ANNUAL REPORT 2015

UBP

The United Basalt Products Ltd.

GML

Think Green

As part of its ongoing programme to help protect the environment and within the context of the GML "Think Green" initiative, GML companies have chosen to use Lenza Green paper for their Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC (Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993. It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40/40
Fossile CO_2 emissions from manufacturing:	18/20
Waste to landfill:	10/10
Water pollution from bleaching:	10/10
Organic water pollution:	9/10
Environmental management systems:	10/10

Dear Shareholder,

The Board of Directors is pleased to present to you the Annual Report of The United Basalt Products Limited ("UBP") for the year ended June 30, 2015, the contents of which are listed hereafter.

This report was approved by the Board of Directors on September 24, 2015.

Marc Freismuth
Chairman

Stéphane Ulcoq
Chief Executive Officer

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UBP

NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of The United Basalt Products Limited will be held at the registered office of the Company, Trianon, Quatre Bornes, on Thursday December 17, 2015 at 15.00 hours to transact the following business in the manner required for the passing of Ordinary Resolutions:

1. To consider the Annual Report 2015 of the Company.

2. To receive the report of Messrs Ernst & Young, the Auditors of the Company, for the year ended June 30, 2015.

3. To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2015.

4. To re-elect as Director of the Company, Mr E. Jean Mamet, aged above 70, who offers himself for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.

5. To elect as Director of the Company, Mr Stéphane Ulcoq, appointed by the Board of Directors in accordance with Clause 23.5(a) of the Company's Constitution, who offers himself for election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting.

6. To elect as Director of the Company, Mr Christophe Quevauvilliers, appointed by the Board of Directors in accordance with Clause 23.5(a) of the Company's Constitution, who offers himself for election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting.

7-15 To re-elect as Directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting:

7. Mr Marc Freismuth

8. Mr François Boullé

9. Mr Jean Michel Giraud

10. Mr Joël Harel

11. Mr Laurent de la Hogue

12. Mr Arnaud Lagesse

13. Mr Stéphane Lagesse

14. Mr Thierry Lagesse

15. Mr Jean Claude Maingard

16. To re-appoint Messrs Ernst & Young as Auditors of the Company for the year ending June 30, 2016 and to authorise the Board of Directors to fix their remuneration.

By order of the Board

Christophe Quevauvilliers
Company Secretary

September 24, 2015

A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a shareholder or not) to attend and vote on his/her behalf. The instrument appointing a proxy or any general power of attorney shall be deposited at the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four hours before the time fixed for the holding of the meeting or else the instrument of proxy shall not be treated as valid.

A proxy form is included for this purpose at the end of the Annual Report.

For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at November 17, 2015.

The minutes of proceedings of the preceding Annual Meeting held on December 17, 2014 are available for consultation by the shareholders during office hours at the registered office of the Company.

MANAGEMENT AND ADMINISTRATION

MANAGEMENT TEAM

Stéphane Ulcoq	Chief Executive Officer
Rémi de Gersigny	Project and Business Development Manager
Christophe Quevauvilliers	Group Finance Manager and Company Secretary
Laurent Béga	Group Engineering Manager
Caroline Tyack	Group Communication and Marketing Manager
Dwight Hamilton	Group IT Manager
Jocelyne L'Arrogant	Group Procurement and Logistics Manager
Priscilla Chinien	*Acting* Group Human Resources Manager
Jean Marc Selvon	Sales Manager
Dhuenesh Rambarassah	Financial Controller
Francis Koenig	Quarry and Field Manager
Amaury Lacoste	Production Manager (Central and Southern Regions)
Fabien Harel	Production Manager (Northern Region)
Bernard Lagesse	Manager – Marbella Division
Ashwin Ramsaha	Manager – PPB Division
Edley Michaud	Personnel Manager
Jean Philippe Henry	*Acting* General Manager – Espace Maison Ltée
Christopher Blackburn	General Manager – Compagnie de Gros Cailloux Ltée
Jean Claude Bellepeau	General Manager – Dry Mixed Products Ltd

LEGAL FORM

The United Basalt Products Ltd is a public company incorporated in Mauritius in July 1953 and listed on the Official Market of the Stock Exchange of Mauritius since 1989.

HEAD OFFICE

Trianon, Quatre Bornes – Mauritius
Tel. : (230) 454 1964
Fax : (230) 454 8043
Email : info@ubpgroup.com
Website : www.ubpgroup.com

REGISTERED OFFICE

Trianon, Quatre Bornes – Mauritius

COMPANY SECRETARY

Christophe Quevauvilliers F.C.C.A.

AUDITORS

Ernst & Young

BANKERS

Barclays Bank Mauritius Ltd
HSBC (Mauritius) Ltd
State Bank of Mauritius Ltd
The Mauritius Commercial Bank Ltd

BOARD
OF DIRECTORS AND BOARD COMMITTEES

BOARD OF DIRECTORS

Marc Freismuth - Chairman
François Boullé
Jean Michel Giraud
Joël Harel
Laurent de la Hogue
Arnaud Lagesse
Stéphane Lagesse
Thierry Lagesse
Jean Claude Maingard
E. Jean Mamet
Stéphane Ulcoq – Chief Executive Officer (CEO)

BOARD COMMITTEES

CORPORATE GOVERNANCE COMMITTEE

Joël Harel - Chairman
Marc Freismuth
Thierry Lagesse

AUDIT COMMITTEE

E. Jean Mamet - Chairman
François Boullé
Joël Harel

COMPANY SECRETARY

Christophe Quevauvilliers F.C.C.A.

DIRECTORS' PROFILES

01

MARC FREISMUTH - CHAIRMAN

Mr Marc Freismuth was appointed Director of the Company in March 2006 and Chairman of the Board in August 2013. Born in France in 1952, Mr Freismuth holds a 'Diplôme d'Etudes Supérieures de Sciences Economiques' from the University of Panthéon-Sorbonne (Paris). He has been lecturer at the University of Montpellier up to July 1988 when he decided to join the University of Mauritius as lecturer in management and finance up to July 1994. Whilst at this position, Mr Freismuth has contributed to the setting up of the Stock Exchange of Mauritius as consultant to the 'Stock Exchange Commission' and member of the 'Listing Committee'. Mr Freismuth is currently self-employed as consultant in management and finance. Member of the MIoD, he is the Chairman of GML Management Ltée and sits as independent Director on the Board of several public companies.

02

FRANÇOIS BOULLÉ

Mr François Boullé was appointed alternate Director to late Mr Jacques Lagesse in 1998 and full-fledged Director of the Company in May 2004. Born in 1948, Mr Boullé holds a degree from the 'Institut d'Etudes Politiques de Paris' (Sciences Po – Section Economique et Financière). He is currently the Managing Director of Suchem Ltd, a company specialised in importation and distribution of industrial chemicals, textile auxiliaries, plastic raw-materials, pesticides and sprayers for agriculture. Since October 2013, Mr Boullé is also the Managing Director of Archemics Ltd, distributor of consumer goods - adhesives, cosmetics and detergents as agent of Henkel Germany - and of industrial products - cleaning, pools, laundry and textile chemicals - to hotels, restaurants and to the textile industry.

03

JEAN MICHEL GIRAUD

Mr Jean Michel Giraud, born in 1950, joined the Company in 1974 and became General Manager in 1984 succeeding his father at this position. He was appointed Managing Director in November 2004 and became Chief Executive Officer (CEO) as from January 2012 up to December 2014. In January 2015, Mr Giraud was appointed CEO of Espace Maison Ltée and Compagnie de Gros Cailloux Ltée whilst acting as consultant to the new CEO of the Company until June 2015 when he retired from all his executive functions within the Group. Mr Giraud is now a Non-Executive Director of the Company and sits on the Board of several companies within the Group. He is an ex-President of the Mauritius Turf Club and of the Mauritius Tennis Federation.

04

JOËL HAREL

Mr Joël Harel was appointed alternate Director to Mr Jean Raymond Harel in May 2004 and became full-fledged Director of the Company in July 2006. Born in 1967, Mr Harel holds a National Higher Diploma in Mechanical Engineering from Cape Technikon in Cape Town. He is currently the Projects Manager at Emineo Ltd, a company involved in the engineering and the realisation of projects, locally and overseas, mainly in the sugar cane sector and its associated by-products. Mr Harel is the Chairman of the Company's Corporate Governance Committee and is also a Director of Filature de Riche Terre Ltée, a non-listed company.

05

LAURENT DE LA HOGUE

Mr Laurent de la Hogue was appointed Director of the Company in December 2011. Born in 1975, Mr de la Hogue holds a Master degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' in Paris, France. He joined GML in 2001 as Treasurer for the setting up of the central treasury unit before becoming Finance Executive - Corporate & Treasury for GML Management Ltée in April 2011. Mr de la Hogue is actually the Chairman of GML Trésorerie Ltée and also Director of a number of companies such as Abax Holding Ltd, LUX* Island Resorts Ltd and Espace Maison Ltée, among others.

06

ARNAUD LAGESSE

Mr Arnaud Lagesse was appointed full-fledged Director of the Company in August 2011. Born in 1968, Mr Lagesse holds a 'Maitrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of the 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. Mr Lagesse joined GML in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairman of Ireland Blyth Limited, BlueLife Ltd, LUX* Island Resorts Ltd, City Brokers Ltd, inter alia. Mr Arnaud Lagesse is an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. He is also the Chairman of GML Fondation Joseph Lagesse since July 2012 and was recently appointed as Chairman of the National Committee on Corporate Governance.

07

STÉPHANE LAGESSE

Mr Stéphane Lagesse was appointed Director of the Company in November 2011. Born in 1959, Mr Lagesse holds a degree in 'Gestion des Entreprises' from the University of Paris IX Dauphine. He joined the Palmar Group in 1983 where he is currently the Managing Director. Mr Lagesse participated in the setting up of two garment manufacturing companies in Mauritius.

08

THIERRY LAGESSE

Mr Thierry Lagesse was appointed Director of the Company in December 1989 and subsequently Chairman of the Board in December 2002 until August 2013 when he decided to step down from the Chairmanship of the Company. Born in 1953, Mr Lagesse holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the Non-Executive Chairman of GML until recently and is Director of several other companies listed on the Stock Exchange of Mauritius. He is also the Executive Chairman and founder of Palmar Group of Companies and the Executive Chairman of Parabole Réunion SA. Mr Lagesse is a member of the Company's Corporate Governance, Nomination and Remuneration Committee.

09

JEAN CLAUDE MAINGARD

Mr Jean Claude Maingard was appointed Director of the Company in replacement of Mr Jean Paul Adam in November 2007. Born in 1946, Mr Maingard holds a Diploma in Quantity Surveying from the University of Cape Town and is a member of the Royal Institute of Chartered Surveyors (M.R.I.C.S.). In 1972, he joined General Construction Co. Ltd, a well-known firm of building and civil engineering contractors operating in Mauritius, and was appointed Executive Director in 1986 and Managing Director from 1998 to 2006. Mr Maingard is since the Chairman of the company.

10

E. JEAN MAMET

Mr E. Jean Mamet was appointed Director of the Company in November 2004 and is currently the Chairman of the Audit Committee. Born in 1943, Mr Mamet is a Certified Accountant and has been in practice for forty-three years involved in auditing and consulting services up to 2003 when he retired as Managing Partner of Ernst & Young Mauritius. He is the ex-Vice Chairman of The Mauritius Commercial Bank Ltd and sits on the Board of a few other companies.

11

STÉPHANE ULCOQ – CEO

Mr Stéphane Ulcoq, born in 1977, holds a 'Diplôme d'Ingénieur en Mécanique' from the 'Institut National des Sciences Appliquées' (INSA) of Rouen, France and an 'MBA International Paris' from the Paris Dauphine & La Sorbonne Universities. He also holds a Certificate in Global Management awarded by INSEAD after having completed three Executive Education Programs at INSEAD Fontainebleau, France and INSEAD Singapore in 2011 and 2012. Mr Ulcoq joined the Company as Assistant Works Manager in year 2000 and was promoted Workshop Manager in 2007. In January 2012, Mr Ulcoq was promoted to the post of Production Manager where he was in charge of all production units, both in Mauritius and overseas. In addition to his responsibilities as Production Manager, Mr Ulcoq was appointed Deputy CEO by the Board of Directors in December 2012. He then gradually handed over his duties as Production Manager and was appointed CEO with effect from January 2015.

SENIOR OFFICERS' PROFILES

RÉMI DE GERSIGNY

Mr Rémi de Gersigny, born in 1953, joined the Company as supervisor in 1978 and was promoted to the post of Plant Manager in 1981. In the early nineties, he was appointed Area Manager of the western and central regions where he was in charge of three crushing plants. In 2004, Mr de Gersigny was promoted to the post of Operations and Project Manager where he was in charge of all operational matters for our plants in Mauritius and overseas. In January 2012, he was promoted to the post of Project and Business Development Manager.

CHRISTOPHE QUEVAUVILLIERS

Mr Christophe Quevauvilliers, born in 1968, is a Fellow member of the Association of Chartered Certified Accountants. He joined the Group as Finance Manager and Company Secretary in May 2002 after having spent ten years in public practice at De Chazal Du Mée and four years in the industrial sector. In 2013-2014 he completed a General Management Program delivered by the ESSEC (Ecole Supèrieure des Sciences Economiques et Commerciales) Business School. Mr Quevauvilliers also sits on the Board of several companies within the Group.

LAURENT BÉGA

Mr Laurent Béga, born in 1979, holds a BSc in Mechanical Engineering from the University of Cape Town (SA) and an MBA from the University of Surrey (UK). He joined the Company in May 2014 as Group Engineering Manager where he is since responsible for all engineering services, machinery maintenance and supplies as well as projects, both in Mauritius and overseas. Mr Béga has been involved in heavy machinery engineering design and project realisation for the sugar cane industry in various African countries, while working at Forges Tardieu Ltd and subsequently at Emineo Ltd. He had previously gained experience in heavy machinery maintenance at the Construction and Materials Handling department of IBL Ltd, now known as CMH Ltd.

CAROLINE TYACK

Mrs Caroline Tyack, born in 1979, holds a 'Diplôme d'Etudes Approfondies' (DEA) en 'Veilles et Intelligence Compétitive' from the 'Université Paul Valéry', Montpellier, France. She joined the Company as Communication Manager in January 2005 after having followed a crash course in 'Administration et Gestion du Personnel' at the 'Conservatoire National des Arts et Métiers' (CNAM), Montpellier, France. In November 2006, Mrs Tyack was promoted to the post of Group Communication and Marketing Manager where she is since responsible for all communication and marketing matters relevant to the Group. She is also responsible for developing the CSR strategies for the Group.

DWIGHT HAMILTON

Mr Dwight Hamilton, born in 1974, holds a Professional Graduate Diploma in Information Technology from the National Council for Vocational Qualification (NCVQ). He joined the Company as System's Coordinator in 2004 where he was in charge for the implementation of the ERP for the Group. In 2011, he was promoted to the post of IT Manager for the Group.

JOCELYNE L'ARROGANT

Ms Jocelyne L'Arrogant, born in 1969, holds a diploma in Management (Financial Management) from the University of Mauritius. She joined the Company as Accounts Officer in 1989 and was given the responsibility of the Import & Logistic department of Espace Maison Ltée and the Procurement department of the UBP Group in 2002. In 2011, Ms L'Arrogant was promoted to the post of Group Logistic & Procurement Manager.

PRISCILLA CHINIEN

Mrs Priscilla Chinien, born in 1968, holds a Diploma in Human Resources Management from the Association of Business Executive (UK). She joined the Company as Personal Assistant to the Administrative Manager in 2003 after having held executive administrative positions at PwC. In 2009, Mrs Chinien moved to our HR department and was promoted to the post of HR Lead, assisting directly the Group Human Resources Manager, in 2014. Upon the resignation of the latter in April 2015, Mrs Chinien was appointed Acting Group Human Resources Manager.

JEAN MARC SELVON

Mr Jean-Marc Selvon, born in 1962, holds a Higher Diploma in Integrated Marketing & Communication from AAA South Africa. He joined Pre-mixed Concrete Ltd as Sales Representative in 1982 and held successively the posts of Assistant Sales Manager, Sales Manager and Sales and Marketing Manager until 2012. Mr Selvon thereafter joined Dry Mixed Products Ltd as Sales and Marketing Manager up to March 2015 when he was offered the job of Sales Manager of UBP where he oversees all the core business sales function.

DHUENESH RAMBARASSAH

Mr Dhuenesh Rambarassah, born in 1976, is a Fellow member of the Association of Chartered Certified Accountants and holds an MBA with a specialisation in strategic planning from the Edinburg Business School of Scotland. He joined the Company as Financial Accountant in February 2006 after having spent more than eight years successively in the Audit and Assurance department of Ernst & Young and De Chazal Du Mée where he was involved in the audit of several of the major companies in Mauritius. In July 2013, Mr Rambarassah was designated Financial Controller of the majority of companies within the Group.

FRANCIS KOENIG

Mr Francis Koenig, born in 1957, joined the Company in 1981 and was in charge of Stone Utilities Ltd. Soon thereafter, he was promoted to the post of Plant Manager for Terre Rouge, Roche Bois and Coromandel plants. After two years at this position, he was promoted to the post of Area Manager for the northern region until 1991 where he moved to the southern region. In February 2012, he was promoted to the post of Quarry and Field Manager where he is now in charge of our Land Reclamation Unit involved in quarrying operations and the supply of raw materials to the majority of our production sites.

AMAURY LACOSTE

Mr Amaury Lacoste, born in 1985, holds a Master in Civil Engineering 'Conception d'Ouvrage d'Art & Bâtiment' from the 'Université Paul Sabatier', Toulouse, France. In 2009, he completed his final year project and worked in a geotechnical engineering office in St Denis, Reunion Island. In January 2010, he joined the Company as Project Engineer & Coordinator within the engineering department up to January 2013 when he was appointed Assistant Production Manager for our crushing and block-making activities. In January 2015, Mr Lacoste was promoted to the post of Production Manager for the central and southern regions.

FABIEN HAREL

Mr Fabien Harel, born in 1981, holds a 'Maitrise en Science Economique et Sociale' from the University of Toulouse 1 and an 'MBA International de Paris' from the Paris Dauphine & La Sorbonne Universities. He joined the Group as Shop Manager of Espace Maison Ltée in August 2005. In 2009, he moved to UBP as Property Development Manager until July 2011 when he was appointed Area Manager of the northern region in charge of two crushing plants and one sales 'dépôt'. In 2012, he was promoted to the post of Sales Manager where he was responsible for the sales strategy and customer care for our core business activities whilst still being in charge of all properties within the Group. In March 2015, Mr Harel was promoted to the post of Production Manager for our crushing and block-making activities in the northern region.

BERNARD LAGESSE

Mr Bernard Lagesse, born in 1951, joined the Company in 1984 as Maintenance Officer in charge of all the buildings. In 1985, he was promoted to the post of Manager of Marbella Ltd, a company engaged in the import and sale of marble and ceramic tiles. In July 1995, Mr Lagesse was appointed Manager of UBP - Marbella Division where he is since responsible of the production of precast products, concrete pipes, roof tiles and rustic pavements.

ASHWIN RAMSAHA

Mr Ashwin Ramsaha, born in 1959, holds an MSc in Civil Engineering with a specialization in Structural Engineering from the University of Architecture, Civil Engineering & Geodesy-Sofia. He is a Registered Professional Engineer of the Council of Engineers in Mauritius and has been practicing continuously in the private and public sectors in Mauritius and in Toronto since 1987. In 2007, Mr Ramsaha joined the Company as Assistant Manager of our PPB Division which is involved in the production of precast concrete slabs. In February 2015, he was promoted to the post of Manager of our PPB Division.

EDLEY MICHAUD

Mr Edley Michaud, born in 1951, holds a Certificate in Personnel Management and Industrial Relations and a Diploma in Occupational Safety & Health from the National College of Industrial Hygiene (Australia). He is also a Fellow member of the British Safety Council and a registered Safety Officer under the Occupational Safety & Health Act. Mr Michaud joined the Company as Production Supervisor in 1973 and became Personnel Manager in July 1987. He is closely involved in all safety and health regulations within the Group.

JEAN PHILIPPE HENRY

Mr Jean Philippe Henry, born in 1973, holds a National Diploma in Management from the Natal Technikon Institute, South-Africa and is a graduate of the Chartered Institute of Secretaries (CIS). Mr Henry joined Espace Maison Ltée as Assistant Shop Manager in 2003 after having worked successively at Price Waterhouse Coopers Ltd, World Knits Ltd and Naïade Resorts Ltd. In 2005 he was promoted Purchasing Manager and thereafter General Manager in 2009. In 2013-2014 he completed a General Management Program delivered by the ESSEC (Ecole Supèrieure des Sciences Economiques et Commerciales) Business School.

CHRISTOPHER BLACKBURN

Mr Christopher Blackburn, born in 1969, holds a 'Brevet de Technicien Agricole' with a specialisation in 'Jardin Espace Vert' (France) and a Diploma in Marketing from Australia. In 2014, he successfully completed a Bcom in Marketing from Curtin University, Australia. Mr Blackburn joined the Group as General Manager of Compagnie de Gros Cailloux Ltée in May 2012 after having worked as General Manager of the Landscaping & Nursery department at Médine Ltd.

JEAN CLAUDE BELLEPEAU

Mr Jean Claude Bellepeau, born in 1963, holds a 'Diplôme d'Ingénieur Chimiste' from EHICS, Strasbourg, France. After having spent 10 years in the textile and industrial chemicals sectors in Mauritius, he joined the Lafarge Group to launch the cement terminal in Mayotte. He then joined Pre-mixed Concrete Ltd as Operations Manager in 2003 and was promoted General Manager of Pre-mixed Concrete Ltd and Dry Mixed Products Ltd in 2008. In 2011, further to the reorganisation of these two companies, Mr Bellepeau directed the integration of Dry Mixed Products Ltd into the UBP Group and is henceforth the General Manager of the company.

