.0**	4,914.9	**19,648.4**	17,796.1	**566.2**	375.6
Côte d'Ivoire	**40.2**	10.4	**766.4**	723.8	**-**	-
Seychelles	**278.1**	260.1	**152.5**	129.5	**1.6**	6.1
	5,047.3	5,185.4	**20,567.3**	18,649.4	**567.8**	381.7

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

(c) Liabilities related to contracts with customers

	THE GROUP	
	Contract liabilities	
	2019	Restated 2018
	MUR'M	MUR'M
At January 1,	**-**	-
- Effect of prior year adjustments (note 47)	**25.9**	-
As restated	**25.9**	-
Cash received in advance	**43.8**	25.9
At December 31,	**69.7**	25.9

Contract liabilities arise from the Group's property division, which engages in land development (morcellement).

29. OTHER INCOME

	THE GROUP		THE COMPANY	
	2019	Restated 2018	**2019**	Restated 2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Interest income	**1.9**	11.6	**-**	0.2
Dividend income	**0.6**	5.2	**-**	-
Investment income	**2.5**	16.8	**-**	0.2
Profit on disposal of property, plant and equipment	**231.8**	245.8	**-**	-
SIFB compensation	**71.0**	37.4	**-**	-
Sundry income	**15.3**	-	**-**	-
Others	**76.0**	153.4	**4.0**	-
	396.6	453.4	**4.0**	0.2

30. IMPAIRMENT OF ASSETS AND ALLOWANCE FOR EXPECTED CREDIT LOSSES

	Note	THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
		MUR'M	MUR'M	**MUR'M**	MUR'M
Financial assets					
Allowance for expected credit losses:					
Trade and other receivables (note 18)	(i)	**43.4**	-	-	-
		43.4	-	-	-
Non-financial assets					
Land (notes 5 and 47(a))	(ii)	**427.9**	-	-	-
Bearer plants (note 5)	(iii)	**32.4**	-	-	-
Land conversion rights (note 7(a))	(iv)	**98.3**	-	-	-
Reversal of impairment on investment properties (note 6)	(v)	**(8.1)**	-	-	-
		550.5	-	-	-
Impairment through OCI		**(427.9)**	-	-	-
Net impairment and allowance for expected credit losses through profit or loss		**166.0**	-	-	-

(i) A subsidiary of Terra Mauricia Ltd carried out an impairment assessment for its receivable from its associates which resulted in an impairment of MUR'M 43.4.

(ii) The poor performance and negative cash outflows of the agricultural business unit were indicators of a potential impairment of this Cash Generating Unit ("CGU"). The impairment was determined by comparing the carrying amount of agricultural land with its recoverable amount which was estimated based on its fair value less costs to sell; this resulted in an impairment of MUR'M 427.9. The amount was booked against land in Property, plant and equipment and against revaluation reserves through OCI.

The fair value was determined by an external, independent property valuer, Noor Dilmohamed & Associates who has the appropriate recognised professional qualifications.

The key assumptions used in arriving at the fair value are described in note 5(c). The costs to sell have been assumed to be land transfer tax of 5% and selling fees of 2.3% of the fair value of agricultural land.

(iii) The recoverable amount of the Cash Generating Unit ("CGU") has been determined using discounted cash flow technique on a 8-year period, which is the useful life of a bearer plant. The discount rate applied to cash flow projection is 9.1%. As a result of the analysis, management has recorded an impairment loss of MUR'M 32.4 (2018: MUR'M Nil) against its bearer plants during the financial year. The impairment charge is recorded in profit or loss.

30. IMPAIRMENT OF ASSETS AND ALLOWANCE FOR EXPECTED CREDIT LOSSES (CONT'D)

Key assumptions used in recoverable amount calculations

The recoverable amount of the non-financial assets is most sensitive to the following assumptions:

Achieving forecasted selling price and tonnage of raw sugar

Selling price of sugar is regulated by the Mauritius Sugar Syndicate. For crop 2018, the ex-syndicate price of Raw Sugar was at MUR 8,800/ton and management has estimated that price would go up for crop 2019 to MUR 10,000/ton in 2020 and to MUR 12,000/ton for crop 2020 onwards; the main reason being producers leaving the market leading to a reduction in overall supply of sugar. The estimation was based on market research performed by management. Tonnage of sugar cane is expected to decrease year on year. By-products revenue has been maintained at the same level as final prices for year ended December 31, 2019.

Discount rate

Discount rate represents the current market assessment of the risks specific to a CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate (9.1%) calculation is based on the specific circumstances of the CGU and is derived from its weighted average cost of capital (WACC).

The fair valuation of the Cash Generating Unit of the Group falls under Level 3 of the fair value hierarchy.

Sensitivity to change in inputs to the valuation workings

The following table shows the valuation techniques used in determining fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				MUR'M
Bearer Plants	Discount rate	9.1%	1%	4.9
	Price of sugar	MUR 10,993 - MUR 12,049	MUR 1,000	86.3
	Extraction rate	10.50%	1%	114.3

(iv) The Group's recoverable amount in respect of land conversion rights were valued by an external, independent property valuer, Noor Dilmohamed & Associates who has the appropriate recognised professional qualifications. Based on the sales comparison approach and after estimating costs to sell, land conversion rights were valued at MUR'M 142.3, resulting in an impairment loss of MUR'M 98.3.

The key assumptions used in arriving at the fair value less costs to sell were the price per Ha of MUR'M 2.5 based on similar recent transactions and a discount of 25% for registration costs, size and time.

(v) Upon the revaluation exercise carried out by the independent property valuer, it was revealed that the fair value of a property impaired in previous years was higher than its carrying amount as at December 31, 2019. This resulted in a reversal of the impairment loss.

The key assumptions used in arriving at the fair value are described in note 5(c).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

31. PROFIT BEFORE FINANCE COSTS

	THE GROUP	
	2019	Restated 2018
The profit before finance costs is arrived at after:	MUR'M	MUR'M
Crediting:		
Rental of land and buildings	125.9	140.6
Profit on sale of property, plant and equipment	231.8	245.8
Profit on sale of investment	-	6.0
and charging:		
Depreciation on property, plant and equipment		
- owned assets	340.8	345.0
- leased assets	0.5	2.8
Depreciation on investment properties	8.4	4.4
Depreciation on right-of-use asset	18.6	-
Amortisation of intangible assets	8.9	5.7
Employee benefit expense	1,030.7	865.1

32. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
Depreciation and amortisation	377.2	357.9	-	-
Raw materials and consumables used	2,640.7	3,108.7	-	-
Employee benefit expense	1,030.7	865.1	-	-
Others	875.7	1,008.4	22.9	15.9
Total cost of sales, administrative expenses, distribution costs and other expenses	4,924.3	5,340.1	22.9	15.9

33. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
Finance income:				
-Foreign exchange gain	(3.4)	(24.9)	-	-
-Interest income on finance lease	(1.4)	-	-	-
	(4.8)	(24.9)	-	-
Finance cost:				
-Interest expense on bank overdrafts	6.4	1.5	-	-
-Interest expense on loans repayable by instalments	17.3	14.7	-	-
-Interest expense on other loans not repayable by instalments	87.8	91.7	36.2	31.7
-Interest expense on lease liabilities	3.2	-	-	-
-Foreign exchange loss	7.2	-	-	-
-Others	0.9	-	-	-
	122.8	107.9	36.2	31.7
Total - Net finance costs	118.0	83.0	36.2	31.7

34. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2019	Restated 2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
Profit attributable to owners of the Company	262.8	197.3	178.7	197.2
Number of ordinary shares in issue	227.5	227.5	227.5	227.5
Basic and diluted earnings per share (MUR)	1.16	0.87	0.79	0.87

35. DIVIDENDS

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	–	–	–	–
Final ordinary declared – 85 cents per share (2018: 85 cents)	193.4	193.4	193.4	193.4
Dividends paid during the year	(193.4)	(193.4)	(193.4)	(193.4)
Dividends declared by subsidiaries to non-controlling interests	115.3	117.3	–	–
Dividends paid to non-controlling interests	(115.3)	(117.3)	–	–
At December 31,	–	–	–	–

36. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

THE GROUP At December 31, 2019	At January 1, 2019	Cash flows	Non-cash changes Acquisition	Foreign exchange movement	At December 31, 2019
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Borrowings	2,667.7	829.2	–	–	3,496.9
Finance lease liabilities	6.3	(2.1)	–	–	4.2
Total liabilities from financing activities	2,674.0	827.1	–	–	3,501.1

THE GROUP At December 31, 2018	At January 1, 2018	Cash flows	Non-cash changes Acquisition	Foreign exchange movement	At December 31, 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Borrowings	2,558.2	(546.7)	656.2	–	2,667.7
Finance lease liabilities	16.8	(10.5)	–	–	6.3
Total liabilities from financing activities	2,575.0	(557.2)	656.2	–	2,674.0

36. NOTES TO STATEMENT OF CASH FLOWS (CONT'D)

(a) Reconciliation of liabilities arising from financing activities (Cont'd)

THE COMPANY At December 31, 2019	At January 1, 2019	Cash flows	Non-cash changes Acquisition	Foreign exchange movement	At December 31, 2019
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Borrowings	521.0	339.3	–	–	860.3

THE COMPANY At December 31, 2018	At January 1, 2018	Cash flows	Non-cash changes Acquisition	Foreign exchange movement	At December 31, 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Borrowings	616.2	(95.2)	–	–	521.0

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	MUR'M	MUR'M	MUR'M	MUR'M
Cash in hand and at bank	491.5	387.6	12.2	49.4
Bank overdrafts (note 22)	(39.9)	(31.1)	–	(6.3)
	451.6	356.5	12.2	43.1

The cash and cash equivalents are held with banks and financial institution counterparties, which are rated Baa2 to Baa3, based on ratings of Moody's.

The Group considers that its cash in hand and at bank have low credit risk based on the external credit ratings of the counterparties.

The amount of impairment allowance at December 31, 2019 is nil (2018: nil).

(c) Non cash transactions

The principal non cash transactions are:

(i) acquisitions of right-of-use assets (note 5A) and its corresponding lease liabilities (note 23).

(ii) Investment in associate through offset of loans receivables amounting to MUR'M 65.5 (note 9).

37. ACQUISITION OF A SUBSIDIARY

Acquisition of subsidiary

Belle Vue Rum Ltd

At December 31, 2018, the Group held 50% of the share capital of Belle Vue Rum Ltd.

The investment held was classified as investment in associate as the Group did not have control over Belle Vue Rum Ltd (note 39).

The Group initially acquired 50% of the share capital of Belle Vue Rum Ltd for MUR'M 1.

On September 29, 2019 the Group acquired the remaining 50% of the share capital and obtained the control of Belle Vue Rum Ltd holding 100% of its share capital.

The main activity of the company is freeport operations.

This transaction has resulted in the recognition of a fair value gain on business combination at date of acquisition as follows:

	MUR'M
Fair value on business combination	3.3
Less: carrying amount of investment on the date of change in control	(1.0)
Fair value gain on business combination	2.3

The fair value gain on business combination of MUR'M 2.3 arising from the acquisition was written back to the statement of profit or loss.

The following table summarises the consideration paid for Belle Vue Rum Ltd and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	**MUR'M**
At September 29, 2019	
Cash	2.6
Total consideration transferred	2.6
Fair value on business combination	3.3
Total consideration	5.9

Recognised amounts of identifiable assets acquired and liabilities assumed

	MUR'M
Intangible assets	0.3
Inventories	4.5
Trade and other receivables	6.7
Cash and cash equivalents	6.7
Trade and other payables	(4.1)
Borrowings	(7.4)
Total identifiable net assets	6.7
Gain on bargain purchase	(0.8)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

37. ACQUISITION OF A SUBSIDIARY (CONT'D)

Acquisition of subsidiary (Cont'd)

The gain on bargain purchase of MUR'M 0.8 arising from the acquisition was recognised in the statement of profit or loss in other income.

The gain resulted mainly from the bargaining power of the Group.

For the three months ended December 31, 2019, Belle Vue Rum Ltd contributed revenue of MUR'M 6.4 and profit of MUR'M 1.36 to the Group's results. If the acquisition had occurred on January 1, 2019, management estimates that consolidated revenue would have been MUR'M 14.9, and consolidated profit for the year would have been MUR'M 4.3.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2019.

Taking control of Belle Vue Rum Ltd implies the acquisition of the brand Lazy Dodo (Rum) which has good equity and a network of distributors throughout Europe.

We are confident in the brand's potential given its acceptance in different markets.

