

**ENL LIMITED**  
**ANNUAL REPORT 2011**





This Annual Report is printed on  
**COCCON** Offset | Preprint

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## Historical Background

The origins of the ENL Group go as far back as the 1820s when Martial Noël started the Mon Désert-Alma sugar estate and factory. A few decades later, the Savannah sugar estate is added to the group's asset base, thus strengthening its position as a major land owner and sugar producer.

In 1944, the group rationalised its organisational structures. ENL Limited was incorporated as a holding company to bring together the family's business interests and to steer the Group's growth into the well diversified and dynamic business conglomerate that it is at present. In December 2009, Mon Désert-Alma Limited had been amalgamated with The Savannah Sugar Estates Company Limited (now known as ENL Land Ltd) such that the latter now remains as the amalgamated company.

Today, ENL's business activities encompass most major economic pillars of the national economy including finance, manufacturing and commerce as well as property development. Over time, the Group has also constituted a strong portfolio of activities that includes shares in a number of local blue chip companies as well as substantial stakes in prominent business groups such as Rogers & Co Ltd, New Mauritius Hotel, which owns and manages its hotels under the Beachcomber brand as well as in the Food & Allied Group.

In recent years, ENL has further rationalised its activities in the sugar sector, disengaging itself from milling activities altogether. It has also taken a fresh look at its asset base and is now fully structured to enhance the value of such properties that are strategically located for developments of a commercial, business and residential nature.

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## Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of ENL Limited for the year ended June 30, 2011.

This report was approved by the Board of Directors on October 20, 2011.

On behalf of the Board of Directors, we invite you to join us at the Annual Meeting of the Company to be held:

Date: December 7, 2011

Time: 14.00 hours

Place: 7<sup>th</sup> Floor, Swan Group Centre  
Intendance Street  
Port Louis

Sincerely,



**Guy RIVALLAND**  
*Chairman*



**Hector ESPITALIER-NOËL**  
*Director*

# Corporate Information

June 30, 2011

## Directors

Edouard Espitalier-Noël  
Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Jacques Espitalier-Noël  
Philippe Espitalier-Noël  
Robert Espitalier-Noël  
Roger Espitalier-Noël  
Guy Rivalland  
Patrice de Robillard

## Secretary

Hector Espitalier-Noël, ACA

## Share Registry

MCB Registry and Securities Ltd  
Raymond Lamusse Building  
9-11 Sir William Newton Street  
Port Louis  
Mauritius  
Tel: (230) 202 5556/ 202 5397  
Fax: (230) 208 1167

## Registered Office

7<sup>th</sup> Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
email: info@enl.mu

## Auditors

BDO & Co.

## Bankers

The Mauritius Commercial Bank Limited  
Barclays Bank PLC  
State Bank of Mauritius Ltd  
South East Asian Bank Ltd  
SBI (Mauritius) Ltd  
Bank One  
Afrasia Bank Limited  
Bramer Banking Corporation Ltd

## Solicitors

Etude de Comarmond Koenig

## Notaries

Me Jean Pierre Montocchio  
Me Bernard d'Hotman de Villiers

# Notice of Meeting

Notice is hereby given that the annual meeting of shareholders of ENL Limited will be held at the Company's registered office, 7<sup>th</sup> Floor, Swan Group Centre, Intendance Street, Port Louis, on December 7, 2011 at 1400 hours, to transact the following business:

- 1 To consider the Annual Report for the year ended June 30, 2011.
- 2 To receive the report of the auditors of the Company.
- 3 To consider and approve the audited financial statements of the Company for the year ended June 30, 2011.

#### Ordinary Resolution

"Resolved that the audited financial statements of the Company for the year ended June 30, 2011 be hereby approved."

- 4 To elect/re-elect as director of the Company, Mr Edouard Espitalier-Noël, who retires by rotation and being re-eligible, offers himself for re-election:

#### Ordinary Resolution

"Resolved that Mr Edouard Espitalier-Noël be hereby elected/re-elected as director of the Company."

- 5 To elect/re-elect as director of the Company, Mr Eric Espitalier-Noël, who retires by rotation and being re-eligible, offers himself for re-election:

#### Ordinary Resolution

"Resolved that Mr Eric Espitalier-Noël be hereby elected/re-elected as director of the Company."

- 6 To re-elect Mr Gilbert Espitalier- Noël, who retires by rotation and being re-eligible, offers himself for re-election:

#### Ordinary Resolution

"Resolved that Mr Gilbert Espitalier-Noël be hereby elected/re-elected as director of the Company."

- 7 To re-elect Mr Philippe Espitalier- Noël, who retires by rotation and being re-eligible, offers himself for re-election:

#### Ordinary Resolution

"Resolved that Mr Philippe Espitalier-Noël be hereby elected/re-elected as director of the Company."

- 8 To elect Mr Christian Espitalier-Noël, who has been nominated by the Board, as director of the Company:

#### Ordinary Resolution

"Resolved that Mr Christian Espitalier-Noël be hereby elected as director of the Company."

- 9 To elect Mr André Espitalier-Noël, who has been nominated by the Board, as director of the Company:

#### Ordinary Resolution

"Resolved that Mr André Espitalier-Noël be hereby elected as director of the Company."

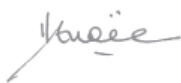
- 10 To appoint BDO & Co. as auditors until the conclusion of the next Annual Meeting of the Company and to authorise the Board to fix their remuneration.

#### Ordinary Resolution

"Resolved that BDO & Co. be appointed as auditors until the conclusion of the next Annual Meeting of the Company and that the Board be authorised to fix their remuneration."

Note: The profile and categories of the directors proposed for re-election/election are set out on pages 30 to 33 of the Annual Report 2011.

By order of the Board



**Hector ESPITALIER-NOËL**  
Company Secretary

October 20, 2011

*A member of the Company entitled to attend and vote at this meeting may appoint a proxy, whether a member or not, to attend and vote on his/her behalf. Any such appointment must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, Mauritius not less than twenty-four hours before the meeting is due to take place.*

*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 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 9, 2011.*

**“ ENL Limited will  
carry out its mission  
of leading, coordinating  
and monitoring all its  
business units ”**

Hector Espitalier-Noël ( Group Chief Executive Officer )

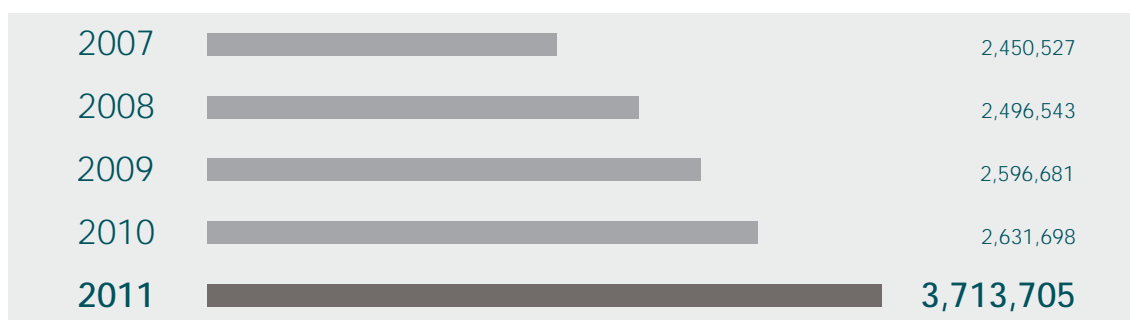


# Financial Highlights

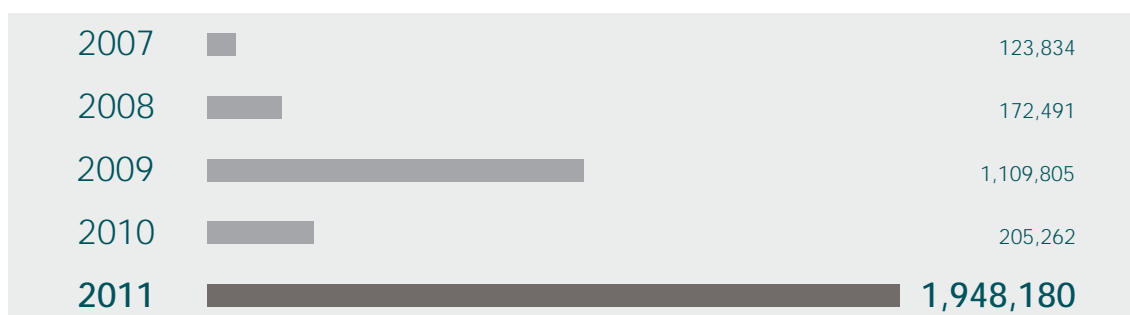
## Group Earnings per Share (Rs)



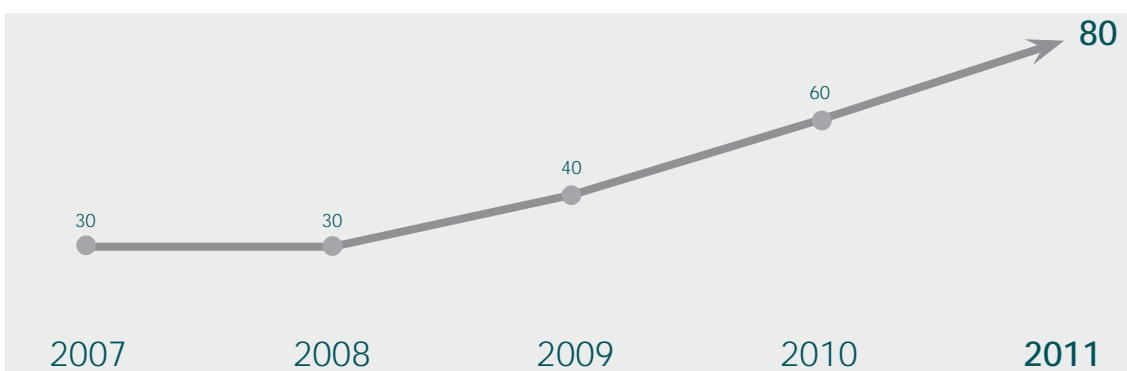
## Group Revenue (Rs'000)



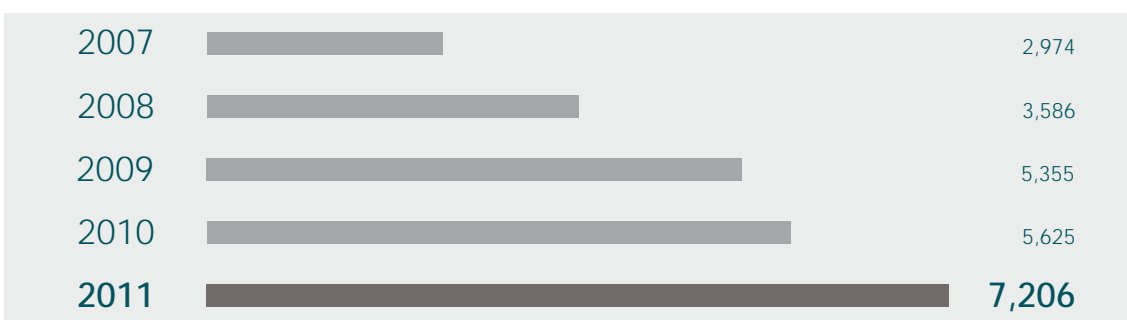
## Group Profit after Tax (Rs'000)



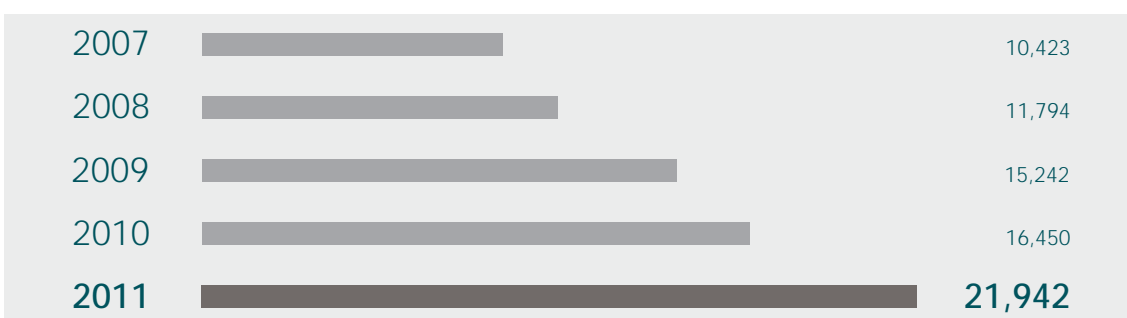
### Dividend per Share (Rs)

