Les Moulins de la Concorde

2019 ANNUAL REPORT

CELEBRATING 30 years of service 1989 - 2019

Les Moulins de la Concorde Ltée Annual Report 2019

1989

CELEBRATING 30 years of service 1989 - 2019

Les Moulins de la Concorde

Quay D, Cargo Peninsula, Port Louis
www.lesmoulinsdelaconcorde.com

Contents

DIRECTORATE

BOARD OF DIRECTORS (JUNE 30, 2019)
Hansraj Ruhee (Chairman)
Cédric de Spéville
Michel de Spéville, C.B.E.
(Alternate Noël Eynaud)
Pierre Dinan
Eric Espitalier-Noël
Anwar Joonas
Deonanan Makoond
Jean-Pierre Montocchio
Pierre-Yves Pougnet
Aruna Devi Bunwaree Ramsaha
(Alternate Benoit Barbeau)
Petrus van Niekerk

SECRETARY
Eclosia Secretarial Services Ltd

GENERAL MANAGER
Philippe La Hausse de Lalouvière

AUDITORS
BDO & CO

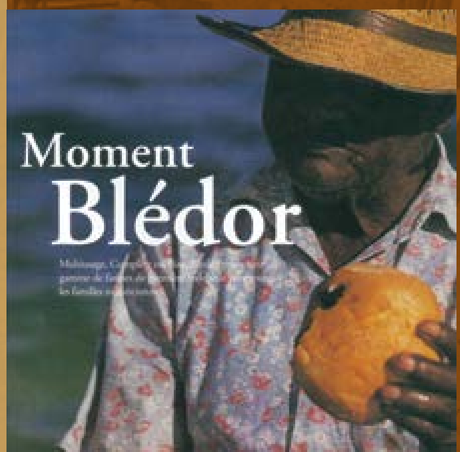
BANKERS
The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Limited
Barclays Bank Mauritius Limited

REGISTERED OFFICE AND FACTORY
Registered Office:
Eclosia Group Headquarters, Gentilly, Moka
Office And Factory:
Cargo Peninsula, Quay D, Port Louis, 11610

1989-1999

Implementation and capacity strenghening

The Mauritian flour mill was inaugurated on October 10, 1989. Operations already started with the reception of the first 18,000 MT of French wheat on board Altavia in March 1989, optimally stored in the eight 2,500 ton capacity silos.
Doubled from 8 to 16 in 1993, the number of silos allow a storage capacity of 40,000 tons of wheat.
Further additions to the equipment included an automatic palletiser in 1994 and a second mill in 1999, with an additional capacity of 150 tons per day, bringing the daily output to 550 tons.

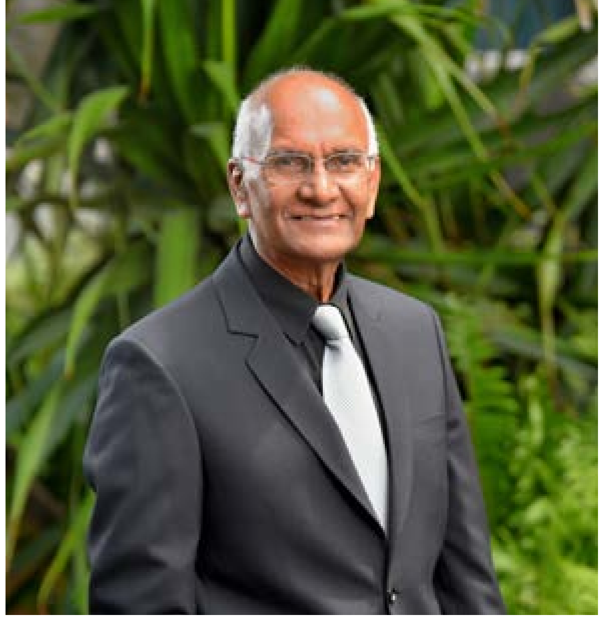


From implementation, the company developed close relationships with the baking community, through its technical service visits to the 60 existing bakeries.
The Fête du Pain was launched with the intention of it becoming an annual celebration of bread and baking activities in Mauritius.

Besides the flour produced for the State Trading Corporation, LMLC started producing specialised flours, such as Faratha flour in 1995.
The LMLC 1 kilogramme small paper packs were produced under the brand "Bledor" in 1997.

Quality Assurance has always been a priority in the flour milling activities.
In 1992, the company became the first flour mill of the southern hemisphere to receive ISO9002 certification.
The company was one of the proud winners of the first National Quality Award held in 1996.

Chairman's Review



CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I am pleased to submit the audited financial statements of the Company (LMLC) and the Group together with an overview of the Company's main activities for the year ended June 30, 2019.

OVERVIEW

The Company's total sales on both the local and export markets were again slightly lower than last year. This trend has continued for a few years now. On the local market, the STC has reduced its volumes due to slightly lower local consumption while the export markets continue to face fierce competition from big international producers.

The Company sold 150,000 tonnes of flour and bran during the year under review, slightly lower than the 154,000 tonnes of the previous year, while the turnover increased due to higher selling prices as a consequence of the high wheat prices on the international market.

A profit of Rs 57 million after tax was achieved, confirming the difficult environment in which the company operates and a slightly reduced dividend of Rs 7.00 per share was paid, in line with the company's performance.

SALES

The State Trading Corporation (STC) again awarded LMLC the annual tender for the supply of flour to the nation based on their annual tender exercise. In addition to the 100,201 tonnes of white and brown flour supplied to STC, some 6,880 tonnes of flour were sold directly to local distributors and consumers. Four types of flour are milled for the national requirements; white flour for French-style bread, Asian type flour for farata and chapathi as well as two types of brown flour for baking brown bread and farata. The domestic flour consumption in Mauritius decreased slightly, attributable to the relocalisation of an industrial noodles manufacturing company to Madagascar. The baking and household consumption remained stable, although dietary changes and increasing variety and quality of flour-based products on the market slightly alters the proportions consumed of the different flours. This trend is set to continue over the foreseeable future.

LMLC brands "Blédor" and "Les Moulins" of 1 kg and 2 kg packed flours sustain good brand loyalty on account of their product diversity and excellent quality and their sales were slightly higher than last year.

It is noted that sales of STC's small packs of subsidized flour continue to compete with LMLC small packs.

LMLC export sales to clients in the region was maintained at 12,259 tonnes during the year, similar to the 12,660 tonnes last year but down from the 17,025 tonnes achieved in 2016. Large flour producers in Turkey and Egypt continue to dump flour on export markets in our region. However, on-going technical visits to distributors and bakeries in the region helped support sales. At time of printing, a new flour mill is about to open in Toamasina; this will no doubt compromise our chances of exporting increased sales volumes to this country.

BRAN

The local demand for fresh, high quality bran for the animal feed sector was satisfied by LMLC. The production of good quality, fresh bran supports and sustains the ruminant and poultry farming activities in Mauritius and Rodrigues. These activities consumed nearly all of the total bran output of the mill and only 2,000 tonnes were exported.

OPERATIONS

The highest-level norms of operation continue to be applied within a network of internationally accredited management systems: ISO 9001:2015 (quality management), OHSAS 18001:2007 (health and safety management), ISO 14001:2015 (environmental management), HACCP (food safety management) and ISO-IEC 17025:2005 (laboratory analysis management). All systems were successfully retained during the year with the ISO 9001:2015 and ISO 14001:2015 procedures being updated to the latest norms.

AFTER SALES SERVICE AND TRAINING

The number of bakeries remains around 210, although the shift continues from traditional family owned bakeries to those within commercial centres. LMLC technicians continue to support all bakeries with comprehensive technical visits. A wide programme of training courses are offered to professionals in the baking and confectionery sectors, to upgrade skills and innovate methods. The company's "La

1989 • 1992 • 1995 • 1999 • 2001 • 2004 • 2007 • 2010 • 2013 • 2016 • 2019

Fournée des Moulins" training center was very active during the year providing such courses. More than 1,000 non-professionals also took advantage of short courses to learn or improve their baking skills.

The successful first batch of students following the 10-month NC3-level Baking Diploma course was conducted in 2018, with a 100% pass rate. Registration was made for a larger group of students, up to 17, to enroll in the coming year. The diploma course adheres to the MQA and MITD norms and operational structures, so students receive a stipend as well as assured experience in hotels or commercial bakeries. Such training will enhance baking industry capacity and improve employability, both of which contribute to the development of Mauritius.

Technico-commercial visits were made to bakeries and clients in countries of the region. These visits strengthened client-supplier relations and permitted a better understanding of client needs and the challenges they face.

PUBLIC OUTREACH

Fête du Pain

A successful "Fête du Pain" was held in Mauritius and in Rodrigues in May and June, around the theme "The Taste of Mauritius". Expositions of decorative bakery and sandwich competitions were held at the Caudan Waterfront and several competitions among professionals and student bakers from hotels were also organised to improve and develop new culinary techniques. A large number of schools participated in competitions and educational events linked to flour and flour products. The public had access to many of the events held during the "Fête du Pain" and exposure to new products was enhanced. The events also allowed local producers to expose and sell their products.

CORPORATE SOCIAL RESPONSIBILITY/SPONSORSHIPS

The Company continues to support the "Pain d'Epices" project in Rodrigues, which has created and now sustains a cottage-industry of baking entrepreneurs. The registered association "Mezon Rodrigues" is now in the hands of Rodriguan producers with LMLC assuring administrative support and product quality control functions. The entrepreneurs in Rodrigues had satisfactory sales with local marketing being improved during the year.

The company contributed a total of Rs 1.9 million towards Corporate Social Responsibility activities, 50% of which was directly remitted to the MRA as from this year. The remaining 50% was invested in "Fondation Solidarité" of the Eclosia Group, which supports a series of CSR projects assisting vulnerable sectors of the society.

Training courses in baking are offered to non-profit organisations, as part of LMLC's CSR initiatives.

The Company continues to sponsor several educational institutions and needy students at St Francois Xavier RCA school. Over the years, more than 50 gifted young men and women have been supported to graduation at this school.

Amigel Ltd

Amigel Ltd ceased its operations at the end of 2018 despite intense efforts to improve the profitability of the Tamam franchise entrepreneurs. This franchise project aimed at creating small entreprises and supporting the entrepreneurs, but the limited margins of price-controlled bread hampered the margin mix and the profitability of the initiative. The difficult decision was taken to cease the franchise operation. All the franchisees were re-channeled to embark on other similar activities or closed down under mutually agreed terms.

ACKNOWLEDGEMENTS

I take this opportunity to express my thanks to my fellow directors for their guidance and support during this year, in particular those who in addition to their duties on the Board also served on the committees, for which I am grateful.

I equally acknowledge the commitment of Management and the Company's personnel at large. Their efforts and rigour continue to sustain the activities, performance and development of the Company.

Hansraj Ruhee
Chairman

ANNUAL REPORT
JUNE 30, 2019

The Directors have pleasure in submitting the Annual Report of Les Moulins de la Concorde Ltée together with the audited financial statements for the year ended June 30, 2019.

PRINCIPAL ACTIVITIES

The principal activity of Les Moulins de la Concorde Ltée is the milling of wheat and its main products, wheat flour and wheat bran which are sold on the local market and exported to the Indian Ocean Islands and other countries. The Company also sells various types of wheat flour in small packs.

The principal activities of its subsidiary companies are as follows:

1. Concordia Investments Ltd - holding of investment.
2. Amigel Ltd - producer of unbaked frozen products.

The consolidated statements of profit or loss and other comprehensive income for the year ended June 30, 2019 is set out on page 65.

CELEBRATING 30 years of service 1989 - 2019

DIRECTORATE AT JUNE 30, 2019

Les Moulins de la Concorde Ltée - The Company	Concordia Investments Ltd - Subsidiary
Hansraj Ruhee (Chairman)	Cédric de Spéville (Chairman)
Cédric de Spéville	Pierre-Yves Pougnet
Michel de Spéville, C.B.E.	Gérard Boullé
(Alternate Noël Eynaud)	Petrus van Niekerk
Pierre Dinan	
Eric Espitalier-Noël	**Amigel Ltd - Subsidiary**
Anwar Joonas	Gérard Boullé (Chairman)
Deonanan Makoond	Cédric de Spéville
Jean-Pierre Montocchio	Michel de Spéville, C.B.E.
Pierre-Yves Pougnet	Anwar Joonas
Petrus van Niekerk	Hansraj Ruhee
Aruna Devi Bunwaree Ramsaha	Mélanie Giraud
(Alternate Benoit Barbeau)	

DIRECTORS' REMUNERATION

There was no contract of significance subsisting during the period to which the Company or one of its subsidiaries is a party and in which a director is or was materially interested, either directly or indirectly.

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company and its subsidiaries were as follows:

Directors of Les Moulins de la Concorde Ltée	**2019 Rs000's**	2018 Rs000's
Executive Directors		
Full-Time	**-**	-
Part-Time	**-**	-
Non-executive Directors		
Full-Time	**-**	-
Part-Time ((12) (2018: 12))	**2,135**	2,055
	2,135	2,055

1989 • 1992 • 1995 • 1999 • 2001 • 2004 • 2007 • 2009 • 2013 • 2016 • 2019

Directors of subsidiaries	2019 Rs000's	2018 Rs000's
Executive Directors		
Full-Time	-	-
Part-Time	-	-
Non-executive Directors		
Full-Time	-	-
Part-Time ((6) (2018: 6))	**145**	170
	145	170

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company and of the subsidiaries has service contracts with the Company or with any of its subsidiaries.

DONATIONS

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Charitable donations	**306**	380	**306**	359

AUDITORS' FEES

The fees paid to the auditors, for audit and other services were:

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Audit fees paid to:				
- BDO & Co	770	749	670	654

The auditors did not receive any fees for other services for the years ended 2019 and 2018.

DIVIDENDS

Dividends of Rs 37.8M (2018: Rs 43.2M) on ordinary shares and Rs 6M (2018: Rs 6M) on preference shares have been paid in respect of the current year.

Approved by the Board of Directors on September 25, 2019 and signed on its behalf by:

Hansraj Ruhee
Chairman

Aruna Devi Bunwaree Ramsaha
Director

1989 • 1992 • 1995 • **1999** • 2001 • 2004 • 2007 • **2009** • 2013 • 2016 • 2019

1999-2009
Consolidation

LMLC consolidated its operations to cater for both local and export markets of fresh flour and bran.
A contract was signed with Soufflet Negoce in 2008 to guarantee the supply of 100,000 tons of wheat in the event of world scarcity, aiming at national food security.

The number of bakeries increased from 60 in the 80's to 114 in 2004, while the annual per capita consumption burgeoned from 61 kg in 1989 to 72 kg in 1999 and 76 kg at the end of the period.
The Fête du Pain became an opportunity to reinforce the links between LMLC, the general public and professional bakers, including those of the hotel industry and supermarket sectors.
The company celebrated its 20th anniversary by offering baking technical training in France to 20 traditional local bakers.

New specialised products were initiated such as Whole Wheat Flour in 2001, followed by two new brands in 2008 and 2009 respectively : "DoMix" regrouped dry ready- to-use bakery mixes for professionals whereas " Les Moulins" aimed at the everyday ready-to-use consumers.

LMLC was certified ISO 9001 for the first time in 2003 and ISO 14001 in 2006.
Beyond its own Environment Charter drawn up in 1997, LMLC signed the Harbour Environmental Charter in 2004, as a member of the Port community.

Corporate Governance Report

CORPORATE
GOVERNANCE REPORT

Les Moulins de la Concorde Ltée ("LMLC") is a Public Interest Entity quoted on the Development Enterprise Market (DEM) of the Stock Exchange of Mauritius.

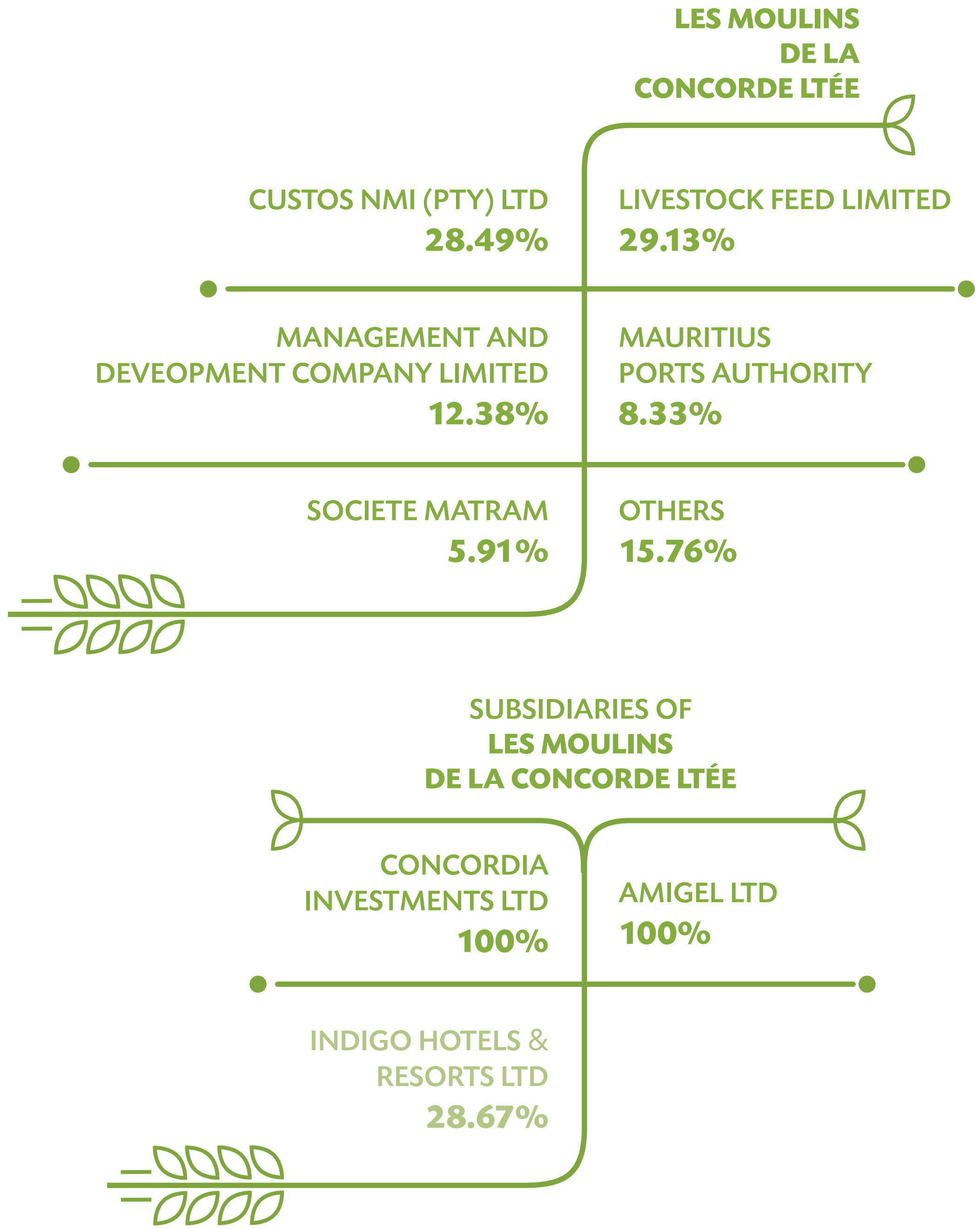
The Board of Directors is fully aware of the principles of good governance and guidelines of the National Code of Corporate Governance for Mauritius (2016) and ensures that the principles are followed and applied throughout the Company. The Corporate Governance Report hereby explains how the principles are applied at LMLC.

The Statement of Directors Responsibilities and Statement of Compliance are on pages 48 and 49 respectively.

The annual report of Les Moulins de la Concorde Ltée is published in full on the Company's website www.lesmoulinsdelaconcorde.com.

GROUP STRUCTURE

The Group Structure of Les Moulins de la Concorde Ltée at June 30, 2019 was as follows:



During the year, Amigel Ltd ceased its activities and rescinded its franchisee contract with the entrepreneurs who were operating Tamam outlets. The principal reason was that the outlets had difficulty in generating sufficient profits due mainly to the fact that price-controlled bread formed the bulk of sales. At the year-end, all the production equipment of Amigel remained to be disposed of.

Indigo Hotels & Resorts Ltd is the holding company of Tropical Paradise Co Ltd, a company listed on the Development Enterprise Market and which operates the four Indigo brand hotels in Mauritius.

