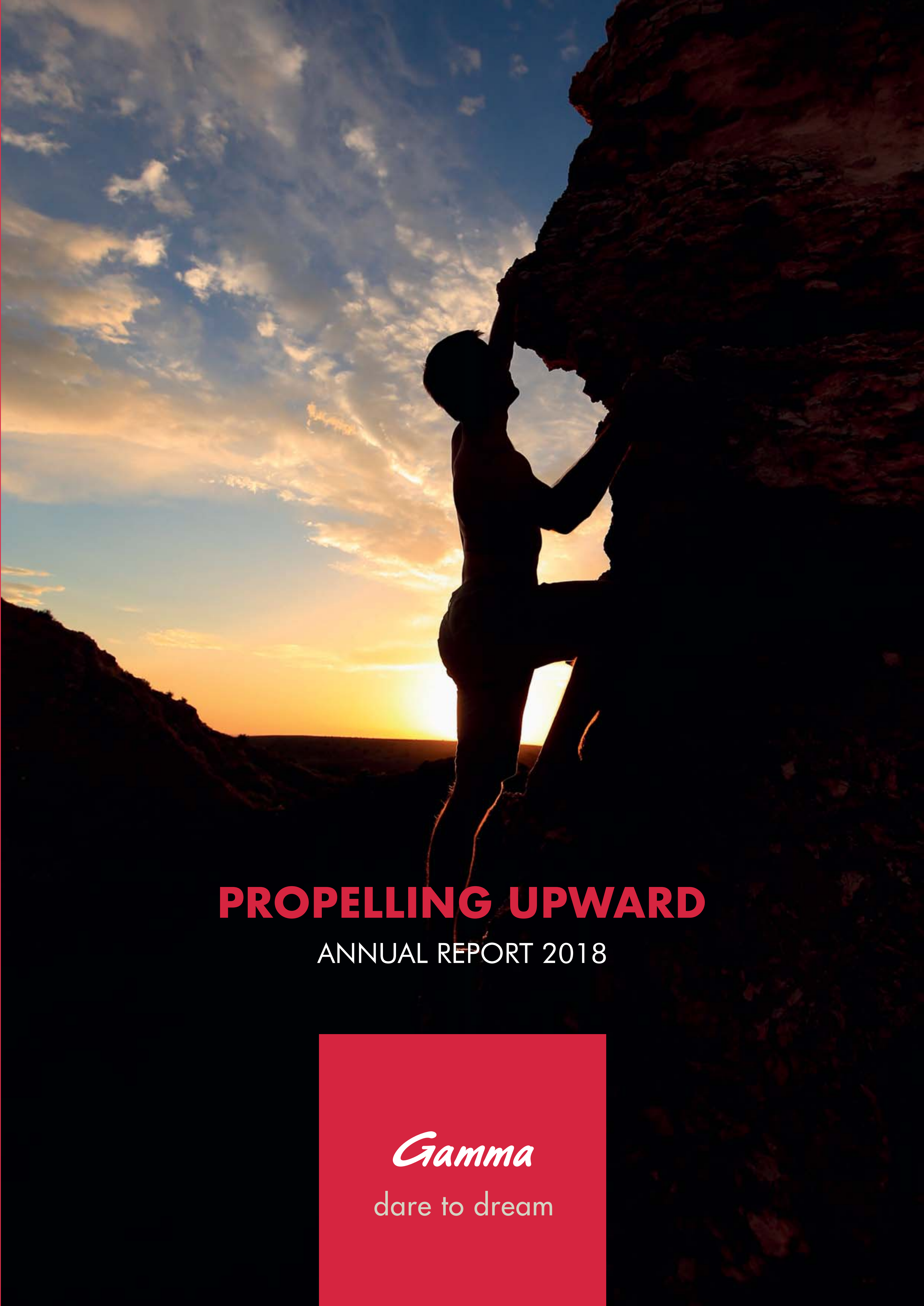


PROPELLING UPWARD

ANNUAL REPORT 2018

Gamma

dare to dream

ONE OF THE COUNTRY'S MOST POWERFUL AND DISTINCTIVE BRAND

Gamma is Mauritius's leading building materials, construction, property, hospitality and lottery group, ranked in the TOP 100 Mauritian companies. With a market capitalisation of Rs 5 billion and current group turnover of Rs 4 billion, Gamma-Civic Ltd was listed on the Stock Exchange of Mauritius Ltd in November 1994 and appears today amongst the Top 10 most performing companies on the Stock Exchange of Mauritius Ltd.

1994

- Gamma-Civic Ltd was admitted to the Official List of the Stock Exchange of Mauritius Ltd on 30 November 1994

2000

- Completion of the construction and operation of a cement terminal through the subsidiary, Ciments de l'Océan Indien Limitée (now known as Kolos Cement Ltd)
- Opening of Hilton Mauritius Resort & Spa which is owned by our associate, Morning Light Co. Ltd

2005

- Gamma rebranding
- Construction of One-Cathedral Square in Port Louis

2008

- Addition of HSBC Centre in Ebène to the Group's Real estate portfolio

2009

- Launch of the Mauritius National Lottery by Lottotech Ltd, a subsidiary
- Construction of Barclays House in Ebène
- Upgrading of Quartier Militaire Road (B6) from Wooton to Belle Rive

2011

- Strategic alliance with Ingenerie et Participations Financières, a member of Colas S.A., in respect of Gamma Materials Ltd
- Construction of Raffles Tower in Ebène
- Upgrading of Dr AG Jeetoo Hospital in Port Louis into a state-of-the-art hospital
- Construction of 33 luxury IRS villas including infrastructure works at Bel Ombre

2015

- Transition from a family managed company to an organisation managed by professionals
- Gamma's acquisition of the 51% stake in Kolos Cement Ltd which became a wholly-owned subsidiary
- Infrastructural works for Cote d'Or Integrated/ Mixed Development Project

2018

- Listing of Kolos Cement Ltd on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd
- Strategic alliance with WH Investments Pte. Ltd, a company registered in Singapore with substantial businesses and cement production assets in Indonesia and Vietnam


With confidence, you have won
before you have started.

DEAR SHAREHOLDER

The Board of Directors is pleased to present to you the Annual Report of Gamma-Civic Ltd ("Gamma" or "the Company") for the year ended 31 December 2018, the contents of which are listed hereafter.

This report was approved by the Board of Directors on 27 March 2019.

Carl Ah Teck
Executive Chairman

You don’t get what you wish for.
You get what you work for.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ah Teck, Carl, *BSc MPhil*	Executive Chairman
Ah Teck, Patrice, *BA*	Non-Executive Director
Ah Teck, Tommy, *BSc MPhil*	Non-Executive Vice Chairman
Chan, Boon Hui, *CFA*	Independent Non-Executive Director
Chong Ah-Yan, Marie Claire, *BA, Btech(HRM)*	Non-Executive Director
Dedieu, Geoffroy, *LLM, MBA*	Managing Director/Executive Director (resigned on 13 July 2018)
Dhunnoo, Twalha, *FCA, MA, MEng, BA*	Chief Financial Officer/Executive Director
Halpin, Paul, *FCA*	Independent Non-Executive Director
How Kin Sang, Paul Cyril, *ACA*	Non-Executive Director (no longer a Director as from 25 May 2018)
Lam Hung, Jean-Claude, *BA, FCA*	Non-Executive Director
Lam Pak Ng, Lim Sit Chen, *MBA*	Independent Non-Executive Director

AUDITORS

Ernst & Young
Chartered Accountants
Level 9, Tower 1, NeXTeracom
Cybercity
Ebène
Mauritius

BANKERS

ABC Banking Corporation Ltd
AfrAsia Bank Limited
Bank One Limited
Barclays Bank (Mauritius) Limited
HongKong and Shanghai Banking Corporation Ltd
MauBank Ltd
SBI (Mauritius) Ltd
Standard Bank (Mauritius) Limited
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

REGISTERED OFFICE

Royal Road
Chapman Hill
Beau Bassin
Mauritius

PRINCIPAL PLACE OF BUSINESS

4th Floor, HSBC Centre
18 Bank Street, Cybercity
Ebène 72201
Mauritius

COMPANY SECRETARY

Gamma Corporate Services Ltd
Royal Road, Chapman Hill
Beau Bassin
Mauritius


Every accomplishment starts
with the decision to try.

GROUP FINANCIAL HIGHLIGHTS

Profit after tax
Rs 434 M
Up by 44%

EBITDA
Rs 676 M
Up by 19%

Dividend per share
Rs 2.25
Up by 200%

Share price :
Rs 36.50
Up by 14%

Net gearing ratio
0.4%
Down from 21%

Average cost of debt
4.8%
Down from 5.6%

PROVEN TRACK RECORD

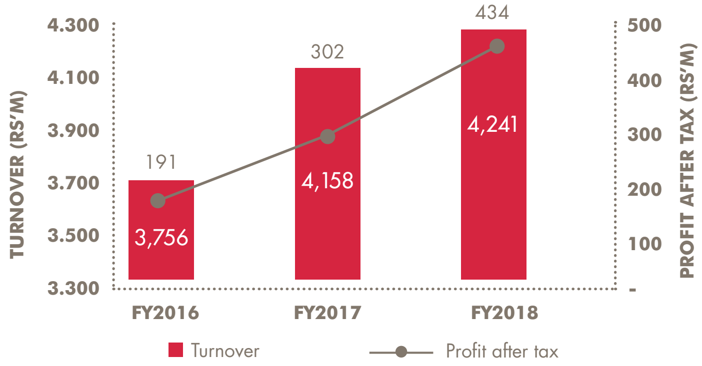
+ 50 years
In construction, engineering and building materials

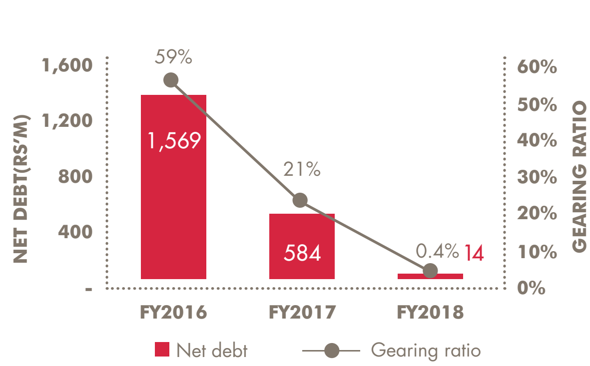
+ 19 years
In property development

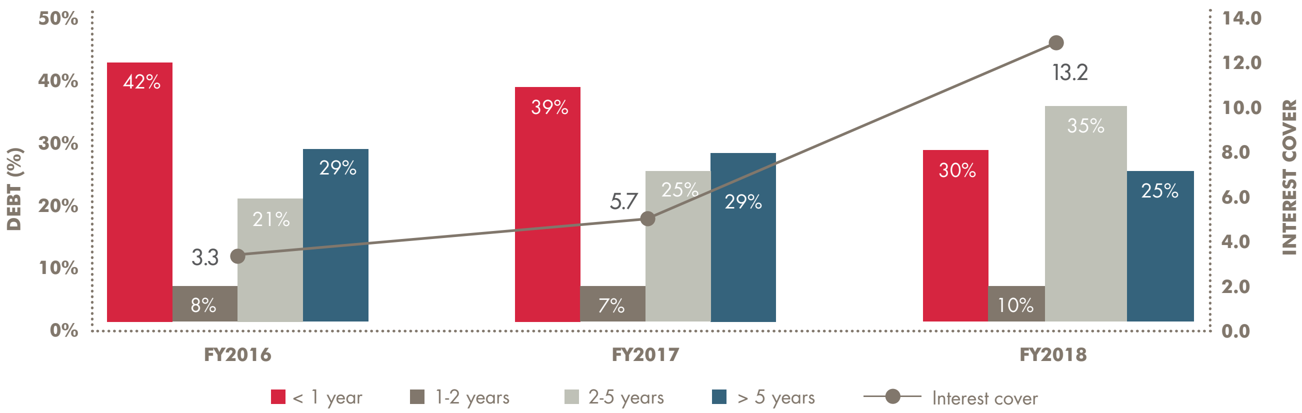
+ 18 years
In hospitality and leisure

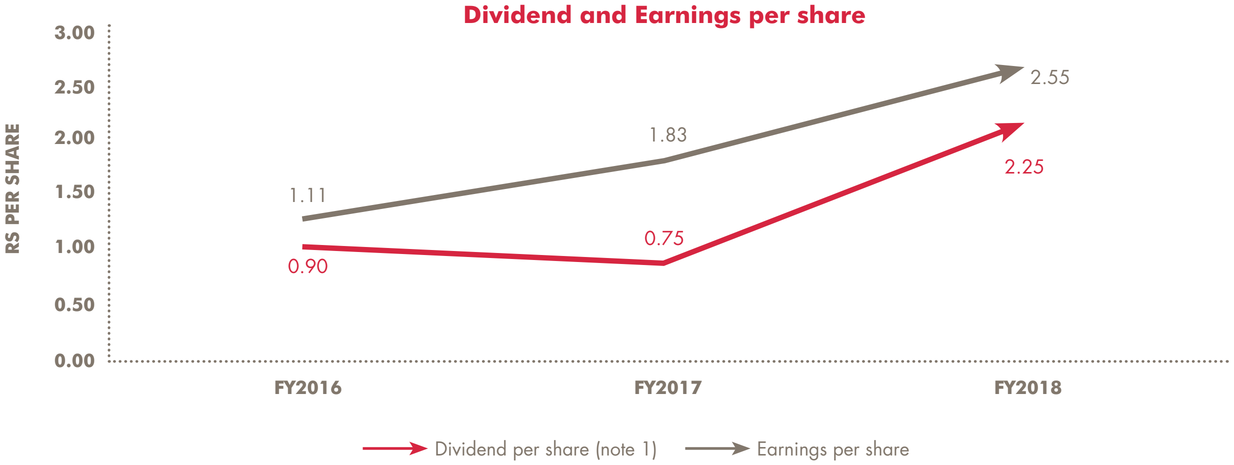
+ 17 years
In cement

GROUP FINANCIAL HIGHLIGHTS (CONT'D)









Note:

1. Dividend per share in respect of financial year

Our ultimate objective remains delivering superior intrinsic return to shareholders and safeguarding the wealth that we have worked so hard to build over the last 50 years.

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDER

It is my pleasure to present to you the annual report and audited financial statements of Gamma-Civic Ltd ("Gamma" or the "Company") and its subsidiaries and affiliates (together, the "Group") for the year ended 31 December 2018.

In addition to my statement as Chairman of the Board, I report to you in my capacity as Executive Group Chairman. My management position guarantees the continuity in the leadership of the Group and the close oversight of the Group's strategic project initiatives. I ensure that the Group has the necessary expertise, entrepreneurial skills, business acumen and network to sustain the growth of Gamma and to deal with existing business and regulatory challenges.

My statement to you is headlined by our strongest financial performance to date, with year on year profit after tax of about Rs434million in 2018 increasing by 44% from last year. I elaborate below on the highlights for 2018 that underline our performance.

CORPORATE AND STRATEGIC BUSINESS DEVELOPMENT

Corporate and strategic business development driven through the Chairman Office is key in ensuring the sustainable and profitable growth of the Group and its underlying businesses. To this objective, we work tirelessly and relentlessly in ensuring that our business clusters are managed to their optimum capacity. We also ensure that there is a strong pipeline of operational and strategic initiatives in place to ensure that we drive growth and manage risk concurrently. This is achieved under the scrutiny and oversight of the respective boards. Our ultimate objective remains delivering superior intrinsic return to shareholders and safeguarding the wealth that we have worked so hard to build over the last 50 years.

In February 2018, we achieved the successful listing of Kolos Cement Limited ("Kolos") on the Development and Enterprise Market of the Stock Exchange of Mauritius. The listing was followed by the sale of 25% of our interest in Kolos to WH Investments Pte. Ltd ("WHI"), a private company headquartered in Singapore, with substantial businesses and cement production assets in Indonesia and Vietnam. The introduction of an international cement player in the ownership structure of Kolos brings a wealth of technical expertise and allows us to better manage our cement sourcing strategy. The partnership with WHI is key to the future success of Kolos. I am deeply honoured in welcoming WHI amongst our family of strategic international partners.

In June 2018, we concluded the mediation between Lottotech Ltd, the Gambling Regulatory Authority ("GRA") and the Ministry of Finance and Economic Development before the Commercial Division of the Supreme Court of Mauritius. It resulted in the renewal of our license until 2029, the launch of a second draw as from September 2018 and the launch of a new game under the Loterie Vert brand which we aim to bring to the market later this year. The mediation was the final recourse that Lottotech took in its legal process against the Government following budgetary measures and restrictions by the latter in 2015 which adversely impacted the financial performance of Lottotech. On behalf of the Board of Gamma and Lottotech, I am thankful to all parties for the achieved conclusion of this exercise.

The Group actively seeks opportunities for growth, fostering innovation and collaboration, as well as harnessing synergies across the Group businesses.

As at the end of 2018, the Group was looking at a number of strategic initiatives, both greenfield and acquisition, in order to diversify our product portfolio and to access new markets. We will communicate these initiatives to you when we make sufficient progress to reach completion stage.

EXECUTIVE CHAIRMAN'S STATEMENT (CONT'D)

CORPORATE GOVERNANCE AND RISK MANAGEMENT

As the link between the Company, the Group and the shareholders, I am committed in ensuring that we adhere to the highest standard of corporate governance which frames our daily policies, practices and decision-making processes, our risk management principles and the way we report to you.

As we grow our businesses, we continue to strengthen our compliance culture and harmonization of control processes throughout the Group. Achieving an effective framework of corporate governance is paramount to the long-term future of the Group and is our backbone towards sound business development and effective risk management.

In March 2014 and subsequently reviewed in June 2016, the Board approved the Gamma Charter. It gives me assurance to report to you that the Gamma Charter has also provided us with the right framework to comply with both the previous and the new National Code of Corporate Governance for Mauritius.

FINANCIAL AND BUSINESS PERFORMANCE

Gamma conducts businesses regrouped in 4 clusters with three listed companies namely Kolos Ltd, Lottotech Ltd and Morning Light Ltd.

In the year to December 2018, the Group maintained its top line with turnover reported at Rs4.2billion. However, operating and financial leverage of the Group has improved following key decisions taken by the Board and thereby resulting in operating profit being higher than last year by 23% and profit after tax increased to Rs434million compared to Rs302million in 2017. These results reflect the good financial health and maturity of the Group and an indication of its sustainability and resilience for the future.

In respect of balance sheet indebtedness, finance costs for the year amounted to Rs44million, which is down by 46% on the previous year and giving rise to an interest cover of 13.2 (2017: 5.7 times). The Group's gearing at the year-end stood at 0.4% (2017: 21%), with interest-bearing debt at Rs650million compared to Rs1,092million in the previous year.

Taking account of the Group's improved performance in 2018, the Board of Directors has proposed a final dividend of 75 cents per share. Together with the interim cash dividend distributed during the year, we will be paying out a total cash dividend of Rs2.25 per share to shareholders for the whole of 2018.

Construction

Activity in the sector remained strong in 2018 and this contributed to Gamma Construction Ltd, a 100% subsidiary of the Group, to report financial performance in line with prior year. We concluded satisfactorily on a number of prestigious projects and positioned ourselves strongly to deliver our pipeline in 2019. Superior quality and timely delivery are the key performance indicators by which the Board measures the strength and robustness of the company, which we have been able to demonstrate consistently and to the satisfaction of our customers.

Overall net margin for construction is generally low in order to ensure that our terms remain competitive for our customers. Competition for local construction projects continues to be intense during the past years both for the private as well as public sector projects. It is the overriding aim for Gamma Construction to maintain its competitive edge and to uphold its position in the industry so that it can secure the right contracts for its pipeline. We remain confident about Gamma Construction in the long run, given our strong track record and capabilities.

Turnover of Gamma Construction was in line with prior year at Rs1.2billion whilst profitability at Rs19million was slightly lower than last year.

EXECUTIVE CHAIRMAN'S STATEMENT (CONT'D)

FINANCIAL AND BUSINESS PERFORMANCE (CONT'D)

Cement

The cement sector continued to perform well in 2018 driven by the boom cycle in infrastructure and construction development taking place throughout the island.

Kolos Cement Ltd, a 74% subsidiary, reported a turnover of Rs1.1billion in 2018, an increase by 9% and this resulted in corresponding increases in operating profit and an overall profit after tax of 6% higher than last year. Total dividends to shareholders of Kolos Cement in respect of the year ended 31 December 2018 stand at Rs175.5million.

Outlook for Kolos Cement Limited remains optimistic but the Group is cautious of likely increases in cement importation costs and freight costs driven by international market factors.

Lottery

Following the conclusion of the mediation process, the management team and the Board of Lottotech Ltd, a 56% subsidiary of the Group, can now look forward with renewed certainty towards its business prospects and strategy. Lottotech will continue to work closely with the GRA and the authorities and ensure its gaming strategy remains in line with its overarching objectives of being a responsible lottery operator with a strong duty of care to its players and to ensure that public trust is maintained in the national lottery. Importantly, Lottotech will be looking at a number of new strategic initiatives to explore better and innovative products and solutions to serve our customers.

Turnover at Lottotech from ticket sales was in excess of Rs2billion compared to Rs1.9billion in 2017 with profit after tax remaining at the Rs110million level.

Building Materials

Gamma Materials Ltd, our 50:50 joint venture company with Ingénérie et Participations Financières ("IPF"), a subsidiary of Colas SA, reported a turnover Rs1.8 billion in 2018, an increase of 25% from last year and net profit of Rs210 million, increased by 50% from last year.

This improved performance stems from an increase in public and private sector projects as well as the better performance of our customers and stakeholders. Demand for building materials is expected to continue to be stable for next year.

Property

During 2018, in addition to breaking ground for Burford House in the heart of Ebene Cybercity, feasibility studies have been initiated on two other properties for development in 2019. This is in line with our interest on becoming a major real estate player.

The Hilton Mauritius Resort & Spa held through Morning Light Co Ltd, an associate company of the Group, is managed and operated by Hilton International. The company delivered good results in 2018 with turnover of Rs622million, increased from Rs607million in the prior year. Net Profit for 2018 amounted to Rs43 million, a substantial improvement of 45% against last year and allowed Morning Light to declare a final dividend of Rs1.00 per share.

Corporate Social Responsibility

Gamma Foundation established in 2010 is the entity which is dedicated exclusively to our Corporate Social Responsibility (CSR) objectives and to ensure the proper coordination and deployment of the Group's CSR programme. Through Gamma Foundation, we appraise and provide financial and non-financial support to projects that are close to our community. Below are some of the initiatives that we have proudly been associated with in 2018.

EXECUTIVE CHAIRMAN'S STATEMENT (CONT'D)

FINANCIAL AND BUSINESS PERFORMANCE (CONT'D)

Corporate Social Responsibility (Cont'd)

In Lottotech, our value framework is inclusive of five of the UN's Sustainable Development Goals (SDGs) which ensure that our activities remain congruent with our social responsibilities at all times. In addition to our contribution to the national Consolidated Fund which is used for the implementation of projects relating to community development, education, health and culture, several CSR projects were evaluated on the criteria of making a difference, aligned with our branding of "La Chance Pour Tous". In 2018, Lottotech continued its focus on alleviating of poverty and promoting education. CSR achievements included time and financial contributions to "Le Velo Vert", "Atelier Joie de Vivre", "Centre d'Amitié", "Atelier Moz'ar" and "FAITH, Ecole d'Avenir Rodrigues".

In Kolos Cement, our CSR objectives centre on "Batir Agir" where we contributed in excess of Rs4million towards different projects to fight against poverty and enhancing building techniques and skills among construction workers via our "Ecole des Macons".

The senior management team of Gamma Materials and the rest of the Group met with NGOs at the end of last year and contributions were made to beneficiaries including APRIM, SAPHIRE in collaboration with Fédération du Cyclisme and L'Ecole Les Flamboyants.

OUTLOOK

Gamma strives to become stronger, more innovative and more sustainable, with different business units collaborating to harness synergies.

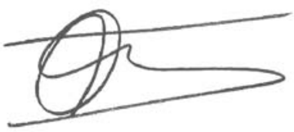
I, together with the Board and management, remain confident in the strength of Gamma and the businesses that underlie the brand. The strong financial performance in 2018, a robust balance sheet, and the expertise of the Board, the management team and our partners are the vital ingredients to ensure the growth and success of the Group. An emphasis on innovation, excellence and hard work remains my agenda to ensure that we meet the challenges brought about by competition and customer demands in today's context of digitalisation and globalisation.

ACKNOWLEDGEMENTS

I am deeply honoured to be surrounded by my fellow board members who individually and collectively bring to the Board a wealth of experience and a range of skills that are so fundamental to the transformation of Gamma and the Group. I am grateful for the wisdom that the Directors bring, the guidance that they impart through their participation in Board discussions and the advice that they share with me, with other Board members and with the executive management on matters of significance.

On behalf of the Board of Directors, I would like to thank our executive team and all our employees for their commitment, passion and contribution to the Group's success. I also acknowledge and thank the support of Tommy Ah Teck our Vice Chairman, Patrice Ah Teck and Marie Claire Chong for keeping the entrepreneurial spirit strong and alive at Gamma.

Finally, I would like to express my gratitude to our stakeholders, our partners, customers, suppliers or shareholders for their continued support.



Carl Ah Teck
Executive Chairman

24 April 2019

DIRECTORS' REPORT

The directors are pleased to submit their report together with the audited financial statements of Gamma-Civic Ltd and the Group for the year ended 31 December 2018.

MAIN INVESTMENTS

Gamma-Civic Ltd is a listed investment holding company. Its main objectives are to safeguard and enhance its shareholders' wealth, deliver an acceptable level of return to shareholders and to continue to build a sustainable platform for growth and profitability.

Gamma has investments in different sectors and the principal ones are:

- Contracting;
- Building Materials;
- Lottery;
- Hospitality; and
- Properties (Real Estate).

The operations within the sectors mentioned above as carried out by different companies which are subsidiaries, associates and joint venture of Gamma-Civic Ltd.

Contracting

Gamma Construction Ltd, a wholly-owned subsidiary, is involved in asphalt production, asphalt and road works and building and civil engineering contracting works both in the private and public sectors.

Building Materials

Gamma Materials Ltd, a jointly controlled company, supplies building materials including aggregates, sand and blocks to the construction industry.

Kolos Cement Ltd, a subsidiary, trades in and distributes cement. It is listed on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd ("SEM").

Lottery

Lottotech Ltd, a subsidiary, operates under licence of the Mauritius National Lottery and is listed on the Official List of the SEM.

Hospitality

Morning Light Co. Ltd, an associate company, operates in the hotel industry through Hilton Mauritius Resort & Spa and is listed on the Development & Enterprise Market of the SEM.

Properties (Real Estate)

BR Capital Ltd is nearly completing the construction of a seven-storey office building in Ebène.