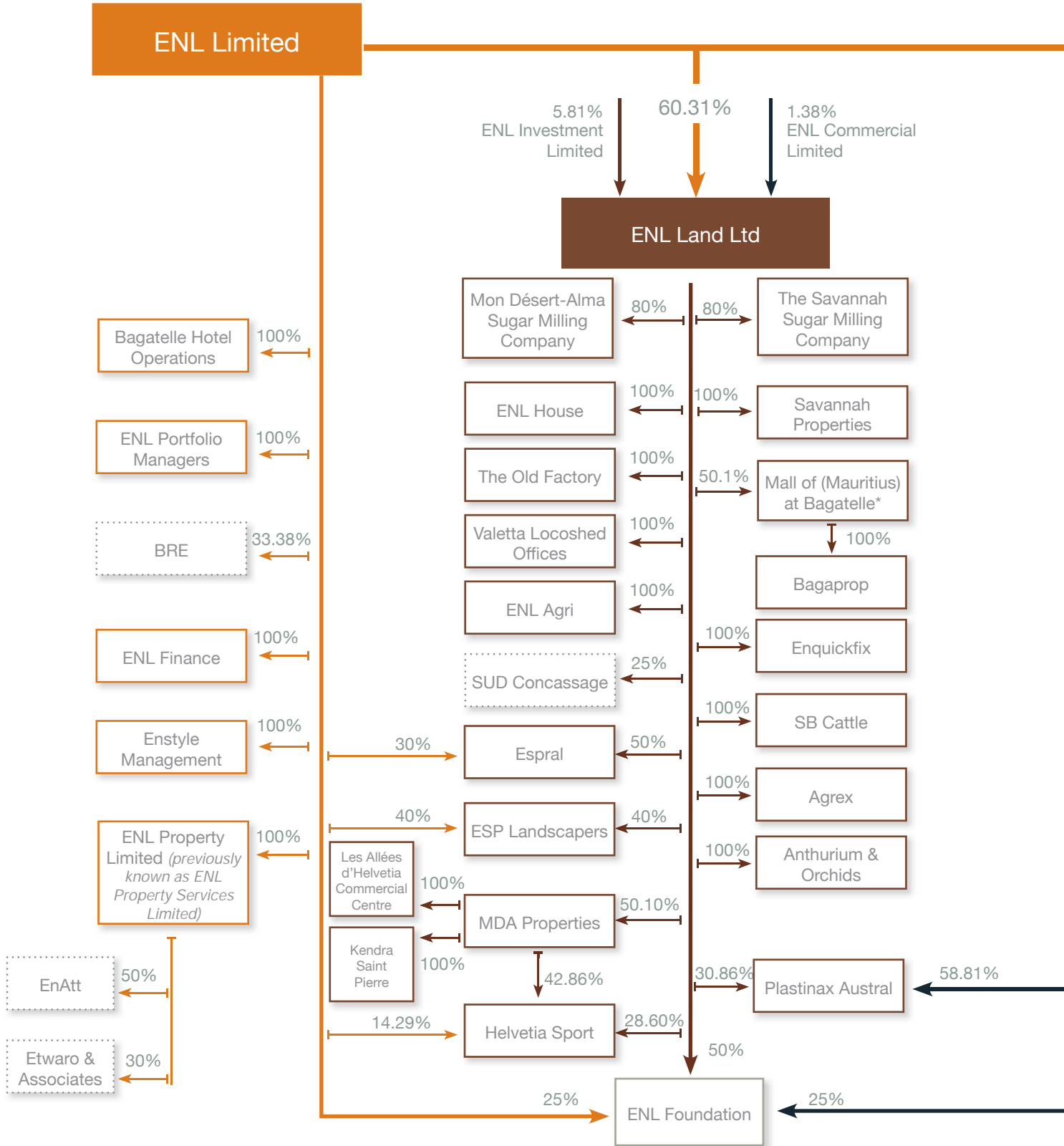


### Group Net Asset Value per Share (Rs)



### ENL Group - Total Assets (Rs'000)



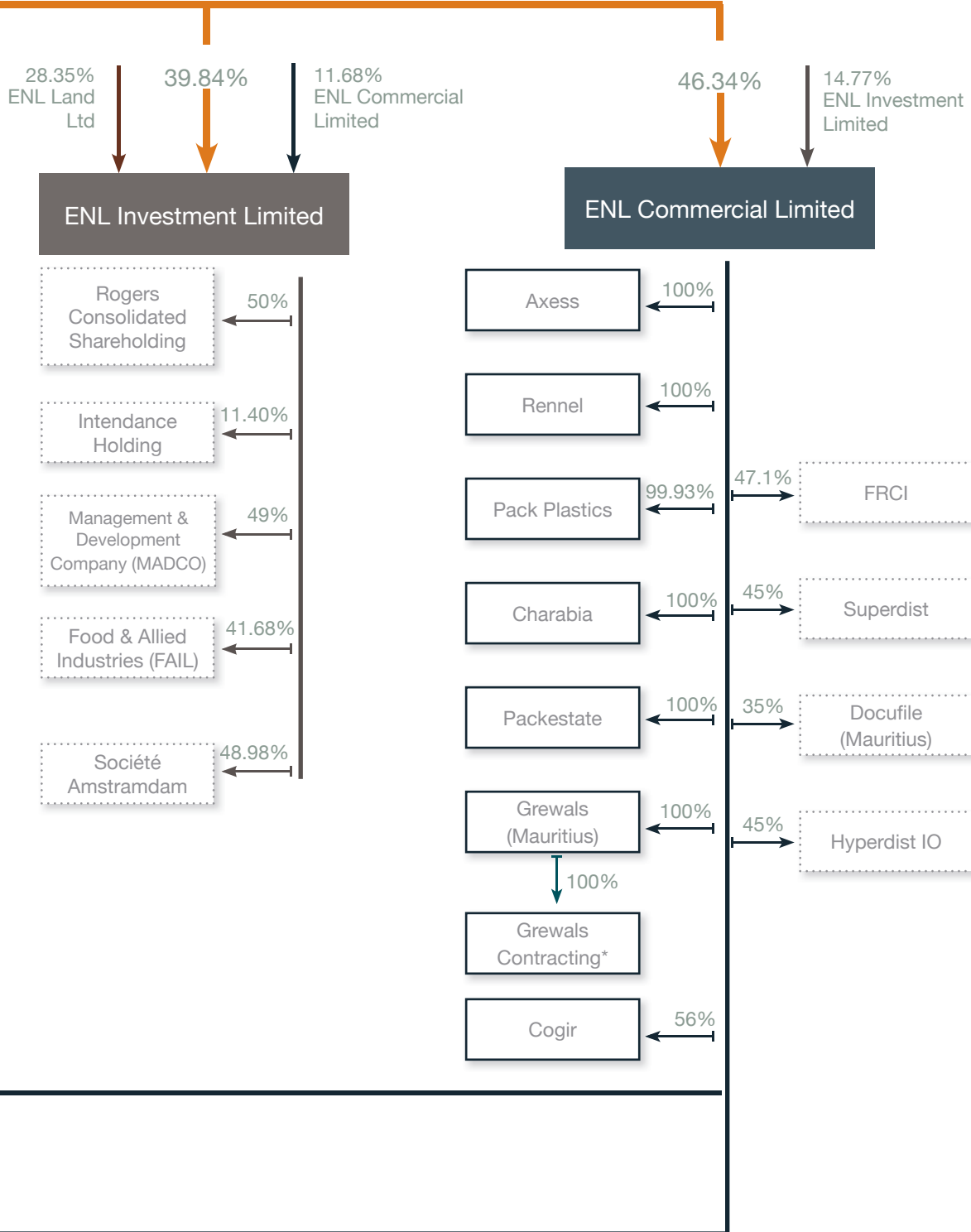


\* Mall of (Mauritius) at Bagatelle Ltd has been accounted for as a jointly-controlled entity in the financial statements.

\* Effective July 1, 2011, Grewals Contracting has amalgamated with Grewals (Mauritius) and Grewals (Mauritius) now remains as the amalgamated company.

# Principal Operating Companies of ENL Group

as at June 30, 2011

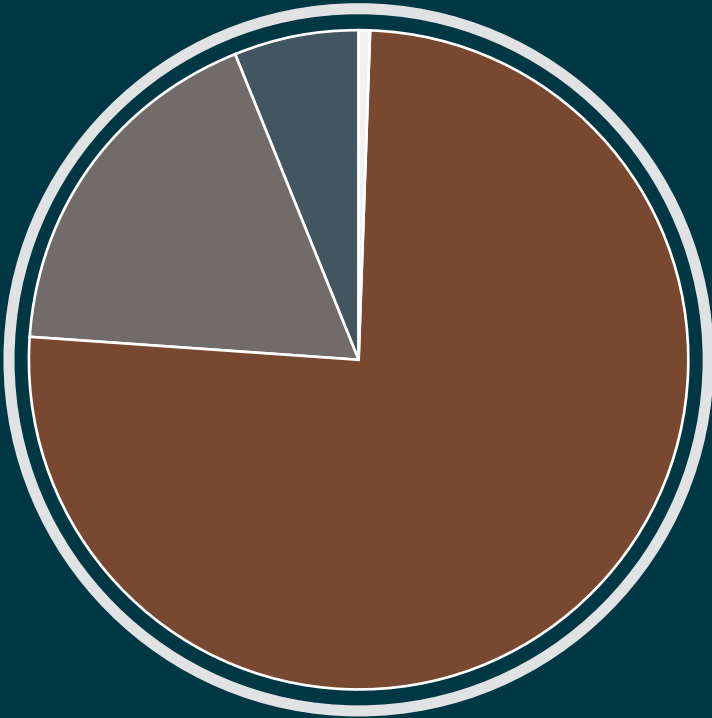


Subsidiary Companies

Associated Companies

# Investment Portfolio of ENL Limited

Main investments of ENL Limited - June 30, 2011



Rs'M

7,864

ENL Land Ltd

1,849

ENL Investment Limited

634

ENL Commercial Limited

12

Others

# Share Analysis

## Distribution of Shareholders at June 30, 2011

Range of Shareholding	ORDINARY SHARES			PREFERENCE SHARES		
	Shareholder Count	Number of shares held	% Shares held	Shareholder Count	Number of shares held	% Shares held
1 - 500	190	26,063	2.32	246	34,754	11.59
501 - 1000	34	26,740	2.38	30	21,335	7.12
1001 - 5000	36	71,305	6.33	30	74,097	24.71
5001 - 10000	6	39,856	3.54	9	59,478	19.84
10001 - 50000	8	153,265	13.61	1	32,632	10.88
50001 - 100000	-	-	-	1	77,523	25.86
100001 - 250000	-	-	-	-	-	-
250001 - 500000	-	-	-	-	-	-
Over 500,000	1	808,552	71.82	-	-	-
<b>Total</b>	<b>275</b>	<b>1,125,781</b>	<b>100.00</b>	<b>317</b>	<b>299,819</b>	<b>100.00</b>

## Spread of Shareholders

To the best knowledge of the directors, the spread of shareholders at June 30, 2011 was as follows:

	ORDINARY SHARES			PREFERENCE SHARES		
	No of Shareholders	Shares held	%	No of Shareholders	Shares held	%
Individuals	245	245,765	21.83	259	98,218	32.76
Insurance & Assurance Cos	1	31	-	5	16,291	5.43
Pension & Provident Funds	-	-	-	5	7,870	2.63
Investment & Trust Cos	2	33,264	2.96	8	81,586	27.21
Other Corporate Bodies	27	846,721	75.21	40	95,854	31.97
<b>Total</b>	<b>275</b>	<b>1,125,781</b>	<b>100.00</b>	<b>317</b>	<b>299,819</b>	<b>100.00</b>

FOCUS CONCENTRATION ORIE  
OBJECTIVES CONSOLIDATION  
LEAN STRUCTURE BEST PR  
3-YEAR PLAN WORKSHOP HUM  
INCREASE INCENTIVES REV  
EMPLOYER OF CHOICE SEL  
SENSE OF BELONGING TEAM W



VALUE BOOST PERFORMANC  
INCREASE ENL PRESENCE PI  
BUSINESS DEVELOPMENT PR  
POLICIES FOR PAYOUTS INCR  
OFF LAND ASSETS DIVIDEND I  
ENSURE EFFICIENCY IS MAIN  
INCREASE MARGINS IMPROV

ENTATION DEFINE ATTAINABLE  
PIONEERING SPIRIT VALIANT  
ACTICE PEOPLE DIRECTION  
IAN CAPITAL ATTRACT TALENT  
WARDS AND MERITOCRACY  
LF-ACTUALISATION CULTURE  
VORK INVESTMENT IN PEOPLE



E INCREASE MARKET SHARE  
ENETRATE NEW MONITORING  
ROFITS CASH FLOW DEVELOP  
REASE DIVIDENDS PAID SELL  
INCREASE CASH GENERATION  
TAINED REDUCE COSTS AND  
E OPERATIONAL PROCESSES



## Directors' Report

Dear Shareholder,

2011 was an eventful year for the ENL Group. Several projects in the different clusters were brought to term or were launched. New subsidiaries were acquired to complement and beef up our activities and internal restructurings were also carried out in a bid to render the different business units more agile.

As from July 1, 2011 the Group has embarked on a new three year strategic plan which will see a number of developments. These developments will enable our various clusters to have the necessary resources and financial muscle to be more focused and thus deliver better returns.

ENL Agri Limited and ENL Property Limited, dedicated totally to agricultural activities and property development, have been set up and all the activity related assets and investments have been transferred to these companies. The setting up of two dedicated subsidiaries with their own CEO is in line with the Group's strategy of focusing on the business at hand in order to deliver the best results and returns to the benefit of shareholders.

ENL Investment has sold its non-core investments and purchased other investments to consolidate its existing portfolio for a net cash consideration of Rs 574m. The rationale behind this transaction beholds ENL Investment's strategy of taking significant stakes in sizable companies. The cash thus freed will be used to increase or reinforce our position in such companies and also consider new investments which complement our strategy.

ENL Commercial disposed of its non-core investments for Rs 680m. The proceeds will go towards repaying all the debts of that company, funding adequately its subsidiaries and enabling ENL Commercial to avail itself of new business opportunities.

To realise all these cash transactions mentioned above, ENL has set-up a new wholly owned subsidiary, ENL Finance Limited, to warehouse the shares sold. ENL Finance has contracted a long term loan on advantageous terms to enable the whole transaction to go through and we are confident that this re-structuring will prove to be beneficial to the Group and its shareholders.

### RESULTS

Group turnover for the year under review registered an increase of 42% compared with last year. This performance was achieved on the back of the better performance of the subsidiaries operating in the Commercial segment and also from the first time consolidation of Cogir as a subsidiary.

Operating results were better than those of last year due to the improved performance of the commercial subsidiaries, the positive contribution from Cogir and reduced losses of the sugar segment.

Property development has grown in importance over the past few years and is now one of the business pillars of the Group. In this context, the accounting policy in respect of IAS 40 "Investment Properties" has been changed from the cost model to the fair value model during the year to better reflect the underlying value of these properties. The marking to market of the assets classified under this category resulted in a surplus of Rs1.8bn which was credited to the statement of comprehensive income.

The increase in the share of profits of associated companies and jointly controlled entity is mainly due to the profits realised by Les Villas de Bel Ombre which was acquired on July 1, 2010 and Mall of Mauritius at Bagatelle Ltd (MOM), the jointly-controlled entity. MOM also adopted IAS 40 at fair value and this gave rise to a gain of Rs 378m.

### AGRIBUSINESS

Our belief in a sustainable and profitable agricultural activity has led to the creation of ENL Agri Limited. The activities of the entity will be the cultivation of sugar cane, which the Group considers as perennial, agricultural diversification and other agricultural related activities such as landscaping and other related businesses and services.

## Directors' Report

(continued)

### Sugar cane

Sugar cane cultivation will be done on a new footing, with additional land de-rocking and reshaping that will enable mechanised operations on more than 80% of land under sugar cane. Resources dedicated to this core activity will be right sized including further rationalisation of human resources. These measures, coupled with an additional effort to maintain good agricultural practices, are expected to reduce the effects of an island wide declining trend in cane and sugar productivity that has been noted for the past few years and hopefully redress, as an eight to ten year re-plantation cycle comes to achievement.

### Agricultural diversification

Three other activities have been identified for further development and expansion by ENL Agri, namely animal farming, food-crops and plant nursery.

The production of broiler chicken is presently undertaken on two separate farms at Savannah in partnership with Food & Allied Industries. Application of new production methods has resulted in a 15% increase in yields and following this successful implementation, new expansions are being envisaged.