Shareholders holding more than 5% of the Company

The shareholders holding more than 5% of the Company at June 30, 2019 were:

No.	Shareholders	Ordinary	%
1	Livestock Feed Limited	1,573,089	29.13
2	Custos NMI (Pty) Ltd	1,538,482	28.49
3	Management and Development Company Limited	668,847	12.38
4	Mauritius Ports Authority	450,000	8.33
5	Société Matram *	319,296	5.91

*wholly owned by Management and Development Company Limited

Distribution of Shareholding at June 30, 2019

The Company had 1,953 ordinary shareholders as at June 30, 2019, distributed as follows:

No. of Shares	No. of Shareholders	No. of Shares owned	% Shareholding
0 - 500	1,666	218,165	4.06
501 -1 000	149	109,128	2.02
1 001 -5 000	107	229,524	4.25
5 001 - 10 000	16	112,923	2.09
10 001 - 100 000	10	180,546	3.34
100 001 - 500 000	2	769,296	14.24
above 500,000	3	3,780,418	70.00
	1,953	**5,400,000**	**100**

Common Directors on Shareholder Companies and Subsidiaries

The table below indicates the Directors common to the shareholder companies having more than 5% holding in Les Moulins de la Concorde Ltée and Directors common to the subsidiaries of the Company:

	SHAREHOLDERS HAVING MORE THAN 5%						SUBSIDIARIES OF LMLC	
DIRECTORS	**LMLC**	**LFL**	**MADCO**	**CUSTOS**	**MPA**	**SM**	**CIL**	**AMIGEL LTD**
Hansraj Ruhee (Chairman)	√	-	-	-	-	-	-	√
Cédric de Spéville	√	√	√	-	-	-	√	√
Michel de Spéville, C.B.E.	√	√	√	-	-	√	-	√
Pierre Dinan	√	√	-	-	-	-	-	-
Eric Espitalier-Noël	√	√	√	-	-	-	-	-
Anwar Joonas	√	-	-	-	-	-	-	√
Deonanan Makoond	√	-	-	-	-	-	-	-
Jean-Pierre Montocchio	√	-	-	-	-	-	-	-
Pierre-Yves Pougnet	√	√	√	-	-	√	√	-
Aruna Devi Bunwaree Ramsaha	√	-	-	-	-	-	-	-
Petrus van Niekerk	√	-	-	√	-	-	√	-
ALTERNATE DIRECTORS								
Noël Eynaud (alternate to Mr. Michel de Spéville)	√	√	-	-	-	√	-	-
Benoit Barbeau (alternate to Mrs. Aruna Devi Bunwaree Ramsaha)	√	-	-	-	-	-	-	-
DIRECTORS ON SUBSIDIARIES OF LMLC								
Gérard Boullé	-	√	-	-	-	-	√	√
Mélanie Giraud	-	-	-	-	-	-	-	√

LMLC: Les Moulins de la Concorde Ltée
LFL: Livestock Feed Limited
MADCO: Management and Development Company Limited
CUSTOS: Custos NMI (Pty) Ltd
MPA: Mauritius Ports Authority
SM: Société Matram
CIL: Concordia Investments Ltd

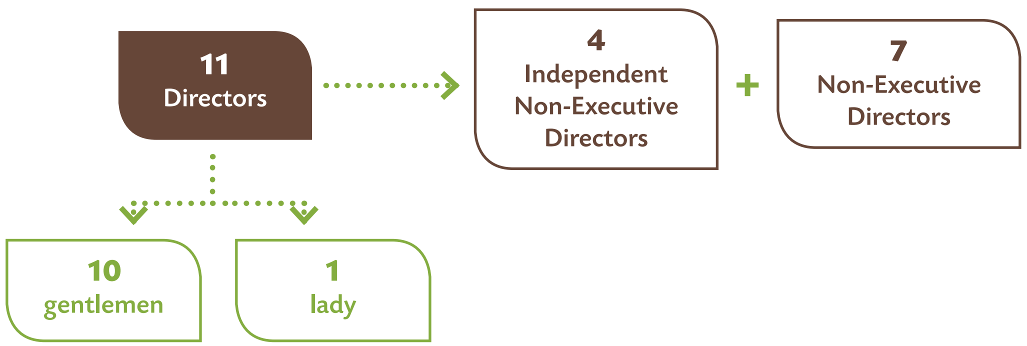
CONSTITUTION OF THE COMPANY

The Constitution of the Company is in line with the Companies Act 2001.

Shareholders have a pre-emptive right on all new shares issued by the Company up to the extent of their respective holding in the shares of the Company.

Preference shareholders have the right to "a fixed cumulative preferential dividend at the rate of 13% per annum on the capital for the time being paid up on the said preference shares held by them respectively, and all balance, if any, left over out of the profits of each year available for dividend and which the Board may have decided to distribute by way of dividend shall be distributed amongst the holders of both the ordinary and preference shares 'pari passu' per share, the holders of the preference shares being entitled to a maximum dividend of 20%".

The holders of the said preference shares shall be entitled, in a winding up, to repayment of capital, in priority to the ordinary shares, but shall have no other rights in respect of dividend or capital.



The shares of the Company are traded on the Development and Enterprise Market and are free from any restrictions on ownership.

There is no share option plan in place at the Company.

GOVERNANCE STRUCTURE

The Board

The Board, as the governing body, fully understands its role, responsibility and authority in setting the direction, the management and control of the Company as well as its responsibility in meeting all legal and regulatory requirements. The Board has adopted governance structures and procedures, which conform to the Company's internal policies as well as current legislations.

The Company has a unitary Board and is chaired by an independent Director.

At June 30, 2019, the Board is composed of eleven non-executive members of whom four are independent. There are also two non-executive alternate Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

CELEBRATING 30 years of service 1989 - 2019

The Board acknowledges that gender and diversity are recommended by the Code in the board composition, nonetheless expertise and skills are regarded as prerequisites for appointing a Director.

The Chairperson heads the Board and is not involved in the day-to-day management of the Company. The Chairperson meets the General Manager on a regular basis to discuss matters pertaining to the Company and he devotes sufficient time to his duties and responsibilities towards the Company.

Although there are no executive Directors sitting on the Board, it is the Board's view that:

(i) the active participation of the General Manager at all Board meetings and the participation of senior executives to sub-committees of the Board meet with the spirit of the good governance;

(ii) the Board is of an appropriate size and meets the Company's business requirements;

(iii) its Directors have the requisite skills, experience and knowledge to contribute effectively to the Company.

Non-Executive Directors, who are considered by the Board as independent, undertook an assessment to determine their independence of character and judgement. The responses were tabled before the Corporate Governance Committee and were reported to the Board. The Board concluded that according to the assessment, the independent directors have at all times acted in the best interests of LMLC and they have maintained their independent status at all times during the year under review.

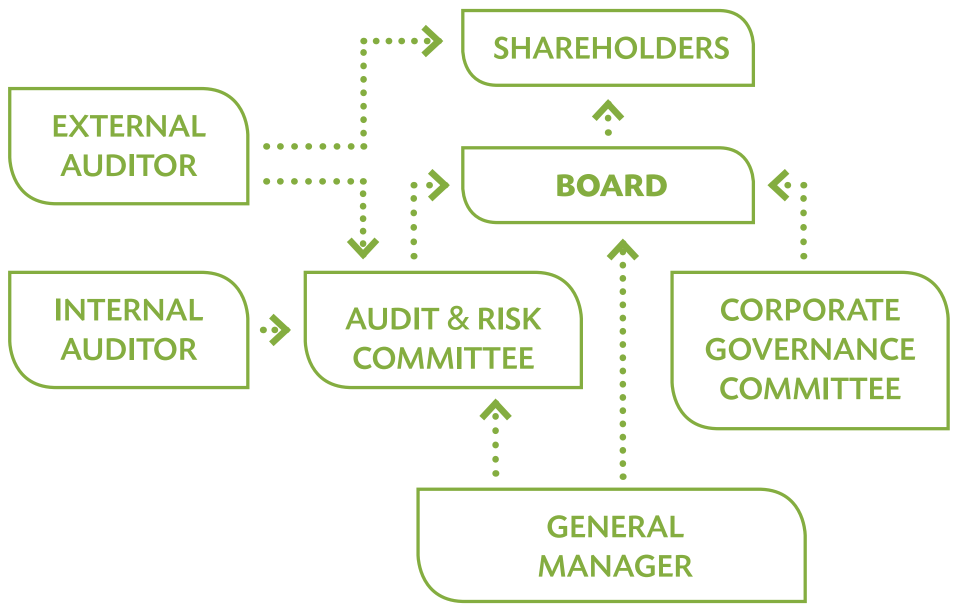
The Board Charter was approved by the Board and is published on the Company's website. The Board Charter will be reviewed by the Board as and when required and will be updated on the website.

The job descriptions of the Chairman of the Board and the Secretary are also available on the Company's website. The responsibilities of each Chairman of the Committees of the Board are fully described in the terms of reference, which are also published on the Company's website. The terms of reference have been reviewed and updated during the course of the financial year.

Statement of Accountabilities

The Chairmen of the Audit and Risk Committee and Corporate Governance Committee report to the Board on the deliberations of their respective Committees, and as and when necessary, make recommendations to the Board.

The General Manager, who attends board meetings, reports on the operations and management of the Company to the Board. The accountabilities within the Company are disclosed on page 32 of the Corporate Governance Report.



BOARD COMMITTEES

Corporate Governance Committee

The Corporate Governance Committee for the financial year ended June 30, 2019 comprised of the following members:

Position	Name	Status
Chairperson	Mr Pierre Dinan	Independent
Member	Mr Pierre-Yves Pougnet	Non-Executive
Member	Mr Hansraj Ruhee	Independent
Member	Mr Jean Pierre Montocchio	Independent
Secretary	Eclosia Secretarial Services Ltd	

CORPORATE GOVERNANCE REPORT (CONTINUED)

The General Manager, Mr Philippe La Hausse de Lalouvière, attends the meeting of the Corporate Governance Committee.

The terms of reference of the Committee are in summary:

- to make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate principles and practices; and
- to ensure that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance.

The Terms of Reference of the Corporate Governance Committee were updated during the year and were approved by the Board on May 8, 2019.

The Committee met twice during the year and continued the established programme of monitoring governance performance within the Company, the implementation of the new Code of Corporate Governance, leading the board evaluation exercise, and ensuring the Company's compliance with existing legislations and policies.

The results of a gap analysis of the Company structure and reporting with the newly published National Code of Corporate Governance was undertaken during the year and the Committee made recommendations for improvements.

Remuneration and Nomination

The Corporate Governance Committee assumes the tasks of remuneration and nomination committee and makes recommendations to the Board with regard to: (a) Directors and Committee Members' fees and (b) the nomination of Directors.

Audit and Risk Committee

The members of the Audit and Risk Committee at June 30, 2019 were:

Position	Name	Status
Chairperson	Mr Pierre Dinan	Independent
Member	Mr Pierre-Yves Pougnet	Non-Executive
Member	Mr Anwar Joonas	Independent
Member	Mr Noël Eynaud	Non-Executive
Secretary	Eclosia Secretarial Services Ltd	

Although the composition of the Audit and Risk Committee is not constituted of a majority of independent Directors, the Board considers that the composition of this Committee strikes the right balance of knowledge and expertise and, as a collective body, they can scrutinise rigorously the relevant areas under their responsibility. The Board is satisfied that under the Chairmanship of an independent member, the Audit and Risk Committee is discharging its responsibilities effectively and efficiently.

The Committee met five times during the year. Careful consideration was devoted to the reports of internal auditors and the external auditor.

The terms of reference of the Audit and Risk Committee encompassed the fully owned subsidiaries of LMLC and were reviewed and updated during the year and were subsequently approved by the Board on February 12, 2019.

The terms of reference are in summary:

- to assist the Board in fulfilling its supervisory responsibilities;
- to review the financial reporting process, the system of internal control and assessment of business and financial risks, the internal audit process and the external audit process;
- to monitor compliance with laws and regulations as well as Board policies and Board decisions. In performing its duties, the Committee maintains effective working relationships with the Board of Directors, Management, as well as the Internal and External Auditors;
- to ensure that the Internal Auditors follow an established system of internal control and policies which ensure that the control objectives are attained;
- to submit recommendations to the Board (for consideration and acceptance by shareholders) for the appointment and remuneration of the external auditors;
- to review quarterly and annual financial statements for publication and submit same to the Board for final approval; and
- to monitor and review the Risk Register of the Company and to make recommendations to the Board regarding all aspects of risks associated with the Company.

The Company's results after each quarter were meticulously analysed and the performance of the enterprise scrutinised by the Committee.

The audit findings reports of both the external auditors as well as the internal audit team were closely followed. The response of Management to the issues raised was monitored to ensure satisfactory closure.

THE DIRECTORS

Except for Mr Petrus van Niekerk who is a resident of South Africa, all the other Directors of the Company are residents of Mauritius.

Directors	Non-Executive	Independent	Non-Independent	Direct Shareholding in LMLC % Ord	Direct Shareholding in LMLC % Pref	Indirect Shareholding in LMLC % Ord	Indirect Shareholding in LMLC % Pref	Number of other Directorships in Listed Companies
Hansraj Ruhee (Chairman)	•	•	-	0.038	0.039	0.011	0.032	1
Cédric de Spéville	•	-	•	-	-	0.270	-	3
Michel de Spéville, C.B.E	•	-	•	0.002	0.008	21.100	-	3
Pierre Dinan	•	•	-	-	-	-	-	1
Eric Espitalier-Noël	•	-	•	-	-	1.895	-	6
Anwar Joonas	•	•	-	0.030	0.070	-	-	-
Deonanan Makoond	•	-	•	-	-	-	-	-
Jean-Pierre Montocchio	•	•	-	-	-	-	-	4
Pierre-Yves Pougnet	•	-	•	0.071	0.023	-	-	3
Aruna Devi Bunwaree Ramsaha	•	-	•	-	-	-	-	-
Petrus van Niekerk	•	-	•	-	-	28.490	0.781	-
ALTERNATE DIRECTORS								
Noël Eynaud (alternate to Mr. Michel de Spéville)	•	-	•	-	-	0.039	0.483	2
Benoit Barbeau (alternate to Mrs. Aruna Devi Bunwaree Ramsaha)	•	-	•	-	-	-	-	-

The Directors confirm that they have followed the principles set out in the DEM Rules on restrictions on dealings by the Directors.

None of the Directors has traded in the shares of the Company during the year under review.

Directors' Profile

Hansraj Ruhee (Chairman)

Diploma in Business Administration. Executive Director of Ramphul Ltd. He was appointed Director of Les Moulins de La Concorde Ltée on March 3, 2006. Mr Ruhee is also an independent Director of the Mauritius Oil Refineries Ltd and is a member of its Audit and Corporate Governance Committees. He is also the Chairman of its Ethics committee. Mr. Ruhee served as President of The Mauritius Chamber of Agriculture and the Mauritius Sugar Syndicate.
Mr. Ruhee was appointed Chairman of Les Moulins de la Concorde Ltée on November 15, 2013.

Cédric de Spéville

Obtained a "Maîtrise en économie" from University of Paris I Panthéon Sorbonne in 2001. He also completed an MSc in Accounting and Finance at the London School of Economics in 2003 and obtained a Master in Business Administration from Columbia Business School in 2007. He was Consultant for COFINTER in Paris from 2002 to 2003 and joined the Eclosia Group in 2003. In January 2013, Cédric de Spéville was appointed Group Chief Executive Officer. He is Director on various companies of the Eclosia Group, a former President of the Mauritius Chamber of Commerce and Industry, the current President of Business Mauritius, as well as a member of the Economic Development Board of Mauritius. He was appointed to the Board of Les Moulins de la Concorde Ltée on April 22, 2009.
Other Directorships: Livestock Feed Limited, Tropical Paradise Co. Ltd and Mauritius Freeport Development Co Ltd.

Michel de Spéville, C.B.E.

Founder President of the Eclosia Group. Founder and Senator of the "Jeune Chambre Economique de l'Ile Maurice". Elevated to the rank of "Commander of the Order of the British Empire" (C.B.E). Honorary Citizen of Moka-Flacq District of Mauritius. "Honorary Fellow Agribusiness", University of Mauritius. Elevated to the rank of "Chevalier de l'Ordre de Mérite de Madagascar". Elevated to the rank of "Chevalier de la Légion d'honneur de France". Chairman and member of the Board of various companies of the Eclosia Group. A former President of the Mauritius Chamber of Commerce & Industry and a former President of "L'Institut de la Francophonie pour l'Entrepreneuriat" (IFE).
Other Directorships: Fincorp Investment Ltd, Livestock Feed Limited and Tropical Paradise Co. Ltd

Pierre Dinan

BSc. (Econ), FCA (Fellow of the Institute of Chartered Accountants in England and Wales), was a Senior Partner at De Chazal du Mée (DCDM) for 20 years until he retired in June 2004. He was also a Director of Multiconsult, a global business management services company, for twelve years until 2004. He acts presently as a Company Director for a number of public companies in the manufacturing and financial services sectors respectively. He is a past independent member of the Monetary Policy Committee set up under the Bank of Mauritius Act. Mr. Dinan was the founder Chairman of the Mauritius Institute of Directors. He was appointed to the Board of Les Moulins de la Concorde Ltée on February 4, 2009 and is the Chairman of the Audit and Risk Committee and the Corporate Governance Committee.
Other Directorships: Livestock Feed Limited.

Eric Espitalier-Noël

Holds a Bachelor's degree in Social Sciences and an MBA. He previously worked with De Chazal du Mée & Co, Chartered Accountants in Mauritius. He joined the ENL Group in 1986 and is currently the Chief Executive Officer of ENL Commercial Limited. Mr Espitalier-Noël has an extensive experience in the commercial and hospitality sectors being a board member of various companies evolving in those sectors. He was first appointed to the Board of Les Moulins de la Concorde Ltée in 2006.
Other Directorships: Automatic Systems Ltd, Commercial Investment Property Fund Limited, ENL Limited, Livestock Feed Limited, Rogers and Company Limited and Tropical Paradise Co. Ltd (alternate Director).

Anwar Joonas

Holder of B. Com., Executive Chairman of Joonas & Co Ltd and Managing Director of Galvabond Ltd. He was appointed to the Board of Les Moulins de La Concorde Ltée on January 18, 1993 as alternate Director to Mr. Mohammed Issack Joonas and appointed Director on April 22, 2009. Mr. A. Joonas also sits on the Board of Lafarge (Mauritius) Cement Ltd, Chairman of Business Mauritius CSR Fund, Member of the Court of University of Mauritius, Member of the Aapravasi Ghat Consultative Council. Former President of the Mauritius Employers Federation. Charter Member and past President of the Rotary Club of Quatre Bornes.

Deonanan Makoond

Holder of MSC, Tourism Planning & B.A (Hons) in Economics. Mr Raj Makoond is the Program Director of Eclosia Group. He was the Chief Executive Officer of Business Mauritius, the coordinating body of the Mauritius private sector. (2016-2018). Prior to joining Business Mauritius, he was Director of the Joint Economic Council (1994-2015), Deputy Secretary-General of the Mauritius Chamber of Commerce & Industry (1991-1994) and Senior Economist at the Ministry of Economic Planning & Development (1975-1991).
He chairs the Business Mauritius Regional Energy Working Group. He is a member of the Research and Innovation Committee and the Research and Development Working Group of the Mauritius Research Council.

He co-chaired the implementation of rescue plans in the context of the financial crisis and European crisis. Mr. Makoond was a Director of the European Centre for Development Policy Management (ECDPM), a Dutch Foundation based in Maastricht and specializing in matters regarding ACP-EU trade relations.
He was appointed to the Board of Les Moulins de la Concorde Ltée on May 3, 2007.

Jean-Pierre Montocchio
Born in 1963, he was appointed notary public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee. He is a Director of a number of listed companies in Mauritius.
Other Directorships: Fincorp Investment Ltd (Chairman), New Mauritius Hotels Ltd, Rogers Co. Ltd and ENL Land Ltd.

Pierre-Yves Pougnet
Pierre-Yves Pougnet, an accountant by profession, was appointed to the Board of Les Moulins de la Concorde Ltée on November 22, 1987. He is also a member of both the Corporate Governance Committee and the Audit and Risk Committee. Pierre-Yves Pougnet started his career with an audit firm. In 1975, he joined the Eclosia Group where he occupied executive functions, amongst which, Managing Director of Panagora Marketing and subsequently Managing Director of Avipro Ltd. He was the Vice Chairman of the Eclosia Group when he retired in 2015.
Other Directorships: P.O.L.I.C.Y. Limited, Tropical Paradise Co. Ltd and Livestock Feed Limited.