The Group has several units in Standard Chartered Tower and also holds a bank of undeveloped lands.

DIRECTORS' REPORT (CONT'D)

RESULTS

Group Performance

Group Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2018: Rs3,262M	Dec 2018: Rs434M
Dec 2017: Rs3,259M	Dec 2017: Rs302M

Company

Company Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2018: Rs735M	Dec 2018: Rs620M
Dec 2017: Rs480M	Dec 2017: Rs346M

BUSINESS REVIEW

For the year ended 31 December 2018, the Group and the Company reported net profit after taxation of Rs434M and Rs620M respectively.

More details on the Business Review are included in the Executive Chairman's Statement.

FUTURE OUTLOOK

More details on the Future Outlook are included in the Executive Chairman's Statement.

DIVIDEND

A special dividend of Rs1.00 per share (2017: Rs0.50 per share) was declared on 11 May 2018 and paid on 22 June 2018 in respect of the financial year ended 31 December 2018.

An interim dividend of Rs0.50 per share (2017: Rs0.25 per share) was declared on 3 August 2018 and paid on 28 September 2018 in respect of the financial year ended 31 December 2018.

No final dividend (2017: Rs0.65 per share) was paid in the financial year ended 31 December 2018.

On behalf of the Board of Directors

Patrice Ah Teck
Director

Twalha Dhunnoo
Director

27 March 2019

Teamwork divides the task and
multiplies the success.

CORPORATE GOVERNANCE REPORT

Since its coming into force, the Board of Directors of Gamma-Civic Ltd has been very much focused on the implementation of the 2016 Corporate Governance ("Code") and has ensured that the Company aims at applying the 8 Principles as far as possible, throughout the year under review.

The eight principles of the Code are:

1. GOVERNANCE STRUCTURE

- The Board and its Committees

  The Board of Directors

  As per the constitution, the Board shall consist of not less than two and more than twelve Directors, and presently the Board is composed of 3 Independent Non-Executive Directors, 4 Non-Executive Directors and 2 Executive Directors.

  The composition of the Board is in line with the National Code of Corporate Governance, in having the appropriate mixed of Executive, Non-Executive and Independent Directors. Furthermore, the Board has the required mixed in terms of diversity, skills, experience, independence and knowledge to play its role fully in serving in the best interests of all the stakeholders of the Company.

  The Board Committees

  Board Committees are set to assist the Board in efficient decision making, without having decision making powers. The Board Committees make recommendations to the Board for decisions, as may be appropriate. Gamma-Civic Ltd has two permanent Committees namely:

  - The Audit and Risk Committee; and

  - The Corporate Governance Committee.

- Governance Documents

  The Company has two main internal corporate documents which have been duly approved by the Board of Directors and the Shareholders. These are the Company's Constitution and the Gamma Charter.

  The Company's Constitution

  The Company's Constitution is in line with the Companies Act 2001 and has no material clauses requiring disclosure.

  A copy of the Company's Constitution is available at the Company's registered office.

CORPORATE GOVERNANCE REPORT (CONT'D)

1. GOVERNANCE STRUCTURE (CONT'D)

- Governance Documents (Cont'd)

- Key Positions

The Company has the following key positions, namely:
- The Executive Chairman;
- Chairman of Committees;
- Company Secretary.

<u>The Executive Chairman</u>

The Company has an Executive Chairman who has been duly appointed by the shareholders at the Annual Meeting until the next Annual Meeting. He is eligible to stand for his re-appointment at the next Annual Meeting.

Mr Chian Yew Ah Teck was appointed as the Executive Chairman in the year 2016 following the resignation of the previous Managing Director so as to ensure continuity of the work. The Executive Chairman presides over the meeting of Directors and shareholders. He is responsible for corporate governance in the Company, ensuring that the Board carries out its responsibilities efficiently and that it has a clear comprehension of its role, function and deliverables as well as those of the management and shareholders. He is also responsible for ensuring that resolutions of the Board are promptly executed and implemented by Management. The Chairman of the Board acts for and on behalf of the Board.

Furthermore, it is part of the Executive Chairman's responsibility to ensure that new Directors are properly introduced to the businesses of the Company, with the assistance of the Company Secretary.

<u>Chairman of Board Committees</u>

The Chairman of each of the Board Committees, namely the Audit and Risk Committee and the Corporate Governance Committee, are responsible for chairing their respective Committees and to ensure that the Committees deliver as per their respective terms of reference in their mandate to assist the Board to fulfil its duties and responsibilities.

Mr Paul Halpin is the Chairman of the Audit and Risk Committee and Mr Lim Sit Chen Lam Pak Ng, also known as Maurice Lam is the Chairman of the Corporate Governance Committee.

<u>The Company Secretary</u>

The Company Secretary is appointed and removed by the Board of Directors on such terms as the Board may deem fit, and it is accountable to the Board through the Chairman in the performance of its duties and responsibilities, as defined in the Companies Act 2001, as well as for the corporate governance processes.

Gamma Corporate Services Ltd is the Company Secretary of the Company.

CORPORATE GOVERNANCE REPORT (CONT'D)

1. GOVERNANCE STRUCTURE (CONT'D)

- Governance Documents (Cont'd)
- Key Positions (Cont'd)

The Gamma Charter

This Charter establishes and stipulates a governance framework, which is the rules, regulations, organization and governance principles which must permeate all levels of the Gamma Group in order to:

- Value Rights - Preserve the rights of the Shareholders of Gamma-Civic Ltd and ensure that Gamma-Civic Ltd has sound governance practices throughout the organisation;
- Effective Oversight- Enable the Board of Gamma-Civic Ltd to have effective oversight of the management of its Group Companies;
- Respective Roles & Responsibilities- Clarify the respective roles and responsibilities of Board members and senior executives of the Gamma Group, charged with the executive management of the Gamma Group of companies; and
- Protocols & Policies- Establish protocols and policies to promote compliance and consistency within an overall Gamma Group framework of policies and strategies.

The Gamma Charter is reviewed by the Board every two years. The last review done was in 2017.

A copy of the Charter is available for inspection to any Shareholder upon request made to the Company Secretary. Furthermore a condensed version of the Gamma Charter is being prepared and will be available on the website of the Company when same is ready.

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Composition of the Board of Directors- details of the Directors

For the period under review the Company had a Board composed of 11 Directors. However at time of preparing this corporate governance report, the Board is composed of 9 Directors.

CHIAN YEW AH TECK (ALSO CALLED CARL AH TECK) – EXECUTIVE CHAIRMAN
Carl holds a first class degree in Civil Engineering from Lancaster University and an MPhil. Degree in Soil Mechanics from the University of Cambridge. After university, he joined consulting firm Sir Alexander Gibb and Partners in Mauritius. He is a registered professional engineer. He has also attended several executive management programs at NUS/Stanford University, London Business School and INSEAD.

After 5 years with Sir Alexander Gibb, where he held various positions in both the design office and on site for major projects, he founded Gamma Construction Co Ltd in 1987 which subsequently acquired Randabel & Sons Ltd (now known as Gamma-Civic Ltd).

CORPORATE GOVERNANCE REPORT (CONT’D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT’D)

Composition of the Board of Directors-details of the Directors (Cont’d)

CHIAN YEW AH TECK (ALSO CALLED CARL AH TECK) – EXECUTIVE CHAIRMAN (CONT’D)
From 1987 to 2011, he was the Chief Executive of the Gamma Group before becoming the Executive Chairman of Gamma-Civic Ltd in February 2011. During this time, Carl has also been a Director and the Chairman of companies in the Gamma Group.

Upon his resignation as an employee of the Company in July 2015, Carl became a Non-Executive Director and Chairman of the Company.

In March 2016, Carl was mandated the responsibility of Corporate Development and Strategic planning of Gamma-Civic Ltd and its Group companies in line with the vision of the company, by the Board, whereby the Chairman’s Office acts as an incubator for identifying and/or initiating projects (including development of green field projects, establishment of strategic partnerships, mergers and acquisition activities including identification of potential acquisitions, divestment activities, etc.), and nurturing these projects until a stage of viability for presentation to the Board for consideration.

In November 2016, the Board appointed Carl as the Executive Chairman and this appointment has been reconfirmed by the shareholders at the Annual Meeting.

Directorship in listed companies: Three (Morning Light Co. Ltd, Lottotech Ltd and Kolos Cement Ltd).

BOON HUI CHAN – INDEPENDENT NON-EXECUTIVE DIRECTOR
Boon Hui studied law under the Commonwealth Trust scholarship at Cambridge University. He also holds the CFA charter. He founded and currently acts as the managing director of Chancery Capital, a boutique private equity and corporate advisory practice. This follows more than 18 years of regional and international investment banking experience with the OCBC & BNP Paribas Groups in Singapore and the Rothschild Group in Singapore and New York.

He is currently a member of a select group of private and publicly listed company boards. For the listed companies, he also acts as a member or chairs certain committees in his role as a non-executive director. The directorships in private companies are those in which he has significant investments or where he acts as founder and mentor.

Directorship in listed companies: None in Mauritius.

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Composition of the Board of Directors-details of the Directors (Cont'd)

CHIAN LUCK AH TECK (ALSO CALLED PATRICE AH TECK) – NON-EXECUTIVE DIRECTOR
Patrice holds a BA (Hons) Accounting and Finance from South Bank University. He worked as a Trainee Accountant with Nunn, Crick and Bussell in the UK, and in 1993 he joined the Gamma Group as Sales and Marketing Manager. He was appointed Sales and Marketing Director in 2000 and he has occupied the post of Deputy Managing Director. Since July 2015, he is no longer an Executive Director, and is a member of the Board in a Non-Executive capacity.

Directorship in listed companies: Three (Morning Light Co. Ltd, Lottotech Ltd and Kolos Cement Ltd).

CHIAN TAT AH TECK (ALSO CALLED TOMMY AH TECK) – NON-EXECUTIVE DIRECTOR
Tommy holds a BSc (Hons) Engineering from University of Westminster and an MPhil in Mechanical Engineering from Loughborough University of Technology. He worked as a Trainee Accountant with Griffin & Partners, Chartered Accountants in London, UK. He occupied the post of Managing Director of Gamma from 1987 to January 2011. He was appointed Group CEO in February 2011. Since July 2015, he is no longer an Executive Director, and is a member of the Board in a Non- Executive capacity.
Tommy is also the Vice Chairman of the Company, whereby he is responsible for Public Relations and networking for the resolution of issues across the Group under the guidance of the Chairman who is in charge of Corporate Development of the Company. He also chairs the Gamma Foundation.

Directorship in listed companies: Three (Morning Light Co. Ltd, Lottotech Ltd and Kolos Cement Ltd).

GEOFFROY DEDIEU – EXECUTIVE DIRECTOR/MANAGING DIRECTOR
Geoffroy holds a DEA Business Law from Université Panthéon-Assas, a LLM from the National University of Singapore and an MBA from INSEAD. After his studies, Geoffroy started his career as a corporate lawyer in Asia. He was previously the Managing Director at a top-5 Swiss bank in Singapore and he subsequently set up a single-family office holding company in the UK. He is an experienced family business manager with focus on the entrepreneurial family model. Geoffroy is also a Charter Member of the UK Chartered Institute for Securities & Investments and a Certified Financial Planner. He joined the Company in August 2017 as Managing Director.

Geoffroy has resigned as Managing Director and Director of Gamma-Civic Ltd on 13 July 2018.

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Composition of the Board of Directors-details of the Directors (Cont'd)

KUNE FOO JEAN-CLAUDE LAM HUNG (ALSO CALLED JEAN-CLAUDE LAM HUNG) – NON-EXECUTIVE DIRECTOR
Jean-Claude is a Fellow of the Institute of Chartered Accountants in England and Wales. He was awarded the Edward Billington Scholarship to read for a BA (Hons) Business Studies at Liverpool John Moores University. He graduated with a first class honours degree. From 1998 to 2009, he trained and qualified as a Chartered Accountant with Ernst & Young (London) before assuming senior manager and director roles at Deloitte (London) and BDO (London) respectively. In November 2009, he became a partner at Mazars LLP (London). From August 2012 to October 2015 he was the Group CFO of Gamma-Civic Ltd and he is currently the Chief Executive Officer of CG Re (Africa) Ltd, an insurance broker company. In January 2017, Jean-Claude joined the Board of Directors as Non-Executive Director.

Directorship in listed companies: One (Lottotech Ltd).

LIM SIT CHEN LAM PAK NG (ALSO CALLED MAURICE LAM PAK NG) – INDEPENDENT NON-EXECUTIVE DIRECTOR
Maurice holds an MBA degree from the Graduate School of Business of Columbia University, New York, N.Y., USA. He is the founding partner of Stewardship Consulting, a strategy consulting firm in Singapore. Prior to Stewardship Consulting, Maurice was in investment banking, advising multinational companies, government agencies and fund management companies in financial strategy, investment management, treasury and risk management. He has worked in London, New York, Singapore and Tokyo.

Directorship in listed companies- None

PAUL CYRIL HOW KIN SANG (ALSO CALLED CYRIL HOW KIN SANG) – NON-EXECUTIVE DIRECTOR
Cyril studied accountancy at The University of West London and is a member of the Institute of Chartered Accountants in England & Wales. From 1985 to 1988, he trained and worked as a Chartered Accountant in the UK with a number of accounting firms including KPMG.

He joined Gamma in 1989 and has occupied several posts within the Group, including Group Finance Director and Supervisory Executive Director of Lottotech Ltd, and was involved in the business development of the Group.

He was appointed as the Managing Director of Gamma in February 2011. Since July 2015, he is no longer an Executive Director, and was a member of the Board in a Non-Executive capacity.

Cyril is no longer a Director of Gamma-Civic Ltd since 25 May 2018.

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Composition of the Board of Directors-details of the Directors (Cont'd)

PAUL LAURENCE HALPIN (ALSO CALLED PAUL HALPIN) – INDEPENDENT NON-EXECUTIVE DIRECTOR
Paul is a Chartered Accountant and also holds a BCom from the University College Dublin. He has been an Independent Director of the Company since 17 June 2014 and he is Chairman of the Audit and Risk Committee of the Company.

Paul is a former Partner at PwC Johannesburg, London and Dublin, where he held leadership positions in the financial services industry practice. He is widely experienced in matters of corporate governance, board effectiveness and prudential supervision and has served companies in the following sectors: Financial Services, ICT, Healthcare, Real Estate, Construction, Renewables and Heavy Manufacturing.

From 2016 to 2018 he served as Lloyd's General Representative for Mauritius. From 2005 to 2010 he was a Non-Executive Board Member of the Board of Investment, Mauritius and from 2005 to 2009 he was an Independent Non-Executive Director of Standard Bank (Mauritius) Ltd.

He is an Independent Non-Executive Director of Gamma Construction Ltd, Kolos Cement Ltd, Gamma Treasury Management Ltd and Lottotech Ltd.

Other Non-Executive Directorships: Citicc Africa Holdings Ltd (Real Estate investor in East Africa); Grofin Capital (Development Finance and Private Equity in Africa and the Middle East); MakeMyTrip Limited (India's largest online travel agent, listed on Nasdaq); various companies in the MIH Group (a leading Internet-based investor in India and China); and RMB Westport Real Estate Development Fund Ltd (Real Estate investor in West Africa).

Directorship in listed companies: Three (Lottotech Ltd, Kolos Cement Ltd and MakeMyTrip Limited (Nasdaq USA))

SUI LIEN CHONG AH-YAN (ALSO CALLED MARIE CLAIRE CHONG AH-YAN) – NON-EXECUTIVE DIRECTOR
Marie Claire qualified in 1988 with a Bachelor's degree from the Faculty of Arts from the University of Jean Moulin-Lyon III, France. She further holds a Bachelor's Degree in Human Resources Management from the University of Natal, South Africa.

Marie Claire was the head of human resource at Group level since 2000 and in year 2012, she was subsequently appointed HR Director of Gamma-Civic Ltd. She is one of the co-trustees of the Gamma Foundation, which is in charge of all CSR projects at Gamma Group level. She is a Fellow of the Mauritius Institute of Directors. In February 2015 Marie Claire has been awarded the FT NED Diploma (Financial Times Non-Executive Director Diploma).

Since July 2015, Marie Claire is no longer an Executive Director, and is a member of the Board in a Non-Executive capacity.

Directorship in listed companies: Two (Kolos Cement Ltd and Alternate Director in Morning Light Co. Ltd).

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Composition of the Board of Directors-details of the Directors (Cont'd)

TWALHA DHUNNOO – EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Twalha holds a BA, MEng and MA (Cantab) from Cambridge University, and is also a fellow (FCA) of the Institute of Chartered Accountants for England & Wales (ICAEW). He started his career with Ernst & Young London in 1998, and left as an Audit Manager in 2004. Between 2004 and 2007, Twalha worked in Financial Services with major global organisations, namely Mellon Bank and Deutsche Bank. In July 2011, he became the Chief Financial Officer and Executive Director of Gatehouse Bank plc, a deposit-taking bank based in London.

He joined the Company in April 2017 as Chief Financial Officer and was appointed as Executive Director in May 2017.

Directorship in listed companies: Two (Morning Light Co. Ltd and Kolos Cement Ltd).

Balance In the Composition of the Board

The shareholders have appointed a Board of Directors which is well balanced and it is currently composed of:
- 3 Independent Non-Executive Directors;
- 4 Non-Executive Directors; and
- 2 Executive Directors.

Powers of the Board

The role of the Board of Gamma-Civic Ltd is first and foremost to direct, govern and control the Company in order to safeguard and enhance its total value and returns by overseeing directly or indirectly the executive management of Gamma-Civic Ltd and its Group Companies.

The Board has all the powers necessary for directing and supervising the management of the business and affairs of the Company and for creating and delivering sustainable value.

The Board determines the strategic direction within a framework of rewards, incentives and controls.

The Board ensures that management strikes an appropriate balance between delivering short and medium term objectives and promoting long-term growth.

The Board is also responsible for ensuring that management maintains a system of internal control and procedures which provides assurance of effective and efficient operations, internal financial controls and compliance with existing laws and regulations. In carrying out this responsibility, the Board has due regard to what is appropriate for the Company's businesses and the materiality of the risks inherent in the businesses and the relative costs and benefits of implementing specific controls.

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Powers of the Board (Cont'd)

The Board is the decision making body for all matters which are of significance to the Company as a whole because of their strategic, financial and reputational implications and/or consequences.

As such, the Board of Gamma-Civic Ltd has the responsibility of ensuring that the corporate governance system by which the Gamma Group is directed and controlled is effectively implemented by management in terms of processes, mechanisms, policies, laws and customs. The Board also provides effective corporate governance.

Legal Responsibility

All Directors of Gamma-Civic Ltd and its Group Companies have the duty to comply with the Companies Act 2001.

Although Directors are entrusted by shareholders with the task of oversight and steering over the Management of Gamma-Civic Ltd and its Group Companies, the powers of the Directors may be limited by the Gamma Charter, by the Constitution and by ordinary resolutions of the shareholders. The Directors may become liable for the consequences of any breach of duties as contained under the law, the Gamma Charter, the Constitution and resolutions of the shareholders in case of actions entered against the Directors.

Board meetings-focus areas 2018

The Board held quarterly statutory meetings to review the Company's unaudited and audited financial statements in compliance with the provisions of the Companies Act 2001, the Listing Rules and the Gamma Charter. It also held a Strategy and Budget meeting.

Attendance at Board meetings

For the period under review, the Board has met 9 times.

Directors	Attendance
Carl Ah Teck	8/9
Boon Hui Chan	7/9
Patrice Ah Teck	9/9
Tommy Ah Teck	8/9
Cyril How Kin Sang	3/3
Geoffroy Dedieu	5/5
Jean-Claude Lam Hung	9/9
Maurice Lam Pak Ng	9/9
Paul Halpin	9/9
Marie Claire Chong Ah-Yan	9/9
Twalha Dhunnoo	9/9

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Committees- term of reference & members

- Audit and Risk Committee
  The Audit and Risk Committee assists the Board for reporting financial information, for appropriate application and amendment of accounting policies, for the identification and management of risk, for the implementation of internal control systems and for internal audit, statutory and regulatory compliance of the Company. The Committee provides a forum for effective communication between the Board and the external and internal auditors.

  The Audit and Risk Committee holds quarterly meetings to examine the quarterly financial statements and the audited financial statements, as well as reports from the auditors.

  In its capacity as Audit and Risk Committee of the Company and with an overview of Group, the Chairman of the Audit and Risk Committee has at least a yearly meeting with the chairs of the Audit and Risk Committees of the Group Companies to ensure that all the functions of the Audit and Risk Committee are being fulfilled within their respective companies.

  Members of the Audit and Risk Committees are as follows:
  - Paul Halpin (Chairman)
  - Boon Hui Chan
  - Jean-Claude Lam Hung
  - Maurice Lam Pak Ng

Attendance at Audit and Risk Committee

For the period under review, the Audit and Risk Committee has met 4 times.

Members	Attendance
Paul Halpin	4/4
Maurice Lam Pak Ng	4/4
Jean-Claude Lam Hung	4/4
Boon Hui Chan	3/4

- Corporate Governance Committee
  The Corporate Governance Committee acts as a mechanism for making recommendations to the Board on all corporate governance matters relevant to the Company to ensure that the Board remains effective and complies with the Code and prevailing corporate governance principles.

  The Committee is also responsible for all remuneration and nomination matters. The remuneration philosophy is geared towards rewarding efforts and merits for individual and joint contribution to the Company's results, whilst having also due regards to market conditions, the interest of the shareholders and to the financial well-being of the Company.

CORPORATE GOVERNANCE REPORT (CONT'D)

2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Attendance at Audit and Risk Committee (Cont'd)

- Corporate Governance Committee (Cont'd)
  Under the aegis of the Corporate Governance Committee and the Chairman of the Board, the Board members have carried out their first Board Appraisal for the year under consideration. Analysis of the Board Appraisal is ongoing and appropriate action as may be required would be considered by the Board to ensure that as a Body, the Board is fully effective and delivers as per its objectives as defined in the Gamma Charter, to meet the expectation of all stakeholders.

Members of the Corporate Governance Committee are as follows:
- Maurice Lam Pak Ng (Chairman)
- Carl Ah Teck
- Tommy Ah Teck
- Marie Claire Chong Ah-Yan

Attendance at Corporate Governance Committee

For the period under review, the Corporate Governance Committee met twice.

Members	Attendance
Maurice Lam Pak Ng	2/2
Boon Hui Chan	2/2
Carl Ah Teck	1/2
Tommy Ah Teck	1/2
Marie Claire Chong Ah-Yan	2/2
Geoffroy Dedieu	1/1

The Company Secretary - Role and Responsibilities

The main role and responsibilities of the Company Secretary as fully described in the Gamma Charter, which is in line with the provisions of the Companies Act 2001, includes the following:
- To provide the Board with guidance as to its duties and responsibilities, and powers;
- To inform the Board of all legislations on functions and operations relevant to or affecting meetings of shareholders and Directors and reporting at any meetings as may be reasonably required from time to time and the filing of any documents required of Gamma-Civic Ltd and any failure to comply with such legislation;
- To ensure that minutes of all meetings of shareholders and directors are duly recorded and that all statutory registers are properly maintained;
- To certify in the annual financial statements of Gamma-Civic Ltd that Gamma-Civic Ltd has filed with the Registrar of Companies all such returns as are required of Gamma-Civic Ltd under the Companies Act 2001;
- To ensure that a copy of Gamma-Civic Ltd's annual financial statements and, where applicable, the annual reports are sent by email or post to every person entitled to such statements or reports in terms of the Companies Act 2001.

CORPORATE GOVERNANCE REPORT (CONT'D)

3. DIRECTORS' APPOINTMENT PROCEDURES

Appointment and Re-Election

The Corporate Governance Committee under its nomination function, is responsible for making recommendation to the Board, which in turn would be presented to the shareholders at the Company's Annual Meeting, the appointment and/or re-election of potential Directors.

Furthermore, in cases of casual vacancy, the Board may appoint Directors who shall hold office only until the next Annual Meeting and shall then be eligible for re-election.

Letter of Appointment

Upon their appointment, all Directors are provided with a letter of appointment which stipulates the terms and conditions of such appointment. The Directors are also given a Gamma Charter which serves as a reference for all members of the Board and are referred to the Company's constitution, the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius.

Succession Planning

An important responsibility of the Board of Directors is to ensure that the Company has an appropriate succession plan in place for Directors, top management and key officers, and this responsibility has been delegated to the Corporate Governance Committee under its Nomination function.

4. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

All Directors of Gamma-Civic Ltd have:
- common law fiduciary obligations to Gamma-Civic Ltd and/or Group to act in good faith and the best interest of the Company;
- obligations imposed by the Companies Act 2001;
- obligations imposed by Constitution of Gamma-Civic Ltd; and
- obligations imposed by the Gamma Charter.

Each Director has a duty to exercise care, skill and diligence in fulfilling his or her function as a member of the Board.

Code of Ethics

The Company applies the Gamma Charter, which contains a Code of Conduct, which is in line with the provisions of the Code.

CORPORATE GOVERNANCE REPORT (CONT'D)

4. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Code of Ethics (Cont'd)

The Code of Conduct is based on the fundamental belief that business should be conducted in all honesty, fairness and legality. This commitment is endorsed by the Board and all employees, sharing the commitment to high moral, ethical and legal standards.

Induction

Upon appointment, Directors are issued a letter of appointment stipulating the terms and conditions of the directorship. The Directors are also communicated a copy of the Gamma Charter, which is applicable to the Company, the Company's constitution and relevant laws which applied to the operation and business of the Company. The corporate presentation of the Company and Group is effected by the Executive Chairman and meetings and visits are also planned to the different subsidiaries so that the new Directors would get acquainted with the businesses and operations of the Group.

Continuous Professional Development

The Directors are encouraged to keep themselves up to date with latest professional practices and to changes and trends in the Company's business, market, economic, political, social and legal environment in general.

Board Evaluation

The Board has established a process for an annual performance evaluation by an experienced independent and external consultant of the Board, Board Committees and individual Directors including the Chairman of Gamma-Civic Ltd. The last formal performance evaluation of the Board was done in 2017 and no areas of concerns were identified requiring the Board's particular attention. Nevertheless, the Board continues to work towards the effectiveness of the Board proceedings with the aim of sharpening its capacity.

For the year under review, the Chairman has carried out an informal evaluation of the Board effectiveness and this is being finalised.

However, it is to be noted that the full Board is appointed for only one year and all Directors stand for re-election at each Annual Meeting, the appointment of the Board and the Directors depend on the result which the Company is reporting and the creation of value for the shareholders.

Remuneration Policy

The Company remains focused on its long-term philosophy as described in the Group HR Manual, which is to attract and retain leaders with the objective of delivering business priorities within a framework that is aligned with the interest of the Company.

For Board members, the recommendation of the Corporate Governance Committee is presented to the shareholders at the Annual Meeting to obtain the approval of the shareholders on the fees to be paid.