Cattle rearing, in joint venture with South African partners, will take a new dimension with the gradual improvement of the breed into a highly productive one. The company has already acquired knowhow in herd management and is now in the process of validating the progress in the management of feedlot to confirm the daily live weight gain of animals, an essential component of success in this venture.

Food-crops will follow trends and customer expectations, with the development of premium quality salads and other high value vegetables under controlled conditions with respect to the use of pesticides. The selected products will be sold under the FIELD GOOD brand and will be available in a large number of shops and supermarkets before the end of the year.

The plant nursery is being developed on a large scale, with the production of trees at Savannah and the production of shrubs, decorative plants and instant lawn in the Mon Desert region. As from October 2011, a commercial outlet on each production site invites customers in a pleasant environment.

### Landscaping

Closely linked to the development of the nurseries, landscaping is viewed as a growth industry and in this context we are poised to further develop ESP Landscapers, the company providing such services. ESP Landscapers, the market leader in this industry, provides a one-stop shop for the design, implementation and maintenance of garden creation.

### Operational Review

Some 359,930 tonnes of cane were harvested for the 2010 crop compared with the previous year's 383,477 tonnes. This decrease is due to a lower area harvested and the negative impact of the dry spell on the growth of late maturing varieties. As a result, sugar accruing to the group amounted to 29,016 tonnes as compared with 30,347 in 2009. The non-sugar agricultural activities contributed positively to group's results. Total revenues of Rs 75m were achieved and derived mainly from sales of chicken, potatoes and vegetables.

### Prospects 2011

The drought which prevailed during the months of November 2010 to January 2011 has adversely impacted cane yields, resulting in an inferior crop. With a predictable increase in the price of commodities on the world market, the price of sugar is expected to increase in the future. With the decrease in the CESS, the reduction of the budgets of private institutions financed by the industry and the increase in the volume of refined sugar attracting better premiums, sugar cane operations are expected to renew with profitability.

As mentioned above, with the development of new lines of businesses and the expansion of existing ones, the weight and importance of sugar in the turnover and results of ENL Agri will decrease and we expect that results in future will become more predictable.

## Directors' Report

(continued)

### PROPERTY DEVELOPMENT

The creation of ENL Property Limited, which will reckon Rs 6bn of assets under management, follows from the view of rationalising the various property initiatives under one entity and also aims to reflect the importance of real estate as one of the business pillars of the Group. The activities of this entity will be to develop and manage these assets to generate rental income.

Given the various property developments under way and those being considered, the need for property and asset management services is obvious. With the help and expertise of our partner Atterbury, a company dedicated to providing this type of specialised services has been set-up to cater for the efficient management of the Group's commercial buildings.

#### Review of main property developments

##### MDA Properties Ltd

The successful delivery of phase 1 of the Les Allées d'Helvétia mixed-use development in December 2010 was the most notable event of the year for MDA Properties with the 72 residences delivered to their buyers. The sale of the 54 phase two residential units was launched in September 2011 and the construction of these units is expected to start in January 2012, with completion expected for December 2012.

Works on Kendra Commercial Centre opposite the bus terminal at Saint Pierre have started and this 6,000 square meter centre is set to open in October 2012. This centre, with Winners supermarket as its anchor tenant, will house some 40 shops and is expected to cost around Rs 275m.

##### Vivéa Business Park

Infrastructure works on the site of the old MDA sugar factory at Saint Pierre, which will be developed into a business park branded Vivéa, are being undertaken. ENL House, the building which will house the main clusters of the Group, is presently under construction within the precinct of the business park.

##### Bagatelle

Bagatelle-Mall opened as planned on September 29, 2011. It is worth mentioning that more than 95% of the 150 shops and restaurants have already been leased. Thanks to judicious management, construction and associated costs were in line with the original budget although the total rentable area of 42,000 square meters is some 10% higher than originally planned. Bagatelle-Mall of Mauritius, with no less than 20 international brands which will become available for the first time in Mauritius, will undoubtedly bring a new shopping and entertainment experience to the Mauritian population.

The construction of the 102 room three-star business hotel is well advanced and the latter will open on the March 1, 2012.

Works on the Motor City, the first 4,000 square meter office building and the residential development will begin before the end of 2011.

##### Villas Valriche

Works on the Villas Valriche IRS development in Bel Ombre progressed satisfactorily. A total of 125 villas have reached various stages of completion, out of which 114 have been sold to date and 71 delivered by the contractor. Although sales of IRS units are still far below their pre-crisis levels, the Villas Valriche project is in a very healthy financial position and the board remains optimistic about the future of this development, which has helped to transform Domaine de Bel Ombre into an exceptional lifestyle destination in a naturally beautiful environment. A number of new products and marketing initiatives have been launched with selected new properties in Phase 2 also being made available to the market.

##### La Balise Marina IRS

Subsequent to the completion of preliminary earth works in 2010, construction works on the 55 residential units for phase 1 of La Balise Marina have started in February 2011 with delivery of the first units planned for October 2012. Out of the 55 units being built, some 40 have already been sold; notwithstanding the particularly difficult market conditions, current sales trends indicate that the remaining 15 units of phase 1 will be sold during the coming months, paving the way for the launch of phase 2 during the second semester of 2012.

## Directors' Report

(continued)

The construction of rental pool facilities and the 2,000 square metres La Balise Commercial centre will start in November 2011, with planned completion for early December 2012.

The project has suffered lately a stop-order for the works being carried out following a case lodged by several parties disputing the fact that the project is being carried out in default of some conditions set-out in the EIA. A partial discharge has been obtained and we have been authorised by the judge to resume works albeit under certain conditions. The case has still to be settled but we are confident that we will be granted all authorisations as we have up to now carried out all the works under the strict obedience of the law.

### Les Vergers de Gros Bois

The second phase of the innovative residential development at Gros Bois met with great success and all the 67 plots have been leased. This provides comfort to our strategy of launching ecologically sound and aesthetically pleasing residential developments, with emphasis on green spaces and strict building guidelines. Phase 3 of Gros Bois is being launched with an additional 18 plots being offered for long-term lease.

With regards to the numerous projects in the property segment being envisaged or going mainstream in Mauritius, we have taken a cautious approach in the development of our own property projects. A thorough analysis together with an extensive market research is undertaken and a project will only be considered based on an appropriate return. All necessary precautions are taken to ensure we are not exposed unduly to the vagaries of the property market. Also with the team of professionals we now have at ENL Property, we are considering looking outside Mauritius to continue our development.

## ENL COMMERCIAL

The entities regrouped under ENL Commercial operate for the most part in the fields of commerce and industry. The principal entities within the cluster are Axess, Grewals, Plastinax Austral and Cogir. The latter was an associate until last year and the Group bought a controlling stake such that Cogir is now consolidated as a subsidiary.

ENL Commercial also includes associated companies which also operate within the same sphere of activities. The main associates are Superdist and FRCL.

The year under review was an interesting one for this cluster. Turnover almost doubled on the back of the better performance of the subsidiaries and the first time consolidation of the results of Cogir. Profit before exceptional items was also up on last year, increasing by 53% to reach Rs 53m.

A review of the main subsidiaries is detailed below.

### AXESS

Axess is a major player in the motor vehicle industry in Mauritius with a market share of approximately 15%. The company is specialised in the sales of new vehicles and offers a complete after sales service with a comprehensive range of products and services to meet the needs and expectations of the local market.

The motor vehicle market picked-up at the beginning of 2010 and remained buoyant for the whole financial year with an increase of 22% in sales volume. Axess sold 1,051 vehicles for the year under review and realised a net profit of Rs 39m.

### GREWALS

Grewals is a major supplier of high quality timber in Mauritius and also operates an iron sheeting production unit.

While an overall growth of only 4.3% was recorded in the construction sector in calendar year 2010, the residential building sector showed resilience and grew by 13.7%. Grewals succeeded in positioning itself on major ongoing projects resulting in a growth of 39% in its turnover. Profit stood at Rs 2.1m as compared with a loss of Rs 6.3m last year.

## Directors' Report

(continued)

### PLASTINAX AUSTRAL

Established in 1976, Plastinax Austral manufactures plastic injected sunglasses and reading glasses for export markets, mainly to the USA and Europe.

For the financial year ended June 30, 2011, Plastinax Austral exported more than one million units, an increase of 46% from the previous year, and generated a turnover of Rs 215m. The gross profit reached Rs 60.3m (+73%) with profit before finance charges of Rs 11.4m, a satisfactory turnaround compared to previous years losses. This performance was achieved despite adverse macroeconomic conditions, with a continued slow worldwide demand and a 14% appreciation of the Mauritian Rupee against the US Dollar.

### COGIR

Cogir is a grade A building and civil engineering contractor.

During the year under review, the company completed several construction projects and has been in progress on the Bagatelle Mall, Hotel and Infrastructure projects. The company's turnover reached Rs 830m while the profit before tax stood at Rs 14.2m.

As mentioned above, ENL Commercial has disposed of its non-core assets and this transaction will have an immediate effect on earnings. The cash freed will be used to consolidate the cluster's operations and will also enable ENL Commercial to seek new opportunities of development.

Moreover, the existing subsidiaries are expected to continue to perform well and the new subsidiaries purchased, namely Charabia and L'Epongerie, should contribute to turnover and profits. The results for the coming year are thus expected to be better.

### ENL INVESTMENT

ENL Investment's strategy is to take significant interests in sizable companies, and influence in strategic matters through board representation. ENL Investment is invested in companies spanning the whole spectrum of the Mauritian economy, either directly or via their affiliates.

#### Hospitality

ENL Investment's interests in this sector are invested in New Mauritius Hotels Ltd (NMH), Tropical Paradise Co Ltd (TPCL) and in Veranda via our investment in our associated company, Rogers Consolidated Shareholding (RCSL).

This industry has been hampered lately by the economic slowdown of several European countries, traditionally the main tourist market for Mauritius, and the uncertainty about the future, bringing the spectre of a double dip recession closer. Moreover, the substantial addition to room capacity resulting in a lowering of room rates coupled with the shortage of plane seats is further affecting the results of the various companies within this sector. It is to be hoped that the industry's representations for a more liberal air access policy and a more competitive exchange rate for the local currency will serve to improve the industry's general operational framework.

#### Agro-industry

ENL Investment's presence in this industry is structured through the associated companies Food and Allied Industries Ltd and Management and Development Company Ltd, two closely held companies whose shares are not readily available on the market. FAIL is widely acknowledged as the pioneer of the poultry industry and is now the leading agro-industrial group in Mauritius. MADCO is a diversified group with a wide-ranging portfolio of investments in agro-industry (Livestock Feed, Les Moulins de la Concorde, Pick 'N' Eat and Panagora), business services (New Edge Solutions and Circus Advertising) and hospitality (Labourdonnais Hotel, Le Suffren, The Link). The two holdings realised a combined group profit after tax of Rs 400m for the year under review.

## Directors' Report

(continued)

### Insurance and Financial Services

Invested in Intendance Holding, the holding company of the Swan Group and indirectly in Cim via its holding in RCSL, ENL Investment's portfolio is also geared towards financial services. This industry has shown resilience in the face of the international economic crisis, and we expect that the essence of the double taxation agreement with India will be secured for many years to come. As regards insurance, the proposed merger of Swan with Cim Insurance and Cim Life is expected to bring enhanced value to this line of investment.

### Conglomerate

Our largest investment remains in conglomerate Rogers, via our stake in RCSL, which is engaged in several of the above mentioned economic sectors and also in property via Foresite and Ascensia. In this context and in line with our investment strategy, we have purchased 5% of Rogers after the year end at a price which we deem reasonable. We believe that this company will continue to deliver on its various activities and generate increasing returns to its shareholders. The shares held directly in Rogers will henceforth be classified as available for sale securities instead of held for trading securities to reflect the strategic importance of this investment.

### ENL CORPORATE SERVICES

A new entity, ENL Corporate Services Ltd has been set up to provide a wide range of services to the companies of the ENL Group. The services comprise of strategic planning, accounting, finance, internal audit, company secretariat and legal affairs, human resources, information technology, corporate social responsibility and communication and public relations.

We believe that the provision of the services in-house is more efficient, will result in savings and will foster a more proactive approach towards group belonging.

### ENL FOUNDATION

The Group's Corporate Social Responsibility is discharged by ENL Foundation. The Foundation focuses its CSR initiatives on the empowerment of the youth and preservation/ enhancement of the natural environment of Mauritius. We have adopted this approach as we are confident that undertaking all the various programmes under one entity prevents the fanning out of resources and energies and will result in a more efficient realisation of the various CSR initiatives.

### ACKNOWLEDGEMENTS

Mr. Guy Rivalland is retiring from his office as Chairman of the Board of Directors of ENL Limited on the forthcoming annual meeting of shareholders. Since his appointment, in 1989, as director and chairman of the Company, Guy has shown unflinching dedication to further the interests of ENL Group. His discrete wisdom backed by a solid reputation as one of the country's finest solicitors has earned him the respect and esteem of fellow directors who have always found in him a source of reliable guidance. The Board of Directors of ENL Limited thanks Guy for his contribution and wishes him a fruitful and restful retirement.