GROUP STRUCTURE

THE UNITED BASALT PRODUCT LIMITED
SUBSIDIARIES

- 100% Espace Maison Ltée (Operational)
- 100% Compagnie de Gros Cailloux Ltée (Operational)
- 100% Société d'investissement Rodriguais (Operational)
  - 75.9% Welcome Industries Ltd (Operational)
- 100% UBP International Ltd (Operational)
  - 77% United Granite Product (Pvt) Ltd (Operational)
  - 100% DHK Metal Crusher (Pvt) Ltd (Dormant)
  - 100% Sheffield Trading (Pvt) Ltd (Dormant)
- 100% UBP Madagascar (Operational)
- 76.5% Ste Marie Crushing Plant Ltd (Operational)
  - 100% Société des Petits Cailloux (Dormant)
- 51% Dry Mixed Products Ltd (Operational)
- 100% Land Reclamation Ltd (Dormant)
- 100% Stone and Bricks Co. Ltd (Dormant)
- 100% The Stone Masters Co. Ltd (Dormant)
- 100% Pricom Ltd (Dormant)

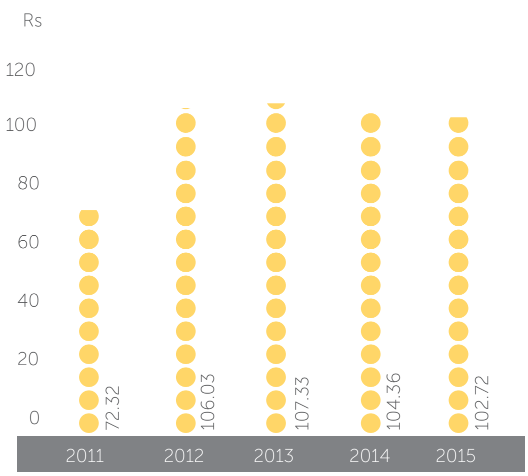
THE UNITED BASALT PRODUCT LIMITED
ASSOCIATES

- 49% Pre-mixed Concrete Ltd (Operational)
- 46% Terrarock Ltd (Operational)
- 34% Prochimad Mines et Carrières SARL* (Operational)
- 25% Sud Concassage Ltée (Operational)
- 25% Cement Transport Ltd (Operational)
- 20% Compagnie Mauricienne D'Entreprise Ltée (Operational)
- 30% Compagnie des Transport Réunis (Dormant)

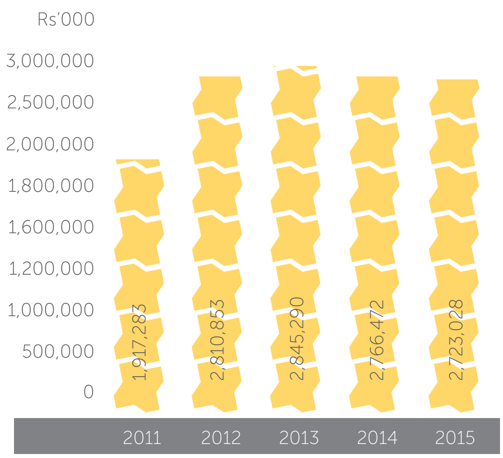
Operational Dormant

* Via UBP Madagascar

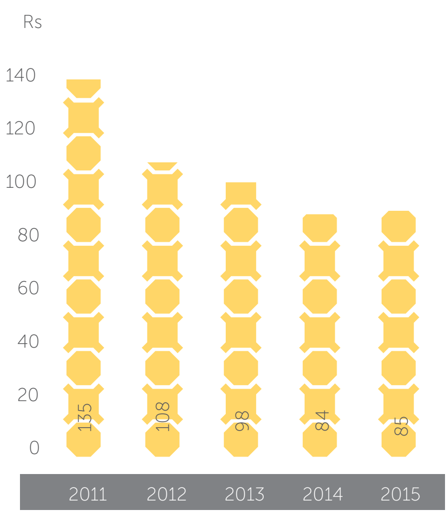
FINANCIAL HIGHLIGHTS



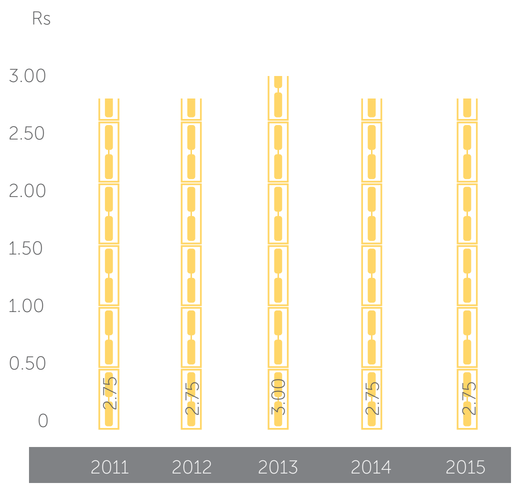
NET ASSETS PER SHARE



EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT



SHARE PRICE

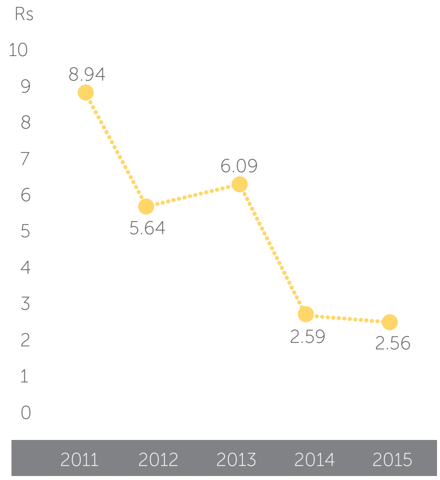


DIVIDEND PER SHARE

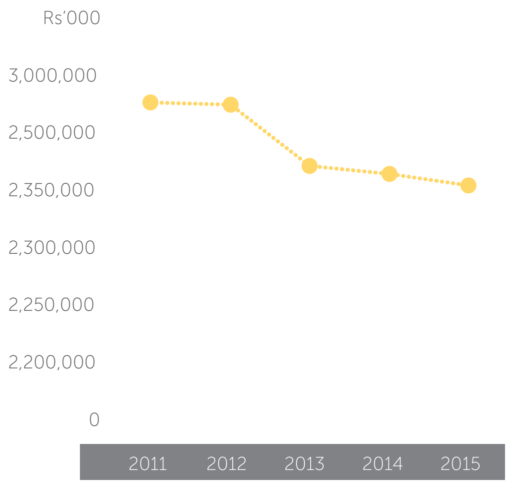
Note 1: Figures of Net Assets Value Per Share, Equity attributable to Shareholders of the Parent and Earnings Per Share for years 2012 and 2013 have been adjusted to reflect the effect of adopting IAS 19.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP	
	June 30, 2015	**June 30, 2014**
	Rs' 000	**Rs' 000**
Revenue	**2,355,240**	**2,362,562**
EBITDA	390,081	392,861
Depreciation and amortisation	(228,831)	(203,999)
Operating profit	161,250	188,862
Net finance costs	(54,543)	(80,851)
Share of results of associates	(3,163)	12,664
Profit before tax	103,544	120,675
Income tax expense	(20,432)	(26,483)
Profit for the year	83,112	94,192
Non-controlling interests	(15,262)	(25,505)
Profit for the year attributable to equity holders of the parent	**67,850**	**68,687**
	Rs	**Rs**
Earnings per share		
Basic, profit for the year attributable to ordinary equity holders of the parent.	2.56	2.59
Dividend per share	**2.75**	**2.75**



EARNINGS PER SHARE

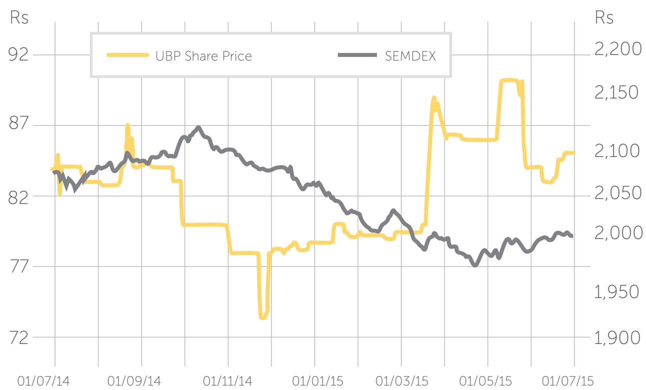


REVENUE

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	June 30, 2015	**June 30, 2014**
	Rs' 000	**Rs' 000**
Total assets	**4,425,260**	**4,470,159**
Interest-bearing loans and borrowings	1,030,171	1,040,075
Borrowings excluding bank overdrafts	750,444	791,911
Equity attributable to shareholders of the parent	2,723,028	2,766,472
	Rs	Rs
Net assets value per share	**102.72**	**104.36**

Financial Ratios	**2015**	**2014**
Operating margin - %	6.85	7.99
Interest cover - times	2.67	2.41
Dividend cover - times	0.93	0.94
Return on equity - %	2.49	2.48
Return on assets - %	1.53	1.54
Debt to equity - times	0.37	0.37



UBP SHARE PRICE V/S SEMDEX

VALUE ADDED
STATEMENT

	June 30, 2015 Rs' 000	June 30, 2014 Rs' 000
Sale of goods and services	2,355,240	2,362,562
Paid to suppliers for materials and services	(1,561,401)	(1,588,334)
Value added	793,839	774,228
Other operating income	65,589	66,948
Total wealth created	**859,428**	**841,176**
Distributed as follows:		
Employees		
Salaries and other benefits	455,075	431,952
Providers of capital		
Dividend	72,903	72,903
Interest paid on borrowings	62,105	85,316
Dividend to non-controlling interests	12,583	13,186
	147,591	**171,405**
Government and parastatal corporations		
Income tax (current and deferred)	20,432	26,483
Environment protection fee	9,528	9,518
Licences and permits	3,024	2,035
	32,984	**38,036**
Reinvested in the Group to maintain and develop operations		
Depreciation, amortisation and impairment	228,831	203,999
Retained loss	(5,053)	(4,216)
	223,778	**199,783**
Total wealth distributed and retained	**859,428**	**841,176**

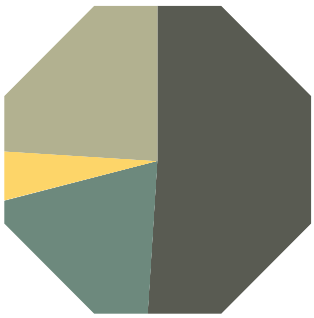
JUNE 30, 2015

53% Employees

17% Providers of capital

4% Government & parastatal corporations

26% Reinvested in the group



JUNE 30, 2014

51% Employees

20% Providers of capital

5% Government & parastatal corporations

24% Reinvested in the group

CHAIRMAN'S REPORT

DEAR SHAREHOLDER,

I am pleased to present to you our Annual Report for the year ended June 30, 2015 and to share with you my appreciation and comments on the industry and our performance and achievements for the year.

A NEW CEO

The CEO's succession plan was effective this year. Accordingly, Mr Stéphane Ulcoq was appointed CEO of the Company with effect from January 1, 2015 and CEO of the Group with effect from July 1, 2015, thereby succeeding Mr Jean Michel Giraud at this position. Mr Giraud remained as advisor to the Company and CEO of Espace Maison Ltée and Compagnie de Gros Cailloux Ltée until June 30, 2015 when he retired from all his executive functions within the Group. After forty years of fruitful service, Mr Giraud is now a Non-Executive Director of the Company and sits on the Board of several companies within the Group.

On behalf of the Board of Directors, I wish to put on record the outstanding contribution made by Mr Giraud to the development and success of the UBP Group during the past thirty years under his leadership where he drove the business with a clear strategic vision, strong entrepreneurship and unfailing determination through good and bad times whilst establishing a strong corporate culture and a deep attachment of the personnel to the Company's values.

Going forward, Mr Ulcoq is entrusted and supported by the Board of Directors to pursue the development plan of the Group and ensure the necessary leadership to take up the coming challenges.

A SLUGGISH ECONOMIC CLIMATE

According to recent indicators on the Mauritian economy, the real GDP growth rate increased slightly from 3.2% for calendar year 2013 to 3.5% for calendar year 2014. This rise conceals the existing structural weaknesses which handicaps a real economic recovery. Pursuing its downward trend since the last five years, the level of investment dropped to less than 20% of GDP in 2014. Due to the lack of major projects, the level of investment by the private sector was less than 15% of GDP and was not compensated by the public sector's level of investment. The increase in consumption was more due to expenditure by the government than that of households, thereby expressing a feeling of uncertainty about the future and a drop in purchasing power. At the same time, the savings rate continued to fall, thereby affecting negatively the conditions for a balanced recovery.

Worldwide, the economic growth rate for 2014 was disappointing at 3.3% whilst the forecasts of the IMF for 2015 were reviewed downwards despite the drop in the price of petroleum products and the recovery of the US economy.

THE CONSTRUCTION INDUSTRY'S RECESSION

In this difficult economic context, the real growth rate in GDP for the industry 'improved' from -9.4% for calendar year 2013 to -8.5% for calendar year 2014 whilst the initial forecast was at -4.8%. This year again, the industry suffered from a low level of major infrastructure and property development projects. This state of things was worsened by the excess supply situation prevailing on the property market and confirmed the negative trend experienced by the industry since 2011. The latest growth rate forecast for calendar year 2015 is still negative at 2.6%, which however tends to show some signs of recovery, provided realised.

FURTHER RESILIENCE

In such a context, our Group has shown a great deal of resilience this year again. Despite the fierce competition prevailing on the market due to the absence of major projects, the Group's revenue was maintained at Rs 2.4 billion – See graphs of our Group revenue, the industry's growth rate and cement sales volume below.

The Group's profit decreased from Rs 94.2 million in 2014 to Rs 83.1 million for the year under review. This drop in performance was attributable to our core business (local and overseas) and agriculture segments and to the negative results achieved by our ready-mixed concrete associate.

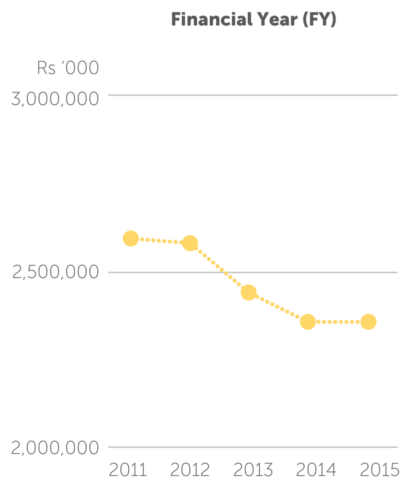
MAINTAINED FINANCIAL RETURN

The Group's Earnings Per Share (EPS) slided down from Rs 2.59 in 2014 to Rs 2.56 this year. The Dividend Per Share (DPS) was maintained at Rs 2.75 like in 2014. Our share price increased from Rs 84.00 at June 30, 2014 to Rs 85.00 at this year-end. Hence, the total Shareholders' Return based on previous year's share price was at 4.46% compared to a negative return of 11.48% for financial year 2013-2014.

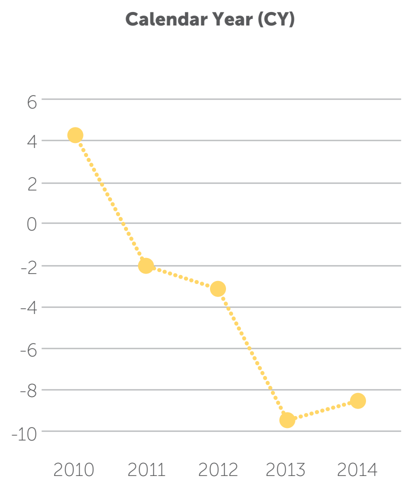
REINFORCED GOVERNANCE

During the past financial year, the Corporate Governance Committee pursued its mission actively to ensure effective governance practices and sustainable development within the Group. At the time of writing, the Committee is finalising the Company's Code of Ethics and a Board Charter. The Board of Directors is convinced that the Company must behave itself as a responsible corporate citizen in full respect of the working and social environment through a set of preventive and CSR measures and actions.

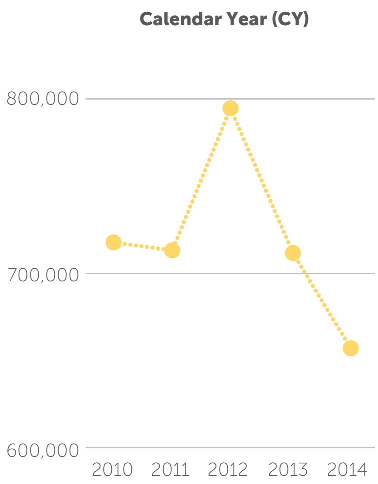
The Board is also very concerned about risk management and



UBP GROUP REVENUE



INDUSTRY GROWTH RATE

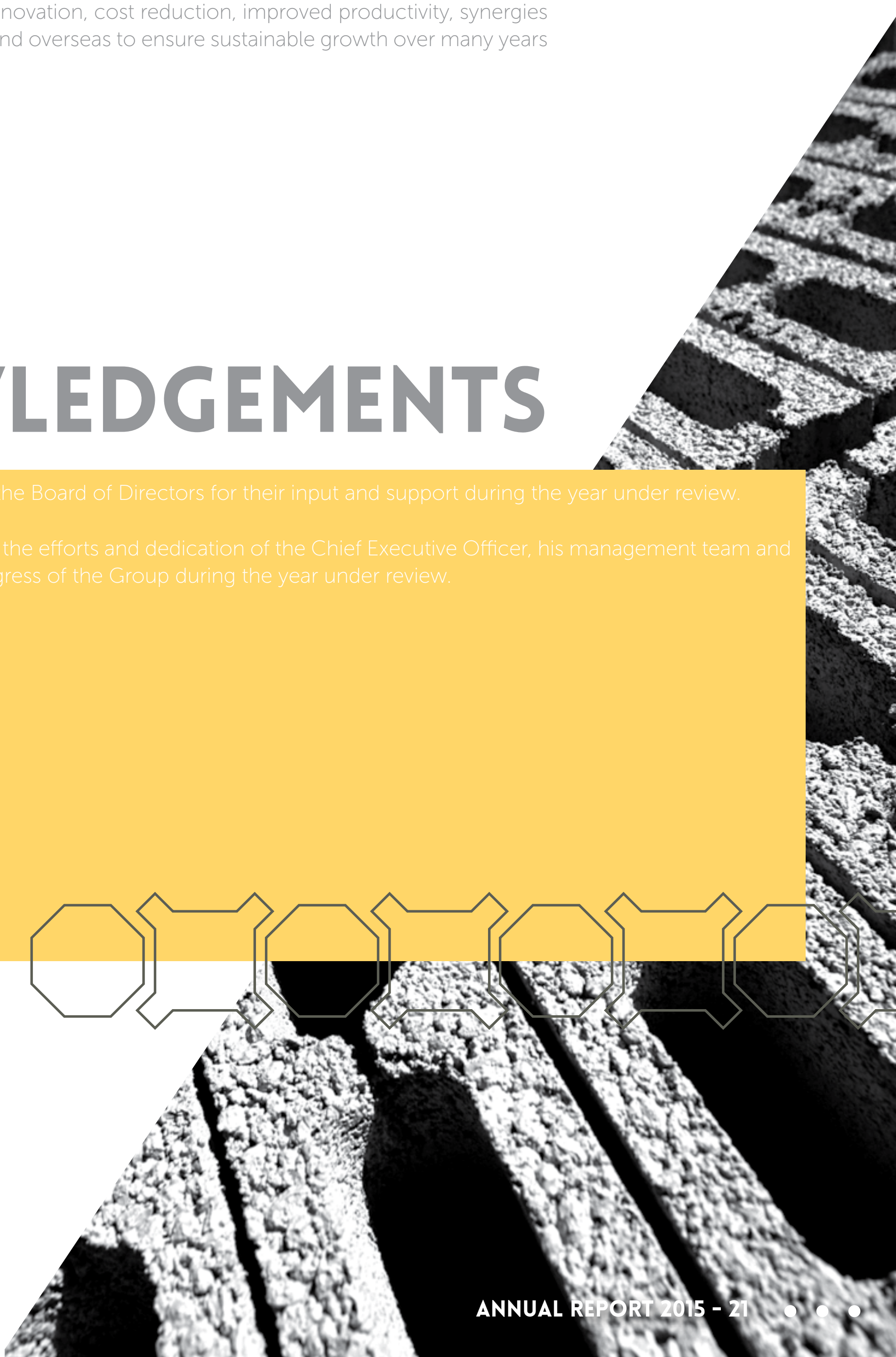


CEMENT SALES VOLUME

compliance issues. As such, it has approved the implementation of an Enterprise Risk Management framework and a Business Continuity Management plan within the Group with a view to fully identify, measure, assess the likelihood and mitigate our exposure to risks.

ENCOURAGING FUTURE PROSPECTS

Our future performance remains dependent on the economic climate and the level of investment in public infrastructure and property development projects. The recovery of the construction industry is much awaited and the vision expressed by the Prime Minister's Economic Mission Statement is encouraging for the future although the realisation timing of the announced projects is yet to be ascertained. Nevertheless, our Group remains committed on the pursuance of its development plan, to focus on product and process innovation, cost reduction, improved productivity, synergies and business opportunities both locally and overseas to ensure sustainable growth over many years ahead.



ACKNOWLEDGEMENTS

I wish to thank my fellow members of the Board of Directors for their input and support during the year under review.

I also wish to acknowledge with thanks the efforts and dedication of the Chief Executive Officer, his management team and the personnel at large towards the progress of the Group during the year under review.

Marc Freismuth
Chairman

September 24, 2015

CHIEF EXECUTIVE OFFICER'S REPORT

DEAR SHAREHOLDER,

It is a great honour for me to address myself to you as new CEO of the UBP Group in order to report on the operations and results of the Company and of the Group for the year ended June 30, 2015 and to share with you our achievements and development plans.

OPERATIONAL PERFORMANCE REVIEW

The Group's revenue for the year remained stable at Rs 2.4 billion whilst the Group's operating profit dropped from Rs 188.8 million in 2014 to Rs 161.2 million this year. This downturn in performance was attributable mainly to our core business and agriculture segments.

Core Business Segment: The Company's revenue for the year dropped by 1.9% whilst the operating profit increased by 9.4% to Rs 145.1 million due mainly to a reduction in production costs of our core products. Our core business activities locally were characterised by a rise in aggregates sales volumes and a drop in blocks sales volumes whilst our selling prices were kept down by the fierce competition prevailing on the market. Sales to the private-dwelling's market were almost maintained but sales to major infrastructure and property development projects, although improving, were still significantly low as a result of the sluggish climate prevailing in the construction industry. Our dry mortar subsidiary's profitability was much below expectations due to a significant rise in production costs, exceptional plant repairs and an increase in administrative expenses. Overseas, both of our subsidiaries operating in Madagascar and Sri Lanka incurred losses as a result of the poor market conditions prevailing, fierce competition and increased production and administrative costs.

Retail Segment: The revenue from our Espace Maison activities for the year increased by 6.7% to Rs 727.9 million whilst our operating profit dropped from Rs 5.8 million in 2014 to Rs 2.9 million this year due to the bad performance of our shop at Flacq and the expected slow-progression of **'Ma Jardinerie'** at Gros Cailloux which only opened in September 2014. In addition to that, our performance was also impacted by an increase in marketing costs, royalty fees paid to **'Delbard'**, pension provisions, doubtful debt provisions and one-off expenses. The market conditions remain challenging due to the lack of projects and the fierce competition prevailing.

Agriculture Segment: The revenue of our subsidiary Compagnie de Gros Cailloux Ltée for the year decreased by 11.7% to Rs 71.8 million due to a drop in sugar proceeds and a slowing down of our greenhouse and landscaping activities. The sugar crop tonnage dropped by 7.2% to 1,854 tons of sugar whilst the price fell from Rs 15,830 per ton in 2014 to Rs 14,693 per ton this year, including a special compensation of Rs 2,000 per ton from the SIFB. Our operating performance was also adversely affected by a back-pay paid to the employees of the sugar sector, pension provisions and by the year-end downward revaluation of our standing crop and plants.

Associates: Our share of results from associates moved from a profit of Rs 12.6 million in 2014 to a loss of Rs 3.1 million for the year under review. This turnaround in performance was attributable mainly to the significant losses incurred by our ready-mixed concrete associate caused by unfavourable market conditions and fierce competition. This situation is being monitored with much concern through a set action plan which is expected to bring benefits in the short to medium term.

FINANCE INCOME AND COSTS

The Group's finance income increased appreciably to Rs 7.5 million whilst at Company level a drop was noted due to the non-payment of dividends from our ready-mixed concrete associate. The Group's finance costs dropped by Rs 23.2 million due to the fact that prior year's costs had been significantly impacted by a loss on exchange on the conversion of intergroup payables of UBP Madagascar. Such payables have been denominated in the Malagasy currency since March this year and treated as investments in the books of the Company. At Company level, the finance costs dropped slightly due to the availability of cheap short-term financing.

PROFIT AND EPS

The Group's profit for the year moved from Rs 94.2 million in 2014 to Rs 83.1 million this year. After taking into consideration the non-controlling interests, the Group's Earnings Per Share (EPS) decreased from Rs 2.59 in previous year to Rs 2.56 for the year under review.