38. SUBSIDIARIES

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

	Type of shares held	Stated capital	**2019** % holding	**2019** % held by other group companies	**2019** % held by non-controlling interests	2018 % holding	2018 % held by other group companies	2018 % held by non-controlling interests	Principal activity
		MUR							
Terra Milling Ltd	Ordinary	56,657,480	–	**80.00**	**20.00**	–	80.00	20.00	Sugar
Terragen Ltd	Ordinary	520,523,500	–	**51.00**	**49.00**	–	51.00	49.00	Energy
Terra Brands Ltd	Ordinary	12,000,000	**100.00**	–	–	100.00	–	–	Investment
Grays Inc Ltd	Ordinary	83,280,000	–	**74.00**	**26.00**	–	74.00	26.00	Commercial
Grays Distilling Ltd	Ordinary	20,738,000	–	**66.67**	**33.33**	–	66.67	33.33	Manufacturing
Terra Services Ltd	Ordinary	25,000	**100.00**	–	–	100.00	–	–	Services
Ivoirel Limitée	Ordinary	29,443,274	**100.00**	–	–	100.00	–	–	Investment
Sagiterra Ltd	Ordinary	25,000	**100.00**	–	–	100.00	–	–	Property management
Société Proban	Parts d'intérêts	8,100,000	**83.34**	–	**16.66**	83.34	–	16.66	Investment
International Brands Ltd	Ordinary	3,635	–	**100.00**	–	–	100.00	–	Investment
Terra Foundation	Ordinary	10,000	**100.00**	–	–	100.00	–	–	Social Activities
Fondation Nemours Harel	Parts d'intérêts	10,000	**75.00**	–	**25.00**	75.00	–	25.00	Cultural Activities
Société Evapo	Parts d'intérêts	16,525,000	–	**66.67**	**33.33**	–	66.67	33.33	Investment
Terrarock Ltd	Ordinary	15,000,000	–	**54.00**	**46.00**	–	54.00	46.00	Manufacturing
Terragri Ltd	Ordinary	722,455,070	**100.00**	–	–	100.00	–	–	Sugar
Terra Finance Ltd	Ordinary	500,000	**100.00**	–	–	100.00	–	–	Treasury
Terravest Holding Ltd	Ordinary	130,860,000	**100.00**	–	–	100.00	–	–	Investment
Sugarworld Limited	Ordinary	45,238,456	**95.24**	–	**4.76**	95.24	–	4.76	Commercial
Les Chais de L'Isle de France Ltée	Ordinary	3,000,000	–	**100.00**	–	–	100.00	–	Commercial
Terragen Management Ltd	Ordinary	100,000	–	**61.75**	**38.25**	–	61.75	38.25	Services
Intendance Holding Ltd	Ordinary	1,647,700	**100.00**	–	–	100.00	–	–	Investment
Beau Plan Cellars Ltd	Ordinary	10,000,000	–	**100.00**	–	–	100.00	–	Manufacturing
Beau Plan Retail Park Ltd	Ordinary	407,300,000	–	**100.00**	–	–	100.00	–	Real Estate
Providence Warehouse Ltd	Ordinary	10,000	–	**50.00**	**50.00**	–	50.00	50.00	Commercial
Beau Plan Development Ltd	Ordinary	1,155,000,000	–	**100.00**	–	–	100.00	–	Property management
East Indies Company Ltd	Ordinary	2,500,000	–	**100.00**	–	–	100.00	–	Dormant
Mon Rocher School Holding Ltd	Ordinary	1	–	**100.00**	–	–	100.00	–	Dormant
Belle Vue Rum Ltd	Ordinary	2,000,000	–	**100.00**	–	–	–	–	Freeport operations

(a) The above subsidiaries are incorporated and operate in Mauritius except for the following:
(i) Ivoirel Limitée, whose country of operation is Côte d'Ivoire;
(ii) Providence Warehouse Ltd, whose country of operations is Seychelles.

(b) For December 31, 2019 and 2018, the Group accounts for its investments in Providence Warehouse Ltd as subsidiary although the Group holds 50% of the issued share capital as the Group has control over the investment due to appropriate representation at board level.

38. SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the Company:

	Profit/(loss) allocated to Non-controlling interests during the year	**Accumulated Non-controlling interests at Dec 31,**
2019	**MUR'M**	**MUR'M**
Terragen Ltd	**78.5**	**692.7**
Terra Milling Ltd	**(9.8)**	**118.9**
Grays Inc Ltd	**16.5**	**84.5**
2018 - Restated		
Terragen Ltd	98.3	712.4
Terra Milling Ltd	(10.0)	75.7
Grays Inc Ltd	26.0	79.8

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

(i) Summarised statement of financial position of Terragen Ltd:

	2019	Restated 2018
	MUR'M	MUR'M
Non-current assets	**1,313.3**	1,371.3
Current assets	**504.8**	585.1
Non-current liabilities	**(181.5)**	(192.9)
Current liabilities	**(223.0)**	(309.6)
Total equity	**1,413.6**	1,453.9

Summarised statement of profit or loss and other comprehensive income of Terragen Ltd:

	2019	Restated 2018
	MUR'M	MUR'M
Revenue	**1,310.7**	1,467.1
Expenses	**(1,125.8)**	(1,236.1)
Other income	**2.8**	2.9
Net finance (costs)/income	**(3.9)**	0.5
Profit before tax	**183.8**	234.4
Taxation	**(23.5)**	(33.7)
Profit for the year	**160.3**	200.7
Other comprehensive income	**(25.4)**	(0.4)
Total comprehensive income	**134.9**	200.3

38. SUBSIDIARIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

Summarised cash flow information of Terragen Ltd:	2019	Restated 2018
	MUR'M	MUR'M
Net cash inflow from operating activities	**161.3**	423.2
Net cash outflow from investing activities	**(33.8)**	(119.8)
Net cash outflow from financing activities	**(175.0)**	(245.0)
Net cash (outflow)/inflow	**(47.5)**	58.4

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

(ii) Summarised statement of financial position of Terra Milling Ltd:	2019	Restated 2018
	MUR'M	MUR'M
Non-current assets	**929.7**	736.7
Current assets	**441.9**	304.2
Non-current liabilities	**(289.4)**	(315.7)
Current liabilities	**(487.9)**	(346.7)
Total equity	**594.3**	378.5

Summarised statement of profit or loss and other comprehensive income of Terra Milling Ltd:

	2019	Restated 2018
	MUR'M	MUR'M
Revenue	**506.9**	383.2
Expenses	**(613.5)**	(450.2)
Other income	**96.2**	32.7
Finance costs	**(37.5)**	(16.8)
Loss before tax	**(47.9)**	(51.1)
Taxation	**(1.1)**	1.4
Loss for the year	**(49.0)**	(49.7)
Other comprehensive income	**264.8**	13.6
Total comprehensive income	**215.8**	(36.1)

Summarised cash flow information of Terra Milling Ltd:	2019	Restated 2018
	MUR'M	MUR'M
Net cash (outflow)/inflow from operating activities	**(18.2)**	53.1
Net cash outflow from investing activities	**(58.4)**	(18.5)
Net cash inflow/(outflow) from financing activities	**86.7**	(42.0)
Net cash inflow/(outflow)	**10.1**	(7.4)

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

38. SUBSIDIARIES (CONT'D)

(iii) Summarised statement of financial position of Grays Inc Ltd:	2019	Restated 2018
	MUR'M	MUR'M
Non-current assets	**234.4**	201.9
Current assets	**1,122.3**	1,097.3
Non-current liabilities	**(161.5)**	(130.8)
Current liabilities	**(870.1)**	(861.4)
Total equity	**325.1**	307.0

Summarised statement of profit or loss and other comprehensive income of Grays Inc Ltd:

	2019	Restated 2018
	MUR'M	MUR'M
Revenue	**1,784.4**	1,920.5
Expenses	**(1,692.8)**	(1,809.5)
Other income	**10.5**	12.6
Finance costs	**(22.1)**	(11.3)
Profit before tax	**80.0**	112.3
Taxation	**(16.4)**	(12.3)
Profit for the year	**63.6**	100.0
Other comprehensive income	**-**	(14.1)
Total comprehensive income	**63.6**	85.9

Summarised cash flow information of Grays Inc Ltd:	2019	Restated 2018
	MUR'M	MUR'M
Net cash inflow from operating activities	**49.0**	36.7
Net cash outflow from investing activities	**(25.3)**	(35.6)
Net cash (outflow)/inflow from financing activities	**(14.9)**	191.9
Net cash inflow	**8.8**	193.0

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

39. ASSOCIATES

(a) Summarised financial information and details of each of the material associates is set out below:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Revenues		Dividend received		Profit/(loss)	
	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated	2019	2018 Restated
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Alcohol & Molasses Export Ltd	24.3	28.0	4.6	3.8	7.5	7.0	2.0	1.4	53.9	77.3	15.0	–	12.4	(0.9)
Anytime Investment Ltd	0.1	–	84.2	64.3	–	0.1	–	–	–	–	–	–	–	3.0
Coal Terminal (Management) Co Ltd	20.8	27.0	55.9	5.4	26.6	21.6	46.0	7.4	191.3	82.4	–	–	0.5	0.2
Horus Ltée	26.0	–	203.5	378.4	28.2	2.1	–	–	–	–	–	–	(0.1)	4.1
Swan General Ltd	9,488.2	8,031.0	43,913.0	40,371.4	1,385.5	949.9	48,118.0	44,183.5	6,419.6	5,925.2	119.2	99.3	672.2	712.6
New Fabulous Investment Ltd	0.1	–	84.2	64.3	–	0.1	–	–	–	–	–	–	–	3.0
New Goodwill Co. Ltd	472.0	447.3	25.4	23.0	196.6	193.7	68.0	–	1,791.4	1,861.7	85.1	85.1	110.0	50.8
Rehm Grinaker Construction Co. Ltd	952.5	702.5	204.8	17.7	927.6	670.0	97.0	23.0	1,249.4	1,119.1	–	–	–	–
Rehm Grinaker Properties Co Ltd	–	2.3	–	167.5	–	12.3	–	77.8	–	14.7	–	–	12.3	4.0
Topterra Ltd	27.0	21.0	66.0	70.4	53.8	40.7	7.0	15.1	17.3	18.0	–	–	(4.5)	0.5
Commada Ltd	0.8	0.6	288.7	267.8	153.7	141.2	–	–	–	–	–	–	(2.9)	14.9
Sucrivoire S.A	2,349.9	2,668.9	2,995.3	3,198.6	2,563.0	2,418.3	584.0	3,449.2	3,477.3	3,617.9	–	86.6	(505.9)	(193.4)
United Investment Limited	–	2.7	–	–	–	0.4	–	–	–	30.3	–	–	–	63.9
Terravest Limited	198.6	192.7	257.9	211.9	190.3	166.7	92.0	90.7	478.4	444.4	–	–	32.9	16.5
Thermal Valorisation Co Ltd	23.5	67.7	858.6	879.4	97.1	123.8	335.0	552.8	124.3	53.8	–	–	(7.5)	(13.2)
United Docks Ltd	22.3	22.8	2,473.4	2,364.0	237.7	151.3	185.0	159.9	64.9	32.0	–	–	18.0	26.2
Belle Vue Rum Ltd	–	17.1	–	0.4	–	9.4	–	3.0	–	7.7	–	–	–	1.5
Distillerie de Bois Rouge Ltd	4.4	4.4	–	–	8.0	7.6	3.6	3.6	–	–	–	–	(0.4)	(0.6)
Grays Uganda Ltd	6.5	6.5	5.3	5.3	8.4	8.4	–	–	–	14.2	–	–	–	(9.6)
Inside Capital Partners Ltd	7.3	13.9	0.3	0.4	5.7	11.4	–	–	37.5	28.2	–	–	9.9	(8.7)
Payment Express Ltd	34.4	26.8	249.2	227.1	120.4	91.8	43.0	49.7	130.9	149.2	–	–	7.9	3.0
Beau Plan Campus Ltd	51.7	31.8	578.5	579.1	53.4	51.7	240.0	269.0	69.4	46.2	–	–	46.6	32.3

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

39. ASSOCIATES (CONT'D)

(a) Summarised financial information and details of each of the material associates is set out below (cont'd):