**Guy RIVALLAND**  
Chairman



**Hector ESPITALIER-NOËL**  
Director

# List of Subsidiaries

June 30, 2011

## **Agrex Limited**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Address: Henrietta, Vacoas  
Telephone: (230) 684 7147/48  
Fax: (230) 684 2915  
Email: info@agrex.mu

## **Anthurium and Orchids Limited**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Henrietta, Vacoas  
Telephone: (230) 684 7147/48  
Fax: (230) 684 2915  
Email: jrhardy@enlagri.mu

## **Axess Limited**

Manager: Antoine M. d'Unienville  
Grewals Lane, Les Pailles  
Telephone: (230) 206 4300  
Fax: (230) 286 5121  
Email: axess@axess.mu

## **Bagaprop Limited**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

## **Bagatelle Hotel Operations Limited**

Contact: Richard Stedman  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: rstedman@enl.mu

## **Charabia Ltd**

General Manager: Nathalie Hardy  
Robinson Road  
Floreale  
Telephone: (230) 696 2772/4410  
Fax: (230) 696 4623  
Email: charabia@intnet.mu

## **Cogir Limitée**

Chief Executive Officer: Benoit Hardy (effective July 1, 2011)  
General Managing Director: Jean-Claude Giraud (up to June 30, 2011)  
Grewals Lane, Pailles  
Telephone: (230) 286 5633  
Fax: (230) 286 6566  
Email: cogirltee@intnet.mu

## **Enex (Mauritius) Limited**

Management: ENL Limited  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

## **Enfyn Management Limited**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

## **ENL Agri Limited**

Contact: Jean Raymond Hardy  
Royal Road, Saint Pierre  
Telephone: (230) 433 4304  
Fax: (230) 433 4143  
Email: info@enlagri.mu

## **ENL Commercial Limited**

Management: ENL Limited  
Contact: Eric Espitalier-Noël  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: ericnoel@enl.mu

## **ENL Finance Limited**

7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Tel: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

## **ENL Foundation**

Manager: Mario Radegonde  
Railway Square  
Minissy, Moka  
Telephone: (230) 4334231  
Fax: (230) 4339261  
Email: csroffice@enl.mu

## **ENL House Limited**

7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Tel: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**ENL Investment Limited**

Management: ENL Limited  
Contact: Hector Espitalier-Noël  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: henoel@enl.mu

**ENL Land Ltd (previously The Savannah Sugar Estates Company Limited)**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Royal Road, Saint Pierre  
Telephone: (230) 433 4304  
Fax: (230) 433 4143  
Email: info@enlagri.mu

**ENL Portfolio Managers Ltd**

Management: ENL Limited  
Contact: Hector Espitalier-Noël  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**ENL Property Limited (previously ENL Property Services Limited)**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax : (230) 433 8812  
Email: enlproperty@enl.mu

**Enséjour Ltd**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax : (230) 433 8812  
Email: enlproperty@enl.mu

**Enstyle Management Limited**

7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**Enquickfix Limited**

Contact: Jean Raymond Hardy  
Royal Road, Saint Pierre  
Telephone: (230) 433 4304  
Fax: (230) 433 4143  
Email: info@enlagri.mu

**Espral Ltd**

Manager: Nicolas Eynaud  
6th Floor, Anglo-Mauritius House  
Intendance Street  
Port Louis  
Telephone: (230) 210 8669  
Fax: (230) 211 1727  
Email: info@espral.com

**Espral International Ltd**

Old Factory  
Saint Pierre  
Telephone: (230) 433 4030  
Fax: (230) 433 3601  
Email: info@espral.com

**ESP Landscapers Ltd**

Manager: Benoit Mariette  
Minissy, Moka  
Telephone: (230) 433 3445  
Fax: (230) 433 3952  
Email: bmariette@esplandscapers.com

**Exotiflors Limited**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Henrietta, Vacoas  
Telephone: (230) 684 7147/48  
Fax: (230) 684 2915  
Email: jrhardy@enlagri.mu

**Grewals (Mauritius) Limited**

Manager: Denis Gallet  
Grewals Lane, Les Pailles  
Telephone: (230) 286 6619  
Fax: (230) 286 8649  
Email: info@grewals.mu

**Grewals Contracting Ltd**

Manager: Denis Gallet  
Grewals Lane, Les Pailles  
Telephone: (230) 286 6619  
Fax: (230) 286 7058  
Email: info@grewals.mu

*(effective July 01, 2011 Grewals (Mauritius) Limited has amalgamated with Grewals Contracting Ltd and Grewals (Mauritius) Limited now remains as the amalgamated company)*

# List of Subsidiaries

June 30, 2011

**Grewals Rodrigues Ltd**  
Manager: Denis Gallet  
Camp du Roi, Rodrigues  
Telephone: (230) 831 0178  
Fax: (230) 831 0177

**International Valuers Ltd**  
Manager: Thierry Rey  
6th Floor, Anglo-Mauritius House  
Intendance Street  
Port Louis  
Telephone: (230) 210 8669  
Fax: (230) 211 1727  
Email: info@espral.com

**Kendra Saint Pierre Limited**  
Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone : (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Les Allées D'Helvetia Commercial  
Centre Limited**  
Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Mall of (Mauritius) at Bagatelle Ltd \***  
Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

*\* Mall of (Mauritius) at Bagatelle Ltd has been accounted for as a jointly-controlled entity in the financial statements*

**MDA Properties Ltd**  
Management: ENL Limited  
Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Helvetia Sport Ltd (previously Moka  
Sport Club Ltd)**  
Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Mon Désert-Alma Sugar Milling Company Limited**  
Management: ENL Limited  
Contact: Jean Raymond Hardy  
7th Floor, Swan Group Centre  
Intendance Street, Port Louis  
Telephone: (230) 433 4304  
Fax: (230) 433 4143  
Email: info@enlagri.mu

**Mon Désert Shares Holding Company Ltd  
(in liquidation)**  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**Packestate Limited**  
Manager: Arnaud Boullé  
Anse Courtois, Les Pailles  
Telephone: (230) 286 2826  
Fax: (230) 286 6584  
Email: info@pack.mu

**Pack Plastics Limited**  
Manager: Arnaud Boullé  
Anse Courtois, Les Pailles  
Telephone: (230) 286 2826  
Fax: (230) 286 6584  
Email: info@pack.mu

**Plastinax Austral Limitée**  
Manager: Nicolas Park  
Industrial Zone, St Pierre  
Telephone: (230) 433 4638  
Fax: (230) 433 4639  
Email: npark@plastinax.com

**Plastintco International Ltd**  
Manager: Nicolas Park  
Industrial Zone, St Pierre  
Telephone: (230) 433 4638  
Fax: (230) 433 4639  
Email: npark@plastinax.com

**Plastinax Madagascar Ltd**

Manager: Nicolas Park  
Industrial Zone, St Pierre  
Telephone: (230) 433 4638  
Fax: (230) 433 4639  
Email: npark@plastinax.com

**Rennel Limited**

Manager: Michel Prefumo  
Grewals Lane, Pailles  
Telephone: (230) 286 5914  
Fax: (230) 286 4948  
Email: info@rennel.mu

**Robin's Nest Interiors (Mauritius) Ltd**

Manager: Subi Ramburrun  
1st Floor, Le Chateau de Bel Ombre  
Coastal Road, Bel Ombre  
Fax: (230) 623-5461  
Email: subi@robinsnestisland.com

**Savannah Properties Limited**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Savi Shop Ltd**

Management: ENL Limited  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**SB Cattle Ltd**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone : (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**Société du Courlis**

Management: ENL Limited  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**Société Réunion**

Management: ENL Limited  
7th Floor, Swan Group Centre  
Intendance Street  
Port Louis  
Telephone: (230) 213 3800  
Fax: (230) 208 0968  
Email: info@enl.mu

**Soled Limited**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Address: Henrietta, Vacoas  
Telephone: (230) 684 7147/48  
Fax: (230) 684 2915  
Email: jrhardy@enlagri.mu

**The Gardens of Bagatelle Ltd**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**The Old Factory Limited**

Contact: Gilbert Espitalier-Noël  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: enlproperty@enl.mu

**The Savannah Sugar Milling Company Ltd**

Management: ENL Limited  
Contact: Jean Raymond Hardy  
Royal Road, Saint Pierre  
Telephone: (230) 433 4304  
Fax: (230) 433 4143  
Email: info@enlagri.mu

**Valetta Locoshed Offices Ltd**

Contact: Richard Stedman  
Stone House, Mon Désert Alma  
Saint Pierre  
Telephone: (230) 433 2929  
Fax: (230) 433 8812  
Email: rstedman@enl.mu

**Versatech Limited**

Manager: Arnaud Boullé  
Anse Courtois, Les Pailles  
Telephone: (230) 286 2826  
Fax: (230) 286 6584  
Email: aboullé@pack.mu



## FOCUS

**SELECTIVE CONCENTRATION OF OUR  
ACTIVITIES AND OF OUR TEAMS**



**CASH GENERATION  
FINANCIAL RESTRUCTURING  
AND REENGINEERING**



**BUSINESS DEVELOPMENT  
DEVELOP NEW BUSINESS ACTIVITIES  
WITHIN THE PRECINCT OF OUR CLUSTERS**





**PEOPLE  
STRONG EMPHASIS  
ON HUMAN CAPITAL**

**ENL LIMITED WILL CARRY OUT ITS  
MISSION OF LEADING, COORDINATING  
AND MONITORING ALL ITS BUSINESS  
UNITS WITH SPECIAL EMPHASIS ON  
THE DRIVERS OF THE 3 YEAR PLAN**



**CULTURE  
THE GROUP'S CULTURAL HERITAGE IS ONE OF OUR STRONGEST ASSETS**

# Corporate Governance Report

The Directors have pleasure in submitting the Company's report on corporate governance.

ENL Limited is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company and the Group are managed ethically and responsibly to enhance business value for all stakeholders. ENL Limited is fully committed to the best principles of corporate governance. This report describes the main corporate governance framework and compliance of the Company with the disclosures required under the Code of Corporate Governance for Mauritius.

ENL Limited is the holding Company of the ENL group of companies, with 3 main subsidiaries, namely ENL Investment Limited, ENL Land Ltd (previously known as The Savannah Sugar Estates Company Limited) and ENL Commercial Limited, which together contributed most of the Group's turnover and profit after tax for the year under review.

Two of those main subsidiaries (ENL Land Ltd and ENL Commercial Limited) are listed on the Official List of the Stock Exchange of Mauritius Limited, whereas ENL Investment Limited is quoted on the Development and Enterprise Market.

The two companies, listed on the official list of the Stock Exchange of Mauritius Limited, have implemented the recommendations of the Code of Corporate Governance for Mauritius, as reported under their respective report on corporate governance, notably:

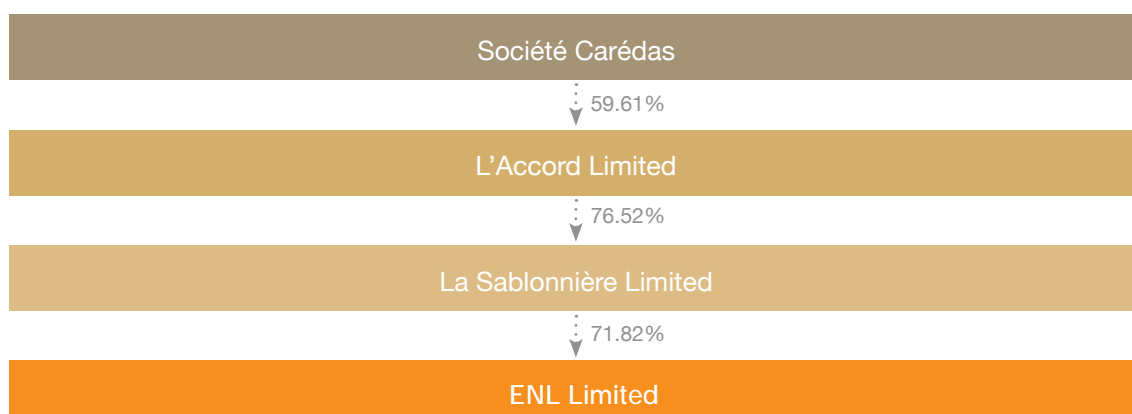
- Independent directors on the Board;
- An audit and risk management committee chaired by an independent director;
- A corporate governance committee chaired by an independent director.

No such measures, however, have been implemented in respect of ENL Investment Limited, as it is an investment holding Company which has invested in companies with appropriate corporate governance systems of their own.

No Audit and Risk Management Committee and Corporate Governance Committee have been implemented at the level of ENL Limited since the Company's core business consists in investment and management of three subsidiaries all of which are equipped with fully fledged systems of corporate governance as explained above. Besides, the Board of Directors remains the focal point of the corporate governance system and is accountable and responsible for the performance and affairs of the Company.

## Holding Structure

The Company's holding structure as at June 30, 2011 was as follows:  
*(The % disclosed relates to voting rights)*



## Corporate Governance Report

(continued)

### Common Directors

For the year ended June 30, 2011, six directors of ENL Limited were also directors of other companies within the Company's holding structure, namely:

	L'Accord Limited	La Sablonnière Limited
Edouard Espitalier-Noël		
Eric Espitalier-Noël	•	•
Gilbert Espitalier-Noël		
Hector Espitalier-Noël	•	•
Jacques Espitalier-Noël	•	
Philippe Espitalier-Noël		
Robert Espitalier-Noël		•
Roger Espitalier-Noël	•	•
Guy Rivalland		
Patrice de Robillard	•	•

Furthermore, the directorships held by the Company's Directors in subsidiaries of the Company for the year ended June 30, 2011 were as follows:

	Edouard Espitalier-Noël	Eric Espitalier-Noël	Gilbert Espitalier-Noël	Hector Espitalier-Noël	Jacques Espitalier-Noël	Philippe Espitalier-Noël	Robert Espitalier-Noël	Roger Espitalier-Noël	Guy Rivalland	Patrice de Robillard
Agrex Limited		•		•						
Anthuriums and Orchids Limited		•		•						
Axess Limited		•		•						
Bagaprop Limited			•	•						
Bagatelle Hotel Operations Limited			•	•						
Charabia Ltd		•								
Cogir Limitée		•		•						
Enex (Mauritius) Ltd		•		•						
Enfyn Management Limited			•	•						
ENL Agri Limited				•						
ENL Commercial Limited	•	•	•	•					•	

## Corporate Governance Report

(continued)

	Edouard Espitalier-Noël	Eric Espitalier-Noël	Gilbert Espitalier-Noël	Hector Espitalier-Noël	Jacques Espitalier-Noël	Philippe Espitalier-Noël	Robert Espitalier-Noël	Roger Espitalier-Noël	Guy Rivalland	Patrice de Robillard
ENL Finance Limited		•		•						
ENL Foundation		•	•	•						
ENL House Limited			•	•						
ENL Investment Limited		•	•	•				•	•	
ENL Land Ltd		•	•	•				•	•	
ENL Portfolio Managers Ltd		•		•						
ENL Property Limited (previously ENL Property Services Limited)		•	•	•						
ENL Retail Limited			•	•						
Enséjour Ltd			•	•						
Enstyle Management Limited		•		•						
Enquickfix Limited				•						
ENXA Retail Limited			•	•						
Espral Ltd		•	•	•						
Espral International Ltd		•	•	•						
ESP Landscapers Ltd		•		•						
Exotiflors Limited		•		•						
Grewals (Mauritius) Limited		•		•				•		
Grewals Contracting Ltd		•		•				•		
Grewals Rodrigues Ltd		•		•				•		
International Valuers Ltd				•						
Kendra Saint Pierre Limited			•	•						
Les Allées D'Helvetia Commercial Centre Limited			•	•						
Mall of (Mauritius) at Bagatelle Ltd *		•	•	•						
MDA Properties Ltd		•	•	•						
Helvetia Sport Ltd (previously Moka Sports Club Ltd)			•	•						
Mon Désert-Alma Sugar Milling Company Limited	•	•	•	•					•	
Mon Désert Shares Holding Company Ltd (in liquidation)		•		•						

## Corporate Governance Report

(continued)

	Edouard Espitalier-Noël	Eric Espitalier-Noël	Gilbert Espitalier-Noël	Hector Espitalier-Noël	Jacques Espitalier-Noël	Philippe Espitalier-Noël	Robert Espitalier-Noël	Roger Espitalier-Noël	Guy Rivalland	Patrice de Robillard
Packestate Limited		•		•						
Pack Plastics Limited		•		•						
Plastinax Austral Limitée		•		•						
Plastintco International Ltd		•		•						
Rennel Limited		•								
Robin's Nest Interiors (Mauritius) Limited				°						
Savannah Properties Limited			•	•						
Savi Shop Ltd		•		•						
SB Cattle Ltd			•	•						
Soled Limited		•		•						
The Gardens of Bagatelle Ltd			•	•						
The Old Factory Limited			•	•						
The Savannah Sugar Milling Company Ltd		•	•	•				•	•	
Valetta Locoshed Offices Ltd			•	•						
Versatech Limited		•		•						

\* *Mall of (Mauritius) at Bagatelle Ltd has been accounted for as a jointly-controlled entity in the financial statements*

• Director

° *Alternate Director*

### Substantial Shareholders

As at June 30, 2011, the sole shareholder holding more than 5% of the ordinary shares of the Company was as follows:

	Ordinary (%)
La Sablonnière Limited	71.82

## Corporate Governance Report

(continued)

### Dividend Policy

ENL declares dividends in November (interim) and June (final) for every financial year.