FINANCIAL SITUATION

The Group's financial situation remained stable during the year with total assets of Rs 4.4 billion and total liabilities of Rs 1.6 billion whilst the equity attributable to shareholders of the parent company decreased by Rs 43.4 million to Rs 2.7 billion. The Group's borrowings dropped by Rs 9.9 million with no new long term loans contracted during the year. On June 30, 2015 our 5-year bonds were trading at Rs 100.41 with a maturity set for October 2018. The debt to equity ratio was maintained at 0.37 times like in 2014 whilst the Net Assets Value (NAV) per share decreased from Rs 104.36 at June 30, 2014 to Rs 102.72 this year.

The Group's total investment in property, plant and equipment for the year under review amounted to Rs 355.3 million compared to Rs 234.1 million in 2014 and was financed out of funds generated from our operations, leases and short term loans. Besides the normal recurring capital expenditure aimed at the replacement of existing assets, a major part of the Group's capital expenditure for the year was spent on new development projects as detailed thereafter.

The other major movements in the Group's Statement of Financial Position comprised of a decrease of Rs 55.2 million in trade and other receivables, a decrease of Rs 47.6 million in trade and other payables and an increase of Rs 49.1 million in employee benefit liability due to a change in the actuarial assumptions relative to the discount rate principally. The cash and cash equivalent for the year under review decreased by Rs 42 million compared to an increase of Rs 4.6 million in 2014. The other major group cash outflows made during the year comprised of the servicing of loans and leases and the payment of dividends.

ACHIEVEMENTS AND DEVELOPMENT PLANS

The main achievement for the year under review in terms of development projects for our core business activities was the setting up of a filler plant on our site at Poudre d'Or. The fillers produced therefrom are used by a cement manufacturer to produce a new grade of cement intended for a specific utilisation. The plant has various utility potential which are yet to be explored. Another achievement realised this financial year was the introduction onto the market of our **LIGHT BLOC** and our **Ecobloc** aimed at providing our customers means of saving on cost and energy consumption. In the same innovation pursuance, another type of block called **Bloc 20.15** was launched in the month of September this year. The other development projects realised comprised of the upgrading of our crusher at St Julien, the acquisition of new paving-blocks moulds for a contract obtained in the harbour, the purchase of additional equipments for our quarrying activities and the construction of a new store and a dosing plant for our 'Drymix' products.

In terms of development plans, our capital expenditure budget for the financial year 2015-2016 provides for the upgrading of our primary crusher at Plaine Magnien, the extension of our block shed and the construction of new offices at St Julien, the upgrading of our laboratory for improved product testing and R&D and the acquisition of a packer and palletizer for our dry mortar plant. In Sri Lanka, we are still working towards the setting up of a crushing plant in the region of Colombo. At time of writing, we are in negotiation with a potential partner in view of concluding a joint-venture for the manufacture of rocksand.

In terms of our Espace Maison retailing activities, the main achievement for the financial year under review was the launching of a new retail outlet branded as **'Ma Jardinerie'** on our estate at Gros Cailloux. This outlet specialised in garden accessories and plants offers a pleasant environment to visitors who may enjoy the activities available at the leisure park next to it. Our franchise agreement with **'Delbard'** has helped us in the conception of this project to realise it as per international standards. Besides this project, the other major achievement realised during the year was the linking of our outlets in the Trianon Shopping Park complex thereby extending the space available for our garden section and making the venue more pleasant for our customers. The shopping complex which re-opened in November 2014 now offers a much pleasant shopping experience to visitors. New projects in the pipeline for the financial year 2015-2016 comprise of the improvement of our warehousing facilities situated at Roche-Bois and Terre-Rouge.

Besides the construction of **'Ma Jardinerie'** which falls under the management of Espace Maison, the main achievement for the year under review as regards our subsidiary Compagnie de Gros Cailloux Ltée was the creation of an exhibition area and a leisure park. The exhibition area was used to host the Dog Show organised by Espace Maison in 2014 and 2015 and is meant to be used for expositions, shows, receptions, sports days, team building and other similar events. The leisure park comprises of various activities such as jogging, cycling, skating and quad-biking as well as an animal farm and pedal boats. Our capital expenditure budget for the financial year 2015-2016 provides for a shelter facility for the exhibition area, more amenities and equipments for the leisure park, the extension of our nursery and an irrigation system for vegetables cultivation.

In terms of the property development potential of the estate, the plot of land initially identified for a parcelling project was sold in one lot as mentioned in our previous annual report and the proceeds were used to repay part of the debts of our subsidiary. As regards future projects, the Board is currently in discussion with an international firm for the design of a master plan which should set out the development plan of the property for many years ahead.

The above-referred investments for financial year 2015-2016 should be realised with a minimum of borrowings, thereby pursuing our overall debt reduction strategy.

Besides the above operational development projects, the Group also invested in staff welfare facilities during the year under review, namely for the construction of a gym and a childcare nursery for the exclusive use of our staff, more specially those who work odd hours. These investments were realised as part of a strategy to give our employees adequate facilities to enable and motivate them to do their job in the best possible manner.

OUTLOOK

The Group's revenue since July 2015 is ahead of that of the corresponding period in 2014. Our future performance and growth locally relies significantly on the prevailing economic conditions to favour both infrastructure and property development projects. The Vision 2030 expressed by the Prime Minister in his Economic Mission Statement sets the scene for a fruitful partnership between the public and the private sectors to bring a new drive to our economic model and address all the challenges coming ahead with a view to ensure sustainable growth and full employment. This being said, the Rs 15 billion to be invested by the government in infrastructure projects over the next five years and the materialisation of the Smart Cities projects already announced are not expected during the coming financial year 2015-2016. Hence, the 5.5% economic growth rate target by the year 2017 remains challenging. However, our Group remains committed to pursue its development by focussing on innovation and favouring more synergies amongst the various entities within the Group in order to maximise the complementarity that exists between our products. In terms of our foreign development, we are considering a new joint-venture in Sri Lanka and are exploring some business opportunities in Africa.

APPRECIATION AND THANKS

I wish to express my appreciation and thanks to my colleagues of the management team and to the personnel at large for their hard work and commitment during the financial year 2014-2015.

I also wish to thank the members of the Board of Directors for their guidance and support during the past financial year. I would like to add a special note here for my predecessor Mr Jean Michel Giraud for his vision and achievements for the Group during the past forty years and thank him for his legacy.

Finally, I would like to thank our business partners and our customers for their trust in our products and our Group.

Stéphane Ulcoq
Chief Executive Officer

September 24, 2015

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPLIANCE (AS PER SECTION 75(3) OF THE FINANCIAL REPORTING ACT),

The Board of Directors of The United Basalt Products Limited confirms that to the best of their knowledge, the Company has complied with all its obligations and requirements under the Code of Corporate Governance for the year ended June 30, 2015 except for Sections 2.2 (Composition of the Board) and 2.8 (Remuneration of Directors) of the Code. The reasons for non-compliance to these sections are included under the relevant headings on pages 28 and 36 of this report.

On behalf of the Board

Marc Freismuth
Chairman

Stéphane Ulcoq
Chief Executive Officer

September 24, 2015

The United Basalt Products Limited was incorporated as a public company in July 1953. The shares of the Company are listed on the Official Market of the Stock Exchange of Mauritius since 1989.

The Board of Directors acknowledges that the Code of Corporate Governance ('the Code') sets out the best practices in terms of corporate governance and this report describes how the main corporate governance principles have been applied within the Company.

SHAREHOLDING STRUCTURE

The shareholding structure of the Group at June 30, 2015 is as detailed on page 14. The share capital of the Company amounts to Rs. 265,100,420 made up of 26,510,042 ordinary shares of no par value.

The Company has as Holding Company GML Investissement Ltée, incorporated in Mauritius.

COMMON DIRECTORS

The list of common Directors with the shareholder companies holding more than 5% of the share capital of the Company at June 30, 2015 was as follows:

Directors	UBP	GML Investissement Ltée	Forward Investment and Development Enterprises Ltd
Thierry Lagesse	■	■	■
Arnaud Lagesse	■	■	■*

*Chairman

SUBSTANTIAL SHAREHOLDERS

Shareholders holding more than 5% of the share capital of the Company at June 30, 2015 were as follows:

Shareholders	Number of shares	% Holding
GML Investissement Ltée	7,764,839	29.29
Forward Investment and Development Enterprises Ltd	2,918,753	11.01

Except for the above, no other entity or individual had an interest of 5% or more in the ordinary share capital of the Company.

SHAREHOLDING PROFILE

The share ownership and categories of shareholders at June 30, 2015 were as follows:

Size of shareholding	Number of shareholders	Number of shares owned	Percentage (%)
1 - 500	864	141,109	0.53
501 – 1,000	244	179,854	0.68
1,001 – 5,000	584	1,419,725	5.35
5,001 – 10,000	169	1,207,424	4.56
10,001 – 50,000	176	3,419,378	12.90
50,001 – 100,000	34	2,373,550	8.95
100,001 – 250,000	14	2,254,276	8.50
250,001 – 1,000,000	7	3,649,995	13.77
Over 1,000,000	3	11,864,731	44.76
Total	**2,095**	**26,510,042**	**100.00**

Category of shareholders	Number of shareholders	Number of shares owned	Percentage (%)
Individuals	1,825	6,679,611	25.20
Insurance and assurance companies	22	1,747,025	6.59
Pension and providence funds	62	3,724,077	14.05
Investment and trust companies	42	11,453,446	43.20
Other corporate bodies	144	2,905,883	10.96
Total	**2,095**	**26,510,042**	**100.00**

SHARES IN PUBLIC HANDS

In accordance with the Listing Rules of the Stock Exchange of Mauritius, at least 25% of the shareholding of the Company is in the hands of the public.

SHARE REGISTRY AND TRANSFER OFFICE

The Company's Share Registry and Transfer Office is administered in-house.

SHARE PRICE INFORMATION

The Company's share price increased by 1.2% over the past year, from Rs 84.00 at June 30, 2014 to Rs 85.00 at June 30, 2015, whilst the SEMDEX decreased by 5% over the same period.

At the time of writing, the share of the Company is quoted at Rs 78.00 on the Official Market of the Stock Exchange of Mauritius compared to Rs 83.00 on September 25, 2014, date of the preceding Annual Report. The Price Earnings Ratio (PER) is at 30.12, the Dividend Yield at 3.53% and the Price to Net Assets Value (NAV) at 0.75.

Please refer to Financial Highlights and Ratios on page 16 for indicators, the share price movements over the past five years to June 30, 2015 and a comparison of the Company's share price movement to the SEMDEX over the past financial year.

TOTAL SHAREHOLDERS' RETURN AND MARKET DATA

Total Shareholders' Return		**2011**	**2012**	**2013**	**2014**	**2015**
Share price at the end of the current year	Rs	135.00	108.00	98.00	84.00	85.00
Share price at the end of the previous year	Rs	123.00	135.00	108.00	98.00	84.00
Increase/(Decrease) in share price	Rs	12.00	(27.00)	(10.00)	(14.00)	1.00
Dividend per share	Rs	2.75	2.75	3.00	2.75	2.75
Total return per share	Rs	14.75	(24.25)	(7.00)	(11.25)	3.75
Total return based on previous year's share price	**%**	**11.99**	**(17.96)**	**(6.48)**	**(11.48)**	**4.46**

MARKET DATA

Market Data		**2011**	**2012**	**2013**	**2014**	**2015**
Market price per share:						
High	Rs	145.00	135.00	107.00	98.00	90.00
Low	Rs	105.00	100.00	90.00	81.00	73.50
Average	Rs	126.80	117.14	98.83	90.47	82.15
Share price at the end of the current year	Rs	135.00	108.00	98.00	84.00	85.00
Value of shares traded	Rs'm	245.73	129.00	216.52	178.16	119.93
Market capitalisation at June 30,	**Rs'm**	**3,578.86**	**2,863.08**	**2,597.98**	**2,226.84**	**2,253.35**

DIVIDEND POLICY

The Company has no formal set dividend policy. The payment of dividend is subject to the Company's performance, its cash flow position, its capital expenditure and debt servicing requirements as well as its future investments and growth opportunities. In so doing, the Board of Directors attempts to distribute a yearly dividend which, under normal circumstances, should remain sustainable in the medium to long term.

DIVIDEND POLICY ((CONT'D)

Based on results forecasts, the Company declares a final dividend in May each year provided the trend in the Group's profitability is firmly established. Accordingly, on May 13, 2015, the Company declared a dividend of Rs 2.75 per share in respect of the financial year 2014-2015. This dividend was paid on June 24, 2015 to all ordinary shareholders registered at close of business on June 1, 2015.

Please refer to Financial Highlights and Ratios on page 16 for indicators and dividend paid per ordinary share over the past five years to June 30, 2015.

SHAREHOLDERS' AGREEMENT

At the time of writing, there is no shareholders' agreement to the knowledge of the Company.

ANNUAL MEETING OF SHAREHOLDERS

The Company's Annual Meeting is the main forum where the shareholders exercise their rights to decide on the Company's affairs. A number of Directors and Board Committee members normally attend the meeting to share insights pertaining to the performance, strategies and perspectives of the Group and to answer any question relevant to the Company's affairs. Shareholders are encouraged to attend the meeting as it is an opportunity for them to glean valuable information as well as raise and discuss any matter relevant to the Company and its performance. The external auditors are also present at the meeting.

Besides the Annual Meeting, shareholders are informed in a timely manner of any relevant information concerning the Company and the Group such that they are able to take decisions in full awareness of their implications. These communications are made either by announcements in the press, the publication of quarterly interim Abridged Group Financial Statements and disclosures in the Annual Report.

Furthermore, the Chief Executive Officer and the Group Finance Manager often meet institutional investors, financial analysts and fund managers upon request to discuss the state of affairs of the Group.

SHAREHOLDERS' CALENDAR OF EVENTS

Further to the financial year-end in June, the calendar of key events is as follows:

September	:	Publication of audited abridged group year-end results to June 30
November	:	Publication of unaudited abridged group first quarter's results to September 30
December	:	Annual Meeting of shareholders
February	:	Publication of unaudited abridged group half-year's results to December 31
May	:	Publication of unaudited abridged group third quarter's results to March 31
		Declaration of dividend
June	:	Payment of dividend

COMPANY'S CONSTITUTION

The shareholders adopted a new Constitution in 2004 which complies with the provisions of The Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius.

Its salient features are as follows:

- the Company has full capacity to carry on and/or undertake any business activity;
- the Company has full rights, powers and privileges;
- the Company may acquire and hold its own shares;
- fully paid up shares are transferable without restriction;
- the quorum for a meeting of shareholders is 6 shareholders present or represented and holding at least 35% of the share capital of the Company;
- the Board of Directors shall consist of not less than 7 or not more than 15 Directors;
- the quorum for a Board meeting is 4 Directors when the Board consists of 7 members and 5 Directors when the Board consists of more than 7 members;
- the Chairman has a casting vote in case of equality of votes at either a Board meeting or a shareholders' meeting;
- the Directors have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors does not at any time exceed the number fixed by the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election;
- a Director is not required to hold shares in the Company;
- the Company may indemnify and/or insure any Director or employee of the Company or a related corporation.

BOARD OF DIRECTORS

The Board of Directors as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. As such, the Board is committed to uphold the highest standard of integrity and transparency in the governance of the Group. Its primary role is to protect and enhance shareholders' interests by ensuring that proper systems and controls are in place to safeguard the Group's assets and good reputation. Referring to recommendations made by management, the Board identifies key risk areas and endorses the strategic directions to be pursued, approves the Company's investments, operating and capital expenditure budgets, monitors the implementation of strategies whilst maintaining an effective corporate governance framework. In so doing, the Board may delegate certain duties to Board Committees and to management.

The Directors perform their duties and exercise their powers to the extent permitted by law. They have the right to seek independent professional advice at the expense of the Company to enable them to discharge their responsibilities effectively.

The roles of the Chairman and of the Chief Executive Officer are clearly separated. The Chairman has no executive or management responsibilities and his main role is to lead and monitor effectively the work of the Board of Directors, to encourage active participation of Directors, to ensure smooth and timely flow of information to management and shareholders and to ensure the accurate documentation of proceedings. He is elected by the members of the Board and also acts as Chairman at shareholders' meetings. The Chief Executive Officer is responsible for the day-to-day management of the Group, preparing and recommending business development plans and budgets to the Board in line with the Group's long-term strategy and vision, making and implementing operational decisions, promoting the Group's business, achieving the Group's financial and operating goals and objectives and ensuring an effective management team.

All Directors, whether executive, Non-Executive or Independent Non-Executive are bound by fiduciary duties. They have both a legal and moral duty to act independently, in good faith, with due care and skill, and without fetter or instruction. Non-Executive and Independent Directors perform their duties intermittently and have less regular access to the Company's books and records than executive Directors do but they play a particularly vital role in providing independent judgement in all circumstances. They are individuals of calibre and credibility and have the necessary skills and experience to constructively bring judgement, independent of management, on issues of strategy, performance evaluation, resources, transformation, equal opportunities and standards of conduct. Executive Directors on the other hand, manage the conflict between their management responsibilities and their fiduciary duties in the best interests of the Company.

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and for providing guidance and proper induction to Directors concerning their duties, responsibilities and powers.

The Company Secretary administers, attends and prepares minutes of all Board and shareholders' meetings. He assists the Chairman in ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with and in implementing and strengthening good governance and ethical practices and processes within the Group with a view to enhance long-term shareholders' value.

BOARD COMPOSITION

The Company's Constitution stipulates that the Board shall consist of a minimum of 7 and a maximum of 15 Directors.

The Company is currently headed by a unitary Board of 11 Directors comprising 7 Non-Executive Directors, 3 Independent Non-Executive Directors and 1 Executive Director who is the Chief Executive Officer. Although acknowledging that the Code of Corporate Governance recommends that there should be at least two Executive Directors appointed to the Board, the Corporate Governance Committee, in its role as Nomination Committee, is of the opinion that during the past financial year the presence of the Group Finance Manager and Company Secretary at all Board meetings satisfied this requirement of the Code. However, on September 24, 2015, the Group Finance Manager, Mr Christophe Quevauvilliers was appointed as Executive Director to the Board of the Company, with effect from October 1, 2015, upon the recommendation from the Corporate Governance Committee.

The Directors bring a wide range of experience and skills to the Board and ensure that their other responsibilities do not interfere with their responsibilities as Director of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to the Company's Constitution, the Board has the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors at any time does not exceed the number fixed by the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election.

New Directors appointed to the Board are familiarised with the Company's operations, its business environment and senior management. They are also made aware of their fiduciary duties and responsibilities. A suitable induction of Directors contributes to ensure that the Company maintains a well-informed and competent Board and enables any new Director to make the maximum contribution as quickly as possible. In addition to this, all Directors are invited to enrol onto the Directors Development Programme (DDP) of the

APPOINTMENT AND RE-ELECTION OF DIRECTORS (CONT'D) (

Mauritius Institute of Directors (MIoD) which provides a complete range of training relevant to the role and responsibilities of Board members.

During the year ended June 30, 2015, Mr Stéphane Ulcoq was appointed as Director to the Board and on September 24, 2015, Mr Christophe Quevauvilliers was also appointed as Director, with effect from October 1, 2015. In accordance with Clause 23.5(a) of the Company's Constitution, resolutions will be submitted at the forthcoming Annual Meeting of shareholders of the Company for the election of Messrs Ulcoq and Quevauvilliers to continue to hold office as Directors of the Company until the next Annual Meeting. A resolution will also be submitted at the forthcoming Annual Meeting of shareholders of the Company for the re-election of Mr E. Jean Mamet, aged above 70, to continue to hold office as Director of the Company until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.

The Corporate Governance Committee, in its role as Nomination Committee, is responsible for the review of the composition of the Board of Directors and Board Committees and to make recommendations to the Board for the re-election of directors and for the approval of candidates to fill any vacancy arising on the Board and on Board Committees or as an addition to the existing Directors.

The Company's Constitution does not provide for the rotation of Directors. The Code of Corporate Governance provides that each Director should be elected or re-elected every year at the Annual Meeting of shareholders.

Although being of the opinion that the holding of office by Directors relies on their experience and knowledge of the Group's activities to ensure that they exercise the appropriate degree of leadership, skill and judgement required to achieve a sustainable performance over the years, the Corporate Governance Committee has decided to comply with the Code and to include the re-election of all Directors at the agenda of the Annual Meeting of shareholders of the Company. In addition, the Board is continuously encouraging its members to acquire new skills.

DIRECTORS' PROFILES

Please refer to Directors' Profiles on pages 10 and 11 for an update of their profiles.

DIRECTORS' DIRECTORSHIPS

The directorships of the Directors of the Company in other companies listed on the Official Market of the Stock Exchange of Mauritius at June 30, 2015 were as follows:

	AL	BLL	BMHL	IBL	IGF	LUX	PBL
Directors							
Marc Freismuth			■				
Laurent de la Hogue						■	
Arnaud Lagesse	■	■ *		■ *		■ *	■
Stéphane Lagesse						■	
Thierry Lagesse	■			■			■
E. Jean Mamet					■		

*Chairman

Abbreviations:
AL – Alteo Ltd
BLL – BlueLife Ltd
BMHL – Belle Mare Holding Ltd
IBL – Ireland Blyth Ltd
IGF – Ipro Growth Fund Ltd
LUX – LUX* Island Resorts Ltd
PBL – Phoenix Beverages Ltd

The other Directors of the Company did not have any directorships in companies listed on the Official Market of the Stock Exchange of Mauritius at June 30, 2015.

DIRECTORS' AND SENIOR OFFICERS' INTERESTS AND DEALINGS IN SHARES

The Directors' and Senior Officers' interests in the ordinary shares of the Company are set out in the table on page 43 of Other Statutory Disclosures.

The Directors of the Company use their best endeavours to abide to the principles set out in the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius. All newly appointed Directors are required to notify the Company Secretary in writing about their direct and indirect holdings in the shares of the Company although, as per the Company's Constitution, a Director is not required to hold shares in the Company. Subsequently, any Director willing to deal in the shares of the Company should notify the Chairman of the Board and obtain a written acknowledgement before proceeding further.

The Directors and Senior Officers of the Company are prohibited from dealing in the shares of the Company for a period of one month preceding the publication of the Company's quarterly and yearly financial statements and prior to the announcement of a dividend payment or other distribution and more generally, at any time when in possession of unpublished price-sensitive information relevant to the Company.

During the year under review, Mr Jean Michel Giraud inherited 1,218 shares of the Company. Except for this, none of the Directors and Senior Officers dealt in the shares of the Company, either directly or indirectly.

Furthermore, pursuant to the provisions of The Securities Act 2005, the Company registered itself as a reporting issuer with the Financial Services Commission (FSC) in 2008 and identified its insiders according to the definitions within the Act. All the insiders and their associates were required to disclose their interest in the shares of the Company and in those of the associates of the Company. This information was then forwarded to the FSC and thereafter any movement thereon is being recorded and notified to the Commission. In addition, all the abridged group quarterly financial statements and the audited financial statements for the year are sent to the Commission in accordance with Section 88 of the Act.

DIRECTORS' AND SENIOR OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and the Secretary of the Company benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

BOARD EVALUATION

At the initiative of the Corporate Governance Committee, a Board evaluation, in the form of a questionnaire inspired from the MIoD model and covering all the aspects of the Board's function, was carried out last year. All the members of the Board were consulted and the results duly compiled were communicated to enable the Board to take appropriate actions to improve its effectiveness and its functioning.

BOARD MEETINGS

The Chairman and the Chief Executive Officer, assisted by the Company Secretary, are responsible for fixing the agenda and the date for each Board meeting. Certain matters are considered at all Board meetings such as the latest available management accounts, business and operations updates and where applicable, reports from the Corporate Governance Committee and the Audit Committee. In addition to standing agenda items, there may be discussions on some specific topics related to the Company's business or strategy. The Board promotes open discussions and constructive debates during meetings. Special meetings may also be called from time to time as required. The minutes of proceedings of each Board meeting are recorded and entered in the Minutes Book by the Company Secretary and are submitted for approval at each following meeting of the Board.