	OCI		Total comprehensive income		% holding		Financial period ended	Country of incorporation	Principle place of business	Nature of business
	2019	2018 Restated	**2019**	2018 Restated	**2019**	2018 Restated				
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M				
Alcohol & Molasses Export Ltd	**(1.0)**	–	**11.4**	(0.9)	**41.87**	41.87	June 30,	Mauritius	Mauritius	Strategic procurement
Anytime Investment Ltd	**–**	–	**–**	3.0	**24.50**	24.50	June 30,	Mauritius	Mauritius	Investment holding
Coal Terminal (Management) Co Ltd	**–**	–	**0.5**	0.2	**15.43**	15.43	December 31,	Mauritius	Mauritius	Procurement and logistics of coal
Horus Ltée	**–**	–	**(0.1)**	4.1	**50.00**	50.00	June 30,	Mauritius	Mauritius	Investment holding
Swan General Ltd	**119.1**	(154.0)	**791.3**	558.6	**34.03**	34.03	December 31,	Mauritius	Mauritius	Insurance
New Fabulous Investment Ltd	**–**	–	**–**	3.0	**24.50**	24.50	June 30,	Mauritius	Mauritius	Investment holding
New Goodwill Co. Ltd	**–**	–	**110.0**	50.8	**33.33**	33.33	June 30,	Mauritius	Mauritius	Rum bottling and distribution
Rehm Grinaker Construction Co. Ltd	**–**	–	**–**	–	**35.49**	35.49	June 30,	Mauritius	Mauritius	Construction
Rehm Grinaker Properties Co Ltd	**11.0**	–	**23.3**	4.0	**–**	35.49	June 30,	Mauritius	Mauritius	Real Estate
Topterra Ltd	**–**	–	**(4.5)**	0.5	**33.33**	33.33	June 30,	Mauritius	Mauritius	Production and distribution of liquid fertiliser
Commada Ltd	**–**	(36.4)	**(2.9)**	(21.5)	**50.00**	50.00	December 31,	Mauritius	Mauritius	Investment holding
Sucrivoire S.A	**–**	–	**(505.9)**	(193.4)	**25.50**	25.50	December 31,	Côte d'Ivoire	Côte d'Ivoire	Sugar production
United Investments Limited	**–**	–	**–**	63.9	**–**	29.03	June 30,	Mauritius	Mauritius	Investment holding
Terravest Limited	**(6.9)**	–	**26.0**	16.5	**26.67**	26.67	December 31,	Mauritius	Mauritius	Management company
Thermal Valorisation Co Ltd	**–**	–	**(7.5)**	(13.2)	**17.85**	17.85	December 31,	Mauritius	Mauritius	Energy
United Docks Ltd	**(16.8)**	(0.2)	**2.4**	26.0	**15.18**	15.18	June 30,	Mauritius	Mauritius	Real estate
Belle Vue Rum Ltd	**–**	–	**–**	1.5	**–**	37.00	December 31,	Mauritius	Mauritius	Freeport operations
Distillerie de Bois Rouge Ltd	**–**	–	**(0.4)**	(0.6)	**33.33**	33.33	July 31,	Mauritius	Mauritius	Dormant
Grays Uganda Ltd	**–**	–	**–**	(9.6)	**22.20**	22.20	December 31,	Mauritius	Mauritius	Dormant
Inside Capital Partners Ltd	**–**	–	**9.9**	(8.7)	**36.75**	24.50	December 31,	Mauritius	Mauritius	Fund management
Payment Express Ltd	**–**	–	**7.9**	3.0	**27.83**	27.80	June 30,	Mauritius	Mauritius	Payment service provider
Beau Plan Campus Ltd	**–**	–	**46.6**	32.3	**40.00**	40.00	December 31,	Mauritius	Mauritius	Real estate

(i) Investment in United Investments Limited was reclassified to Non-current asset held for sale (note 19).

(ii) During the year ended December 31, 2019 Rehm Grinaker Properties Co. Ltd amalgamated with Rehm Grinaker Construction Co. Ltd and the latter became the surviving company.

(iii) During the year ended December 31, 2019 the Group acquired an additional stake and gained control in Belle Vue Rum Ltd (note 37). The investment was reclassifed from Investment in associates.

39. ASSOCIATES (CONT'D)

(b) For December 31, 2019 and 2018, the Group accounts for its investments in Coal Terminal (Management) Co Ltd and United Docks Ltd as associates although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the Board of Directors of these associated companies.

For December 31, 2019 and 2018, the Group accounts for its investments in Horus Ltée and Commada Ltd as associate although the Group holds 50% of the issued share capital as the Group does not have control over the investment due to insufficient representation at board level.

(c) Reconciliation of summarised financial information

December 31, 2019	Carrying amount							
	Opening balance	Additions/ (Redemptions)	Share of profit/(loss) for the year	Dividends	Impairment	Share of OCI for the year	Translation reserves	**Closing balance**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Investment in associates								
Alcohol & Molasses Export Ltd	**9.8**	**–**	**5.2**	**(6.3)**	**–**	**(0.4)**	**–**	**8.3**
Horus Ltée	**186.7**	**–**	**1.6**	**–**	**–**	**–**	**–**	**188.3**
Swan General Ltd	**1,052.3**	**–**	**194.8**	**(40.5)**	**–**	**40.4**	**–**	**1,247.0**
New Goodwill Co. Ltd	**68.0**	**–**	**36.7**	**(28.4)**	**–**	**–**	**–**	**76.3**
Rehm Grinaker Construction Co. Ltd	**9.6**	**–**	**4.4**	**–**	**–**	**0.8**	**–**	**14.8**
Topterra Ltd	**18.4**	**–**	**(2.3)**	**–**	**(16.1)**	**–**	**–**	**–**
Commada Ltd	**28.1**	**–**	**(1.5)**	**–**	**–**	**–**	**2.1**	**28.7**
Sucrivoire S.A	**665.0**	**–**	**(129.0)**	**–**	**–**	**(2.4)**	**26.9**	**560.5**
Terravest Limited	**39.9**	**–**	**8.8**	**–**	**–**	**(1.8)**	**(0.4)**	**46.5**
Thermal Valorisation Co Ltd	**94.7**	**65.5**	**(2.6)**	**–**	**–**	**–**	**–**	**157.6**
Inside Capital Partners Ltd	**–**	**(1.7)**	**3.6**	**–**	**–**	**–**	**(1.2)**	**0.7**
Payment Express Ltd	**32.9**	**–**	**0.5**	**–**	**(33.4)**	**–**	**–**	**–**
United Docks Ltd	**125.2**	**–**	**1.1**	**–**	**–**	**(1.0)**	**–**	**125.3**
Beau Plan Campus Ltd	**110.8**	**–**	**18.6**	**–**	**–**	**–**	**5.3**	**134.7**
	2,441.4	**63.8**	**139.9**	**(75.2)**	**(49.5)**	**35.6**	**32.7**	**2,588.7**

39. ASSOCIATES (CONT'D)

(d) Information presented in aggregate for the associates that are not individually significant:

	2019	2018
	MUR'M	MUR'M
Carrying amount of interests	**35.5**	7.1
Group's share of profit	**31.0**	–
Group's share of other comprehensive income	**0.8**	–
Group's share of total comprehensive income	**31.8**	–

40. CAPITAL COMMITMENTS

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

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
Property, plant and equipment	**58.2**	292.6
Investment properties	**926.2**	403.9
Inventory work in progress	**25.2**	–
	1,009.6	696.5

41. PARENT AND ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the parent and ultimate holding entity of TERRA Mauricia Ltd.

42. RELATED PARTY TRANSACTIONS

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

	Purchases of services	Sales of services and others	Amount receivable	Amount payable	Interest expense	Dividends
(i) THE GROUP	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
2019						
Associates	**120.4**	**41.7**	**59.7**	**11.5**	**0.1**	**75.2**
Enterprises with common directors	**58.7**	**0.3**	**–**	**18.8**	**–**	**–**
	179.1	**42.0**	**59.7**	**30.3**	**0.1**	**75.2**
2018						
Associates	22.1	19.4	168.1	10.6	33.5	84.2
Enterprises with common directors	27.4	3.0	11.0	–	–	–
	49.5	22.4	179.1	10.6	33.5	84.2

During the financial year ended December 31, 2019, the Group received a performance security guarantee for MUR'M 51 from an associate which will expire on September 30, 2021 (2018 : nil). The Group also received an advance payment guarantee for MUR`M 30 which will expire on September 30, 2020 (2018 : Nil).

Amounts receivable from and payable to related parties are unsecured, interest-free and repayable within one year. Non-current related party receivable is unsecured, interest-free and repayment is not expected to be requested within one year.

Impairment loss on trade receivables from an associate amounted to MUR'M 43.4.

Details of impairment of associates are disclosed in note 9(a)(ii).

Dividends paid to non-controlling interests amounting to MUR'M 115.3 (2018: MUR'M 117.3) are disclosed in the Group statement of cash flows.

42. RELATED PARTY TRANSACTIONS (CONT'D)

	Amount receivable	Amount payable	Borrowings	Interest expense	Dividend income
(ii) THE COMPANY	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
2019					
Associates	**14.0**	**13.6**	**–**	**–**	**6.3**
Subsidiaries	**51.4**	**3.2**	**860.3**	**36.2**	**223.7**
	65.4	**16.8**	**860.3**	**36.2**	**230.0**
2018					
Associates	15.7	–	–	–	–
Subsidiaries	4.1	1.1	521.0	31.7	238.3
	19.8	1.1	521.0	31.7	238.3

None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

Refer to note 22 for terms and conditions of borrowings and note 11/18 for amounts receivables.

Letter of comfort given to a wholly owned subsidiary is disclosed in note 43 (c).

Dividends paid to shareholders amounting to MUR'M 193.4 (2018: MUR'M 193.4) are disclosed in Company's statement of cash flows.

(iii) Key management personnel

Key management personnel consists of personnel employed by the Group and its subsidiaries who can exercise direct control on major parts of the Group/Company's activities and resources. The key management personnel compensation comprised the following:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Salaries and short term employee benefits	**87.3**	86.8	**–**	–
Post employment benefits	**9.4**	8.8	**–**	–
Other benefits	**2.1**	2.0	**–**	–
	98.8	97.6	**–**	–

43. CONTINGENT LIABILITIES

(a) Court cases

(i) Previous distillers

An agreement was reached in 1979 between five enterprises (including a subsidiary of the Group) for the sale and sharing thereof of alcohol produced from molasses and sold in Mauritius. The agreement was terminated in 2000. There is currently a dispute over the compensation payable upon termination to two partners, who are claiming MUR'M 58.4 from the other partners, (including a subsidiary of the Group). A ruling was delivered in August 2012 by the Judge of the Commercial Court to the effect that the matter should be referred to arbitration. However, the parties have given notice of appeal of that judgement. The appeal was called in March 2014, when some points of laws were raised. On November 20, 2014, arguments were heard on the points of law and the judge has delivered his ruling on December 11, 2015, allowing the appeal to procede. The appeal was heard on February 22, 2017 and the Court has ruled, on November 1, 2018, that the case should be referred to the Supreme Court (Commercial Division). The case is ongoing.

(ii) Ex-employees of Beau Plan Sugar Factory

There is currently a claim to a subsidiary for damages from ex-employees of Beau Plan Sugar Factory for MUR'M 130.0 in respect of breach of contract. The court case is ongoing.

(iii) Irrigation Authority

There is a dispute in respect of irrigation dues by Terragri Ltd for the period 2005 to June 30, 2018 amounting to MUR'M 45.1. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and Terragri Ltd.

(iv) Dissenting shareholders

Following the special meeting of Harel Frères Limited (now Terragri Ltd) held on November 23, 2011 at which the shareholders of Terragri Ltd approved a scheme of arrangement under sections 261 to 264 of the Companies Act 2001 (the "Scheme") pursuant to which the shares of Terragri Ltd were, on January 01, 2012, exchanged for shares of Terra Mauricia Ltd ("Terra") in the ratio of 1:1, that is one (1) ordinary share of Terra for one (1) ordinary share of Terragri Ltd, certain dissenting shareholders (the "Dissenting Shareholders"), representing some 6.4% of the share capital have initiated legal proceedings against Terragri Ltd and Terra. The Dissenting Shareholders claim that they have been unfairly prejudiced by the Scheme and have applied for an order of the court requiring the buy back of their shares at fair value or the payment of compensation in a sum in excess of MUR 64 per share held by them. Terragri Ltd and Terra have been advised that the claim of the Dissenting Shareholders is misconceived. Counsel has further opined that the claim amounts to an abuse of process of the court. The claim of the Dissenting Shareholders has been resisted both by Terragri Ltd and Terra. The matter has been heard by the Bankruptcy Division of the Supreme Court of Mauritius and a judgement was issued on February 11, 2014. The Supreme Court dismissed the applications with costs and confirmed that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders had appealed against the judgement and the Court of Appeal has in its judgement, delivered on March 25, 2019, dismissed the appeal with costs. The appellants have since obtained leave from the Supreme Court to submit an appeal to the Privy Council.

(v) Breach of contract

A subsidiary has claimed an amount of MUR'M 1.8 to one of its clients in respect of overdue selling fees. The client has submitted a counterclaim of MUR'M 60 to the subsidiary for breach of contract and damages. The dispute is still pending.

Following the termination of a transport contract by a subsidiary, a supplier has claimed MUR'M 6 to the former for breach of contract. The case will be heard on the July 31, 2020.

(vi) Work accidents

The heirs of two ex-employees of Terra Milling Ltd, who were victims of a work accident, have claimed damages amounting to MUR'M 6.1 and MUR'M 1.9 respectively to their former employer. The cases are ongoing. The exposure is mitigated under the employer liability insurance cover of Terra Milling Ltd.

43. CONTINGENT LIABILITIES (CONT'D)

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 467.2 (2018: MUR'M 166.0) as at December 31, 2019.

(c) Letter of comfort

In the ordinary course of business, the Company has provided letters of comfort and undertaking in favour of commercial banks in Mauritius in respect of short term banking facilities availed by its wholly owned subsidiary, Terra Finance Ltd.

As at December 31, 2019, the total comfort provided in respect of the short term banking facilities amounted to MUR 3 billion (2018: MUR 5.5 billion) out of which total utilisation amounted to MUR 2.2 billion (2018: MUR 2.1 billion).

44. EVENTS AFTER THE REPORTING PERIOD

The COVID-19 outbreak is a material subsequent non-adjusting event that requires disclosure in the financial statements. On March 11, 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Many governments are taking increasingly stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. There has also been a significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a significant decline in long-term interest rates in developed economies.

Mauritius has come out of lockdown on May 31, 2020 and government has introduced a number of measures to help businesses better manage the impact of COVID-19.