Aruna Devi Bunwaree Ramsaha
Deputy Director-General of the Mauritius Ports Authority, Mrs. Bunwaree Ramsaha is a Fellow of the Chartered Association of Certified Accountants (FCCA) and is holder of an MBA. Mrs. Bunwaree Ramsaha also sits on the board of Froid des Mascareignes and Transfroid Ltée and is an alternate Director on the board of Mauritius Cargo Community Services Ltd.

Petrus Johannes van Niekerk
Founder and Director of a Group of grain milling and feed manufacturing companies operating in southern Africa. He was appointed to the Board of Les Moulins de La Concorde Ltée on December 2, 1987.

ALTERNATE DIRECTORS

Noël Eynaud (Alternate to Michel de Spéville)
Accountant by profession, Noël Eynaud is a Director of Management and Development Company Limited. He was appointed to the Board of Les Moulins de La Concorde Ltée on June 30, 1993 and is a member of the Audit and Risk Committee. Mr. Eynaud is an alternate Director on the Board of Livestock Feed Limited and Tropical Paradise Co Ltd.

Benoit Barbeau (Alternate to Aruna Devi Bunwaree Ramsaha)
Captain Barbeau is Port Master at the Mauritius Ports Authority since 2009. He holds a Masters in Business Administration in Maritime and Logistic Management from University of Tasmania. He acts as alternate to Mrs Bunwaree Ramsaha on the Board of Les Moulins de la Concorde Ltée since November 10, 2015.

Directors' appointment procedures

Directors are elected to serve on the Board at the Annual Meeting of Shareholders. However, should a casual vacancy arise, the Board has the authority to appoint a Director to hold office until the next Annual Meeting.

The Constitution of the Company provides an annual rotation of Directors whereby one-third of the Directors longest in office shall retire and offer themselves for re-election at the annual meeting of shareholders. Accordingly, every Director has a three-year term of office on the Board.

The following Directors, who are above 70 years of age and who have reached their three-year term of office, will also offer themselves for re-election at the annual meeting to be held on November 29, 2019:
Messrs Michel de Spéville, Pierre Dinan, Pierre-Yves Pougnet, Petrus van Niekerk, Hansraj Ruhee and Noël Eynaud (who is the alternate of Mr Michel de Spéville).

A procedure for the appointment of Directors has been adopted and serves as a guidance for the appointment of Directors on the Board of the Company. The Corporate Governance Committee, in its role as Nomination Committee, leads the process and screens candidates based on the requirements of the position, the skills and expertise needed.

Once a candidate is selected, the Corporate Governance Committee makes its recommendation to the Board, who will decide whether to propose to the shareholders the appointment of the selected candidate.

Directors who have been elected to serve on the Board at the Annual Meeting are remitted a letter outlining the terms of their appointment.

Board information

Relevant board information are provided to the Board members in a timely manner to enable them to have sufficient time to study the matters that will be discussed at the meetings and make appropriate decisions.

Where necessary and subject to the formal approval of the Chairperson, Directors may have access to independent professional advice at the Company's expense to enable them to discharge their responsibilities.

A Directors' and Officers' Liability cover is in place for Directors and senior officers of the Company.

Board Evaluation

The performance of the Board is evaluated every two years and is led by the Corporate Governance Committee and the Company Secretary.

The next board evaluation exercise will be held in the financial year 2019-2020. Suggestions made by Directors during the past evaluation exercises have been adopted, as far as it was practical, and they have proved to enhance the performance of the Board. Directors were satisfied on overall in the application of board governance and the improvements made to the functioning of the board.

Induction and orientation

A formal induction plan is in place and an induction pack is remitted to a newly appointed Director and comprises among others the Board Charter, Directors' Code of Ethics, minutes of last three board meetings prior to the Director's appointment, the financial statements, the mission statement of the Company, and relevant legislations which shall enable him to understand the duties and obligations of being a Director.

The responsibility of the induction process lies with the Chairperson and the latter delegates to the General Manager and the Management staff to accompany newly appointed Directors in their introduction to the Company and its business operations.

Professional development

The Company provides the opportunity to its Directors to develop their knowledge and skills through workshops and development programmes delivered mostly by the Mauritius Institute of Directors, of which the Eclosia Group is a founder patron. The Head of Governance, Risk and Compliance of Eclosia Group through the Company Secretary, screens the workshops and training programmes offered and recommend to Directors those which would be relevant and of interest for the Directors to attend.

In performing their role, the Company secretaries of Eclosia Secretarial Services Ltd, undertake a minimum of 21 hours training and skills development annually as part of their qualifying as Chartered Secretaries of the Institute of Chartered Secretaries and Administrators of United Kingdom. The Company secretaries are also members of the Mauritius Institute of Directors and the ICSA Mauritius Branch.

Succession planning

A succession plan has been set up for the senior management positions whose expertise in the milling operations are fundamental to the running of the mill. The succession plan has been set up to maintain continuity and sustainability of the enterprise.

The identification of new directors, in order to keep a balance of skills and expertise at the level of the Board, is the responsibility of the Corporate Governance Committee, which reviews the composition of the Board on a regular basis.

DIRECTORS' DUTIES

Directors' duties

Directors are aware of their legal duties which have been communicated to them through the induction pack. The duties of Directors are also outlined in their letter of appointment as well as in the Board Charter.

All Directors are aware of their duty to make a formal declaration of their interests to the Company as required under the Securities Act and they do notify the Company in the event of any change in their interests.

A calendar of closed periods is communicated to the Directors at the start of every financial year and Directors are kept updated on the close periods during the course of the year.

Code of ethics

All employees of the Company formally adhere to the Code of Ethics of LMLC, which Code upholds the strong moral values, which are an integral part of the LMLC Group's spirit.

The Directors are guided by the Director's Code of Ethics, which has been adopted by the Board and is published on the Company's website.

Conflicts of interest

The Company Secretary maintains an interest register for the Members of the Board and senior officers of the Company and it is available for consultation by shareholders upon written request to the Company Secretary.

Directors and senior officers have the responsibility to notify of any change in their declaration of interests to the Company Secretary, who will ensure that the interest register is kept updated.

The Company's Constitution provides that a Director who has an interest in a transaction shall declare forthwith to the Company his interest and he shall not participate in the vote on the transaction.

Whenever a Director finds himself in a state of conflict or potential conflict of interest pertaining to a transaction to be put for decision before the Board, the Director shall abstain from being present when the matter is brought for discussion and shall not participate in the discussions or vote on the matter.

The Board Charter guides Directors in situations where they find themselves in a state of conflict or potential conflict or they are a related party in a transaction with the Company.

DIRECTORS' REMUNERATION

The remuneration for Members of the Board, Audit and Risk and Corporate Governance Committees at June 30, 2019 were as follows:

Type of meeting	Chairperson		Directors	
	Annual Retainer Rs	Meeting Fee Rs	Annual Retainer Rs	Meeting Fee Rs
Board meeting	100,000	10,000	80,000	10,000
Audit and Risk	70,000	10,000	50,000	10,000
Corporate Governance	50,000	10,000	35,000	10,000

The attendance of the Directors and Committee Members and their remuneration for the financial year ended June 30, 2019 are as follows:

No	Directors	Board Attendance	Board Fees	Audit and Risk Committee Attendance	Audit and Risk Committee Fees	Corporate Governance Committee Attendance	Corporate Governance Committee Fees
		Out of 6 Meetings held	Rs.	Out of 5 Meetings held	Rs.	Out of 2 Meetings held	Rs.
1	Hansraj Ruhee	6/6	160,000	-	-	2/2	55,000
2	Cédric de Spéville	6/6	140,000	-	-	-	-
3	Michel de Spéville, CBE	5/6	130,000	-	-	-	-
4	Pierre Dinan	6/6	140,000	5/5	120,000	2/2	70,000
5	Eric Espitalier-Noël	5/6	130,000	-	-	-	-
6	Anwar Joonas	5/6	130,000	5/5	100,000	-	-
7	Deonanan Makoond	5/6	130,000	-	-	-	-
8	Jean-Pierre Montocchio	4/6	120,000	-	-	1/2	45,000
9	Pierre-Yves Pougnet	5/6	130,000	5/5	100,000	2/2	55,000
10	Petrus van Niekerk	6/6	140,000	-	-	-	-
11	Aruna Devi Bunwaree Ramsaha	6/6	140,000	-	-	-	-
Alternate Director							
1	Noël Eynaud	0/6	-	5/5	100,000	-	-
2	Benoit Barbeau	0/6	-	-	-	-	-

Directors serving on the board of Amigel Ltd were entitled to an annual remuneration of Rs 10,000 (the Chairman of Amigel Ltd Rs 15,000) and an attendance fee of Rs 5,000 per meeting. No fee was paid to the Directors sitting on the subsidiary company Concordia Investments Ltd.

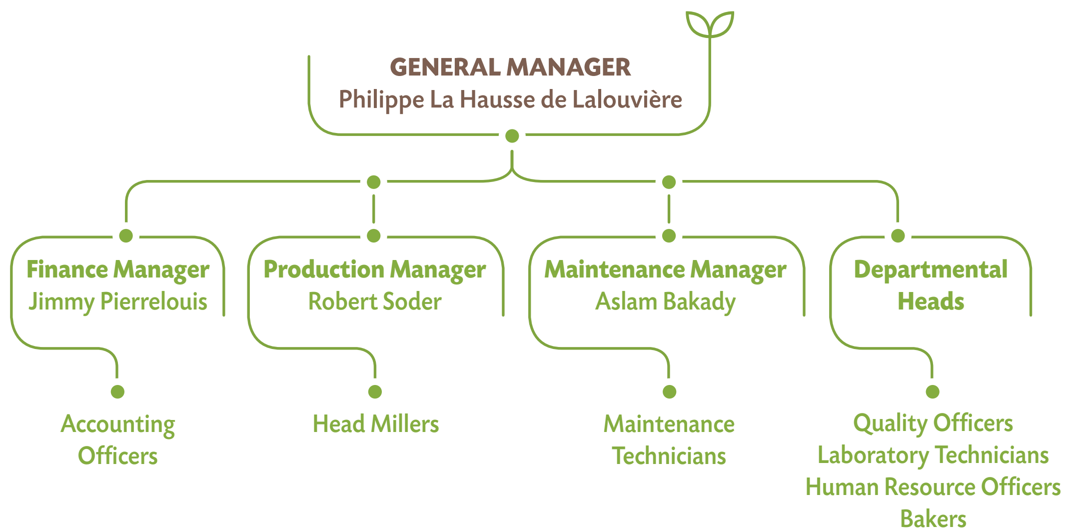
STATEMENT OF REMUNERATION PHILOSOPHY

The Company's philosophy concerning remuneration is to offer a competitive package that will attract, retain and motivate Directors and employees of the highest caliber and recognize value-added performance, whilst taking into account its own financial position.

In that respect, the remuneration offered to each category of jobs within the Company has been benchmarked and aligned with the current market rate.

The Directors' fees are also benchmarked on market norms and reviewed on a regular basis by the Board upon recommendation of the Corporate Governance Committee.

THE ORGANISATIONAL STRUCTURE



The members of the senior management team do not hold shares in the Company and are not entitled nor granted any special right to subscribe to shares of the Company.

	MANAGERS	Title	Description
1	**Philippe La Hausse de Lalouvière**	General Manager	Employed in the Eclosia Group since 1988 and previously General Manager of New Maurifoods Limited, he holds a Bachelor's degree in sciences and post-graduate degrees in natural sciences. He has served in the chair and on the boards of several large non-governmental organizations and parastatal bodies in the field of environment, heritage as well as industry.
2	**Jimmy Pierrelouis**	Finance Manager	Employed by Les Moulins de la Concorde Ltée since May 2014. Mr Pierrelouis holds a Bachelor's degree in Accounting and Finance from the University of Mauritius and is a Fellow Member of the Association of Chartered Certified Accountants. He has more than 10 years of broad ranging experience across various industries: tobacco, petroleum, audit, printing & stationery; both locally and in Africa.
3	**Robert Soder**	Production Manager	Employed by Les Moulins de la Concorde Ltée since October 2008. He has worked for the Eclosia Group as Production Manager at New Maurifoods Limited for five years. Before this, he was Production and Operations Manager in two milling operations in Nigeria and in Haiti. He is a Qualified miller since 1987 and holds a Diploma as milling technologist since 1993 from Swiss Milling school.
4	**Aslam Bakady**	Maintenance Manager	Employed by Les Moulins de la Concorde Ltée since August 2015. Mr. Bakady holds a Bachelor of Engineering in Computer Engineering. He worked as Maintenance Manager at Denim des Iles Ltd before joining LMLC.

CELEBRATING 30 years of service 1989 - 2019

THE COMPANY SECRETARY

Eclosia Secretarial Services Ltd is a corporate body which holds the functions of Company Secretary. The secretarial work is undertaken by qualified chartered company secretaries who are members of the Institute of Chartered Secretaries and Administrators (ICSA) of United Kingdom.

Board members have access to the company secretaries of Eclosia Secretarial Services Ltd who are assigned the task of guiding the Board in the application and implementation of the principles of the Code of Corporate Governance as well as ensuring that the Board is aware of the statutory and regulatory requirements. The Board is satisfied that Eclosia Secretarial Services Ltd, through its representatives, fulfils satisfactorily its responsibilities towards the Board and the Company.

The role and duties of the functions of the Company Secretary are outlined in its terms of reference.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The Eclosia Group IT Committee (GIT) has been mandated to provide the necessary directions on strategy, infrastructure, security and operations management in relation to information, communication, and technology systems within the Eclosia Group and its associate companies. The GIT directs and supports the companies in the aspects of Digital Innovation and Technical Management, Enterprise Architecture and Standards and IT Security and Solution Endorsement.

Resilience of the IT infrastructure has been tested via a Vulnerability and Penetration Tests assignment and recommendations highlighted by the Service Provider have been implemented.

An IT policies and Procedure (ITPP) manual, which comprises of 32 policies and 200 control points, has been implemented at LMLC and is audited by the Eclosia Corporate Services Ltd IT Audit Department on a 2-year roll over program. The findings of the audit are reported to the Audit and Risk Committee.

An End User IT Security Policy is remitted to all new recruits and must be adhered to by all employees.

A Common Enterprise Resource Planning (ERP) System aimed at improving business operations and the decision-making process is being implemented in the Eclosia Group companies and is planned to "go-live" at LMLC in 2020.

The new ERP system will facilitate the monitoring of milling production performance within the enterprise. In addition, financial and cost controls will be enhanced. A number of key performance indicators have been set up to evaluate the effectiveness of the new ERP and measure the savings resulting from this investment.

The existing IT control operating system in the mill (SCADA) will be upgraded to ensure sustainability and at term integration with the ERP. The new SCADA is expected to be operational over the coming two years.

RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance

The Board has entrusted to the Audit and Risk Committee the responsibility to ensure that Management identifies and manages all inherent risks on a regular basis and amongst other initiatives, by continually updating the Risk Register.

After implementing the new Code of Corporate Governance last year, a Code of Ethics for Directors and job descriptions for key governance positions were approved by the Board and published on the Company's website.

The Company's Risk Register was reviewed and updated by Management during the year. The domains of finance, production, operations, human resources, food quality, information technology, environment, security and communication risks were addressed and mitigating actions were evaluated and new measures proposed, where appropriate. The risk appetite fixed by the Board was maintained at the level of Rs.20 Million.

Key Risks facing LMLC

(a) Strategic and Business Risks

The risks inherent for the Company in the flour market, are twofold - a single large client, the State Trading Corporation which has an annual flour requirement of some two thirds of the production output of the enterprise. The tender process by which the STC procures its needs is subject to conditions like dumping which can influence the procurement process. In addition, the export market is subject to fierce international competition. Both factors are mitigated in various ways but remain a constant preoccupation of management.

(b) Legal & Commercial Risks

Dumped flour on all markets for flour is a reality. The existing legislation in Mauritius against dumping is no guarantor of an environment free of dumping. Nonetheless, the Company monitors competition continuously and takes action to counter this phenomenon when it occurs.

(c) Information Technology Risks

Access by internet or direct physical intervention creates a certain vulnerability of the mill operating system. As a result, LMLC maintains and closely monitors service contracts with service providers inside and outside of Mauritius to ensure smooth running of the IT system.

(d) Human Resource Risks

The scarcity of technical staff in milling in Mauritius has engendered procedures of training the key milling personnel, to ensure sustained technical performance. A management contract with Namib Mills Services also mitigates this risk.

(e) Health, Safety and Environmental Risks

There are inherent safety risks in LMLC's industrial activity but these are mitigated by the highly automated process, which reduces such risks to the minimum. The efforts of LMLC's production activities on the wider environment are quite limited, the major one being the use of plastic packaging for flour and bran products. A plan to reduce the use of plastic is in process.

(f) Financial Risks

Time-lapse differences between the purchase of raw materials and the sale of products give rise to risks of exchange rate fluctuations in the financials of the Company.

However, trading in the same currency for purchases and sales in either euros or dollars or rupees creates a natural hedging and minimises those risks.

Risk Management at LMLC

The Audit and Risk Committee was satisfied that the measures to effectively mitigate or counter risks had been identified and appropriate action plans were in place.

A special Audit and Risk Committee meeting was held to assess the risks of the Company and to evaluate the Company's risks management process to ensure that it is monitored and is effective. This exercise was carried out with the support of the Governance, Risk and Compliance (GRC) section of Eclosia Corporate Services Ltd. All financial and non-financial risks are analysed and the conclusion was that the risk management process was appropriate and conducted well.

- Business Continuity

The Business Continuity Plan (BCP) to recover business operations in the aftermath of a materialized risk and ensure the sustainability of operations was in place at LMLC. A disaster simulation was conducted during the year to test the effectiveness of the BCP and it was audited by an external consultant. The result was highly satisfactory.

- Insurance cover

The Company evaluated its insurance needs through a broker with many years of experience and satisfactory cover was maintained for the year. Special attention was paid to the value of installed plant and equipment as well as directors' liabilities.

- Fraud Policy

Clear guidelines on financial policies and procedures are in place to minimise the risk of fraud. These procedures are closely monitored by the internal audit services of the Company.

- Whistleblowing

At LMLC, all attempts are made to promote an environment of honesty and transparency. Employees are empowered to whistle-blow in case of need. They are at all levels sensitized on procedures for whistleblowing through a clear and confidential communication system.

Access to bypass LMLC Management and directly approach Eclosia Head Office is also provided to all employees.

Internal Control

In addition to the review of the Company's risks by the Audit and Risk committee, it also reviews the internal control system in place at the Company and suggests improvements where necessary.

The Board has entrusted the responsibility to report on the effectiveness of internal control to the Audit and Risk Committee.

Management of the Company follows a formalised set of policies and procedures in the fields of Human Resources, Finance, IT and industrial production. The principle of continual improvement is at the basis of all procedures.

Compliance is ensured through a comprehensive series of audits performed by auditors external to the Company which include:

- Internal audits of all operations,
- External audits of infrastructure, operational and financial aspects,
- Information technology audits,
- Client audits from a limited number of long-standing clients to assure them of process and product quality standards.
- Food safety, environmental impact, management systems and health and safety systems (as detailed below),
- Technical audits by milling engineers and millers concerning yields, efficiencies and machine performance,
- The "Eclosia Way" series of audits that compare the Company management to norms established by the Eclosia Group. The system encourages adherence to core values as well as initiatives for improvement and evaluation against operational benchmarks.

LMLC continued to successfully maintain the five internationally recognised management systems already in place:

- Quality Management (ISO 9001:2015),
- Environmental Management (ISO 14001:2015),
- Food Safety Management (HACCP),
- Occupational Health and Safety Assessment Services (OHSAS 18001:2007).
- Testing and calibration norm (ISO-IEC 17025:2005)

The systems mentioned are accredited by external consultants, some from overseas, who perform annual audits of the systems in place.

These systems set out policies to ensure food safety, customer care and satisfaction, reliability and consistency in production, environment friendly processes, safe and healthy working conditions, laboratory analysis of raw materials and finished products, teamwork and employee involvement.

During the year, the Quality Management norms were successfully updated to the latest standard (ISO: 9001:2015), as were the ISO 14001:2015 environmental norms. All control systems and accreditation systems were again satisfactorily monitored, and accreditation obtained.