The quorum for Board meetings is 4 Directors when the Board consists of 7 members and 5 Directors when the Board consists of more than 7 members. In case of equality of votes, the Chairman has a casting vote.

Directors are expected to spend the time and effort necessary for them to properly discharge their responsibilities. Accordingly, they are expected to regularly prepare for and attend meetings of the Board and all Committees on which they sit with the understanding that, on occasion, they may be unable to attend a meeting. The attendance record for the year under review is as shown on page 35.

The Board met seven times this year to examine, consider, discuss or approve, amongst other items:

- the strategic vision of the new Chief Executive Officer, Mr Stéphane Ulcoq;
- the appeals and court cases relevant to our plant at Geoffroy Road;
- the sale of a plot of land by Compagnie de Gros Cailloux Ltée;
- the review of our operational strategy and a potential partnership in Sri Lanka;
- the setting up of a filler plant and related supply agreements;

BOARD MEETINGS (CONT'D)

- the Chief Executive Officer's succession plan and related remuneration issues;
- the audited group financial statements, the audited abridged group financial statements and the Annual Report for year ended June 30, 2014;
- the appointment and remuneration of external auditors;
- the abridged group financial statements for the quarters to September 30, 2014, December 31, 2014 and March 31, 2015;
- the recommendations of the Corporate Governance Committee and of the Audit Committee;
- the approval of short term banking facilities;
- the Board calendar for 2015;
- the approval of a compliance audit and related checklists;
- the review of the internal audit function;
- the setting up of a risk management framework;
- the appointment of a Company Secretary Designate;
- the appointment of a master planner for Compagnie de Gros Cailloux Ltée;
- the results forecasts to June 30, 2015;
- the declaration of a dividend;
- the proposed capital restructuring of UBP Madagascar;
- the proposed capital restructuring of Compagnie de Gros Cailloux Ltée;
- the operating and capital expenditure budgets for the financial year 2015–2016;
- the NMH rights issue of preference shares; and
- the potential investment in an overseas entity.

Decisions were also taken by way of resolutions in writing, signed by all the Directors.

BOARD COMMITTEES

In order to fulfil its obligations and duties, the Board delegates certain duties and responsibilities to Board Committees to ensure a more comprehensive evaluation of specific matters. This delegation does not however reduce the overall responsibilities of the Board.

In line with the requirements of the Code, the Corporate Governance Committee and the Audit Committee were set up in 2005 with clearly defined terms of reference. These Board Committees report regularly to the Board on their activities and make recommendations thereof for its approval.

The Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are accessible to all members of the Board of Directors.

CORPORATE GOVERNANCE COMMITTEE

The composition of the Corporate Governance Committee is as follows:

Chairman :	Joël Harel
Members :	Marc Freismuth
	Thierry Lagesse

As per the Code's aspiration, the Corporate Governance Committee is chaired by an Independent Non-Executive Director whilst the members are Non-Executive Directors.
The mandate of the Corporate Governance Committee is to devise the policy on Corporate Governance in accordance with the principles of the Code, to advise and make recommendations to the Board of Directors on all aspects of Corporate Governance and to report to shareholders on compliance with the provisions of the Code.

The Corporate Governance Committee is also responsible for Nomination and Remuneration aspects of the Code and its functions are as follows:

- In its role as Nomination Committee, it reviews the structure, size and composition of the Board, it ensures the right balance of independence, skills and expertise on the Board, it assesses and evaluates the role and independence of each current and potential Director and makes recommendations to the Board for the election and re-election of Directors and for matters relevant to the succession planning.
- In its role as Remuneration Committee, its terms of reference include inter alia the development of the Group's general policy on executive and senior management remuneration including the definition of performance measurement criteria and specific remuneration packages for Executive Directors and senior management and the making of recommendations to the Board on all aspects of remuneration.

In accordance with the Code, the Committee considers an Independent Director as one who:

- is not a representative or member of the immediate family of a shareholder who has the ability to control or significantly influence the Board or management;
- has not been employed by the Company or the group of which the Company currently forms part in any executive capacity for the preceding three financial years;
- is not a professional advisor to the Company or the group of which the Company currently forms part other than in a Director capacity;
- is not a significant supplier to, debtor or creditor of, or customer of the Company or the group of which the Company currently forms part, or does not have a significant influence in any group related company in any one of the above roles;
- has no significant contractual relationship with the Company

or the group of which the Company currently forms part;
- is free from any business or other relationship which could be seen to materially impede the individual's capacity to act in an independent manner.

The Committee met eleven times during the financial year 2014-2015 to:
- follow-up the succession plan and monitor the transition process for the change of Chief Executive Officer;
- determine, discuss and approve the remuneration of the new Chief Executive Officer, Senior Officers, Directors, Committee members and the staff in general;
- examine and take decisions on corporate governance compliance issues;
- determine and approve the Group's policy with regard to donations;
- determine the end of service bonus for the retiring Chief Executive Officer;
- consider a review of the bonus scheme for Senior Officers;
- consider a review of the management structure in view of enhancing efficiency within the Group;
- follow-up a claim made for constructive dismissal by an ex Senior Officer of the Company;
- approve and monitor the recruitment of a new General Manager for one of the subsidiaries, a new Group Human Resources Manager and a Manager for the international business development of the Group; and
- recommend to the Board the appointment of a Company Secretary Designate.

In July 2015, the Committee met to consider and approve a Code of Ethics for the Group and a Board Charter.

The Corporate Governance Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

The attendance record for the year under review is as shown on page 35. A quorum of two members is currently required for a Corporate Governance Committee meeting. The Chief Executive Officer is in attendance at almost all meetings of the Committee.

The remuneration of the Chairman and of each member of the Corporate Governance Committee for the year ended June 30, 2015 amounted to Rs 30,000 (2014: Rs 30,000).

AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Chairman :	E. Jean Mamet
Members :	François Boullé
	Joël Harel

As recommended by the Code, the Chairman of this Committee is an Independent Non-Executive Director similarly to the two members. The Board of Directors is of the view that the members of the Committee have sufficient financial management knowledge and experience to discharge their responsibilities properly.

The Audit Committee Charter was approved by the Board of Directors in May 2005. The main duty of the Committee is to ensure the integrity of accounting and financial reporting and to review internal control systems and procedures in order to assist the Board of Directors in carrying out its responsibilities. The Committee also monitors the role and scope of work of internal and external auditors, including the identification of any risk areas and the adequacy of risk management systems, and ensures compliance with legal and regulatory provisions. The Committee has the authority to conduct or authorise investigations into any matter within its scope of responsibilities and to engage any firm of professionals it deems fit to provide independent expert advice. The Committee has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings.

The Committee met six times during the financial year 2014-2015, mainly to:
- review and recommend to the Board for approval the audited group financial statements, the Annual Report and the audited abridged group financial statements for year ended June 30, 2014;
- review and recommend to the Board for approval and publication the unaudited abridged group quarterly financial statements to September 30, 2014, December 31, 2014 and March 31, 2015;
- call for tenders, to re-appoint and fix the remuneration of Messrs Ernst & Young as external auditors;
- review the internal audit function for the Group;
- review the reports of internal and external auditors and follow-up remedial actions by management based on their recommendations;
- appoint a firm for a compliance audit within the Group;
- review the risk management framework for the Group; and
- monitor the writing up of new policies and procedures for the IT function.

In so doing, the Committee reviewed control systems and procedures in place at all the subsidiary companies within the Group.

At the time of writing, the Audit Committee is reviewing the compliance audit report and checklists received

AUDIT COMMITTEE (CONT'D)

from the appointed firm with a view to implement their recommendations.
The Audit Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

The attendance record for the year under review is as shown on page 35. A quorum of two members is currently required for an Audit Committee meeting. The Group Finance Manager is in attendance at all meetings of the Committee whilst the Chief Executive Officer, the internal and external auditors and some members of the management attend the meetings by invitation depending on the agenda.

The remuneration of the Chairman and of each member of the Audit Committee for the year ended June 30, 2015 amounted to Rs 150,000 (2014: Rs 150,000) and Rs 100,000 (2014: Rs 100,000) respectively.

INTERNAL AUDIT FUNCTION

The internal audit function is responsible for providing independent, objective assurance to the Board regarding the implementation, operation and effectiveness of internal control systems and risk management. The objective is to ascertain the extent of compliance to procedures, policies, regulations and legislation, to facilitate proper risk management practices and to recommend improvements in control, performance and productivity within the Group.

Up to December 2014, the internal audit function was carried out internally by a member of our staff who had access to all the Company's records, systems and personnel and who maintained an open and constructive communication line with the management and the Audit Committee. During those six months, the internal auditor carried out regular visits to all our operational sites to ensure the controls and procedures are adhered to and to improve processes where necessary in order to minimise risks. His findings were classified in terms of risk level and his recommendations were discussed and commented by management.

As mentioned in our previous report, the Board of Directors had approved the recruitment of additional staff and the acquisition of an audit software to reinforce the internal audit function internally further to recommendations from the Audit Committee. However, the recruitment process was proved unsuccessful. Consequently, the Audit Committee made recommendations to the Board of Directors who approved the outsourcing of the internal audit function to Messrs BDO & Co., effective as from April 2015. The internal audit mission was approved by the Audit Committee and gives the extent of coverage attributable to each business process cycle within the organisation depending on the degree of risk. The methodology used is based on the selection of specific business cycles, the identification of inherent risks, the verification of key controls in place in view of eliminating or reducing the risks to an acceptable level, the verification of the said controls to ensure they are operating satisfactorily, the performance of walkthrough tests on procedures and processes and the formulation of necessary recommendations.

This year again, no material financial problems were identified which would affect materially the figures reported in the financial statements. The recommendations are being implemented gradually by management under the close follow-up of our internal auditors.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors is ultimately responsible for the adequacy and effectiveness of the internal control system which is designed to manage the risk of failure to achieve business objectives and which can only provide reasonable and not absolute assurance against material financial misstatement or loss.

The management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit Committee to ensure their effectiveness. Such systems must ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented. The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The key risks relevant to the Group are as follows:
- Industry risks: risks that makes the industry less attractive as a result of changes in (i) the key factors for competition success within the industry, including significant opportunities and threats, (ii) the capabilities of existing and potential competitors and (iii) the Group's strengths and weaknesses relative to present and future competitors;
- Operational risks: risks defined as risks of loss resulting from inadequate or failed internal processes and procedures, human error or system failure or from external events e.g. Legal risks;
- Technology risks: risks that hardwares and softwares are not operating as intended thereby compromising the integrity and reliability of data and information and exposing significant assets to potential loss or misuse or exposing the Group's ability to maintain a high standard in its main business processes;

• Country risks: risks arising when the political climate in a specific country affects the business environment and impacts on the company's objectives and strategies in such a way that the company may get out of business; and
• Financial risks: exposure to credit, interest rate, liquidity, foreign currency and capital management risks.

Operational risks are further broken down into the following five constituents:
• Human resources risks: losses arising from acts inconsistent with employment and health and safety laws;
• Fraud risks: intentional or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involving one internal party and/or a third party;
• Physical risks: losses due to fire, cyclone, explosion, riots or else;
• Business continuity risks: losses from failed transaction processing and process management, inadequate back-ups and loss of data; and
• Reputational risks: losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

The Audit Committee via the internal audit function ensures that some of the above risks are managed and kept at an acceptable level. In addition, risks are managed as follows;
• our sales, marketing and operations staff follow closely the actions of our existing or potential competitors;
• our core business production is scheduled as per an adequate planning to avoid any disruption in production whilst our plant and machinery are regularly serviced by our workshop to avoid any breakdown;
• the quality of our core business products are tested daily in our laboratory to ensure that they are of the required standard whilst the majority of our plant and machinery are of latest technology;
• our customer service staff are regularly trained and provided with best logistics to better serve our customers;
• the supply of our core business raw materials is partly ensured by our own quarrying services to avoid any threat from outside suppliers although we maintain very good relationships with them. In addition, we own several acres of land at Gros Cailloux and St Julien to ensure our own supplies;
• our internal auditors do regular testing aimed at detecting any potential weaknesses in our internal control systems and any likely risk of fraud and preventing same to recur through new procedures and controls;
• our HR function manages human resources risks via proper and adequate recruitment, training, coaching, job reviews, performance evaluation and succession planning;
• our health and safety function ensures that all necessary measures are taken to protect our employees and the environment;
• our assets are insured against fire and allied perils and other all risks insurance cover as relevant to the type of asset whilst our offices and operational sites are all equipped with fire extinguishers and security systems;
• our IT function ensures that latest technologies are used for our tailor-made ERP, that our systems are secured by latest versions of antivirus, that a complex password policy is in place, that daily back-ups are kept, that our database is secured via a disaster recovery plan and that our communication networks are duplicated; and
• our operational managers follow closely the political events in Madagascar and Sri Lanka to avoid any risk of business failure.

For financial risks management, please refer to note 4 of the Notes to the Financial Statements on pages 74 to 78.

In addition to the above and following recommendations from the Audit Committee, the Board of Directors approved the designation of Messrs BDO & Co. to implement an Enterprise Risk Management framework and a Business Continuity Management plan within the Group with a view to fully identity, measure, assess and mitigate our exposure to risks. At the time of writing, the formulation of a group-wide risk management framework is underway further to interactive working sessions held with the Board of Directors and senior management.

MEETINGS ATTENDANCE

	Board	**Corporate Governance Committee**	**Audit Committee**
Marc Freismuth	7 out of 7	11 out of 11	
François Boullé	7 out of 7		6 out of 6
Jean Michel Giraud	7 out of 7		
Joël Harel	5 out of 7	10 out of 11	4 out of 6
Laurent de la Hogue	7 out of 7		
Arnaud Lagesse	3 out of 7		
Stéphane Lagesse	5 out of 7		
Thierry Lagesse	7 out of 7	9 out of 11	
Jean Claude Maingard	7 out of 7		
E. Jean Mamet	6 out of 7		6 out of 6
Stéphane Ulcoq *	3 out of 3		

* Mr Stéphane Ulcoq was appointed Director to the Board on December 17, 2014.

MANAGEMENT AGREEMENT

There is no management agreement between any third party and the Company or its subsidiaries. However, the Company itself has management agreements with subsidiaries and associates within the Group.

REMUNERATION PHILOSOPHY STATEMENT

The Corporate Governance Committee in its role as Remuneration Committee is responsible for making recommendations to the Board with regard to the definition and development of the Group's general remuneration policy, including determining performance measurement criteria and specific remuneration packages for Executive Directors and senior management and the level of remuneration of Non-Executive Directors, taking into consideration the market trend and the Group's performance.

A grading system was introduced for all the staff in 2013 whilst the competencies are still being assessed in view of identifying any training need and hence elaborate an effective rewarding system. This will enable the Company to motivate, retain and attract best employees capable of achieving the Group's objectives. The review exercise of the current remuneration scheme, aimed at favouring more alignment between remuneration and performance objectives, has been put on hold due to the departure of the Group Human Resources Manager in April this year.

Please refer to Other Statutory Disclosures on page 42 for a table of total emoluments and benefits received by the Directors from the Company and subsidiary companies. Although acknowledging that the Code requires that the remuneration received by Directors should be disclosed on an individual basis, the Corporate Governance Committee, in its role as Remuneration Committee, has recommended that the remuneration be disclosed by category of Directors only in view of the confidentiality and sensitivity of this information.

The remuneration package of the new Chief Executive Officer was redefined this year and comprises a basic salary, an annual performance bonus and other benefits in kind. The proportion of variable pay to fixed pay is significant and aims at aligning the interests of the Chief Executive Officer to those of the Group.

INTEGRATED SUSTAINABILITY REPORTING

The Board embeds corporate responsibility as a core tenet of its activities and believes that it is in the long-term economic interest of the Company to conduct itself as a responsible corporate citizen, that is in a manner which is non-exploitative, non-discriminatory and respectful of human rights.

In terms of ethics, the Company is currently finalising its own Code of Ethics based on the core values of the Company. The Company strongly believes that it is essential that all its employees act with honesty, integrity and respect and extend the highest courtesy to colleagues, suppliers, visitors, customers and all other stakeholders, thereby nurturing long-lasting and transparent relationship and ensuring the good reputation of the Company.

In terms of the environment, the Company is continuously making significant investments in appropriate equipments aimed at reducing dust emission from its production plants. Our plant at Geoffroy Road is the first eco-friendly plant of its kind in Mauritius. Furthermore, a few years ago the Company launched a concrete recycling project aimed at reducing the level of demolition waste dumping.

In terms of health and safety, the Company's Health and Safety Officer performs regular risk assessments to ensure that all our production units are equipped to run in a safely manner thereby minimising the risk of causing damage to the environment and to the community within which it operates. As regards the health and safety of employees, regular training initiatives are undertaken to enhance the level of health and safety practices in the workplace and to help increase the awareness of employees on security and health issues by insisting on the use of protective clothing and accessories. Furthermore, security issues are taken into consideration in the determination of Key Performance Indicators (KPIs) used to assess the performance of relevant managers.

In terms of social responsibility, our policies and practices are as detailed in our Corporate Social Responsibility (CSR) report on page 39.

DONATIONS

Please refer to Other Statutory Disclosures on page 44 for details of donations made during the year.

EMPLOYEE SHARE OPTION PLAN

The Company has no employee share option plan.

PROVISION FOR PENSION BENEFITS

Please refer to note 21 of the Notes to the Financial Statements on pages 96 to 99 for details of total provisions booked or otherwise recognised by the Company for the payment of pension benefits.

RELATED PARTY TRANSACTIONS

Please refer to note 29 of the Notes to the Financial Statements on page 102 for details on related party transactions.

Christophe Quevauvilliers
Company Secretary

September 24, 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS AND INTERNAL CONTROL.

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company. In so doing, they are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the provisions of the Companies Act 2001 and the International Financial Reporting Standards (IFRS), and explain any material departure thereto;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The Directors are also responsible for the proper maintenance of accounting records which disclose at any time and with reasonable accuracy, the financial position and performance of the Company. They are also responsible for maintaining an effective system of internal control and risk management, for safeguarding the assets of the Company and for taking all reasonable steps to prevent and detect fraud and other irregularities.

The Directors acknowledge that they have exercised their responsibilities as described above and confirm that they have complied with the above requirements in preparing the financial statements for the year ended June 30, 2015. They also acknowledge the responsibility of the external auditors to report on these financial statements and to express an opinion as to whether they are fairly presented.

The Directors confirm that they have established an internal audit function and report that proper accounting records have been maintained during the year ended June 30, 2015 and that nothing has come to their attention which could indicate any material breakdown in the functioning of internal control systems and have a material impact on the trading and financial position of the Company.

On behalf of the Board

Marc Freismuth
Chairman

Stéphane Ulcoq
Chief Executive Officer

September 24, 2015

CSR
CORPORATE SOCIAL RESPONSIBILITY
REPORT 2015

In line with its areas of focus, the Group has strategically contributed to over 12 projects relevant to the Welfare of Children from Vulnerable Groups, Sports and Education & Training with an overall objective of acting as a facilitator to empower, inspire, engage and build a new society which benefits to all. Below is a highlight on some of the social initiatives that have enriched the lives of our beneficiaries during the year under review.

WELFARE OF CHILDREN FROM VULNERABLE GROUPS

Institut Cardinal Jean Margeot – Zippy's Friends

Project: Zippy's Friends is a programme that helps young children of five to eight year old to develop coping and social skills. It is currently running in primary schools and kinder gardens around the world

The programme has been developed specifically for children of all abilities. It teaches them how to cope with everyday worries, to identify and talk about their feelings and to explore different ways of dealing with them. It also encourages them to help other people with their problems.

Our action: The Group has taken under its CSR scheme two schools running the Zippy's Friends programme. Support has been given to a school in Bon Accueil, Flacq, targeting 16 pupils and to a school in Rodrigues (Grand Lafouche Corail), targeting 62 pupils. The Zippy's Friends programme helps those children to communicate effectively, to cope with their anxieties and difficulties, and to develop skills for life. As such they can better handle their emotions caused by anger, sadness, jealousy and nervousness, among others, to better communicate and better manage conflicts.

Other projects in the same field of intervention: The Group has also supported and renewed its sponsorship towards: Movement Forces Vives Quarter EDC Rose Belle, Garderie Etoile, SOS Children Village, Solidarité Mamans, A.P.E.I.M., Caritas Rivière Noire and projects in common with Fondation Joseph Lagesse.

SPORTS

Western Cowboys Rugby Club

Project: The Western Cowboys Rugby Club is directed by the belief that rugby has the power to improve people's mental, social and physical well-being. The goal is to break down sports barriers and provide tools & equipments for people to get fit for life and get away from the outbreaks of society.

Our action: The Group has contributed to the Club in terms of sports equipments and making real the aspiration of sport for all. The rugby group U15 and U17 have both won the titles of 'Club Champions 2015' in their respective categories. As for the seniors, being in a rebuilding phase, they have shown great team spirit and exceeded expectations even though they lost the final game. This shows great promise for the next season. The Group wants to provide opportunities for excellence in sports through the provision of equipments, training and the organisation of tournaments.

Other project in the same field of intervention: The Group has also supported and renewed its sponsorship towards The Mauritius Tennis Federation.

SUMMARY OF UBP GROUP'S CSR SUPPORT BY AREA OF INTERVENTION

Area of intervention	Rs
Welfare of Children in Vulnerable Groups	1,869,045
Sports	700,000
Education & Training	80,000
Total	**2,649,045**

EDUCATION TRAINING

New Bambous Geoffroy Government School
Project: The project consists of improving the physical condition of the school as well as providing school equipments that would help to hone the technical skills of students.

Our action: The Group believes that one of the most significant indicators of social progress is education, which plays a decisive role for a society to achieve equitable development. Therefore, this year, to enable and facilitate the students to be more receptive to learning, the Group has contributed to replace the defective equipments by new ones in order to improve the quality of education provided by the school and help them become more efficient.

Other project in the same field of intervention: The Group has also supported and renewed its sponsorship towards Le Collège Technique Saint Gabriel in collaboration with Fondation Joseph Lagesse.

The financial year 2014-2015 has been enriching in many ways. The Group remains committed to pursue its support activities with the same motivation and happiness during the coming financial year and hence contribute to the well-being of the community at large.

OTHER STATUTORY DISCLOSURES
(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

ACTIVITIES

The principal activity of the Group remains the manufacture and sale of building materials which consist mainly of our core products: aggregates, rocksand and hollow concrete blocks. Other products include precast concrete slabs, ready-to-use dry mortar, various concrete building components including paving-blocks and roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building and decorating products, fittings, tools and garden accessories. Services rendered consist mainly of engineering works by the Company's workshop and contracting services.

The Group is also involved in sugar cane cultivation, the sale of agricultural products, landscaping services and leisure activities through one of its subsidiaries.

DIRECTORS

Members of the Board of Directors at June 30, 2015 were:

The Company

Messrs: Marc Freismuth - Chairman
François Boullé
Jean Michel Giraud
Joël Harel
Laurent de la Hogue
Arnaud Lagesse
Stéphane Lagesse
Thierry Lagesse
Jean Claude Maingard
E. Jean Mamet
Stéphane Ulcoq – Appointed on December 17, 2014.

SUBSIDIARY COMPANIES

Espace Maison Ltée

Messrs: Thierry Lagesse - Chairman
François Boullé
Marc Freismuth
Jean Michel Giraud
Joël Harel
Laurent de la Hogue
Stéphane Lagesse
Jean Claude Maingard
E. Jean Mamet
Stéphane Ulcoq – Appointed on December 17, 2014.