THE GROUP

The COVID-19 outbreak is expected to have some impact on the Group's operations, customers and suppliers (particularly within the Brand cluster and the hospitality sector) and consequently the Group's production, revenue and cash position in the near term. The Group will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

Nonetheless, based on the analysis of the Group's cash flows, the Board believes that the Group has sufficient liquid assets and has access to unused borrowing facilities with sufficient headroom (MUR 2.4 billion at 30 June 2020) to meet its obligations for at least the next 12 months from the date of the approval of these consolidated financial statements. Hence, it will not have a material effect on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements are prepared on a going concern basis.

Terragen Contract

The Power Purchase Agreement (PPA) between Terragen Ltd and the Central Electricity Board (CEB) which sets the terms and conditions of the production and sale of electricity was set to expire on June 30, 2020. The CEB is a parastatal body responsible for all of the supply and distribution of electricity in Mauritius.

The Group was notified by CEB on June 29, 2020 that the latter shall extend the avenant PPA on new terms and conditions for a period of 30 months.

44. EVENTS AFTER THE REPORTING PERIOD (CONT'D)

THE COMPANY

The COVID-19 is expected to have some impact on the Company's dividend income and the fair value of its investments over the forthcoming year.

The accounting policy of the Company is to fair value its investments in subsidiaries, associates and financial assets at fair value through other comprehensive income. At December 31, 2019, the fair value of the Level 1 investments (including investments in subsidiaries and associates) was MUR 1.3 billion. These investments are classified as non-current assets and are held for as long term investments. As at June 30, 2020, the fair value of the Level 1 investments (including investments in subsidiaries and associates) dropped to MUR 1.1 billion resulting in a decrease in the fair value of the investments by MUR'M 200.

At the Company level, for non-level 1 investments (including investments in subsidiaries and associates), COVID-19 is subject to rapid change and updated facts and circumstances continue to be monitored as new information becomes available. COVID-19 will have an impact on the fair value of those investments but it is not possible to reliably estimate the precise impact at this stage due to the unobservable inputs required to perform the valuations. The Directors believe that the economic slowdown, and consequently the volatility in the financial markets, are temporary and expected to reverse in the near future and disposal of the investment is not expected in the foreseeable future.

Nonetheless, based on the analysis of the Company's cash flows, the Board believes that the Company has sufficient liquid assets and cash flows for at least the next 12 months from the date of the approval of these separate financial statements. Hence, it will not have a material effect on the Company's ability to continue as a going concern. Accordingly, the separate financial statements are prepared on a going concern basis.

There have been no other material events since the end of the reporting period which would require disclosure or adjustment to the consolidated and separate financial statements for the year ended December 31, 2019.

45. SEGMENT INFORMATION

Reportable segments are disclosed in note 28(a).

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies (note 2).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

45. SEGMENT INFORMATION (CONT'D)

(a) Information about reportable segments

THE GROUP

Year ended December 31, 2019	Cane	Power	Brands	Property & Leisure	Others	Group adjustments	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,026.4	1,318.7	2,318.9	545.8	431.4	–	5,641.2
Intersegment sales	–	(24.0)	(30.4)	(331.8)	(207.7)	–	(593.9)
Revenues from external customers	1,026.4	1,294.7	2,288.5	214.0	223.7	–	5,047.3
Segment (loss)/profit	(102.1)	190.3	173.6	250.6	127.9	(125.3)	515.0
Net finance costs	(49.5)	(3.9)	(28.9)	–	(161.0)	125.3	(118.0)
(Loss)/Profit after finance costs	(151.6)	186.4	144.7	250.6	(33.1)	–	397.0
Share of results of associates	(129.0)	(2.6)	35.2	18.6	248.7	–	170.9
Impairment of associates	–	–	(18.3)	–	(101.8)	–	(120.1)
(Loss)/Profit before taxation	(280.6)	183.8	161.6	269.2	113.8	–	447.8
Taxation	10.8	(23.4)	(25.9)	(0.5)	(28.1)	–	(67.1)
(Loss)/profit after taxation	(269.8)	160.4	135.7	268.7	85.7	–	380.7
Non-controlling interests							(117.9)
Profit attributable to equity holders of the Company							262.8

Year ended December 31, 2018 - restated	Cane	Power	Brands	Property & Leisure	Others	Group adjustments	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	884.1	1,467.1	2,410.9	308.6	284.8	–	5,355.5
Intersegment sales	(48.4)	(16.5)	–	(23.5)	(81.7)	–	(170.1)
Revenues from external customers	835.7	1,450.6	2,410.9	285.1	203.1	–	5,185.4
Segment (loss)/profit	(254.5)	253.2	84.8	220.5	40.7	(91.9)	252.8
Net finance costs	(23.0)	(4.1)	(15.9)	(0.1)	(131.8)	91.9	(83.0)
(Loss)/Profit after finance costs	(277.5)	249.1	68.9	220.4	(91.1)	–	169.8
Share of results of associates	(45.7)	(4.6)	28.9	12.1	263.3	–	254.0
Impairment of associates	–	–	–	–	(66.0)	–	(66.0)
(Loss)/Profit before taxation	(323.2)	244.5	97.8	232.5	106.2	–	357.8
Taxation	1.2	(32.8)	(20.5)	3.6	10.3	–	(38.2)
(Loss)/profit after taxation	(322.0)	211.7	77.3	236.1	116.5	–	319.6
Non-controlling interests							(122.3)
Profit attributable to equity holders of the Company							197.3

45. SEGMENT INFORMATION (CONT'D)

(b) Other material items

THE GROUP

Year ended December 31, 2019	**Cane**	**Power**	**Brands**	**Property & Leisure**	**Others**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Interest revenue	**–**	**0.1**	**1.0**	**–**	**0.8**	**1.9**
Interest expense	**(14.8)**	**(2.8)**	**(16.7)**	**–**	**(88.5)**	**(122.8)**
Cost of sales	**(1,039.8)**	**(974.0)**	**(1,647.8)**	**(37.3)**	**(144.6)**	**(3,843.5)**
Segment assets	**7,514.4**	**1,663.0**	**1,901.8**	**4,407.6**	**878.4**	**16,365.2**
Associates	**560.6**	**157.6**	**75.2**	**134.7**	**1,995.1**	**2,923.2**
Other assets	**–**	**3.1**	**20.2**	**466.8**	**788.8**	**1,278.9**
Segment liabilities	**588.2**	**201.2**	**600.5**	**141.0**	**183.3**	**1,714.2**
Borrowings	**897.0**	**0.2**	**656.0**	**0.9**	**1,986.9**	**3,541.0**
Other liabilities	**32.1**	**181.5**	**14.6**	**23.1**	**7.2**	**258.5**
Capital expenditure	**149.2**	**43.3**	**44.2**	**310.2**	**20.9**	**567.8**
Depreciation and amortisation	**(172.9)**	**(71.0)**	**(76.7)**	**(28.8)**	**(27.8)**	**(377.2)**
Other material non-cash items:						
- Impairment losses on trade receivables and contract assets	**–**	**–**	**–**	**–**	**(43.4)**	**(43.4)**
- Impairment losses on non-financial assets	**(558.6)**	**–**	**–**	**–**	**–**	**(558.6)**
- Reversal of impairment losses on non-financial assets	**8.1**	**–**	**–**	**–**	**–**	**8.1**

Year ended December 31, 2018	Cane	Power	Brands	Property & Leisure	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Interest revenue	–	0.2	6.4	0.1	4.9	11.6
Interest expense	20.5	(8.9)	(2.2)	(0.1)	(117.2)	(107.9)
Cost of sales	(972.3)	(1,089.0)	(1,793.7)	(90.3)	(150.9)	(4,096.2)
Segment assets	7,959.2	1,840.1	1,863.9	2,696.9	590.5	14,950.6
Associates	792.3	94.7	89.8	110.9	2,233.2	3,320.9
Other assets	46.4	20.5	–	28.8	282.2	377.9
Segment liabilities	565.7	279.6	572.3	85.9	191.8	1,695.3
Borrowings	532.5	–	679.7	1.5	1,491.4	2,705.1
Other liabilities	18.4	207.0	14.4	1.0	16.0	256.8
Capital expenditure	125.8	42.1	114.8	73.8	25.2	381.7
Depreciation and amortisation	(188.9)	(75.8)	(49.9)	(13.7)	(29.6)	(357.9)

46. CHANGES IN ACCOUNTING POLICIES

Impact on the financial statements – IFRS 16

The Group adopted IFRS 16 with a transition date of January 1, 2019. The Group has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of the initial application (i.e January 1, 2019) and recognised in the opening equity balances.

Effective January 1, 2019, IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease.*

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

Transition Method and Practical Expedients Utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (January 1, 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 as applied only to contracts entered into or changed on or after January 1, 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;

(c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and

(d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of the initial application.

As a lessee the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

46. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Impact on the financial statements – IFRS 16 (Cont'd)

Transition Method and Practical Expedients Utilised (cont'd)

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
Operating leases that meet the definition of investment property in IAS 40	Fair value as at January 1, 2019	Measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at January 1, 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was between 4.5% and 8.5%.
All other operating leases	Office space: Right-of-use assets are measured at an amount equal to the lease liability; adjusted by the amount of any prepaid or accrued lease payments.	
	All other: the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.	
Finance leases	Measured based on the carrying values for the lease assets and liabilities immediately before the date of initial application (i.e. carrying values brought forward, unadjusted).	

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at January 1, 2019:

	January 1, 2019			
	As previously reported	**Prior year adjustments (note 47)**	**IFRS 16**	**January 1, 2019**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
Assets				
Right-of-use assets	–	–	55.7	55.7
Lease prepayments	–	5.8	–	5.8
	–	5.8	55.7	61.5
Liabilities				
Lease liabilities	–	–	61.5	61.5

46. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Impact on the financial statements – IFRS 16 (Cont'd)

Transition Method and Practical Expedients Utilised (cont'd)

The following table presents the impact of adopting IFRS 16 on the statement of profit or loss for the year ended December 31, 2019:

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
Depreciation on right-of-use assets	18.6	–
Interest on lease liabilities	3.2	–
	21.8	–

The following table presents the impact of adopting IFRS 16 on the statement of cash flows for the year ended December 31, 2019:

	THE GROUP	
	2019	2018
	MUR'M	MUR'M
Principal paid on lease liabilities	(25.4)	–
Interest paid on lease liabilities	(3.2)	–
	(28.6)	–

47. EFFECT OF PRIOR YEAR ADJUSTMENTS

A. During the year ended December 31, 2018, the following balances were restated retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The effect of the restatements are summarised as follows:

THE GROUP	As previously reported	Prior year adjustments	Restated balance
	MUR'M	MUR'M	MUR'M
Statement of financial position			
January 01, 2018			
Non-current assets			
Property, plant and equipment	11,401.3	(1,175.0)	10,226.3
Investment properties	202.3	259.8	462.1
Investment in associates	3,245.9	137.2	3,383.1
Financial assets at fair value through other comprehensive income	383.4	(55.2)	328.2
Other financial assets at amortised cost	123.0	–	123.0
Land development expenditure	27.4	(27.4)	–
Lease prepayments	–	5.8	5.8
Deferred tax assets	105.1	40.9	146.0
Current assets			
Inventories	895.4	65.0	960.4
Non-current assets classified as held for sale	46.6	(46.6)	–
Non-current liabilities			
Retirement benefit obligations	659.6	3.5	663.1
Deferred tax liabilities	196.1	(7.9)	188.2
Current liabilities			
Trade and other payables	841.5	(63.8)	777.7
Provisions	–	71.2	71.2
Liabilities directly associated with non-current assets classified as held for sale	7.4	(7.4)	–
Equity			
Revaluation and other reserves	351.9	(470.3)	(118.4)
Retained earnings	903.3	(246.0)	657.3
Non-controlling interests	1,062.3	(74.8)	987.5

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP	Notes	As previously reported	Prior year adjustments	Restated balance
December 31, 2018		MUR'M	MUR'M	MUR'M
Non-current assets				
Property, plant and equipment	5	11,671.5	(1,112.4)	10,559.1
Investment properties	6	225.0	555.6	780.6
Intangible assets	7	408.9	(75.6)	333.3
Investment in associates	9	3,455.4	(134.5)	3,320.9
Financial assets at fair value through other comprehensive income	10	529.3	(63.8)	465.5
Other financial assets at amortised cost	11	82.8	–	82.8
Finance lease receivables	5B	–	44.6	44.6
Lease prepayments	5C	–	5.8	5.8
Land development expenditure		85.7	(85.7)	–
Deferred tax assets	15	135.2	46.5	181.7
Current assets				
Inventories	16	1,011.0	22.4	1,033.4
Other financial assets at amortised cost	11	393.7	(311.8)	81.9
Finance lease receivables	5B	–	123.8	123.8
Trade and other receivables	18	1,002.3	185.8	1,188.1
Non-current assets classified as held for sale	19	28.8	(28.8)	–
Non-current liabilities				
Deferred tax liabilities	15	234.3	(9.3)	225.0
Retirement benefit obligations	24	580.4	4.1	584.5
Current liabilities				
Trade and other payables	25	1,069.0	(34.7)	1,034.3
Contract liabilities	28(c)	–	25.9	25.9
Provisions	26	–	54.1	54.1
Liabilities directly associated with non-current assets classified as held for sale		33.3	(33.3)	–
Equity				
Revaluation and other reserves		1,000.2	(572.8)	427.4
Retained earnings		798.4	(193.1)	605.3
Non-controlling interests		1,052.5	(69.0)	983.5
Statement of profit of loss and other comprehensive income				
December 31, 2018				
Profit or loss:				
Profit before taxation		289.8	68.0	357.8
Taxation		(56.3)	18.1	(38.2)
Profit for the year		233.5	86.1	319.6
Profit attributable to:				
Owners of the Company		121.5	75.8	197.3
Non-controlling interests		112.0	10.3	122.3
		233.5	86.1	319.6
Impact on basic and diluted earnings per share (MUR)		**0.53**	**0.33**	**0.87**