CORPORATE GOVERNANCE REPORT (CONT'D)

4. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

IT Security

Information technology ("IT") is key to the Company and it forms part of the Company's asset. The Board is responsible for IT Governance and management of IT risks, through policies, procedures and processes which are regularly updated, monitored and safeguarded by having in place the appropriate tools and software.

There is an IT Management Policy included in the Gamma Charter which provides the principles and recommended practices to achieve the future strategic goals identified and approved by the Gamma Board.

The IT security policy in place covers the following:
- Guidelines IT team
- Guidelines server rooms
- Guidelines for users
- Antivirus management procedures
- Back up procedures
- Change management procedures
- Information handling procedures
- Business continuity plan
- User account management procedures

Directors' Interest and Dealings in the Company's Shares

As part of the Company's statutory quarterly reporting process to the Stock Exchange of Mauritius Ltd and the Financial Services Commission, the Company Secretary would request the Directors to confirm their shareholding and any dealings which they may have effected in the Company's shares, with reference to Code of Securities Transactions by Directors.

The Directors are thus fully aware of the principles of the Model of Code of Securities Transactions by Directors, as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

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

Directors	Number of Shares Purchased Directly	Number of Shares Purchased Indirectly	Number of Shares Sold Directly	Number of Shares Sold Indirectly
Boon Hui Chan	-	-	-	-
Carl Ah Teck	-	-	-	-
Jean-Claude Lam Hung	-	-	-	-
Maurice Lam Pak Ng	-	-	-	-
Patrice Ah Teck	-	-	-	-
Paul Halpin	-	-	-	-
Tommy Ah Teck	-	-	-	-
Twalha Dhunnoo	-	-	-	-
Marie Claire Chong Ah-Yan	-	-	-	-

CORPORATE GOVERNANCE REPORT (CONT'D)

4. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Interests' Register, Conflicts of Interest and Related Party Transaction Policy

The Directors are fully aware of the responsibility of disclosure of any conflicts of interest in accordance with the laws and the Gamma Charter under the heading Conflict of Interest and Disclosure Policy.

Declaration of Conflict of Interest at each Board Meeting

The Company Secretary holds a Conflicts Register in which declarations made by Directors at each quarterly statutory meeting.

The first item of the agenda for all board meetings is for directors to declare if they have any conflict on any items which the Board will address for the business of the day. All Directors would sign a duly approved declaration of interest form, which forms part of the Board's proceedings. Furthermore, Directors who are conflicted would not participate on discussions on the specific agenda item.

Any related party transaction, if existing, would also be recorded in the said register and same is available for inspection upon request made to the Company Secretary.

5. RISK GOVERNANCE AND INTERNAL CONTROL

Internal Control & Risk and Compliance report

It may not be possible to anticipate all risks which the Company may face. But as the body responsible for risk governance and internal control, the Board has delegated the responsibility of ensuring that the Company has in place a risk management process to manage and mitigate key risks which could potentially impact the Company's business and operations to the Audit and Risk Committee. Furthermore, the governance of risks, nature and risk appetite remain the ultimate responsibility of the Board.

Risk Management Framework

In order to manage the risk exposures faced by Gamma-Civic Ltd and its Group Companies, the Board recognised the need to identify areas of significant business risk and to develop and implement strategies to investigate those risks as a basis of a formal system of risk management and internal control and compliance.

The Audit and Risk Committee meets regularly to evaluate, control, review and oversee the implementation of Gamma-Civic Ltd's objectives. The Company's strategic and business plans are formulated in the context of the risk exposures and the requirements to effectively manage those risks as part of Gamma-Civic Ltd and its Group Companies' operations.

CORPORATE GOVERNANCE REPORT (CONT'D)

5. RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

The Audit and Risk Committee in turns ensures that Management puts in place a comprehensive and robust system of risk management and a sound internal control system, and quarterly reports would be submitted to the Board.

Risk Management Practices

The Board of Gamma-Civic Ltd is ultimately responsible for the process of risk management and management is responsible for the implementation of risk management process. The Board of Gamma-Civic Ltd maintains a number of policies which are designed to manage specific business risks.

Responsibility and accountability is placed on Management to maintain direct involvement in the businesses of the Company and Group Companies in order to manage potential exposure of Gamma-Civic Ltd to risks. The Group CFO attends Technical Committee meetings of the operating companies within the group where risks are identified and appropriate mitigating measures are agreed with the Management of the operating companies.

Furthermore, the Group CFO meets the Audit and Risk committee to report on Strategic Risks in the Group.

Gamma-Civic Ltd has a Risk Management Policy included in the Gamma Charter, which sets out the broad principles, responsibilities and practices that are used to manage Gamma-Civic Ltd's risk exposures and the various risk management systems and internal controls operated by Gamma-Civic Ltd to respond to those risks.

Whistleblowing Policy

The Company is committed to openness, accountability, transparency and highest standards of ethics. All employees and the Company's stakeholders are encouraged to report any incidents which they have reasonable grounds to believe may tantamount to an illegal act and cause harm and impact the reputation of the Company.

6. REPORTING WITH INTEGRITY

Financial and Operational Performance

The Company's financial and operational performance is detailed in the Directors' report.

Environment, Health & Safety

The Company continues to be committed to providing all employees of the Group with a safe and healthy working environment in line with the Occupational Safety and Health Act 2005 and other applicable legislative and regulatory frameworks. Through its Health and Safety officers employed by the different Group companies, Gamma-Civic Ltd ensures that the Group fulfils its legal obligations as an employer towards its employees. At the same time, the employees too are informed of their responsibility as regards safety and health, by receiving continuous training and awareness with the objective of having a safe working environment.

The Company has an Environmental Policy as contained in the Gamma Charter.

CORPORATE GOVERNANCE REPORT (CONT'D)

6. REPORTING WITH INTEGRITY (CONT'D)

Code of Conduct

The Company applies the Gamma Charter, which contains a Code of Conduct.

The Code of Conduct is based on the fundamental belief that business should be conducted in all honesty, fairness and legally. This commitment is endorsed by the Board and all employees, sharing the commitment to high moral, ethical and legal standards.

Corporate Social Responsibility ("CSR")

The Company remains committed to CSR program through the Gamma Foundation, which works towards the welfare of society with particular focus on children, through the eradication of poverty and the promotion of education to needy children.

7. AUDIT

Directors' Responsibility

All Directors have been informed of their duties and responsibilities as provided under the Companies Act 2001, and their responsibility under the Listing Rules.

They are also conversant with the provisions of the Gamma Charter, which applies to the Company, the Company's constitution and the Code.

External Audit

Appointment of the Company's external auditors remains a reserved right of the shareholders, though the appointment is made on the recommendation of the Board. The Company's external auditor for the year under review is Ernst & Young.

The Board has delegated to the Audit and Risk Committee the responsibility of reviewing the auditors' letter of engagement before the start of the audit work. The Committee will also monitor the independence of the external auditor and ensure that the auditors are not hindered in any manner whatsoever in the performance of their function.

The external auditors have direct access to the Audit and Risk Committee members and attend the Committee meetings. Once a year, the external auditors also meet with the Board to report on the external audit exercise and present their report to the Board.

CORPORATE GOVERNANCE REPORT (CONT'D)

7. AUDIT (CONT'D)

Internal Audit

The internal audit function of Gamma-Civic Ltd is outsourced to KPMG. The appointment of the internal audit was effected following a tender exercise under the supervision of the Audit and Risk Committee, on behalf of the Board.

Its function amongst others covers the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management process, systems of internal control, and the quality of performance in carrying out assigned responsibilities.

The internal audit plan is prepared by the internal auditors following discussions with Management under the supervision of the Audit and Risk Committee, which is the body entitled to approve the final audit plan.

In the performance of its function, the internal auditor has free access to the Company's records, employees and members of the Audit and Risk Committee.

The Audit and Risk Committee of the Company has a working relationship with the Audit and Risk Committees of the subsidiary companies to ensure that appropriate internal audit is in place and that it is working efficiently to ensure that all significant areas of the Company's and Group Companies' activities are duly covered.

8. RELATIONSHIP WITH SHAREHOLDERS AND KEY STAKEHOLDERS

Communication with Key Stakeholders

The Board of Directors is committed to have an open and transparent communication with its shareholders, local authorities, financial institutions, suppliers, investors and employees at all times. It normally communicates through its Annual report, announcements as provided under the Listing Rules, whenever applicable, through its statutory reporting and publications.

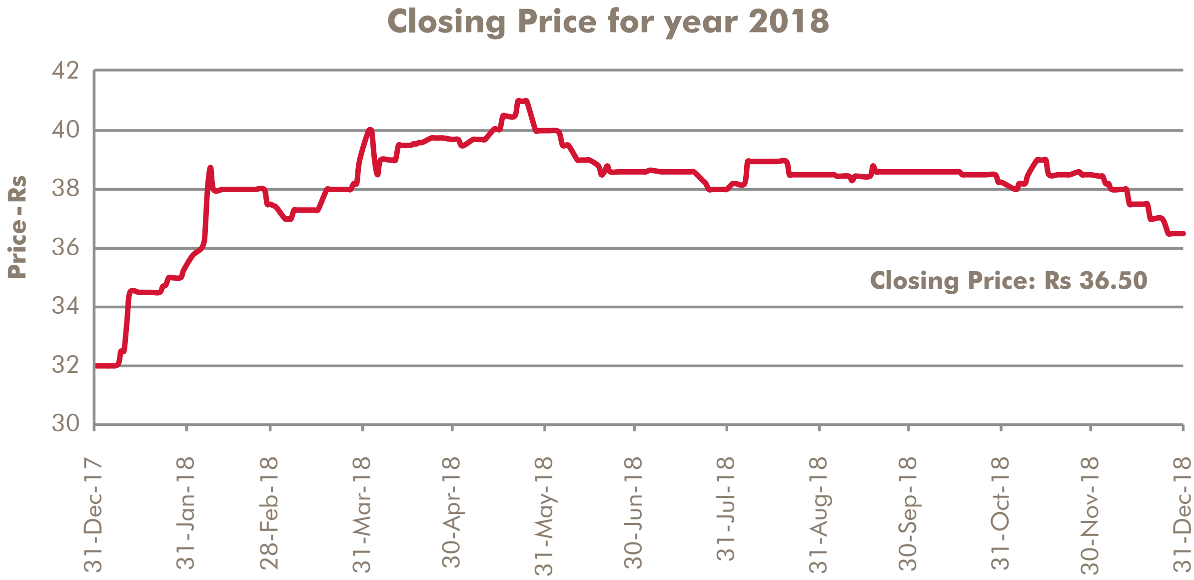
Shareholders holding more than 5% as at 31 December 2018

NAME	NO OF SHARES	PERCENTAGE
Consolidated Holdings Limited	20,647,370	15.495%
JHD Holdings Ltd	19,135,810	14.361%
Fortier Capital Limited	18,965,160	14.233%
Landcorp Capital Limited	14,838,620	11.136%
Cyril How Kin Sang	9,247,140	6.940%
Patrice Ah Teck	9,237,070	6.932%
Bluesilver Ltd	7,548,140	5.665%

CORPORATE GOVERNANCE REPORT (CONT'D)

8. RELATIONSHIP WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONT'D)

Share Price Graph



Shares in Public Hands

In line with the Listing Rules, the Company has more than 25% of its shareholdings in public hand.

Annual Meeting of Shareholders

The Company's Annual Meeting for the shareholders to approve the audited financial statements including the Company's annual report, appointment/renew the appointment of Directors and the Board and appointment/renew the appointment of the external auditors has been fixed for the 31 May 2019.

The appropriate convocation is issued to all shareholders of the Company to invite them to attend the Annual Meeting where they are encouraged to ask questions about the financial position of the Company.

The Company Secretary sends out the notices and related papers to all shareholders at least 14 days before the Annual Meeting in accordance to the Company's Constitution. The notices clearly explain the procedures on proxy voting and include the deadline for receiving the proxies at the office of the Company Secretary.

The Company also uses its website to keep in touch with its shareholders and stakeholders as all communiqués, dividend announcements, abridged financial statements and annual reports are posted on the website to keep them informed and updated on Company's activities and events. In addition to the website, shareholders and stakeholders may obtain further information on the Company and its governance documents from the Company Secretary.

CORPORATE GOVERNANCE REPORT (CONT’D)

8. RELATIONSHIP WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONT’D)

Dividend Policy

According to the Gamma Charter, the Company aims at distributing a dividend which is equivalent to a 3% dividend yield, subject to meeting the requirements of the Solvency Test.

Statement of Compliance

We, the Directors of Gamma-Civic Ltd, confirm that to the best of our knowledge Gamma-Civic Ltd has complied with all of its obligations and requirements under the Code of Corporate Governance.

CORPORATE GOVERNANCE REPORT (CONT'D)

STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal Activities

Gamma-Civic Ltd is an investment company holding investments in different sectors of activities in Mauritius.

Directors

The name of the Directors of the Company and its subsidiaries as at 31 December 2018 were as follows:

		Carl Ah Teck	Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah-Yan	Adam Issop Moollan	Boon Hui Chan	Paul Halpin	Maurice Lam Pak Ng	Michelle Carinci	Kavita Achameesing	Muhammad Khalid Peyrye	Alex Burstein	Allagappen Veeramootoo	Jairaj Sonoo	Shailesh Beejhadarsing	Dominique Billon	Javier De Benito	Fahmida Jeerooburkhan	Aboo Twalha Dhunnoo	Jean-Claude Lam Hung	Charanjeet Singh	Jacqueline Sitorus	Vivekanada Reddy Challa	Clifford Fon Sing	Cyril How Kin Sang
1	A.S. Burstein Management Ltd											✔	✔													
2	Accacias Co Ltd		✔	✔	✔																					
3	Aggregate Resources Co Ltd		✔	✔																						
4	Bitumen Storage Ltd		✔	✔	✔																					
5	Boron Investments Ltd		✔	✔	✔																					
6	BR Capital Ltd		✔	✔	✔																				✔	
7	BR Hotel Resorts Ltd		✔	✔	✔																					
8	Broadgate Holding Ltd	✔	✔	✔	✔																					
9	Broadgate Investment Ltd	✔	✔														✔									
10	Burford Development Ltd		✔	✔	✔															✔						
11	Burford Investments Ltd		✔	✔	✔																				✔	
12	Burford Property Ltd		✔	✔	✔																					
13	Burford Realty Ltd		✔	✔	✔																					
14	Cement Logistics Ltd	✔	✔														✔									
15	Centreview Development Ltd		✔	✔	✔																					
16	Finepoint Property Ltd		✔	✔	✔																					
17	Finepoint Realty Ltd		✔	✔	✔																					
18	Gamlot Technologies Ltd		✔	✔	✔																					
19	Gamma Asia Construction Ltd		✔		✔																					
20	Gamma Capital Ltd	✔	✔	✔	✔															✔						
21	Gamma Cement Holdco Ltd	✔																	✔							
22	Gamma Cement International Ltd		✔	✔	✔																					
23	Gamma Cement Ltd	✔	✔	✔				✔	✔											✔						
24	Gamma Construction Ltd	✔	✔	✔	✔	✔		✔								✔				✔						
25	Gamma Corporate Services Ltd	✔																	✔							
26	Gamma Energy Holdings Ltd		✔	✔	✔																					
27	Gamma Energy Ltd		✔	✔	✔																					

CORPORATE GOVERNANCE REPORT (CONT'D)

STATUTORY DISCLOSURES (CONT'D)

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Directors (Cont'd)

The name of the Directors of the Company and its subsidiaries as at 31 December 2018 were as follows:

		Carl Ah Teck	Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah-Yan	Adam Issop Moollan	Boon Hui Chan	Paul Halpin	Maurice Lam Pak Ng	Michelle Carinci	Kavita Achameesing	Muhammad Khalid Peyrye	Alex Burstein	Allagappen Veeramootoo	Jairaj Sonoo	Shailesh Beejhadarsing	Dominique Billon	Javier De Benito	Fahmida Jeerooburkhan	Aboo Twalha Dhunnoo	Jean-Claude Lam Hung	Charanjeet Singh	Jacqueline Sitorus	Vivekanada Reddy Challa	Clifford Fon Sing	Cyril How Kin Sang
28	Gamma Land Ltd (Formerly Land Securities Ltd)	✔	✔	✔	✔																					
29	Gamma Leisure Ltd		✔	✔	✔																					
30	Gamma Treasury Management Limited							✔	✔											✔	✔					
31	Gamma-Civic Cement Holdings Ltd	✔	✔														✔									
32	Gamma-Civic Construction Holdings Ltd			✔	✔																					
33	Gamma-Civic Construction Ltd		✔	✔	✔																					
34	Gamma-Civic Hotel Holdings Ltd		✔	✔	✔																					
35	Gamma-Civic Ltd	✔	✔	✔	✔		✔	✔	✔											✔	✔					
36	Gammafin Ltd	✔	✔	✔																						
37	Gammafin Resource Management Ltd	✔																								
38	Glot Holdings (Mauritius) Ltd		✔	✔	✔																					
39	Glot Management Ltd		✔	✔	✔																					
40	Govenland Co Ltd		✔	✔	✔																					
41	G-Traxx Equipment & Rental Ltd		✔	✔	✔																					
42	Insignia Leisure Resorts Ltd		✔	✔	✔																					
43	Insignia Resorts Ltd		✔	✔	✔																					
44	Kolos Building Materials Ltd		✔														✔									
45	Kolos Cement Ltd	✔	✔	✔	✔			✔									✔	✔		✔		✔	✔	✔		
46	Lottotech Ltd	✔	✔	✔				✔		✔	✔			✔	✔						✔					
47	Lotwin Investments Ltd		✔	✔																						
48	Ludgate Investments Ltd		✔	✔	✔																					
49	Maurilot Investments Ltd		✔	✔	✔																					
50	Natlot Investments Ltd		✔	✔	✔																					
51	North Point Holdings Ltd		✔	✔																						
52	North Point Stone Products Ltd		✔	✔																						
53	Osterley Investments Ltd		✔	✔	✔																					✔
54	Princegate Holdings Ltd		✔	✔	✔																					
55	RHT Media Ltd		✔	✔	✔																					
56	Star Cement Ltd	✔	✔														✔									
57	Traxx Ltd		✔	✔																						
58	Westbourne Properties Ltd		✔	✔	✔																					
59	Westview Realty Ltd		✔	✔	✔																					

CORPORATE GOVERNANCE REPORT (CONT'D)

STATUTORY DISCLOSURES (CONT'D)

Directors' and Senior Officers' Interests in Shares

Statement of Direct and Indirect Interest of insiders as at 31 December 2018:

	NO. OF SHARES	
NAMES OF DIRECTORS	DIRECT	INDIRECT
Boon Hui Chan	-	-
Carl Ah Teck	-	23,194,536
Jean-Claude Lam Hung	30,800	-
Marie Claire Chong Ah-Yan	1,980,830	3,869,317
Maurice Lam Pak Ng	-	-
Patrice Ah Teck	9,237,070	13,938,707
Paul Halpin	-	-
Tommy Ah Teck	-	23,175,777
Twalha Dhunnoo	-	-

Directors' Remuneration and Benefits

For the period under review, remuneration and benefits received and receivable by the Directors from the Company and its subsidiaries were:

Members	Rs
Directors of the Company	91,310,364
Directors of subsidiary companies (excluding those who are also Directors of the Company)	46,002,919

Note: The Directors' remuneration is disclosed in aggregate due to the confidentiality of the information and no remuneration in the form of share options or bonuses associated with the organisation performance have been issued to non-executive directors.

Directors' Service Contracts

None of the Directors of the Company have service contracts with the Company.

CORPORATE GOVERNANCE REPORT (CONT'D)

STATUTORY DISCLOSURES (CONT'D)

Contract of Significance

The Company has no contract of significance with either a Director or a controlling shareholder.

Directors' Insurance

The Directors of Gamma-Civic Ltd are insured under the Gamma-Civic Ltd Directors and Officer's liability insurance.

Political and Charitable Donations

The Company remains committed to CSR through the Gamma Fund and for the year 2018, the Group and the Company have contributed Rs212,071 and Rs45,000 respectively, as charitable donations.

The Company did not make any political donations during the year in review.

Auditors' remuneration

The remuneration payable by the Company and its subsidiaries for the financial year ended 31 December 2018 was as follows:

Members	Rs
Audit fees:	
- Principal auditors	3,372,884
- Other auditors	-
Tax review fees:	
- Principal auditors	250,750
- Other auditors	-
Other fees:	
- Principal auditors	1,087,132
- Other auditors	1,188,100

Approved by the Board of Directors on 27 March 2019 and signed on its behalf by

Maurice Lam Pak Ng
Director

Marie Claire Chong Ah-Yan
Director

SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001 in terms of Section 166(d).

Gamma Corporate Services Ltd
Company Secretary

27 March 2019

SUMMARY OF PUBLISHED RESULTS AND OF ASSETS AND LIABILITIES OF THE GROUP

(a) RESULTS

	2018	2017 (Re-presented)	2016 (Re-presented)
	Rs	Rs	Rs
Turnover	**4,241,252,634**	4,110,521,288	3,696,597,729
Revenue from continuing operations	**3,261,761,106**	3,212,063,454	2,895,581,507
Revenue from discontinued operations	**-**	47,294,757	59,438,480
Revenue	**3,261,761,106**	3,259,358,211	2,955,019,987
Continuing Operations			
Operating profit	**450,995,463**	368,133,455	344,128,257
Net impairment reversal on financial and contract assets	**2,256,994**	-	-
Net (loss)/gain from fair value adjustment of investment properties	**(108,948)**	14,175,000	750,000
Finance costs	**(43,783,093)**	(80,445,886)	(120,529,288)
Share of profit of associates and joint venture	**124,013,551**	76,543,983	57,739,006
Profit before taxation	**533,373,967**	378,406,552	282,087,975
Taxation	**(99,377,792)**	(62,488,225)	(101,325,077)
Profit for the year from continuing operations	**433,996,175**	315,918,327	180,762,898
Discontinued Operations			
(Loss)/Profit for the year from discontinued operations	**-**	(14,199,200)	10,107,943
Profit for the year	**433,996,175**	301,719,127	190,870,841
Profit attributable to:			
- Owners of the company	**339,517,897**	244,138,509	148,241,508
- Non-controlling interests	**94,478,278**	57,580,618	42,629,333
	433,996,175	301,719,127	190,870,841
Total comprehensive income attributable to:			
- Owners of the company	**268,720,383**	263,897,917	163,590,342
- Non-controlling interests	**96,452,393**	57,701,897	42,642,080
	365,172,776	321,599,814	206,232,422
Earnings per share (basic and diluted)	**2.55**	1.83	1.11

(b) ASSETS AND LIABILITIES

	2018	2017	2016
	Rs	Rs	Rs
ASSETS			
Non-current assets	**3,880,872,438**	3,908,985,657	4,588,525,108
Current assets	**1,478,188,554**	1,286,558,833	1,143,056,859
Total assets	**5,359,060,992**	5,195,544,490	5,731,581,967
EQUITY AND LIABILITIES			
Owners' interests	**3,127,403,828**	2,633,528,057	2,556,180,140
Non-controlling interests	**217,474,727**	126,546,695	113,143,665
Total equity	**3,344,878,555**	2,760,074,752	2,669,323,805
Non-current liabilities	**570,531,082**	769,640,045	1,176,933,964
Current liabilities	**1,443,651,355**	1,665,829,693	1,885,324,198
Total equity and liabilities	**5,359,060,992**	5,195,544,490	5,731,581,967

The secret of getting ahead is getting started.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Gamma-Civic Ltd (the ''Company'') and its subsidiaries (collectively referred to as the ''Group") set out on page 54 to 143 which comprise the statements of financial position as at December 31, 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2018 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Key Audit Matters

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Recognition of contract revenue, margin, and related contract assets and receivables	
The construction industry is characterised by contract risk with significant judgements involved in the assessment of both current and future contractual performance.	- We assessed the design of key controls over the recognition of contract revenue recognition process. Such controls were tested to determine their operating effectiveness; - We attended cost meetings and inspected respective minutes forming a key part of the entity's risk process to fully challenge at a lower executive level, both new tenders and contract bids, and ongoing performance on existing contracts;
Revenue and margin are recognised using the output method namely surveys of performance completed to date of individual contracts.	- We assessed the design of key controls over the recognition of contract revenue recognition process. Such controls were tested to determine their operating effectiveness;

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Refer to note 3 (r) for accounting policy on construction contracts as well as note 4 (critical judgments in applying the accounting policies), note 12 (trade receivables from contracts), note 19 (trade payables arising from contracts) and note 20 (revenue from contracts). The status of contracts is updated on a regular basis through cost meetings. During this process, management is required to exercise significant judgement in their assessment of the valuation of contract variations, claims and liquidated damages (revenue items); the completeness and accuracy of forecast costs to complete; and the ability to deliver contracts within forecast timescales. Dependent on the level of judgement in each, the range on each contract can be individually material. In addition, changes in these judgements, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative. For these reasons, we have considered the above as a key audit matter.	- We attended cost meetings and inspected respective minutes forming a key part of the entity's risk process to fully challenge at a lower executive level, both new tenders and contract bids, and ongoing performance on existing contracts; - We selected a sample of contracts in order to challenge both current and future financial performance. Samples were selected based on a number of quantitative and qualitative factors, as well as other randomly selected contracts; For sampled contracts, we challenged management's key judgements inherent in the forecasting of costs to completion that drives the accounting based on the value of work certified. This included: - a review of the contract terms and conditions by reference to contract documentation; - testing the existence and valuation of claims and variations both within contract revenue and contract costs via inspection of correspondence with customers and the supply chain; - a review of legal and experts' reports received on contentious matters; - discussions with project managers, engineers and finance team in respect of all significant contracts to understand the progress to-date, any issues foreseen on those contracts and estimated efforts to satisfy the performance obligations under the contracts and corroboration of these discussions with the accrued costs computed by the management for each contract; - an assessment of the ability to deliver contracts within budgeted timescales and any exposures to liquidated damages for late delivery of contract works; and the ability to identify and determine foreseeable losses on contracts; - a review of post-balance sheet certification from clients' quantity surveyors; - performing multiple site visits to corroborate findings as per the cost meetings and minutes of major contacts; - reviewing significant deviations from original revenue, cost and margin estimates, obtaining appropriate explanation from management for such deviations and evaluation of the impact on the revenue recognition; - Scrutinising all contracts which were closed during the year to consider their profitability and to compare with previous forecasts of those same contracts in order to assess management's ability to estimate cost of completion;