Compagnie de Gros Cailloux Ltée

Messrs: Thierry Lagesse - Chairman
François Boullé
Jean Michel Giraud
Christophe Quevauvilliers
Stéphane Ulcoq

Welcome Industries Ltd

Messrs: Thierry Lagesse - Chairman
Christophe Quevauvilliers
Stéphane Ulcoq – Appointed on December 19, 2014 in replacement of Mr Jean Michel Giraud who resigned on the same date.

UBP International Ltd

Messrs: Thierry Lagesse - Chairman
Jean Michel Giraud
Louis Raoul Harel

UBP Madagascar

Mr : Steve René – Manager

United Granite Products (Pvt.) Ltd

Messrs: Jean Michel Giraud - Chairman
Joseph Albert
A. Mahir Didi
Rémi de Gersigny
Hussain Sadd Hashim
Christophe Quevauvilliers

Sainte Marie Crushing Plant Ltd

Messrs: Thierry Lagesse - Chairman
Richard Koenig
Christophe Quevauvilliers – Appointed on December 19, 2014 in replacement of Mr Jean Michel Giraud who resigned on the same date.
Stéphane Ulcoq

Dry Mixed Products Ltd

Messrs: Jean Michel Giraud - Chairman
Brice Audren Riché
Thierry Lagesse
- alternate : Stéphane Ulcoq
Alexandre Roland Maurel
- alternate : Lloyd George Richard-Coombes
Christophe Quevauvilliers
Colin Taylor
- alternate : Eric Adam

On August 4, 2015, Mr Stéphane Ulcoq was appointed full-fledged Director and nominated Chairman of the company whilst Mr Jean Michel Giraud remained as Director on the Board. On the same date, Mr Christophe Quevauvilliers resigned as Director and was appointed alternate-Director to Mr Thierry Lagesse.

Land Reclamation Ltd
Messrs: Jean Michel Giraud - Chairman
François Boullé
Joël Harel

Stone & Bricks Co. Ltd
Messrs: Jean Michel Giraud - Chairman
Joël Harel

The Stone Masters Co. Ltd
Messrs: Jean Michel Giraud - Chairman
Joël Harel

Pricom Ltd
Messrs: Thierry Lagesse - Chairman
Joël Harel
Stéphane Ulcoq – Appointed on December 17, 2014 in replacement of Mr Jean Michel Giraud who resigned on the same date.

DIRECTORS' REMUNERATION AND BENEFITS

Total remuneration and benefits received by the Directors from the Company and its subsidiary companies were as follows:

	2015		2014	
	Executive Rs'000	**Non-Executive Rs'000**	**Executive Rs'000**	**Non-Executive Rs'000**
The Company	*23,643	1,850	14,521	1,800
Subsidiary Companies :				
Espace Maison Ltée	966	536	-	536
Compagnie de Gros Cailloux Ltée	966	-	-	-
Welcome Industries Ltd	-	-	-	-
UBP International Ltd	-	-	-	-
UBP Madagascar	-	-	-	-
United Granite Products (Pvt.) Ltd	-	-	-	-
Sainte Marie Crushing Plant Ltd	-	120	-	120
Dry Mixed Products Ltd	-	-	-	-
Land Reclamation Ltd	-	-	-	-
Stone & Bricks Co. Ltd	-	-	-	-
The Stone Masters Co. Ltd	-	-	-	-
Pricom Ltd	-	-	-	-

* Included in the above are retirement benefits paid to the retiring CEO.

DIRECTORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

The Directors' and Senior Officers' interests in the ordinary shares of the Company at June 30, 2015 were as follows:

	Category	Ordinary shares			
		Direct		Indirect	
		Number	%	Number	%
Directors					
Marc Freismuth - Chairman	NICB	-	-	-	-
François Boullé	INED	-	-	26,270	0.099
Jean Michel Giraud	NED	5,402	0.020	2,526	0.010
Joël Harel	INED	-	-	-	-
Laurent de la Hogue	NED	-	-	-	-
Arnaud Lagesse	NED	-	-	9,452	0.036
Stéphane Lagesse	NED	216	0.001	45,023	0.170
Thierry Lagesse	NED	1,116	0.004	45,023	0.170
Jean Claude Maingard	NED	-	-	-	-
E. Jean Mamet	INED	-	-	2,000	0.008
Stéphane Ulcoq	ED	-	-	-	-
Senior Officers					
Christophe Quevauvilliers	*	600	0.002	12	0.000
Dhuenesh Rambarassah	*	480	0.002	-	-
Jocelyne L'Arrogant	*	10	0.000	-	-
Bernard Lagesse	*	8,000	0.030	-	-
Edley Michaud	*	605	0.002	-	-

ED – Executive Director | INED – Independent Non-Executive Director
NED – Non-Executive Director | NICB – Non-Independent Chairman of the Board

* The job titles of the Senior Officers are as described in their profile on pages 12 and 13.

Except for the above, none of the other Senior Officers had an interest in the shares of the Company, either directly or indirectly.

None of the Directors and Senior Officers of the Company had an interest in the shares of the subsidiary companies.

DIRECTORS' SERVICE CONTRACTS

Except for Mr Stéphane Ulcoq who has a contract of employment with the Company, there is no service contract between the Company and any of the Directors.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and the Secretary of the Company benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

SHAREHOLDERS

Substantial Shareholders

Shareholders holding more than 5% of the share capital of the Company at June 30, 2015 were as follows:

Shareholders	Number of shares	% Holding
GML Investissement Ltée	7,764,839	29.29
Forward Investment and Development Enterprises Ltd	2,918,753	11.01

Except for the above, no other entity or individual had an interest of 5% or more in the ordinary share capital of the Company.

CONTRACTS OF SIGNIFICANCE

No Director or any substantial shareholder had a material interest, either directly or indirectly, in a contract of significance entered into by the Company or its subsidiaries.

DONATIONS

The Company and its subsidiary companies have donated Rs 2,841,758 during the year ended June 30, 2015 (2014: Rs 2,045,831) out of which Rs 2,714,997 (2014: Rs Nil) were political donations.

AUDITORS' REMUNERATION

The auditors' remuneration was as follows:

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Audit fees:				
Ernst & Young	2,678	2,528	1,129	1,029
Other firms	-	-	-	-
Non-audit fees:				
Ernst & Young	748	533	153	362
Other firms	450	-	450	-

The non-audit fees paid by the Group to Ernst & Young comprised of tax services for Rs 268,500 (2014 : Rs 283,175) and of assistance for a tax assessment for Rs 480,000 (2014 : Rs 250,000 for new IFRS disclosures and out of scope services).

The Group paid Rs 450,000 as non-audit fees to other firms for the year ended June 30, 2015 (2014 : Rs Nil).

COMPANY SECRETARY'S CERTIFICATE
JUNE 30, 2015

I certify that, to the best of my 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.

Christophe Quevauvilliers
Company Secretary

September 24, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE UNITED BASALT PRODUCTS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The United Basalt Products Limited (the "Company"), and its subsidiaries (the "Group") on pages 48 to 106 which comprise the statements of financial position as at June 30, 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 48 to 106 give a true and fair view of the financial position of the Group and the Company as at June 30, 2015 and of their financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Other matter

This report has been prepared solely for the Company's members, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

FINANCIAL REPORTING ACT 2004

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

In our opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

LI KUNE LAN POOKIM, A.C.A., F.C.C.A.
Licensed by FRC

September 24, 2015

THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2015

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
ASSETS	**Notes**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Non-current assets					
Property, plant and equipment	5	**2,890,185**	2,757,798	**1,453,311**	1,373,776
Investment properties	6	**14,572**	16,481	**200,565**	210,639
Bearer biological assets	7	**12,446**	12,428	**-**	-
Intangible assets	8	**20,903**	20,716	**3,620**	2,567
Investment in subsidiaries	9	**-**	-	**979,659**	828,839
Investment in associates	10	**168,928**	191,121	**110,306**	110,306
Available-for-sale investments	11	**54,398**	58,628	**49,225**	53,269
Deferred tax assets	13(c)	**921**	2,883	**-**	-
		3,162,353	3,060,055	**2,796,686**	2,579,396
Current assets					
Consumable biological assets	14	**29,487**	33,201	**-**	-
Inventories	15	**672,517**	670,347	**232,448**	226,101
Other current financial asset	12	**13,795**	13,795	**13,795**	13,795
Trade and other receivables	17	**518,887**	574,061	**506,208**	647,218
Cash at bank and on hand	18	**28,221**	38,700	**2,176**	1,845
		1,262,907	1,330,104	**754,627**	888,959
Asset classified as held for sale	16	**-**	80,000	**-**	-
		1,262,907	1,410,104	**754,627**	888,959
TOTAL ASSETS		**4,425,260**	4,470,159	**3,551,313**	3,468,355
EQUITY AND LIABILITIES					
Equity					
Issued capital	19(a)	**265,100**	265,100	**265,100**	265,100
Reserves	19(b)	**2,457,928**	2,501,372	**1,892,083**	1,878,880
Equity attributable to shareholders of the parent		**2,723,028**	2,766,472	**2,157,183**	2,143,980
Non-controlling interests		**57,132**	55,582	**-**	-
Total equity		**2,780,160**	2,822,054	**2,157,183**	2,143,980
Non-current liabilities					
Interest-bearing loans and borrowings	20	**573,556**	599,131	**565,333**	594,474
Deferred tax liability	13(c)	**38,681**	46,001	**34,289**	40,763
Employee benefit liability	21	**298,066**	249,001	**245,942**	202,954
		910,303	894,133	**845,564**	838,191
Current liabilities					
Interest-bearing loans and borrowings	20	**456,615**	440,944	**434,402**	375,321
Trade and other payables	22	**252,701**	300,312	**104,734**	106,314
Dividend		**13,878**	4,800	**-**	-
Income tax payable	13(b)	**11,603**	7,916	**9,430**	4,549
		734,797	753,972	**548,566**	486,184
Total liabilities		**1,645,100**	1,648,105	**1,394,130**	1,324,375
TOTAL EQUITY AND LIABILITIES		**4,425,260**	4,470,159	**3,551,313**	3,468,355

These financial statements were approved by the Board of Directors on September 24, 2015 and signed on its behalf by:

Marc Freismuth
Chairman

Stéphane Ulcoq
Chief Executive Officer

The notes on pages 52 to 106 form an integral part of these financial statements.
Auditors' report on pages 46 and 47.

THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	Notes	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	23	**2,355,240**	2,362,562	**1,267,254**	1,291,551
Operating profit	24	**161,250**	188,862	**145,093**	132,581
Finance income	25	**7,562**	4,465	**35,977**	41,083
Finance costs	26	**(62,105)**	(85,316)	**(55,722)**	(57,987)
Share of results of associates	10	**(3,163)**	12,664	**-**	-
Profit before tax		**103,544**	120,675	**125,348**	115,677
Income tax expense	13 (a)	**(20,432)**	(26,483)	**(12,358)**	(16,421)
Profit for the year		**83,112**	94,192	**112,990**	99,256
Other comprehensive income					
To be reclassified to profit or loss in subsequent periods:					
Net (loss)/gain on available-for-sale investments	11	**(640)**	8,900	**(454)**	8,412
Reclassification of fair value of available-for-sale investments		**(1,560)**	-	**(1,560)**	-
Exchange differences on translation of foreign operations		**301**	451	**-**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(1,899)**	9,351	**(2,014)**	8,412
Items not to reclassified to profit or loss in subsequent periods:					
Re-measurement losses on defined benefit plans	21	**(30,963)**	(6,223)	**(29,048)**	(3,904)
Income tax effect	13 (a)	**4,732**	830	**4,938**	586
Reversal of revaluation of land and buildings	5	**(760)**	(77,762)	**(760)**	-
Share of movement in reserves in associate	10	**(10,630)**	(3,309)	**-**	-
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**(37,621)**	(86,464)	**(24,870)**	(3,318)
Other comprehensive income for the year, net of tax		**(39,520)**	(77,113)	**(26,884)**	5,094
Total comprehensive income for the year, net of tax		**43,592**	17,079	**86,106**	104,350
Profit for the year attributable to:					
Equity holders of the parent		**67,850**	68,687	**112,990**	99,256
Non-controlling interests		**15,262**	25,505	**-**	-
		83,112	94,192	**112,990**	99,256
Total comprehensive income for the year attributable to:					
Equity holders of the parent		**29,459**	(5,915)	**86,106**	104,350
Non-controlling interests		**14,133**	22,994	**-**	-
		43,592	17,079	**86,106**	104,350
Earnings per share - Basic and diluted (Rs)	27	**2.56**	2.59		

The notes on pages 52 to 106 form an integral part of these financial statements.
Auditors' report on pages 46 and 47.

THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2015

THE GROUP	Attributable to equity shareholders of the parent									
	Issued Capital	Share Premium	Associate Companies	Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total	Non-controlling Interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2013	265,100	7,354	79,415	1,251,336	29,915	58,210	1,153,960	2,845,290	45,774	2,891,064
Profit for the year	-	-	-	-	-	-	68,687	68,687	25,505	94,192
Other comprehensive income	-	-	(3,309)	(77,762)	8,900	2,435	(4,866)	(74,602)	(2,511)	(77,113)
Total comprehensive income for the year	-	-	(3,309)	(77,762)	8,900	2,435	63,821	(5,915)	22,994	17,079
Dividends (note 28)	-	-	-	-	-	-	(72,903)	(72,903)	(13,186)	(86,089)
At June 30, 2014	265,100	7,354	76,106	1,173,574	38,815	60,645	1,144,878	2,766,472	55,582	2,822,054
At July 1, 2014	265,100	7,354	76,106	1,173,574	38,815	60,645	1,144,878	2,766,472	55,582	2,822,054
Profit for the year	-	-	-	-	-	-	67,850	67,850	15,262	83,112
Other comprehensive income	-	-	(10,630)	(760)	(2,200)	1,986	(26,787)	(38,391)	(1,129)	(39,520)
Total comprehensive income for the year	-	-	(10,630)	(760)	(2,200)	1,986	41,063	29,459	14,133	43,592
Transfer (note 19)	-	-	-	(79,776)	-	-	79,776	-	-	-
Dividends (note 28)	-	-	-	-	-	-	(72,903)	(72,903)	(12,583)	(85,486)
At June 30, 2015	**265,100**	**7,354**	**65,476**	**1,093,038**	**36,615**	**62,631**	**1,192,814**	**2,723,028**	**57,132**	**2,780,160**

THE COMPANY	Issued Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2013	265,100	7,354	505,970	27,445	1,306,664	2,112,533
Profit for the year	-	-	-	-	99,256	99,256
Other comprehensive income	-	-	-	8,412	(3,318)	5,094
Total comprehensive income for the year	-	-	-	8,412	95,938	104,350
Dividend (note 28)	-	-	-	-	(72,903)	(72,903)
At June 30, 2014	265,100	7,354	505,970	35,857	1,329,699	2,143,980
At July 1, 2014	265,100	7,354	505,970	35,857	1,329,699	2,143,980
Profit for the year	-	-	-	-	112,990	112,990
Other comprehensive income	-	-	(760)	(2,014)	(24,110)	(26,884)
Total comprehensive income for the year	-	-	(760)	(2,014)	88,880	86,106
Dividend (note 28)	-	-	-	-	(72,903)	(72,903)
At June 30, 2015	**265,100**	**7,354**	**505,210**	**33,843**	**1,345,676**	**2,157,183**

The notes on pages 52 to 106 form an integral part of these financial statements.
Auditors' report on pages 46 and 47.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

	Notes	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
OPERATING ACTIVITIES					
Profit before tax		**103,544**	120,675	**125,348**	115,677
Adjustment for:					
Depreciation of property, plant and equipment	5	**219,414**	194,222	**152,552**	148,640
Depreciation of investment properties	6	**1,909**	1,909	**16,255**	16,577
Amortisation of intangible assets	8	**3,500**	3,577	**880**	1,094
Write-off of intangible assets	8	**-**	280	**-**	-
Write-off of property, plant and equipment	5	**1,219**	11,260	**-**	-
Write-off of available-for-sale investments	11	**-**	103	**-**	103
Amortisation of bearer biological assets	7	**4,008**	4,291	**-**	-
Impairment of bearer biological assets	7	**380**	-	**-**	-
Movement in employee benefit liability	21	**18,102**	12,479	**13,940**	14,324
Profit on disposal of property, plant and equipment	24	**(4,588)**	(8,060)	**(2,671)**	(5,919)
Share of results of associates	10	**3,163**	(12,664)	**-**	-
Profit on disposal of investment		**(1,648)**	-	**(1,648)**	-
Finance costs	26	**62,105**	85,316	**55,722**	57,987
Finance revenue	25	**(7,562)**	(4,465)	**(35,977)**	(41,083)
Movement in working capital:					
- Decrease in consumable biological assets		**3,714**	2,571	**-**	-
- Increase in inventories		**(2,170)**	(23,973)	**(6,347)**	(3,768)
- Decrease/(increase) in trade and other receivables		**55,174**	5,839	**(9,807)**	(66,927)
- Decrease in trade and other payables		**(47,611)**	(18,405)	**(1,580)**	(371)
Cash generated from operations		**412,653**	374,955	**306,667**	236,334
Interest paid		**(62,105)**	(85,316)	**(55,722)**	(57,987)
Finance revenue		**5,241**	2,674	**4,176**	2,457
Income tax paid	13 (b)	**(17,371)**	(28,097)	**(9,013)**	(18,340)
Net cash flows from operating activities		**338,418**	264,216	**246,108**	162,464
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**6,155**	25,325	**2,974**	22,057
Proceeds from sale of available-for-sale investments		**3,876**	-	**3,876**	-
Proceeds from assets held for sale	16	**80,000**	-	**-**	-
Purchase of property, plant and equipment	18	**(347,092)**	(220,020)	**(233,150)**	(152,307)
Purchase of investment properties	6	**-**	-	**(6,181)**	(5,314)
Purchase of intangible assets	8	**(3,687)**	(4,829)	**(1,933)**	(790)
Expenditure on bearer biological assets	7	**(4,406)**	(5,392)	**-**	-
Purchase of other financial asset	11	**(200)**	(235)	**(200)**	(235)
Acquisition of associates	10	**-**	(1,751)	**-**	-
Dividend received from associates	10	**8,400**	18,735	**8,400**	26,910
Dividend received from other equity investment	25	**2,321**	1,791	**23,401**	11,716
Net cash flows used in investing activities		**(254,633)**	(186,376)	**(202,813)**	(97,963)
FINANCING ACTIVITIES					
Proceeds from borrowings		**548,307**	938,588	**566,050**	819,869
Repayment of term loans		**(567,018)**	(889,403)	**(562,843)**	(751,515)
Repayment of finance lease liabilities		**(30,998)**	(36,475)	**(26,027)**	(30,917)
Dividend paid - The Company	28	**(72,903)**	(72,903)	**(72,903)**	(72,903)
Dividend paid - Non-controlling interests		**(1,800)**	(13,186)	**-**	-
Net cash flows used in financing activities		**(124,412)**	(73,379)	**(95,723)**	(35,466)
(Decrease)/increase in cash and cash equivalents		**(40,627)**	4,461	**(52,428)**	29,035
MOVEMENT IN CASH AND CASH EQUIVALENTS					
At July 1,		**(209,464)**	(214,116)	**(193,119)**	(222,154)
Exchange difference		**(1,415)**	191	**-**	-
Movement		**(40,627)**	4,461	**(52,428)**	29,035
At June 30,	18	**(251,506)**	(209,464)	**(245,547)**	(193,119)

The notes on pages 52 to 106 form an integral part of these financial statements.
Auditors' report on pages 46 and 47.

1. CORPORATE INFORMATION

The United Basalt Products Limited is a public Company incorporated and domiciled in Mauritius and listed on the official market of the Stock Exchange of Mauritius. Its registered office is situated at Trianon, Quatre Bornes.

The main activities of the Company and its subsidiaries, together referred to as the 'Group', are the manufacturers and sellers of building materials, provision of workshop services and sellers of agricultural products.

The consolidated and separate financial statements for the year ended June 30, 2015 were authorised for issue by the Board of Directors on September 24, 2015 and the statements of financial position were signed on the Board's behalf by Messrs Marc Freismuth and Stéphane Ulcoq. The consolidated and separate financial statements will be submitted to the shareholders for approval at the annual meeting.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and complied with the Companies Act 2001 and Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis except for land and buildings classified under property, plant and equipment, available-for-sale investments and consumable biological assets that have been measured at their fair value as disclosed in the accounting policies hereafter.

The consolidated and separate financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000) except where otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The United Basalt Products Limited and its subsidiaries as at June 30, 2015.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of financial position and statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in statement of profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date at fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit or loss and other comprehensive income. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D))

(b) Fair value measurement

The Group measures its financial instruments classified as held for sale and non-financial assets such as investment properties and biological assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available-for-sale financial assets, and for non-recurring measurement, such as assets held for sale.

Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee, usually every three years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

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

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

The fair values of the Group's consumable biological assets are determined by Management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents.

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

(c) Property, plant and equipment

Except for freehold land and buildings, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of the revaluation. Valuations are performed with sufficient frequency (3 to 5 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	**2 to 5**
Leasehold improvements	**Over lease period**
Plant and equipment	**10 to 33**
Motor vehicles	**20**

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

Leasehold improvements are not capitalised and the lease payments are charged to profit or loss on accrual straight-lined basis. Improvements on leasehold properties are capitalised and amortised over the lease period.

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

(d) Investment properties

Investment properties are initially measured at cost, including transaction costs.

The cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequently, the investment properties are stated at historical cost less accumulated depreciation and any impairment in value.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment properties (Cont'd)

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the cost less depreciation at the date of transfer. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Depreciation is calculated on the straight-line method at the rate of 2% to 5% per annum.

(e) Biological assets

Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually seven years. In prior year, the Group early adopted amendments brought to IAS 16 and IAS 41 to account for bearer plants in the same way as property, plant and equipment. No impact was noted as the Group previously used the same method to account for its bearer plants.

Consumable biological assets

Consumable biological assets represent standing cane and plants and are stated at fair value less costs to sell. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate.

(f) Intangible assets

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

The useful lives of intangible assets are assessed to be either finite or indefinite.

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

Intangible assets such as goodwill with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Intangible assets include computer software , which is amortised using the straight line method over 6 years.

(g) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(h) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates is stated at cost. The carrying amount is reduced to recognise any impairment in the value of the investment.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Foreign currency translation

The financial statements of the Group and the Company are presented in Mauritian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(j) Financial assets

Initial recognition and measurement

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

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

The Group's financial assets include cash at bank and on hand, trade and other receivables, loans receivables and quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

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

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

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

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

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

Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any impairment losses.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

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

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (Cont'd)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to in profit or loss.

Available-for-sale financial investments

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

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

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(k) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition

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

(l) Offsetting of financial instruments

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

(m) Inventories

Inventory items are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for using the weighted average cost method.

Work-in-progress consists of cost incurred on works performed but not yet completed and invoiced at the reporting date.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Retirement benefit obligations

Defined benefit plan

The Group operates a final salary defined benefit plan, the assets of which are held independently and administered by the Anglo-Mauritius Assurance Society Limited. These benefits are funded. The cost of providing pensions under the plan is determined using the projected unit credit valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognise the following changes in the net defined benefit obligation under administrative expenses in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Severance allowance on retirement

For employees that are not covered under any pension plan, the net present value of severance allowances payable under the Employee Rights Act 2008 is calculated independently by a qualified actuary, AON Hewitt Ltd. The expected cost of these benefits is accrued over the service lives of employees on a similar basis to that for the defined benefit plan. The present value of severance allowances has been disclosed as unfunded obligations under employee benefit liability.