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP

B. The effects on the statements of financial position as at January 01, 2018 are as follows:

	As at January 1, 2018	Reversal of revaluation surplus on Equipments and Buildings (a)	Cash flow hedge (b)	Retirement benefit obligations (c)	De-recognition of revaluation surplus for Power Plant (d)	Leasehold land - 1 (e)	Leasehold land - 2 (f)
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ASSETS							
Non-current assets							
Property, plant and equipment	11,401.3	(57.6)	–	–	(143.8)	(57.1)	(52.1)
Right-of-use assets	–	–	–	–	–	–	–
Investment properties	202.3	–	–	–	–	–	–
Intangible assets and goodwill	407.8	–	–	–	–	–	–
Investment in subsidiaries	–	–	–	–	–	–	–
Investment in associates	3,245.9	–	–	–	–	–	–
Financial assets at fair value through other comprehensive income	383.4	–	–	–	–	–	–
Other financial assets at amortised cost	123.0	–	–	–	–	–	–
Bearer biological assets	7.4	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	–
Lease prepayments	–	–	–	–	–	5.8	–
Land development expenditure	27.4	–	–	–	–	–	–
Deferred tax assets	105.1	–	–	–	–	–	–
	15,903.6	(57.6)	–	–	(143.8)	(51.3)	(52.1)
Current assets							
Inventories	895.4	–	–	–	–	–	–
Consumable biological assets	98.8	–	–	–	–	–	–
Trade and other receivables	1,598.0	–	–	–	–	–	–
Other financial assets at amortised cost	–	–	–	–	–	–	–
Cash in hand and at bank	174.8	–	–	–	–	–	–
Current tax assets	–	–	–	–	–	–	–
	2,767.0	–	–	–	–	–	–
Non-current assets classified as held for sale	46.6	–	–	–	–	–	–
Total assets	18,717.2	(57.6)	–	–	(143.8)	(51.3)	(52.1)
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	11,976.0	–	–	–	–	–	–
Revaluation and other reserves	351.9	(115.3)	3.5	–	(90.8)	(57.1)	(52.1)
Retained earnings	903.3	47.4	(3.5)	(2.9)	(35.4)	5.8	–
Owners' interest of the company	13,231.2	(67.9)	–	(2.9)	(126.2)	(51.3)	(52.1)
Non-controlling interests	1,062.3	–	–	–	–	–	–
Total equity	14,293.5	(67.9)	–	(2.9)	(126.2)	(51.3)	(52.1)
Non-current liabilities							
Borrowings	353.0	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–
Deferred tax liabilities	196.1	10.3	–	(0.6)	(17.6)	–	–
Retirement benefit obligations	659.6	–	–	3.5	–	–	–
	1,208.7	10.3	–	2.9	(17.6)	–	–
Current liabilities							
Trade and other payables	841.5	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–
Current tax liabilities	20.6	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–
Borrowings	2,345.2	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–
Derivative financial instruments	0.3	–	–	–	–	–	–
	3,207.6	–	–	–	–	–	–
Liabilities directly associated with non-current assets classified as held for sale	7.4	–	–	–	–	–	–
Total liabilities	4,423.7	10.3	–	2.9	(17.6)	–	–
Total equity and liabilities	18,717.2	(57.6)	–	–	(143.8)	(51.3)	(52.1)

	Land Development Expenditure (g)	Non-current assets classified as held for sale (h)	Reclassification of land and building to investment properties (i)	Transfer from Investment property to property, plant and equipment (j)	Impairment of investment property (k)	Restatements arising on deferred tax (l) (1) & (2)	Impairment of investment in associate (m)	Transfer from retained earnings to amalagamation reserve (n)	Reversal of consolidation adjustments (o)
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ASSETS									
Non-current assets									
Property, plant and equipment	–	–	(844.4)	30.7	–	–	–	–	(127.0)
Right-of-use assets	–	–	–	–	–	–	–	–	–
Investment properties	9.0	–	466.2	(55.1)	(62.3)	–	–	–	–
Intangible assets and goodwill	–	–	–	–	–	–	–	–	–
Investment in subsidiaries	–	–	–	–	–	–	–	–	–
Investment in associates	–	–	–	–	–	–	(57.1)	–	–
Financial assets at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–
Bearer biological assets	–	–	–	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	–	–	–
Lease prepayments	–	–	–	–	–	–	–	–	–
Land development expenditure	(27.4)	–	–	–	–	–	–	–	–
Deferred tax assets	–	–	–	–	–	40.9	–	–	–
	(18.4)	–	(378.2)	(24.4)	(62.3)	40.9	(57.1)	–	(127.0)
Current assets									
Inventories	18.4	46.6	–	–	–	–	–	–	–
Consumable biological assets	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	–	–	–	–	–	–	–	–
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–
Cash in hand and at bank	–	–	–	–	–	–	–	–	–
Current tax assets	–	–	–	–	–	–	–	–	–
	18.4	46.6	–	–	–	–	–	–	–
Non-current assets classified as held for sale	–	(46.6)	–	–	–	–	–	–	–
Total assets	–	–	(378.2)	(24.4)	(62.3)	40.9	(57.1)	–	(127.0)
EQUITY AND LIABILITIES									
Capital and reserves									
Stated capital	–	–	–	–	–	–	–	–	–
Revaluation and other reserves	–	–	(392.7)	(24.4)	–	(8.5)	–	129.0	–
Retained earnings	–	–	14.5	–	(62.3)	49.4	(57.1)	(129.0)	(127.0)
Owners' interest of the company	–	–	(378.2)	(24.4)	(62.3)	40.9	(57.1)	–	(127.0)
Non-controlling interests	–	–	–	–	–	–	–	–	–
Total equity	–	–	(378.2)	(24.4)	(62.3)	40.9	(57.1)	–	(127.0)
Non-current liabilities									
Borrowings	–	–	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–
Deferred tax liabilities	–	–	–	–	–	–	–	–	–
Retirement benefit obligations	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Current liabilities									
Trade and other payables	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–
Current tax liabilities	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Liabilities directly associated with non-current assets classified as held for sale	–	–	–	–	–	–	–	–	–
Total liabilities	–	–	–	–	–	–	–	–	–
Total equity and liabilities	–	–	(378.2)	(24.4)	(62.3)	40.9	(57.1)	–	(127.0)

	Adjustments of share of results of associate (p)	Reclassification adjustments of PPE and IP at group level (q)	Reclassification from FVOCI to investment in associate (r)	Alignment of accounting policy for an associate (s)	Other reclassification adjustments (x)	Land improvement (aa)	Cumulative impact of correction of errors 2017	NCI allocation	As at January 1, 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
ASSETS									
Non-current assets									
Property, plant and equipment	–	130.8	–	–	–	(54.5)	(1,175.0)	–	10,226.3
Right-of-use assets	–	–	–	–	–	–	–	–	–
Investment properties	–	(98.0)	–	–	–	–	259.8	–	462.1
Intangible assets and goodwill	–	–	–	–	–	–	–	–	407.8
Investment in subsidiaries	–	–	–	–	–	–	–	–	–
Investment in associates	6.3	–	122.8	65.2	–	–	137.2	–	3,383.1
Financial assets at fair value through other comprehensive income	–	–	(55.2)	–	–	–	(55.2)	–	328.2
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	123.0
Bearer biological assets	–	–	–	–	–	–	–	–	7.4
Finance lease receivables	–	–	–	–	–	–	–	–	–
Lease prepayments	–	–	–	–	–	–	5.8	–	5.8
Land development expenditure	–	–	–	–	–	–	(27.4)	–	–
Deferred tax assets	–	–	–	–	–	–	40.9	–	146.0
	6.3	32.8	67.6	65.2	–	(54.5)	(813.9)	–	15,089.7
Current assets									
Inventories	–	–	–	–	–	–	65.0	–	960.4
Consumable biological assets	–	–	–	–	–	–	–	–	98.8
Trade and other receivables	–	–	–	–	–	–	–	–	1,598.0
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–
Cash in hand and at bank	–	–	–	–	–	–	–	–	174.8
Current tax assets	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	65.0	–	2,832.0
Non-current assets classified as held for sale	–	–	–	–	–	–	(46.6)	–	–
Total assets	6.3	32.8	67.6	65.2	–	(54.5)	(795.5)	–	17,921.7
EQUITY AND LIABILITIES									
Capital and reserves									
Stated capital	–	–	–	–	–	–	–	–	11,976.0
Revaluation and other reserves	–	134.8	(13.7)	65.2	–	–	(422.1)	(48.2)	(118.4)
Retained earnings	6.3	(102.0)	81.3	–	–	(54.5)	(369.0)	123.0	657.3
Owners' interest of the company	6.3	32.8	67.6	65.2	–	(54.5)	(791.1)	74.8	12,514.9
Non-controlling interests	–	–	–	–	–	–	–	(74.8)	987.5
Total equity	6.3	32.8	67.6	65.2	–	(54.5)	(791.1)	–	13,502.4
Non-current liabilities									
Borrowings	–	–	–	–	–	–	–	–	353.0
Lease liabilities	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–
Deferred tax liabilities	–	–	–	–	–	–	(7.9)	–	188.2
Retirement benefit obligations	–	–	–	–	–	–	3.5	–	663.1
	–	–	–	–	–	–	(4.4)	–	1,204.3
Current liabilities									
Trade and other payables	–	–	–	–	(63.8)	–	(63.8)	–	777.7
Contract liabilities	–	–	–	–	–	–	–	–	–
Current tax liabilities	–	–	–	–	–	–	–	–	20.6
Provisions	–	–	–	–	71.2	–	71.2	–	71.2
Borrowings	–	–	–	–	–	–	–	–	2,345.2
Lease liabilities	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	0.3
	–	–	–	–	7.4	–	7.4	–	3,215.0
Liabilities directly associated with non-current assets classified as held for sale	–	–	–	–	(7.4)	–	(7.4)	–	–
Total liabilities	–	–	–	–	–	–	(4.4)	–	4,419.3
Total equity and liabilities	6.3	32.8	67.6	65.2	–	(54.5)	(795.5)	–	17,921.7

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP

The effects on the statements of financial position as at December 31, 2018 are as follows:

	Balance at December 31, 2018	Cumulative impact of correction of errors 2017	Reversal of revaluation surplus on Equipments and Buildings (a)	Cash flow hedge (b)	Retirement benefit obligations (c)	De-recognition of revaluation surplus for Power Plant (d)	Leasehold land – 1 (e)	Accounting treatment for sale of land (t)
ASSETS	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Non-current assets								
Property, plant and equipment	11,671.5	(1,175.0)	15.7	–	–	9.1	–	–
Right-of-use assets	–	–	–	–	–	–	–	–
Investment properties	225.0	259.8	–	–	–	–	–	–
Intangible assets and goodwill	408.9	–	–	–	–	–	–	–
Investment in subsidiaries	–	–	–	–	–	–	–	–
Investment in associates	3,455.4	137.2	–	–	–	–	–	–
Financial assets at fair value through other comprehensive income	529.3	(55.2)	–	–	–	–	–	–
Other financial assets at amortised cost	82.8	–	–	–	–	–	–	–
Bearer biological assets	7.4	–	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	(0.1)	44.7
Lease prepayments	–	5.8	–	–	–	–	–	–
Land development expenditure	85.7	(27.4)	–	–	–	–	–	–
Deferred tax assets	135.2	40.9	–	–	0.1	–	–	–
	16,601.2	(813.9)	15.7	–	0.1	9.1	(0.1)	44.7
Current assets								
Inventories	1,011.0	65.0	–	–	–	–	–	–
Consumable biological assets	52.9	–	–	–	–	–	–	–
Trade and other receivables	1,002.3	–	–	–	–	–	–	–
Other financial assets at amortised cost	393.7	–	–	–	–	–	–	(126.0)
Cash in hand and at bank	387.6	–	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	–	123.8
Current tax assets	–	–	–	–	–	–	–	–
	2,847.5	65.0	–	–	–	–	–	(2.2)
Non-current assets classified as held for sale	28.8	(46.6)	–	–	–	–	–	–
Total assets	19,477.5	(795.5)	15.7	–	0.1	9.1	(0.1)	42.5
EQUITY AND LIABILITIES								
Capital and reserves								
Stated capital	11,976.0	–	–	–	–	–	–	–
Revaluation and other reserves	1,000.2	(422.1)	–	(14.6)	–	8.0	–	–
Retained earnings	798.4	(369.0)	22.6	14.6	(0.5)	(0.5)	(0.1)	42.5
Owners' interest of the company	13,774.6	(791.1)	22.6	–	(0.5)	7.5	(0.1)	42.5
Non-controlling interests	1,052.5	–	–	–	–	–	–	–
Total equity	14,827.1	(791.1)	22.6	–	(0.5)	7.5	(0.1)	42.5
Non-current liabilities								
Borrowings	243.4	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–
Deferred tax liabilities	234.3	(7.9)	(6.9)	–	–	1.6	–	–
Retirement benefit obligations	580.4	3.5	–	–	0.6	–	–	–
	1,058.1	(4.4)	(6.9)	–	0.6	1.6	–	–
Current liabilities								
Trade and other payables	1,069.0	(63.8)	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–
Current tax liabilities	28.3	–	–	–	–	–	–	–
Provisions	–	71.2	–	–	–	–	–	–
Borrowings	2,461.7	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
	3,559.0	7.4	–	–	–	–	–	–
Liabilities directly associated with non-current assets classified as held for sale	33.3	(7.4)	–	–	–	–	–	–
Total liabilities	4,650.4	(4.4)	(6.9)	–	0.6	1.6	–	–
Total equity and liabilities	19,477.5	(795.5)	15.7	–	0.1	9.1	(0.1)	42.5