AUDIT

Internal Auditors

The internal audit service is contracted to Eclosia Corporate Services Ltd, which has a team of qualified professionals with extensive experience in auditing, fraud examination, risk management, food safety, industrial efficiencies, information systems security and governance.

The Internal Audit team has an independent appraisal function that reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks.

The Internal Audit Manager reports to the Chairman of the Audit and Risk Committee who in turn brings to the Board any material issues requiring special attention of the Directors.

The Board, with the assistance of the Audit and Risk Committee and the Internal Auditor, monitors the effectiveness of internal controls. Regular and surprise audits were performed by the Internal Auditors and the findings and recommendations and Management responses, were reported to the Committee.

Weaknesses identified by the Internal Auditors during their reviews were brought to the attention of Management and the Audit and Risk Committee formally by way of risk rated structured reports. These comprise the results of the current review together with updates on the corrective actions taken by Management to improve control systems and procedures. The purpose, authority and responsibility of the Internal Auditors are formally defined in their charter.

The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents as well as inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organisation.

The objectives of the reviews performed by the Internal Audit function are to give assurance on the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations as well as on the reliability of financial reporting. The areas covered by the internal audit function during the year under review include stock management, adherence to the policies and procedures, creditors, value added tax, purchases and weighbridge process. Audits were carried out on the security of the premises and the assets of the Company as well as food safety.

The Group Internal Audit Manager and the Group IT Auditor meet with the Chairperson of the Audit and Risk Committee once a year without the presence of management.

External Auditors

The external auditors, BDO & Co, were contracted for the annual financial audit, which was conducted in a serious and stringent manner. All internal audit reports were taken into consideration and the legal requirements on Company practices were closely evaluated.

External auditors are appointed at the annual meeting upon recommendation from the Audit and Risk Committee. However, in view of the new legal requirements on the rotation of auditors, a process has been identified for the appointment of new auditors.

The Audit and Risk Committee reviews the audit plan and fees of the external auditor prior to the yearly audits.

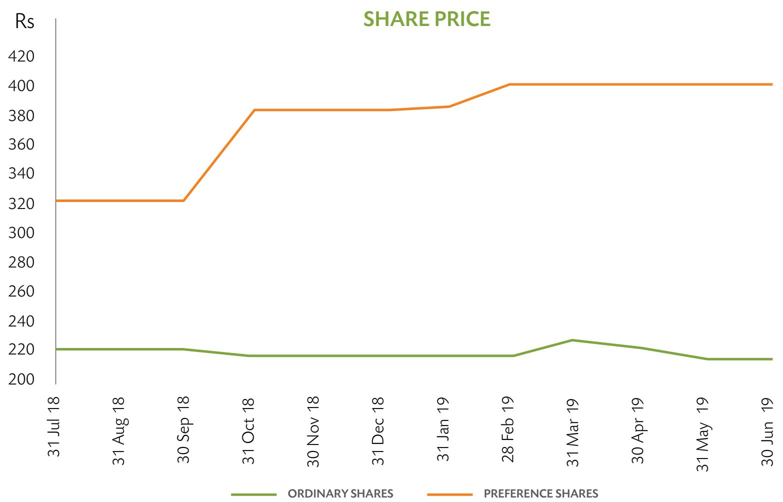
The Audit and Risk Committee meets once a year with the external auditors to review the Company's financial statements, management and representation letters and to assess the effectiveness of the external audit process. The external auditor also has the opportunity to meet the members of the Audit and Risk Committee without management presence.

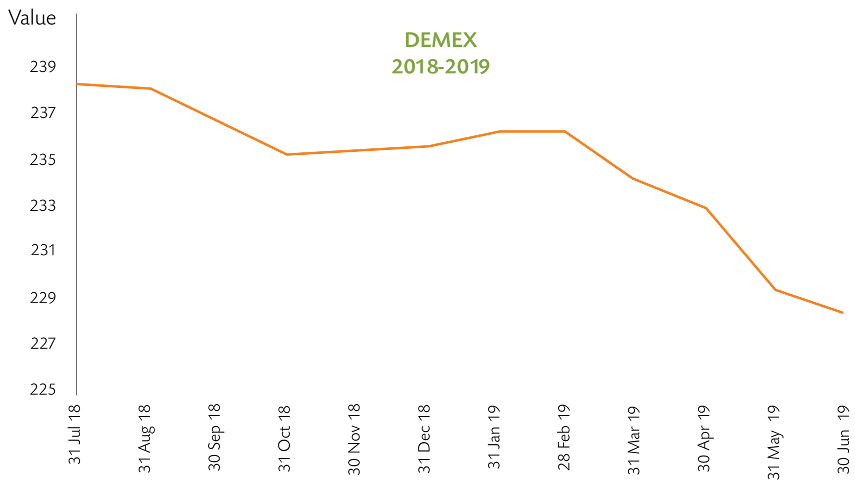
During the year under review, the Management and the Audit and Risk Committee assessed the work and performance of the external auditor, BDO & Co, based on the following criteria:

- Quality of Services provided
- Sufficiency of Audit Firm and Network Resources
- Independence, Objectivity and Professional Skepticism

Both Management and the Audit and Risk Committee recognized that the services of BDO & Co during the year have been satisfactory.

SHARE PRICE INFORMATION





CORPORATE GOVERNANCE REPORT (CONTINUED)

DIVIDEND POLICY

The Company's policy is to pay dividend based on its current profitability and the liquidity requirements to ensure, as far as possible, a relatively consistent return to shareholders.

The dividend paid for the financial year under review is Rs.7.00 per ordinary share and Rs.20.00 per preference share (2017/2018: Rs.8.00 per ordinary share and Rs.20.00 per preference share).

RELATED PARTY TRANSACTIONS

Related party transactions are made at arm's length and in the normal course of business.

Related party transactions between the Company or any of its subsidiaries or associates and a Director, controlling shareholder or companies owned or controlled by a Director or controlling shareholder are disclosed in the note 31 to the financial statements on page 125.

MANAGEMENT AGREEMENTS

LMLC has a management contract with Management and Development Company Limited (MADCO) since its inception. LMLC has no management contracts with its subsidiary companies.

MADCO is actively involved in the monitoring of the performance and strategic development of the companies of the Eclosia Group. As a result, LMLC benefits from a cohesive sharing of enterprise management culture, values and ethics. MADCO also participates in important exercises of raw material procurement, personnel recruitment and management and determining major capital expenditure.

LMLC has a technical management agreement with NMI Group Services (Pty) Ltd, an associate company of Credo LM (Pty) Ltd. In terms of the contract, the Company benefits from the vast technical experience in the domain of milling of the NMI Group in the southern African region. Audits of mass reconciliation for the entire wheat milling process are conducted every year as well as monitoring of the plant and machinery maintenance process and mill upkeep. The company also provides technical and strategic input and support for development projects.

ANNUAL SHAREHOLDERS' EVENTS

Annual Meeting

The Annual Meeting of the Company will be held on November 29, 2019. Shareholders are invited to attend the Annual Meeting where they have the opportunity to interact with the Members of the Board, Management and the external auditor.

The Chairman's Review in the Annual Report gives an overview on the Company's financial position, its performance and outlook.

A review of the performance from the closure of the financial year to the date of the holding of the Annual Meeting and the outlook for the year is presented by the General Manager during the Annual Meeting.

The Company also published quarterly review on its results and performance in the media and on its website and is made available to shareholders upon request.

Annual Shareholders' Events

The calendar of the annual events of the Company are as follows:

	Event	Month
1	Approval of Final Accounts and publication of Abridged Financial Statements	September
2	Annual Meeting	November
3	Dividend Declaration	May
4	Dividend Payment	June
5	Publication of Quarterly Accounts	
	- 1st quarter - ending September 30	November
	- 2nd quarter - ending December 31	February
	- 3rd quarter - ending March 31	May

DONATIONS

	Company	
	2019	2018
	Rs'000	Rs'000
Charitable Donations	306	359

RELATIONS WITH KEY STAKEHOLDERS

LMLC's employees are given the opportunity to express themselves and interact with management, whenever necessary. As part of the Communication Structure employees are given, through regular management and departmental meetings and the monthly company briefing, the opportunity to interact with management and participate in the development of the Company.

Moreover, the important stakeholders of the Company are also involved in a dialogue on the organizational position, performance and outlook and Management ensures that the Company responds to their reasonable expectations and interests. In that respect, the following steps are taken:

(a) Suppliers

The Company keeps a register of suppliers for all procured products and services. The suppliers are evaluated regularly on the quality of product delivered and the services supplied. The evaluation exercise allows the Company to determine preferred suppliers.

The Company adopts a policy of competitive bidding between the preferred suppliers of all products costing more than Rs 1 million annually, to ensure that it gets the best quality/ price product. A new tender procedure was initiated during the year to enhance transparent procurement. Potential suppliers, who are not on the preferred suppliers list, are invited to quote during all sourcing exercises.

(b) Employees

The satisfaction level of employees is evaluated every two years through an engagement survey. The result of this survey is analysed in focus groups consisting of representatives of employees and an improvement plan is thereafter put in action. The survey of 2018 showed improvements compared with the results obtained in 2016. Regular meetings were held with the Food and Beverages Industry Employees Union during the year, in an attempt to finalise and sign a Collective Agreement. Agreement on certain points was obtained but several issues remain under contention. It is hoped that these points will be finalized in the coming year.

(c) Clients

Meetings are held with all major clients of LMLC's products, both in Mauritius and overseas, on a regular basis. These client-supplier meetings review all issues of concern, including product quality, service level and price. They are a source of building strong and positive relations. In the case of major clients, who also distribute LMLC products, these meetings are on a monthly basis. However, in many cases, contact is made on a daily or weekly basis.

(d) Flour Consumers

The Company has a comprehensive programme of visits to flour consumers, which allows in-depth knowledge of consumer needs to be addressed. Such consumers include bakers, confectioners, chefs and producers of faratha and other products.

PUBLIC OUTREACH

The "Fournée des Moulins" training centre at the mill site continued to operate successfully during the year, providing courses to some 998 trainees, many of whom were employed in the baking sector. New or improved baking techniques were imparted to candidates, thus contributing to the progress and development of the baking sector in Mauritius.

A structured training diploma course operated for the first time over the year. The course is at a NC3-level and includes theoretical training at the "Fournée des Moulins" centre at LMLC, as well as practical training in bakeries. Five students successfully completed the course and next year the intake will be 17 students. This helps to build local capacity and professionalism in the bakery sector.

The team of baking and food-technology technicians employed by the Company continued providing their technical services to bakers and other flour users in Mauritius and Rodrigues. These services are greatly appreciated by local entrepreneurs and clients.

Technical-commercial visits were conducted during the year to Réunion Island, Mayotte, Madagascar and the Seychelles by Company technicians to serve existing clients and explore additional export markets.

Potential clients from Réunion Island again visited the mill during the year, in order to discuss their product needs and quality.

The new training centre was set up in Antananarivo to facilitate contact and provide services to bakers in Madagascar was now fully operational. It was inaugurated in March and has subsequently started training as well as testing of flours sold on the Malagasy market.

The 'Fête du Pain' was held in Mauritius during the month of May and in Rodrigues in June 2019. The theme of the event was "Les goûts de Maurice" and showcased new products from hotels, restaurants and retail baking sectors. Competitions were held among professional bakers, hotel bakers as well as commercial bakers, in decorative bread, sandwiches and specialist bread.

The Company web site and social media sites continued to show steady visitor growth over the year.

The Company sponsored social, cultural and sporting projects, including the donation of flour and semolina during religious festivals like Maha Shivratree, and to organisations concerned with unprivileged groups.

SOCIAL POLICIES & ACTIVITIES

Corporate Social Responsibility

The Company contributed Rs.0.4 M to the "Fondation Solidarité" of the Eclosia Group.

The "Fondation Solidarité" was set up in 1999 by Eclosia Group as a special purpose vehicle to direct and coordinate collective support actions in poverty alleviation and community development in Mauritius. The "Foundation" is managed and monitored on a regular and professional basis. CSR funds are used to support primary and secondary school bursaries of St François School. A total of 49 scholars have received bursaries totalling more than Rs 0.5 M over the year.

Management and staff of the Company have been directly involved in supporting specific community projects, notably the "Pain d'Epice à base de miel de Rodrigues" project, now in its eighth year. LMLC has decreased its financing input but continued logistic and quality assurance support. The Association "Mezon Rodrigues" operates among the Rodriguese Pain d'Epice producers in order to support their production and commercial activities. LMLC continues to assist the Association in its administration.

LMLC also provided support to projects concerning nutrition and national health, including the provision of baking training sessions at the Company's Training Centre.

Ethics

The Company's Code of Ethics, which presents the objectives and ethical policies of the Company, is actively promoted amongst employees through sensitisation and awareness programmes.

Top and middle management were particularly targeted through sensitisation programmes as crucial stakeholders of the code within the Company.

Training sessions on security and drug dependence were conducted among employees during the year.

Environment

The environmental management system, certified to ISO 14001: 2015 standards by Anglo Japanese American Registrars Mauritius Ltd, ensures that the Company's activities impact on the environment is kept to a minimum. Energy consumption, the reduction of waste, the recuperation and use of rainwater, favouring raw materials from suppliers that respect good environmental practices and the minimization of the "carbon footprint" are important aspects of the environmental management plan.

The reduction in the use of plastic has been set as a target for the year ahead. "Quick-wins" and longer-term strategic changes in packing will be planned.

Investment was continued in several energy-efficient motors in order to reduce electricity consumption.

LMLC contributed to the Port Area Environment Committee through the maintenance of "green areas" on its site and in the surroundings.

Health and Safety

Scrupulous respect of employee health and safety norms is a sine qua non for efficient and well-managed industrial operations. To this end, the Company is accredited with OHSAS certification (Occupational Health and Safety Accreditation System) best practice in health and safety management.

An experienced Health and Safety Officer ensures compliance with existing legal requirements in this area and facilitates the functioning of an active health and safety committee at LMLC. All conditions within the Company, which affect the health and safety of employees, are monitored by a qualified technician recruited on a permanent basis during the past year.

No emergency incidents occurred during the year. Attention was paid to emergency response procedures that were tested repeatedly through drills.

STATUTORY DISCLOSURES

The direct and indirect interests of the Directors of the Company are already disclosed in the Directors' profile (see page 24).

The senior officers (General Manager, Finance Manager and Company Secretary) do not hold shares in the Company.

Employees have not been granted the option to subscribe for equity or debt securities of the Company.

Service Contracts

There are no service contracts with the Directors of the Company.

The Company has a service contract for IT services with Eclosia Technology Services Ltd ("ETS"), a wholly owned subsidiary of Management and Development Company Limited ("MADCO")). The Company has a distribution contract with Panagora Marketing Company Limited for the distribution of flour in small packs. Both ETS and Panagora Marketing Company Limited form part of the Eclosia Group.

In addition, flour mixes and improvers are sold to Cascadelle Distribution et Cie Ltée through a service agreement for retail distribution.

The Company has contracted Eclosia Secretarial Services Ltd (a wholly owned subsidiary of MADCO) to provide corporate secretarial services to the Company and its subsidiaries.

The Company contracts out many operational activities such as Security, Machinery and Electrical maintenance, transport and pest control to local service providers.

All transactions carried out in terms of the above contracts are in normal course of business and at arm's length.

Contract of significance with substantial shareholders

The Company has a formal management contract with MADCO whereby the Company pays a fee based on its annual gross turnover.

The Company has a formal technical management contract with NMI Group Services (Pty) Ltd whereby the Company pays a fee based on its annual gross turnover.

Contract of significance with Directors

There is no contract of significance with the Directors.

CELEBRATING 30 years of service 1989 - 2019

SUMMARY OF RESULTS, ASSETS AND LIABILITIES

	GROUP	
	2019	**2018**
	Rs 000's	**Rs 000's**
Results – Net Profit after tax	**69,862**	57,867
Current Assets	**785,539**	987,144
Non-current Assets	**1,420,517**	1,427,757
Non-current Assets classified as held for sale	**9,757**	-
Total Assets	**2,215,813**	2,414,901
	GROUP	
	2019	**2018**
	Rs 000's	**Rs 000's**
Capital and reserves	**1,532,972**	1,524,044
Current liabilities	**485,510**	691,905
Non-current liabilities	**195,132**	198,952
Liabilities directly associated with non-current assets classified as held for sale	**2,199**	-
Total equity and liabilities	**2,215,813**	2,414,901

Eclosia Secretarial Services Ltd
SECRETARY

September 25, 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS);

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgments.

The report of the external auditors confirming that the financial statements are fairly presented is on page 54 .

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risks management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;

(iii) International Financial Reporting standards have been adhered to. Any departure in fair presentation has been disclosed, explained and quantified;

(iv) the Code of Corporate Governance has been complied and explanations have been provided on how the principles of the Code were applied.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's systems of control. The systems have been designed to provide the Directors with reasonable assurance that assets are safeguarded, that transactions are authorized and properly recorded and that there are no material errors and irregularities.

An internal audit system is in place to assist management in the effective discharge of its responsibilities, and it is independent of management and reports to the Audit and Risk Committee.

RISK MANAGEMENT

The Directors acknowledge their responsibility for maintaining a sound and effective system of internal controls to safeguard the Company's assets and shareholders' interests.

The Board accepts overall responsibility for risk management. Through the Audit and Risk Committee, the Directors are made aware of the risk areas that affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the organisations' position, performance and outlook.

Hansraj Ruhee	**Aruna Devi Bunwaree Ramsaha**
Chairman	Director

September 25, 2019

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity:	**LES MOULINS DE LA CONCORDE LTEE**
Reporting Period:	**JULY 1, 2018 TO JUNE 30, 2019**

We, the Directors of LES MOULINS DE LA CONCORDE LTEE, confirm that to the best of our knowledge that, throughout the financial year ended June 30, 2019, LES MOULINS DE LA CONCORDE LTEE has complied with all the principles set out in the Corporate Governance Code for Mauritius of 2016 except that no Executive Directors have been appointed to the board. The Board is of the view that the participation of the General Manager at all board meetings and the participation of senior executives in sub-committees of the board meets the spirit of the National Code of Corporate Governance.

LES MOULINS DE LA CONCORDE LTEE has applied all of the principles set out in the Code and explanation as to how these principles have been applied are provided in the Corporate Governance Report of the Company at June 30, 2019.