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition in accordance with IFRS 15 for the lottery segment The Group adopted IFRS 15 Revenue from Contracts with Customers as from 1 January 2018 which was significant to our audit. IFRS 15 requires entities to adopt a five steps approach to revenue recognition as follows: - Identify the contract(s) with a customer; - Determine the performance obligations in the contract; - Determine the transaction price; - Allocate the transaction price to the performance obligations in the contract; and - Recognise revenue when (or as) the entity satisfies a performance obligation. The application of the five steps model to determine the Group's revenue from its lottery operation involves significant judgement and assumptions. The impact on adoption of IFRS 15 has been provided in note 2. Given the financial importance of the revenue amount and significance of the judgements and assumptions involved, we determined revenue recognition to be a key audit matter.	- We obtained an understanding, and assessed the design and operating effectiveness of the key controls over the revenue and prize recognition process; - We reviewed the financial statements to ensure the completeness of the disclosures on revenue recognition under IFRS 15; - We made use of our Information Technology (IT) specialists for the testing of the IT general controls and automated controls over the IT environments and applications relevant to the revenue process; - We obtained the IFRS 15 impact assessment from management and verified that the accounting considerations adopted by management in their application of the five-steps model are in accordance with IFRS 15; *1. Identify the contract(s) with a customer;* - We assessed whether management has properly identified the contracts with customers considering the governing documents including the Gambling Regulatory Authority Act 2007, the Rules and Regulations for Loto 6/40 Game, the Conditions of Licence and the laws of Mauritius, as relevant; *2. Determine the performance obligations in the contract;* - We reviewed management's assessment of the performance obligation in light of the governing documents in order to corroborate their assessment; *3. Determine the transaction price;* - We verified the basis used by management to determine the transaction price and its allocation to the performance obligation identified; *4. Allocate the transaction price to the performance obligations in the contract; and* - We reviewed the allocation of the transaction price to the performance obligation identified; *5. Recognise revenue when (or as) the entity satisfies a performance obligation.* - We reviewed management's assessment of whether revenue should be recognised over time or at a point in time; - We assessed the proper recording of the revenue in accordance with the revenue recognition policies;

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other information

The Directors are responsible for the other information. The other information comprises of the Corporate Information, Group Financial highlights, Executive Chairman's Statement, Directors' Report, Corporate Governance Report, Secretary's Certificate and Summary of published results and of assets and liabilities of the group thereon which we obtained prior to the date of this auditor's report. Management Discussions and Analysis and the Annual Report are expected to be made available to us after the date of this auditor's report. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above (other than the Corporate Governance Report) when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Management Discussions and Analysis and the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

Corporate Governance Report

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

Responsibilities of Directors for the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE SHAREHOLDERS OF GAMMA-CIVIC LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacities as auditors, tax advisors, and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

Ernst & Young
Ebène, Mauritius

Andre Lai Wan Loong, F.C.A
Licensed by FRC

29 March 2019

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Notes	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
		Rs	Rs	Rs	Rs
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	5	**979,389,282**	1,011,433,816	**361,955,429**	416,331,600
Intangible Assets	6	**921,115,902**	931,207,772	**2,794,861**	1,727,036
Investments in Subsidiaries	7	**-**	-	**1,515,282,108**	1,903,278,541
Investments in Associates and Joint Venture	8	**754,847,423**	729,290,410	**53,245,640**	53,245,640
Investment Properties	9	**1,041,084,855**	1,091,463,483	**-**	-
Investment in Financial Asset	10	**-**	5,666,979	**-**	5,666,979
Deferred Tax Assets	17(b)	**17,396,695**	37,451,141	**7,645,000**	32,835,000
Contract Assets	12	**69,285,111**	-	**-**	-
Non-Current Receivables	31	**97,753,170**	102,472,056	**490,114**	490,114
		3,880,872,438	3,908,985,657	**1,941,413,152**	2,413,574,910
CURRENT ASSETS					
Inventories	11	**180,004,178**	84,306,968	**-**	-
Contract Assets	12	**335,739,143**	-	**-**	-
Trade and Other Receivables	12(a)	**273,879,429**	694,700,003	**67,467,400**	47,281,377
Amounts due from Subsidiaries	28	**-**	-	**70,444,322**	92,555,138
Cash and Cash Equivalents	26	**636,165,804**	507,551,862	**89,111,144**	59,467,512
		1,425,788,554	1,286,558,833	**227,022,866**	199,304,027
Assets Classified as Held for Sale	32	**52,400,000**	-	**52,400,000**	-
Total Current Assets		**1,478,188,554**	1,286,558,833	**279,422,866**	199,304,027
TOTAL ASSETS		**5,359,060,992**	5,195,544,490	**2,220,836,018**	2,612,878,937
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated Capital	13	**133,250,000**	133,250,000	**133,250,000**	133,250,000
Share Premium		**86,482,579**	86,482,579	**86,482,579**	86,482,579
Other Reserves		**2,907,671,249**	2,413,795,478	**1,159,339,698**	737,257,605
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**3,127,403,828**	2,633,528,057	**1,379,072,277**	956,990,184
NON-CONTROLLING INTERESTS	7(d)	**217,474,727**	126,546,695	**-**	-
TOTAL EQUITY		**3,344,878,555**	2,760,074,752	**1,379,072,277**	956,990,184
NON-CURRENT LIABILITIES					
Loans	14	**457,544,411**	662,563,663	**457,544,411**	662,563,663
Other Non-Current Payables	19(c)	**-**	10,318,696	**-**	-
Contract Liabilities	19(a)	**13,586,857**	-	**-**	-
Retirement Benefit Obligations	16(c)	**44,282,664**	44,536,532	**3,513,000**	2,478,000
Deferred Tax Liabilities	17(b)	**55,117,150**	52,221,154	**-**	-
		570,531,082	769,640,045	**461,057,411**	665,041,663
CURRENT LIABILITIES					
Bank Overdrafts	18/26	**241,458**	163,682,912	**-**	1,828,765
Loans	14	**192,450,392**	258,059,462	**114,809,777**	213,018,847
Obligations under Finance Leases	15	**-**	7,435,977	**-**	-
Trade and Other Payables	19	**1,133,131,545**	1,188,722,600	**108,313,860**	147,366,009
Contract Liabilities	19(a)	**83,286,078**	-	**-**	-
Amounts due to Subsidiaries	28	**-**	-	**157,582,693**	628,633,469
Current Tax Liabilities	17	**34,541,882**	47,928,742	**-**	-
		1,443,651,355	1,665,829,693	**380,706,330**	990,847,090
TOTAL LIABILITIES		**2,014,182,437**	2,435,469,738	**841,763,741**	1,655,888,753
TOTAL EQUITY AND LIABILITIES		**5,359,060,992**	5,195,544,490	**2,220,836,018**	2,612,878,937

Approved by the Board of Directors and signed on its behalf on 27 March 2019

Twalha Dhunnoo
Director

Paul Halpin
Director

The notes on pages 60 to 143 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

PROFIT OR LOSS	Notes	GROUP 2018	GROUP 2017 Re-presented	COMPANY 2018	COMPANY 2017
		Rs	Rs	**Rs**	Rs
Turnover	20	**4,241,252,634**	4,110,521,288	**734,932,082**	480,337,739
Revenue from Continuing Operations	20	**3,261,761,106**	3,212,063,454	**734,932,082**	480,337,739
Revenue from Discontinued Operations	35	**-**	47,294,757	**-**	-
Revenue		**3,261,761,106**	3,259,358,211	**734,932,082**	480,337,739
Continuing Operations					
Operating Profit	21	**450,995,463**	368,133,455	**664,494,687**	402,055,706
Net Impairment Reversal on Financial and Contract Assets		**2,256,994**	**-**	**13,076,054**	**-**
Net (Loss)/Gain from Fair Value Adjustment of Investment Properties	9	**(108,948)**	14,175,000	**-**	-
Finance Costs	22	**(43,783,093)**	(80,445,886)	**(33,062,485)**	(62,120,741)
Share of Profits of Associates and Joint Venture	8	**124,013,551**	76,543,983		-
Profit before Taxation		**533,373,967**	378,406,552	**644,508,256**	339,934,965
Taxation	17(a)	**(99,377,792)**	(62,488,225)	**(24,732,032)**	5,873,375
Profit for the Year from Continuing Operations		**433,996,175**	315,918,327	**619,776,224**	345,808,340
Discontinued Operations					
Loss for the Year from Discontinued Operations	35	**-**	(14,199,200)	**-**	**-**
PROFIT FOR THE YEAR		**433,996,175**	301,719,127	**619,776,224**	345,808,340
OTHER COMPREHENSIVE INCOME					
Items that will not be classified subsequently to Profit or Loss:					
Gain on Revaluation of Property	5	**11,260,910**	7,741,850	**3,030,837**	475,890
Deferred Tax on Gain on Revaluation of Property	17(b)	**(1,923,720)**	(1,316,114)	**(524,608)**	(80,901)
Share of (Loss)/Gain on Property Revaluation of Associates and Joint Venture, net of Deferred Tax	8(a)	**(87,041,293)**	4,740,353	**-**	-
Remeasurement of Actuarial Gain/(Loss) on Retirement Benefit Obligations	16(f)	**6,897,688**	4,025,029	**(392,000)**	964,000
Deferred Tax on Remeasurement of Retirement Benefit Obligations	17(b)	**(1,042,217)**	(416,080)	**66,640**	(163,880)
Remeasurement of Actuarial Gain on Retirement Benefit Obligations in Associates & Joint Venture, net of Deferred Tax	8(a)	**1,695,224**	1,970,453	**-**	-
Items to be classified subsequently to Profit or Loss:					
Gain on Investment in Financial Asset	10	**-**	318,994	**-**	318,994
Foreign Currency Translation Reserves Movement		**1,330,009**	2,816,202	**-**	-
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(68,823,399)**	19,880,687	**2,180,869**	1,514,103
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**365,172,776**	321,599,814	**621,957,093**	347,322,443
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		**339,517,897**	244,138,509	**619,776,224**	345,808,340
Non-Controlling Interests		**94,478,278**	57,580,618	**-**	-
		433,996,175	301,719,127	**619,776,224**	345,808,340
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		**268,720,383**	263,897,917	**621,957,093**	347,322,443
Non-Controlling Interests		**96,452,393**	57,701,897	**-**	-
		365,172,776	321,599,814	**621,957,093**	347,322,443
EARNINGS PER SHARE (Basic and Diluted)	24	**2.55**	1.83		

The notes on pages 60 to 143 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

Group	Stated Capital	Share Premium	Revaluation Reserve	Capital Reserve	Fair Value Reserve	Foreign Currency Translation Reserves	Retained Earnings	Attributable to Owners of the Parent	Non-Controlling Interests	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Balance at 1 January 2017	133,250,000	86,482,579	538,283,695	279,612	347,985	50,501,363	1,747,034,906	2,556,180,140	113,143,665	2,669,323,805
Revaluation Surplus of Associate Realised on Depreciation of Property	-	-	(1,449,284)	-	-	-	1,449,284	-	-	-
Revaluation Surplus Realised on Depreciation	-	-	(1,767,794)	-	-	-	1,767,794	-	-	-
Profit for the Year	-	-	-	-	-	-	244,138,509	244,138,509	57,580,618	301,719,127
Other Comprehensive Income for the Year	-	-	11,166,089	-	318,994	2,816,202	5,458,123	19,759,408	121,279	19,880,687
Total Comprehensive Income for the Year	-	-	11,166,089	-	318,994	2,816,202	249,596,632	263,897,917	57,701,897	321,599,814
Disposal of Non-Controlling Interests	-	-	-	-	-	-	-	-	(3,625,142)	(3,625,142)
Dividend (Note 23)	-	-	-	-	-	-	(186,550,000)	(186,550,000)	(40,673,725)	(227,223,725)
Balance at 31 December 2017	**133,250,000**	**86,482,579**	**546,232,706**	**279,612**	**666,979**	**53,317,565**	**1,813,298,616**	**2,633,528,057**	**126,546,695**	**2,760,074,752**
Revaluation Surplus of Associate Realised on Depreciation of Property	-	-	(1,986,188)	-	-	-	1,986,188	-	-	-
Revaluation Surplus Realised on Disposal of Property and on Depreciation	-	-	(5,791,411)	-	-	-	5,791,411	-	-	-
Profit for the Year	-	-	-	-	-	-	339,517,897	339,517,897	94,478,278	433,996,175
Other Comprehensive (Loss)/Income for the Year	-	-	(79,480,152)	-	-	1,330,009	7,352,629	(70,797,514)	1,974,115	(68,823,399)
Total Comprehensive (Loss)/Income for the Year	-	-	(79,480,152)	-	-	1,330,009	346,870,526	268,720,383	96,452,393	365,172,776
Disposal of Investment in Financial Asset	-	-	-	-	(666,979)		666,979	-	-	-
Disposal of partial Interest in Subsidiaries	-	-	(3,644,389)	-	-	-	428,674,777	425,030,388	100,298,361	525,328,749
Reclassification of Subsidiary to Associate	-	-	-	-	-	-	-	-	(53,367,992)	(53,367,992)
Issue of shares	-	-	-	-	-	-	-	-	4,999,750	4,999,750
Dividend (Note 23)	-	-	-	-	-	-	(199,875,000)	(199,875,000)	(57,454,480)	(257,329,480)
Balance at 31 December 2018	**133,250,000**	**86,482,579**	**455,330,566**	**279,612**	**-**	**54,647,574**	**2,397,413,497**	**3,127,403,828**	**217,474,727**	**3,344,878,555**

The notes on pages 60 to 143 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

Company	**Stated Capital**	**Share Premium**	**Revaluation Reserve**	**Capital Reserve**	**Fair Value Reserve**	**Retained Earnings**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Balance at 1 January 2017	133,250,000	86,482,579	351,664,803	279,612	347,985	224,192,762	796,217,741
Revaluation Surplus Realised on Depreciation	-	-	(1,767,794)	-	-	1,767,794	-
Profit for the Year	-	-	-	-	-	345,808,340	345,808,340
Other Comprehensive Income for the Year	-	-	394,989	-	318,994	800,120	1,514,103
Total Comprehensive Income for the Year	-	-	394,989	-	318,994	346,608,460	347,322,443
Dividend (Note 23)	-	-	-	-	-	(186,550,000)	(186,550,000)
Balance at 31 December 2017	**133,250,000**	**86,482,579**	**350,291,998**	**279,612**	**666,979**	**386,019,016**	**956,990,184**
Revaluation Surplus Realised on Disposal of Property and on Depreciation	-	-	(2,666,239)	-	-	2,666,239	-
Profit for the Year	-	-	-	-	-	619,776,224	619,776,224
Other Comprehensive Income for the Year	-	-	2,506,229	-	-	(325,360)	2,180,869
Total Comprehensive Income for the Year	-	-	2,506,229	-	-	619,450,864	621,957,093
Disposal of Investment in Financial Asset	-	-	-	-	(666,979)	666,979	-
Dividend (Note 23)	-	-	-	-	-	(199,875,000)	(199,875,000)
Balance at 31 December 2018	**133,250,000**	**86,482,579**	**350,131,988**	**279,612**	**-**	**808,928,098**	**1,379,072,277**

The notes on pages 60 to 143 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
		Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax from Continuing Operations		533,373,967	378,406,552	644,508,256	339,934,965
Loss before Tax from Discontinued Operations	35	-	(11,754,820)	-	-
Profit before Tax		533,373,967	366,651,732	644,508,256	339,934,965
Adjustments for:					
Depreciation of Property, Plant and Equipment	5	94,042,176	102,992,108	4,145,644	7,540,630
Amortisation of Intangible Assets	6	4,772,973	5,126,656	144,675	472,246
Impairment Loss (Reversed)/Recognised on Trade Receivables	12(a)	(2,256,994)	4,330,198	(1,213,687)	(20,699)
Impairment Loss Recognised on Investment in Subsidiaries		-	-	-	1,130,000
Allowance for credit loss of Other Receivables	12(a)	4,530,000	-	4,530,000	-
Reversal of Impairment Loss Recognised on Amount due from Subsidiaries	28(e)	-	-	(11,862,367)	(18,335,403)
Derecognition of Goodwill due to loss of Control in Subsidiary	6	7,571,197	-	-	-
Impairment of Property, Plant and Equipment	5	82,102	-	-	-
(Reversal of Provision)/Provision for Slow Moving Inventories	21	(3,086,903)	10,000,000	-	-
Net Foreign Exchange Differences		(1,603,662)	(561,115)	(1,646)	8,563
Interest Expense	22	43,783,093	83,413,277	33,062,485	62,120,741
Interest Income	21	(25,754,705)	(3,590)	(21,219,078)	(1,584,057)
Dividend Income	20	-	-	(623,563,249)	(375,995,780)
Non-cash Element of Retirement Benefit Expense	16	8,418,856	7,824,270	643,000	642,000
(Profit)/Loss on Disposal of Property, Plant and Equipment	21	(1,041,869)	7,117	(764,686)	(200,000)
Profit on Disposal of Subsidiaries	21	-	(3,150,858)	-	-
Loss on Disposal of Investment Properties	21	826,706	25,433,109	-	-
Amortisation of Land Lease Payment		2,343,581	2,088,027	-	-
Loss on Disposal of Available-for-sale Investment	10	37,666	-	37,666	-
Net (Loss)/Gain from Fair Value Adjustment on Investment Properties	9	108,948	(14,175,000)	-	-
Share of Profit of Associates and Joint Venture	8(e)	(124,013,551)	(76,543,983)	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		542,133,581	513,431,948	28,447,013	15,713,206
(Increase)/Decrease in Inventories		(92,610,307)	84,925,372	-	-
Decrease/(Increase) in Contract Assets, and Trade and Other Receivables		18,909,903	104,397,281	(3,709,898)	1,068,637
(Decrease)/Increase in Amounts due from Subsidiaries		-	-	(21,445,004)	(16,174,887)
Increase/(Decrease) in Contract Liabilities, and Trade and Other Payables		94,637,368	35,429,735	(36,700,822)	12,391,463
(Decrease)/Increase in Amounts due to Subsidiaries		-	-	(21,050,774)	508,222,323
CASH GENERATED FROM/(USED IN) OPERATIONS		563,070,545	738,184,336	(54,459,485)	521,220,742
Interest Paid		(46,134,420)	(85,038,474)	(35,413,812)	(62,120,741)
Dividend Paid to Owners of the Company	23	(199,875,000)	(186,550,000)	(199,875,000)	(186,550,000)
Dividend Paid to Non-Controlling Interests		(57,454,480)	(40,673,725)	-	-
Dividend Received		61,478,711	53,620,256	160,563,249	375,995,780
Income Tax Paid		(92,780,147)	(66,978,461)	-	(6,808,348)
Retirement Benefits Paid	16	(4,142,000)	(1,976,000)	-	-
NET CASH FLOWS GENERATED/(USED IN) FROM OPERATING ACTIVITIES		224,163,209	410,587,932	(129,185,048)	641,737,433

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

		GROUP		COMPANY	
	Notes	2018	2017	2018	2017
		Rs	Rs	Rs	Rs
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	25	(105,032,334)	(33,347,116)	(483,545)	(3,010,749)
Purchase of Intangible Assets	6	(2,252,300)	(1,582,361)	(1,212,500)	(1,582,361)
Proceeds from Disposal of Property, Plant and Equipment		2,855,369	1,171,408	2,109,593	486,182
Investments in Subsidiaries		-	-	(1,000,000)	(50,000)
Proceeds from Disposal of Partial Interest in Subsidiaries	34	525,328,749	-	-	-
Proceeds from Disposal of Financial Asset through Other Comprehensive Income		5,629,313	-	5,629,313	-
Proceeds from Disposal of Subsidiaries		-	6,372,482	-	-
Proceeds from Disposal of Investment Properties	9	4,368,000	593,878,000	-	-
Decrease in Non-current deposits, Other debtors and Prepayments		-	7,599,854	-	7,766,212
Construction of Investment Properties		(92,506,240)	-	-	-
Interest Received		5,962,267	3,590	1,426,640	1,584,057
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		344,352,824	574,095,857	6,469,501	5,193,341
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Loans		32,600,000	270,000,000	-	270,000,000
Repayment of Loans		(303,228,322)	(721,036,783)	(303,228,322)	(271,546,310)
Repayments under Lease Agreements		(7,435,977)	(16,828,275)	-	(4,152,459)
Decrease in Non-current Amount due from Subsidiaries		-	-	491,227,156	-
Decrease in Non-current Amount due to Subsidiaries		-	-	(33,812,536)	(270,273,045)
NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(278,064,299)	(467,865,058)	154,186,298	(275,971,814)
NET INCREASE IN CASH AND CASH EQUIVALENTS		290,451,734	516,818,731	31,470,751	370,958,960
Net Foreign Exchange Differences		1,603,662	561,115	1,646	(8,563)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		343,868,950	(173,510,896)	57,638,747	(313,311,650)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	635,924,346	343,868,950	89,111,144	57,638,747

The notes on pages 60 to 143 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. INCORPORATION AND ACTIVITIES

The consolidated financial statements of Gamma-Civic Ltd and its subsidiaries for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 27 March 2019. Gamma-Civic Ltd is a public company incorporated in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd. Its registered office is situated at Royal Road, Chapman Hill, Beau Bassin, Mauritius. The Company operates as an investment holding company. The Group operates in the following business segments: building materials, contracting, investments, lottery, corporate services and others. Its principal place of business is situated at HSBC Centre, Bank Street, Cybercity, Ebene, Mauritius.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in 2018, but did not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

	Effective for accounting period beginning on or after
IFRS 9 - Financial instruments	1 January 2018
IFRS 15 Revenue from Contracts with customers	1 January 2018

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39 since differences arising from the adoption of IFRS 9 were not material.

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The following are the changes in the classification of the Group's financial assets:

- Trade receivables classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

- The Group has made an election to designate investment in financial asset previously classified as available for sale as at 31 December 2017 to be classified at fair value through other comprehensive income upon initial recognition.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

IFRS 9 Financial Instruments (Cont'd)

(a) Classification and measurement (Cont'd)

In summary, upon the adoption of IFRS 9, the Group had the following required or elected reclassifications as at 1 January 2018.

	Measurement category	
	IAS 39	**IFRS 9**
Non-Current Assets		
Investment in Financial Asset	Available for sale	FVOCI
Non-Current Receivables	Amortised cost	Amortised cost
Current Assets		
Trade and Other Receivables	Amortised cost	Amortised cost
Amounts due from Subsidiaries	Amortised cost	Amortised cost

(b) Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The effect of adoption IFRS 9 was not material to the Group as at 1 January 2018. No additional provision was therefore required.

(c) Other adjustments

No adjustment was booked upon adoption of IFRS 9 as at 1 January 2018 since effect is not material.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 January 2018.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

IFRS 15 Revenue from Contracts with Customers (Cont'd)

(a) Sale of lottery tickets

The adoption of IFRS 15 had no impact on the Group's reserves and profit or loss. However, under IFRS 15, the transaction price, that is revenue, is reduced for consideration payable to a customer as this does not represent consideration in exchange for a distinct good or service. The Group therefore presents revenue from sale of lottery tickets as the proceeds from lottery tickets net of prizes. To achieve consistency in the presentation of the revenue, the comparative revenue and corresponding notes for the lottery segment in these financial statements have been re-presented to be comparable to the presentation under IFRS 15.

The revenue continues to be recognised at the point when the draw has been held and the results have been certified by the Gambling Regulatory Authority. No practical expedient as permitted under the standard have been applied by the Group.

(b) Sale of goods

For contracts with customers in which the sale asphalt is generally expected to be the only performance obligation, adoption of IFRS 15 did not have any impact on the Group's revenue and profit or loss.

The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(c) Construction contracts

The Group recognises contract revenue using the output method. A survey of physical work completed as at reporting date is performed. Revenue is then recognised as the amount of physical work completed based on the prices that have been pre-agreed with the clients via a formal contract and the bills of quantities.

The adoption of IFRS 15 did not result in any adjustments. Processes and procedures in place were already in line with the requirements of IFRS 15 before the adoption of this standard.

The Group further concluded that the services under construction contracts are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group.

(d) Advances received from customers

Generally, the Group receives only short-term advances from its customers. They are presented as part of Trade and other payables. However, from time to time, the Group may receive from customers long-term advances. Under the current accounting policy, the Group presents such advances as advances from clients under the non-current liabilities heading in the statement of financial position which are contract liabilities under IFRS 15. No interest was accrued on the long-term advances received under the current accounting policy.

The short term and long term advances are presented as current and non-current contract liabilities in the financial statements under IFRS 15. No interest is accrued on these advances.

Under IFRS 15, the Group determines whether there is a significant financing component in its contracts. However, the Group decided to use the practical expedient provided in IFRS 15, and will not adjust the promised amount of the consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception, that the period between the Group transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, for short- term advances, the Group will not account for a financing component even if it is significant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

IFRS 15 Revenue from Contracts with Customers (Cont'd)

(d) Advances received from customers (Cont'd)

Based on the nature of the goods and services offered and the purpose of payment terms, the Group determined that for the vast majority of the contracts that require customers to pay long-term advances, the payment terms were structured primarily for reason other than the provision of finance to the Group, i.e. advances are generally required from new customers, as well as customers with a history of late payments, they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer pays for the goods and the Group transfers goods to the customer is relatively short. Therefore, the Group has concluded that there is no financing component in these contracts.

(e) Contract variations

Revenue is currently recognised when it can be reliably measured and it is probable that the variation will be approved by the client. The Group concludes that the adoption of IFRS 15 has no impact on the way contract variations are recognised in the financial statements.

(f) Presentation and disclosure requirements

The presentation and disclosure requirements in IFRS 15 are more detailed than under the previous IFRS. The presentation requirements represent a significant change from previous practice and significantly increases the volume of disclosures required in the Group's financial statements.

The effect of adopting IFRS 15 as at 1 January 2018, was, as follows:

Assets	**Increase/(Decrease)**
	Rs
Non-Current Assets	
Contract Assets	2,375,306
Trade Receivables	(2,375,306)
Current Assets	
Contract Assets	407,776,715
Trade Receivables	(407,776,715)
Liabilities	
Non-Current Liabilities	
Contract Liabilities	10,178,697
Trade Payables	(10,178,697)
Current Liabilities	
Contract Liabilities	98,851,822
Trade Payables	(98,851,822)

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2018 as a result of adoption of IFRS 15. The adoption of IFRS 15 did not have any impact on the statement of profit or loss or the Groups cash flows. The first column shows amounts prepared under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

IFRS 15 Revenue from Contracts with Customers (Cont'd)

Statement of financial position as at 31 December 2018:

	Amounts prepared under		
	IFRS 15	Previous IFRS	Increase/ (Decrease)
	Rs	Rs	Rs
Non-Current Assets			
Contract Assets	69,285,111	-	69,285,111
Trade & Other Receivables	-	69,285,111	(69,285,111)
Current Assets			
Contract Assets	335,739,143	-	335,739,143
Trade & Other Receivables	279,879,429	609,618,572	(335,739,143)
Non-Current Liabilities			
Contract Liabilities	13,586,857	-	13,586,857
Non Current Payables	-	13,586,857	(13,586,857)
Current Liabilities			
Contract Liabilities	432,199,289	-	432,199,289
Trade Payables	784,218,334	1,216,417,623	(432,199,289)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

2.1 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt these new and amended standards and interpretations when they become effective, if applicable.