	Land Development Expenditure (g)	Non-current assets classified as held for sale (h)	Reclassification of land and building to investment properties (i)	Transfer from Investment property to property plant and equipment (j)	Impairment of investment property (k)	Restatements arising on deferred tax (l) (1)	Restatements arising on deferred tax (l) (2)	Share of results for an associate (u)	Impairment of investment in associate (m)	Adjustments of share of results of associate (p)	Reclassification adjustments of PPE and IP at group level (q)	Land conversion rights (v)
ASSETS	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Non-current assets												
Property, plant and equipment	–	–	18.5	–	–	–	–	–	–	–	(58.0)	(39.9)
Right-of-use assets	–	–	–	–	–	–	–	–	–	–	–	–
Investment properties	3.6	–	–	(1.6)	–	–	–	–	–	–	220.7	–
Intangible assets and goodwill	–	–	–	–	–	–	–	–	–	–	–	(39.9)
Investment in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–
Investment in associates	–	–	–	–	–	–	–	(127.2)	(66.0)	(68.8)	–	–
Financial assets at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Bearer biological assets	–	–	–	–	–	–	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	–	–	–	–	–	–
Lease prepayments	–	–	–	–	–	–	–	–	–	–	–	–
Land development expenditure	14.8	–	–	–	–	–	–	–	–	–	–	–
Deferred tax assets	–	–	–	–	–	5.5	–	–	–	–	–	–
	(18.4)	–	18.5	(1.6)	–	5.5	–	(127.2)	(66.0)	(68.8)	162.7	–
Current assets												
Inventories	(18.4)	(17.8)	–	–	–	–	–	–	–	–	–	–
Consumable biological assets	–	–	–	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	–	–	–	–	–	–	–	–	–	–	–
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Cash in hand and at bank	–	–	–	–	–	–	–	–	–	–	–	–
Finance lease receivables	–	–	–	–	–	–	–	–	–	–	–	–
Current tax assets	–	–	–	–	–	–	–	–	–	–	–	–
	(18.4)	(17.8)	–	–	–	–	–	–	–	–	–	–
Non-current assets classified as held for sale	–	17.8	–	–	–	–	–	–	–	–	–	–
Total assets	–	–	18.5	(1.6)	–	5.5	–	(127.2)	(66.0)	(68.8)	162.7	–
EQUITY AND LIABILITIES												
Capital and reserves												
Stated capital	–	–	–	–	–	–	–	–	–	–	–	–
Revaluation and other reserves	–	–	–	–	–	(0.7)	(7.4)	(85.1)	–	(165.4)	172.2	–
Retained earnings	–	–	18.5	(1.6)	–	6.2	3.5	(42.1)	(66.0)	96.6	(9.5)	–
Owners' interest of the company	–	–	18.5	(1.6)	–	5.5	(3.9)	(127.2)	(66.0)	(68.8)	162.7	–
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Total equity	–	–	18.5	(1.6)	–	5.5	(3.9)	(127.2)	(66.0)	(68.8)	162.7	–
Non-current liabilities												
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Deferred tax liabilities	–	–	–	–	–	–	3.9	–	–	–	–	–
Retirement benefit obligations	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	3.9	–	–	–	–	–
Current liabilities												
Trade and other payables	–	(7.2)	–	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Current tax liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Provisions	–	–	–	–	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–
Lease liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	–	–	–	–
	–	(7.2)	–	–	–	–	–	–	–	–	–	–
Liabilities directly associated with non-current assets classified as held for sale	–	7.2	–	–	–	–	–	–	–	–	–	–
Total liabilities	–	–	–	–	–	–	3.9	–	–	–	–	–
Total equity and liabilities	–	–	18.5	(1.6)	–	5.5	–	(127.2)	(66.0)	(68.8)	162.7	–

	Reclassification from FVOCI to investment in associate (r)	Land Development Expenditure (g)	Management fees (w)	Alignment of accounting policy for an associate (s)	Other reclassification adjustments (x)	Land conversion rights (v)	Equity accounting for an associate (y)	Correction of payables (z)	Land improvement (aa)	Cumulative correction of errors 2018	NCI allocation	Restated balance at December 31, 2018
ASSETS	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Non-current assets												
Property, plant and equipment	–	–	–	–	–	35.7	–	–	1.7	(1,112.4)	–	10,559.1
Right-of-use assets	–	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	73.1	–	–	–	–	–	–	–	555.6	–	780.6
Intangible assets and goodwill	–	–	–	–	–	(35.7)	–	–	–	(75.6)	–	333.3
Investment in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–
Investment in associates	1.3	–	–	(1.5)	–	–	(9.5)	–	–	(134.5)	–	3,320.9
Financial assets at fair value through other comprehensive income	(8.6)	–	–	–	–	–	–	–	–	(63.8)	–	465.5
Other financial assets at amortised cost	–	–	–	–	–	–	–	–	–	–	–	82.8
Bearer biological assets	–	–	–	–	–	–	–	–	–	–	–	7.4
Finance lease receivables	–	–	–	–	–	–	–	–	–	44.6	–	44.6
Lease prepayments	–	–	–	–	–	–	–	–	–	5.8	–	5.8
Land development expenditure	–	(73.1)	–	–	–	–	–	–	–	(85.7)	–	–
Deferred tax assets	–	–	–	–	–	–	–	–	–	46.5	–	181.7
	(7.3)	–	–	(1.5)	–	–	(9.5)	–	1.7	(819.5)	–	15,781.7
Current assets												
Inventories	–	–	(6.4)	–	–	–	–	–	–	22.4	–	1,033.4
Consumable biological assets	–	–	–	–	–	–	–	–	–	–	–	52.9
Trade and other receivables	–	–	–	–	185.8	–	–	–	–	185.8	–	1,188.1
Other financial assets at amortised cost	–	–	–	–	(185.8)	–	–	–	–	(311.8)	–	81.9
Cash in hand and at bank	–	–	–	–	–	–	–	–	–	–	–	387.6
Finance lease receivables	–	–	–	–	–	–	–	–	–	123.8	–	123.8
Current tax assets	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	(6.4)	–	–	–	–	–	–	20.2	–	2,867.7
Non-current assets classified as held for sale	–	–	–	–	–	–	–	–	–	(28.8)	–	–
Total assets	(7.3)	–	(6.4)	(1.5)	–	–	(9.5)	–	1.7	(828.1)	–	18,649.4
EQUITY AND LIABILITIES												
Capital and reserves												
Stated capital	–	–	–	–	–	–	–	–	–	–	–	11,976.0
Revaluation and other reserves	(8.6)	–	–	–	–	–	(5.2)	–	–	(528.9)	(43.9)	427.4
Retained earnings	1.3	–	(6.4)	(1.5)	–	–	(4.3)	(12.0)	1.7	(306.0)	112.9	605.3
Owners' interest of the company	(7.3)	–	(6.4)	(1.5)	–	–	(9.5)	(12.0)	1.7	(834.9)	69.0	13,008.7
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	(69.0)	983.5
Total equity	(7.3)	–	(6.4)	(1.5)	–	–	(9.5)	(12.0)	1.7	(834.9)	–	13,992.2
Non-current liabilities												
Borrowings	–	–	–	–	–	–	–	–	–	–	–	243.4
Lease liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Contract liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Deferred tax liabilities	–	–	–	–	–	–	–	–	–	(9.3)	–	225.0
Retirement benefit obligations	–	–	–	–	–	–	–	–	–	4.1	–	584.5
	–	–	–	–	–	–	–	–	–	(5.2)	–	1,052.9
Current liabilities												
Trade and other payables	–	–	–	–	24.3	–	–	12.0	–	(34.7)	–	1,034.3
Contract liabilities	–	–	–	–	25.9	–	–	–	–	25.9	–	25.9
Current tax liabilities	–	–	–	–	–	–	–	–	–	–	–	28.3
Provisions	–	–	–	–	(17.1)	–	–	–	–	54.1	–	54.1
Borrowings	–	–	–	–	–	–	–	–	–	–	–	2,461.7
Lease liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	33.1	–	–	12.0	–	45.3	–	3,604.3
Liabilities directly associated with non-current assets classified as held for sale	–	–	–	–	(33.1)	–	–	–	–	(33.3)	–	–
Total liabilities	–	–	–	–	–	–	–	12.0	–	6.8	–	4,657.2
Total equity and liabilities	(7.3)	–	(6.4)	(1.5)	–	–	(9.5)	–	1.7	(828.1)	–	18,649.4

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP

C. The effects on profit or loss are as follows:

	2018	Sale of morcellement (ab)	Reversal of revaluation surplus on Equipments and Buildings (a)	Cash flow hedge (b)	Retirement benefit obligations (c)	De-recognition of revaluation surplus for Power Plant (d)	Leasehold land - 1 (e)	Impairment of investment in associate (m)	Reclassification adjustments of PPE and IP at group level (q)	Accounting treatment for sale of land (t)	Adjustments of share of results of associate (p)	Reclassification from FVOCI to investment in associate (r)	Land Development Expenditure (s)	Equity accounting for an associate (y)	Share of results for an associate (u)	Management fees (w)	Restatements arising on deferred tax (l)	Reclassification adjustments - IP/PPE (i)/(j)	Land improvement (aa)	Total impact of corrections of errors 2018	Restated 2018
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Revenue	5,079.3	106.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	106.1	5,185.4
Cost of sales	(4,043.6)	(77.4)	15.7	–	–	9.1	–	–	–	–	–	–	–	–	–	–	–	–	–	(52.6)	(4,096.2)
Gross profit	1,035.7	28.7	15.7	–	–	9.1	–	–	–	–	–	–	–	–	–	–	–	–	–	53.5	1,089.2
Gains/(losses) arising from changes in fair value of consumable biological assets	(45.9)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(45.9)
Fair value gain on non-current assets classified as held for sale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other income	439.6	(28.7)	–	–	–	–	–	–	–	42.5	–	–	–	–	–	–	–	–	–	13.8	453.4
Impairment loss on trade receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Impairment of assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Administrative expenses	(699.6)	–	–	–	(0.6)	–	(0.1)	–	–	–	–	–	–	–	–	(6.4)	–	–	–	(7.1)	(706.7)
Distribution costs	(154.5)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(154.5)
Other expenses	(391.8)	–	–	–	–	–	–	–	(9.5)	–	–	–	–	–	–	–	–	16.9	1.7	9.1	(382.7)
Profit before finance costs	183.5	–	15.7	–	(0.6)	9.1	(0.1)	–	(9.5)	42.5	–	–	–	–	–	(6.4)	–	16.9	1.7	69.3	252.8
Finance income	24.9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	24.9
Finance costs	(122.5)	–	–	14.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	14.6	(107.9)
Net finance costs	(97.6)	–	–	14.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	14.6	(83.0)
Profit after finance costs	85.9	–	15.7	14.6	(0.6)	9.1	(0.1)	–	(9.5)	42.5	–	–	–	–	–	(6.4)	–	16.9	1.7	83.9	169.8
Share of results of associates-net	203.9	–	–	–	–	–	–	–	–	–	96.6	1.3	(1.5)	(4.3)	(42.0)	–	–	–	–	50.1	254.0
Impairment of associates	–	–	–	–	–	–	–	(66.0)	–	–	–	–	–	–	–	–	–	–	–	(66.0)	(66.0)
Profit before taxation	289.8	–	15.7	14.6	(0.6)	9.1	(0.1)	(66.0)	(9.5)	42.5	96.6	1.3	(1.5)	(4.3)	(42.0)	(6.4)	–	16.9	1.7	68.0	357.8
Taxation charge	(56.3)	–	6.9	–	0.1	1.4	–	–	–	–	–	–	–	–	–	–	9.7	–	–	18.1	(38.2)
Profit for the year	233.5	–	22.6	14.6	(0.5)	10.5	(0.1)	(66.0)	(9.5)	42.5	96.6	1.3	(1.5)	(4.3)	(42.0)	(6.4)	9.7	16.9	1.7	86.1	319.6
Profit for the year	233.5	–	22.6	14.6	(0.5)	10.5	(0.1)	(66.0)	(9.5)	42.5	96.6	1.3	(1.5)	(4.3)	(42.0)	(6.4)	9.7	16.9	1.7	86.1	319.6
Profit attributable to:																					
Owners of the Company	121.5	–	18.1	11.7	(0.5)	5.4	(0.1)	(66.0)	(9.5)	42.5	96.6	1.3	(1.5)	(3.6)	(42.0)	(4.9)	9.7	16.9	1.7	75.8	197.3
Non-controlling interests	112.0	–	4.5	2.9	–	5.1	–	–	–	–	–	–	–	(0.7)	–	(1.5)	–	–	–	10.3	122.3
	233.5	–	22.6	14.6	(0.5)	10.5	(0.1)	(66.0)	(9.5)	42.5	96.6	1.3	(1.5)	(4.3)	(42.0)	(6.4)	9.7	16.9	1.7	86.1	319.6
Other comprehensive income:																					
Items that will not be reclassified to profit or loss:																					
Revaluation adjustments	372.1	–	–	–	–	8.0	–	–	172.1	–	–	–	–	–	–	–	–	–	–	180.1	552.2
Deferred tax on revaluation of buildings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(7.4)	–	–	(7.4)	(7.4)
Remeasurements of post employment benefit obligations	82.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	82.6
Deferred tax on remeasurements of post employment benefit obligations	(13.5)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(13.5)
Changes in fair value of equity instruments at fair value through other comprehensive income	40.6	–	–	–	–	–	–	–	–	–	–	(8.6)	–	–	–	–	–	–	–	(8.6)	32.0
Items that may be reclassified subsequently to profit or loss:																					
Impairment of revalued land	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of other comprehensive income of associates	79.8	–	–	–	–	–	–	–	–	–	(165.4)	–	–	(5.2)	(85.1)	–	–	–	–	(255.7)	(175.9)
Translation reserve movement	23.9	–	–	(14.6)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(14.6)	9.3
Other comprehensive income for the year	585.5	–	–	(14.6)	–	8.0	–	–	172.1	–	(165.4)	(8.6)	–	(5.2)	(85.1)	–	(7.4)	–	–	(106.2)	479.3
Total comprehensive income for the year	819.0	–	22.6	–	(0.5)	18.5	(0.1)	(66.0)	162.6	42.5	(68.8)	(7.3)	(1.5)	(9.5)	(127.1)	(6.4)	2.3	16.9	1.7	(20.1)	798.9
Total comprehensive income attributable to:																					
Owners of the company	696.0	–	18.1	–	(0.5)	9.4	(0.1)	(66.0)	162.6	42.5	(68.8)	(7.3)	(1.5)	(5.7)	(127.1)	(4.9)	2.3	16.9	1.7	(28.4)	667.6
Non-controlling interests	123.0	–	4.5	–	–	9.1	–	–	–	–	–	–	–	(3.8)	–	(1.5)	–	–	–	8.3	131.3
	819.0	–	22.6	–	(0.5)	18.5	(0.1)	(66.0)	162.6	42.5	(68.8)	(7.3)	(1.5)	(9.5)	(127.1)	(6.4)	2.3	16.9	1.7	(20.1)	798.9
Impact on basic and diluted earnings per share (MUR)	**0.53**	**–**	**0.08**	**0.05**	**–**	**0.02**	**–**	**(0.29)**	**(0.04)**	**0.19**	**0.42**	**0.01**	**(0.01)**	**(0.02)**	**(0.18)**	**(0.02)**	**0.04**	**0.07**	**0.01**	**0.33**	**0.87**