Hansraj Ruhee	**Aruna Devi Bunwaree Ramsaha**
Chairman	Director

September 25, 2019

SECRETARY'S CERTIFICATE - JUNE 30, 2019

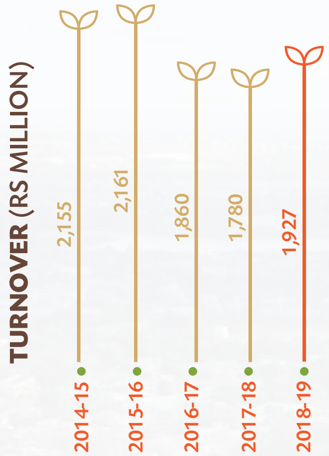
We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

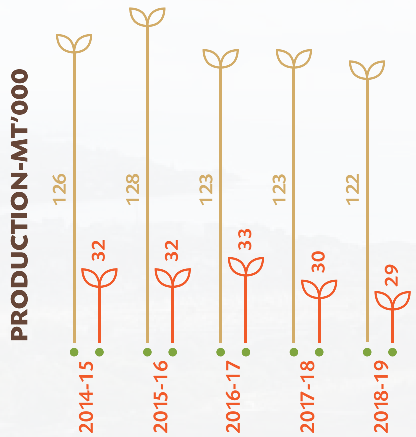
ECLOSIA SECRETARIAL SERVICES LTD
SECRETARY

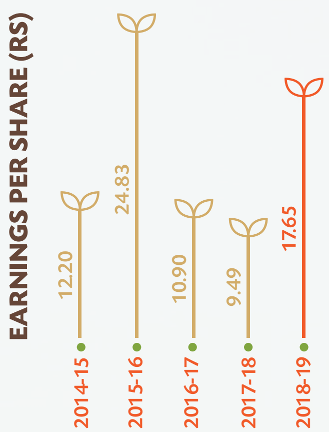
September 25, 2019

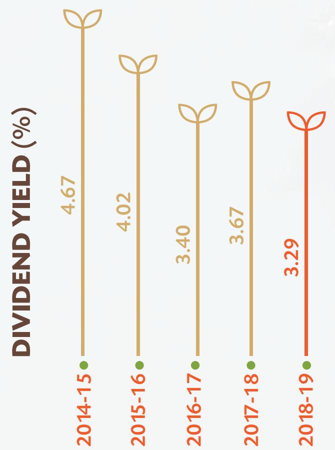
1989 • 1992 • 1995 • 1999 • 2001 • 2004 • 2007 • **2009** • 2013 • 2016 • **2019**

FINANCIAL
HIGHLIGHTS
YEAR ENDED 30 JUNE 2019









INDEPENDENT AUDITORS' REPORT
To the Shareholders of Les Moulins de la Concorde Ltée

Report on the audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of Les Moulins de la Concorde Ltée and its subsidiary companies (the Group), and the Company's separate financial statements on pages 64 to 128 which comprise the statements of financial position as at June 30, 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 64 to 128 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

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

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

Key Audit Matters (cont'd)

KEY AUDIT MATTERS	AUDIT RESPONSE
1 Going Concern	
More than 70% of the revenue of Les Moulins de la Concorde Ltée is derived from a sole customer. On an annual basis, Les Moulins de la Concorde Ltée is subject to an international tender exercise by the customer. The Company has obtained the tender up to December 31, 2019 and the new tendering exercise for the year 2020 is expected to be done in October 2019. Related disclosure Refer to note 2.1 (accounting policies)	We have obtained sufficient appropriate audit evidence about the appropriateness of management use of the going concern assumption in the preparation of these financial statements.
2 Inventories	
As at June 30, 2019, the Group's inventories stood at Rs.492M (2018: Rs.763M). Related disclosure Refer to note 2.9 (accounting policies) and note 11 of the accompanying financial statements.	Our audit procedures consisted of attending the annual physical inventory counts, discussing the counting procedure with the client and observing the counts as they are being done. We have also performed a reconciliation of the stock as per the physical count and the stock as per the stock listing at year end in order to detect any possible deviation. We have reviewed the costing of the finished goods and enquired about any obsolete inventory items. We have also checked that goods in transit accounted at year end has been properly recorded and ownership of the shipment has been transferred to the Company.

Key Audit Matters (cont'd)

KEY AUDIT MATTERS	AUDIT RESPONSE
3 Other Provisions for Liabilities	
Pension accounting Pension accounting is complex and contains areas of significant judgment, such as discount and inflation rates and demographic assumptions used in the valuation of the net liability. Therefore, a risk exists that inappropriate assumptions are used resulting in an inaccurate pension valuation at year-end. Related disclosure Refer to note 2.10 (accounting policies), note 4.1(b) (critical accounting estimates) and note 18 of the accompanying financial statements	We have: – assessed the design and implementation of key controls around the pension accounting; – assessed the actuarial assumptions (discount rate, inflation rates, and mortality assumptions) adopted by the Group for the valuation of its retirement benefit obligations, with specific focus on changes to demographic assumptions and rates in the year; – reviewed the pension scheme liability; and – reviewed the disclosures made in note 18 and ensured compliance with the requirements of IAS 19 'Employee Benefits'.
4 Investments	
At 30 June 2019, investments amounted to Rs. 525M for the Group and Rs.424M for the Company. This amount is made up of investment in subsidiaries, associates and available-for-sale financial assets. The main risks identified are related to the high value of the items. Also, we have noted that one of its subsidiaries, Amigel Ltd has been making recurring losses over the last three years. As at June 30, 2019, the latter has ceased its operations. Related disclosure Refer to notes 7, 8, 9 and 10 of the accompanying financial statements.	We have reviewed the classification and accounting treatment of the Company's investment portfolio in line with the accounting policies set out in notes 2.4, 2.5 and 2.6 to the financial statements.

Key Audit Matters (cont'd)

KEY AUDIT MATTERS	AUDIT RESPONSE
5 Property, Plant and Equipment (PPE)	
Valuation of buildings, flour mill equipment and sundry equipment PPE is valued at Rs.890M for the Group and Rs.890M for the Company in the Statements of Financial Position as at 30 June 2019. As set out in the critical accounting estimates and judgements in the note 4 of the financial statements, the Group measures its buildings, flour mill equipment and sundry equipment at fair value and this represents a significant accounting estimate. PPE assets are measured initially at cost, with buildings, flour mill equipment and sundry equipment subsequently measured at fair value. The main risks identified are related to the involvement of a range of judgemental assumptions. Related disclosure Refer to note 5 of the accompanying financial statements.	**Valuation** - We assessed the credentials of the independent property valuer as at June 30, 2018. - We assessed the assumptions used in the valuation report submitted by the independent property valuer. - We confirmed that the valuation was correctly accounted for and disclosed in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Corporate Governance Report
Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has disclosed and has satisfactorily explained the reasons for non-compliance with the requirement of Code paragraph 2.2.

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Other Matter

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

BDO & Co
Chartered Accountants

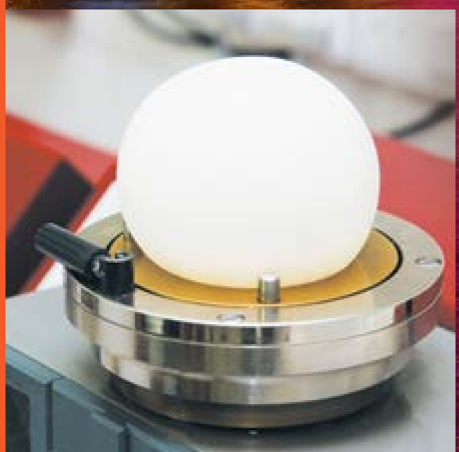
Port Louis,
Mauritius.
September 25, 2019

Shabnam Peerbocus, FCA
Licensed by FRC

2009-2019

Production optimisation and sharing of experience

The per capita annual consumption of flour increased to 85 kg in 2017 and consumption changed to more diversified and sophisticated end-products. The number of local bakeries has reached 210 to-date.
The flourmill invested heavily in new packing lines, flour storage facilities, a mini-labmill and a mixing plant which allowed extensive new product development.



LMLC provides high level training to the bakery sector in its MQA approved training centre launched in 2012. This centre delivers national NC3 bakery training since 2017. In addition, national bakery awards are organised every year during the Fête du Pain to stimulate creativity and savoir-faire.
Between 2014 and 2018, LMLC coached a team of selected Mauritian bakers to participate in the 2016 Bakery World Cup cycle of competitions.
LMLC replicates these training activities in Madagascar where a baking centre, l'Atelier de la Concorde, was inaugurated in March 2019.
LMLC also supports aspiring entrepreneurs during the Fête du Pain or through its CSR activities, such as the Artisanal Gingerbread project "Mézon Rodrigues".

Products targeted at the professional market were launched, such as "Optimale" improvers, 10 kg "Concorde" specialised wheat flours or 25 kg "Farine des Alizés". LMLC is proud to be a Made in Moris producer.

LMLC received the OHSAS 18001 certification in 2012.
LMLC modernised its own laboratory, which validates the quality of flours before release on the market and keeps reference samples of all products sold locally or exported. The laboratory was accredited ISO/IEC 17025 in 2016.

Financial Statements

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS	Notes	THE GROUP 2019 Rs000's	THE GROUP 2018 Rs000's	THE COMPANY 2019 Rs000's	THE COMPANY 2018 Rs000's
Non-current assets					
Property, plant and equipment	5	889,500	911,973	889,500	884,053
Intangible assets	6	5,479	6,721	5,479	4,232
Investments in subsidiary companies	7	-	-	334,406	334,443
Investment in associate	8	260,250	278,803	-	-
Financial assets at fair value through other comprehensive income	9	265,288	-	90,370	-
Investments in financial assets	10	-	230,040	-	89,203
Deferred tax assets	19	-	220	-	-
		1,420,517	1,427,757	1,319,755	1,311,931
Current assets					
Inventories	11	492,353	763,236	492,353	761,940
Trade and other receivables	12	136,861	153,488	136,861	171,975
Financial assets at amortised cost	13	22,655	-	27,920	-
Cash and cash equivalents	30(b)	133,670	70,420	120,306	31,456
		785,539	987,144	777,440	965,371
Non-current asset classified as held-for-sale	14	9,757	-	-	-
Total assets		2,215,813	2,414,901	2,097,195	2,277,302
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	15	570,000	570,000	570,000	570,000
Revaluation and other reserves	16	262,670	283,770	174,017	175,509
Retained earnings		700,302	670,274	672,647	655,452
Owners' equity		1,532,972	1,524,044	1,416,664	1,400,961
Non-controlling interests		-	-	-	-
Total equity		1,532,972	1,524,044	1,416,664	1,400,961
LIABILITIES					
Non-current liabilities					
Borrowings	17	-	11,669	-	5,500
Retirement benefit obligations	18	49,400	48,102	49,400	48,089
Deferred tax liabilities	19	145,732	139,181	145,729	139,178
		195,132	198,952	195,129	192,767
Current liabilities					
Trade and other payables	20	55,052	218,520	55,025	215,576
Current tax liabilities	21(a)	11,925	1,399	11,844	1,213
Borrowings	17	418,533	471,986	418,533	466,785
		485,510	691,905	485,402	683,574
Liabilities directly associated with non-current assets classified as held for sale	14(e)	2,199	-	-	-
Total liabilities		682,841	890,857	680,531	876,341
Total equity and liabilities		2,215,813	2,414,901	2,097,195	2,277,302

These financial statements have been approved for issue by the Board of Directors on September 25, 2019

Hansraj Ruhee
Chariman

Aruna Devi Bunwaree Ramsaha
Director

The notes on pages 69 to 128 form an integral part of these financial statements.
Auditor's report on pages 54 to 60.

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP 2019 Rs000's	THE GROUP 2018 Rs000's	THE COMPANY 2019 Rs000's	THE COMPANY 2018 Rs000's
Continuing operations					
Revenue	2.13, 33	1,927,451	1,780,326	1,922,923	1,756,722
Fluctuations in foreign exchange rates	24	(16,865)	15,791	(16,865)	15,791
		1,910,586	1,796,117	1,906,058	1,772,513
Cost of sales	25	(1,651,586)	(1,582,785)	(1,651,586)	(1,562,957)
Gross profit		259,000	213,332	254,472	209,556
Other income	26	6,553	27,473	6,525	24,396
Selling and distribution costs	25	(40,624)	(43,318)	(40,625)	(41,047)
Administrative expenses	25	(108,166)	(108,224)	(105,508)	(94,638)
Operating profit	23	116,763	89,263	114,864	98,267
Net finance costs	27	(3,753)	(28,944)	(4,142)	(28,284)
Share of profit of associate	8(a)	10,116	8,457	-	-
Operating profit		123,126	68,776	110,722	69,983
Non-recurring item	28	-	2,232	(31,618)	8,930
Profit before taxation		123,126	71,008	79,104	78,913
Income tax expense	21(b)	(19,841)	(12,405)	(19,780)	(11,023)
Corporate social responsibility tax	21(b)	(1,955)	(736)	(1,945)	(718)
Profit for the year from continuing operations		101,330	57,867	57,379	67,172
Discontinued operations					
Post tax loss from discontinued operations	14(b)	(31,468)	-	-	-
Profit for the year		69,862	57,867	57,379	67,172
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on revaluation of property, plant and equipment		-	13,022	-	13,022
Deferred tax on revaluation of property, plant and equipment		-	(2,214)	-	(2,214)
Remeasurements of defined benefit obligations		1,153	(1,642)	1,153	(1,660)
Deferred tax relating to remeasurements of defined benefit obligations		(196)	279	(196)	282
Items that may be reclassified subsequently to profit or loss:					
Changes in fair value of equity instruments at FVOCI		10,580	-	1,167	-
Change in value of available-for-sale financial assets		-	29,516	-	29,461
Share of other comprehensive income of associate		-	31,018	-	-
Other comprehensive income for the year, net of tax		11,537	69,979	2,124	38,891
Total comprehensive income for the year		81,399	127,846	59,503	106,063
Profit attributable to:					
Owners of the parent		69,862	57,244	57,379	67,172
Non-controlling interests		-	623	-	-
		69,862	57,867	57,379	67,172
Total comprehensive income attributable to:					
Owners of the parent		81,399	127,223	59,503	106,063
Non-controlling interests		-	623	-	-
		81,399	127,846	59,503	106,063
Earnings per share from continuing operations					
Earnings per share (Rs/cs)	29	17.65	9.49	9.51	11.33
Earnings per share from discontinued operations					
Earnings per share (Rs/cs)	29	(5.83)	-	-	-

The notes on pages 69 to 128 form an integral part of these financial statements.
Auditor's report on pages 54 to 60.

STATEMENTS OF CHANGES IN EQUITY
- YEAR ENDED JUNE 30, 2019

THE GROUP	Notes	Share capital Rs000's	Revaluation and other reserves Rs000's	Retained earnings Rs000's	Total Rs000's	Non-controlling interests Rs000's	Total equity Rs000's
		Attributable to equity holders of the Company					
Balance at July 1, 2018		570,000	283,770	670,274	1,524,044	-	1,524,044
Profit for the year		-	-	69,862	69,862	-	69,862
Other comprehensive income for the year		-	11,537	-	11,537	-	11,537
Total comprehensive income for the year		-	11,537	69,862	81,399	-	81,399
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,616)	3,616	-	-	-
Transfer of gain on disposal of investments at fair value through other comprehensive income		-	(350)	350	-	-	-
Movement in reserves of associate		-	(28,671)	-	(28,671)	-	(28,671)
Dividends - 2019	22	-	-	(43,800)	(43,800)	-	(43,800)
Balance at June 30, 2019		570,000	262,670	700,302	1,532,972	-	1,532,972
Balance at July 1, 2017		570,000	222,115	662,210	1,454,325	39,288	1,493,613
Profit for the year		-	-	57,244	57,244	623	57,867
Other comprehensive income for the year		-	69,979	-	69,979	-	69,979
Total comprehensive income for the year		-	69,979	57,244	127,223	623	127,846
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,105)	3,105	-	-	-
Release upon disposal of investment		-	(3,149)	-	(3,149)	-	(3,149)
Changes in ownership interest in subsidiary that do not result in a loss of control		-	-	175	175	(2,874)	(2,699)
Movement in reserves of associate		-	(2,070)	(3,260)	(5,330)	-	(5,330)
Dividends - 2018	22	-	-	(49,200)	(49,200)	(37,037)	(86,237)
Balance at June 30, 2018		570,000	283,770	670,274	1,524,044	-	1,524,044

The notes on pages 69 to 128 form an integral part of these financial statements.
Auditor's report on pages 54 to 60.

STATEMENTS OF CHANGES IN EQUITY
- YEAR ENDED JUNE 30, 2019

THE COMPANY	Notes	Share capital Rs000's	Revaluation and other reserves Rs000's	Retained earnings Rs000's	Total equity Rs000's
Balance at July 1, 2018		570,000	175,509	655,452	1,400,961
Profit for the year		-	-	57,379	57,379
Other comprehensive income for the year		-	2,124	-	2,124
Total comprehensive income for the year		-	2,124	57,379	59,503
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,616)	3,616	-
Dividends - 2019	22	-	-	(43,800)	(43,800)
Balance at June 30, 2019		570,000	174,017	672,647	1,416,664
Balance at July 1, 2017		570,000	144,797	634,375	1,349,172
Profit for the year		-	-	67,172	67,172
Release upon disposal of investments in financial assets		-	(5,074)	-	(5,074)
Other comprehensive income for the year		-	38,891	-	38,891
Total comprehensive income for the year		-	33,817	67,172	100,989
Transfer of excess depreciation on revaluation of property, plant and equipment, net of tax		-	(3,105)	3,105	-
Dividends - 2018	22	-	-	(49,200)	(49,200)
Balance at June 30, 2018		570,000	175,509	655,452	1,400,961

The notes on pages 69 to 128 form an integral part of these financial statements.
Auditor's report on pages 54 to 60.

STATEMENTS OF CASH FLOWS
- YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP 2019 Rs000's	THE GROUP 2018 Rs000's	THE COMPANY 2019 Rs000's	THE COMPANY 2018 Rs000's
Cash from/(used in) operating activities					
Cash generated from/(absorbed by) operations	30(a)	275,625	(13,460)	256,642	(14,354)
Interest received		258	1,093	230	41
Interest paid		(18,085)	(15,914)	(18,473)	(15,265)
Tax paid	21(a)	(4,915)	(10,049)	(4,739)	(9,760)
Net cash from/(used in) operating activities		252,883	(38,330)	233,660	(39,338)
Cash used in investing activities					
Purchase of property, plant and equipment	5	(67,440)	(85,463)	(64,007)	(84,201)
Acquisition of intangible assets	6	(227)	(20)	(227)	(20)
Proceeds from sale of property, plant and equipment		254	1,275	123	395
Proceeds from sale of financial assets		5,793	-	-	-
Purchase of investment in subsidiary		-	(2,809)	-	(38,853)
Purchase of investment in associate		-	(7,940)	-	(7,940)
Purchase of investment in financial assets		(32,969)	-	-	-
Dividends received	26	2,521	7,336	2,521	42,124
Net cash used in investing activities		(92,068)	(87,621)	(61,590)	(88,495)
Cash (used in)/from financing activities					
Payment on medium-term borrowings		(278,069)	(231,500)	(271,900)	(231,500)
Proceeds from medium-term borrowings		178,000	313,069	178,000	273,400
Dividends paid to company's shareholders	22	(43,800)	(49,200)	(43,800)	(49,200)
Dividend paid to non-controlling interests		-	(10,974)	-	-
Net cash (used in)/from financing activities		(143,869)	21,395	(137,700)	(7,300)
Net cash flows from discontinued operations	14(c)	(2,975)	-	-	-
Net increase/(decrease) in cash and cash equivalents		13,971	(104,556)	34,370	(135,133)
Movement in cash and cash equivalents					
At July 1,		(307,666)	(190,080)	(341,429)	(193,277)
Increase/(decrease) in cash and cash equivalents		13,971	(104,556)	34,370	(135,133)
Effects of foreign exchange rate changes		14,332	(13,030)	14,332	(13,019)
At June 30,	30(b)	(279,363)	(307,666)	(292,727)	(341,429)

The notes on pages 69 to 128 form an integral part of these financial statements.
Auditor's report on pages 54 to 60.

NOTES TO THE FINANCIAL STATEMENTS
- YEAR ENDED JUNE 30, 2019

1 GENERAL INFORMATION

Les Moulins de la Concorde Ltée is a public limited company incorporated and domiciled in Mauritius. The address of its registered office is Eclosia Group Headquarters, Gentilly, Moka and its principal place of business is at Cargo Peninsula, Quay D, Port Louis.

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Les Moulins de la Concorde Ltée comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs000's), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:
(i) buildings, flour mill equipment and sundry equipment are carried at revalued amounts;
(ii) investments in available-for-sale financial assets are stated at fair value and
(iii) relevant financial assets and financial liabilities are stated at fair value.

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

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in notes 2.6 and 2.7. The Group

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The group has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.13. In accordance with the transition provisions in IFRS 15, the group has not restated comparatives for the 2017 financial year.

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

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

Annual Improvements to IFRSs 2014-2016 Cycle

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

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

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective
Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods, but which the Group has not early adopted.

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

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

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

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

2.2 Property, plant and equipment

Buildings, flour mill equipment and sundry equipment, held for use in the production of goods or for administrative purposes are stated at their fair value, based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

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

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

	Annual rates
Buildings	2% - 10%
Flour mill equipment	3.7% - 9%
Sundry equipment	4% - 20%
Office furniture and equipment	20% or 100%
Bakery equipment	15%
Motor vehicles	20%

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

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

2.3 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives (7 years).

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

(b) Franchise

Franchise is carried at cost less amortisation and accumulated impairment losses, if any. Franchise is tested annually for impairment and amortisation is calculated using straight line method over their estimated useful lives (not exceeding 7 years).

2.4 Investments in subsidiary companies

Separate financial statements of the investor

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

Consolidated financial statements

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

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

The acquisition method of accounting is used to account for business combinations by the Group/ Company. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group/Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investments in subsidiary companies (cont'd)

consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group/Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

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

Transaction with non-controlling interests

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

2.5 Investment in associate

Separate financial statements of the investor

In the separate financial statements of the investor, investment in associated company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Consolidated financial statements

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

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

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill,

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in associate (cont'd)

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

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

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

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

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

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

2.6 Financial assets

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

(i) Fair value through profit or loss

The Company/group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- equity investments that are held for trading;
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI; and
- derivative financial instruments not designated as hedging instruments.