The Company has no formal dividend policy. Payment of dividends is subject to the profitability of the Company, cash flow, working capital and capital-expenditure requirements.

The following table outlines the interim and final dividends paid by the Company over the last five financial years:

Financial years	DIVIDEND PER SHARE						Total Dividend Value
	Interim (Rs)		Final (Rs)		Total (Rs)		(Rs)
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares	Ordinary & Preference shares
June 30, 2007	20.00	20.00	10.00	10.00	33,773,430	8,994,570	42,768,000
June 30, 2008	20.00	20.00	10.00	10.00	33,773,430	8,994,570	42,768,000
June 30, 2009	20.00	20.00	20.00	20.00	45,031,240	11,992,760	57,024,000
June 30, 2010	30.00	30.00	30.00	30.00	67,546,860	17,989,140	85,536,000
June 30, 2011	50.00	50.00	30.00	30.00	90,062,480	23,985,520	114,048,000

### Directors' Profile

The Board is composed of ten members of which seven members are non-executive directors and three are executive directors.

The names and profiles of the Company's directors are as follows:

**Edouard Espitalier-Noël** (52 years)  
*Independent Non-Executive Director*

Edouard Espitalier-Noël holds a BSc (Hons) degree from the UK in Electrical & Electronic Engineering. During his career, he has held various executive positions in the Rogers Group and has now retired after some 30 years of service. He was first appointed to the Board of ENL Limited in 1987.

Directorships in other listed companies

- ENL Commercial Limited

**Eric Espitalier-Noël** (52 years)  
*Executive Director*

Eric Espitalier-Noël holds a Bachelor's degree in Social Science and an MBA. He was first appointed to the Board of ENL Limited in 1987 and is currently the Chief Executive Officer of ENL Commercial Limited.

Directorships in other listed companies

- Automatic Systems Ltd

## Corporate Governance Report

(continued)

- ENL Commercial Limited
- ENL Investment Limited
- Livestock Feed Limited
- Les Moulins de la Concorde Ltée
- Rogers & Co Ltd
- Swan Insurance Co Ltd
- ENL Land Ltd
- The Anglo-Mauritius Assurance Society Ltd
- Tropical Paradise Co Ltd (Alternate Director)

### **Gilbert Espitalier-Noël** (47 years)

*Executive Director*

Gilbert Espitalier-Noël holds a BSc (Hons) degree in Food Science and Engineering, a BSc in Biochemistry, Microbiology and Biotechnology, and an MBA from INSEAD.

He was first appointed to the Board of ENL Limited in 1999 and is currently the Chief Executive Officer of ENL Property Limited.

Directorships in other listed companies

- ENL Commercial Limited
- ENL Investment Limited
- Livestock Feed Limited
- Rogers & Co Ltd
- ENL Land Ltd
- Tropical Paradise Co Ltd

### **Hector Espitalier-Noël** (53 years)

*Executive Director*

Hector Espitalier-Noël is a member of the Institute of Chartered Accountants in England and Wales. He was first appointed to the Board of ENL Limited in 1984 and is the Chief Executive Officer of ENL Limited and the ENL Group since 1990.

Directorships in other listed companies

- ENL Commercial Limited
- ENL Investment Limited
- New Mauritius Hotels Ltd
- Rogers & Co Ltd
- ENL Land Ltd
- Tropical Paradise Co Ltd

## Corporate Governance Report

(continued)

### Directors' Profile (continued)

**Jacques Espitalier-Noël** (80 years)  
*Independent Non-Executive Director*

Jacques Espitalier-Noël was first appointed to the Board of ENL Limited in 1970. He has had a rewarding career in Mauritius and has been a long-serving board member of several companies of the ENL Group. The office of Jacques Espitalier-Noël, as Director of the Company, shall become vacant pursuant to Section 138 (4) of the Companies Act 2001.

**Philippe Espitalier-Noël** (46 years)  
*Non-Executive Director*

Philippe Espitalier-Noël holds a BSc (Agricultural Economics) degree from the University of Natal, South Africa, and an MBA from the London Business School. He was first appointed to the Board of ENL Limited in 1999 and is currently the Chief Executive Officer of Rogers & Co. Ltd.

Directorships in other listed companies

- Air Mauritius Ltd
- Ascencia Limited
- Rogers & Co. Ltd

**Robert Espitalier-Noël** (66 years)  
*Independent Non-Executive Director*

Robert Espitalier-Noël holds a Diplôme de Formation Supérieure en Hôtellerie et Tourisme from the Institut International de Glion, in Switzerland. He has had a long and rewarding career in the New Mauritius Hotels Group. He was first appointed to the Board of ENL Limited in 2006.

**Roger Espitalier-Noël** (56 years)  
*Independent Non-Executive Director*

Roger Espitalier-Noël holds a Certificate in Textile and Knitwear Technology from the City of Leicester Polytechnic. He was nominated General Manager of Floreal Knitwear Ltd in 1998 and retired in June 2010 after 36 years of service. He is now acting as Consultant for Ciel Textile Ltd. He was first appointed to the Board of ENL Limited in 2005.

Directorships in other listed companies

- Deep River Investment Limited (Alternate Director)
- ENL Investment Limited
- ENL Land Ltd

**Guy Rivalland** (67 years)  
*Independent Non-Executive Director, Chairman*

Guy Rivalland is a senior attorney and has been practising since 1966. He was first appointed to the Board of ENL Limited in 1989. Guy Rivalland is retiring from his office as Chairman of the Board of Directors and Director of the Company on the forthcoming annual meeting of shareholders.

Directorships in other listed companies

- ENL Commercial Limited
- ENL Investment Limited
- ENL Land Ltd

## Corporate Governance Report

(continued)

**Patrice de Robillard** (60 years)  
*Independent Non-Executive Director*

Patrice de Robillard graduated in Management Studies (Marketing) and holds an MBA.

He was first appointed to the Board of ENL Limited in 2006 and is at present the Managing Director of Panagora Marketing Co. Ltd. The Board of Directors has recommended the appointment of Messrs Christian Espitalier-Noël and André Espitalier-Noël, as directors of the Company.

The names and profiles of the new directors proposed to be elected are as follows:

**André Espitalier-Noël** (50 years)

André Espitalier-Noël holds a DEUG in Biology & Chemistry from the University of Reunion Island and a Diploma in Chemical and Food Technology Engineering from Ecole Nationale d'Ingenieurs des Technologies Agricole, France.

André Espitalier-Noël is the Managing Director of Plastic Industry (Mauritius) Ltd since December 1, 1999.

Directorships in listed companies

- Plastic Industry (Mauritius) Ltd
- Mauritius Oil Refineries Limited

**Christian Espitalier-Noël** (56 years)

Christian Espitalier-Noël holds a Bachelor's degree in Accountability from the University of South Africa and completed his Articles for the Accountants and Auditors Board of SA with Deloitte in 1983.

He worked as Financial Manager in commercial, contracting and air transportation industries in South Africa. He returned to Mauritius to join Robert Le Maire Group as Finance and Administrative Manager in August 2005, where he is presently the Group Chief Finance Officer.

### Directors' Interests in the Shares of the Company

The directors' interests in the shares of the Company as at June 30, 2011 were as follows:

	ORDINARY SHARES				PREFERENCE SHARES			
	DIRECT		INDIRECT		DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Edouard Espitalier-Noël	-	-	3,828	0.340	11	0.004	156	0.052
Eric Espitalier-Noël	1,407	0.125	95,928	8.521	475	0.158	3,871	1.291
Gilbert Espitalier-Noël	1,307	0.116	97,977	8.703	231	0.077	5,121	1.708
Hector Espitalier-Noël	1,583	0.141	95,928	8.521	576	0.192	3,871	1.291
Jacques Espitalier-Noël	-	-	25,904	2.301	-	-	1,046	0.349
Philippe Espitalier-Noël	268	0.024	97,977	8.703	475	0.158	5,121	1.708
Robert Espitalier-Noël	101	0.009	9,040	0.803	30	0.010	366	0.122
Roger Espitalier-Noël	-	-	8,072	0.717	-	-	324	0.108
Guy Rivalland	-	-	-	-	-	-	-	-
Patrice de Robillard	-	-	-	-	-	-	-	-

## Corporate Governance Report

(continued)

### Profile of the Senior Management Team

At June 30, 2011, the following persons held executive positions in ENL Group:

#### Hector Espitalier-Noël

*Group Chief Executive Officer*

(Please refer to Director's Profile section)

#### Eric Espitalier-Noël

*CEO of ENL Commercial*

(Please refer to Director's Profile section)

#### Gilbert Espitalier-Noël

*CEO of ENL Property Limited*

(Please refer to Director's Profile section)

#### Jean-Raymond Hardy

*CEO – ENL Agribusiness, Estate Manager of ENL Land Ltd*

Holder of MBA – University of Surrey

Previous experience at Deep River Beau Champ and Mon Loisir Sugar estates

### Related Party Transactions

Note 40 of the audited Financial Statements for the year ended June 30, 2011 set out on page 116 of the Annual Report 2011 details all the Related Party Transactions between the Company or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder. In addition, shareholders are apprised of related party transactions through press releases in compliance with the DEM Rules.

### Share Dealings by Directors

The Board adheres to the principles of the rules for Development and Enterprise Market companies issued by the Stock Exchange of Mauritius Limited in respect of share dealings. In this regard, Directors are kept apprised of closed periods and of their responsibilities in respect of the above Code.

During the financial year under review, none of the Directors have traded in the Ordinary and Preference shares of the Company except for Mr Hector Espitalier-Noël, who bought 100 Ordinary shares.

### Material Clauses of the Company's Constitution

Preference shares are freely transferable both within and outside the shareholders of the Company. On the other hand, Ordinary shares are freely transferable only to other holders of such ordinary shares. Ordinary shareholders wishing to transfer their ordinary shares to persons, who are not already ordinary shareholders of the Company, shall do so via the Board of Directors as provided under the provisions of the articles of association of the Company.

### Shareholders' Agreement affecting the Governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

## Corporate Governance Report

(continued)

### Contracts of Significance between the Company and its Substantial Shareholders

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement during the year under review.

### Third Party Management Agreements

The Group has the following management agreements with third parties:

- A development management agreement with Dolphin Coast Marina Estate Ltd for managing the development of an IRS at La Balise. The contract is remunerated at 3.8% of the total development costs and is discharged by a consortium of which ENL is a party.
- A management contract between Enstyle Management, a subsidiary of the Company and Les Villas de Bel Ombre Limited for the development of an IRS (Villas Valriche) at Bel Ombre. The remuneration for the discharge of the contract consists of a basic monthly fee, a sales proceeds fee and an incentive fee based on the company's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) less any cumulative basic fee and net sales proceeds fees already claimed.
- A management contract with Superdist for the provision of management and secretarial services and remunerated at a fixed monthly fee of Rs 180,000.
- A development management contract for the development of Mall of (Mauritius) at Bagatelle Ltd. The contract is discharged via EnAtt, and remunerated at 4% of the development cost.

### Board of Directors

ENL Limited is governed by a Board of Directors consisting of ten Directors.

The Board of Directors is the Company's supreme governing body and has full power over the affairs of the Company. In compliance with its Articles of Association, at each Annual Meeting of the Company, each Director who has held office during a period of 3 years, retires by rotation and is eligible for re-appointment.

### Board Attendance

For the year under review, the Board had six sittings and attendance by the directors was as follows:

	17/09/2010	11/11/2010	24/11/2010	11/02/2011	12/05/2011	23/06/2011
Edouard Espitalier-Noël	•	•	•		•	•
Eric Espitalier-Noël		•	•	•	•	•
Gilbert Espitalier-Noël	•	•	•	•	•	•
Hector Espitalier-Noël	•	•	•	•	•	•
Jacques Espitalier-Noël	•					
Philippe Espitalier-Noël	•				•	•
Robert Espitalier-Noël	•	•	•	•	•	•
Roger Espitalier-Noël	•	•	•	•		•
Guy Rivalland		•	•	•	•	•
Patrice de Robillard	•	•	•	•	•	

## Corporate Governance Report

(continued)

### Board Charter

The Board is of the view that the responsibilities of the Directors should not be confined in a board charter and has consequently resolved not to adopt a charter.

### Remuneration of Directors

The underlying philosophy for the remuneration of Directors is to set remuneration at appropriate level to attract, retain and motivate high calibre personnel and reward in alignment with their individual as well as joint contribution towards the achievement of the Company's objective and performance, whilst taking into account the current market conditions and Company's financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board and Committees. There is currently also no remuneration policy in place for executive directors approaching retirement. Such policy is determined on a case by case basis.

For the year under review, the actual remuneration and benefits perceived by the Directors are disclosed on page 48 of the Annual Report. The said remuneration has been disclosed globally due to the commercial sensitivity of such information.

### Share Option plans

ENL Limited has no share option plans.

### Shareholders' Relations and Communication

The Company communicates to its shareholders through Annual Report, publication of unaudited quarterly and audited abridged financial statements of the Company, press announcements, dividend declaration and the Annual Meeting of shareholders. Also Board members attend the Annual Meeting, to which all shareholders are invited.