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP

(a) Reversal of revaluation surplus on Equipment and Buildings

(i) Plant and equipment were revalued up to the year 2002, when the accounting policy changed to the cost model. At that date, the policy change was not applied retrospectively. Since the accounting policy of the Group for equipment being the cost model, all prior revaluations have been reversed in accordance with IAS 16 "Property, Plant and Equipment" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The carrying amounts of equipments with their related cumulative depreciation were therefore overstated by MUR'M 107.2 and MUR'M 68.1 respectively, whilst deferred tax liability was understated. This has been adjusted by restating each of the affected financial statements line for the years ended December 31, 2017 and December 31, 2018, including the effect on deferred tax.

(ii) One of the Group's subsidiaries did not apply the Group accounting policy under the revaluation model for its buildings.

The subsidiary's accounting policy for buildings was aligned to the Group's which adopts the revaluation model for buildings under IAS 16 "Property, Plant & Equipment" at December 31, 2019. Since IAS 8 prohibits the use of hindsight for fair value estimates in correcting a prior period error or applying a new accounting policy, buildings were revalued based on the fair value of the independent valuation report at December 31, 2019. The effect of such change was to uplift both the carrying amounts and revaluation reserve for buildings by MUR'M 284.8 with a resulting increase in deferred tax liability arising on revaluation reserve amounting to MUR' M 14.2 at December 31, 2019.

The impact of the above adjustments on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The above adjustments did not have any impact on statements of cash flows.

(b) Cash flow hedge

During 2019, the Group identified that it had incorrectly recorded a cash flow hedge accounting between its revenue streams in Euro and its foreign bank loan which is also denominated in Euro. This resulted in incorrect recognition of a hedging reserve in the financial statements as at December 31, 2017 and December 31, 2018. This has been adjusted by restating each of the affected financial statements line for prior periods. Based on the criteria of IFRS 9, it was determined that the Group did not have a cash flow hedge. Accordingly the cash flow hedge reserve was derecognised and the translation gain recognised as finance income as per the Group accounting policy.

The impact on the financial statements line items in the prior periods are detailed in the statement of changes in equity and note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The above adjustments did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(c) Retirement benefit obligations

In prior years, no actuarial valuation was carried and retirement gratuities computations did not take into consideration the residual liabilities for employees who were under the defined contribution scheme. The Group has appointed an actuary to estimate the retirement benefit obligations and accordingly, the retirement benefit obligations were increased by MUR'M 3.5 at December 31, 2017 and MUR'M 0.6 in 2018. Deferred tax were also adjusted accordingly in the respective financial year.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(d) De-recognition of revaluation surplus for Power Plant

The Group has been measuring Power Plant at fair value whilst the Group policy has been to measure it at cost less accumulated depreciation and impairment. This resulted in a decrease of revaluation surplus of MUR'M 143.8 and a corresponding deferred tax adjustment of MUR'M 24.4 as at December 31, 2017 whilst an adjustment of MUR'M 3.2 was also made for release of excess depreciation as at that date.

It also resulted in reversal of depreciation amounting to MUR'M 9.1 for the year ended December 31, 2018 with a corresponding deferred tax adjustment of MUR'M 0.5 with an adjustment of MUR'M 6.1 made for release of excess depreciation recognised in the year 2018.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(e) Leasehold land – 1

The Group holds leasehold land for a portion of land with a lease term of 60 years against an upfront premium of MUR'M 6.8 and annual rental of MUR'M 0.1. The leasehold land was subsequently revalued in the year 2016 at MUR'M 57.1 and was incorrectly recorded under Property, Plant and Equipment whilst the premium of MUR'M 6.8 was fully expensed in profit or loss. The recognition and measurement was not in accordance with IAS 17 "Leases" [now replaced by IFRS 16 effective for accounting period beginning as from 1 January 2019] and should have instead been recognised as an operating lease under IAS 17. The leasehold land of MUR'M 57 was therefore derecognised from Property, plant and equipment. The premium of MUR'M 6.8M was also reversed to record initially as a prepayment with a yearly amortisation of MUR'M 0.1 in line with the provisions of IFRS 16. An amount of MUR'M 1.1 for the period 2009 to 2018 was also released from the prepayment as part of the prior period corrections.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(f) Leasehold land – 2

The Group holds leasehold land for a period of 99 years.The lease was recorded under property, plant and equipment at an amount of MUR'M 52 under the revaluation model. This was considered not to meet certain criteria under IAS 17 and should have instead been recognised as an operating leases under standard IAS 17 (now replaced by IFRS 16 effective for accounting period beginning as from January 1, 2019). The leasehold land of MUR'M 52 was therefore derecognised in property, plant and equipment.The leasehold land is now treated as an operating lease in line with the provisions of IFRS 16.

On the other hand, the Group is also the lessor for a leasehold land under operating lease which was not accounted for in prior years.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(g) Land development expenditure

The Group had land development expenditure amounting to MUR'M 85.7 and MUR'M 27.4 as at December 31, 2018 and as at December 31, 2017 respectively which consisted of expenses incurred on projects that were in progress relating to future sales of several plots of land. This classification was not considered to be appropriate. These expenditure were therefore reclassified from "Land development expenditure" in the statement of financial position to either inventories or investment properties. Accordingly, an amount of MUR'M 9 and MUR'M 18.4 were reclassified to investment property and inventories respectively as at December 31, 2017 whilst an amount of MUR'M 58 was reclassified for the year ended December 2018.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(h) Non-current assets classified as held for sale

At December 31, 2017 and December 31, 2018, the Group had infrastructure costs and other related costs incurred on future sale of land that were classsified as non-current assets classified as held for sale which amounted to MUR'M 46.6 and MUR'M 28.8 respectively as they did not meet the criteria of IFRS 5. At December 31, 2017, the balance of MUR'M 46.6 was reclassified to inventories whilst liabilities directly associated with non-current assets classified as held for sale amounting to MUR'M 7.4 as at same date were reclassified to contract liabilities.

At December 31, 2018, all non-current assets classified as held for sale were reclassified to inventory property.

A related amount of MUR'M 7.4 which was incorrectly classified under 'Liabilities directly associated with non-current assets classified as held for sale' at January 1, 2018 was reclassified to 'Trade and other payables' as prior year correction.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(i) Reclassification of land and building to investment properties

Properties meeting the definition of investment property as per IAS 40 were classified as land and buildings under Property, plant and equipment.

In line with the Group's accounting policies, investment properties are measured under the cost model whilst land and buildings are accounted for under the revaluation model. Land plots with fair value of MUR'M 739 at January 1, 2018 rented out to third parties which were included under land and buildings were accordingly reclassified to investment properties. A revaluation surplus of MUR'M 306 was reversed to bring the land at cost amounting to MUR'M 433 in investment property.

Similarly, the fair value of MUR'M 920 of those buildings and an accumulated depreciation of MUR'M 797 were reclassified to investment properties resulting in reversal of revaluation surplus of MUR'M 775 and accumulated depreciation of MUR`M 688 to adjust the fair value of those buildings to cost.

As a result of the above, deferred tax asset has been increased by MUR'M 36.3 and MUR'M 5.5 at January 01, 2018 and December 31, 2018 respectively as detailed in note 47(l)(1).

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(j) Transfer from investment properties to property, plant and equipment

Part of the Group's buildings are owner occupied and have been classified as investment properties. The carrying amount of these buildings MUR'M 64 with an accumulated depreciation of MUR'M 9 of these buildings at January 1, 2018 were transferred to Property, plant and equipment.

The deferred tax implications arising on the above are included in note 47(l)(1).

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statement of cash flows.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2019

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(k) Impairment of investment properties

Investment properties which had impairment indicators and were not impaired in terms of IAS 36. The recoverable amount, determined by the fair value less costs to sell as per the Independent property valuer, being lower than the carrying amount, gave rise to an impairment of MUR'M 62.3 as at December 31, 2017.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(l) Restatements arising on deferred tax

Prior year adjustments in relation to deferred tax are analysed below:

(1) Restatement of deferred tax assets/liabilities relate specifically to prior year adjustments detailed in (i), (j), and (q) for Terragri Ltd.

(2) Additionally, we also noted that the Group had 3 subsidiaries, being Terra Brands Ltd, Grays Distilling Ltd and Grays Inc. and a few other subsidiaries (cumulatively) for which the deferred tax movements in previous years was not accounted for at consolidation level amounting to MUR'M 4.6.

The impact of the above adjustments on EPS is shown in note 47(c).

The overall cumulative impact on deferred tax assets/liabilities based on the above are detailed below:

	Restatements on (l) (1)	Restatements on (l) (2)	Total
	MUR'M	MUR'M	MUR'M
At January 1, 2018			
Increase in deferred tax assets	36.3	4.6	40.9
- Adjustment in note 47(i)	36.3	-	36.3
- Adjustment in note 47(l) (2)	-	4.6	4.6
At December 31, 2018			
Increase in deferred tax assets	5.5	-	5.5
- Adjustment in note 47(i)	5.5	-	5.5
Increase in deferred tax liabilities	(3.9)	-	(3.9)
- Adjustment in note 47(q)	(3.9)	-	(3.9)
Total cumulative impact			
Increase in deferred tax assets	41.8	4.6	46.4
Increase in deferred tax liabilities	(3.9)	-	(3.9)

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(m) Impairment of investment in associate

The Group decided in June 2019 to dispose of one of its investment in associates in the foreseeable future. The investment was therefore reclassified to non-current assets held for sale under IFRS 5 on that date and was remeasured at fair value. The fair value was lower than the share of net assets at that date and this gave rise to an impairment. The impairment indicators existed in prior years but impairment assessment was not performed in accordance with IAS 36 requirements. This resulted in an impairment loss of MUR'M 57.1 in 2017 and MUR'M 66 in 2018 which was adjusted in prior periods.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(n) Correction of retained earnings of Harel Freres Investments Ltee incorrectly recognised

Following the Group restructuring in 2012, involving the amalgamation of HF Invesments Ltd into Terra Mauricia Ltd, the retained earnings of MUR'M 129 of HF Investments Ltd was merged to the retained earnings of Terra Mauricia Ltd rather than to amalgamation reserve. This correction is not a transfer of MUR'M 128.9 from retained earnings into the merger reserve as it relates to the reversal of the HF Investments Ltd's retained earnings amount incorrectly recognised in retained earnings and the merger reserve of Terra Mauricia. This was corrected on January 1, 2018 to reverse the entry of the HF Investments retained earnings into Terra's retained earnings and reserves.