(ii) Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.6 Financial assets (cont'd)

payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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

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

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

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
2.6 Financial assets (cont'd)

(iii) Fair value through other comprehensive income

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

The Company/Group has debt securities whose objective is achieved by both holding these securities in order to collect contractual cash flows and having the intention to sell the debt securities before maturity. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified to profit or loss.

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

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

2.7 Financial liabilities

The Company/Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see "Financial assets" for in the money derivatives). They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Company/Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial liabilities (cont'd)

these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(ii) Other financial liabilities
Other financial liabilities include the following items:
Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.8 Share capital

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

Preference share capital
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

2.9 Inventories

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

2.10 Retirement benefit obligations

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Retirement benefit obligations (cont'd)

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

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

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

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

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

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

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

2.11 Current and deferred income tax

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Current and deferred income tax (cont'd)

Current tax

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

Deferred tax

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

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

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

2.12 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Foreign currencies (cont'd)

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

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

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

(ii)income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

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

2.13 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

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

Determining the transaction price

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

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue recognition (cont'd)

contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

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

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

2.14 Dividend distribution

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

2.15 Segment reporting

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

2.16 Provisions

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

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

2.17 Non-recurring items

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Non-current assets held for sale

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

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's/Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's/Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Group's/Company's financial performance. A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Price risk

The Group/Company is exposed to equity securities price risk because of investments held by Group/Company and classified as available-for-sale. The Group/Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group/Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group/Company.

Sensitivity analysis

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

3 FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

IMPACT ON EQUITY

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Available-for-sale financial assets				
Fair value increase/(decrease) by 5%	**13,264**	11,502	**4,519**	4,460

(ii) Currency risk

The Group/Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Swiss franc (CHF) and the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group/Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. As the currency exposure to the net assets of the Group's/Company's foreign operations are not significant, no hedging transactions have been entered into to manage the risk.

CURRENCY PROFILE

THE GROUP **2019**

	Equivalent in Rs000's					Rs000's
	USD	**EURO**	**ZAR**	**CHF**	**MUR**	**TOTAL**
Financial assets						
Trade and other receivables	**55,907**	**28,468**	**-**	**-**	**52,486**	**136,861**
Financial assets at amortised cost	**-**	**-**	**-**	**-**	**22,655**	**22,655**
Cash and cash equivalents	**80,161**	**33,184**	**-**	**-**	**20,325**	**133,670**
Financial liabilities						
Trade and other payables	**2,526**	**7,434**	**1,514**	**1,955**	**41,626**	**55,055**
Borrowings	**53,829**	**-**	**-**	**-**	**364,704**	**418,533**

2018

	Equivalent in Rs000's					Rs000's
	USD	EURO	ZAR	CHF	MUR	TOTAL
Financial assets						
Trade and other receivables	62,745	20,534	-	-	70,209	153,488
Cash and cash equivalents	3	25,458	-	-	44,959	70,420
Financial liabilities						
Trade and other payables	2,600	1,217	-	4,573	210,130	218,520
Borrowings	145,918	-	-	-	337,737	483,655

3 FINANCIAL RISK MANAGEMENT (CONT'D)
3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

THE COMPANY **2019**

	Equivalent in Rs000's					Rs000's
	USD	**EURO**	**ZAR**	**CHF**	**MUR**	**TOTAL**
Financial assets						
Trade and other receivables	**55,907**	**28,468**	**-**	**-**	**52,486**	**136,861**
Financial assets at amortised cost	**-**	**-**	**-**	**-**	**27,920**	**27,920**
Cash and cash equivalents	**80,161**	**33,184**	**-**	**-**	**6,961**	**120,306**
Financial liabilities						
Trade and other payables	**2,526**	**7,434**	**1,514**	**1,955**	**41,596**	**55,025**
Borrowings	**53,829**	**-**	**-**	**-**	**364,704**	**418,533**

2018

	Equivalent in Rs000's					Rs000's
	USD	EURO	ZAR	CHF	MUR	TOTAL
Financial assets						
Trade and other receivables	62,745	20,534	-	-	88,696	171,975
Cash and cash equivalents	3	25,458	-	-	5,995	31,456
Financial liabilities						
Trade and other payables	2,600	1,217	-	4,573	207,186	215,576
Borrowings	145,918	-	-	-	326,367	472,285

If the rupee had weakened/strengthened by 5% against the USD, EURO and CHF with all other variables held constant, post tax profit and equity would have changed as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Impact of ± 5% movement:				
Post-tax profit and equity	**13,264**	(2,278)	**2,537**	(2,278)

The table below shows the credit risk concentration at the reporting date:

	2019	2018
	%	%
Counterparties:		
Four major counterparties	**74**	79
Others	**26**	21
	100	100

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk

The Group's/Company's interest-rate risk arises from bank borrowings. At June 30, 2019 if interest rate on rupee-denominated borrowings had been 10 basis points higher/lower with all the other variables held constant, post-tax profit for the year would have been Rs000' 55 (2018: Rs000' 172) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is the risk of financial loss to the Group/Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's/Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the position are net of allowances for doubtful receivables, estimated by the Group's/Company's management based on prior experience and the current economic environment.

The Group/Company has a significant concentration of credit risk. The Group/Company has policies in place to ensure that sales of products and services are made to clients with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit market positions. The Group/Company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's/Company's liquidity reserve on the basis of expected cash flow.

Forecasted liquidity reserve as of June 30, 2020 is as follows:

	THE GROUP	THE COMPANY
	2020	2020
	Rs000's	Rs000's
Opening balance	(279,363)	(292,727)
Cash absorbed from operating activities	2,235,006	2,224,160
Cash used in operating activities	(2,114,172)	(2,114,024)
Cash used in investing activities	(51,666)	(51,666)
Cash used in financing activities	(167,839)	(158,757)
Closing balance	(378,034)	(393,014)

Management does not foresee any major liquidity risk over the next two years for the Group.

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

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

	Less than 1 year Rs000's	Between 1 and 2 years Rs000's	Between 2 and 3 years Rs000's	Over 3 years Rs000's
THE GROUP				
At June 30, 2019				
Bank and other borrowings	**418,533**	-	-	-
Trade and other payables	**55,052**	-	-	-
	473,585	-	-	-
At June 30, 2018				
Bank and other borrowings	471,986	6,996	1,584	3,089
Trade and other payables	218,520	-	-	-
	690,506	6,996	1,584	3,089
THE COMPANY				
At June 30, 2019				
Bank and other borrowings	**418,533**	-	-	-
Trade and other payables	**55,025**	-	-	-
	473,558	-	-	-
At June 30, 2018				
Bank and other borrowings	466,785	5,500	-	-
Trade and other payables	215,576	-	-	-
	682,361	5,500	-	-

3.2 Fair value estimates

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates.

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimates (cont'd)

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

3.3 Capital risk management

The Group's/Company's objectives when managing capital are to safeguard the Group's/Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

Consistently with others in the industry, the Group/Company monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt to equity. Net debt is calculated as total debts (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e share capital, non-controlling interest, retained earnings and revaluation surplus).

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Total debt (note 17)	**418,533**	483,655	**418,533**	472,285
Less: cash at bank and in hand (note 30(b))	**(133,670)**	(70,420)	**(120,306)**	(31,456)
	284,863	413,235	**298,227**	440,829
Total equity	**1,532,972**	1,524,044	**1,416,664**	1,400,961
Debt-to-equity ratio	**19%**	27%	**21%**	31%

The debt-to-equity ratio has decreased in 2019 compared to 2018 through ongoing management and control of cash resources.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) Impairment of financial assets

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

(b) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 18.

(c) Fair value of securities not quoted in an active market

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)
4.1 Critical accounting estimates and assumptions (cont'd)

(d) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group/Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.
The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(e) Revaluation of property, plant and equipment

The Company measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Company engaged independent valuation specialists to determine fair value and the last revaluation was carried out as at June 30, 2018.

(f) Asset lives and residual values

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

(g) Limitation of sensitivity analysis

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

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

(h) Impairment of assets

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)
4.1 Critical accounting estimates and assumptions (cont'd)

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

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP - 2019	Buildings Rs000's	Flour mill equipment Rs000's	Bakery equipment Rs000's	Sundry equipment Rs000's	Office Furniture and Equipment Rs000's	Motor vehicles Rs000's	Assets in progress Rs000's	Total Rs000's
COST OR VALUATION								
At July 1, 2018	788,138	873,862	30,503	115,768	19,675	7,461	83,818	1,919,225
Additions	786	655	3,247	2,425	494	-	59,833	67,440
Disposals	-	-	(204)	-	(34)	(560)	-	(798)
Assets written off	-	(27,500)	(25,829)	(16,303)	(1,602)	-	(312)	(71,546)
Transfer to intangible assets (note 6)	-	-	-	-	-	-	(2,083)	(2,083)
Transfers	12,872	56,338	-	10,143	29	-	(79,382)	-
Transfer to non-current asset held for sale (note 14)	-	-	(7,717)	(126)	(66)	-	-	(7,909)
At June 30, 2019	**801,796**	**903,355**	**-**	**111,907**	**18,496**	**6,901**	**61,874**	**1,904,329**
DEPRECIATION								
At July 1, 2018	322,583	586,185	6,259	70,761	15,105	6,359	-	1,007,252
Charge for the year	20,697	23,399	846	6,248	1,961	507	-	53,658
Disposal adjustments	-	-	(53)	-	(31)	(560)	-	(644)
Adjustments for assets written off	-	(23,481)	(5,149)	(13,536)	(1,263)	-	-	(43,429)
Transfer to non-current asset held for sale (note 14)	-	-	(1,903)	(47)	(58)	-	-	(2,008)
At June 30, 2019	**343,280**	**586,103**	**-**	**63,426**	**15,714**	**6,306**	**-**	**1,014,829**
NET BOOK VALUE								
At June 30, 2019	**458,516**	**317,252**	**-**	**48,481**	**2,782**	**595**	**61,874**	**889,500**

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE GROUP - 2018	Buildings Rs000's	Flour mill equipment Rs000's	Bakery equipment Rs000's	Sundry equipment Rs000's	Office Furniture and Equipment Rs000's	Motor vehicles Rs000's	Assets in progress Rs000's	Total Rs000's
COST OR VALUATION								
At July 1, 2017	771,512	882,755	30,502	120,249	18,002	8,363	72,219	1,903,602
Additions	-	-	435	460	213	-	84,355	85,463
Disposals	-	-	(1,062)	(3,982)	(88)	(902)	-	(6,034)
Revaluation	13,221	(50,588)	-	(5,044)	-	-	-	(42,411)
Assets written off	-	(15,503)	-	(5,178)	(612)	-	-	(21,293)
Transfer to intangible assets	-	-	-	-	-	-	(102)	(102)
Transfers	3,405	57,198	628	9,263	2,160	-	(72,654)	-
At June 30, 2018	**788,138**	**873,862**	**30,503**	**115,768**	**19,675**	**7,461**	**83,818**	**1,919,225**
DEPRECIATION								
At July 1, 2017	291,585	642,879	4,393	74,596	13,740	6,472	-	1,033,665
Charge for the year	19,487	23,134	2,036	7,050	1,987	761	-	54,455
Disposal adjustments	-	-	(170)	(3,434)	(33)	(874)	-	(4,511)
Revaluation	11,511	(64,422)	-	(2,522)	-	-	-	(55,433)
Adjustments for assets written off	-	(15,406)	-	(4,929)	(589)	-	-	(20,924)
At June 30, 2018	**322,583**	**586,185**	**6,259**	**70,761**	**15,105**	**6,359**	**-**	**1,007,252**
NET BOOK VALUE								
At June 30, 2018	**465,555**	**287,677**	**24,244**	**45,007**	**4,570**	**1,102**	**83,818**	**911,973**

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) THE COMPANY - 2019	Buildings Rs000's	Flour mill equipment Rs000's	Sundry equipment Rs000's	Office Furniture and Equipment Rs000's	Motor vehicles Rs000's	Assets in progress Rs000's	Total Rs000's
COST OR VALUATION							
At July 1, 2018	788,138	873,862	111,419	18,538	7,461	83,506	1,882,924
Additions	786	655	2,239	494	-	59,833	64,007
Disposals	-	-	-	(34)	(560)	-	(594)
Assets written off	-	(27,500)	(11,895)	(531)	-	-	(39,926)
Transfer to intangible assets (note 6)	-	-	-	-	-	(2,083)	(2,083)
Transfers	12,872	56,338	10,143	29	-	(79,382)	-
At June 30, 2019	**801,796**	**903,355**	**111,906**	**18,496**	**6,901**	**61,874**	**1,904,328**
DEPRECIATION							
At July 1, 2018	322,583	586,185	69,338	14,406	6,359	-	998,871
Charge for the year	20,697	23,399	5,977	1,866	507	-	52,446
Disposal adjustments	-	-	-	(31)	(560)	-	(591)
Adjustments for assets written off	-	(23,481)	(11,890)	(527)	-	-	(35,898)
At June 30, 2019	**343 ,280**	**586103**	**63,425**	**15,714**	**6,306**	**-**	**1,014,828**
NET BOOK VALUE							
At June 30, 2019	**458,516**	**317,252**	**48,481**	**2,782**	**595**	**61,874**	**889,500**

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) THE COMPANY - 2018	Buildings Rs000's	Flour mill equipment Rs000's	Sundry equipment Rs000's	Office Furniture and Equipment Rs000's	Motor vehicles Rs000's	Assets in progress Rs000's	Total Rs000's
COST OR VALUATION							
At July 1, 2017	771,512	882,755	115,596	16,917	8,363	71,564	1,866,707
Additions	-	-	45	86	-	84,070	84,201
Disposals	-	-	(3,263)	(13)	(902)	-	(4,178)
Assets written off	-	(15,503)	(5,178)	(612)	-	-	(21,293)
Revaluation surplus	13,221	(50,588)	(5,044)	-	-	-	(42,411)
Transfer to intangible assets (note 6)	-	-	-	-	-	(102)	(102)
Transfers	3,405	57,198	9,263	2,160	-	(72,026)	-
At June 30, 2018	**788,138**	**873,862**	**111,419**	**18,538**	**7,461**	**83,506**	**1,882,924**
DEPRECIATION							
At July 1, 2017	291,585	642,879	73,624	13,251	6,472	-	1,027,811
Charge for the year	19,487	23,134	6,428	1,756	761	-	51,566
Disposal adjustments	-	-	(3,263)	(13)	(874)	-	(4,150)
Adjustments for assets written off	-	(15,406)	(4,929)	(588)	-	-	(20,923)
Revaluation surplus	11,511	(64,422)	(2,522)	-	-	-	(55,433)
At June 30, 2018	**322,583**	**586,185**	**69,338**	**14,406**	**6,359**	**-**	**998,871**
NET BOOK VALUE							
At June 30, 2018	**465,555**	**287,677**	**42,081**	**4,132**	**1,102**	**83,506**	**884,053**

(e) It is the group policy to revalue the assets of the Company every three years. Revaluations are done more frequently if there is any indication that the carrying amount differs materially from its fair value. The Company's property, plant and equipment were revalued on a depreciated replacement cost basis as follows:

- Buildings on June 30, 2018 - by Mr Vincent d'Unienville BSc, ARICS of V. d'Unienville & Associates Co Ltd, Chartered Quantity Surveyors.
- Flour mill and sundry equipment on June 30, 2018 - by Buhler (pty) Ltd, a professional supplier of milling plants throughout Africa.

Only a sub-class of flour mill equipment and sundry equipment, namely ''core equipment'' meeting specific criteria, have been revalued at June 30, 2018.

All the buildings are categorised under Level 2.

The revaluation surplus net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity (note 16).

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) If the buildings, flour mill and sundry equipment were stated on the historical cost basis, the amounts would be as follows:

THE GROUP	Buildings Rs000's	Flour mill equipment Rs000's	Sundry equipment Rs000's
At June 30, 2019	**108,237**	**233,782**	**17,756**
At June 30, 2018	115,277	204,204	14,510
THE COMPANY			
At June 30, 2019	**108,238**	**233,779**	**20,603**
At June 30, 2018	115,277	204,204	14,203

(g) Depreciation expense charged is allocated in profit or loss as follows:

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Cost of sales	**42,607**	41,838	**42,607**	41,838
Administrative expenses	**5,622**	6,559	**4,410**	3,671
Selling and distribution costs	**5,429**	6,058	**5,429**	6,057
	53,658	54,455	**52,446**	51,566

(h) Bank borrowings are secured by floating charges over all the assets of the Company, including property, plant and equipment (note 17).

6 INTANGIBLE ASSETS

(a) THE GROUP	Computer Software Rs000's	Franchise Rs000's	Total Rs000's
COST			
At July 1, 2017	9,224	4,883	14,107
Addition	20	-	20
Disposal	(35)	-	(35)
Transfer from property, plant and equipment	102	-	102
At June 30, 2018	9,311	4,883	14,194
Addition	227	-	227
Assets written off	(196)	(4,883)	(5,079)
Transfer from property, plant and equipment (note 5)	2,083	-	2,083
At June 30, 2019	**11,425**	**-**	**11,425**
AMORTISATION			
At July 1, 2017	4,071	1,806	5,877
Amortisation charge	901	698	1,599
Disposal	(3)	-	(3)
At June 30, 2018	4,969	2,504	7,473
Amortisation charge	1,075	290	1,365
Assets written off	(98)	(2,794)	(2,892)
At June 30, 2019	**5,946**	**-**	**5,946**
NET BOOK VALUE			
At June 30, 2019	**5,479**	**-**	**5,479**
At June 30, 2018	4,342	2,379	6,721

6 INTANGIBLE ASSETS (CONT'D)

(b) THE COMPANY	Computer Software Rs000's
COST	
At July 1, 2017	8,991
Transfer from property, plant and equipment	102
Addition	20
At June 30, 2018	9,113
Transfer from property, plant and equipment (note 5)	2,083
Addition	227
At June 30, 2019	**11,423**
AMORTISATION	
At July 1, 2017	4,009
Amortisation charge	872
At June 30, 2018	4,881
Amortisation charge	1,063
At June 30, 2019	**5,944**
NET BOOK VALUE	
At June 30, 2019	**5,479**
At June 30, 2018	4,232

Amortisation charge of Rs000's 1,365 (2018: Rs000's 1,599) for the Group and Rs000's 1,063 (2018: Rs000's 872) for the Company has been charged to administrative expenses.

7 INVESTMENTS IN SUBSIDIARY COMPANIES - COST

	2019 Rs000's	2018 Rs000's
At July 1,	334,443	124,720
Impairment loss (note 28)	(37)	(115,063)
Additions	-	324,786
At June 30,	**334,406**	**334,443**

7 INVESTMENTS IN SUBSIDIARY COMPANIES - COST

(a)The list of the Company's subsidiaries is as follows:

Name	Class of shares held	Year end	Stated capital Rs'000	Proportion of ownership interest	Place of business	Country of incorporation	Main business
2019							
Concordia Investments Ltd	Ordinary	June 30	333,568	100%	Eclosia Group Headquarters, Gentilly, Moka	Mauritius	Investment holding
Amigel Ltd	Ordinary	June 30	45,000	100%	Cargo Peninsula, Quay D, Port Louis	Mauritius	Producer of unbaked frozen products
2018							
Concordia Investments Ltd	Ordinary	June 30	333,568	100%	Eclosia Group Headquarters, Gentilly, Moka	Mauritius	Investment holding
Amigel Ltd	Ordinary	June 30	45,000	100%	Cargo Peninsula, Quay D, Port Louis	Mauritius	Producer of unbaked frozen products

8 INVESTMENT IN ASSOCIATE

(a)(i) In separate financial statements of the investor

	THE COMPANY	
	2019 Rs000's	2018 Rs000's
At July 1,	-	147,644
Additions	-	7,940
Disposals	-	(155,584)
At June 30,	-	-

8 INVESTMENT IN ASSOCIATE (CONT'D)

(a)(ii) The results of the following associated company have been included in the consolidated financial statements:

	2019		2018	
	% holding	**Year end**	% holding	Year end
Indigo Hotels & Resorts Limited	**28.67**	**June 30**	28.67	June 30

THE GROUP	2019 Rs000's	2018 Rs000's
At July 1,	**258,517**	213,948
Additions	**-**	7,940
Share of profit for the year	**10,116**	8,457
Other equity movements	**(28,671)**	31,018
Effects of adjustment in associate	**2**	(2,846)
	239,964	258,517
Goodwill	**20,286**	20,286
At June 30,	**260,250**	278,803

(b)(i) Indigo Hotels & Resorts Limited is a limited liability company incorporated and domiciled in Mauritius. Its main activity is to provide management services to hotels within the Eclosia Group. Its place of business is at Eclosia Group Headquarters, Gentilly, Moka.