(p) Cash and cash equivalents

Cash at bank and on hand in the statement of financial position are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand net of outstanding bank overdrafts.

(q) Distribution to equity holders

The Company recognises a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

(r) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in statement of profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued with the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually at the reporting date, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at each reporting date; either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

(s) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially at the risks and records accidental to ownership to the Group is classified as a finance lease.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (Cont'd)

Group as a lessee (Cont'd)

capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

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

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Rental income

Rental income arising from investment properties under operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(u) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sugar is recognised based on amount produced and delivered on a sugar price based on the recommendation of the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate.

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised to the extent that the expenses incurred are eligible to be recovered.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when the board of directors of the investee declare the dividend.

(v) Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Taxes (Cont'd)

Deferred income tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in statement of profit or loss.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Corporate Social Responsibility

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

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

(w) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group's business segments consist of core business activities, retail and agriculture. Most of its activity is performed in Mauritius.

(x) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of July 01, 2014:

	Effective for accounting period beginning on or after
IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	January 1, 2014
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	January 1, 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	January 1, 2014
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	July 1, 2014
Annual Improvements 2010-2012 Cycle	July 1, 2014
Annual Improvements 2011-2013 Cycle	July 1, 2014
IFRIC 21 Levies	January 1, 2014

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective January 1, 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment had no impact on the financial position or performance of the Group.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective January 1, 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

These amendments did not have an impact as the Group is not considered to be an investment entity.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective January 1, 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

These amendments did not have an impact to the Group since there was no impairment of assets for the year under review.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

New and amended standards and interpretations (Cont'd)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective January 1, 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Group did not enter into any hedge arrangement which required additional disclosure.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective July 1, 2014

The amendment was made to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements 2010-2012 Cycle - effective July 1, 2014

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- IFRS 2 - Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- IFRS 3 - Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date;
- IFRS 8 - Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;
- IFRS 13 - Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- IAS 16 and IAS 38 - Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- IAS 24 - Clarify how payments to entities providing management services are to be disclosed.

The above amendment did not impact the financial statements of the Group.

Annual Improvements 2011-2013 Cycle

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- IFRS 1 - Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);
- IFRS 3 - Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- IFRS 13 - Clarify the scope of the portfolio exception in paragraph 52; and
- IAS 40 - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

The amendments have no impact on the financial performance and position of the Group.

IFRIC 21 Levies - effective January 1, 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

This new interpretation had no impact on the Group.

2.5 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition, impairment and hedging	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	January 1, 2018
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	January 1, 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 1, 2016
Amendments to IAS 27: Equity Method in Separate Financial Statement	January 1, 2016
Annual improvements 2012 – 2014 Cycle	July 1, 2016
Disclosure initiative – Amendments to IAS 1	January 1, 2016

All other new standards/amendments that are not yet effective are not considered to have a significant impact on the Group.

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – January 1, 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

2.5 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – January 1, 2018 (Cont'd)

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

The impact of the new standard is currently being assessed.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) - effective January 1, 2016

This amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) was made to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- it requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations); and

- it requires the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The directors will assess the impact of the amendments when they become effective.

IFRS 15 Revenue from Contracts with Customers - effective January 1, 2018

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Group is still assessing the impact of this new standard, but it is not expected to have a significant effect on financial performance. There may be an impact on the level of disclosure provided.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective January 1, 2016

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

The amendment will not have an impact since the Group does not have any interests in joint operations.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) - effective January 1, 2016

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Group does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) - effective January 1, 2016

Amends IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The Group early adopted these amendments and there was no impact on the financial position and performance of the Group.

Amendments to IAS 27: Equity Method in Separate Financial Statements - effective January 1, 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

The Group is still assessing whether to adopt this change in IAS 27.

2.5 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Amendments to IAS 27: Equity Method in Separate Financial Statements - effective January 1, 2016 (Cont'd)

The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39)

Or

- Using the equity method

The amendment is not expected to have an impact, as the Company will continue to recognise investments in subsidiaries and associates at cost in the separate financial statements.

Annual improvements 2012 – 2014 Cycle - effective July 1, 2016

The annual improvements 2012-2014 Cycle make amendments to the following standards:

- IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued;
- IFRS 7 – Additional guidance given to clarify whether a servicing contract is continuing involvement in a transferred assets, and clarification made on offsetting disclosures in condensed interim financial statements;
- IAS 19 – Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid; and
- IAS 34 – Clarifies the meaning of "elsewhere in the interim report" and require a cross reference.

The directors will assess the impact of the amendments when they become effective.

Disclosure Initiative (Amendments to IAS 1) - effective January 1, 2016

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

No early adoption of these standards and interpretations is intended by the Board of directors.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated and separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating Lease Commitments - Group as Lessee

The entity has entered into leases for motor vehicles and plant and equipment. The Group has classified these leases as operating leases where it has determined that it does not retain all the significant risks and rewards of ownership of these assets.

Capitalisation of spare parts

Spare parts and servicing equipment which have an expected life of more than one year, usually in connection to the life of specific item of property, plant and equipment are classified as property, plant and equipment. They are depreciated over the shorter of the life of the spare or the item of property, plant and equipment they are attached to. All other spares are recognised as inventories and expensed in profit or loss upon consumption.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. There has been no impact on the re-assessment made by management.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair values are determined by independent professional valuers by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties. Refer to note 5.

Valuation of standing cane

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. The standing cane valuation has been arrived at based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of standing cane.

Valuation of plants

The fair value of plants is based on the estimated net present value of future cash flows for the coming crops. Standing plants has been arrived at based on an estimate of the future cash flows arising on a normal crop less budgeted costs discounted at a suitable rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of plants.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligation such as in the case of deterioration in the customers operating results or financial position. Refer to note 17.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Estimated impairment of goodwill (Cont'd)

has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. Refer to note 8 for key assumptions used.

Pension benefits

The cost of defined benefit pension plans and the present value of pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer to note 21.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to note 11.

Recognition of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that is probable that taxable profit will be available against which losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank loans and overdrafts, finance leases, loan from shareholders, debentures, and trade and payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets included loans and receivables, trade and other receivables, and cash at bank and on hand that arise directly from its operations. The Group also holds available-for-sale investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. Senior management ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk objectives.

A description of the various risks to which the Group is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk to which the Group is exposed comprises three types of risk: interest rate risk, foreign currency risk, and equity price risk. Financial instruments affected by market risk include loans and borrowings, available-for-sale investments, and trade and other payables .

The sensitivity analyses in the following sections relate to the position as at June 30, 2015 and 2014.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's income and operating cash flows are subject to the risks of changes in market interest rates.

The Group's policy is to manage its interest risk using a mix of fixed and variable rate debts.

Interest rate sensitivity

The following table demonstrates through the impact on floating rate borrowings the sensitivity of the Group's and the Company's profit before tax to a reasonable possible change in interest rates with all other variables held constant. There is no impact on the Group's and the Company's equity.

	THE GROUP		THE COMPANY	
Increase/(decrease) in basis point	**2015**	**2014**	**2015**	**2014**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
+ 50%	**2,879**	3,105	**2,879**	3,005
- 25%	**(1,439)**	(1,552)	**(1,439)**	(1,502)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit of the functional currency. While revenue is generated principally in the functional currency, significant expenditures are incurred in Euro and US Dollars. The Group does not have a policy to hedge against foreign currency risk.

The following table demonstrates due to changes in the fair value of monetary assets and liabilities the sensitivity of the Group's profit after tax to a reasonably possible change in Euro and US Dollars exchange rates, with all other variables held constant. There is no impact on the Group's equity.

	THE GROUP		THE COMPANY	
Increase/(decrease) in exchange rate	**2015**	**2014**	**2015**	**2014**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Euro +5%	**(1,738)**	(1,474)	**(922)**	(961)
Euro -10%	**3,477**	2,948	**1,844**	1921
US Dollar +5%	**(493)**	(58)	**(2)**	5
US Dollar -10%	**986**	116	**4**	(10)
South African Rand +5%	**174**	71	**(2)**	(3)
South African Rand -10%	**(394)**	(141)	**5**	6
Singapore Dollar +5%	**(4)**	-	**(4)**	-
Singapore Dollar -10%	**7**	-	**7**	-

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(iii) Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The following table demonstrates the impact of a reasonably possible change in the equity prices, with all other variables held constant, on the Group's and the Company's profit after tax or equity, depending on whether the decline is significant or prolonged.

	THE GROUP		THE COMPANY	
Increase/(decrease) in equity prices	**2015**	**2014**	**2015**	**2014**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
+ 5%	**145**	174	**125**	174
- 10%	**(54)**	(109)	**(25)**	(109)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including trade and other receivables and cash at bank.

Trade receivables

Customer credit risk is managed to the Group's established policy, procedures and control relating to customer credit risk management. The Group has established internal policies to determine the credit worthiness and reliability of potential customers.

Based on the ageing, debtors who have exceeded their credit terms are identified and followed up. Following assessment of the credit quality and discussion with the customers, the amounts are either impaired or considered past due and not impaired. In addition, trade receivables are also grouped into homogeneous groups and assessed for collective impairment. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 17, excluding prepayments. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are diversified and located in well-established industries and markets.

Financial instruments and cash at bank

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's Senior Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts.

(c) Liquidity risk

Liquidity risk refers to the possibility of default by the Group to meet its obligations because of unavailability of funds to meet both operational and capital requirements. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and other financial assets), the maturity of its financial obligations and projected cash flows from operations. Moreover, the Group has access to various types of funding such as leasing, loans and share capital.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities at June 30, based on contractual undiscounted payment.

THE GROUP	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
At June 30, 2015						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	307,424	17,018	183,750	652,397	-	1,160,588
Trade and other payables	-	252,701	-	-	-	252,701
	307,424	**269,719**	**183,750**	**652,397**	**-**	**1,413,289**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
At June 30, 2014						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	238,441	55,539	190,003	742,242	-	1,226,225
Trade and other payables	-	300,312	-	-	-	300,312
	238,441	355,851	190,003	742,242	-	1,526,537

THE COMPANY	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
At June 30, 2015						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	277,721	15,741	180,275	643,131	-	1,116,868
Trade and other payables	-	104,734	-	-	-	104,734
	277,721	**120,475**	**180,275**	**643,131**	**-**	**1,221,602**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
At June 30, 2014						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	226,179	24,298	166,014	737,186	-	1,153,677
Trade and other payables	-	106,314	-	-	-	106,314
	226,179	130,612	166,014	737,186	-	1,259,991

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended June 30, 2015 and June 30, 2014.

The Group monitors capital using a gearing ratio which is interest bearing loans and borrowings divided by equity. The Group's policy is to keep the gearing ratio between 30% and 60%. Capital comprises of equity attributable to the equity holders of the parent. The Group and Company do not have any externally imposed capital requirements.

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	**1,030,171**	1,040,075	**999,736**	969,795
Equity	**2,723,028**	2,766,472	**2,157,183**	2,143,980
Gearing ratio	**38%**	38%	**46%**	45%

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold Land and Buildings Rs'000	Leasehold Properties Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	Asset in Progress Rs'000	Total Rs'000
COST OR VALUATION						
At July 1, 2013	2,231,167	78,444	2,071,028	157,220	52,335	4,590,194
Additions	10,470	408	158,464	24,734	40,016	234,092
Transfer	(80,000)	(1,964)	(529)	1,272	-	(81,221)
Revaluation reversal	(77,762)	-	-	-	-	(77,762)
Disposals	-	-	(42,119)	(22,805)	-	(64,924)
Write-off	(11,222)	-	(2,049)	-	-	(13,271)
Exchange differences	(6,161)	2,958	(8,978)	(3,947)	(3,550)	(19,678)
At June 30, 2014	2,066,492	79,846	2,175,817	156,474	88,801	4,567,430
Additions	37,345	56	231,933	20,706	65,294	355,334
Transfer	65,476	-	11,584	-	(77,060)	-
Disposals	-	-	(36,823)	(15,810)	-	(52,633)
Write-off	(2,104)	-	(607)	-	-	(2,711)
Exchange differences	(1,849)	858	(1,339)	115	(1,478)	(3,693)
At June 30, 2015	**2,165,360**	**80,760**	**2,380,565**	**161,485**	**75,557**	**4,863,727**
DEPRECIATION						
At July 1, 2013	49,109	18,269	1,495,332	110,027	-	1,672,737
Charge for the year	38,015	2,673	136,989	16,545	-	194,222
Transfer	-	-	434	-	-	434
Disposals	-	-	(27,371)	(20,758)	-	(48,129)
Write-off	-	-	(2,011)	-	-	(2,011)
Exchange differences	(1,174)	(203)	(5,512)	(732)	-	(7,621)
At June 30, 2014	85,950	20,739	1,597,861	105,082	-	1,809,632
Charge for the year	39,980	2,726	156,528	20,180	-	219,414
Disposals	-	-	(35,217)	(15,849)	-	(51,066)
Write-off	(140)	-	(592)	-	-	(732)
Exchange differences	(1,350)	255	(2,534)	(77)	-	(3,706)
At June 30, 2015	**124,440**	**23,720**	**1,716,046**	**109,336**	**-**	**1,973,542**
CARRYING AMOUNT						
At June 30, 2015	**2,040,920**	**57,040**	**664,519**	**52,149**	**75,557**	**2,890,185**
At June 30, 2014	1,980,542	59,107	577,956	51,392	88,801	2,757,798

Bank borrowings are secured by fixed and floating charges over the assets of the Group.
Leased liabilities are effectively secured as the right to the leased asset revert to the lessor in event of default.

(a) The carrying amount of plant and equipment and motor vehicles held under finance lease as at June 30, 2015 and 2014 were as follows:

	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2015 Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2014 Rs'000
Cost	**74,501**	**46,920**	**121,421**	153,372	173,325	326,697
Accumulated depreciation	**(64,765)**	**(31,519)**	**(96,284)**	(108,699)	(104,459)	(213,158)
Carrying amount	**9,736**	**15,401**	**25,137**	44,673	68,866	113,539

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

THE COMPANY	Freehold Land and Buildings Rs'000	Leasehold Properties Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	Asset In Progress Rs'000	Total Rs'000
COST OR VALUATION						
At July 1, 2013	963,386	43,126	1,587,684	81,485	-	2,675,681
Additions	4,195	-	120,787	17,293	10,032	152,307
Disposals	-	-	(36,108)	(17,693)	-	(53,801)
Transfer	-	-	(1,272)	1,272	-	-
Transfer to investment properties (note 6)	(29,725)	-	-	-	-	(29,725)
At June 30, 2014	937,856	43,126	1,671,091	82,357	10,032	2,744,462
Additions	20,287	-	197,389	9,716	5,758	233,150
Disposals	-	-	(34,262)	(9,846)	-	(44,108)
Transfer	3,935	-	6,097	-	(10,032)	-
Write-off	(860)	-	-	-	-	(860)
At June 30, 2015	**961,218**	**43,126**	**1,840,315**	**82,227**	**5,758**	**2,932,644**
DEPRECIATION						
At July 1, 2013	31,906	15,610	1,157,740	55,939	-	1,261,195
Charge for the year	18,945	2,156	114,590	12,949	-	148,640
Disposals	-	-	(21,370)	(16,293)	-	(37,663)
Transfer to investment properties (note 6)	(1,486)	-	-	-	-	(1,486)
At June 30, 2014	49,365	17,766	1,250,960	52,595	-	1,370,686
Charge for the year	19,294	2,156	120,080	11,022	-	152,552
Disposals	-	-	(33,959)	(9,846)	-	(43,805)
Write-off	(100)	-	-	-	-	(100)
At June 30, 2015	**68,559**	**19,922**	**1,337,081**	**53,771**	**-**	**1,479,333**
CARRYING AMOUNT						
At June 30, 2015	**892,659**	**23,204**	**503,234**	**28,456**	**5,758**	**1,453,311**
At June 30, 2014	888,491	25,360	420,131	29,762	10,032	1,373,776

Bank borrowings are secured by fixed and floating charges over the assets of the Company.
Leased liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default.

(a) The carrying amount of plant and equipment and motor vehicles held under finance lease as at June 30, 2015 and 2014 were as follows:

	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2015 Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2014 Rs'000
Cost	**73,409**	**18,147**	**91,556**	106,866	38,520	145,386
Accumulated depreciation	**(64,704)**	**(14,827)**	**(79,531)**	(80,725)	(29,516)	(110,241)
Carrying amount	**8,705**	**3,320**	**12,025**	26,141	9,004	35,145

(b) Revaluation of land and buildings

The fair value of the freehold land and buildings were determined by Société d'Hotman de Spéville, an independent valuer. Fair value is determined by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The date of the revaluation was June 3, 2012. Freehold land and buildings have been classified as level 2, based on sales comparison approach.

The cost, accumulated depreciation and carrying amount of the land and buildings, had they been stated at historical cost would be as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	**1,107,429**	1,066,916	**1,078,608**	1,046,381
Accumulated depreciation	**(361,293)**	(334,884)	**(353,133)**	(327,542)
Carrying amount	**746,136**	732,032	**725,475**	718,839

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
COST	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**45,216**	45,216	**354,748**	319,709
Additions	**-**	-	**6,181**	5,314
Transfer from property, plant and equipment (note 5)	**-**	-	**-**	29,725
At June 30,	**45,216**	45,216	**360,929**	354,748
DEPRECIATION				
At July 1,	**28,735**	26,826	**144,109**	126,046
Charge for the year	**1,909**	1,909	**16,255**	16,577
Transfer from property, plant and equipment (note 5)	**-**	-	**-**	1,486
At June 30,	**30,644**	28,735	**160,364**	144,109
CARRYING AMOUNT				
At June 30,	**14,572**	16,481	**200,565**	210,639

The investment properties were last revalued by an external independent valuer on June 3, 2012. The Directors performed a valuation of its investment properties and believe that there has been no significant change in the fair value of the investment pertaining to the parent company since last independent valuation. The valuation was carried out at that date by Société d'Hotman de Speville. Fair value is determined by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The fair value at June 30, 2015 was Rs 197.3 m (2014: Rs 197.3 m) for the Group and Rs 620.5 m (2014: Rs 620.5 m) for the Company. The rental income arising during the year amounted to Rs 9.4 m (2014: Rs 11.2 m) for the Group and for the Company Rs 38.2 m (2014: Rs 36.9 m). No direct operating expenses were incurred on the investment properties during the year (2014: Rs Nil). The investment properties have been classified as level 2, based on sales comparison approach.

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

7. BEARER BIOLOGICAL ASSETS

	THE GROUP	
	2015	2014
Plant canes	Rs'000	Rs'000
At July 1,	**12,428**	11,327
Expenditure for the year	**4,406**	5,392
Amortisation for the year	**(4,008)**	(4,291)
Impairment loss	**(380)**	-
At June 30,	**12,446**	12,428

Other information:		
Area harvested (Arpents)	**520**	578
Cost per Arpent (Rs)	**88,117**	71,895

At June 30, 2015, the Directors have made an assessment of the carrying value of the bearer plants and have concluded that an impairment loss of Rs 380,000 is required. This assessment was based on an average sugar price of Rs 15,500 per ton over the projected period.

Should the current sugar price per ton (before Sugar Insurance Fund Board (SIFB) compensation) of Rs 12,500 be used throughout the projected period, then the value of the bearer plants would have been nil.

8. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY
	Computer Software	Goodwill	Total	Computer Software
COST	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2013	32,859	134,103	166,962	13,605
Additions	4,036	-	4,036	790
Disposals	(2,036)	-	(2,036)	-
Transfer to property, plant and equipment	(636)	-	(636)	-
Write-off	(444)	-	(444)	(3,595)
Work in progress	793	-	793	-
Exchange differences	(103)	-	(103)	-
At June 30, 2014	34,469	134,103	168,572	10,800
Additions	3,687	-	3,687	1,933
At June 30, 2015	**38,156**	**134,103**	**172,259**	**12,733**
AMORTISATION				
At July 1, 2013	17,877	128,671	146,548	10,734
Amortisation charge	3,577	-	3,577	1,094
Disposals adjustment	(1,566)	-	(1,566)	-
Transfer to property, plant and equipment	(475)	-	(475)	-
Write-off	(164)	-	(164)	(3,595)
Exchange differences	(64)	-	(64)	-
At June 30, 2014	19,185	128,671	147,856	8,233
Amortisation charge	3,500	-	3,500	880
At June 30, 2015	**22,685**	**128,671**	**151,356**	**9,113**
CARRYING AMOUNT				
At June 30, 2015	**15,471**	**5,432**	**20,903**	**3,620**
At June 30, 2014	15,284	5,432	20,716	2,567

The carrying amount of goodwill is allocated to the 'Agriculture' cash generating unit ("CGU"). The recoverable amount of that CGU has been determined using the fair value less costs to sell model as compared to prior year whereby value in use calculation using cash flow projections was used. The change is due to the availability of recent market transactions. Fair value less cost to sell is adjusted for with other assets and liabilities of the CGU, excluding the fair value less cost to sell of the land. No impairment was required as a result of the analysis.

The fair value less cost to sell calculation is most sensitive to the following main assumption:

Selling prices – The prices are obtained from the relevant bodies and adjusted for expected changes in future periods.

Management believes that reasonably possible changes in the above assumption will not cause the carrying amount of the cash generating unit to materially exceed its recoverable amount. A 5% decrease in the unit selling price will still result in a recoverable amount higher than the carrying amount.

9. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2015 Rs'000	2014 Rs'000
At July 1,	828,839	828,839
Additions: Interest-free loans	150,820	-
At June 30,	**979,659**	828,839
Analysed as follows:		
Unquoted equity instruments	828,839	828,839
Interest- free loans	150,820	-
	979,659	828,839

The Directors have assessed the recoverable amount of the investments and are of opinion that the carrying amounts have not suffered any impairment.

Particulars of interests in the Group's subsidiary companies:

		2015 AND 2014	
	Country of incorporation	% Holding	
OPERATIONAL		Direct	Indirect
Espace Maison Ltée	Mauritius	100.0	-
Compagnie de Gros Cailloux Ltée	Mauritius	100.0	-
Société d'Investissement Rodriguais	Mauritius	100.0	-
Welcome Industries Ltd	Mauritius	-	75.9
UBP International Ltd	Mauritius	100.0	-
UBP Madagascar	Madagascar	100.0	-
United Granite Products (Pvt) Ltd	Sri-Lanka	-	77.0
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	-	100.0
Sheffield Trading (Pvt) Ltd	Sri-Lanka	-	100.0
Sainte Marie Crushing Plant Ltd	Mauritius	76.5	-
Societe des Petits Cailloux	Mauritius	-	76.5
Dry Mixed Products Ltd	Mauritius	51.0	-
DORMANT			
Land Reclamation Ltd	Mauritius	100.0	-
Stone and Bricks Co Ltd	Mauritius	100.0	-
The Stone Masters Co Ltd	Mauritius	100.0	-
Pricom Ltd	Mauritius	100.0	-

Following Board approval on June 18, 2015, an interest-free loan of Rs 150.8m to UBP Madagascar is shown under investments.