The impact on the financial statements line items in the prior periods are detailed in the statement of changes in equity. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(o) Reversal of consolidation adjustments

There was a prior year adjustment as a result of Terra Mauricia Ltd continuing to book a consolidation entry amounting to MUR'M 127 to fair value of property, plant and equipment when these are already fair valued at Group level following the amalgamation.

The impact on the financial statements line items in the prior periods are detailed in the statement of changes in equity and note 5 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(p) Adjustments of share of results of associate

As a result of prior year adjustments made in the financial statements of an associate for financial years ended December 31, 2017 and December 31, 2018, the Group reassessed its share of results resulting in prior year restatement of share of profits and associates reserves for the year ended December 31, 2017 and December 31, 2018 as disclosed in note 9 following restatement of the numbers brought to the associate's financial statements.

The prior year adjustments in the financial statements of the associate relate to subsidiaries not consolidated, retirement benefit obligations not accounted and actuarial surplus not accounted for on profit or loss but directly in equity.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(q) Reclassification adjustments of PPE and IP at group level

Land and buildings which are owner occupied from the Group's perspective were classified as investment property instead of being accounted for under property, plant and equipment (PPE). Appropriate adjustments were made at Group level to reclassify these properties from investment property to PPE at January 1, 2018 and December 31, 2018.

As a result of the above, deferred tax liabilities have been increased by MUR'M 3.9 at December 31, 2018 as detailed in note 47(l)(1).

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(r) Reclassification from FVOCI to investment in associate

One of the Group's investments was classified as FVOCI as the Group has significant influence over the investee even though the Group has a shareholding of less than 20%. Consequently the investment was reclassified to Investment in associates resulting in cumulative fair value movements taken to FVOCI reserves being reversed, and the investment being equity accounted under IAS 28 with a share of profit/loss and share of other comprehensive income being recognised.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(s) Alignment of accounting policy for an associate

One of the associate of the Group is equity accounted under IAS 28. Land and buildings are measured at the historical cost while the Group applies the revaluation model. The alignment to the Group accounting policy by the associate was not accounted for in previous years.

The deferred tax implications arising on the above are included in note (l).

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(t) Accounting treatment for sale of land

The Group as lessor has engaged in a land lease project ("Bail a construction") over 99 years with several clients in 2018. The transactions were accounted for as an outright sale of land plots with a reported gain of MUR'M 74.4 instead of being treated as a finance lease in terms of IAS 17. In determining the profit on sale of land plots, the future minumum lease payments were not discounted to their present value.

The profit on disposal of MUR'M 74.4 was therefore reversed and the transactions were accordingly accounted as finance lease receivables as per IAS 17 (now IFRS16) resulting in a revised profit of MUR'M 116 and a finance income of MUR'M 1.7 for the year ended December 31, 2018. Rental income of MUR 706,800 recognised in the financial year 2018 was also reversed.

As a result of the above also, an amount of MUR'M 123.8 which was incorrectly included under 'Other financial assets at amortised costs' have been reclassified to 'Finance lease receivables'.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(u) Share of results for an associate

For the year ended December 31, 2018 share of results and net assets for one of the Group's associate was based on management accounts which were subsequently adjusted, this resulted in material differences when the audited accounts of the associate were finalised and signed.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(v) Land conversion rights

During the financial year 2018, the Group transferred a portion of its Land Conversion Rights (LCR's) amounting to MUR'M 39.9 for land development purposes but the disposal of these LCRs were not recorded. This was adjusted in the year of disposal in accordance with IAS 8.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(w) Management fees

During the year 2018, management fee expense amounting of MUR'M 6.4 was capitalised in inventories, thus overstating the Group's profit for the year. Both retained earnings and inventories were adjusted to reflect the correct balances at December 31, 2018.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

(x) Other reclassification adjustments

Receivables, including amounts related to refunds, prepayments, VAT, management fees, advance payments and deposits were incorrectly classified as "Other financial assets at amortised cost" in the 2018 financial year. These amounts were classified as "Trade and other receivables" in the current year (2019) as well as in years preceding 2018 (2017 and earlier). In order to correct the error in 2018, these amounts were reclassified from "Other financial assets at amortised cost" to "Trade and other receivables".

The provision for compensation payments for centralisation in accordance with the Blueprint provisions was incorrectly classified as trade and other payables instead of provisions. The amount has been reclassified to provisions for the current and prior years.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on deferred tax and statements of cash flows.

(y) Equity accounting for an associate

For the year ended December 31, 2018 share of results and net assets for Thermal Valorisation Ltd and Commada Ltd were based on management accounts which were subsequently adjusted, this resulted in material differences when the audited accounts of the associates were finalised and signed.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements.

The impact on Earnings Per Share (EPS) is shown in note 47(c).

The adjustment did not have any impact on statements of cash flows.

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE GROUP (CONT'D)

(z) Adjustment to retained earnings for one of the Group's subsidiaries

The 2018 Group accounts incorrectly included the write back of a payable amounting to MUR'M 12 which resulted in an overstatement of the Group retained earnings by the same corresponding amount.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(aa) Land improvement

Land improvement costs amounting to MUR'M 75.3 were amortised over 50 years instead of 8 years in line with replantation costs. Those land improvement costs were classified under the property, plant and equipment category. At December 31, 2018, the net book value amounted to MUR'M 54.5. There was also an incorrect depreciation charge of MUR'M 1.7 during the financial year December 31, 2018. This would have resulted in fully depreciated assets as at January 01, 2018. Appropriate prior year adjustments were booked including deferred tax impact in this respect to restate prior year figures.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(ab) Sale of morcellements

The Group has a real estate cluster whereby sale of land plots for residential purposes (morcellement) are considered to be one of its principal activities in the ordinary course of business. In 2018, the Group recognised revenue from the sale of morcellement land plots as 'Profit on sale on disposal property, plant and equipment/non-current assets held for sale' under 'Other income' instead of being disclosed as revenue and cost of sales.

The impact on the financial statements line items in the prior periods are detailed in note 47 to the financial statements. There is no impact on Earnings Per Share (EPS).

The adjustment did not have any impact on statements of cash flows.

(ac) Group restatements of opening balances in the notes to the financial statements (with no impact on the primary statements)

The split into the different categories of the opening balances in a number of the notes to the financial statements was incorrectly reported due to the consolidation process not aligned with the audited numbers of the components. The relevant notes relate to note 5 (Property, Plant & Equipment), note 6 (Investment Properties), note 7 (Intangible Assets & Goodwill) and note 21 (Revaluation and Other Reserves).

The numbers of the opening balances in those notes have been restated accordingly but the restatements did not impact the opening balances reported in the primary statements. There is also no impact on the Earnings Per Share (EPS).

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE COMPANY

	Notes	As previously reported	Prior year adjustments	Restated balance
		MUR'M	MUR'M	MUR'M
Statement of financial position				
At January 01, 2018				
Non-current assets				
Investment in associates	(i)	1,177.9	55.2	1,233.1
Financial assets at fair value through other comprehensive income	(i)	393.6	(55.2)	338.4
Equity				
Revaluation and other reserves	(ii)	934.6	129.0	1,063.6
Retained earnings	(ii)	1,713.3	(129.0)	1,584.3

	Notes	As previously reported	Prior year adjustments 2017	Prior year adjustments 2018	Restated balance
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Statement of financial position					
At December 31, 2018					
Non-current assets					
Investment in associates	(i)	1,031.2	55.2	8.6	1,095.0
Financial assets at fair value through other comprehensive income	(i)	544.4	(55.2)	(8.6)	480.6
At December 31, 2018					
Equity					
Revaluation and other reserves	(ii)	768.6	129.0	-	897.6
Retained earnings	(ii)	1,696.4	(129.0)	-	1,567.4

47. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

THE COMPANY (CONT'D)

(i) Reclassification from FVOCI to Investment in associates

One of the Company's investments was classified as FVOCI as an assessment was carried out and it was revealead that the Company had significant influence over the investee. Consequently the investment at FVOCI was reclassified to investment in associates. There was no impact on reserves as both investments are classified as fair value through other comprehensive income.

The adjustment did not have any impact in the separate statement of profit or loss and other comprehensive income and statement of cash flows.

(ii) Transfer from retained earnings to amalgamation reserve

During the group restructuring in 2012, involving the amalgamation of HF Investments Ltd into TERRA Mauricia Ltd, it was found that the retained earnings of MUR'M 128 of HF Investments Ltd was recognised under retained earnings of TERRA Mauricia Ltd instead of being added to the amalgamation reserve. A re-classification was booked in the year ended December 31, 2017 to reflect retained earnings and reserves accordingly in the Group financial statements.

The adjustment did not have any impact in the separate statement of profit or loss and other comprehensive income and statement of cash flows.

(iii) Reclassification in statement of cash flows

The Company acts as an investment holding company and has several subsidiaries, from which it earns dividend income.

In prior years, the Company classified dividend income received as cashflows from investing activities in its statement of cashflows.

Management believes that the dividend income received should be classified under "cashflows from operating activities" as this pertains to income derived from the principal revenue-producing activities and is a key determinant of the profit or loss of the entity (investment holding).

Therefore, dividend income should be included in the "cashflows from operating activities" section, as this income represents the only source of revenue and is the expected result for the Company, in light of its business activities. The effect on separate statement of cash flows are as shown below:

Statement of cash flows	As previously reported	Prior year adjustments	Restated balance
December 31, 2018	**MUR'M**	**MUR'M**	**MUR'M**
Net cash generated from operating activities	80.5	244.1	324.6
Net cash (used in)/from investing activities	158.7	(244.1)	(85.4)

(iv) Fair value of investments

The accounting policy of the Company is to fair value its investments in subsidiaries, associates and financial assets at fair value through other comprehensive income. At December 31, 2018, the Company had a number of investments measured at fair value through other comprehensive income categorised as Level 3 under the fair value hierarchy. The fair value was based on either cost or net asset basis which was not an appropriate method of valuation for those types of investments. It is impracticable to correct the prior year retrospectively as it would involve using hindsight on the significant unobservable inputs in the fair value measurements for the prior year figures. The revised fair value measurements have been booked in the current year with the relevant disclosures. Due to the above issues, the 2018 comparatives figures do not include the unobservable inputs and related sensitivity analysis.

THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES - THE GROUP

	THE GROUP		
	2019	Restated 2018	2017**
STATEMENT OF PROFIT OR LOSS	**MUR'M**	MUR'M	MUR'M
Turnover	**5,047.3**	5,185.4	5,087.3
Profit before taxation and associates' results	**397.0**	169.8	218.3
Share of results of associates	**170.9**	254.0	42.3
Impairment of associates	**(120.1)**	(66.0)	–
Taxation	**(67.1)**	(38.2)	(15.2)
Profit after taxation	**380.7**	319.6	245.4
Profit attributable to:			
Owners of the Company	**262.8**	197.3	86.6
Non-controlling interests	**117.9**	122.3	158.8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit after taxation	**380.7**	319.6	245.4
Other comprehensive income for the year net of tax	**1,017.5**	479.3	27.7
Total comprehensive income	**1,398.2**	798.9	273.1
Total comprehensive income attributable to:			
Owners of the Company	**1,244.1**	667.6	120.7
Non-controlling interests	**154.1**	131.3	152.4
	1,398.2	798.9	273.1
Percentage of profit on shareholders' interest (%)	**1.87**	1.52	0.69
Earnings per share (MUR)	**1.16**	0.87	0.38
Dividends proposed and paid	**193.40**	193.40	193.40
Dividend per share (MUR)	**0.85**	0.85	0.85
Dividend cover (times)	**1.36**	1.02	0.45
Net assets per share (MUR)	**61.67**	57.17	55.00
Weighted number of ordinary shares used in calculation (M)	**227.55**	227.55	227.55

	2019	Restated 2018	Restated As at January 1, 2018
STATEMENTS OF FINANCIAL POSITION	**MUR'M**	MUR'M	MUR'M
Non-current assets	**16,524.0**	15,781.7	15,089.7
Current assets	**3,462.6**	2,867.7	2,832.0
Non-current assets classified as held-for-sale	**580.7**	–	–
Total assets	**20,567.3**	18,649.4	17,921.7
Owners' interest of the Company	**14,033.7**	13,008.7	12,514.9
Non-controlling interests	**1,019.9**	983.5	987.5
Non-current liabilities	**1,099.1**	1,052.9	1,204.3
Current liabilities	**4,414.6**	3,604.3	3,215.0
Total equity and liabilities	**20,567.3**	18,649.4	17,921.7

** The figures presented in the statements of profit or loss and other comprehensive income for the year ended December 31, 2017 exclude the effects of prior year adjustments.