New or revised standards	Effective for accounting period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Prepayment Features with Negative Compensation - Amendments to IFRS 9	1 January 2019
Long-term interests in Associates and Joint Ventures - Amendments to IAS 28	1 January 2019
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	1 January 2019
IFRS 3 Business Combinations - Previously held interests in a joint operation	1 January 2019
IFRS 11 Joint Arrangements - Previously held interests in a joint operation	1 January 2019
IAS 12 Income taxes - Income tax consequences of payments on Financial instruments classified as equity	1 January 2019
IAS 23 Borrowing costs - Borrowing costs eligible for capitalisation	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021

Where the adoption of the standards or amendments or improvement is deemed to have an impact on the financial statements or performance of the Group, their impact is described below.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a chance in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

2.1 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

IFRS 16 Leases (Cont'd)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group has elected to apply the modified retrospective approach where an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease is recognised in the statement of financial position immediately before the date of initial application.

The lessee will recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

The standard's transition provisions permit certain reliefs.

The Group has performed a detailed impact assessment of IFRS 16. In summary, the impact of IFRS 16 adoption is expected to be, as follows:

Impact of the statement of financial position as at 1 January 2019 (increase):

	GROUP Rs	COMPANY Rs
Assets		
Property, plant and equipment (right-of-use assets)	**531,838,359**	**33,908,762**
Liabilities		
Lease Liabilities	**531,838,359**	**33,908,762**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are as follows:

(a) Basis of Preparation and Statement of Compliance

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment, investment properties and certain financial instruments. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Investments in Subsidiaries

In the Company's financial statements, investments in subsidiaries are stated at cost, less any impairment loss.

(c) Investments in Associates and Joint Venture

Associates are those companies which are not subsidiaries, over which the Group exercises significant influence and in which it holds a long-term equity interest. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint venture are accounted for at cost in the Company's accounts and under the equity method of accounting in the Group accounts from the date on which investee becomes an associate or a joint venture. Under the equity method, the Group's share of the associates' and joint venture's profit or loss for the year is recognised in the Statements of Profit or Loss and Other Comprehensive Income and the Group's interest in the associate and joint venture is carried in the Statements of Financial Position at an amount that reflects its share of the net assets of the associates and joint venture.

When the Group's share of losses of an associate of joint venture exceeds the Group's interest in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investments in Associates and Joint Venture (Cont'd)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate and joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the Statements of Profit or Loss and Other Comprehensive Income.

(d) Basis of Consolidation

The consolidated financial statements include the results of the Company and its subsidiaries which are controlled by the Company. Control is achieved by the Company when:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the Statements of Profit or Loss and Other Comprehensive Income from the date of their control is acquired or up to the date when control is lost. Specifically, income and expenses of a subsidiary acquired or Company loses control of the subsidiary disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (Cont'd)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of change in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the Statements of Profit or Loss and other Comprehensive Income.

Goodwill is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost.

Land and buildings are subsequently shown at revalued amounts less accumulated depreciation. Revaluations are made by independent professional valuers. Under the revaluation model, assets will be carried at revalued amount less accumulated depreciation and subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Surpluses arising on revaluation are credited to revaluation reserve. Deficits that offset previous surpluses of the same asset are charged against the revaluation reserve. All other deficits are charged to the Statements of Profit or Loss and Other Comprehensive Income.

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

Depreciation is calculated to write off the cost or revalued amount of property, plant and equipment, with the exception of freehold land and property, plant and equipment in progress, on a straight line basis over the expected useful lives of the assets concerned.

Property, plant and equipment held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leased assets will be depreciated over the shorter of the lease term or useful life. The useful life may longer than the lease term if the lease include an option to extend that the lessee expects to exercise.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Statements of Profit or Loss and other Comprehensive Income.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

The principal annual rates used for the purpose are:

Leasehold Improvements	-	2% to 20%
Freehold Buildings	-	2% to 20%
Plant and Machinery	-	10% to 50%
Motor Vehicles	-	20%
Furniture, Fittings and Equipment	-	10% to 33 1/3%

No depreciation is provided on freehold land and on plant and equipment in progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever 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 are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(ii) Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful life. The principal annual rates used for the purpose are 20% to 33 1/3%.

(iii) Leasehold Rights

Leasehold rights acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the leasehold rights acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Leasehold rights are amortised over a period of 41 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a weighted average basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs, including a proportion of relevant overheads, incurred in bringing them to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(i) Financial Instruments

Policy effective before 1 January 2018 – IAS 39

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash in hand at banks, trade and other receivables, quoted financial instruments and intercompany receivables.

Subsequent Measurement

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

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Subsequent Measurement (Cont'd)

AFS financial assets (cont'd)

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss

Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Derecognition (Cont'd)

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e the effective interest rate computed at initial recognition). The carrying amount if the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

Financial assets carried at amortised cost (cont'd)

The Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial Liabilities

Initial Recognition and Measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and relevant disclosures are provided in related notes.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit or loss.

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

Offsetting of Financial Instruments

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

Initial Recognition and Measurement

Policy effective from 1 January 2018 – IFRS 9

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash in hand at banks, trade and other receivables and intercompany receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (Cont'd)

Subsequent Measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

  And

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

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

- The rights to receive cash flows from the asset have expired.

  Or

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Instruments (Cont'd)

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive.

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The information about the ECLs on the Group's trade receivables is disclosed in Note 29.

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit or loss.

This category includes interest bearing loans including bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Instruments (Cont'd)

Derecognition

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

(k) Offsetting of Financial Instruments

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

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated Statements of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred taxation

Deferred taxation is provided for on the comprehensive basis using the liability method.

Deferred tax liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Taxation (Cont'd)

(ii) Deferred taxation (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(m) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are classified as operating leases. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m)Leases (Cont'd)

(i) Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(ii) Lessee

Assets acquired under finance leases have been recorded in the Statements of Financial Position as tangible fixed assets at their capital value and are depreciated over their estimated useful life. The corresponding liability has been recorded as an obligation under finance lease and the finance charges are allocated to the Statements of Profit or Loss and Other Comprehensive Income over the lease period, which are generally five years.

Lease payments under operating leases, which include leases of land where title is not expected to pass to the lessee by the end of the lease term, are recognised as an expense in the Statements of Profit or Loss and Other Comprehensive Income on a straight line basis over the lease term.

(n) Investment Properties

Investment properties, which are property held to earn rentals and/or for capital appreciation, are stated initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are measured at fair value. Gains or losses arising from changes in the fair value of the investment properties are included in the Statements of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(o) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian rupees, at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies in the Statements of Financial Position are translated into Mauritian rupees at the rates of exchange ruling at the Statements of Financial Position date, and any differences in exchange arising are taken to the Statements of Profit or Loss and Other Comprehensive Income.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Foreign Currency Translation (Cont'd)

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(p) Turnover

Turnover is proceeds from ticket sales and the aggregate of revenue from all sales of goods and services, rental income, other contract work executed less discounts, allowances and returns.

(q) Revenue Recognition

Policy effective before 1 January 2018 – IAS 18

Revenue is based on invoiced values, net of value added tax, of all sales of goods and services, rental income, gross ticket sales and other contract work executed less discounts, allowances and returns.

Sales of goods and services are recognised when goods are delivered and title have passed and the services have been rendered.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts.

Revenue from lottery comprises the wagers placed on lottery tickets on the Group's draw-based game. Income is recognised on a draw-by-draw basis, at the point at which the draw takes place. Where players wager in advance, the income is deferred and only recognised in the statement of profit or loss and other comprehensive income once the draw has taken place.

Interest and other income are recognised when the income can be reliably measured and on a time basis, unless collectability is in doubt. Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividend income from equity investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Policy effective as from 1 January 2018 – IFRS 15

Revenue is based on invoiced values, net of value added tax, of all sales of goods and services, rental income, proceeds from ticket sales net of prizes and other contract work executed less discounts, allowances and returns.

Sales of goods and services are recognised when goods are delivered and title have passed and the services have been rendered.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts.

Revenue from lottery consist of sale of tickets, which are the wagers placed on lottery tickets on the Group's draw-based game, net of prizes.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Revenue Recognition (Cont'd)

The Group's revenue recognition occurs at the point in time when the draw has been held and the results have been certified by the Gambling Regulatory Authority. Where players wager in advance, the income is deferred and recorded as contract liabilities, until the draw has taken place when it is then recognised as revenue in the statement of profit or loss and other comprehensive income.

Interest and other income are recognised when the income can be reliably measured and on a time basis, unless collectability is in doubt. Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividend income from equity investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

The Group is involved in the construction industry and produces asphalt for resale.

Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and Value Added Taxation.

(r) Construction Contracts

Policy effective before 1 January 2018 – IAS 18

Revenue from construction contracts is recognised, when the outcome of the construction contract can be measured reliably. The Group uses the output method to measure its progress towards satisfaction of its performance obligation satisfied over time in accordance with paragraphs 35 – 37 of IFRS 15.

The output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached and time elapsed.

The stage of completion is measured by the proportion that the costs incurred to date bear to the estimated total costs of the contract, surveys of work performed, completion of a physical proportion of the contract work, and management's judgement of the contract progress and outstanding risks.

The survey of work performed is believed to faithfully depict the entity's performance towards satisfaction of its performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Construction Contracts (Cont'd)

Policy effective as from 1 January 2018

The Group is involved in the construction industry and produces asphalt for resale. Revenue from contracts with customers is recognised when the control of goods and services are transferred to the customer at an amount that reflects the consideration to which the Company 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.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Non contracting revenue

Revenue from the sale of asphalt and testing of materials is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied: the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group principally generate revenue from its construction activities such as building of infrastructures, roads and minor civil constructions. The Group has established that it has one performance obligation in contracts entered with clients.

The Group recognises revenue from its construction contracts over time, using an output method to measure progress towards completion of the asset promised, because the customer simultaneously receives and consumes the benefits provided by the Company. Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods transferred to date relative to the remaining goods promised under the contract.

The Group believes that the output method faithfully depicts the Company's performance towards complete satisfaction of the performance obligation. The Group uses surveys of performance completed to date to determine the amount of revenue to be recognised.

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant Financing Components in respect of Advances from its Customers

Generally, the Group receives advances from its customers which are classified as short-term and long-term advances and classified as current or non-current contract liabilities. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Construction contracts (Cont'd)

(ii) Significant Financing Components in respect of Advances from its Customers (Cont'd)

Based on the nature of the goods and services offered and the purpose of payment terms, the Group determined that for the vast majority of the contracts that require customers to pay long-term advances, the payment terms were structured primarily for reason other than the provision of finance to the Group, i.e. advances are generally required from new customers, as well as customers with a history of late payments, they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer pays for the goods and the Group transfers goods to the customer is relatively short. Therefore, the Group has concluded that there is no significant financing component in these contracts.

Sale of Asphalt

Revenue from sale of asphalt is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the asphalt. The normal credit term is 60 days upon delivery.

Progress Billings

Progress billings are invoices requesting payment for work completed till date. Progress billings are prepared and submitted for payment at each month end for all projects. Generally, the Company performs its surveys of work completed at each month end and issues a draft invoice to the customers for approval.

(s) Contract Balances

(i) Contract Asset

A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section e).

(iii) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Retirement Benefit Obligations

Retirement Benefits in respect of The Employment Rights Act 2008

The present value of retirement benefits in respect of The Employment Rights Act 2008 is recognised in the Statement of Financial Position as a non-current liability. The valuation of the obligations is carried out annually by a firm of qualified actuaries. The obligation arising from this item is not funded.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using 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 to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other Comprehensive Income in the period in which they arise. Past-service costs are recognised immediately in Profit or Loss.

Retirement Benefits in respect of The Employment Rights Act 2008

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in Profit or Loss.

Defined Contribution

The Group and the Company operate a defined contribution pension plan for all qualifying employees. The assets of the plan are held separately from those of the company in funds under the control of an independent management committee. Where employees leave the plan in prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions. Any residual gratuities under the Employment Rights Act 2008 for the qualifying employees after allowing for permitted deduction in respect of the pension plan are included in retirement benefits.

Payments to the defined contribution pension plan are recognised as an expense when employees have rendered service entitling them to the contributions.

State plan

Contributions to the National Pension Scheme are expensed to the Statements of Profit or Loss in the period in which they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Borrowing Costs

Borrowing costs attributable to the acquisition of plant and machinery and construction of buildings, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the respective assets until such time as the asset are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statements of Profit or Loss and other Comprehensive Income in the period they are incurred.

(v) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(w) Impairment

At each reporting date, the Group reviews the carrying amounts of their assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statements of Profit or Loss and Other Comprehensive Income unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(x) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

(y) Prizes

The draw-based game is operated under a prize pool mechanism under which a predetermined percentage of the ticket sales is allocated to prizes. To the extent that the actual prizes won on the draw vary from the predetermined percentage, the relevant prize is carried forward under a rollover to subsequent draws. The liability for prizes is recognised at the time of the draw in line with the predetermined percentage for that game. Prizes are net-off against gross lottery ticket sales in the Statement of Profit or Loss and Other Comprehensive income.

If prizes remain unclaimed for 184 days from the date of the draw-based game, the unclaimed prizes are remitted to the National Solidarity Fund.

(z) Consolidated Fund

The Group has a legal requirement to contribute a set proportion of net proceeds from lottery games to the Consolidated Fund managed by the Government of Mauritius.

The amount of Consolidated Fund represents the predetermined percentage of gross ticket sales net of prizes.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(aa) Retailers' and Other Commissions

The Group pays commissions to third party retailers who act as agents of the Company under a standard commission structure, fixed at a percentage of total sales. In addition, validation commission is paid on prizes. A similar commission structure is applicable for the Field Sales and Technical Representatives in Rodrigues.

(ab) Cash and Cash Equivalents

Cash comprises cash at bank and in hand and demand deposits net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ac) Assets classified as held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

  Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(ad) Other Income

Other income includes an exceptional revenue received for unloading services provided to third party. Income is non recurrent and recognised in the statement of profit and loss at one point in time and transaction price is already fixed. Other income is recognised on an accrual basis upon unloading of cement services are rendered to the third party. This is recognised under IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

(a) Construction Contracts

Identifying performance obligation in contracts

The Group provides construction services to its customers. The Group has established that it has one performance obligation in its contracts with its customers. The Group performs several tasks within a single contract such as excavation works and use of its machineries and labour (including its quantity surveyors, contract managers and engineers) to build the asset. The Group has established that these tasks do not represent separate promises in the contract and are necessary for the completion of the promised asset to the customer and thus the Group has one performance obligation.

Determining the timing of satisfaction of construction services

The Group concludes that revenue for the construction contracts is to be recognised over time because:

(i) the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another Group would not need to re-perform the construction work completed by the Group demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

(ii) the Group's performance creates an asset that the customer controls as the asset is created.

(iii) the Group's performance does not create an asset with an alternative use to the Group and as per the contract terms the Group has an enforceable right to payment for the performance completed to date.

Revenue recognition

Revenue is recognised based on output method of individual contracts. The output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The survey of work performed is believed to faithfully depict the entity's performance towards satisfaction of its performance obligation.

Contract variations

Contract variations are recognised as revenues to the extent that it is probable that they will result in revenue which can be reliably measured. This requires the exercise of judgment by management based on prior experience, application of contract terms and relationship with the contract owners.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Construction Contracts (Cont'd)

Loss making and onerous contracts

In determining whether a contract is loss making or onerous, management applies their professional judgement to assess the facts and circumstances specific to the relevant contract. The assessments are performed on a contract-by-contract basis. The following factors are taken into account: Future estimated revenues (including claims and variations), the stage of completion, the nature and relationship with the customer, expected inflation, the terms of contract and the Company's experience in that industry.

(b) Revenue from Lottery

The Group assesses its revenue arrangement on the operation of the lottery segment and determined that it is the principal as it controls the service before it is transferred to the customer. The primary responsibility for fulfilling the promise to provide the service towards the customers resides with the Group. The Group underwrites the jackpots and other prize money for the game and bears the risk associated with guaranteed jackpots. The Group is liable under the Civil Code should it default in making payment to the winners of the draw. The Group also bears the risk associated with prize pool and has no recourse to any other party in the event that it suffers losses in fulfilling its responsibilities under its gaming licence.

(c) Key sources of estimation uncertainty

(a) Construction cost estimates

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction cost estimates based on best estimates.

(b) Provision for expected credit losses of trade receivables and contract assets

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 customer type and rating).

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, 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 assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(c) *Unquoted Investments and Loans receivable from related parties*

Determining whether other investment is impaired requires an estimation of the value of the investment. The Directors have taken into consideration the management accounts and cash flow projections of the underlying investments. The actual results could differ from the estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(c) Key sources of estimation uncertainty (Cont'd)

(d) *Allowance for slow moving stock*

An allowance for slow moving stock is determined using a combination of factors including the overall quality and ageing of the stocks.

(e) *Property, plant and equipment*

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

(f) *Investment properties and freehold land and buildings*

The Group's Investment properties and freehold land and buildings have been valued based on the valuation carried out by an independent valuer not related to the Group based on sales comparison method, depreciated replacement cost and income comparison approach.

(g) *Determination of quantity of cement*

The subsidiary, namely Kolos Cement Ltd, has a unique cement storing facilities which are sheds. Unlike vertical silos where there are level detectors where quantity can be reliably measured, sheds do not have such facilities. The subsidiary instead uses a volumetric measurement to estimate the quantity of cement in its sheds. This involves an element of judgement to cater for the absence of level detectors. Even if this methodology has proven to be reliable, there is a margin of error which is considered as tolerable.

(h) *Going Concern*

The Board of directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

(i) *Post-employment benefits*

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

The actuary 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 post-employment benefits. In determining the appropriate discount rate, the actuary considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating the terms of the related post-employment benefits.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using 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 to the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

5. PROPERTY, PLANT AND EQUIPMENT

(a) Group	Leasehold improvements	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Equipment	Work In Progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION							
At 1 January 2017	90,953,883	724,600,000	758,723,972	158,514,740	378,468,059	23,267,585	2,134,528,239
Reclassification	(209,523)	1,543,007	21,531,216	(26,724)	628,397	(23,466,373)	-
Additions	-	5,012,430	13,873,771	1,970,499	5,405,871	7,084,545	33,347,116
Disposals	(8,642,307)	-	(2,138,793)	(898,940)	(1,589,113)	-	(13,269,153)
Revaluation adjustment	-	(7,255,437)	-	-	-	-	(7,255,437)
At 31 December 2017	82,102,053	723,900,000	791,990,166	159,559,575	382,913,214	6,885,757	2,147,350,765
Reclassification	-	1,639,074	-	-	-	(1,639,074)	-
Transfer to Assets classified as held for sale	-	(52,400,000)	-	-	-	-	(52,400,000)
Additions	377,258	17,395,308	48,344,955	320,000	5,935,028	32,659,785	105,032,334
Assets written off	-	-	-	-	(82,102)	-	(82,102)
Disposals	-	(1,344,909)	(11,413,013)	(33,973,361)	(878,370)	-	(47,609,653)
Revaluation adjustment	-	(4,728,147)	-	-	-	-	(4,728,147)
At 31 December 2018	**82,479,311**	**684,461,326**	**828,922,108**	**125,906,214**	**387,887,770**	**37,906,468**	**2,147,563,197**
ACCUMULATED DEPRECIATION							
At 1 January 2017	81,746,664	-	626,739,966	95,094,665	256,431,462	-	1,060,012,757
Reclassification	(209,523)	-	-	(26,724)	236,247	-	-
Charge for the Year	4,646,329	14,997,287	32,117,603	5,659,368	45,571,521	-	102,992,108
Disposals	(8,642,307)	-	(2,138,793)	(229,214)	(1,080,315)	-	(12,090,629)
Revaluation adjustment	-	(14,997,287)	-	-	-	-	(14,997,287)
At 31 December 2017	77,541,163	-	656,718,776	100,498,095	301,158,915	-	1,135,916,949
Charge for the Year	3,718,240	16,496,105	30,496,998	1,697,460	41,633,373	-	94,042,176
Disposals	-	-	(10,978,675)	(33,973,361)	(844,117)	-	(45,796,153)
Revaluation adjustment	-	(15,989,057)	-	-	-	-	(15,989,057)
At 31 December 2018	**81,259,403**	**507,048**	**676,237,099**	**68,222,194**	**341,948,171**	**-**	**1,168,173,915**
NET BOOK VALUE							
At 31 December 2018	**1,219,908**	**683,954,278**	**152,685,009**	**57,684,020**	**45,939,599**	**37,906,468**	**979,389,282**
At 31 December 2017	4,560,890	723,900,000	135,271,390	59,061,480	81,754,299	6,885,757	1,011,433,816

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

(b) Company

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Equipment	Work In Progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION						
At 1 January 2017	415,600,000	15,497,522	36,856,378	18,038,399	-	485,992,299
Additions	-	-	-	2,794,749	216,000	3,010,749
Disposals	-	(2,138,793)	-	(1,272,655)	-	(3,411,448)
Revaluation adjustment	(2,600,000)	-	-	-	-	(2,600,000)
At 31 December 2017	413,000,000	13,358,729	36,856,378	19,560,493	216,000	482,991,600
Transfer to Assets classified as held for sale	(52,400,000)	-	-	-	-	(52,400,000)
Additions	-	-	-	483,545	-	483,545
Disposals	(1,344,909)	(10,554,113)	(33,898,361)	(562,610)	-	(46,359,993)
Revaluation adjustment	(55,091)	-	-	-	-	(55,091)
At 31 December 2018	**359,200,000**	**2,804,616**	**2,958,017**	**19,481,428**	**216,000**	**384,660,061**
ACCUMULATED DEPRECIATION						
At 1 January 2017	-	15,497,522	33,738,161	16,084,843	-	65,320,526
Charge for the year	3,075,890	-	3,099,547	1,365,193	-	7,540,630
Disposals	-	(2,138,793)	-	(986,473)	-	(3,125,266)
Revaluation adjustment	(3,075,890)	-	-	-	-	(3,075,890)
At 31 December 2017	-	13,358,729	36,837,708	16,463,563	-	66,660,000
Charge for the year	3,085,928	-	11,792	1,047,924	-	4,145,644
Disposals	-	(10,554,113)	(33,898,361)	(562,610)	-	(45,015,084)
Revaluation adjustment	(3,085,928)	-	-	-	-	(3,085,928)
At 31 December 2018	**-**	**2,804,616**	**2,951,139**	**16,948,877**	**-**	**22,704,632**
NET BOOK VALUE						
At 31 December 2018	**359,200,000**	**-**	**6,878**	**2,532,551**	**216,000**	**361,955,429**
At 31 December 2017	413,000,000	-	18,670	3,096,930	216,000	416,331,600

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Freehold land and buildings of the Company and its subsidiaries were revalued as at 31 December 2018 by Broll Indian Ocean Limited, an independent valuer, not related to the Group, based on the current open market values. Broll Indian Ocean Limited is a member of the Royal Institute of Chartered Surveyors and the directors are of the opinion that they have appropriate qualifications and recent experience in the valuation of freehold land and buildings in the relevant locations. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The fair value of freehold land was determined using the sales comparison approach, that reflects recent transaction prices for land and the depreciated replacement cost approach for buildings. The significant inputs include the estimated construction costs and other ancillary expenditure and depreciation factor applied to the estimated construction cost.

(c) Fair value hierarchy

Details of the Group's and Company's freehold land and buildings and information about the fair value hierarchy as at 31 December 2018 are as follows:

Reconciliation of Carrying amount	Land Group and Company	Buildings Group	Buildings Company
	Rs	Rs	Rs
Carrying amount as at 1 January 2018	331,100,000	392,800,000	81,900,000
Transfer to Assets Held for Sale	(47,100,000)	(5,300,000)	(5,300,000)
Additions	-	17,395,308	-
Disposals	(1,344,909)	-	-
Depreciation	-	(16,496,105)	(3,085,928)
Reclassification from Work in Progress	-	1,639,074	-
	282,655,091	390,038,277	73,514,072
Revaluation (loss) / gain as at 31 December 2018	(55,091)	11,316,001	3,085,928
Carrying amount and fair value as at 31 December 2018	**282,600,000**	**401,354,278**	**76,600,000**

The buildings categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Buildings	Valuation techniques	Significant unobservable inputs	Range	Fair value Group	Fair value Company
				Rs	Rs
2018	**Depreciated replacement cost**	**Depreciation rate**	**28% to 65%**	**401,354,278**	**76,600,000**
2017	Depreciated replacement cost	Depreciation rate	28% to 65%	392,800,000	81,900,000

The valuation exercise is carried out by an independent valuer on an annual basis. The valuer uses a combination of the depreciated replacement cost approach and the sales comparison approach in estimating the property value. Factors such as physical deterioration and obsolescence are considered. Also, the valuer compares the property with similar properties recently sold on the open market.

Significant increase/(decrease) in depreciation would result in significantly lower/(higher) fair value on a linear basis respectively .