(ii) The associated company is accounted for using the equity method.

(iii) The associated company is a private company and there is no quoted market price available for its shares.

(iv) The financial year end date of Indigo Hotels & Resorts Limited is 30 June.

8 INVESTMENT IN ASSOCIATE (CONT'D)

(c) Summarised financial information

Summarised financial information in respect of the associate is set out below:

Name	Current assets Rs000's	Non-current assets Rs000's	Current liabilities Rs000's	Non-current liabilities Rs000's	Revenue Rs000's	Post-tax profit Rs000's	Other comprehensive income for the year Rs000's	Total comprehensive income for the year Rs000's
Indigo Hotels & Resorts Limited								
2019	190,544	2,467,549	287,427	637,844	892,367	56,719	3,039	59,758
2018	225,196	2,623,829	310,144	643,811	806,446	57,999	108,191	166,190

The summarised financial information above represents amounts shown in the associate's financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at time of acquisition.

(d) Reconciliation of summarised financial information

	2019 Rs000's	2018 Rs000's
Opening net assets at July 1,	1,895,070	1,637,977
Profit for the year	56,719	57,999
Other comprehensive income for the year	3,039	108,191
Other equity movements	(222,006)	118,481
Change in ownership	-	(6,346)
Effects of changes in associate's opening balances	-	(21,232)
Closing net assets at June 30,	1,732,822	1,895,070
Less non-controlling interest in the subsidiaries of the associate	(895,835)	(993,364)
	836,987	901,706
Interest in associate	239,964	258,517
Goodwill	20,286	20,286
Carrying value	260,250	278,803

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP 2019 Rs000's	THE COMPANY 2019 Rs000's
At July 1 (Transfer from investments in financial assets),	230,040	89,203
Additions	32,969	-
Disposals	(8,301)	-
Change in fair value recognised in other comprehensive income	10,580	1,167
At June 30,	265,288	90,370

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

	THE GROUP 2019 Rs000's	THE COMPANY 2019 Rs000's
Quoted:		
Equity securities - [Mauritius]	148,441	90,370
Unquoted:		
Equity securities - [Mauritius]	116,847	-
	265,288	90,370

(iii)Financial assets measured at fair value through other comprehensive income include the Company's/Group's strategic equity investments not held for trading and debt securities held to collect and sell. The Company/Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. In 2017, the Company/Group had designated the investments as available-for-sale where management intended to hold them for the medium to long-term (Refer to note 10).

(iv) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on net asset valuation.

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

	THE GROUP 2019 Rs000's	THE COMPANY 2019 Rs000's
Quoted:		
Livestock Feed Ltd	90,370	90,370
SBM Holdings Ltd	2,106	-
National Investment Trust	374	-
MCB Group	3,038	-
Mauritius Freeport Development Co Ltd	52,553	-
Unquoted:		
Premier Logistics Co Ltd	30,872	-
Premier Education Co Ltd	45,970	-
Oceanarium (Mauritius) Ltd	40,000	-
Mer Rouge Trading Ltd	5	-
	265,288	90,370

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

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

	THE GROUP	THE COMPANY
	2019 Rs000's	2019 Rs000's
Mauritian rupee	265,288	90,370

(vii) Disposal of equity investments
During the year, the Group sold its shares in quoted equity securities: Constance Hotels Services Ltd, SBM Holdings Ltd, National Investment Trust and C-Care (Mauritius) Ltd (formerly Medical and Surgical Centre Ltd). The shares sold had a market value of Rs000s 4,047 and the Group realised a loss of Rs000s 350 which had been included in other comprehensive income. This loss has been transferred to retained earnings.

10 INVESTMENTS IN FINANCIAL ASSETS

(a) THE GROUP

The movements in investments in financial assets are as follows:

	2019 Rs000's	2018 Rs000's
Available-for-sale financial assets		
At July 1,	-	214,604
Additions	-	116,324
Disposals	-	(130,404)
Increase in fair value	-	29,516
At June 30,	-	230,040
Equity securities at fair value		
Level 1	-	169,481
Level 3	-	60,559
Total available-for-sale financial assets	-	230,040

(b) THE COMPANY

The movements in investments in financial assets are as follows:

	2019 Rs000's	2018 Rs000's
Available-for-sale financial assets		
At July 1,	-	91,287
Additions	-	98,804
Disposals	-	(130,349)
Increase in fair value	-	29,461
At June 30,	-	89,203

10 INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) THE COMPANY (cont'd)

	2019 Rs000's	2018 Rs000's
Equity securities at fair value		
Level 1	-	89,203

(c)The fair value of DEM quoted available-for-sale securities is based on the DEM market quoted prices at the close of business on the reporting date. In assessing the fair value of unquoted available-for-sale securities, the Group and the Company use appropriate methods and make assumptions that are based on market conditions existing at each end of reporting date. The cost of unquoted securities are not materially different from fair value.

(d)None of the financial assets is either past due or impaired.

11 INVENTORIES

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	2019 Rs000's	2018 Rs000's
(a)				
Raw materials	381,783	338,984	381,783	338,412
Raw materials in transit	6,199	338,846	6,199	338,846
Finished goods	27,701	15,054	27,701	14,725
Consumables	9,684	8,375	9,684	8,258
Spare parts	66,986	61,977	66,986	61,699
	492,353	763,236	492,353	761,940

(b) The cost of inventories recognised as expense and included in operating expenses amounted to Rs'000 1,458,227 (2018: Rs'000 1,361,992) for the Group and Rs'000 1,458,227 (2018: Rs'000 1,351,972) for the Company.

(c)The bank borrowings are secured by floating charges on the assets of the Group including inventories (note 17).

12 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	2019 Rs000's	2018 Rs000's
Trade receivables	136,861	88,736	136,861	90,257
Prepayments	-	12,088	-	12,000
Other receivables	-	16,592	-	32,342
Receivable from related companies	-	36,072	-	37,376
	136,861	153,488	136,861	171,975

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

(i) Impairment of trade receivables

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

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

12 TRADE AND OTHER RECEIVABLES (CONT'D)

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

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 2019 or July 1, 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

No provision has been booked for loss allowance of Rs000's145 on trade receivable since the amount is immaterial.

In 2017, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

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

	2019 Rs'000s
Rupee	52,486
US Dollar	55,907
Euro	28,468
	136,861

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

(iv)In 2018, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the Group/Company would not be able to collect all amounts due according to the original terms of receivables.

13 FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP 2019 Rs000's	THE COMPANY 2019 Rs000's
(a) Other receivables	22,655	27,920

These amounts generally arised from transations outside the usual operating activities of the Company/Group.

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

14 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) On December 31, 2018, one of the subsidiaries of the Group, Amigel Ltd ceased its operations. Amigel Ltd entered into a process of disposing all its plant and equipment.

(b) An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets is as follows:

	2019 Rs'000s	2018 Rs'000s
Revenue	6,035	-
Expenses	(9,794)	-
Non-recurring item	(27,489)	-
Loss before tax of discontinued operations	(31,248)	-
Tax	(220)	-
Loss after tax of discontinued operations	(31,468)	-
Loss for the year from discontinued operations	(31,468)	-

	2019 Rs'000s	2018 Rs'000s
(c)		
Operating cash flows	207	-
Investing cash flows	-	-
Financing cash flows	(3,182)	-
Total cash flows	(2,975)	-

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

	2019 Rs'000s	2018 Rs'000s
(i) Disposal group held for sale:		
Trade Receivables	675	-
Other current asset	3,182	-
	3,857	-
Non-current assets held for sale:		
Property, plant and equipment	5,900	-
	9,757	-

(e) Liabilities directly associated with non-current assets classified as held for sale:

	2019 Rs'000s	2018 Rs'000s
Trade and other payables	2,199	-

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using an internal valuation, and is therefore within Level 3 of the fair value hierarchy.

15 SHARE CAPITAL

Issued and fully paid		THE GROUP AND THE COMPANY 2019 & 2018 Ordinary	Preference	Total
Shares of Rs100. each	Rs000's	540,000	30,000	570,000
Number of shares	000's	5,400	300	5,700

The holders of the preference shares are entitled to a fixed cumulative dividend of 13% per annum in preference to the holders of ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

Any balance the Board decides to distribute by way of dividends shall be distributed "pari-passu" per share amongst the ordinary and preference shareholders, the latter being entitled to a maximum dividend of 20%.

The preference shares carry a right to repayment of capital in winding up in priority to the ordinary shares but no other rights in respect of dividends, capital and voting.

16 REVALUATION AND OTHER RESERVES

(a) THE GROUP (i) 2019	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Available for sale fair value reserve Rs000's	Translation reserve Rs000's	Reserve of associates Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
At July 1, 2018							
- as previously reported	112,681	-	79,745	51,984	60,152	(20,792)	283,770
- reclassified	-	79,745	(79,745)	-	-	-	-
- as restated	112,681	79,745	-	51,984	60,152	(20,792)	283,770
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,616)	-	-	-	-	-	(3,616)
Transfer of gain on disposal of investments at fair value through other comprehensive income	-	(350)	-	-	-	-	(350)
Remeasurements of defined benefit obligations	-	-	-	-	-	1,153	1,153
Income tax relating to components of other comprehensive income	-	-	-	-	-	(196)	(196)
Changes in fair value of equity instruments at FVOCI	-	10,580	-	-	-	-	10,580
Share of other comprehensive income of associate	-	-	-	-	(28,671)	-	(28,671)
At June 30, 2019	109,065	89,975	-	51,984	31,481	(19,835)	262,670

16 REVALUATION AND OTHER RESERVES (CONT'D)

(a) THE GROUP (ii) 2018	Revaluation surplus Rs000's	Available for sale fair value reserve Rs000's	Translation reserve Rs000's	Reserve of associates Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
At July 1, 2017	107,048	53,378	51,984	29,134	(19,429)	222,115
Gains on revaluation of property, plant and equipment	13,022	-	-	-	-	13,022
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,653)	-	-	-	-	(3,653)
Income tax on revaluation of property, plant and equipment	(2,214)	-	-	-	-	(2,214)
Release upon disposal of investments in financial assets	-	(3,149)	-	-	-	(3,149)
Remeasurements of defined benefit obligations	-	-	-	-	(1,642)	(1,642)
Income tax relating to components of other comprehensive income	548	-	-	-	279	827
Increase in fair value of available-for-sale financial assets	-	29,516	-	-	-	29,516
Share of other comprehensive income of associate	(2,070)	-	-	31,018	-	28,948
At June 30, 2018	112,681	79,745	51,984	60,152	(20,792)	283,770

Revaluation surplus
The revaluation surplus arises on revaluation of property, plant and equipment.

Financial assets at FVOCI reserve
Gains/losses arising on financial assets at fair value through other comprehensive income.

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

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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

16 REVALUATION AND OTHER RESERVES (CONT'D)

(b) THE COMPANY (i) 2019	Revaluation surplus Rs000's	Financial assets at fair value through OCI reserve Rs000's	Available for sale fair value reserve Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
At July 1, 2018					
- as previously reported	114,159	-	81,552	(20,202)	175,509
- reclassified	-	81,552	(81,552)	-	-
- as restated	114,159	81,552	-	(20,202)	175,509
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,616)	-	-	-	(3,616)
Remeasurements of defined benefit obligations	-	-	-	1,153	1,153
Income tax relating to measurements of defined benefit obligations	-	-	-	(196)	(196)
Changes in fair value of equity instruments at fair value through other comprehensive income	-	1,167	-	-	1,167
At June 30, 2019	110,543	82,719	-	(19,245)	174,017

(b) THE COMPANY (ii) 2018	Revaluation surplus Rs000's	Available-for-sale fair value reserve Rs000's	Actuarial losses reserves Rs000's	Total Rs000's
At July 1, 2017	106,456	57,165	(18,824)	144,797
Gains on revaluation of property, plant and equipment	13,022	-	-	13,022
Income tax on revaluation of property, plant and equipment	(2,214)	-	-	(2,214)
Release upon disposal of investments in financial assets	-	(5,074)	-	(5,074)
Transfer of excess depreciation on revaluation of property, plant and equipment	(3,653)	-	-	(3,653)
Remeasurements of defined benefit obligations	-	-	(1,660)	(1,660)
Income tax relating to measurements of defined benefit obligations	-	-	282	282
Increase in fair value of available-for-sale financial assets	-	29,461	-	29,461
Income tax relating to components of other comprehensive income	548	-	-	548
At June 30, 2018	114,159	81,552	(20,202)	175,509

17 BORROWINGS

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Non-current				
Bank loan	-	11,669	-	5,500
Current				
Bank overdrafts	413,033	378,086	413,033	372,885
Bank loan	5,500	5,500	5,500	5,500
Loan from related companies	-	88,400	-	88,400
	418,533	471,986	418,533	466,785
Total borrowings	418,533	483,655	418,533	472,285

(a)The bank borrowings are secured by floating charges over all the assets of the Group/Company, including property, plant and equipment and inventories (notes 5 and 11).

(b)The loan from related companies are unsecured and bears interest up to 3.5% per annum.

(c)The effective interest rates of the loans at the reporting date were as follows:

THE GROUP AND THE COMPANY	2019 Rs. %	2019 USD %	2019 EUR %	2018 Rs. %	2018 USD %	2018 EUR %
Bank overdrafts	5.75%	3.74%-5.93%	3.50%	5.75%	3.6%-5.59%	3.50%
Bank loan	5.75%	-	-	5.75%	-	-

(d)The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
After one year and before two years	-	6,996	-	5,500
After two years and before three years	-	1,584	-	-
After three years and before five years	-	3,089	-	-
	-	11,669	-	5,500

(e)The carrying amounts of the Group's/Company's borrowings are denominated in Mauritian rupees.

(f)The carrying amounts of borrowings are not materially different from their fair value.

18 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Amounts recognised in the statement of financial position				
Defined pension benefits (note 18(a)(ii))	36,832	34,839	36,832	34,839
Other post retirement benefits (note 18(b)(i))	12,568	13,263	12,568	13,250
	49,400	48,102	49,400	48,089
Analysed as follows:				
Non-current liabilities	49,400	48,102	49,400	48,089

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Amounts charged to profit or loss:				
Defined pension benefits (note 18(a)(vi))	**1,260**	43	**1,260**	43
Other post retirement benefits (note 18(b)(iii))	**1,204**	849	**1,204**	845
	2,464	892	**2,464**	888
Amount credited/(charged) to other comprehensive income				
Defined pension benefits (note 18(a)(viii))	**(733)**	(299)	**(733)**	(299)
Other post retirement benefits (note 18(b)(iv))	**1,886**	(1,343)	**1,886**	(1,361)
	1,153	(1,642)	**1,153**	(1,660)

(a) Pension schemes

(i)The Group/Company contributes and operates a defined benefit pension. The plan is a defined benefit arrangement, with benefits based on final salary. It provides for pension at retirement and a benefit on death or disablement in service before retirement.

The assets of the fund are independently administered by The Swan Life Ltd which carries out a full valuation of the plan every year.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations was carried out at June 30, 2019. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Present value of funded obligations (note 18(a)(iv))	**88,631**	83,970
Fair value of plan assets (note 18(a)(v))	**(51,799)**	(49,131)
Liability in the statement of financial position	**36,832**	34,839

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
At July 1,	**34,839**	34,497
Charged to profit or loss	**3,576**	3,011
Charged to other comprehensive income	**733**	299
Contributions paid	**(2,316)**	(2,968)
At June 30,	**36,832**	34,839

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
At July 1,	**83,970**	77,410
Current service cost	**1,433**	1,341
Interest cost	**4,234**	3,123
Contributions by plan participants	**494**	476
Actuarial losses	**711**	1,620
Benefits paid	**(2,211)**	-
At June 30,	**88,631**	83,970

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
At July 1,	**49,131**	42,913
Expected return on plan assets	**2,462**	1,778
Actuarial (losses)/gains	**(22)**	1,321
Scheme expenses	**(2)**	(2)
Cost of insuring risk benefits	**(369)**	(324)
Employer contributions	**2,316**	2,969
Employee contributions	**494**	476
Benefits paid	**(2,211)**	-
At June 30,	**51,799**	49,131

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Current service cost	**1,433**	1,341
Interest cost	**1,772**	1,345
Scheme expenses	**2**	2
Cost of insuring risk benefits	**369**	324
Net periodic pension cost per IAS 19	**3,576**	3,012
Employer's contribution	**(2,316)**	(2,969)
Total included in employee benefit expense	**1,260**	43

(vii) The actual return on plan assets are as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Actual return on plan assets	**2,440**	3,100

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Remeasurements on the defined benefit liability:		
(Losses)/gains on pension scheme assets	**(22)**	1,321
Liability experience losses	**(233)**	(124)
Actuarial losses arising from changes in assumptions underlying the present value of the scheme	**(478)**	(1,496)
	(733)	(299)

(ix) The assets in the plan and the expected rate of return are as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Cash and cash equivalents	**1,538**	1,794
Fixed income	**12,045**	5,607
Local Equities	**5,638**	6,055
Overseas Equities	**6,406**	8,971
Qualifying Insurance Policy	**26,172**	26,704
Total Market value of assets	**51,799**	49,131

(x) Most of the assets of the plan are invested in the Deposit Administration Policy. Since July 1, 2012, all new contributions are being invested in a dedicated investment vehicle. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes, underwritten by The Swan Life Ltd.

The latter is expected to produce a smooth progression of return from one year to the next. The breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long-term strategy of the fund.

As the fund is expected to produce a smooth return, a fairly reasonable indication of future returns can be obtained by looking at historical ones.

Therefore, the long-term expected return on asset assumption has been based on historical performance of the fund.

In terms of the individual expected returns, the expected return on equities has been based on an equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government bonds at the measurement date.

The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at the measurement date.

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

The expected return on properties has been based on the rate of inflation prevailing at the measurement date.

Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% p.a.

(xi) The weighted average duration of the liabilities as at June 30, 2019 is 3 years.

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
Increase in Defined Benefit Obligation due to 1% decrease in discount rate	**2,861**	-
Decrease in Defined Benefit Obligation due to 1% increase in discount rate	**2,741**	32,227
Increase in the Defined Benefit Obligation due to 1% increase in Future Long-term Salary assumption	**2,929**	25,902
Decrease in the Defined Benefit Obligation due to 1% decrease in Future Long-term Salary assumption	**2,750**	-

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

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The other post retirement benefit pension plan exposes the Group/Company to actuarial risks, such as longevity risk, currency risks, interest rate risk and market (investment) risk.

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

(xiii) Expected contributions to post-employment benefit plans for the year ending June 30, 2020 are Rs.000's 930.

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension schemes (cont'd)

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

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs000's	Rs000's
	%	%
Discount rate	**3.4%**	5.0%
Future salary increases	**2.5%**	4.0%

(b) Other post retirement benefits

Other post retirement benefits comprise of gratuity on retirement payable under the Employees Rights Act 2008.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Present value of unfunded obligations-Deficit	**12,568**	13,263	**12,568**	13,250

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
At July 1,	**13,263**	11,071	**13,250**	11,044
Charged to profit or loss	**1,204**	849	**1,204**	845
(Credited)/charged to other comprehensive income	**(1,886)**	1,343	**(1,886)**	1,361
Reversal of other post retirement benefits	**(13)**	-	**-**	-
At June 30,	**12,568**	13,263	**12,568**	13,250

(iii) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Current service cost	**444**	478	**444**	476
Service cost	**444**	478	**444**	476
Net interest cost	**760**	631	**760**	629
Net periodic pension cost per IAS 19	**1,204**	1,109	**1,204**	1,105
Benefit paid	**-**	(260)	**-**	(260)
Total included in employee benefit expense	**1,204**	849	**1,204**	845

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
Remeasurement on the defined benefit liability:	**Rs000's**	Rs000's	**Rs000's**	Rs000's
Gains/(losses) on pension scheme assets	**1,629**	(1,914)	**1,629**	(1,914)
Liability experience (losses)/gains	**(270)**	146	**(270)**	115
Actuarial gains arising from changes in assumptions	**527**	425	**527**	438
	1,886	(1,343)	**1,886**	(1,361)

(v) Amounts for the current period are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Present value of defined benefit obligations	**12,568**	13,263	**12,568**	13,250
Experience gains/(losses) on plan liabilities	**816**	(209)	**816**	(227)

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
	%	%	**%**	%
Discount rate	**3.4% - 5.6%**	5% - 6.8%	**5% - 6%**	5% - 6%
Future salary increases	**2.5%**	4.0%	**2.5%**	4.0%

(vii) The weighted average duration of the liabilities as at June 30, 2019 is between 11-13 years.