### Shareholders' Calendar

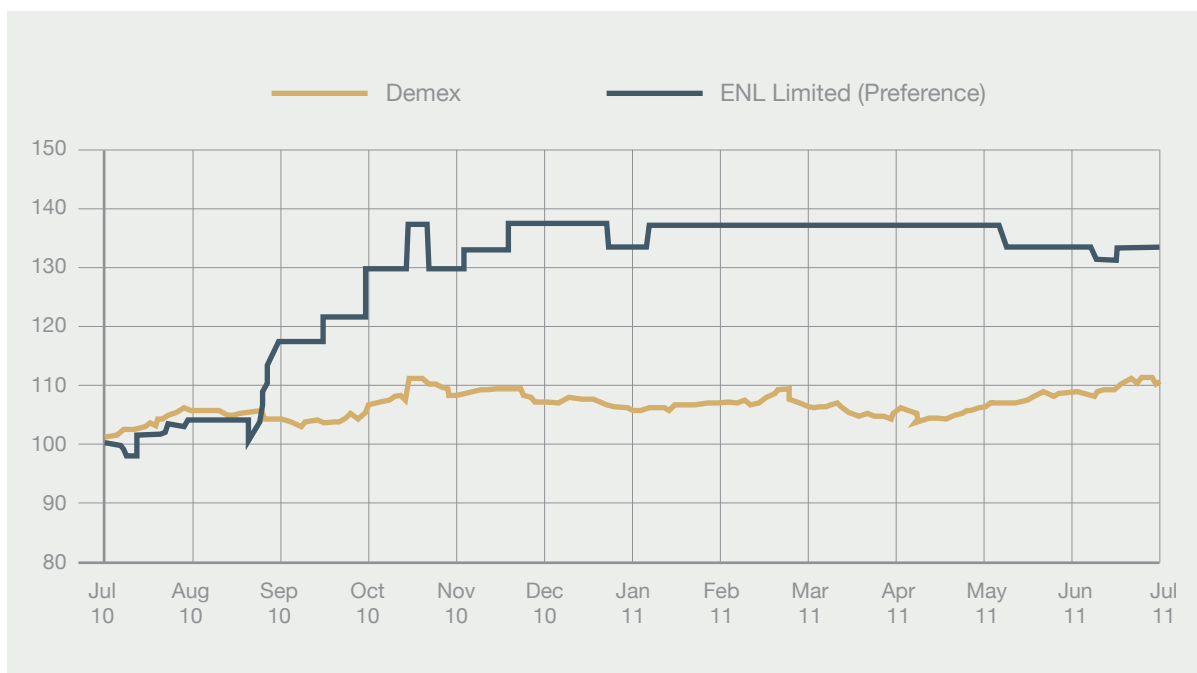
End of financial year	June 30
Publication of quarterly financial statements/abridged audited financial statements	February/May/September/November
Annual Report issued	November
Forthcoming Annual Meeting of Shareholders	December
Declaration of dividend	June/ November
Payment of dividend	July/December

### Stock Market Information

The Company's Preference shares are listed on the Development and Enterprise Market of the Stock Exchange of Mauritius Limited; accordingly, the Company is governed by the rules for Development and Enterprise Market companies issued by the Stock Exchange of Mauritius Limited.

## Corporate Governance Report

(continued)



### Internal Audit/ Internal Control/ Risk Management

#### Internal Audit

The Board strongly believes internal control and risk management to be of paramount importance for the activities of the Group to be conducted in a suitable and stable environment conducive to growth and success.

ENL, through a management contract, provides internal-audit services to ENL Commercial and ENL Land and other companies forming part of the ENL group.

The Internal Audit department of ENL is adequately staffed with qualified auditors who conduct regular audits of ENL and its subsidiaries. ENL's Chief Internal Auditor reports to the respective Audit and Risk Management Committee of ENL Land and ENL Commercial on all internal audit issues of the respective companies. The Internal Audit Department uses a risk-based methodology for auditing whereby compliance on policies and procedures is reviewed in areas of significant inherent risks. It also has unrestricted access to review all activities and transactions undertaken in the Group, appraise and report thereon if necessary.

The department provides independent assurance to the respective Audit and Risk Management Committees as to the adequacy and effectiveness of internal control and risk management processes. It has the objective of:

- (i) providing high quality and concise information in its reports;
- (ii) providing value added to the Group throughout all assignments carried out; and
- (iii) using the latest audit techniques and business risk methodologies to perform its work effectively.

The department works in close collaboration with the external auditors to further ensure the highest level of service to the Group.

## Corporate Governance Report

(continued)

### Internal Audit/ Internal Control/ Risk Management (continued)

#### Internal Control

The Board of Directors is responsible for the system of Internal Control and Risk Management of the Company and its subsidiaries. The Board is committed to continuously maintain adequate internal control procedures with a view to safeguarding the assets of the Group. Areas with high residual risks are continuously assessed and reviewed with the assistance of the Internal Audit department.

#### Risk Management

Risk Management refers to the systematic and ongoing process used to identify, assess the significance, prioritise and manage the risks to mitigate the exposure to the business risks.

The Board of Directors has overall responsibility for the Company's systems of risk management. It ensures that this process is carried out by the Group in order to attain its strategic objectives.

Management is accountable to the Board to establish processes and procedures for a logical and systematic method of identifying, analysing, treating and monitoring the significant risks involved in the activities of the Group. To this end, an in-house risk management framework based on proven and leading practices is relied upon by Management for identification of the risks inherent to the Company and capture them in a Risk Management Register. The Risk Management Register is aligned with the strategic objectives, enterprise culture and policies and procedures in place in the business.

Given the dynamic nature of risks, Management is also responsible to continuously review and update the Risk Management Register to reflect the ongoing risk facing the business in order to ensure a robust system of risk management. Emerging risks recognition and the corresponding likelihood of occurrence as well as their potential impact are identified and assessed timely as a sequel of which adequate mitigating measures are implemented. Management also reports the most significant risks to the Board to assist the Board in the setting up of the appropriate risk mitigating strategy.

The Risk Management Register compiles, amongst others, the following information:

- Identification of inherent financial and non-financial risks of the various business activities;
- Evaluation of the risks in terms of the likelihood of occurrence and potential impact;
- The actions established in order to mitigate those inherent risks;
- Evaluation of the residual risks remaining after taking into consideration the mitigating actions;
- Associated risk owners who are members of the Senior Management within the Company who have a hands-on approach to assess and manage the risks as a first line of defence.

The key risks are reported to the Board.

The Board believes that the internal control and risk management of the Company provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

The categories in which risks have been analysed for the Group are Financial, Operational, Compliance, Customer, People and System. The significant risks identified under these categories are as follows:

## Corporate Governance Report

(continued)

### Financial

Financial Risks are analysed in Note 3 to the Financial Statements, on pages 75 to 78 and includes a discussion of the following types of risk:

a) Market risk which includes:

(i) currency risk

(ii) price risk

b) cash flow and fair value interest risk

c) Credit risk

d) Liquidity risk

### Operational

Operational risk encompasses a wide range of areas of business that may result in operations being inefficient and ineffective in satisfying customers and achieving the Group's quality, cost and time objectives. The Group takes adequate measures by continuously appraising and reviewing its operational and financial policies to ensure effectiveness of a sound internal control environment and thereby minimising its exposure to operational risks.

A close review is also done by ENL's Internal Audit Department to ensure that the mitigating actions are adequate and strictly adhered to for matters with high inherent risk. Any deviation is promptly reported to Management for remedial actions and subsequently to the Board.

The main Operational risks and the corresponding mitigating actions are:

(i) Compliance risks

Compliance risks arise if the Group's processes do not comply with prescribed procedures and policies or with laws and regulations at country level due to a flaw in design or human error. To this end, respective Heads of departments monitor compliance with laws and regulations affecting the activities they manage.

(ii) Environment risks

The Group faces environment risks which are outside management's ability to control. These external forces affect the Group's performance and render its strategies, customer and supplier relationships ineffective.

There are various non-biotic factors/natural calamities, namely drought, cyclones and floods, which may have an adverse impact on the Group's agricultural activities. These are mitigated by insurance policies inherent to the sugar industry. Management believes that the risks associated with climate change are serious. In this respect it seeks to continuously improve its water management and irrigation programme.

The Group's growing, breeding and rearing activities are subject to risks of pest attacks and diseases. In order to avoid these occurrences, the Group employs professionals to advise on the proper treatment of crop diseases. Besides it adheres to strict sanitary standards to prevent and detect early appearance of diseases.

(iii) Regulatory risks

Changes in regulations and legislations by the Government and other authorities can result in increased competitive pressures and significantly affect the Group's ability to effectively conduct business. The Group diversify its operations and closely follow up on the impact that changes in regulations may have on its activities.

## Corporate Governance Report

(continued)

Operational (continued)

(iv) Reliance on key suppliers

The Group depends to a large extent on its key suppliers and contractors for sourcing of its raw materials, finished goods and services distributed both on the local and foreign markets. In this respect, the business ensures adequacy and compliance with its internal business policies and procedures. The business also endeavours to maintain a good and lasting relationship with the key suppliers in line with its shared values.

(v) Procurement and Stock

An optimal stock level may not be kept with the risk of stock out and in situation of excessive stock level, unnecessary cash being tied up and result in risk of stock obsolescence. Management closely monitors the stock level.

Customer

The success of the Group is based on its ability to adapt rapidly to evolving customer needs and the provision of value-added customer services. At the operational level, each entity of the Group maintains a close relationship with its respective clients/business counterparts to ensure that standards of quality are adhered to. At Group level, the CEO regularly and closely reviews the strategy of each entity and corrective actions (if any) are taken promptly.

For its investment properties, the underlying risk is for the Group to reach the targeted number of rental agreements in order to be viable.

Furthermore, as changes in the economic outlook may have adverse impact on the operating profits or value of the Group's assets, each entity has implemented appropriate marketing, sales and customer care strategies to enable sustainable growth of the customer portfolio while delivering the desired level of quality of service provided to the business's valued customers.

In accordance with the core values of the business, the Group aims at promoting long-term and lasting relationships with its clients who are supported by Management's vision and focus on achieving customer satisfaction.

People and System

The Group is highly dependent on its people and management information systems for smooth running of its operations as well as for reporting and decision-making purposes.

Human Resource (HR) and Information Technology (IT) present at Group level provide respective support to the various entities of the Group and ensure that a coherent and consistent policy/ strategy with regard to HR and IT systems is maintained across the Group.

People and system risks and their corresponding mitigating actions are:

- HR risks relate to losses arising from acts inconsistent with employment practices. With the assistance of the HR function, the Group adheres to fair policies and practices on recruitment, employee treatment, dismissal and disciplinary procedures amongst others.
- Health and safety risks may arise in the event of non-compliance to health and safety laws that may entail in personal injury claims. The Group also endeavours to comply with the industry's health and safety norms and regulations to provide a safe working environment for its employees, which is conducive to higher employee welfare and productivity.
- Information processing and technology risks: The loss of critical electronic data due to IT system failure and/or failure of back-ups is an inherent risk for most businesses. The Management Information System is also a key tool for management to have ready information for monitoring of the activities of the Group

## Corporate Governance Report

(continued)

and taking of prompt decisions. Given the importance placed by Management on this aspect, the Group has invested in physical and human capital to reinforce controls pertaining to the IT environment namely as regards to the IT infrastructure, firewalls and systems back-ups.

Internal Audit assignments also cover areas of significant residual HR and IT risks and where necessary, action plans are prepared and corrective actions taken by management. Residual risks on HR and IT issues are regularly monitored by the management of each entity and closely reviewed by senior management at Group level.

### Code of Ethics

The Company is committed to high standards of integrity and ethical conduct in dealing with its stakeholders. The Company adheres to the Code of ethics issued by the Mauritius Employers' Federation and Model Code of Conduct for directors and employees of private sector companies issued by the Joint Economic Council. The Group also systematically ensures that the employees are aware of and adhere to its core values.

### Health and Safety

The ENL Group strives to maintain a working environment that is free from hazards and risk of injury to all employees and others. Business is organised in a responsible manner and systems of work preserve the health and safety of our employees and other people concerned with the Group's activities.

To meet these commitments, the Company and its subsidiaries:

- comply with The Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks.
- give information, instruction, training and supervision to ensure that employees are aware of their legal responsibility.
- wherever applicable, subsidiaries have employed Health and Safety officers and/or established Health and Safety committees to ensure that the legal framework is complied with and contribute to the well being of their employees.

### Company Secretary

All directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible to the Board for ensuring proper administration of Board proceedings.

The Company Secretary provides guidance to Directors on matters of company law and with regard to their responsibilities in the statutory environment in which the Company operates.

The Directors are entitled to seek independent professional advice at the Company's expense.

### Auditor's Fees

The fees paid to the auditors for audit and other services are disclosed on pages 50 to 51 of the Annual Report.

### Donations

The aggregate amounts of political and other donations made during the year under review are disclosed on page 49 of the Annual Report.

## Corporate Governance Report

(continued)

### Corporate Social Responsibility

#### ENL Foundation

Following a Group policy decision in 2009 to set up a dedicated structure to manage, implement and finance all the social projects of the Group, ENL Group now channels all its CSR initiatives through ENL Foundation. Incorporated in January 2010 as a not for profit private company, ENL Foundation spearheads the Group's initiatives in this field and is entrusted with the responsibility to manage, implement and finance all CSR projects of the Group, in collaboration with existing Non-governmental Organisations (NGOs) and corporate partners. In March 2010, ENL Foundation received its accreditation to the National CSR Committee.

ENL Foundation focuses its CSR initiatives on the empowerment of the youth and preservation/ enhancement of the natural environment of Mauritius. Both initiatives contribute towards a qualitative evolution of the social and natural environment.

Following the promulgation of the new CSR legislation in 2009, all companies forming part of the ENL Group were invited to contribute their statutory share of CSR contribution to the ENL CSR Fund managed by the ENL Foundation. For the year ended June 30, 2011, ENL Foundation received a total contribution of Rs 9.5m out of which ENL Limited made a contribution of Rs 2.2m. This sum represents the CSR levy to the tune of 2% of profit after tax imposed by Government on all companies as from June 2009.

#### Corporate Programme

ENL Foundation works in accordance with a comprehensive CSR Programme as approved by the National CSR Committee. The said programme encompasses various social and environmental projects.

A number of projects have been implemented in partnership with NGOs at regional and national levels in the field of social integration, education and training, promotion of youth health, youth development through sports and leisure, prevention of substance abuse targeting particularly youth in vulnerable localities, arts & culture and preservation of the environment. Non-governmental Organisations like Mauritius Wild Life Foundation, Caritas, Fondation Pour la Formation au Football and Junior Achievement Mascareignes have benefited funds to promote their respective initiatives.

Furthermore, ENL Foundation adheres to the Government sponsored national program for the eradication of absolute poverty in the island. As such, ENL Foundation is actively involved in the alleviation of poverty in the Moka/St Pierre and L'Escalier regions.