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

(c) Fair value hierarchy (cont'd)

The freehold land categorised into Level 2 (2017: level 2) of the fair value hierarchy, the following information is relevant:

Freehold land	Valuation techniques	Significant unobservable inputs	Range	Fair value	
				Group	Company
				Rs	Rs
2018	**Sales Comparison approach**	**Price per square metre**	**Rs 913- Rs 3,673**	**282,600,000**	**282,600,000**
2017	Sales Comparison approach	Price per square metre	Rs 913- Rs 3,673	331,100,000	331,100,000

(d) The net book value of property, plant and equipment held under finance leases is as follows:

	GROUP	
	2018	2017
	Rs	Rs
Plant and Machinery	**-**	9,801,388

(e) Had the land and buildings owned by the Group and Company been measured on a historical basis, their carrying value would have been as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Freehold Land and Buildings	**260,307,051**	268,644,336	**61,630,324**	65,930,164

(f) Assets pledged as security

Property, plant and equipment have been pledged as security for bank facilities granted to the Group (Notes 14 and 18). The carrying value of the assets held under finance lease is detailed in Note 5(d).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

6. INTANGIBLE ASSETS

(a) Group

	Consolidation Goodwill	Leasehold Rights On Business Combination	Computer Software	Total
	Rs	Rs	Rs	Rs
COST				
At 1 January 2017	892,169,059	123,000,000	22,149,543	1,037,318,602
Additions	-	-	1,582,361	1,582,361
At 31 December 2017	892,169,059	123,000,000	23,731,904	1,038,900,963
Additions	-	-	2,252,300	2,252,300
Derecognition of goodwill due to loss of control in subsidiary	(7,571,197)	-	-	(7,571,197)
At 31 December 2018	**884,597,862**	**123,000,000**	**25,984,204**	**1,033,582,066**
ACCUMULATED AMORTISATION				
At 1 January 2017	94,042,514	2,929,000	5,595,021	102,566,535
Charge for the Year	-	3,000,000	2,126,656	5,126,656
At 31 December 2017	94,042,514	5,929,000	7,721,677	107,693,191
Charge for the Year	-	3,000,000	1,772,973	4,772,973
At 31 December 2018	**94,042,514**	**8,929,000**	**9,494,650**	**112,466,164**
NET BOOK VALUE				
At 31 December 2018	**790,555,348**	**114,071,000**	**16,489,554**	**921,115,902**
At 31 December 2017	798,126,545	117,071,000	16,010,227	931,207,772

(b) Company

	Computer Software
	Rs
COST	
At 1 January 2017	3,463,477
Additions	1,582,361
At 31 December 2017	**5,045,838**
Additions	1,212,500
At 31 December 2018	**6,258,338**
ACCUMULATED AMORTISATION	
At 1 January 2017	2,846,556
Charge for the year	472,246
At 31 December 2017	**3,318,802**
Charge for the Year	144,675
At 31 December 2018	**3,463,477**
NET BOOK VALUE	
At 31 December 2018	**2,794,861**
At 31 December 2017	1,727,036

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

6. INTANGIBLE ASSETS (CONT'D)

Group

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2018	2017
	Rs	Rs
Investment and Corporate Services & Others		
- Investment CGU	790,555,348	798,126,545

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.
At 31 December 2018, based on the impairment tests, management determined that its Investment CGU to which goodwill had been allocated had not been impaired. The Group considers the relationship between the CGU share price available on the stock exchange and its book value of goodwill for one subsidiary and also compares the net assets of other subsidiaries against goodwill value for other subsidiaries.
During the year an amount of Rs7,571,197 was derecognised due to loss of control in subsidiary. This reflects loss of control in Stamford Properties Ltd following changes in its board of directors. The Group's share of investment remains at 50%(2017:50%) and Stamford Property Ltd is now classified as an associate (2017:subsidiary).

7. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2018	2017
	Rs	Rs
Investments in Subsidiaries	1,515,282,108	1,903,278,541

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The subsidiaries (direct and indirect) of the Company as at 31 December 2018 are as follows:

	Activity	Class of Shares Held	Carrying value of investment 2018	2017	Effective % Holding 2018	2017
			Rs	Rs	Rs	Rs
Accacias Co Ltd	Investment	Ordinary	-	-	100.0%	100.0%
Aggregate Resources Co Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
A.S. Burstein Management Ltd	Lottery	Ordinary	-	-	100.0%	100.0%
Bitumen Storage Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Boron Investments Ltd	Investment	Ordinary	6,200,000	6,200,000	100.0%	100.0%
BR Capital Ltd	Property investment	Ordinary	-	-	75.0%	75.0%
BR Hotel Resorts Ltd	Property investment	Ordinary	-	-	100.0%	100.0%
Broadgate Holding Ltd	Investment	Ordinary	-	-	100.0%	100.0%
Broadgate Investment Ltd	Investment	Ordinary	-	-	100.0%	100.0%
Burford Development Ltd	Property investment	Ordinary	25,000	25,000	100.0%	100.0%
Burford Investments Ltd	Property investment	Ordinary	-	-	75.0%	75.0%
Burford Property Ltd	Property investment	Ordinary	25,000	25,000	100.0%	100.0%
Burford Realty Ltd	Property investment	Ordinary	-	-	100.0%	100.0%
Cement Logistics Ltd	Cement	Ordinary	-	-	74.0%	100.0%
Centreview Development Ltd	Property investment	Ordinary	25,000	25,000	100.0%	100.0%
Damalot Technical Services Ltd (Liquidated during the year)	Dormant	Ordinary	-	-	0.0%	100.0%
Fine Point Property Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Fine Point Realty Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamlot Technologies Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma Asia Construction Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma Capital Ltd	Dormant	Ordinary	25,000	-	100.0%	0.0%
Gamma Cement Holdco Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma Cement International Ltd	Investment	Ordinary	4,277,100	4,277,100	100.0%	100.0%
Gamma Cement Ltd	Investment	Ordinary	1,000,000	1,000,000	100.0%	100.0%
Gamma Corporate Services Ltd	Secretarial services	Ordinary	25,000	25,000	100.0%	100.0%
Gamma-Civic Cement Holdings Ltd	Investment	Ordinary			100.0%	100.0%
Gamma-Civic Construction Holdings Ltd	Investment	Ordinary	-	-	100.0%	100.0%
Gamma-Civic Construction Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma-Civic Hotel Holdings Ltd	Investment	Ordinary	25,000	25,000	100.0%	100.0%
Gamma Construction Ltd	Construction	Ordinary	106,000,000	106,000,000	100.0%	100.0%
Gamma Energy Holdings Ltd	Investment	Ordinary	-	-	100.0%	100.0%
Gamma Energy Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma Land Ltd	Investment	Ordinary	1,000,000	1,000,000	100.0%	100.0%
Gamma Treasury Management Ltd	Treasury	Ordinary	1,000,000	25,000	100.0%	100.0%
Gammafin Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gammafin Resource Management Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
G-Traxx Equipment & Rental Ltd	Dormant	Ordinary	-	-	100.0%	100.0%
Gamma Leisure Ltd	Investment	Ordinary	50,000	50,000	100.0%	100.0%
Govenland Co Ltd	Property investment	Ordinary	-	-	49.0%	49.0%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The subsidiaries of the Company as at 31 December 2018 are as follows: (cont'd)

	Activity	Class of Shares Held	Carrying value of investment		Effective % Holding	
			2018	2017	**2018**	2017
			Rs	Rs	**Rs**	Rs
Glot Holdings (Mauritius) Ltd	Investment	Ordinary	**99,000**	99,000	**99.0%**	99.0%
Glot Management Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Kolos Cement Ltd	Cement	Ordinary	**-**	-	**74.0%**	100.0%
Kolos Building Materials Ltd	Cement	Ordinary	**-**	-	**74.0%**	100.0%
Insignia Leisure Resorts Ltd	Dormant	Ordinary	-	-	**100.0%**	100.0%
Insignia Resorts Ltd	Dormant	Ordinary	-	-	**100.0%**	100.0%
Lottotech Ltd	Lottery	Ordinary	**-**	-	**56.1%**	56.1%
Loterie Vert Ltd	Dormant	Ordinary	**-**	-	**56.1%**	0.0%
Lottotech Management Ltd (Liquidated during the year)	Dormant	Ordinary	**-**	-	**100.0%**	100.0%
Lotwin Investments Ltd (In process of liquidation)	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Ludgate Investments Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Maurilot Investments Ltd	Investment	Ordinary	**50,000**	50,000	**100.0%**	100.0%
Natlot Investments Ltd	Investment	Ordinary	**10,050,000**	10,050,000	**100.0%**	100.0%
North Point Holdings Ltd	Investment	Ordinary	-	-	**100.0%**	100.0%
North Point Stone Products Ltd	Dormant	Ordinary	-	-	**100.0%**	100.0%
Osterley Investments Ltd	Property investment	Ordinary	-	-	**98.0%**	98.0%
Princegate Holdings Ltd	Property investment	Ordinary	**27,563,100**	27,563,100	**100.0%**	100.0%
Reel Mada SA (In process of liquidation)	Dormant	Ordinary	**-**	-	**65.0%**	65.0%
RHT Media Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Stamford Properties Ltd (Transferred to Investment in Associate)	Property investment	Ordinary	**-**	-	**0.0%**	50.0%
Star Cement Ltd	Investment	Ordinary	**-**	-	**100.0%**	100.0%
Traxx Ltd	Trading	Ordinary	**-**	-	**100.0%**	100.0%
Westbourne Properties Ltd	Property investment	Ordinary	**-**	-	**100.0%**	100.0%
Westview Realty Ltd	Property investment	Ordinary	**100,000**	100,000	**100.0%**	100.0%
			157,539,200	156,539,200		
Non-Current amounts due from Subsidiaries - Note 7(c)			**1,357,742,908**	1,746,739,341		
			1,515,282,108	1,903,278,541		

The Non-Current amounts due from subsidiaries classified as Non-Current assets are unsecured and will not be recalled within the next twelve months. These amounts are in substance an extension of the equity investments in these subsidiaries so that the amounts are stated at nominal value.

Impairment of investments in subsidiaries amounts to **Rs nil** (2017: Rs 1,130,000) during the year (Note 21).

Non-Current amounts due from subsidiaries has not been impaired during the year (2017: Rs nil).

The shares of Broadgate Holding Ltd, Broadgate Investment Ltd, Cement Logistics Ltd, Gamma-Civic Cement Holdings Ltd and Star Cement Ltd held by the Company were transferred to Gamma Cement Ltd in December 2017 for an amount of Rs515,712,727 (see Note 7(c)).

During the year a total amount of Rs68,215,143 was reclassified from Current amount due from subsidiaries to Non-Current amount due classified as quasi equity since directors assessed that these amounts are the Company's long-term investment in these subsidiaries.

During the year an additional amount of Rs 975,000 was invested in Gamma Treasury Management Limited and Rs 25,000 in a new direct subsidiary, Gamma Capital Ltd. Loterie Vert Ltd was incorporated during the year and is held by Lottotech Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2018	2017
Cement	Mauritius	**-**	2
Construction	Mauritius	**1**	1
Treasury	Mauritius	**1**	1
Dormant	Mauritius	**16**	17
Investment	Mauritius	**19**	19
Lottery	Mauritius	**1**	1
Property investment	Mauritius	**9**	9
Secretarial services	Mauritius	**1**	1
Trading	Mauritius	**1**	1
		49	52

Principal Activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2018	2017
Cement	Mauritius	**3**	-
Dormant	Mauritius	**2**	1
Investment	Mauritius	**1**	1
Lottery	Mauritius	**1**	1
Property investment	Mauritius	**5**	6
		12	9

(c) Non-Current Amounts due from Subsidiaries

	COMPANY	
	2018	2017
	Rs	Rs
At 1 January	**1,746,739,341**	942,418,167
Reclassification from current amounts due from subsidiaries	**68,215,143**	-
Net cash movement during the year	**(457,211,576)**	270,273,045
Group re-structuring (Note 7(a))	**-**	515,712,727
Reversal of Impairment Loss Recognised on Non-Current Amounts due from Subsidiaries	**-**	18,335,402
At 31 December (Quasi equity aggregated into investment in subsidiaries - Note 7 (a))	**1,357,742,908**	1,746,739,341

The majority of the net cash movement was received from Gamma Cement Ltd following the sale of 26% in 2018 of the Group's interests in Kolos Cement Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material Non-Controlling interests:

Name of Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	**2018**	2017	**2018**	2017
				Rs	Rs	**Rs**	Rs
Lottotech Ltd	Mauritius	**43.9%**	43.9%	**48,827,140**	48,638,374	**79,505,299**	75,276,192
Kolos Cement Ltd	Mauritius	**26.0%**	0%	**40,138,094**	-	**129,268,891**	-
Stamford Properties Ltd (reclassified as investment in associate as from 1st April 2018)	Mauritius	**0%**	50.0%	**2,907,807**	10,561,902	**-**	50,460,185
Individually immaterial subsidiaries with non-controlling interests				**2,605,237**	(1,619,658)	**8,700,537**	810,318
				94,478,278	57,580,618	**217,474,727**	126,546,695

During the year, the Group sold 26% of its interest in Kolos Cement Ltd for a consideration of Rs 525,328,749.
The Group owns 50% of Stamford Properties Ltd. On 1 April 2018, the Board took the view that following certain changes in the Board composition, Stamford Properties Ltd was no longer a subsidiary and was hence accounted for as an associate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set below. The summarised financial information below represents amounts before intragroup eliminations.

Lottotech Ltd

	2018	2017
	Rs	Rs
Current Assets	**422,277,973**	351,899,301
Non-Current Assets	**65,371,271**	103,373,494
Current Liabilities	**(304,091,272)**	(277,160,960)
Non-Current Liabilities	**(2,368,000)**	(6,559,768)
Equity attributable to owners of the Company	**101,684,673**	96,275,875
Non-Controlling Interests	**79,505,299**	75,276,192

	2018	2017
	Rs	Rs
Revenue	**2,019,570,160**	1,852,490,380
Expenses	**(1,908,293,377)**	(1,741,645,061)
Profit for the year	**111,276,783**	110,845,319
Profit attributable to the owners of the Company	**62,449,643**	62,206,945
Profit attributable to the non-controlling interests	**48,827,140**	48,638,374
Profit for the year	**111,276,783**	110,845,319
Other comprehensive loss attributable to the owners of the Company	**202,625**	155,111
Other comprehensive income attributable to non-controlling interests	**158,425**	121,279
Dividend paid to non-controlling interests	**(44,756,580)**	(34,313,770)
Net cash inflow from operating activities	**61,059,702**	213,379,491
Net cash outflow from investing activities	**(4,906,600)**	(950,592)
Net cash outflow from financing activities	**(2,510,967)**	(78,200,000)
Net cash inflow	**53,642,135**	134,228,899

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (cont'd)

Stamford Properties Ltd (up to 31 March 2018)	**2018**	2017
	Rs	Rs
Current Assets	**-**	34,946,503
Non-Current Assets	**-**	138,206,315
Current Liabilities	**-**	(72,232,448)
Non-Current Liabilities	**-**	-
Equity attributable to owners of the Company	**-**	50,460,185
Non-Controlling Interests	**-**	50,460,185

	Period from 1 January 2018 to 31 March 2018	2017
	Rs	Rs
Revenue	**7,010,800**	33,956,667
Expenses	**(1,195,187)**	(12,832,863)
Profit for the year	**5,815,613**	21,123,804
Profit attributable to the owners of the Company	**2,907,807**	10,561,902
Profit attributable to the non-controlling interests	**2,907,807**	10,561,902
Profit for the year	**5,815,613**	21,123,804
Other comprehensive income attributable to the owners of the Company	**-**	-
Other comprehensive income attributable to non-controlling interests	**-**	-
Dividend paid to non-controlling interests	**-**	(6,000,000)
Net cash (outflow) /inflow from operating activities	**(5,469,206)**	18,007,153
Net cash inflow from investing activities	**-**	1,583,787
Net cash (outflow) /inflow	**(5,469,206)**	19,590,940

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests (cont'd)

Kolos Cement Ltd	2018
	Rs
Current Assets	280,478,702
Non-Current Assets	660,433,250
Current Liabilities	(257,578,756)
Non-Current Liabilities	(211,624,788)
Equity attributable to owners of the Company	342,439,517
Non-controlling Interests	129,268,891

	2018
	Rs
Revenue	1,097,747,214
Expenses	(917,890,296)
Profit for the year	179,856,918
Profit attributable to the owners of the Company	139,718,824
Profit attributable to the non-controlling interests	40,138,094
Profit for the year	179,856,918
Other comprehensive income attributable to the owners of the Company	5,167,733
Other comprehensive income attributable to non-controlling interests	1,815,690
Dividend paid to non-controlling interests	(12,568,500)
Net cash inflow from operating activities	179,050,937
Net cash outflow from investing activities	(46,937,687)
Net cash inflow from financing activities	40,000,000
Net cash inflow	172,113,250

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Risks inherent in Investee Companies

Gamma-Civic Ltd invests in companies which have activities in the following industries:

- Contracting;
- Lottery;
- Investments;
- Secretarial services;
- Treasury;
- Building Materials; and
- Real Estate, Hotels and Leisure

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
(a) Investments in Associates				
At 1 January	**264,178,246**	250,044,015	**11,180,640**	11,180,640
Share of Profit of Associates	**18,957,833**	7,423,425	**-**	-
Reclassification from Subsidiary (note e)	**53,367,992**	-	**-**	-
Investment by Associate in Subsidiary	**(4,999,750)**	-	**-**	-
Transfer to Investment in Joint Venture	**(1,649,625)**	-	**-**	-
Revaluation Surplus of Property of Associates, net of Deferred Tax	**4,822,440**	4,740,353	**-**	-
Dividend received	**(6,180,062)**	-	**-**	-
Remeasurement of Retirement Benefit Obligations, net of Deferred Tax	**976,859**	1,970,453	**-**	-
At 31 December	**329,473,933**	264,178,246	**11,180,640**	11,180,640
Investment in Joint Venture				
At 1 January	**465,112,164**	449,611,862	**42,065,000**	42,065,000
Share of Profit of Joint Venture	**105,055,718**	69,120,558	**-**	-
Dividend received	**(55,298,649)**	(53,620,256)	**-**	-
Revaluation Surplus of Property of Joint Venture, net of Deferred Tax	**(91,863,733)**	-	**-**	-
Remeasurement of Retirement Benefit Obligations, net of Deferred Tax	**718,365**	-	**-**	-
Transfer from investments in Associates	**1,649,625**	-	**-**	-
At 31 December	**425,373,490**	465,112,164	**42,065,000**	42,065,000
Total Investments in Associates and Joint Venture	**754,847,423**	729,290,410	**53,245,640**	53,245,640

(b) Fair value of Investments in Associates and Investment in Joint Venture.

Valuation of Associates & Joint-Venture	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Quoted Equity Investments at Fair Value	**311,080,851**	474,686,336	**7,546,932**	11,516,059
Unquoted Equity Investments at Cost	**56,440,660**	45,940,560	**42,065,000**	42,065,000
	367,521,511	520,626,896	**49,611,932**	53,581,059

The fair value of quoted equity investments is based on quoted prices on the Stock Exchange of Mauritius Ltd at reporting date.
The transfer of Rs1,649,625 from investment in associate to investment in joint-venture relates to a correction of prior year figures. Prior year's figures were not reclassified since effect is not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONT'D)

(c) The following are the associates of the Company:

Name	Activity	Class of Shares Held	Place of business	Effective % Holding 2018	Effective % Holding 2017	% of Voting Power Held 2018	% of Voting Power Held 2017
Morning Light Co Ltd	Hotel	Ordinary	Mauritius	**25.1%**	25.1%	**25.1%**	25.1%
Viva Voce Limitee	Media	Ordinary	Mauritius	**25.7%**	25.7%	**25.7%**	25.7%
Stamford Properties Ltd	Real Estate	Ordinary	Mauritius	**50.0%**	0.0%	**50.0%**	0.0%

(d) Details of the investment in the joint venture are as follows:

Name	Activity	Class of Shares Held	Place of business	Effective % Holding 2018	Effective % Holding 2017	% of Voting Power Held 2018	% of Voting Power Held 2017
Gamma Materials Ltd	Building Materials	Ordinary	Mauritius	**50.0%**	50.0%	**50.0%**	50.0%

(e) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the associates' financial statements prepared in accordance with IFRSs.

	Associates 2018	Associates 2017	Joint Venture 2018	Joint Venture 2017
	Rs	Rs	**Rs**	Rs
Total Assets	**1,887,176,894**	1,802,539,368	**1,272,776,030**	1,300,296,258
Total Liabilities	**(671,721,245)**	(751,044,464)	**(422,029,051)**	(370,071,930)
Net Assets	**1,215,455,649**	1,051,494,904	**850,746,979**	930,224,328
Group's Share of Associates' and Joint Venture's Net Assets	**326,397,724**	263,925,221	**425,373,490**	465,112,164
Turnover	**711,786,242**	606,714,204	**1,782,725,636**	1,418,362,549
Profit for the Year	**55,071,298**	29,575,400	**210,111,435**	138,241,116
Group's Share of Associates' and Joint Venture's Profit for the Year	**13,954,587**	7,423,425	**105,055,718**	69,120,558

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONT'D)

(e) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the associates' financial statements prepared in accordance with IFRSs (cont'd).

Morning Light Co Ltd

	2018	2017
	Rs	Rs
Current Assets	162,402,524	155,550,837
Non-current Assets	1,611,887,636	1,646,988,531
Current Liabilities	(199,504,743)	(245,469,269)
Non-Current Liabilities	(465,024,974)	(505,575,195)

	2018	2017
	Rs	Rs
Revenue	621,506,478	606,714,204
Profit for the year	42,864,479	29,575,400
Other comprehensive income for the year	23,104,780	20,164,068
Total comprehensive income for the year	65,969,259	49,739,468
Dividends received from the associate during the year	-	-

Reconciliation of the above summarised information to the carrying amount of the interest in Morning Light Co Ltd recognised in the consolidated financial statements:

	2018	2017
	Rs	Rs
Net Assets in Associate	1,109,760,443	1,051,494,904
Proportion of the Group's ownership interest in Morning Light Co. Ltd	25.1%	25.1%
Share of net assets in associate	278,549,871	263,925,221
Carrying amount of the Group's interest in Morning Light Co. Ltd	278,549,871	263,925,221

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONT'D)

(e) **Stamford Properties Ltd**

	2018
	Rs
Current Assets	27,062,133
Non-Current Assets	85,824,601
Current Liabilities	(7,191,528)

	2018
	Rs
Revenue	90,279,764
Profit for the year	12,206,819
Other Comprehensive Income for the year	-
Total Comprehensive Income for the year	12,206,819

Reconciliation of the above summarised information to the carrying amount of the interest in Stamford Properties Ltd recognised in the consolidated financial statements:

	2018
	Rs
Net Assets in Associate	105,695,206
Proportion of the Group's ownership interest in Stamford Properties Ltd	50%
Share of net assets in Associate	52,847,603
Less Investment by Associate in Subsidiary'	(4,999,750)
Carrying amount of the Group's interest in Stamford Properties Ltd	47,847,853

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONT'D)

(e) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the Joint Venture's financial statements prepared in accordance with IFRSs (cont'd).

Gamma Materials Ltd

	2018	2017
	Rs	Rs
Current Assets	524,045,410	376,310,291
Non-Current Assets	748,730,620	923,985,967
Current Liabilities	(345,354,326)	(276,715,246)
Non-Current Liabilities	(76,674,725)	(93,356,684)

	2018	2017
	Rs	Rs
Revenue	1,782,725,636	1,418,362,549
Profit for the year	210,111,435	138,241,116
Other Comprehensive Income for the year	(182,290,735)	3,299,250
Total Comprehensive Income for the year	27,820,700	141,540,366
Dividends received from the Joint Venture during the year	(55,298,649)	(53,620,256)

Reconciliation of the above summarised information to the carrying amount of the interest in Gamma Materials Ltd recognised in the consolidated financial statements:

	2018	2017
	Rs	Rs
Net Assets in Joint Venture	850,746,979	930,224,328
Proportion of the Group's ownership interest in Gamma Materials Ltd	50.0%	50.0%
Share of Net Asset in Joint venture	425,373,490	465,112,164
Carrying amount of the Group's interest in Gamma Materials Ltd	425,373,490	465,112,164

Aggregate information of associates that are not individually material

	2018	2017
	Rs	Rs
The Group's share of profit	5,003,246	-
Aggregate carrying amount of the Group's interests in these associates	3,076,209	253,025

Equity accounting has been applied and the Group's share of losses of associates recognised in the Group Statements of Profit or Loss and Other Comprehensive Income only to the extent of bringing the carrying amount of the investments in the respective associates down to zero.

The investments in associates in the Company's Statements of Financial Position are not impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

9. INVESTMENT PROPERTIES

	GROUP	
	2018	2017
	Rs	Rs
At 1 January	**1,091,463,483**	1,698,788,483
Investment Property under construction -Additions	**92,506,240**	-
Disposal of Subsidiary	**-**	(17,300,000)
Disposal proceeds from discontinued operations	**-**	(589,378,000)
Loss on disposal from discontinued operations	**-**	(25,733,109)
Accrued expenses incidental to disposal from discontinued operations	**-**	15,111,109
Disposal proceeds	**(4,368,000)**	(4,500,000)
(Loss)/profit on disposal	**(826,706)**	300,000
Reclassification to associate	**(137,581,214)**	-
(Loss)/gain from fair value adjustment	**(108,948)**	14,175,000
At 31 December	**1,041,084,855**	1,091,463,483

The fair value of the Group's investment properties as at 31 December 2018 and 31 December 2017 has been arrived at on the basis of a valuation carried out on the respective dates by Broll Indian Ocean Limited, an independent valuer not related to the Group. Broll Indian Ocean Limited is member of the Royal Institute of Chartered Surveyors, and the directors determine that they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the sales comparison method and income capitalisation approach. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

There has been no change to the valuation technique during the year.
In estimating the fair value of the properties, the highest and best use of the properties is their current use.

	GROUP	
	2018	2017
	Rs	Rs
Rental income derived from investment properties	**21,392,861**	56,995,261
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	**(11,798,409)**	(107,739,253)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	**(857,305)**	-
Profit/(loss) arising from investment properties carried at fair value	**8,737,147**	(50,743,992)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

All of the Group's investment properties are held under freehold interests.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 and 2017 are as follows:

	Level 2	**Fair value as at 31 December 2018**
	Rs	**Rs**
Freehold building on leasehold land, freehold office units and leasehold site	**218,784,855**	**218,784,855**
Bare freehold land and buildings and other structures	**822,300,000**	**822,300,000**
		1,041,084,855

	Level 2	Fair value as at 31 December 2017
	Rs	Rs
Freehold building on leasehold land, freehold office units and leasehold site	223,317,296	223,317,296
Bare freehold land and buildings and other structures	868,146,187	868,146,187
		1,091,463,483

The investments properties categorised into Level 2 (2017: Level 2) of the fair value hierarchy, the following information is relevant:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

9. INVESTMENT PROPERTIES (CONT'D)

	Valuation techniques	Significant observable inputs	Range 2018 & 2017
Freehold Building on leasehold land	Sales comparison approach	Price per square metre	Rs 2,552 - Rs 96,833
Freehold office units and leasehold site	Income capitalisation approach	Rental yield	8.75% - 9.5%

10. INVESTMENT IN FINANCIAL ASSET

	GROUP & COMPANY	
	2018	2017
At fair value through Other Comprehensive Income / Available for sale	Rs	Rs
At 1 January	**5,666,979**	5,347,985
Disposal proceeds	**(5,629,313)**	-
Fair value gain	**-**	318,994
Loss on disposal	**(37,666)**	-
At 31 December	**-**	5,666,979
Valuation		
Quoted Equity Investments at Fair Value	**-**	5,666,979

Details of the Group's and Company's available-for-sale investments and information about the fair value hierarchy was classified under Level 1.

The fair values of quoted equity investments are based on quoted prices from SBM Global Fund at reporting date.

11. INVENTORIES

	GROUP	
	2018	2017
	Rs	Rs
Raw materials	**73,032,306**	36,424,757
Stock in transit	**56,592,401**	5,975,202
Finished Goods	**50,379,471**	41,907,009
	180,004,178	84,306,968

During the period cost of inventories recognised as expense in the Statement of Profit or Loss amounts to Rs735,947,794 (2017: Rs 646,161,128).