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries that have material non-controlling interests, based on their IFRS financial statements and before inter-company eliminations are provided below:

2015	Dry Mixed Products Ltd Rs'000	Welcome Industries Ltd Rs'000	United Granite Products (Pvt) Ltd Rs'000	Sainte Marie Crushing Plant Ltd Rs'000
Proportion of non-controlling interests	49.0%	24.1%	23.0%	23.5%
Financial position				
Non-current assets	76,235	16,350	74,407	59,059
Current assets	77,619	24,221	40,667	13,058
Non-current liabilities	(10,665)	(6,741)	(1,000)	(5,449)
Current liabilities	(55,971)	(6,790)	(135,988)	(5,400)
Net assets/(liabilities)	87,218	27,040	(21,914)	61,268
Carrying amounts of non-controlling interests	42,737	6,517	(5,040)	14,398
Comprehensive income				
Revenue	282,897	38,902	19,280	64,805
Profit/(loss) for the year	31,158	4,311	(7,702)	2,536
Other comprehensive income/(loss)	1,035	(43)	-	252
Total comprehensive income/(loss)	32,193	4,268	(7,702)	2,788
Profit allocated to non-controlling interests	15,267	1,039	(1,771)	596
Total comprehensive income/(loss) allocated to non-controlling interests	15,775	1,029	(1,771)	655
Dividend to non-controlling interests	9,800	983	-	1,800
Cash flows				
Operating activities	37,963	12,764	335	8,566
Investing activities	(37,824)	(7,574)	(46)	(728)
Financing activities	-	-	-	(7,100)
Net increase in cash and cash equivalents	139	5,190	289	738

Summarised financial information of subsidiaries that have material non-controlling interests, based on their IFRS financial statements and before inter-company eliminations are provided below:

2014	Dry Mixed Products Ltd Rs'000	Welcome Industries Ltd Rs'000	United Granite Products (Pvt) Ltd Rs'000	Sainte Marie Crushing Plant Ltd Rs'000
Proportion of non-controlling interests	49.0%	24.1%	23.0%	23.5%
Financial position				
Non-current assets	50,032	14,215	69,613	65,670
Current assets	86,971	23,212	37,643	14,056
Non-current liabilities	(10,145)	(5,240)	(794)	(5,116)
Current liabilities	(51,308)	(4,615)	(121,891)	(8,798)
Net assets/(liabilities)	75,550	27,572	(15,429)	65,812
Carrying amounts of non-controlling interests	37,020	6,645	(3,549)	15,466
Comprehensive income				
Revenue	282,140	37,587	37,272	59,799
Profit for the year	45,190	5,150	6,665	2,502
Other comprehensive (loss)/income	(900)	127	(8,639)	(485)
Total comprehensive income/(loss)	44,290	5,277	(1,974)	2,017
Profit allocated to non-controlling interests	22,143	1,241	1,533	588
Total comprehensive income/(loss) allocated to non-controlling interests	21,702	1,272	(454)	474
Dividend paid to non-controlling interests	9,800	786	-	2,600
Cash flows				
Operating activities	18,992	5,960	6,071	(1,523)
Investing activities	(17,695)	(624)	(14,661)	(5,590)
Financing activities	(1,300)	(10,407)	18,803	7,686
Net (decrease)/increase in cash and cash equivalents	(3)	(5,071)	10,213	573

10. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Unquoted				
At July 1,	**191,121**	198,750	**110,306**	110,306
Additions	**-**	1,751	**-**	-
Share of results	**(3,163)**	12,664	**-**	-
Movement in reserves	**(10,630)**	(3,309)	**-**	-
Dividend received	**(8,400)**	(18,735)	**-**	-
At June 30,	**168,928**	191,121	**110,306**	110,306

10. INVESTMENT IN ASSOCIATES (CONT'D)

Details pertaining to the interests in associates are as follows:

Name of company	Principal activities	Country of incorporation	Proportion of ownership interest (direct & indirect) 2015	2014
Pre-mixed Concrete Ltd	Involve in the manufacturing and placing of ready-mixed concrete.	Mauritius	**49.0%**	49.0%
Cement Transport Ltd	Operating a fleet of bulk cement transport trucks, tractors and tankers.	Mauritius	**25.0%**	25.0%
Compagnie des Transports Reunis Ltée	Operating a fleet of lorries.	Mauritius	**30.0%**	30.0%
Terrarock Ltd	Manufacture and sale of building materials.	Mauritius	**46.0%**	46.0%
Sud Concassage Ltée	Manufacture and sale of building materials.	Mauritius	**25.0%**	25.0%
Prochimad Mines et Carrières SARL	Mine operation.	Madagascar	**34.0%**	34.0%
Compagnie Mauricienne d'Entreprise Ltée	Renting of properties.	Mauritius	**20.0%**	20.0%

Summarised financial information of the associates that are material to the Group, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in the Group's financial statements are set out below:

THE GROUP 2015	Pre-mixed Concrete Ltd Rs'000	Terrarock Ltd Rs'000	Compagnie Mauricienne d'Entreprise Ltée Rs'000
Financial position			
Non-current assets	97,831	50,923	85,125
Cash and cash equivalents	-	731	30,023
Other current assets	153,760	44,257	21,645
Current trade and other payables	(85,535)	(4,446)	(448)
Current loans and borrowings	(15,266)	(5,081)	-
Other current liabilities	(19,404)	(8,096)	(71,282)
Equity	131,386	78,288	65,063
Proportion of Group's ownership	49.0%	46.0%	20.0%
	64,379	36,012	13,013
Goodwill	48,619	-	-
Carrying amount of investments	112,998	36,012	13,013
Statement of profit or loss and other comprehensive income			
Revenue	492,494	130,257	4,990
Interest income	-	631	648
Other income	332	814	3,552
Depreciation and amortisation	(14,143)	(11,753)	-
Interest expense	-	(11)	-
Other expenses	(491,106)	(101,270)	(978)
(Loss)/profit before tax	(12,423)	18,668	8,212
Income tax expense	(8,781)	(3,865)	(812)
(Loss)/profit for the year	(21,204)	14,803	7,400
Other comprehensive income/(loss)	8,007	(789)	(68,976)
Total comprehensive (loss)/income	(13,197)	14,014	(61,576)
Group's share of (loss)/profit	(10,390)	6,809	1,480
Group's share of total comprehensive (loss)/income	(6,467)	6,447	(12,315)

THE GROUP 2014	Pre-mixed Concrete Ltd Rs'000	Terrarock Ltd Rs'000	Mauricienne d'Entreprise Ltée Rs'000
Financial position			
Non-current assets	98,966	55,134	96,897
Cash and cash equivalents	-	521	8,877
Other current assets	146,232	41,632	21,803
Current trade and other payables	(67,071)	(5,361)	(394)
Current loans and borrowings	(6,343)	(6,046)	-
Other current liabilities	(27,202)	(6,606)	(542)
Equity	144,582	79,274	126,641
Proportion of Group's ownership	49.0%	46.0%	20.0%
	70,845	36,466	25,328
Goodwill	48,619	-	-
Carrying amount of investment	119,464	36,466	25,328
Statement of profit or loss and other comprehensive income			
Revenue	503,194	146,622	5,571
Interest income	-	-	2,364
Other income	874	-	-
Depreciation and amortisation	(13,872)	(5,978)	-
Interest expense	-	(11)	-
Other expenses	(487,353)	(119,195)	(658)
Profit before tax	2,843	21,438	7,277
Income tax expense	(426)	(820)	(944)
Profit for the year	2,417	20,618	6,333
Other comprehensive loss	(5,686)	(770)	-
Total comprehensive (loss)/income	(3,269)	19,848	6,333
Group's share of profit	1,184	9,484	1,267
Group's share of total comprehensive (loss) /income	(1,602)	9,130	1,267

Aggregate information on individually immaterial associates	**THE GROUP** 2015 Rs'000	2014 Rs'000
Carrying amount of investments	**6,905**	9,863
Group's share of (loss)/profit for the year	**(1,062)**	729
Group's share of other comprehensive loss	**(396)**	(169)
Group's share of total comprehensive (loss)/income	**(1,458)**	560
No share of losses in Prochimad Mines et Carrières SARL were recognised in 2014 as follows:		
Unrecognised share of losses for the year	**-**	140
Unrecognised share of losses as at June 30,	**-**	140

The associates had no other contingent liabilities or capital commitment as at June 30, 2015 and 2014 except as disclosed in note 32.

11. AVAILABLE-FOR-SALE INVESTMENTS

THE GROUP	Quoted equity shares Rs'000	Unquoted equity shares Rs'000	Total Rs'000
At July 1, 2013	31,341	18,255	49,596
Additions	-	235	235
Write-off	(103)	-	(103)
Fair value adjustments	8,900	-	8,900
At June 30, 2014	40,138	18,490	58,628
Additions	-	200	200
Disposals	(3,790)	-	(3,790)
Fair value adjustments	(2,307)	1,667	(640)
At June 30, 2015	**34,041**	**20,357**	**54,398**

THE COMPANY	Quoted equity shares Rs'000	Unquoted equity shares Rs'000	Total Rs'000
At July 1, 2013	26,523	18,202	44,725
Additions	-	235	235
Write-off	(103)	-	(103)
Fair value adjustments	8,412	-	8,412
At June 30, 2014	34,832	18,437	53,269
Additions	-	200	200
Disposals	(3,790)	-	(3,790)
Fair value adjustments	(1,990)	1,536	(454)
At June 30, 2015	**29,052**	**20,173**	**49,225**

There are no tax impact on the fair value adjustments.

FAIR VALUE HIERARCHY

The following table provides an analysis of available-for-sale investments at fair value categorised according to the fair value hierarchy disclosures in note 2.3 (b).

2015	THE GROUP			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	33,551	-	15,881	49,432

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	29,052	-	15,881	44,933

2014	THE GROUP			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	40,138	14,898	-	55,036

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	34,832	14,345	-	49,177

	2015 Rs'000	2014 Rs'000
Other available-for-sale investments at cost		
The Group	**4,966**	3,592
The Company	**4,292**	4,092

Some of the unquoted investments were stated at cost since their fair value could not be reliably ascertained due to the absence of a market and track records for such similar instruments. P/E ratio of quoted investments was used and discounted to arrive at the fair value of the investment in Flacq Associated Stonemasters Ltd which has been disclosed under level 3.

Transfer between levels
During the year, there was a transfer of Rs 14.3m between fair value hierarchies.

	2015 Rs'000	2014 Rs'000
At July 1,	**-**	-
Transfer from level 2	**14,345**	-
Net unrealised changes in fair value of available-for-sale investments	**1,536**	-
At June 30,	**15,881**	-

The investment was transferred from level 2 to level 3 due to the significance of adjustments in unobservable inputs used during the current year.

Valuation techniques

Unlisted equity investments

The Company invests in companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Company uses a market based valuation technique for these positions.

Valuation process for level 3 valuation

The fair value of unquoted equity shares held by the Company is based on comparable P/E ratio.

The valuation process for the investments is completed on a yearly basis and is designed to determine a reasonable fair value while subjecting the valuation of such investment to an appropriate level of review. Yearly valuations are performed at Group level by the Directors. For assets classified as level 3, the finance professionals are responsible for documenting preliminary valuations based on their collection of financial and operating data, company specific developments, market valuation of comparable companies and model projections, among other factors. The Board then reviews the preliminary valuations and all inputs for accuracy and reasonableness. The Board finally approves all investment valuations.

The following table presents additional information about the valuation techniques and inputs used for investments that are measured at fair value and categorized within level 3 as of June 30, 2015:

Private equity investments	Fair value	Valuation technique	Observable input	Unobservable input	Range
	Rs'000				
Flacq Associated Stonemasters Limited (FAST)	15,881	Market comparables	P/E ratio	Discount for lack of marketability	50%

Had the marketability discount increased by 5% at June 30, 2015, the Group and the Company's profits would have decreased by Rs. 794,000. Had the marketability discount decreased by 5% at June 30, 2015, the Group and the Company's profits would have increased by Rs 794,000.

12. OTHER FINANCIAL ASSET

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Loan receivable from associate	**13,795**	13,795

The loan receivable is unsecured, bears no interest and will be repayable on demand. The fair value of the loan approximates its carrying amount.

13. INCOME TAX

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
(a) In the statements of profit or loss and other comprehensive income:				
Income tax on the adjusted profit for the year	**20,200**	21,567	**14,182**	13,558
Corporate social responsibility tax	**2,646**	2,887	**1,891**	1,808
(Over)/under provision of corporate social responsibility tax	**(38)**	282	**-**	282
Overprovision of income tax in previous year	**(1,750)**	(340)	**(2,179)**	(369)
Under/(over) provision of deferred tax in previous years	**822**	1,949	**(1,884)**	2,009
Deferred tax (credit)/charge	**(1,448)**	138	**348**	(867)
Income tax expense	**20,432**	26,483	**12,358**	16,421
Amount in other comprehensive income				
Deferred tax on losses on actuarial gains and losses	**4,732**	830	**4,938**	586
(b) In the statements of financial position:				
At July 1,	**7,916**	11,617	**4,549**	7,610
Payment during the year	**(15,517)**	(26,541)	**(7,080)**	(16,775)
Tax withheld	**(1,854)**	(1,556)	**(1,933)**	(1,565)
Overprovision of income tax in previous year	**(1,788)**	(58)	**(2,179)**	(87)
Income tax expense	**22,846**	24,454	**16,073**	15,366
At June 30,	**11,603**	7,916	**9,430**	4,549
(c) Deferred tax:				
Deferred tax assets	**921**	2,883	**-**	-
Deferred tax liabilities	**(38,681)**	(46,001)	**(34,289)**	(40,763)
Net deferred tax liabilities	**(37,760)**	(43,118)	**(34,289)**	(40,763)
(d) Movement in deferred tax:				
At July 1,	**(43,118)**	(41,861)	**(40,763)**	(40,207)
(Under)/over provision of deferred tax in previous years	**(822)**	(1,949)	**1,884**	(2,009)
Tax income during the year recognised in other comprehensive income	**4,732**	830	**4,938**	586
Deferred tax credit/(charge)	**1,448**	(138)	**(348)**	867
At June 30,	**(37,760)**	(43,118)	**(34,289)**	(40,763)

Unused tax losses of the Group that have not been recognised as deferred tax asset amounted to Rs 97m (2014: Rs 70m). Deferred tax asset has not been recognised in respect of these losses due to the unpredictability of future profit streams to utilise these losses.

(e) Deferred tax assets and liabilities are attributable to the following:

	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Deferred tax assets				
- Employee benefit liability	**43,709**	32,406	**41,810**	30,443
- Allowance for doubtful debts	**2,308**	2,839	**2,871**	2,232
- Provision for obsolete stock	**3,126**	3,071	**3,541**	2,758
	49,143	38,316	**48,222**	35,433
Deferred tax liabilities				
- Accelerated capital allowances	**(18,470)**	(13,001)	**(14,078)**	(7,763)
- Deferred tax on revaluation gain	**(68,433)**	(68,433)	**(68,433)**	(68,433)
	(86,903)	(81,434)	**(82,511)**	(76,196)
Net deferred tax liabilities	**(37,760)**	(43,118)	**(34,289)**	(40,763)

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before tax	**103,544**	120,675	**125,347**	115,677
Tax calculated at the rate of 15%	**15,531**	18,101	**18,801**	17,352
Tax effect of :				
Non-allowable expenses	**6,690**	3,859	**705**	1,133
Expenses qualifying for double relief	**(1,181)**	(1,130)	**-**	-
Corporate social responsibility	**2,646**	2,887	**1,891**	1,808
Other deductible items	**(422)**	(475)	**-**	-
Tax effect from associate	**454**	(1,941)	**-**	-
Income exempt from tax	**(5,686)**	(2,248)	**(5,017)**	(5,794)
Deferred tax assets not recognised	**3,190**	5,539	**-**	-
Effect on temporary difference on corporate social responsibility	**176**	-	**41**	-
(Over)/under provision of income tax in previous year	**(1,788)**	(58)	**(2,179)**	(87)
Under provision of deferred tax in previous years	**822**	1,949	**(1,884)**	2,009
Income tax expense	**20,432**	26,483	**12,358**	16,421

(g) There are no income tax consequences attached to the payment of dividends in either 2015 or 2014 by the Group to its shareholders.

14. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP			
	Vegetables	Standing Cane	Plants	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2013	-	18,881	16,891	35,772
Production	-	38,138	24,437	62,575
Sales	-	(34,285)	(27,079)	(61,364)
Fair value movement	-	(7,732)	3,950	(3,782)
At June 30, 2014	-	15,002	18,199	33,201
Production	791	36,603	25,438	62,832
Sales	(1,371)	(29,902)	(20,107)	(51,380)
Fair value movement	2,373	(9,104)	(8,435)	(15,166)
At June 30, 2015	**1,793**	**12,599**	**15,095**	**29,487**

The consumable biological assets are measured at fair value determined in accordance with the level 3 of the fair value hierarchy.

(a) The main assumptions for estimating the fair values are as follows:

Standing cane	**2015**	**2014**
Expected area to harvest (Ha)	**219**	214
Estimated yields (%)	**10.67**	10.85
Estimated price of sugar - Rs (per ton)	**14,500**	14,000
Plants		
Expected area to harvest (Ha)	**19**	19
Maximum maturity of plants at June 30,	**5 years**	5 years

14. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

(b) Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Discounted cash flows	Cane yield per Ha.	0.1% point increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 250,334.
		Price of sugar	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 1,083,357.
		WACC	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 107,844.
Plants	Discounted cash flows	Average price of plants	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 1,115,329.
		Mortality rate	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 98,919.
		WACC	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 165,114.

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Raw materials and spares (at cost)	**191,745**	169,929	**132,707**	137,400
Work in progress (at cost)	**30,168**	32,570	**16,531**	14,808
Finished goods (at lower of cost and net realisable value)	**410,860**	442,817	**66,274**	73,893
Goods in transit	**39,744**	25,031	**16,936**	-
	672,517	670,347	**232,448**	226,101

The prior year Group values have been updated a) from Rs 191.9m to Rs 169.9m for raw materials and spares and b) from nil to Rs 25m for goods in transit due to incorrect allocation made in 2014.
The amount of write down of inventories, recognised as an expense in cost of sales amounted to Rs 5.2 m (2014: Rs 24.4 m) for the Group and Rs 6.9 m for the Company (2014: Rs 7.4 m). Included in finished goods are inventories carried at net realisable value of Rs 3.9 m (2014: Rs 8 m).

16. ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Transfer from property, plant and equipment (note 5)	-	80,000	-	-

In 2014, the Group resolved to dispose of a plot of freehold land that was no longer utilised. The land was disposed of for Rs 80m during the year.

17. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	**245,225**	216,789	**116,689**	99,586
Receivables from subsidiaries	**-**	-	**290,648**	425,834
Receivables from associates	**25,332**	28,557	**25,211**	28,204
Loan receivable from subsidiary	**-**	-	**53,871**	50,148
Other receivables	**219,856**	312,259	**15,389**	40,906
Prepayments	**28,474**	16,456	**4,400**	2,540
	518,887	574,061	**506,208**	647,218

Trade receivables are non-interest bearing and are generally on 30 days' terms. Other receivables are non-interest bearing and have an average term of 6 months. For terms and conditions relating to receivables from related parties, refer to note 29. The fair values of the trade and other receivables approximate their carrying amounts.

As at June 30, 2015, the Group's trade receivables of initial value of Rs 42.7 m (2014: Rs 38 m) were impaired and provided for. As at June 30, 2015, the Company's trade receivables of initial value of Rs 16.9 m (2014: Rs 15.3 m) were impaired and provided for.

As at June 30, the ageing analysis of trade receivables were as follows:

	Total	Neither past due nor impaired	61 - 90 days	90 days - 1 yr	More than 1 yr
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2015	**245,225**	**106,868**	**26,644**	**41,844**	**12,627**
2014	216,789	69,856	39,229	24,507	29,720
THE COMPANY					
2015	**116,689**	**38,859**	**15,628**	**25,115**	**2,897**
2014	99,586	34,517	18,975	12,846	7,918

See note 4(b) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

17. TRADE AND OTHER RECEIVABLES (CONT'D)

The movement in the provision for impairment of trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Individually and collectively impaired				
At July 1,	**38,003**	39,814	**15,328**	17,188
Charge for the year	**8,510**	961	**3,971**	-
Write-off	**(6)**	-	**-**	-
Release	**(2,613)**	(2,772)	**(2,412)**	(1,860)
At June 30,	**43,894**	38,003	**16,887**	15,328

18. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash at bank and on hand comprise of the following at June 30:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cash at bank and on hand	**28,221**	38,700	**2,176**	1,845
Bank overdraft (note 20)	**(279,727)**	(248,164)	**(247,723)**	(194,964)
	(251,506)	(209,464)	**(245,547)**	(193,119)

The fair values of the cash and cash equivalents approximate their carrying amounts.

The acquisition of property, plant and equipment was financed as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Non-cash transactions				
Total acquisition cost (note 5)	**355,334**	234,092	**233,150**	152,307
Financed by cash	**(347,092)**	(220,020)	**(233,150)**	(152,307)
Financed by finance leases	**8,242**	14,072	**-**	-

19. EQUITY

	THE GROUP AND THE COMPANY			
	2015	2014	2015	2014
(a) Issued capital	Number of shares	Number of shares	Rs'000	Rs'000
At June 30,	**26,510,042**	26,510,042	**265,100**	265,100

	THE GROUP		THE COMPANY	
(b) Reserves	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Share premium	**7,354**	7,354	**7,354**	7,354
Associate companies (note (i))	**65,476**	76,106	**-**	-
Revaluation reserve (note (ii))	**1,093,038**	1,173,574	**505,211**	505,970
Fair value reserve (note (iii))	**36,615**	38,815	**33,843**	35,857
Translation reserve (note (iv))	**62,631**	60,645	**-**	-
Retained earnings	**1,192,814**	1,144,878	**1,345,675**	1,329,699
	2,457,928	2,501,372	**1,892,083**	1,878,880

(i) Associate companies represent reserves other than retained earnings arising on equity accounting of associates.
(ii) The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relatesto an increase on the same asset previously recognised in equity. Revaluation surplus of Rs 80.0m was transferred out of revaluation reserve to retained earnings following realisation of sale of land in a subsidiary during the year.
(iii) The fair value reserve records fair value changes on available-for-sale financial assets.
(iv) The translation reserve is used to record exchange differences arising from the translation of the financial statements of overseas operations

20. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans (note (a))	**1,500**	17,170	**1,500**	17,170
Obligations under finance lease (note (b))	**12,056**	21,961	**3,833**	17,304
Debentures (note (c))	**560,000**	560,000	**560,000**	560,000
	573,556	599,131	**565,333**	594,474
Current				
Bank overdrafts (note 18)	**279,727**	248,164	**247,723**	194,964
Bank loans (note (a))	**144,557**	143,800	**144,267**	123,800
Unsecured loans	**15,591**	19,389	**29,625**	31,215
Obligations under finance lease (note (b))	**16,740**	29,591	**12,787**	25,342
	456,615	440,944	**434,402**	375,321
Total borrowings	**1,030,171**	1,040,075	**999,735**	969,795

The fair values of the loans and borrowings approximate their carrying amounts, except for debentures. The debentures are classified under level 1 in the level of hierarchy since they are listed on the Stock Exchange of Mauritius. The fair value of the debentures was Rs 562.3m as at June 30, 2015 (2014: Rs 562.8m)

(a) Bank loans are payable as follows:				
Within one year	**144,557**	143,800	**144,267**	123,800
After one year and before two years	**1,500**	15,050	**1,500**	15,050
After two years and before five years	**-**	2,120	**-**	2,120
	146,057	160,970	**145,767**	140,970

Bank loans and overdrafts are secured by fixed and floating charges on the Group's assets and bear interest between PLR +0.5% and PLR +1.5% per annum.