A full report on ENL Foundation is set out on pages 52 to 57.



**Hector ESPITALIER-NOËL**  
*Company Secretary*

October 20, 2011

# Statement of Directors' Responsibilities

## In Respect of Financial Statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Company's Financial Statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the Financial Statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is also responsible for the system of internal control and risk management for the Company and its subsidiaries. The Board is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. This is achieved through the Internal Audit Department which is headed by the Group Chief Internal Auditor.

The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Group and the Company.



**Guy RIVALLAND**  
*Chairman*



**Hector ESPITALIER-NOËL**  
*Director*

## Secretary's Certificate - Year ended June 30, 2011

(Pursuant to Section 166 (d) of The Companies Act 2001)

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.

A handwritten signature in black ink, appearing to read "Hector", with a long horizontal stroke extending to the left.

**HECTOR ESPITALIER-NOËL**  
*Company Secretary*

October 20, 2011

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011

### Directors

The names of directors of subsidiaries holding office at June 30, 2011 and those who ceased to hold office during the accounting period are stated below:

#### Agrex Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### Anthurium and Orchids Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### Axess Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël  
Bertrand Daruty de Grandpré (Ceased to hold office as from July 06, 2011)  
Olivier Lagesse (Appointed on April 12, 2011)  
Antoine d'Unienville (Appointed on April 12, 2011)

#### Bagaprop Limited

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### Bagatelle Hotel Operations Limited

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### Charabia Ltd

Arnaud Boullé (Appointed on July 12, 2011)  
Eric Espitalier-Noël (Appointed on May 25, 2011)  
Olivier Lagesse (Appointed on May 25, 2011)  
Marie Thérèse Catherine Paturau (Ceased to hold office as from May 25, 2011)  
Marie Claire Regine Sauzier (Ceased to hold office as from May 25, 2011)

#### Cogir Limitée

Eric Espitalier-Noël (Appointed on January 19, 2011)  
Hector Espitalier-Noël  
Jean Claude R Giraud  
Benoit Doger de Spéville Hardy (Appointed on January 19, 2011)  
Bernard Rougier Lagane

#### ENL Agri Limited

Hector Espitalier-Noël  
Jean Raymond Hardy

#### ENL Commercial Limited

Edouard Espitalier-Noël  
Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Gerard Garrioch  
Guy Rivalland  
Louis Rivalland

#### ENL Finance

Eric Espitalier-Noël  
Gilbert Espitalier-Noël (Appointed on August 19, 2011)  
Hector Espitalier-Noël  
Roger Espitalier-Noël (Appointed on August 19, 2011)

#### ENL Foundation

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Jean Raymond Hardy

#### ENL House Limited

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### ENL Investment Limited

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
M P Roger Espitalier-Noël  
Guy Rivalland

#### ENL Land Ltd

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
M.P Roger Espitalier-Noël  
Jean Claude Giraud  
Jean Raymond Hardy  
Jean Claude Leclézio  
Alain Noël  
Guy Rivalland

#### ENL Portfolio Managers Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### Enex (Mauritius) Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

### **Directors** (continued)

#### **Enfyn Management Limited**

Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Roux P Johannes Gerber

#### **ENL Property Limited (previously ENL Property Services Limited)**

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### **Enséjour Ltd**

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### **Enstyle Management Limited**

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### **Enquickfix Limited**

Hector Espitalier-Noël  
Jean Raymond Hardy

#### **Espral Ltd**

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
(Appointed on April 25, 2011)  
Hector Espitalier-Noël  
Richard Koenig

#### **Espral International Ltd**

Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Timotheus Geldenhuys (Appointed on November 30, 2010)  
Anthony James Matkovich (Appointed on November 30, 2010)  
Thierry Rey

#### **ESP Landscapers Ltd**

Eric Espitalier-Noël  
Hector Espitalier-Noël  
Jean Raymond Hardy  
Richard Koenig

#### **Exotiflors Limited**

Eric Espitalier-Noël  
Hector Espitalier-Noël  
Jean Raymond Hardy  
Jean Yves Hardy  
Olivier Lagesse

#### **Grewals Contracting Limited\***

Eric Espitalier-Noël  
Hector Espitalier-Noël  
M P Roger Espitalier-Noël  
Olivier Lagesse

*\* Effective July 1, 2011, Grewals Contracting has amalgamated with Grewals (Mauritius) and Grewals (Mauritius) now remains as the amalgamated company.*

#### **Grewals (Mauritius) Limited**

Eric Espitalier-Noël  
Hector Espitalier-Noël  
M P Roger Espitalier-Noël  
Olivier Lagesse

#### **Grewals Rodrigues Limited**

Eric Espitalier-Noël  
Hector Espitalier-Noël  
M P Roger Espitalier-Noël  
Olivier Lagesse

#### **Helvetia Sport Ltd (previously Moka Sport Club Ltd)**

Hector Espitalier-Noël  
Gilbert Espitalier-Noël  
Didier Audibert (Appointed on June 29, 2011)  
Thierry Doger de Spéville (Appointed on June 29, 2011)

#### **International Valuers Ltd**

Hector Espitalier-Noël  
A Noorani Dilmohamed  
D A Thierry Rey

#### **Kendra Saint Pierre Limited**

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### **Les Allées D'Helvetia Commercial Centre Limited**

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### **Mall of (Mauritius) at Bagatelle Ltd\***

James Ehlers (Appointed on August 26, 2010)  
Eric Espitalier-Noël (Appointed on August 26, 2010)  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Roux Gerber (Appointed on August 26, 2010)  
Louis Van Der Watt (Appointed on August 26, 2010)

*\* Mall of (Mauritius) at Bagatelle Ltd has been accounted for as a jointly-controlled entity in the financial statements*

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

### Directors (continued)

#### MDA Properties Ltd

Ziyad Bundhun  
Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
France De Fleuriot (ceased to hold office on  
December 15, 2010)  
Vincent Lamusse

#### Mon Désert-Alma Sugar Milling Company Limited

Edouard Espitalier-Noël  
Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Jacques Espitalier-Noël (ceased to hold office as  
from December 31, 2009)  
Chung Fan Chan Chung Kwan Fang  
Bertrand Daruty de Grandpré  
Ashveenee Kumar Ramnarain  
Louis Rivalland  
Guy Rivalland

#### Mon Désert Shares Holding Company Ltd (in liquidation)

Eric Espitalier Noël  
Hector Espitalier Noël  
Maurice Espitalier Noël

#### Packestate Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël  
Olivier Lagesse

#### Pack Plastics Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël  
Olivier Lagesse

#### Plastinax Austral Limitée

Hector Espitalier-Noël  
Eric Espitalier-Noël  
Frederic Tyack (Appointed on April 08, 2011)  
Olivier Lagesse (Appointed on April 08, 2011)

#### Plastintco International Ltd

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### Rennel Limited

Eric Espitalier-Noël  
Olivier Lagesse

#### Robin's Nest Interiors (Mauritius) Limited

Idonia Chandler  
Hector Espitalier Noël (Alternate director to  
Richard Koenig)  
Richard Koenig  
Anton de Waal  
Pieter Johannes Rossouw  
Robyn-Ann Rossouw (Alternate director to Pieter  
Johannes Rossouw)  
Ian Henderson Todd (Ceased to hold office as  
from March 22, 2011)  
Jacques T Jocelyn Viger (Appointed on April 22,  
2011)

#### Savannah Properties Ltd

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### Savishop Ltd

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### SB Cattle Ltd

Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
Jean Raymond Hardy  
Louis Van Der Watt

#### Soled Limited

Eric Espitalier-Noël  
Hector Espitalier-Noël

#### The Gardens of Bagatelle Ltd

Gilbert Espitalier -Noël  
Hector Espitalier-Noël

#### The Old Factory Limited

Gilbert Espitalier-Noël  
Hector Espitalier-Noël

#### The Savannah Sugar Milling Company Limited

Mohammad Yousouf Dhuny  
Eric Espitalier-Noël  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël  
M.P Roger Espitalier-Noël  
Jean Claude Giraud  
Jean Raymond Hardy  
Jean Claude Leclézio  
Alain Noël  
Dhanirajsingh Purseed  
Guy Rivalland

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

### Directors (continued)

Valetta Locoshed Offices Ltd  
Gilbert Espitalier-Noël  
Hector Espitalier-Noël

Versatech Limited  
Eric Espitalier-Noël  
Hector Espitalier-Noël

### Directors' Service Contracts

None of the Directors of the Company have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

### Directors' Remuneration and Benefits

Total remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries were as follows:

#### Directors of ENL Limited

	From the Company		From the Subsidiaries		Remuneration from companies on which Director serves as representative of the Company
	2011	2010	2011	2010	2011
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Executive</b>					
- Full-time	20,618	24,288	461	939	2,879
- Part-time	3,812	-	4,518	-	1,520
<b>Non-executive</b>	1,253	1,208	925	819	-
Post employment benefits – Executive directors	1,443	1,974	536	-	-
	27,126	27,470	6,440	1,758	4,399

#### Directors of subsidiary companies who are not directors of the Company

<b>Executive</b>					
- Full-time	-	-	5,758	2,044	93
- Part-time	-	-	990	-	-
<b>Non-executive</b>	-	-	-	1,265	-
Post employment benefits – Executive directors	-	-	589	506	-
	-	-	7,337	3,815	93

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

### Directors' Interests In Shares

The interests of the directors in the shares of ENL Limited as at June 30, 2011 are found on page 33 of the Annual Report.

### Direct and Indirect Interests of senior officers (excluding directors) In the Equity of ENL Limited or any Subsidiaries

As at June 30, 2011, none of the senior officers (excluding directors), except for Mrs Virginie Corneillet who held a direct interest of 0.0064% in the equity of a subsidiary of the Company, held any direct or indirect interest in the equity of the Company.

### Indemnities and Insurance

A Directors' and officers' liability Insurance policy has been subscribed to by the Company. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

### Donations

Donations made during the year by	No of recipients		2011		2010	
	2011	2010	Political	Other	Political	Other
			Rs'000	Rs'000	Rs'000	Rs'000
Charabia Ltd*	1	-	-	31	-	-
Emballages Limited**	-	1	-	-	-	1
ENL Limited	6	4	50	199	1,250	40
ENL Commercial Limited	3	-	50	60	-	-
ENL Land Limited (previously The Savannah Sugar Estates Company Limited)	4	9	100	406	3,300	-
Espral Limited	-	2	-	-	100	-
Grewals (Mauritius) Limited	1	-	-	59	-	-
Pack Plastics Limited	-	-	-	-	-	7
Plastinax Austral Limitée	-	1	-	-	-	1
Rennel Limited	1	-	-	12	-	-

\* Charabia Ltd is a new subsidiary of ENL Limited.

\*\* Effective October 1, 2010, Emballages Limited was amalgamated with Pack Plastics Limited and Pack Plastics Limited now remains as the amalgamated company.

All profitable subsidiaries have made their CSR contributions to ENL Foundation.

Subsidiaries not listed above did not make any donations during the year.

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

### Auditors Fees

The fees payable to the auditors, BDO & Co., for audit and other services were:

	2011		2010	
	Audit	Other services	Audit	Other services
	Rs'000	Rs'000	Rs'000	Rs'000
ENL Limited	260	450	125	450
Agrex Limited	55	-	55	11
Axess Limited	648	103	500	103
Anthurium and Orchids Limited	54	7	54	7
Bagaprop Limited	25	-	-	-
Charabia Ltd *	212	-	-	-
Cogir Limitée **	175	29	-	-
Emballages Limited ***	-	-	120	12
Enex (Mauritius) Ltd	3	4	3	4
ENL Commercial Limited	130	300	100	300
ENL Portfolio Managers Limited	20	9	20	7
ENL Land Ltd ( formerly The Savannah Sugar Estates Company Limited)	950	785	450	1,091
Enstyle Management Limited *	168	35	-	-
ENL Investment Limited	140	10	100	10
Enfyn Management Limited	98	28	75	-
ESP Landscapers Ltd	73	10	40	10
Espral Ltd	85	11	85	11
Espral International Ltd	95	-	15	-
Exotiflors Limited	5	1	8	5
Grewals Contracting Ltd ****	72	10	70	12
Grewals (Mauritius) Limited	255	37	212	37
Grewals Rodrigues Ltd	30	9	23	7
International Valuers Ltd	27	5	27	5
Helvetia Sport Club *	-	-	-	-
Les Allées d'Helvetia Commercial Centre Limited *	-	-	-	-
Mon Désert-Alma Sugar Milling Company Limited	25	20	25	70
MDA Properties Ltd	130	6	125	6
Pack Plastics Limited	170	14	120	14

## Other Statutory Disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2011 (continued)

	2011		2010	
	Audit	Other services	Audit	Other services
	Rs'000	Rs'000	Rs'000	Rs'000
Packestate Limited	39	11	32	7
Plastinax Austral Limitée	250	25	383	661
Rennel Limited	161	10	130	10
Robin's Nest Interiors (Mauritius) Ltd *	108	15	-	-
Savannah Properties Limited	40	5	25	5
The Savannah Sugar Milling Company Limited	20	10	25	10
Société Du Courlis	38	7	13	6
Société Réunion	12	4	5	1
Soled Limited	68	14	33	10
Savishop Ltd	9	5	20	6
The Old Factory Limited *	-	-	-	-
Valetta Locoshed Offices Ltd *	-	-	-	-
Versatech Limited	60	19	60	3

\* These companies are new subsidiaries of ENL Limited.

\*\* Cogir Limitée, previously an associate of ENL Limited, is now a subsidiary

\*\*\* Effective October 1, 2010, Emballages Limited has amalgamated with Pack Plastics Limited and Pack Plastics Limited now remains as the amalgamated company.

\*\*\*\* Effective July 01, 2011, Grewals (Mauritius) Limited has amalgamated with Grewals Contracting Ltd and Grewals (Mauritius) Limited now remains as the amalgamated company.

Subsidiaries not listed above did not incur any audit fees.

Other services relate to fees for audit of consolidation, taxation fees, merger fees and professional fees in respect of preparation circulars (2010: audit of consolidation, taxation fees and merger fees).

**“ ENL Foundation  
contributes towards  
a qualitative evolution  
of the social and natural  
environment ”**

Mario Radegonde ( ENL Foundation Manager )





The ENL Group has always considered corporate citizenship as an essential part of its existence. ENL Foundation, which spearheads the CSR initiatives of the ENL Group, had, during the financial year ended June 30, 2011, devoted its efforts into consolidating its CSR actions initiated since January 2010.

The budget of ENL Foundation has increased by 27%, from Rs 7.5m to Rs 9.5m, for the year ended June 30, 2010 and 2011 respectively. While the CSR contributions received from the subsidiaries of the ENL Group represented 82 % of the total CSR value, 18% had been received from associated and external companies. During the current financial year, ENL Foundation led and supported a number of new projects to drive a positive change in its areas of focus.