(viii) Sensitivity analysis on other post retirement benefit obligations at end of the reporting date:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Increase in Defined Benefit Obligation due to 1% decrease in discount rate	**12,526**	-	**12,526**	-
Decrease in Defined Benefit Obligation due to 1% increase in discount rate	**9,656**	13,118	**9,656**	13,105
Increase in the Defined Benefit Obligation due to 1% increase in Future Long-term Salary assumption	**12,606**	13,519	**12,606**	13,512
Decrease in the Defined Benefit Obligation due to 1% decrease in Future Long-term Salary assumption	**9,726**	-	**9,726**	-

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

18 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior periods.

The other post retirement benefit pension plan exposes the Group/Company to actuarial risks, such as longevity risk, currency risks, interest rate risk and market (investment) risk.

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

19 DEFERRED TAX LIABILITIES

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

(a)There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Deferred tax assets	**(8,398)**	(8,395)	**(8,398)**	(8,175)
Deferred tax liabilities	**154,130**	147,356	**154,127**	147,353
	145,732	138,961	**145,729**	139,178
Disclosed as follows:				
Deferred tax assets	**-**	(220)	**-**	-
Deferred tax liabilities	**145,732**	139,181	**145,729**	139,178
	145,732	138,961	**145,729**	139,178

At the end of the reporting period, the Group had unused tax losses of Rs000's 48,647(2018: Rs000's 34,030) available for the offset against future profits.

19 DEFERRED TAX LIABILITIES (CONT'D)

A deferred tax asset has been recognised in respect of Rs000's Nil (2018: Rs000's 1,468) of such losses. No deferred tax asset has been recognised in respect of the remaining Rs000's 48,647 (2018: Rs000's 32,562) due to unpredictability of future profit streams.

The Company had no unused tax losses as at June 30, 2019 (2018: nil)

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
At July 1,	**138,961**	129,599	**139,178**	131,051
Charged to other comprehensive income	**196**	1,935	**196**	1,932
Charged to profit or loss (note 21(b))	**6,355**	7,427	**6,355**	6,195
Reversal of deferred tax	**220**	-	**-**	-
At June 30,	**145,732**	138,961	**145,729**	139,178

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

(i) Deferred tax assets

THE GROUP	Tax losses Rs000's	Retirement benefit obligations Rs000's	Total Rs000's
At June 30, 2017-restated	1,452	7,742	9,194
Charged to other comprehensive income	-	282	282
(Charged)/credited to profit or loss	(1,232)	151	(1,081)
At June 30, 2018	220	8,175	8,395
Charged to other comprehensive income	-	(196)	(196)
Credited to profit or loss	-	419	419
Reversal of deferred tax	(220)	-	(220)
At June 30, 2019	**-**	**8,398**	**8,398**

THE COMPANY	Retirement benefit obligations Rs000's
At June 30, 2017-restated	7,742
Credited to other comprehensive income	282
Credited to profit or loss	151
At June 30, 2018	8,175
Charged to other comprehensive income	(196)
Credited to profit or loss	419
At June 30, 2019	**8,398**

19 DEFERRED TAX LIABILITIES (CONT'D)

(ii) Deferred tax liabilities

THE GROUP	Accelerated tax depreciation Rs000's	Revaluation of assets Rs000's	Total Rs000's
At June 30, 2017-restated	59,938	78,855	138,793
Charged to other comprehensive income	-	2,214	2,214
Charged to profit or loss	6,349	-	6,349
At June 30, 2018	66,287	81,069	147,356
Charged to profit or loss	7,497	(723)	6,774
At June 30, 2019	**73,784**	**80,346**	**154,130**

THE COMPANY	Accelerated tax depreciation Rs000's	Revaluation of assets Rs000's	Total Rs000's
At June 30, 2017-restated	59,938	78,855	138,793
Charged to other comprehensive income	-	2,214	2,214
Charged to profit or loss	6,346	-	6,346
At June 30, 2018	66,284	81,069	147,353
Charged/(credited) to profit or loss	7,497	(723)	6,774
At June 30, 2019	**73,781**	**80,346**	**154,127**

(d) Deferred tax of Rs000's Nil (2018: Rs000's 548) was transferred from other reserves to retained earnings. This represents the deferred tax on the difference between the actual depreciation on property, plant and equipment and the equivalent depreciation based on the historical cost of property, plant and equipment.

(e) Where a Company is engaged in the export of goods, it is liable to income tax at the rate of 3% on the chargeable income attributable to that export.

20 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Trade payables	**21,737**	27,345	**21,729**	28,805
Accrued expenses	**27,656**	94,846	**27,600**	90,900
Amounts due to related parties	**5,654**	96,216	**5,688**	95,852
Other payables	**5**	113	**8**	19
	55,052	218,520	**55,025**	215,576

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

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

21 TAXATION

(a) Statement of financial position

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
At July 1,	**1,399**	5,734	**1,213**	5,427
Current income tax on the adjusted profit for the year at 3%/15% (2018: 3%/15%)	**13,486**	4,978	**13,425**	4,828
Corporate social responsibility tax	**1,955**	736	**1,945**	718
Less: paid during the year	**(4,915)**	(10,049)	**(4,739)**	(9,760)
At June 30,	**11,925**	1,399	**11,844**	1,213

(b) Statement of profit or loss and other comprehensive income

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Current income tax on the adjusted profit for the year at 3%/15% (2018: 3%/15%)	**13,486**	4,978	**13,425**	4,828
Corporate social responsibility tax	**1,955**	736	**1,945**	718
Movement in deferred taxation (note 19)	**6,355**	7,427	**6,355**	6,195
	21,796	13,141	**21,725**	11,741

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

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Profit before taxation	**123,126**	71,008	**79,104**	78,913
Tax calculated at 3%/15% (2018: 3%/15%)	**17,522**	10,651	**10,919**	11,837
Corporate social responsibility tax	**1,955**	736	**1,945**	718
Income not subject to tax	**(17,382)**	(24,530)	**(10,443)**	(24,970)
Expenses not deductible for tax purposes	**13,346**	18,857	**12,949**	17,961
Deferred taxation (note 19(b))	**6,355**	7,427	**6,355**	6,195
Tax charge	**21,796**	13,141	**21,725**	11,741

22 DIVIDENDS PER SHARE

	THE GROUP AND THE COMPANY	
	2019 Rs000's	2018 Rs000's
Amounts recognised as distributions to equity holders in the year:		
Dividend on ordinary shares for the year ended June 30, 2019 of Rs.7 per share (2018: Rs.8 per share)	**37,800**	43,200
Dividend on preference shares for the year ended June 30, 2019 of Rs.20 per share (2018: Rs.20 per share)	**6,000**	6,000
	43,800	**49,200**

23 OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Operating profit is arrived at after:				
Crediting:				
Gain on disposal of available-for-sale investment	**-**	3,149	**-**	5,074
and charging:				
Loss on disposal of available-for-sale investments	**2,509**	-	**-**	-
Loss on disposal of property, plant and equipment	**100**	295	**120**	367
Depreciation on property, plant and equipment (note 5)	**53,658**	54,455	**52,446**	51,566
Amortisation of intangible assets (note 6)	**1,365**	1,599	**1,063**	872
Employee benefit expense (note 23(a))	**88,338**	95,853	**88,338**	86,601

23(a) EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Wages and salaries	**77,669**	85,101	**77,669**	76,672
Social security costs	**7,156**	7,934	**7,156**	7,410
Pension cost:				
- Defined benefit obligation	**2,464**	892	**2,464**	888
- Defined contribution plan	**1,049**	1,926	**1,049**	1,631
	88,338	95,853	**88,338**	86,601

24 FLUCTUATIONS IN EXCHANGE RATES

This represents the effect of changes in foreign exchange rates between the time wheat is purchased and the time when sale of flour is effected.

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

25 EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Depreciation (note 5)	**53,658**	54,455	**52,446**	51,566
Amortisation of intangible assets (note 6)	**1,365**	1,599	**1,063**	872
Employee benefit expense (note 23(a))	**88,338**	95,853	**88,338**	86,601
Cost of inventories recognised as expense (note 11(b))	**1,458,227**	1,361,992	**1,458,227**	1,351,972
Direct expenses (electricity, water, diesel and consumables)	**43,234**	45,311	**43,234**	43,695
Export expenses	**24,569**	39,929	**24,569**	39,929
Repairs and maintenance	**21,118**	23,311	**21,118**	22,601
Operating lease rental - Property	**4,563**	4,367	**4,563**	4,367
Advertising costs	**12,405**	13,796	**12,405**	13,597
Management fees	**26,921**	24,930	**26,921**	24,593
Other expenses	**65,978**	68,784	**64,835**	58,849
Total cost of sales, selling and distribution, and administrative expenses	**1,800,376**	1,734,327	**1,797,719**	1,698,642

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Represented by:				
Cost of sales	**1,651,586**	1,582,785	**1,651,586**	1,562,957
Selling and distribution costs	**40,624**	43,318	**40,625**	41,047
Administrative expenses	**108,166**	108,224	**105,508**	94,638
	1,800,376	1,734,327	**1,797,719**	1,698,642

26 OTHER INCOME

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Dividend income				
- DEM Quoted	**2,521**	14,094	**2,521**	14,094
- Listed	**-**	215	**-**	215
- Unquoted	**-**	4,577	**-**	2,627
Gain on disposal of available-for-sale financial asset	**-**	5,074	**-**	5,074
Interest income	**258**	1,093	**230**	41
Sundry income	**3,774**	2,420	**3,774**	2,345
	6,553	27,473	**6,525**	24,396

27 NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Interest expense:				
- Loan	**(567)**	(1,300)	**(567)**	(897)
- Bank overdrafts	**(13,364)**	(10,133)	**(13,364)**	(9,887)
- Related party loan	**(4,154)**	(4,481)	**(4,542)**	(4,481)
	(18,085)	(15,914)	**(18,473)**	(15,265)
Net foreign exchange loss:				
- Foreign exchange loss on turnover reclassified (note 24)	**16,865**	(15,791)	**16,865**	(15,791)
- Other foreign exchange gain	**(2,533)**	2,761	**(2,534)**	2,772
	14,332	(13,030)	**14,331**	(13,019)
Net finance costs	**(3,753)**	(28,944)	**(4,142)**	(28,284)

28 NON-RECURRING ITEMS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs000's	Rs000's	**Rs000's**	Rs000's
Impairment of investment in Concordia Investments Ltd	**-**	-	**-**	(70,100)
Impairment of investment in Amigel Ltd (note 28(a))	**-**	-	**(37)**	(44,963)
Impairment of assets and liabilities in Amigel Ltd (note 28(b))	**-**	-	**(31,581)**	-
Dividend income	**-**	-	**-**	123,993
Bargain purchase	**-**	2,232	**-**	-
	-	2,232	**(31,618)**	8,930

(a)The investment in Amigel Ltd has been fully impaired since the latter has been incurring losses over the last five years of operations and as at June 30, 2018, there was no visibility about its future profit streams.

(b)Amigel Ltd ceased its operations on December 31, 2018. For the financial year ended June 30, 2019, the Board of Directors took the decision to impair the shareholder's loan of Rs 29.1 M and amounts receivable from Amigel Ltd of Rs 2.4 M.

NOTES TO THE FINANCIAL STATEMENTS - **YEAR ENDED JUNE 30, 2019**

29 EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
From continuing operations					
Profit attributable to equity holders	Rs000's	**101,330**	57,244	**57,379**	67,172
Less: preference share dividends	Rs000's	**(6,000)**	(6,000)	**(6,000)**	(6,000)
Net profit attributable to ordinary shareholders	Rs000's	**95,330**	51,244	**51,379**	61,172
Number of ordinary shares in issue for full year	000's	**5,400**	5,400	**5,400**	5,400
Earnings per share	Rs.	**17.65**	9.49	**9.51**	11.33
From discontinued operations					
Loss attributable to equity holders	Rs000's	**(31,468)**	-	**-**	-
Number of ordinary shares in issue for full year	000's	**5,400**	-	**-**	-
Earnings per share	Rs.	**(5.83)**	-	**-**	-

30 NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Cash generated from/(absorbed by) operations				
Profit before taxation	**123,126**	71,008	**79,104**	78,913
Adjustments for:				
Loss on discontinued operations	**(31,468)**	-	**-**	-
Depreciation on property, plant and equipment (note 5)	**53,658**	54,455	**52,446**	51,566
Amortisation of intangible assets (note 6)	**1,365**	1,599	**1,063**	872
Assets written off (note 5, 6)	**30,304**	369	**4,028**	370
Loss on sale of property, plant and equipment	**(100)**	(295)	**(120)**	(367)
Loss on disposal of financial assets through OCI	**2,509**	-	**-**	-
Fair value release on disposal of available-for-sale assets	**-**	(3,149)	**-**	(5,074)
(Bargain purchase)/impairment	**-**	(2,232)	**37**	115,063
Provision for retirement benefit obligations (note 18)	**2,464**	892	**2,464**	888
Interest income	**(258)**	(1,093)	**(230)**	(41)
Dividend income	**(2,521)**	(18,886)	**(2,521)**	(140,928)
Interest expense (note 27)	**18,085**	15,914	**18,473**	15,265
Net foreign exchange loss	**(14,332)**	13,030	**(14,332)**	13,019
Share of profit of associates	**(10,116)**	(8,457)	**-**	-
Changes in working capital				
- inventories	**270,883**	(280,270)	**269,587**	(279,800)
- trade and other receivables	**(6,703)**	(17,071)	**7,194**	(25,131)
- trade and other payables	**(161,271)**	160,726	**(160,551)**	161,031
Cash generated from/(absorbed by) operations	**275,625**	(13,460)	**256,642**	(14,354)

Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of the statements of cash flows:

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Cash in hand and at bank	**133,670**	70,420	**120,306**	31,456
Bank overdrafts (note 17)	**(413,033)**	(378,086)	**(413,033)**	(372,885)
	(279,363)	(307,666)	**(292,727)**	(341,429)

31 RELATED PARTY TRANSACTIONS

	THE GROUP				THE COMPANY			
	Purchase of goods and services Rs'000s	Sale of goods and services Rs'000s	Amount owed to related companies Rs'000s	Amount owed by related companies Rs'000s	Purchase of goods and services Rs'000s	Sale of goods and services Rs'000s	Amount owed to related companies Rs'000s	Amount owed by related companies Rs'000s
2019								
Majority shareholders	**9,615**	**100,087**	**-**	**17,469**	**9,615**	**100,087**	**-**	**17,469**
Minority shareholders	**25,322**	**-**	**605**	**-**	**25,322**	**-**	**605**	**-**
Subsidiary companies	**-**	**-**	**-**	**-**	**390**	**300**	**34**	**-**
Enterprise with common directors	**94,181**	**132,153**	**4,708**	**22,126**	**94,126**	**129,160**	**4,708**	**22,126**
Associated companies	**447**	**-**	**341**	**-**	**447**	**-**	**341**	**-**
	129,565	**232,240**	**5,654**	**39,595**	**129,900**	**229,547**	**5,688**	**39,595**
2018								
Majority shareholders	8,783	82,688	740	13,164	8,783	82,688	740	13,164
Minority shareholders	25,606	6	80,880	-	25,238	-	80,667	-
Subsidiary companies	-	-	-	-	1,062	1,078	-	2,536
Enterprise with common directors	123,128	139,688	14,221	22,908	122,114	126,581	14,070	21,676
Associated companies	454	-	375	-	454	-	375	-
	157,971	**222,382**	**96,216**	**36,072**	**157,651**	**210,347**	**95,852**	**37,376**

(a) The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business

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

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

(b) For the year ended 2019, the Group/Company has recorded impairment of receivables amounting of Rs000's 22,496 relating to amounts owed by the related parties (2018 : nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which they operate.

(c)Key management personnel remuneration

	THE GROUP		THE COMPANY	
	2019 Rs000's	2018 Rs000's	**2019 Rs000's**	2018 Rs000's
Salaries and short-term employee benefits	**10,677**	13,625	**10,677**	10,864

32 COMMITMENTS

Capital commitments
Capital expenditure contracted for at the end of the reporting year but not yet incurred equals to Rs.91M.

Operating lease commitments - where the company is the lessee.
The Company leases land under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2019 Rs000's	2018 Rs000's
Not later than one year	4,583	4,222
Later than one year and not later than five years	19,231	18,781
Later than five years	25,164	10,806
	48,978	33,809

33 SEGMENT INFORMATION

(a) Les Moulins de la Concorde Ltée's reportable segments, which are those reported to the Board, are the operating businesses overseen by management teams responsible for their performance. All reportable segments derive their revenue from a single business activity, which is the milling of wheat and its main products, wheat flour and wheat brand.

(b) Segment results

	THE GROUP	
	2019 Rs000's	2018 Rs000's
Total segment revenue	1,927,451	1,780,326
Operating profit	116,763	89,263
Finance costs	(3,753)	(28,944)
Share of profit of associate	10,116	8,457
Profit before taxation	123,126	68,776
Non-recurring items	-	2,232
Income tax expense	(21,796)	(13,141)
Profit for the year	101,330	57,867

(c) Geographical information

	Revenue		Non-current assets	
	2019 Rs000's	2018 Rs000's	2019 Rs000's	2018 Rs000's
Mauritius	1,735,866	1,545,796	1,420,517	1,427,757
Dubai	6,826	46,461	-	-
Comores	33,239	32,468	-	-
Madagascar	19,184	36,081	-	-
Mayotte	54,497	53,067	-	-
Reunion	42,288	32,847	-	-
Seychelles	35,551	33,606	-	-
	1,927,451	1,780,326	1,420,517	1,427,757

33 SEGMENT INFORMATION (CONT'D)

(d) Revenue from a single customer of Les Moulins de la Concorde Ltée represents approximately Rs000's 1,408,425 (2018: Rs000's 1,244,456) of the Group's total revenue.

(e) The following is an analysis of the Company's revenue for the year:

	2019 Rs000's	2018 Rs000's
Revenue from the sale of goods	1,922,923	1,756,722
Interest income	230	41
Dividend income	2,521	16,936

(f) Disagregation of revenue from contracts with customers

	THE GROUP	THE COMPANY
	2019 Rs000's	2019 Rs000's
Timing of revenue recognition		
At a point in time	1,927,451	1,922,923

34 CONTINGENT LIABILITIES

Bank Guarantees
At June 30, 2019, the Group/Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Group had given guarantees in the ordinary course of business, totalling to Rs000's 71,662 (2018: Rs000's 69,958).

35 CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements
IFRS 9 and IFRS 15 were adopted without restating comparative information. Any adjustments arising from the new accounting policies are not reflected in the comparatives year ended June 30, 2018 but are recognised in the opening reserves on July 1, 2018.

35 CHANGES IN ACCOUNTING POLICIES (CONT'D)

(a) Impact on the financial statements (cont'd)

(i) Classification and measurement

On July 1, 2018, management has assessed which business models apply to the financial assets held and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs'000	New Rs'000	Difference Rs'000
Non-current financial assets					
Equity securities	Available-for-sale	FVOCI	90,370	90,370	-
Current financial assets					
Trade receivables	Amortised cost	Amortised cost	136,861	136,861	-
Other receivables	Amortised cost	Amortised cost	27,920	27,920	-

(ii) Impairment of financial assets

The Company/Group has financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables for sales.

The Company/Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's/Group's retained earnings and equity is disclosed above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Company/Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in an increase of the loss allowance on July 1, 2018 by Rs000's 137 for trade receivables.

The loss allowance increased by a further Rs000's 8 for trade receivables during the current reporting period.

The restatement of the loss allowance for trade receivable on transition to IFRS 9 as a result of applying the expected credit risk model was immaterial and the Company/Group did not recognised any loss allowance as at June 30, 2019.

(b) IFRS 15 Revenue from Contracts with customers

There are no changes to the amounts reported in the financial statements year ended June 30, 2019 under IFRS 15 to the amounts that would have been reported had the Company/Group continued to report in accordance with IAS 18, Revenue.