The cost of inventories recognised as expense includes Rs3,086,903 in respect of reversal of write-downs of inventory to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

12. CONTRACT ASSETS

	GROUP	
	2018	2017
Non-Current Assets	**Rs**	Rs
Contracts retention	**45,218,694**	-
Advance to subcontractors	**24,066,417**	-
	69,285,111	-
Current Assets		
Trade receivables from contracts net of allowance for credit losses	**369,357,164**	-
Progress billings	**(77,181,911)**	-
Contracts retention	**41,083,143**	-
Advance to subcontractors	**2,480,747**	-
	335,739,143	-

The contract assets primarily relate to the Group's receivables from its construction contracting activities. Contract assets also include all contracts retention and advances paid to subcontractors. Of the balances from trade receivables from current contracts assets at the end of the reporting date, Rs 180M (2017: Rs140M) is due from a Government Authority which represents the Group's largest customer.

Contracts retention are amounts invoiced but not paid until the conditions specified in the contract are fulfilled or until defects have been rectified. These balances are carried at amortised cost using an effective interest rate of 6.85% p.a (2017:6.85%).

Advances are amounts paid to subcontractors for related work-in-progress.

Progress billings are amounts billed for work performed above revenue recognised.

Trade receivables from contracts are non-interest bearing and are generally on terms of 60 days. No interest is charged on the trade receivables but the Group reserves its contractual rights to claim interest on overdue amounts. The interest rates, if any, are normally agreed under the contract agreement.

In determining the recoverability of contract assets, the Group assesses its contractual rights and the terms and conditions of the agreements. The Group does not hold any collateral as security over these balances.

Prior to the decision to submit a tender for a particular contract, the Group assesses the financial strength and stability of the potential client. The Group bids for both private and Government projects. Payment terms form part of the contract agreement whereby all conditions and entitlements of the contractor are listed. The client portfolio varies from year to year depending on which contracts are awarded at that time.

Balances of contract assets are assessed for expected credit losses.

Allowance for expected credit losses / Provision for impairment on contract assets

	GROUP
	2018
	Rs
At 1 January	**-**
Reclassification from Trade and Other Receivables (Note 12(a))	**15,297,766**
Charge for the year	**3,240,446**
At 31 December	**18,538,212**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

12. CONTRACT ASSETS (CONT'D)

12(a). TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Trade Debtors Net of Provision	**120,307,590**	493,056,600	**-**	44,647
Amounts due from Associates and Joint Venture	**5,416,354**	25,240,362	**5,416,354**	1,151,714
Other receivables and Prepayments	**148,155,485**	176,403,041	**62,051,046**	46,085,016
	273,879,429	694,700,003	**67,467,400**	47,281,377

	GROUP	
	2018	2017
	Rs	Rs
Receivable from contract customers		
(i)Trade receivables from contracts net of provisions	**-**	402,374,774
(ii) Progress billings	**-**	(65,725,984)
(iii) Contracts retention	**-**	102,049,218
(iv) Advance to subcontractors	**-**	29,072,808
	-	467,770,816

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

The average contractual credit period on sales of goods is three months. Allowance for credit losses is determined by the Group using provision matrix. No interest is charged on the trade receivables. Management expects full recoverability of due balances which are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

12. CONTRACT ASSETS (CONT'D)

12(a). TRADE AND OTHER RECEIVABLES (CONT'D)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Of the trade receivables from contracts balance at the end of the previous reporting date, Rs140 M was due from a Government Authority which represents the Group's largest customer. In 2017, there were five customers who represented 51% of the trade receivables and there are no other customers who represent more than 5% of the total balance of trade receivables. For the current financial year, no single customer represented more than 5% of the trade receivables.

Included in the Group's trade receivable balance are debtors with a carrying amount of Rs 18,470,282 (2017: Rs 90,473,108) which are past due at the reporting date for which the Group have not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group do not hold any collateral over these balances.
Other receivables balances for the Group and the Company includes Rs62M (2017:Rs43M) due from a single customer, namely the Government of Mauritius.

Ageing of past due but not impaired:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
91 - 180 days	**11,780,700**	12,706,372	**-**	239,911
Over 180 days	**6,689,582**	77,766,736	**-**	-
Total	**18,470,282**	90,473,108	**-**	239,911

Allowance for expected credit losses / Provision for impairment

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
At 1 January	**50,630,003**	47,378,874	**1,760,038**	1,780,737
Reclassification to Contract Assets (Note 12)	**(15,297,766)**	-	**-**	-
Credit for the year	**(3,187,997)**	(1,079,069)	**-**	-
Impairment Loss (Reversed)/Recognised on Trade Debtors (Note 21)	**(2,256,994)**	4,330,198	**(1,213,687)**	(20,699)
At 31 December	**29,887,246**	50,630,003	**546,351**	1,760,038

Impairment Loss (Reversed)/Recognised on Trade Debtors refers to allowances for expected losses as required by IFRS 9.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Other receivables and prepayments and Amounts due from related parties are assessed for expected credit losses and an allowance for expected losses for an amount of Rs4,530,000 was made during the year (2017: Nil).

13. STATED CAPITAL

	GROUP AND COMPANY	
	2018	2017
	Rs	Rs
133,250,000 (2017: 133,250,000) Ordinary Shares of Rs1 (2017: Rs1) each	**133,250,000**	133,250,000

Fully paid ordinary shares have rights to dividends and each share carry one voting right.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

14. LOANS

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Loans Repayable by Instalments	**649,994,803**	920,623,125	**572,354,188**	875,582,510
Less: Amount due for Settlement within one year (shown under Current Liabilities)	**(192,450,392)**	(258,059,462)	**(114,809,777)**	(213,018,847)
Amount due for Settlement after one year (shown under Non-current Liabilities)	**457,544,411**	662,563,663	**457,544,411**	662,563,663

(a) The loans due for settlement after one year are repayable as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
After one year before two years	**67,972,908**	81,728,818	**67,972,908**	81,728,818
After two years before five years	**224,673,633**	269,244,876	**224,673,633**	269,244,876
After five years	**164,897,870**	311,589,969	**164,897,870**	311,589,969
	457,544,411	662,563,663	**457,544,411**	662,563,663

Part of the loans is secured by fixed and floating charges on the assets of the borrowing companies. The rates of interest of the remainder loans are variable and range between 3.75% p.a. to 5.75% p.a. (2017: 3.15% p.a. to 4.85% p.a.). The loans include a total amount of Rs.45,040,615 (2017: Rs.45,040,615) which are unsecured, interest-free with no fixed repayment terms. The fair value of loans approximates their carrying amount.

15. OBLIGATIONS UNDER FINANCE LEASES

Group	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Amount Payable under Finance Leases:				
- within one year	**-**	7,697,921	**-**	7,435,977
- after one year before five years	**-**	-	**-**	
	-	7,697,921	**-**	7,435,977
Less: Future Finance Charges	**-**	(261,944)	**-**	-
	-	7,435,977	**-**	7,435,977
Less: Amount due for Settlement within one year (shown under Current Liabilities)			**-**	(7,435,977)
Amount due for Settlement after one year (shown under Non-Current Liabilities)			**-**	-

The obligations under finance leases related to plant and machinery and motor vehicles with lease term ranging from three to seven years. The Group had the option to purchase the leased assets for a nominal amount at the conclusion of the lease agreements.

The obligations under finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The rates of interest were fixed and floating and range between 6.95 % p.a. and 7.35 % p.a in the previous financial year. The fair value of obligations under finance leases approximated their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

16. RETIREMENT BENEFIT OBLIGATIONS

(a) Defined Contribution Plan

The Company participates in a multi-employer defined contribution (DC) pension plan to which it contributes 6%, 8% or 10% of its eligible employees' salaries depending on age. The assets of the plans are held separately from those of the Group in funds under the control of an independent management committee. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. Any residual gratuities under the Employment Rights Act 2008 for the qualifying employees after allowing for permitted deductions in respect of the pension plan are included below in the tables for the retirement benefits in respect of The Employment Rights Act 2008.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Amount Recognised as an Expense				
for the Defined Contribution Plan	**2,169,856**	8,664,991	**872,000**	642,000

(b) Statutory Retirement Benefits in respect of The Employment Rights Act 2008.

The Group has recognised a net defined benefit liability of Rs 44,282,664 (Company: Rs 3,513,000) in its statement of financial position as at 31 December 2018 (2017: Group Rs 44,536,532, Company: Rs 2,478,000) in respect of any additional retirement gratuities that are expected to be paid out of the Company's cashflow to its employees under the Employment Rights Act (ERA) 2008.

The Group is subject to an unfunded defined benefit plan for the employees. The plan exposes the Group to normal risks described below:

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

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

The Group had a residual obligation imposed by ERA 2008 on top of its DC plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for employee transfers within related entities and the retirement of top managers resulting in closure of their pension plan.

(c) Reconciliation of Net Defined Benefit Liability:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Reconciliation of Net Defined Benefit Liability:				
At 1 January	**44,536,532**	42,713,291	**2,478,000**	2,800,000
Amount Recognised in Statement of Profit or Loss	**8,418,856**	7,824,270	**872,000**	642,000
Amount Recognised in Other Comprehensive Income	**(6,897,688)**	(4,025,029)	**392,000**	(964,000)
Less transfer of liability from/(to) Related Party	**2,366,964**	-	**(229,000)**	-
Less: Employer Contributions	**(4,142,000)**	(1,976,000)	**-**	-
At 31 December	**44,282,664**	44,536,532	**3,513,000**	2,478,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(d) Movements in the present value of the defined benefit obligation in the current year were as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
At 1 January	**44,536,532**	42,713,291	**2,478,000**	2,800,000
Current Service Cost	**5,986,570**	4,937,570	**748,000**	448,000
Interest Expense	**2,432,286**	2,599,700	**124,000**	182,000
Past Service Cost	**-**	-	**-**	12,000
Settlement Loss	**-**	287,000	**-**	-
Employer Contributions	**(4,142,000)**	(1,976,000)	**-**	-
Transfer of Liability from/(to) related party	**2,366,964**	-	**(229,000)**	-
Liability Experience loss/(gain)	**2,170,312**	(3,614,029)	**1,093,000**	(936,000)
Liability Loss due to Change in Financial Assumptions	**(9,068,000)**	(411,000)	**(701,000)**	(28,000)
At 31 December	**44,282,664**	44,536,532	**3,513,000**	2,478,000

(e) Amounts recognised in Statements of Profit or Loss in respect of defined benefit plans are as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Current Service Cost	**5,986,570**	4,937,570	**748,000**	448,000
Settlement Loss	**-**	287,000	**-**	-
Past Service Cost	**-**	-	**-**	12,000
Service Cost	**5,986,570**	5,224,570	**748,000**	460,000
Interest Expense	**2,432,286**	2,599,700	**124,000**	182,000
Amounts recorded in Statements of Profit or Loss	**8,418,856**	7,824,270	**872,000**	642,000

(f) Components of amount recognised in Other Comprehensive Income:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Liability Experience Gain/(Loss)	**2,170,312**	(3,614,029)	**1,093,000**	(936,000)
Liability Loss due to Change in Financial Assumptions	**(9,068,000)**	(411,000)	**(701,000)**	(28,000)
Components of Defined Benefit Costs recorded in Other Comprehensive Income	**(6,897,688)**	(4,025,029)	**392,000**	(964,000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(f) Components of amount recognised in Other Comprehensive Income: (cont'd)

The past service cost, the service cost and the net-interest expenses for the year is included in the employee benefits expenses in the Statement of Profit or Loss and Other Comprehensive Income. The remeasurement on the net defined benefit liability is included in Other Comprehensive Income.

(g) The principal assumptions used for the purposes of the actuarial valuation were as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
Discount Rate	**6.2%**	5.5%	**6.2%**	5.5%
Expected Rate of Salary Increase	**3.8%**	4.2%	**3.8%**	4.5%
Expected Rate of Pension Increase	**2.2%**	0.5%	**2.2%**	0.5%
Average Retirement Age (ARA)	**65 / 60 years**	62 years	**65 / 60 years**	65 / 60 years

(h) Sensitivity analysis on defined benefit obligation at end of year

	GROUP		COMPANY	
	2018	2017	**2018**	2017
Increased due to 1% Decrease in Discount Rate	**7,966,000**	5,068,623	**585,000**	902,000
Decreased due to 1% Increase in Discount Rate	**7,479,000**	6,018,143	**496,000**	513,000

(i) Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
Expected Employer Contribution for the Next Year	**609,000**	-	**-**	-
Weighted Average Duration of the Defined Benefit Obligation	**2 to 27 years**	3 to 22 years	**11 years**	14 years

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
National Pension Scheme Contributions Expensed	**7,119,030**	7,853,708	**243,312**	237,408

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

17. TAXATION

(a) Income Tax

(i) The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Profit before Taxation	**533,373,967**	378,406,552	**644,508,256**	339,934,965
Tax at the above Applicable Rate (17%)	**90,673,574**	64,329,114	**109,566,404**	57,788,944
Income not subject to tax	**(21,082,304)**	(13,012,477)	**(106,005,752)**	(63,919,283)
Underprovision in Previous Year	**2,154,676**	9,109,496	**-**	7,035,416
Expenses not deductible	**26,433,165**	7,516,634	**21,171,380**	5,509,761
Other adjusting items	**1,198,681**	(5,454,542)	**-**	(12,288,213)
Taxation	**99,377,792**	62,488,225	**24,732,032**	(5,873,375)

(ii) Income Tax recognised in Statements of Profit or Loss

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Current Tax Expense	**77,238,611**	92,269,617	**-**	-
Underprovision in Previous Year	**2,154,676**	9,109,496	**-**	7,035,416
Deferred Tax Movement	**19,984,505**	(38,890,888)	**24,732,032**	(12,908,791)
	99,377,792	62,488,225	**24,732,032**	(5,873,375)

(b) Deferred Tax Assets/(Liabilities)

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Deferred Tax Assets	**(17,396,695)**	(37,451,141)	**(7,645,000)**	(32,835,000)
Deferred Tax Liabilities	**55,117,150**	52,221,154	**-**	-
Net Deferred Tax Liabilities/(Assets)	**37,720,455**	14,770,013	**(7,645,000)**	(32,835,000)

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
At 1 January	**14,770,013**	51,928,707	**(32,835,000)**	(20,171,000)
Charge/(Credit) to Statement of Profit or Loss				
Deferred Tax Expense/(credit)	**19,984,505**	(38,890,888)	**24,732,032**	(12,908,791)
Charge/(Credit) to Other Comprehensive Income				
Revaluation of Buildings	**1,923,720**	1,316,114	**524,608**	80,901
Remeasurement of Retirement Benefit Obligations	**1,042,217**	416,080	**(66,640)**	163,890
At 31 December	**37,720,455**	14,770,013	**(7,645,000)**	(32,835,000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

17. TAXATION (CONT'D)

(b) Deferred Tax Liabilities/(Assets) (cont'd)

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Accelerated Capital Allowances	**37,319,330**	37,629,535	**3,258,087**	1,253,560
Revaluation Surplus on Land and Buildings	**28,738,307**	24,954,546	**8,891,509**	8,366,901
Unused Tax Losses	**(29,395,764)**	(39,670,540)	**(18,641,614)**	(41,478,429)
Other Temporary Differences	**1,058,582**	(8,143,528)	**(1,152,982)**	(977,032)
	37,720,455	14,770,013	**(7,645,000)**	(32,835,000)

The Group has aggregate unutilised tax losses and deductible temporary differences of Rs 148,190,344 (2017: Rs 178,957,842) to carry forward against future taxable income for which a deferred tax asset has not been recognised due to uncertainty of their recoverability.

18. BANK OVERDRAFTS

The bank overdrafts are secured by fixed and floating charges on the assets of the Company and of the Group, including property, plant and equipment and investment properties and inventories.

Interest rates are floating rates and range between 5.50% p.a. and 6.10% p.a. (2017: 5.70% p.a. and 6.75% p.a).

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Trade Payables	**179,307,867**	233,642,386	**2,076,782**	3,370,150
Amounts due to Joint Venture	**28,635,824**	44,333,561	**-**	-
Other Payables and Accruals	**699,268,719**	685,256,662	**106,237,078**	143,995,859
Prize Liability and Reserve Fund	**85,865,850**	142,598,719	**-**	-
Unclaimed Prize	**4,247,115**	4,610,057	**-**	-
Consolidated Fund	**135,806,170**	78,281,215	**-**	-
	1,133,131,545	1,188,722,600	**108,313,860**	147,366,009

Other Payables and Accruals comprise mainly of accruals for goods and services relating to the Group's operations which was not yet invoiced at reporting date, and amounts due to third parties which are not classified as trade creditors.

The directors consider that the carrying amount of trade payables approximates their fair value.

The average credit period of creditors is two months. No interest is charged on trade payables. The Group has policies and procedures in place to ensure that all payables are paid within the credit timeframe.

19 (a). CONTRACT LIABILITIES

	2018	2017
Non Current	**Rs**	Rs
Retention Payable to Subcontractors	**4,150,210**	-
Advance from Clients	**9,436,647**	-
	13,586,857	-
Current		
Retention Payable to Subcontractors	**52,787,499**	-
Advance from Clients	**30,498,579**	-
	83,286,078	-

(b) The contract liabilities primarily relate to the advance consideration received from customers for the performance obligation yet to be satisfied and retention payable to sub-contractors.
The non-current contract liabilities of Rs 13,586,857 are carried at amortised cost using an effective interest rate of 6.35% p.a. (2017: 6.35%).
The significant changes in the balances of contract liabilities are disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 (c) OTHER NON-CURRENT PAYABLES

	GROUP	
Non-Current	**2018**	2017
	Rs	Rs
Retention Payable to Subcontractors	**-**	63,038
Advance from Clients	**-**	10,255,658
	-	10,318,696

20. TURNOVER AND REVENUE

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Turnover	**4,241,252,634**	4,110,521,288	**734,932,082**	480,337,739
Less: Prizes	**(979,491,528)**	(898,457,834)	**-**	-
Revenue from Continuing Operations	**3,261,761,106**	3,212,063,454	**734,932,082**	480,337,739
Revenue from Contracts with Customers	**3,232,405,515**	3,155,068,193	**111,368,833**	104,341,959
Rental Income from Investment Properties	**29,355,591**	56,995,261	**-**	-
Dividend Income	**-**	-	**623,563,249**	375,995,780
Revenue from Continuing Operations	**3,261,761,106**	3,212,063,454	**734,932,082**	480,337,739

Set out below is the disaggregation of the revenue from contract with customers:

(a) Disaggregation of Revenue

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Set out below is the disaggregation of revenue from contract with customers:				
Type of revenue				
Sale of Building Materials	**1,121,079,905**	1,032,161,823	-	-
Construction Contract Revenue	**1,033,837,816**	1,136,670,249	-	-
Sale of Lottery Tickets	**1,040,221,577**	954,032,546	-	-
Sale of Goods and Services	**37,266,217**	32,203,574	**111,368,833**	104,341,959
Revenue from contracts with customers	**3,232,405,515**	3,155,068,192	**111,368,833**	104,341,959
Timing of Revenue Recognition				
At a point in time	**2,198,567,699**	2,018,397,943	**111,368,833**	104,341,959
Over time	**1,033,837,816**	1,136,670,249	**-**	-
	3,232,405,515	3,155,068,192	**111,368,833**	104,341,959

	GROUP	
	2018	2017
Revenue derived over time are earned on:	**Rs**	Rs
Short-term contracts	**349,386,845**	387,783,059
Long-term contracts	**684,450,971**	748,887,190
Total revenue	**1,033,837,816**	1,136,670,249

The Group has disaggregated revenues generated from contracts with customers in terms of contract duration as projects profitability are normally analysed as being generated from short-term or long-term contracts. Short-term contracts are contracts having a duration of less than one year and long-term contracts are those having a duration of one year or more.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

20. REVENUE (CONT'D)

Disaggregation of revenue from contract with customers between segments:

2018	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Total
	Rs	Rs	Rs	Rs	Rs	Rs
External Customer	1,121,079,905	1,045,876,384	6,280,454	1,040,078,632	21,127,257	3,234,442,632
Inter-Segment Revenue	5,000,299	110,304,973	2,081,778	-	-	117,387,050
	1,126,080,204	1,156,181,357	8,362,232	1,040,078,632	21,127,257	3,351,829,682
Inter-Segment Adjustments and Eliminations	(5,000,299)	(110,304,973)	(2,081,778)	-	(2,037,117)	(119,424,167)
Revenue with External Customers	1,121,079,905	1,045,876,384	6,280,454	1,040,078,632	19,090,140	3,232,405,515

2017	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Total
	Rs	Rs	Rs	Rs	Rs	Rs
External Customer	1,026,970,684	1,154,109,444	2,471,894	954,032,546	17,483,625	3,155,068,193
Inter-Segment Revenue	5,191,139	15,532,468	1,110,752	-	-	21,834,359
	1,032,161,823	1,169,641,912	3,582,646	954,032,546	17,483,625	3,176,902,552
Inter-Segment Adjustments and Eliminations	(5,191,139)	(15,532,468)	(1,110,752)	-	-	(21,834,359)
Revenue with External Customers	1,026,970,684	1,154,109,444	2,471,894	954,032,546	17,483,625	3,155,068,193

(b) Contract Assets and Liabilities

Refer to note 12 and 19 for information on contract assets and contract liabilities.

(c) Significant changes in Contract Assets and Liabilities

Significant increase in non current contract assets is due to more retention monies receivable and advances paid to subcontractors on long-term ongoing construction projects as at 31 December 2018. Current contract assets decreased in 2018 as there are lower retention monies and advances to subcontractors from short-term contracts.
The increase in non current contract liabilities relates to advance received from customers for projects secured for long-term contracts. Current contract liabilities decreased as there are decrease in the number of short-term projects.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

20. REVENUE (CONT'D)

(d) Revenue recognised in Relation to Contract Liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities :

	GROUP	
	2018	2017
	Rs	Rs
Advance from Clients		
At 1 January 2018	**34,493,917**	29,367,127
Amount received during the year	**93,295,199**	107,161,522
Amount recognised in revenue	**(87,859,890)**	(102,034,732)
At 31 December 2018	**39,929,226**	34,493,917

(e) Unsatisfied Long-term Contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term construction contracts.

	GROUP	
	2018	2017
	Rs	Rs
Aggregate amount of the transaction price allocated to long-term contract that are partially or fully unsatisfied at reporting date.	**776,067,121**	**537,431,999**

Management expects that the transaction price allocated to the unsatisfied contracts as at 31 December 2018 will be recognised as revenue during the next reporting period. The amount disclosed does not include variable consideration which is constrained.

(f) Performance Obligations

Information on the Group's performance obligations are summarised below:

Construction Contracts with Customers
The performance obligation is satisfied over time. Invoicing is performed on a monthly basis based on the value of the work completed. Payment is generally due upon acceptance of the invoice issued by the customer. In some contracts, short-term advances are required before the construction starts. These advances are interest free. For more information on advances from clients, refer to Note 19.

Sale of Building Materials

The performance obligation is satisfied upon delivery of building materials and payment is generally due within 60 days from delivery.

Sale of Lottery Tickets
Sale of lottery tickets are the wagers placed on lottery tickets on the Group's draw-based game. Revenue recognition occurs when the draw has been held and the results have been certified by the Gambling Regulatory Authority.

Sale of Goods and Services

The performance obligation is satisfied upon delivery of goods and services and payment is generally due within 60 days from delivery.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

21. OPERATING PROFIT

The Operating Profit from Continuing Operations is arrived at:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
(i) After crediting:				
Profit on Disposal of Property, Plant and Equipment	**(1,868,575)**	-	**(764,686)**	(200,000)
Profit on Disposal of Subsidiary	**-**	(3,150,858)	**-**	-
Interest Income	**(25,754,705)**	(3,590)	**(21,219,078)**	(1,584,057)
Net Foreign Exchange Gains	**-**	(1,353,107)	**-**	-
Reversal of Impairment Loss Recognised on Amounts due from Subsidiaries	**-**	-	**-**	(18,335,403)
Other Operating Income	**(80,246,195)**	(35,241,847)	**(38,102,909)**	(8,424,085)
(ii) and charging:				
Cost of Sales	**2,224,594,590**	2,252,373,724	**-**	-
Operating Expenses				
- Administrative Expenses	**694,040,528**	631,305,677	**130,524,068**	106,825,578
Included in Cost of Sales and Operating Expenses are:				
Cost of Inventories Expensed (Note 11)	**735,947,794**	646,161,128	**-**	-
Depreciation	**94,042,176**	102,992,108	**4,145,644**	7,540,630
Amortisation of Intangible Assets	**4,772,973**	5,126,656	**144,675**	472,246
Staff Costs	**352,322,909**	281,728,808	**84,936,583**	64,497,966
Loss on Disposal of Property, Plant and Equipment	**826,706**	7,117	**-**	
Loss on Disposal of Investment Property	**-**	25,733,109	**-**	-
Impairment of Investments in Subsidiaries included in Administrative Expenses (Note 7(a))	**-**	-	**-**	1,130,000
Derecognition of goodwill due to loss of control in subsidiary (Note 6(a))	**7,571,197**	-	**-**	-
(Reversal of provision)/provision for Slow Moving Inventories	**(3,086,903)**	10,000,000	**-**	-
Impairment Loss Recognised/(Reversal of impairment) on Trade Debtors included in Administrative Expenses	**-**	4,330,198	**-**	(20,699)
Foreign Exchange Losses	**4,751,011**	1,723,679	**715,795**	78,126

22. FINANCE COSTS

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Interest Expense on:				
Bank Overdrafts	**6,965,767**	21,496,167	**1,796**	14,873,073
Loans Repayable by Instalments	**33,288,358**	57,285,368	**33,060,689**	44,603,976
Finance Charges on Finance Leases	**2,015,638**	1,008,823	**-**	97,489
Unwinding of Discount under Amortised Cost Calculation (net)	**1,513,330**	(1,862,477)	**-**	-
Other Interest	**-**	2,518,005	**-**	2,546,203
Finance Costs	**43,783,093**	80,445,886	**33,062,485**	62,120,741

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

23. DIVIDEND

	COMPANY	
	2018	2017
	Rs	Rs
Special Dividend of Rs 1.00 (2017: Rs0.50) per Share	133,250,000	66,625,000
Final Dividend of Rs Nil (2017: Rs0.65) per Share	-	86,612,500
Interim Dividend of Rs 0.50 (2017: Rs 0.25) per Share	66,625,000	33,312,500
Total Dividend Paid during the Year	199,875,000	186,550,000

24. EARNINGS PER SHARE

	GROUP	
	2018	2017
	Rs	Rs
Profit Attributable to Owners of the Company	339,517,897	244,138,509
Number of Shares for Earnings per Share Calculation	133,250,000	133,250,000
Earnings per Share (Basic and Diluted)	2.55	1.83

There were no dilution of shares for the periods presented therein.

25. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Property, Plant and Equipment purchased	105,032,334	33,347,116	483,545	3,010,749
Financed as follows:				
Cash Disbursed	105,032,334	33,347,116	483,545	3,010,749
Total	105,032,334	33,347,116	483,545	3,010,749

26. CASH AND CASH EQUIVALENTS

	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Cash at Bank, in Hand and Short term Deposits	636,165,804	507,551,862	89,111,144	59,467,512
Bank Overdrafts	(241,458)	(163,682,912)	-	(1,828,765)
	635,924,346	343,868,950	89,111,144	57,638,747

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

27. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the Executive Committee in order to allocate resources to the segments identified previously under IAS 14, Segmental Reporting.

Information reported to the chief operating decision maker focuses on the types of goods and services delivered or provided. The directors of the Company have chosen to organize the Group around differences in products and services.

The Group's reportable segments under IFRS 8 are:

- Building Materials segment, which imports cement in bulk and sells it in bulk or bags
- Contracting segment, which is engaged in the building and civil engineering works, asphalt production and asphalt road works
- Investments segment, which has a bank of land and office buildings for development and rental
- Lottery segment, which is engaged in the lottery business
- Corporate Services & Others segment, which provides the corporate and secretarial services for the Group

(a) Segment Revenue and Results

The following is an analysis of the Group's revenue from continuing operations.

2018	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Eliminations	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
REVENUE							
External Sales	1,121,079,905	1,045,876,384	35,636,045	1,040,078,632	80,425,906	(61,335,766)	3,261,761,106
Inter-segment Sales	5,000,299	110,304,973	2,081,778	-	659,961,510	(777,348,560)	-
	1,126,080,204	1,156,181,357	37,717,823	1,040,078,632	740,387,416	(838,684,326)	3,261,761,106
OPERATING PROFIT							
Segment Results	248,459,487	21,614,880	17,794,627	135,433,565	687,558,558	(659,865,654)	450,995,463
Net Impairment Reversal on Financial and Contract Assets							2,256,994
Net Gain from Fair Value Adjustment on Investment Properties							(108,948)
Finance Costs							(43,783,093)
Share of Profit of Associates and Joint Venture	105,055,718	-	-	-	18,957,833	-	124,013,551
Profit before Taxation							533,373,967
Taxation							(99,377,792)
Profit for the Year							433,996,175

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

27. SEGMENT INFORMATION (CONT'D)

(a) Segment Revenue and Results (cont'd)

2017	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Eliminations	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
REVENUE							
External sales	1,026,970,684	1,154,109,444	59,467,155	954,032,546	71,103,881	(53,620,256)	3,212,063,454
Inter-segment Sales	5,191,139	15,532,468	5,967,457	-	416,559,458	(443,250,522)	-
	1,032,161,823	1,169,641,912	65,434,612	954,032,546	487,663,339	(496,870,778)	3,212,063,454
OPERATING PROFIT							
Segment Results	213,035,538	21,092,013	20,488,423	138,977,823	417,939,773	(443,400,115)	368,133,455
Net Gain from Fair Value Adjustment on Investment Properties							14,175,000
Finance income							-
Finance Costs							(80,445,886)
Share of Profit of Associates and Joint Venture	69,120,558	-	-	-	7,423,425	-	76,543,983
Profit before Taxation							378,406,552
Taxation							(62,488,225)
Profit for the Year							315,918,327

Segment revenue reported above represents revenue generated from external customers.

Inter-segment sales are effected on an arm's length basis.

External sales elimination refers to dividend income from Associates and Joint Venture. The dividends are eliminated on consolidation since the share of Profit of Associates and Joint Venture are taken in the Group results.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

Goodwill impairment during the year Rs 7,571,197 (2017: Nil) is allocated to segment Corporate services and others.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

27. SEGMENT INFORMATION (CONT'D)

(b) Segment Assets and Liabilities

2018	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Eliminations	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS							
Segment Assets	185,483,495	553,612,432	409,238,157	493,846,594	4,792,778,755	(1,944,604,142)	4,490,355,291
Investments in Associates and Joint Venture	425,373,490	-	-	-	329,473,933	-	754,847,423
Unallocated Corporate Assets							113,858,278
Total Assets							5,359,060,992
LIABILITIES							
Segment Liabilities	243,997,974	989,655,778	550,680,904	1,074,639,690	1,103,448,476	(2,687,894,220)	1,274,528,602
Unallocated Corporate Liabilities							739,653,835
Total Liabilities							2,014,182,437
Non-Controlling Interests	129,268,891	-	5,539,474	79,505,299	3,161,063	-	217,474,727
Shareholders' Funds							3,127,403,828
Total Equity and Liabilities							5,359,060,992

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

27. SEGMENT INFORMATION (CONT'D)

(b) Segment Assets and Liabilities (cont'd)

2017	Building	Contracting	Investments	Lottery	Corporate Services & Others	Eliminations	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ASSETS							
Segment Assets	1,423,797,824	747,413,166	2,725,125,461	394,175,304	2,694,415,882	(3,614,436,151)	4,370,491,486
Investments in Associates and Joint Venture	465,112,164	-	-	-	264,178,246	-	729,290,410
Unallocated Corporate Assets							95,762,594
Total Assets							5,195,544,490
LIABILITIES							
Segment Liabilities	237,037,033	1,024,029,208	1,101,187,445	1,008,771,611	1,573,410,809	(3,537,175,366)	1,407,260,740
Unallocated Corporate Liabilities							1,028,208,998
Total Liabilities							2,435,469,738
Non-Controlling Interests	-	-	50,460,185	75,276,192	810,318	-	126,546,695
Shareholders' Funds							2,633,528,057
Total Equity and Liabilities							5,195,544,490

For the purpose of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segments other than investments in associates, amounts due to associates, non-current deposits and prepayments, and excess TDS (Tax Deduction at Source) in Debtors and Prepayments. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than loans, obligations under finance leases, deferred tax liability, current tax liability and amount due to associate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

27. SEGMENT INFORMATION (CONT'D)

(c) Other Information

(i) Capital Additions, Depreciation and Amortisation

2018	**Building Materials**	**Contracting**	**Investments**	**Lottery**	**Corporate Services & Others**	**Eliminations**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Capital Additions	**48,476,982**	**51,760,260**	**-**	**5,286,847**	**1,760,545**	**-**	**107,284,634**
Depreciation and Amortisation	**36,398,379**	**14,651,313**	**65,884**	**43,233,193**	**4,466,380**	**-**	**98,815,149**

2017	Building Materials	Contracting	Investments	Lottery	Corporate Services & Others	Eliminations	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Capital Additions	11,046,642	14,709,474	-	959,592	6,631,408	-	33,347,116
Depreciation and Amortisation	35,907,647	15,418,935	227,137	48,381,612	8,183,433	-	108,118,764

(ii) Geographical

All of the Group operations are based in Mauritius. There is no revenue derived from foreign operations.

(iii) Information about Major Customers

No single customer contributed 10% or more of the Group's revenue for both 2018 and 2017.

(iv) Revenue from Major Products and Services

The following is an analysis of the Group's revenue classified into its major products and services.

	2018	2017
	Rs	Rs
Building Materials	**1,121,079,905**	1,026,970,684
Contracting	**1,045,876,384**	1,154,109,444
Investment Properties	**35,636,045**	59,467,155
Lottery	**1,040,221,577**	954,032,546
Others	**18,947,195**	17,483,625
	3,261,761,106	3,212,063,454

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The transactions of the Group with related parties during the year are as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
(a) Sales of Goods and Services				
To Subsidiaries	**-**	-	**2,464,200**	2,766,096
To Associates and Joint Venture	**-**	-	**-**	406,134

(b) Purchases of Goods and Services

	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
From Subsidiaries	**-**	-	**4,433,590**	4,200,000
From Director-related Entities	**26,528,800**	12,675,000	**-**	-
From Associates and Joint Venture	**166,502,807**	142,479,951	**312,462**	824,497

(c) Dividend Income and Management Fee Income derived from Administrative Services

	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
(i) Dividend income				
From Subsidiaries	**-**	-	**568,264,600**	322,375,324
From Associates and Joint Venture	**61,478,711**	53,620,256	**55,298,649**	53,620,256
(ii) Management Fee Income				
From Subsidiaries	**-**	-	**91,741,576**	88,358,334
From Associates and Joint Venture	**19,627,257**	15,983,625	**19,627,257**	15,983,625

The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONT’D)

FOR THE YEAR ENDED 31 DECEMBER 2018

28. RELATED PARTY TRANSACTIONS (CONT’D)

(d) Compensation of Key Management Personnel

	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Short-term Benefits	143,928,650	68,465,758	58,856,571	25,566,751
Post-employment Benefits	3,531,173	3,783,083	286,312	297,242
	147,459,823	72,248,841	59,142,883	25,863,993

(e) Outstanding Balances

(i) Amount due from Related Parties:

	GROUP		COMPANY	
	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Subsidiaries	-	-	70,444,322	92,555,138
Associates	304,236	57,500	304,236	57,500
Joint Venture	5,112,118	25,182,642	5,112,118	1,094,214
	5,416,354	25,240,142	75,860,676	93,706,852

Part of the amounts due from related parties carry interest at the rate of 3% per annum. Remaining amounts due from related parties is unsecured, interest free and repayable at call except for amount shown in Note 7(c).
A total amount of Rs11,862,367 (2017: Rs18,335,403) was repaid to the Company by its subsidiaries. These amounts which were previously provided for impairment were reversed upon the receipt from subsidiaries.

(ii) Amounts due to Related Parties

	GROUP		COMPANY	
	2018	2017	2018	2017
	Rs	Rs	Rs	Rs
Director-related Entities	71,569,415	56,262,615	-	-
Amounts due to Subsidiaries	-	-	157,582,693	628,633,469
Associates and Joint Venture included in Creditors and Accruals	28,635,824	44,333,561	-	-
	100,205,239	100,596,176	157,582,693	628,633,469

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS

During the course of its ordinary activities, the Group is exposed to various risks such as capital risk, market risk (which comprises of interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The risks are monitored and reviewed by the Audit and Risk Committee on a quarterly basis. The risks are managed by senior management of the Group companies. The Group's financial risks activities are governed by appropriate policies and procedures, and the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

(a) Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of net debt offset by cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

(b) Gearing Ratio

The Group reviews the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with its capital.

The gearing ratio at the year end was as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Debt (i)	**650,236,261**	1,091,742,014	**572,354,188**	877,411,275
Cash at Bank and in Hand	**(636,165,804)**	(507,551,862)	**(89,111,144)**	(59,467,512)
Net Debt	**14,070,457**	584,190,152	**483,243,044**	817,943,763
Equity (ii)	**3,344,878,555**	2,760,074,752	**1,379,072,277**	956,990,184
Gearing Ratio	**0.4%**	21%	**35%**	85%

(i) Debt is defined as short and long term borrowings, as detailed in Notes 14, 15 and 18.

(ii) Equity includes capital and reserves of the Group/Company.

(c) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values

Except where stated elsewhere, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Categories of Financial Instruments

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Financial Assets				
Financial Assets at Amortised Cost / Loans and Receivables including Cash and Cash Equivalents	**912,497,005**	1,169,787,912	**227,512,980**	252,379,321
Financial Asset designated at Fair value through OCI/ Available for sale Financial Assets	**-**	5,666,979	**-**	5,666,979
	912,497,005	1,175,454,891	**227,512,980**	258,046,300
Financial Liabilities				
Financial Liabilities at Amortised Cost / At Amortised Cost	**1,585,144,456**	2,193,719,295	**754,046,544**	1,652,949,301

Total financial assets consist of non-current receivables, trade and other receivables excluding prepayments, cash and cash equivalents and amounts due from subsidiaries (Company only).

Total financial liabilities consist of non-current creditors, trade and other payables excluding accruals, loans and amounts due from subsidiaries (Company only).

(e) Fair Value Measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	GROUP AND COMPANY	
	Available-for-sale investments	
	2018	2017
	Rs	Rs
Hierarchy levels		
Level 1	**-**	5,666,979

(f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below (Note (g)) may change in a manner which has a material effect on the reported values of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(g) Currency Profile

The currency profile of the Group's and the Company's financial assets and financial liabilities is summarised as follows:

(i) **Group**

	Financial Assets		Financial Liabilities	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Currency				
Mauritian Rupee	**797,694,926**	1,170,123,010	**1,540,023,924**	2,186,744,276
United States Dollar*	**113,540,063**	3,909,281	**43,683,310**	5,644,626
Euro	**1,248,759**	1,422,600	**1,437,222**	1,330,393
ZAR	**13,257**	-	**-**	-
	912,497,005	1,175,454,891	**1,585,144,456**	2,193,719,295

(ii) **Company**

	Financial Assets		Financial Liabilities	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Currency				
Mauritian Rupee	**227,089,094**	257,027,278	**754,046,544**	1,652,949,301
United States Dollar	**310,654**	903,419	**-**	-
Euro	**113,232**	115,603	**-**	-
	227,512,980	258,046,300	**754,046,544**	1,652,949,301

*Included in United States Dollar under Financial Assets are mainly cash at banks and trade receivables.

*Included in United States Dollar under Financial Liabilities are mainly trade payables.

(h) Foreign Currency Sensitivity Analysis

The Group is mainly exposed to United States Dollar (USD), Euro and South African Rand (ZAR)..

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currencies against the Mauritian Rupee. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. An increase in foreign currency will lead to an overall increase in profit and equity as shown below, and vice-versa.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
	Impact		Impact	
United States Dollar	**3,492,838**	(86,767)	**15,533**	45,171
Euro	**(9,423)**	4,610	**5,662**	5,780
ZAR	**663**	-	**-**	-
Total	**3,484,078**	(82,157)	**21,195**	50,951

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(h) Foreign Currency Sensitivity Analysis (Cont'd)

The above is mainly attributable to the Group exposure outstanding on cash and cash equivalents and borrowings in USD, Euro and ZAR. The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. There was no open forward contract at reporting date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis.

The Group's credit risk is primarily attributable to its trade receivables and from its financing activities including deposits with banks and financial institutions. The amounts presented in the Statements of Financial Position are net of allowances for expected credit losses, estimated by management based on prior experience and represents the company's maximum exposure to credit risk.

The Group does not hold collateral as security.

Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased for material subsidiaries of the group.

The Group does not have any significant concentration of credit risks other than those disclosed in Note 12.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns i.e., by customer type and rating. Generally, trade receivables are impaired if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security.

(j) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the financial liabilities at 31 December was:

Financial Liabilities

	Bank Overdraft		**Bank Loan**	
	Floating Interest Rate		***Floating Interest Rate***	
	2018	2017	**2018**	2017
	%	%	**%**	%
Mauritian Rupee	**From 3.75 to 6.10%**	From 6.20 to 7.45%	**From 4.85 to 5.75%**	From 3.15 to 4.85%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(j) Interest Rate Risk (Cont'd)

	Obligations under Finance Leases	
	Fixed and Floating Interest Rate	
	2018	2017
	%	%
Mauritian Rupee	**N/A**	From 6.95% to 7.35%

(k) Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's and the Company's profit for the year ended 31 December 2018 would have decreased as follows:

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Decrease in Profit and Equity	**2,177,473**	2,729,355	**715,443**	2,193,528

This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate borrowings.

(l) Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company has provided corporate guarantees (refer to Note 33) in respect of bank facilities to some of its subsidiaries and joint venture.

Liquidity Tables

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Group	**Less than 1 year**	**1 - 5 years**	**5+ years**	**Total**
	Rs	**Rs**	**Rs**	**Rs**
2018				
Non-Interest Bearing	**1,129,890,056**	**-**	**-**	**1,129,890,056**
Variable Interest Rate Instruments	**222,912,406**	**467,715,064**	**127,605,541**	**818,233,011**
	1,352,802,462	**467,715,064**	**127,605,541**	**1,948,123,067**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(l) Liquidity Risk Management (Cont'd)

Liquidity Tables (cont'd)

Group

	Less than 1 year	1 - 5 years	5+ years	Total
	Rs	Rs	Rs	Rs
2017				
Non-Interest Bearing	1,101,977,281	10,318,696	-	1,112,295,977
Finance Lease Liability	7,697,921	-	-	7,697,921
Variable Interest Rate Instruments	413,890,517	455,160,420	341,233,028	1,210,283,965
	1,523,565,719	465,479,116	341,233,028	2,330,277,863

Company

	Less than 1 year	1 - 5 years	5+ years	Total
	Rs	Rs	Rs	Rs
2018				
Non-Interest Bearing	**253,984,137**	-	-	**253,984,137**
Variable Interest Rate Instruments	**138,937,003**	**443,216,520**	**84,791,414**	**666,944,937**
	392,921,140	**443,216,520**	**84,791,414**	**920,929,074**
2017				
Non-Interest Bearing	775,999,478	-	-	775,999,478
Variable Interest Rate Instruments	252,036,370	455,160,420	341,233,028	1,048,429,819
	1,028,035,848	455,160,420	341,233,028	1,824,429,297

Non-Interest bearing debts includes Trade and other payables and Amounts due to subsidiaries (Company only) and contract liabilities.
Variable Interest rate instruments refer to bank and other loans inclusive of future interests.

For financial guarantee contracts, the maximum amount of the guarantees is allocated to the earliest period in which the guarantees will be called.

Company

	Less than 1 year	1 - 5 years	5+ years	Total
	Rs	Rs	Rs	Rs
2018				
Financial Guarantees	**-**	**-**	**-**	**-**
2017				
Financial Guarantees	407,572,350	-	-	407,572,350

Changes in liabilities arise from financing activities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

29. FINANCIAL INSTRUMENTS (CONT'D)

(l) Liquidity Risk Management (Cont'd)

(i) Group

	1 January 2018	Cash Flows	Reclassification	31 December 2018
	Rs	Rs	Rs	Rs
Current Interest Bearing Loans	258,059,462	(270,628,322)	205,019,252	192,450,392
Current Obligations under Finance Lease	7,435,977	(7,435,977)	-	-
Non Current Interest Bearing Loans	662,563,663	-	(205,019,252)	457,544,411
	928,059,102	(278,064,299)	-	649,994,803

	1 January 2017	Cash Flows	Reclassification	31 December 2017
	Rs	Rs	Rs	Rs
Current Interest Bearing Loans	339,993,722	(204,993,722)	123,059,462	258,059,462
Current Obligations under Finance Lease	17,008,475	(16,828,277)	7,255,779	7,435,977
Non Current Interest Bearing Loans	1,031,666,186	(246,043,061)	(123,059,462)	662,563,663
Non Current Obligations under Finance Lease	7,255,779	-	(7,255,779)	-
	1,395,924,162	(467,865,060)	-	928,059,102

(ii) Company

	1 January 2018	Cash Flows	Reclassification	31 December 2018
	Rs	Rs	Rs	Rs
Current Interest Bearing Loans	213,018,847	(303,228,322)	205,019,252	114,809,777
Non Current Interest Bearing Loans	662,563,663	-	(205,019,252)	457,544,411
	875,582,510	(303,228,322)	-	572,354,188

	1 January 2017	Cash Flows	Reclassification	31 December 2017
	Rs	Rs	Rs	Rs
Current Interest Bearing Loans	137,324,393	(2,324,393)	78,018,847	213,018,847
Current Obligations under Finance Lease	4,152,459	(4,152,459)	-	-
Non Current Interest Bearing Loans	739,804,427	778,083	(78,018,847)	662,563,663
	881,281,279	(5,698,769)	-	875,582,510

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

30. OPERATING LEASES

(a) The Group as Lessor

Leasing Arrangements

The Group leases office space with lease term of three to seven years, with an option to extend for a further period of three to five years on same terms and conditions. The operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Leasing Arrangements

The rental income earned by the Group and Company under operating leases amount to Rs 29,355,591 (2017: Rs80,062,296) and Rs2,464,200 (2017: Rs3,172,230) respectively. Direct operating expenses incurred by the Group and Company for the year amount to Rs11,798,409 (2017 :Rs 115,832,047) and Rs Nil(2017: RsNil) respectively.

Non-Cancellable Operating Lease Receivables

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Less than one year	**10,537,068**	13,971,372	**2,160,000**	2,160,000
Between two to five years	**24,161,430**	34,698,498	**-**	-
More than five years	**-**	-	**-**	-
	34,698,498	48,669,870	**2,160,000**	2,160,000

(b) The Group as Lessee

Leasing Arrangements

The Group leases state and privately-owned land and residential buildings with lease term of ranging from one to thirty years, with an option to extend on same terms and conditions. The operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

	GROUP		COMPANY	
	2018	**2017**	**2018**	2017
	Rs	Rs	**Rs**	Rs
Less than one year	**29,403,462**	29,403,462	**4,791,192**	4,791,192
Between one to five years	**77,815,223**	77,815,223	**9,582,384**	14,373,576
More than five years	**301,888,533**	331,291,995	-	-
	409,107,218	438,510,680	**14,373,576**	19,164,768

Payments Recognised as an Expense

Minimum Lease Payments	**31,117,347**	29,403,462	**4,791,192**	4,791,192

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

31. NON-CURRENT RECEIVABLES

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Prepayment for Lease of Land	**70,576,698**	72,920,279	**-**	-
Other Receivables	**27,176,472**	29,551,777	**490,114**	490,114
	97,753,170	102,472,056	**490,114**	490,114

Advance payments were made in respect of lease of land. The advance payments are expensed in Statement of Profit or Loss and Other Comprehensive income as follows:

	GROUP	
	2018	2017
	Rs	Rs
After one year but before five years	**9,374,324**	12,273,460
More than five years	**61,202,374**	60,646,819
	70,576,698	72,920,279

Other Receivables for the Group mainly relates to Long-term Deposit.

32. ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP & COMPANY 2018
	Rs
Transfer from Property, Plant and Equipment	**52,400,000**

Assets held for sale refers to carrying value of property which the Government decided to acquire compulsorily.

33. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the Group financial statements relate to expatriate guarantees of Rs 3M(2017: Rs 2M), customs guarantees of Rs 3M (2017: Rs 2M), performance bond of Rs 184M (2017: Rs 183M), tender bond of Rs 13M (2017: Rs13.9M), advance payment guarantees of Rs 156 M (2017: Rs126M) and guarantees of Rs 33M (2017: Rs 61M) to third parties.

Contingent liabilities not provided for in the Company financial statements relate to bank guarantee of Rs.Nil (2017: Rs 400M), expatriates guarantees of Rs 3M (2017: Rs 4M), custom guarantees of Rs 3M (2017: Rs3M) and performance bond of Rs 1M (2017: Rs1M).

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business.

It is not anticipated that any material liabilities will arise from them.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

34. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES

The Group reclassified its investment in Stamford Properties Ltd from Investment in Subsidiary to Investment in Associate during the year ended 31 December 2018. In the previous reporting period, the Group sold its investment in Raffles Third Ltd.

	2018 Stamford Properties Ltd	2017 Raffles Third Ltd
	Rs	Rs
Consideration Received in Cash and Cash Equivalents	-	6,776,000
Analysis of Assets and Liabilities over which Control was lost:		
Non-Current Assets		
Investment Properties	137,581,214	17,300,000
Current Assets		
Receivables	16,781,154	666,768
Other Investments	625,101	-
Cash and Cash Equivalents	22,337,228	403,518
Current Liabilities		
Payables	(70,588,714)	(11,120,003)
Net Assets disposed of	106,735,983	7,250,283
Share of Net Assets disposed of	53,367,992	3,625,142
Less Investment in Subsidiary accounted as Associate	-	-
	53,367,992	3,625,142
Profit on Disposal of Subsidiary (Note 21)	-	3,150,858
Transfer to Investment in Associate	53,367,992	-
Consideration Received in Cash and Cash Equivalents	-	6,776,000
Less: Cash and Cash Equivalent Balances disposed of	(22,337,228)	(403,518)
Non-Cash Assets disposed/Net Consideration received	31,030,764	6,372,482

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

34. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES (CONT'D)

The Group partially disposed of 26% of its effective interest in Kolos Cement Ltd, Kolos Building Materials Ltd and Cement Logistic Ltd during the year ended 31 December 2018.

	Kolos Cement Ltd	Kolos Building Materials Ltd	Cement Logistic Ltd	Total
	Rs	Rs	Rs	Rs
Consideration Received in Cash and Cash Equivalents	525,328,749	-	-	525,328,749
Analysis of Assets and Liabilities of Subsidiaries partially disposed:				
Non-Current Assets				
Property, Plant and Equipment	465,950,685	5,112,950	-	471,063,635
Investments	122,500	-	-	122,500
Deferred Tax Assets	-	12,116	-	12,116
Intangible Assets	13,841,779	-	-	13,841,779
Current Assets				
Inventories	127,636,836	113,806	-	127,750,642
Receivables	73,798,547	4,582,124	495,030	78,875,701
Cash and Cash Equivalents	35,460,091	1,801,219	2,868,932	40,130,242
Non-Current Liabilities				
Deferred Tax liability	(45,894,740)	-	-	(45,894,740)
Retirement Benefit Obligations	(5,705,972)	-	-	(5,705,972)
Current Liabilities				
Bank Overdrafts	(147,973,927)	-	-	(147,973,927)
Payables	(126,568,440)	(11,945,208)	(723,220)	(139,236,868)
Current Tax Liability	(4,548,622)	-	(2,673,562)	(7,222,184)
Total Net Assets/(Liabilities) of Subsidiaries which were partiallty disposed	386,118,737	(322,993)	(32,820)	385,762,924
Share of Net Assets disposed of	100,390,872	(83,978)	(8,533)	100,298,361
Profit on Part Disposal of Subsidiaries	424,937,877	83,978	8,533	425,030,388

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2018

35. DISCONTINUED OPERATIONS

On 23 August 2017, Burford Development Ltd, a wholly owned subsidiary, sold its sole investment property known as HSBC Centre and situated at Ebène, Mauritius.

As from 1 April 2018, Stamford Properties Ltd is being accounted as an associate as the Group has lost control over it.

The carrying value of the investment property was Rs600,000,000 and it was sold at Rs633,750,000.

	2017
	Rs
Proceeds	633,750,000
Less:	
Carrying value of Investment Property	(600,000,000)
Expenses incidental to the sale:	
Paid	(44,372,000)
Accrued	(15,111,109)
Loss on disposal of Investment Property	(25,733,109)

The result of the discontinued operation included in profit or loss for the previous year is set out below.

	2017 Burford Development Ltd
	Rs
Revenue	47,294,757
Expenses	(56,085,776)
Operating Loss	(8,791,019)
Finance Costs	(2,963,801)
Loss before before tax	(11,754,820)
Taxation	(2,444,380)
Loss for the year from discontinued operations	(14,199,200)
Cash flows from discontinued operations	
Net cash outflow from operating activities	(510,903,223)
Net cash inflow from investing activities	588,687,823
Net cash outflow from financing activities	(48,356,765)
Net cash inflow	29,427,835

36. EVENTS AFTER THE REPORTING DATE

There were no material subsequent events after the reporting date up to the date the financial statements were authorised for issue that require amendments or disclosure in these financial statements.

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