(b) Finance lease liabilities				
Minimum lease payments:				
Within one year	**18,339**	32,807	**13,586**	27,972
After one year and before two years	**7,261**	16,857	**3,938**	14,115
After two years and before five years	**5,943**	6,512	**-**	4,134
	31,543	56,176	**17,524**	46,221
Future finance charges on finance leases	**(2,747)**	(4,624)	**(904)**	(3,575)
Present value of finance lease liabilities:	**28,796**	51,552	**16,620**	42,646
Within one year	**16,740**	29,591	**12,787**	25,342
After one year and before two years	**6,626**	15,749	**3,833**	13,279
After two years and before five years	**5,430**	6,212	**-**	4,025
	28,796	51,552	**16,620**	42,646

Lease finance carries interest at an annual rate between 8% and 11.75%. Leased liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(c) The debentures are unsecured, are repayable in November 2018 and bears interest at repo rate +1.20%. Unsecured loans are repayable at call, the rates of interest per annum at June 30, 2015 was 5.85% (2014: 5.85%).

21. EMPLOYEE BENEFIT LIABILITY

The benefits of employees of the Group and the Company fall under two different types of arrangements:
(a) A defined benefit scheme which is funded. The plan assets are held independently by an insurance company; and
(b) Retirement benefits, as defined under the Employee Rights Act 2008, which are unfunded.

The liabilities in respect of the retirement benefit schemes (a) and (b) above are analysed as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Funded obligation (note a)	**156,366**	115,040	**131,633**	94,255
Unfunded obligation (note b)	**141,700**	133,961	**114,309**	108,699
	298,066	249,001	**245,942**	202,954

(a) Funded obligation

(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligation	**349,266**	296,949	**297,392**	249,811
Fair value of plan assets	**(192,900)**	(181,909)	**(165,759)**	(155,556)
Benefit liability	**156,366**	115,040	**131,633**	94,255
At July 1,	**115,040**	110,994	**94,255**	89,730
Amounts recognised in profit or loss	**20,741**	20,797	**16,301**	15,271
Amounts recognised in other comprehensive income	**32,729**	(1,676)	**29,630**	(1,831)
Employer's contribution	**(12,144)**	(15,075)	**(8,553)**	(8,915)
At June 30,	**156,366**	115,040	**131,633**	94,255

(ii) Changes in the present value of the employee benefit liability are as follows:

At July 1,	**296,949**	272,485	**249,811**	232,510
Amounts recognised in profit or loss:				
Current service cost	**10,257**	9,966	**7,280**	6,951
SIPF 1 liabilities	**-**	4,160	**-**	-
Interest cost	**22,651**	20,872	**19,077**	17,750
	32,908	34,998	**26,357**	24,701
Benefits paid	**(10,708)**	(6,811)	**(5,630)**	(3,653)
Amounts recognised in other comprehensive income:				
Losses/(gains) due to changes in financial assumptions	**30,035**	(3,928)	**26,854**	(3,747)
Employee's contribution	**82**	205	**-**	-
Present value of employee benefit liability at June 30,	**349,266**	296,949	**297,392**	249,811

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
(iii) Changes in the fair value of plan assets are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	181,909	161,491	155,556	142,780
Amounts recognised in profit or loss:				
Current cost	**145**	99	**(283)**	(327)
Cost of insuring risk benefits	**(1,669)**	(1,478)	**(1,211)**	(1,095)
SIPF 1 assets	**-**	3,123	**-**	-
Interest received	**13,690**	12,457	**11,550**	10,852
	12,166	14,201	**10,056**	9,430
Benefits paid	**(10,708)**	(6,811)	**(5,630)**	(3,653)
Amounts recognised in other comprehensive income:				
Gains due to changes in financial assumptions	**(2,642)**	(2,252)	**(2,776)**	(1,916)
Employer's contribution	**12,175**	15,280	**8,553**	8,915
Fair value of plan assets at June 30,	**192,900**	181,909	**165,759**	155,556

(iv) Description of assets

The assets of the plan are invested in the Deposit Administration Policy which is a pooled insurance product for Group Pension Schemes, underwritten by Swan Life (ex Anglo-Mauritius). The long-term investment policy aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investment such as equity funds. Moreover, the Deposit Adminstration Policy offers a minimum guaranteed return of 4% per annum.

The actual return on plan assets for the Company was Rs 8,774,020 for the year ended June 30, 2015.

The actual return on plan assets for the Group was Rs 11,047,395 for the year ended June 30, 2015.

Maturity profile of the defined benefit obligation.

The weighted average duration of the liabilities for the Group and the Company as at June 30, 2015 is 16 years and 13 years respectively.

(v) Expected contribution for the next year

The Group and the Company are expected to contribute Rs 25,343,980 and Rs 19,056,093 respectively to the pension scheme for the year ending June 30, 2016.

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
Discount rate	**6.75%**	7.50%	**6.75%**	7.50%
Future salary increase	**5.25%**	6.00%	**5.25%**	6.00%
Future pension increase	**0.00%**	0.00%	**0.00%**	0.00%
SIPF 1 pension revaluation	**0.00%**	0.00%	**N/A**	N/A

Mortality during active service is assumed to follow that of the standard table known as A67/70 Ultimate. Mortality after retirement is assumed to follow that of the standard table known as PA90 rated down by three years.

Employees are assumed to retire at 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise, or for late retirements.

21. EMPLOYEE BENEFIT LIABILITY (CONT'D)

(a) Funded obligation (cont'd)

(vii) Settlements and curtailments
There have been no events that would need to be treated as settlements or curtailments under IAS 19.

(viii) Risks associated with the plans
The Defined Benefit Plans expose the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk, and salary risk.

Longevity risk
The liabilities disclosed are based on the mortality tables A67/70 and PA90/AMAS buyout rate. Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

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

Investment risk
The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise for funded benefits only.

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

(ix) Sensitivity analysis on defined benefit obligation at the end of the year:

	THE GROUP		THE COMPANY	
	Impact			
	2015	2014	2015	2014
Discount rate	Rs'000	Rs'000	Rs'000	Rs'000
1% increase	**(47,029)**	(38,362)	**(37,849)**	(30,874)
1% decrease	**47,029**	38,362	**37,849**	30,874
Salary increase				
1% increase	**(21,950)**	(18,314)	**(15,140)**	(12,789)
1% decrease	**21,950**	18,314	**15,140**	12,789

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occuring at the end of the reporting period if all other assumptions remain unchanged.

(b) Unfunded obligation

The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:

(i) Movement in the liability recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligation	**141,700**	133,961	**114,309**	108,699

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
(ii) Movement of defined benefit of unfunded oblgation	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**133,961**	119,305	**108,699**	94,996
Amount recognised in profit or loss:				
Current service cost	**6,473**	5,373	**4,756**	3,950
Interest expense	**10,344**	9,165	**8,422**	7,465
Past service cost	**(99)**	60	**(430)**	456
	16,718	14,598	**12,748**	11,871
Amount recognised in other comprehensive income:				
Liability experience (gains)/losses	**(1,552)**	7,488	**(392)**	5,567
Gains due to changes in demographic assumptions	**-**	(14,279)	**-**	(12,718)
(Gains)/losses due to changes in financial assumptions	**(214)**	14,690	**(190)**	12,886
	(1,766)	7,899	**(582)**	5,735
Benefits paid	**(7,213)**	(7,841)	**(6,556)**	(3,903)
At June 30,	**141,700**	133,961	**114,309**	108,699

(iii) Principal assumptions used were as follows:

Financial assumptions:				
Discount rate	**7%**	8%	**7%**	8%
Future salary increase	**5.5%**	6.5%	**5.5%**	6.5%
Future pension increase	**4.5%**	5.5%	**4.5%**	5.5%

Demographic assumptions:	
Withdrawal before retirement	5% per annum to age 40, reducing to nil after age 45.
Mortality before retirement	A1967/70(2) Ultimate PA90 (rated down by 2 years)
Mortality in retirement	65.

(iv) Sensitivity analysis on unfunded defined benefit obligation at the end of the year:

	THE GROUP	THE COMPANY
	Impact	
	Rs'000	Rs'000
1% increase in discount rate	(13,052)	(11,249)
1% decrease in discount rate	11,062	9,562
1% increase in future salary increase	13,565	11,308
1% decrease in future salary increase	(11,573)	(9,775)
1% increase in future pension increase	1,970	1,970
1% decrease in future pension increase	(1,763)	(1,763)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(v) Future cashflows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.
The expected employer contribution for the next year is Rs 927,000.
The weighted average duration of the defined benefit obligation for the Group and the Company is 14 years and 11 years respectively.

The Group and the Company have recognised a net defined liabilites of Rs 118.7m and Rs 94.3m respectively in the statement of financial position as at June, 2015 (2014: Group Rs 112.8m and Company Rs 88.4m) in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Employment Rights Act 2008.

In addition, the Group and Company also pay pensions out of the cash flows to some former employees and the net liability recognised as at June 30, 2015 is Rs 20.m (2014: Rs 20.2m).

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	**157,559**	134,271	**54,327**	53,444
Payables to subsidiaries	**-**	-	**12,665**	19,313
Other payables and accruals	**95,142**	166,041	**37,742**	33,557
	252,701	300,312	**104,734**	106,314

The Company's prior year values have been updated from Rs 34m to Rs 53.4m for trade payables and Rs 53m to Rs 33.6m for other payables and accruals due to incorrect allocation of foreign creditors. Trade payables are non-interest bearing and are normally settled on 60-day terms.
Other payables are non-interest bearing and have an average term of six months. For terms and conditions relating to payables to subsidiaries, refer to note 29.

23. REVENUE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Sale of goods	**2,208,240**	2,251,231	**1,181,734**	1,180,048
Rendering of services	**147,000**	111,331	**85,520**	111,503
	2,355,240	2,362,562	**1,267,254**	1,291,551

24. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
Operating profit is arrived at after:	Rs'000	Rs'000	Rs'000	Rs'000
(a) Crediting:				
- Rental income	**11,487**	11,186	**38,163**	36,974
- Other operating income	**49,514**	47,702	**55,784**	52,323
- Profit on disposal of property, plant and equipment	**4,588**	8,060	**2,671**	5,919
(b) Charging:				
- Cost of sales	**1,577,025**	1,576,377	**798,580**	835,978
- Administrative expenses	**636,900**	607,092	**403,206**	388,011
- Selling and distribution costs	**45,654**	57,179	**16,993**	30,197
Depreciation of property, plant and equipment:				
- owned assets	**183,566**	162,433	**135,938**	121,801
- leased assets	**35,848**	31,789	**16,614**	26,839
Depreciation of investment properties	**1,909**	1,909	**16,255**	16,577
Cost of inventories recognised as expenses	**1,235,052**	1,119,822	**448,329**	389,874
Amortisation of bearer biological assets	**4,008**	4,291	**-**	-
Amortisation of intangible assets	**3,501**	3,577	**880**	1,094
Impairment loss on bearer biological assets	**380**	-	**-**	-
Staff costs (note (i))	**455,075**	431,952	**302,399**	278,765

Included in cost of sales and administrative expenses are:				
(i) Analysis of staff costs:				
- Wages and salaries	**378,600**	355,222	**261,661**	232,954
- Social security costs	**17,770**	15,728	**10,168**	9,630
- Pension costs	**58,705**	61,002	**30,570**	36,181
	455,075	431,952	**302,399**	278,765

25. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income:				
- Quoted	**157**	725	**157**	725
- Unquoted	**2,164**	1,066	**31,644**	37,901
Interest income	**5,241**	2,674	**4,176**	2,457
	7,562	4,465	**35,977**	41,083

26. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
Interest expense on:	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts	**10,947**	8,788	**10,013**	7,916
Bank loans	**12,023**	10,565	**7,344**	10,066
Leases	**3,574**	8,174	**2,612**	5,186
Loans at call	**2,801**	36,069	**2,993**	13,099
Debentures	**32,760**	21,720	**32,760**	21,720
	62,105	85,316	**55,722**	57,987

27. EARNINGS PER SHARE

	THE GROUP	
	2015	2014
Profit attributable to equity holders of the parent (Rs'000)	**67,850**	68,687
Number of shares in issue	**26,510,042**	26,510,042
Earnings per share - Basic (Rs)	**2.56**	2.59

There are no instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

28. DIVIDENDS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend on ordinary shares:				
Dividend of Rs 2.75 per share paid (2014: Rs 2.75 per share)	**72,903**	72,903	**72,903**	72,903

29. RELATED PARTY DISCLOSURES

	The Company		Subsidiary Companies		Associate Companies		Enterprises Under Common Management		Key Management Personnel		Enterprises With Common Major Shareholders	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Nature of transactions												
Purchase of goods and services	**64,153**	73,447	**263,382**	263,155	**2,547**	1,136	**316**	376	**-**	-	**143,174**	62,029
Purchase of property, plant and equipment	**24,263**	11,354	**8,379**	846	**297**	650	**-**	7,126	**-**	-	**24,073**	929
Sale of goods and services	**320,583**	336,377	**136,882**	132,893	**145,863**	146,842	**17,058**	25,101	**1,689**	12,392	**103,925**	1,902
Sale of property,plant and equipment	**6,350**	1,437	**1,922**	1,453	**-**	1,250	**-**	-	**-**	-	**-**	-
Management fees received	**37,907**	30,449	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Rental income	**28,753**	33,804	**31,024**	-	**466**	-	**-**	-	**-**	-	**-**	-
Rental expenses	**-**	-	**1,805**	27,893	**-**	-	**-**	-	**-**	-	**-**	5,911
Management fees paid	**-**	-	**18,539**	14,406	**10,744**	9,072	**8,624**	6,971	**-**	-	**-**	-
Interest received	**2,991**	2,262	**4,080**	1,014	**-**	-	**-**	-	**-**	-	**-**	-
Interest paid	**4,080**	3,383	**958**	2,262	**830**	791	**381**	163	**-**	354	**823**	1,061
(b) Outstanding balances at June 30,												
Amounts receivable	**315,859**	454,038	**19,119**	27,002	**25,332**	27,394	**6,080**	7,408	**1,472**	1,869	**15,597**	2,108
Amounts payable	**12,665**	19,313	**82,781**	290,104	**444**	143	**-**	-	**-**	-	**13,584**	4,530
Loans receivable	**53,871**	50,148	**14,064**	11,667	**-**	-	**-**	1,245	**-**	617	**-**	-
Loans payable	**29,625**	31,215	**50,000**	332,041	**-**	15,979	**414**	33	**-**	-	**-**	-
Provision for impairment	**25,313**	139,013	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

(c) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Short term employee benefits	**71,045**	67,609	**47,681**	44,802
Post-employment benefits	**5,784**	5,000	**3,623**	2,918
	76,829	72,609	**51,304**	47,720

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates. For the year ended June 30, 2015, the Group and Company have not recorded any impairment of receivables relating to amounts owed by related parties (2014: nil).

30. CONTRACTS OF SIGNIFICANCE

Except for transactions as disclosed in note 29 on related party transactions, the Group did not have any contract of significance as defined by the Listing Rules of the Stock Exchange of Mauritius with any of its Directors and controlling shareholders.

31. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
Capital expenditure:	**2015**	**2014**	**2015**	**2014**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Contracted for but not provided in the financial statements	**2,229**	20,048	**2,229**	20,048
Approved by the Directors but not contracted for	**262,966**	284,177	**180,391**	190,431
	265,195	304,225	**182,620**	210,479

The expenditure for property, plant and equipment will be financed by cash generated by Group activities and from available borrowing facilities.
The Group's capital committments relating to its associates are as follows:

	THE GROUP	
	2015	**2014**
	Rs'000	**Rs'000**
Contracted for but not provided in the financial statements	**238**	-
Approved by the Directors but not contracted for	**11,383**	16,080
	11,621	16,080

32. CONTINGENT LIABILITIES

Bank guarantees

At June 30, 2015, the Group had contingent liabilities in respect of bank guarantees amounting to Rs 9.3 m (2014: Rs 7.2 m) arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

Pre-mixed Concrete Limited, one of the Group's associates had contingent liabilities in respect of bank guarantees of Rs 381,085 (2014: Rs 574,608) arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

Legal claim contingencies

Legal action has been initiated by former employees against the Group in respect of unpaid severance allowances. The estimated payout is Rs 25.7m, should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

33. OPERATING LEASE COMMITMENTS

Future minimum rentals payable under operating leases are as follows:

	THE GROUP		THE COMPANY	
	2015	**2014**	**2015**	**2014**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Within one year	**4,952**	4,969	**573**	997
After one year and before two years	**3,204**	4,659	**573**	573
After two years and before five years	**5,130**	3,312	**1,179**	1,753
	13,286	12,940	**2,325**	3,323

34. HOLDING COMPANY

The Directors regard GML Investissement Ltée incorporated in Mauritius as the holding company. It's registered address is 4th Floor, IBL House, Caudan Waterfront, Port Louis.

35. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date which would require disclosures or adjustments to the June 30, 2015 financial statements.

36. SEGMENTAL INFORMATION

Operating segment information

The Building materials segment is involved in the manufacture and sale of building materials which consists principally of aggregates, rocksand, hollow-concrete blocks and various concrete building components which constitutes our core business. The retail business under the Building materials segment consists of the sale of roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building products and garden accessories.

The Agriculture segment is involved in the cultivation of sugar cane, plants and landscaping services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resourcce allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	THE GROUP				
	Building materials		Agriculture	Consolidation Adjustments	Total
	Retail	Core Business			
2015	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	727,890	1,743,168	71,838	(187,656)	2,355,240
Operating profit	2,866	184,582	(26,198)	-	161,250
Net finance income/(costs)	2,634	(19,785)	(4,817)	(32,575)	(54,543)
Share of results of associates	-	-	-	(3,163)	(3,163)
Profit/(loss) before taxation	5,500	164,797	(31,015)	(35,738)	103,544
Income tax expense	-	(20,432)	-	-	(20,432)
Profit/(loss) after taxation	5,500	144,365	(31,015)	(35,738)	83,112
Non controlling interests	-	(15,262)	-	-	(15,262)
Profit/(loss) for the year attributable to the parent	5,500	129,103	(31,015)	(35,738)	67,850
Other segment information:					
Segment assets	476,673	4,093,457	883,295	(1,197,093)	4,256,332
Investment in associates	-	110,306	-	58,622	168,928
Total segment assets	476,673	4,203,763	883,295	(1,138,471)	4,425,260
Total segment liabilities	185,791	1,921,885	114,838	(577,414)	1,645,100
Capital expenditure:					
Property, plant and equipment	13,631	294,602	47,101	-	355,334
Intangible assets	1,056	2,586	45	-	3,687
Depreciation and amortisation	13,927	205,006	3,981	-	222,914

	THE GROUP				
	Building materials		Agriculture	Consolidation Adjustments	Total
	Retail	Core Business			
2014	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	682,439	1,781,384	81,313	(182,574)	2,362,562
Operating profit	5,805	203,323	(20,266)	-	188,862
Net finance costs	(1,636)	(36,829)	(3,074)	(39,312)	(80,851)
Share of results of associates	-	-	-	12,664	12,664
Profit/(loss) before taxation	4,169	166,494	(23,340)	(26,648)	120,675
Income tax expense	-	(26,483)	-	-	(26,483)
Profit/(loss) after taxation	4,169	140,011	(23,340)	(26,648)	94,192
Non-controlling interests	-	-	-	(25,505)	(25,505)
Profit/(loss) for the year attributable to the parent	4,169	140,011	(23,340)	(52,153)	68,687
Other segment information:					
Segment assets	480,747	4,055,764	925,333	(1,182,806)	4,279,038
Investment in associates	-	113,417	-	77,704	191,121
Total segment assets	480,747	4,169,181	925,333	(1,105,102)	4,470,159
Total segment liabilities	190,799	1,915,679	126,231	(584,604)	1,648,105
Capital expenditure:					
Property, plant and equipment	19,422	184,537	30,133	-	234,092
Intangible assets	65	3,942	29	-	4,036
Depreciation and amortisation	8,218	177,043	12,538	-	197,799

37. COMPARATIVES

During the current year, management reassessed the classification and presentation of certain account balances in the financial statements. Accordingly, comparative figures have been reclassified to comply with the current year's presentation. There is neither any effect on the result for the year in the comparatives statements of profit or loss and other comprehensive income nor on the assets and liabilities in the comparative statements of financial position.

38. FINANCIAL REVIEW

THE GROUP	2015 Rs'm	2014 Rs'm
Share capital	**265.1**	265.1
Reserves	**2,457.9**	2,501.4
Equity attributable to shareholders of the parent	**2,723.0**	2,766.5
Assets	**4,425.3**	4,470.2
Liabilities	**1,645.1**	1,648.1
Revenue	**2,355.2**	2,362.6
Profit before taxation	**103.5**	120.7
Income tax expense	**(20.4)**	(26.5)
Profit for the year	**83.1**	94.2
Dividend	**(72.9)**	(72.9)

	Rs	Rs
Basic net assets value per share	**102.72**	104.36
Basic earnings per share	**2.56**	2.59
Dividend per share	**2.75**	2.75

THE COMPANY	2015 Rs'm	2014 Rs'm
Share capital	**265.1**	265.1
Reserves	**1,892.1**	1,878.9
Equity attributable to shareholders of the parent	**2,157.2**	2,144.0
Assets	**3,551.3**	3,468.4
Liabilities	**1,394.1**	1,324.4
Revenue	**1,267.3**	1,291.5
Profit before taxation	**125.3**	115.7
Income tax expense	**(12.4)**	(16.4)
Profit for the year	**113.0**	99.3
Dividend	**(72.9)**	(72.9)
	-	

	Rs	Rs
Basic net assets value per share	**81.37**	80.87
Basic earnings per share	**4.26**	3.74
Dividend per share	**2.75**	2.75

THE UNITED BASALT PRODUCTS LIMITED

PROXY FORM

I/We……………………………………………………………of………

……………………………………………………………………………… being a shareholder/shareholders of The United Basalt Products Limited,

do hereby appoint………………………………………………………………………………of…………………………………………………………………………………………………

failing him/her,………

…………………………………………………………………………………of……

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Thursday, December 17, 2015 at 15.00 hours and at any adjournment thereof.

I/We wish my/our proxy to vote on the Ordinary Resolutions in the following manner:

		For	Against	Abstain
1	To consider the Annual Report 2015 of the Company.			
2	To receive the report of Messrs Ernst & Young, the Auditors of the Company, for the year ended June 30, 2015.			
3	To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2015.			
4	To re-elect as Director of the Company, Mr E. Jean Mamet, aged above 70, who offers himself for re-election upon recommendation from the Corporate Governance Committee in accordance with Section 138(6) of the Companies Act 2001 to hold office until the next Annual Meeting.			
5	To elect as Director of the Company, Mr Stéphane Ulcoq, appointed by the Board of Directors in accordance with Clause 23.5(a) of the Company's Constitution, who offers himself for election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting.			
6	To elect as Director of the Company, Mr Christophe Quevauvilliers, appointed by the Board of Directors in accordance with Clause 23.5(a) of the Company's Constitution, who offers himself for election upon recommendation from the Corporate Governance Committee to hold office until the next Annual Meeting.			
7-15	To elect as Directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon recommendation from the Corporate Governance Committee to hold office until the next Annual Meeting:			
7	Mr Marc Freismuth			
8	Mr François Boullé			
9	Mr Jean Michel Giraud			
10	Mr Joël Harel			
11	Mr Laurent de la Hogue			
12	Mr Arnaud Lagesse			
13	Mr Stéphane Lagesse			
14	Mr Thierry Lagesse			
15	Mr Jean Claude Maingard			
16	To re-appoint Messrs Ernst & Young as Auditors of the Company for the year ending June 30, 2016 and to authorise the Board of Directors to fix their remuneration.			

Dated this ……………………………day of ………………………………….2015.

……………………………………………………………

Signature(s)

Notes:

1 A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a shareholder or not) to attend and vote on his/her behalf.

2 Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.

3 The instrument appointing a proxy or any general power of attorney, duly signed, should be deposited at the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four hours before the time fixed for the holding of the meeting or else the instrument of proxy shall not be treated as valid.

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