Furthermore, ENL Foundation kept a tight lid on its administrative costs, which represented 12% of its total expenditure, in compliance with guidelines set by the Government. The Foundation perused its traineeship programme with the double purpose of providing fresh graduates from tertiary institutions, with hands-on experience while at the same time, ensuring an additional supply of resources to the Foundation.

During the financial year for the year ended June 30, 2011, the funds of ENL Foundation had been put to use to support programmes in the following areas:

### **1. Education & Learning**

ENL Foundation devoted 18% of its budget to Education and Learning initiatives, namely by:

- Providing continued support to La Baraque Learning Centre in partnership with Omnicane Foundation. As at June 30, 2011, some 150 adults and 160 children had followed literacy programmes and qualification-based training in IT at the centre.
- Consolidating the 'Programme d'Accompagnement Scolaire' launched in Pailles West in the previous financial year, with the contribution of a psychologist to provide training and supervision. The number of children in attendance doubled to 50 and the programme was then also extended to Pailles East. Some 80 other children attending ZEP school in the region are now given guidance by trained educators from the Ruth School.
- Providing Tertiary scholarship schemes to supporting three youngsters from poverty-stricken regions who would be completing their studies at the Charles Telfair Institute in the coming financial year. The Foundation also gave the opportunity to two teenagers from Cite Ste Catherine, through its recently set up 'Secondary School Support Programme', in collaboration with Caritas, to resume their secondary studies with the Open College Educational Programme (OCEP).

### **2. Training**

The Foundation dedicated the equivalent of 19% of its budget to Training & Development programmes.

- ENL Foundation remains a major partner of Junior Achievement Mascareignes (JAM). Between January and June 2011, some 5,500 students in 63 colleges received training through the JA Notre Quartier programme, in which employees of the ENL Group were also actively involved as volunteers. The number of ENL volunteers participating in the Junior Achievement Programme rose from 12 in the previous financial year to 18 in the current financial year;
- In partnership with the Civic Action Team, the Foundation contributed to the setting up of various training programmes conducted at the 'Centre de Formation et d'Apprentissage Technique de Pailles'. Prior to launching the courses, a study was undertaken to identify the training needs of the inhabitants. As at June 30, 2011, a total of some 170 children and youngsters, young ladies and unemployed people, received training in hairdressing, masonry, fabric hand painting, first-aid, English Literacy using Information Technology (ELIT) and parents' schooling.

## ENL Foundation

(continued)

### 3. Eradication of Absolute Poverty Programme

ENL Foundation committed 9% of its budget to the national Eradication of Absolute Poverty (EAP) programme. These funds were mainly devoted to:

- Setting up a Day Care Centre at L'Escalier to provide a rehabilitation facility closer to people having drugs, alcohol and substance abuse problems living in the South of the island. In continuation to a counselling service launched in February 2010, 'L'Oasis nu l'espwar' was set up jointly with Omnicane Foundation and the National Empowerment Foundation in March 2011 and some 30 people followed the programme.
- Providing toilet and sanitary ware facilities to deprived households in Moka/St Pierre and Ste Catherine. The project is due to be completed in the coming financial year;
- Launching of a Breakfast Support Programme since April 2011. With the collaboration of benevolent ladies living in the local community, a balanced breakfast is provided on weekdays to some 53 school children of Camp Tagore and La Sourdine;
- The financing of training in food processing at the Agricultural Research & Extension Unit Training Centre in Wooton for a dozen of unemployed women from Cite Ste Catherine and La Laura.

### 4. Actions geared towards Vulnerable Children

In the course of financial year 2010/2011, 5% of the Foundation's budget was spent on actions geared towards Vulnerable Children, namely:

- The launch of a programme dedicated to promote creativity and artistic awakening for some 40 young children in Alma and Cite Ste Catherine in collaboration with the 'Association Culturelle de Sensibilisation et d'Eveil artistique' (ACSEA);
- The setting up of an Ecole de chant targeting some 50 children in Pailles and Ste Catherine with the collaboration of 'Fondation Spectacle & Culture'.
- The launch of 'Zenfans Sourire Alma' with the aim of providing healthy leisure activities to some 25 underprivileged children in Alma in association with NGO ACSEA.
- Books for Success 2011 operation aiming at distributing reading books and school materials to underprivileged children of Alma and Cite Ste Catherine as well as La Sourdine village. This operation has gained its momentum among the ENL staff who offered books and school materials to some 400 children.
- Promoting sports through the support of 'Ecole de foot de l'Agrement' for the second year in collaboration with the Fondation pour la Formation au Football.

## ENL Foundation

(continued)

### 5. Environmental Projects

ENL Foundation earmarked 5% of its budget to environmental projects including:

- A contribution to the Mauritian Wildlife Foundation's endeavour to protect the Pink Pigeon, an endemic bird species in Mauritius.
- The embellishment and clean up campaign in its regions of intervention, namely Cité Dargahed in Pailles, La Sourdine and Moka;
- The organisation of a mini-carnival on June 4, 2011 in the context of the World Environment Day. The event held in collaboration with the Agricultural Society of the University of Mauritius, attracted some 250 participants;
- The projection on an ongoing basis of documentary films to sensitise the youth in the regions of intervention of the Foundation of the importance of preserving our environment.

### 6. Youth Development

The Foundation showed its commitment to youth development by devoting 4% of its budget to this item, namely through:

- Funding a programme conducted by the LEAD NGO to sensitise the youth to social issues such as drugs, alcohol and HIV/AIDS;
- Implementing leadership courses targeting some 60 youngsters in Ste Catherine, Alma and Pailles regions;
- Sponsoring a campaign against youth violence run by the Chapter of the JCI of Quatre Bornes.

### 7. Sports, Arts and Leisure & Promotion of Recreational Activities

ENL Foundation spent 5% of its budget in the promotion of sports, arts & leisure and recreational activities. Besides its contribution at national level, ENL Foundation supported ongoing educational and recreational activities in Pailles, L'Escalier/La Sourdine, Ste Catherine and Alma. The Foundation also offered support on this count through the donation of sports equipment. These activities targeted more than 350 youngsters within the mentioned regions.

### 8. Support to NGOS & Corporate Partners

ENL Foundation donated 18% of its budget to NGOs accredited to the National CSR Committee and to Corporate Partners to finance various programmes at national level, namely Caritas Ile Maurice, ICJM for its project Les Amis de Zippy, Baden Powell Scout Ass., Mahatma Gandhi Institute (Basic Guardina School at Moka), Open Mind, Action Familiale, Link to Life, Fondation Pour L'enfance Terre de Paix, etc. offering services in the field of Health, Handicap, Socio Economic Development, Youth development, etc.

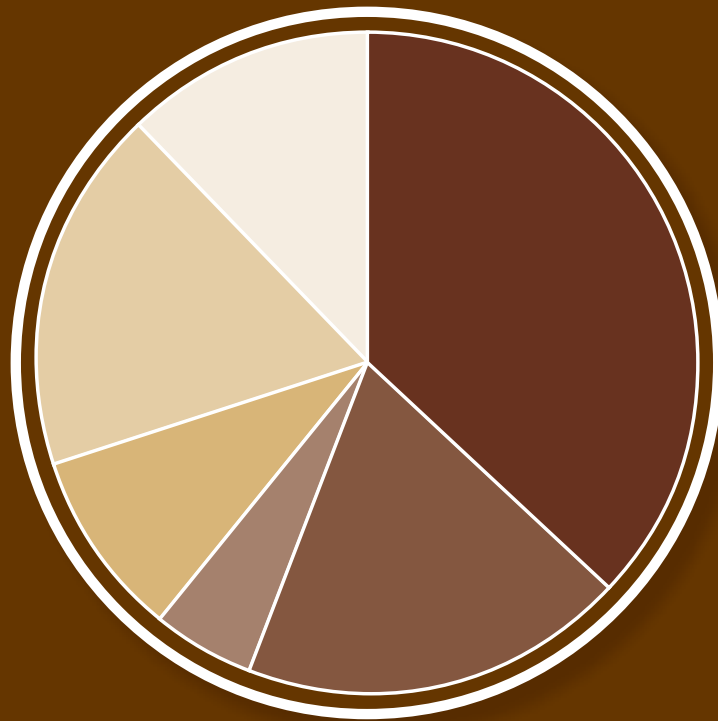
In the coming financial year, ENL Foundation intends to make necessary adjustments in its corporate program in order to align itself with the Government's appeal in the 2011 National Budget to use 50% of CSR resources to support three National Programmes namely social housing, vulnerable children and eradication of absolute poverty.

In addition to providing its support to ongoing initiatives, a number of new projects have also reached an advanced stage of completion. These include a multi-purpose centre to promote youth empowerment in Ste Catherine and a 'Maison de l'Entreprenariat et de l'Artisanat' in St Pierre in collaboration with the ACSEA to act as a business incubator for women entrepreneurs and craftspeople in the region.

ENL Foundation

(continued)

## Breakdown of Funds by Area of Focus (%)



37



Education-Learning-Training

19



EAP & Vulnerable  
Children Projects

5



Environmental Projects

9



Sports-Arts-Leisure &  
Youth Development

18



Support to NGOs and  
Corporate Partners

12



Administrative costs

# Independent Auditors' Report to the Members

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

## Report on the Financial Statements

We have audited the group financial statements of ENL Limited (the "group") and the company's separate financial statements on pages 61 to 120 which comprise the statements of financial position at June 30, 2011, the statements of comprehensive income, statements of changes in equity and statements 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 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 61 to 120 give a true and fair view of the financial position of the group and of the company at June 30, 2011, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

## Independent Auditors' Report to the Members

(continued)

### Report on Other Legal and Regulatory Requirements Companies Act 2001

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

We have obtained all information and explanations we have required.

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

### Financial Reporting Act 2004

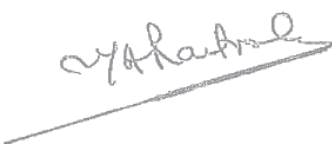
The directors are responsible for preparing the corporate governance report and making the disclosures required by section 8.4 of the code of Corporate Governance of Mauritius ("code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the corporate governance report are consistent with the requirements of the code.



**BDO & Co**

*Chartered Accountants*



**Yacoob RAMTOOLA (FCA)**

*Licensed by FRC*

September 30, 2011

Port Louis,  
Mauritius.

# **FINANCIAL STATEMENTS**

# Statements of Financial Position

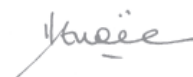
June 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	7,722,139	7,706,463	59,319	56,452
Investment properties	6	3,508,647	18,045	-	-
Deferred expenditure	7	293,592	426,464	-	-
Intangible assets	8	584,727	738,795	1,993	1,676
Investments in subsidiary companies	9	-	-	10,358,976	10,118,274
Investments in associates	10	4,265,228	3,924,638	130	38,057
Investment in jointly controlled entity	11	1,167,809	274,414	-	-
Investments in financial assets	12	1,537,982	1,431,478	279	30
Deposit on investments	13	29,951	62,190	20,630	9,237
Bearer biological assets	14	107,539	132,910	-	-
Non-current receivables	15	295,015	338,433	-	-
Deferred tax assets	24	1,527	832	-	-
		<b>19,514,156</b>	<b>15,054,662</b>	<b>10,441,327</b>	<b>10,223,726</b>
<b>Current assets</b>					
Inventories	16	449,379	343,190	-	-
Consumable biological assets	17	295,910	242,817	-	-
Trade and other receivables	18	898,322	591,379	14,229	22,672
Receivable from group companies	19	-	-	149,443	114,767
Held for trading securities	20	153,287	47,892	699	699
Cash and cash equivalents	37(c)	483,889	153,932	139,471	25,037
		<b>2,280,787</b>	<b>1,379,210</b>	<b>303,842</b>	<b>163,175</b>
Non-current assets classified as held for sale	21	146,997	16,278	1,654,026	-
<b>Total assets</b>		<b>21,941,940</b>	<b>16,450,150</b>	<b>12,399,195</b>	<b>10,386,901</b>
<b>Equity and Liabilities</b>					
Share capital	22	14,256	14,256	14,256	14,256
Fair value, revaluation and other reserves		6,746,481	6,061,275	10,426,789	9,223,005
Retained earnings		3,515,397	1,945,966	1,028,202	1,051,085
		<b>10,276,134</b>	<b>8,021,497</b>	<b>11,469,247</b>	<b>10,288,346</b>
Treasury shares in a subsidiary company		-	(2,295)	-	-
Equityholders' interests		<b>10,276,134</b>	<b>8,019,202</b>	<b>11,469,247</b>	<b>10,288,346</b>
Non-controlling interests		<b>6,115,712</b>	<b>4,562,953</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>16,391,846</b>	<b>12,582,155</b>	<b>11,469,247</b>	<b>10,288,346</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	23	1,841,095	1,041,063	839,316	7,254
Deferred tax liabilities	24	852,022	4,821	823	-
Retirement benefit obligations	25	254,748	223,523	20,757	22,506
Deferred income	26	302,044	273,663	-	-
		<b>3,249,909</b>	<b>1,543,070</b>	<b>860,896</b>	<b>29,760</b>
<b>Current liabilities</b>					
Trade and other payables	27	1,183,837	951,138	5,929	18,261
Payable to group companies	28	-	-	16,450	3,038
Current tax liabilities	33(b)	15,330	16,981	-	811
Current borrowings	23	1,058,250	1,314,038	3,905	3,917
Proposed dividends	35	42,768	42,768	42,768	42,768
		<b>2,300,185</b>	<b>2,324,925</b>	<b>69,052</b>	<b>68,795</b>
<b>Total equity and liabilities</b>		<b>21,941,940</b>	<b>16,450,150</b>	<b>12,399,195</b>	<b>10,386,901</b>

These financial statements were approved for issue by the Board of Directors on September 30, 2011.



Guy RIVALLAND  
Chairman



Hector ESPITALIER-NOËL  
Director

The notes on pages 66 to 120 form an integral part of these financial statements.  
Auditors' report on pages 58 and 59.

# Statements of Comprehensive Income

Year ended June 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Sales		3,027,581	1,890,783	-	-
Cost of sales		(2,639,159)	(1,519,575)	-	-
Gross profit		388,422	371,208	-	-
Sugar and agricultural diversification proceeds		503,289	569,593	-	-
Investment and other income		85,070	75,592	177,541	131,061
Management and secretarial fees		40,663	35,905	72,423	107,950
		1,017,444	1,052,298	249,964	239,011
Other operating expenses	29	(845,011)	(799,100)	(11,009)	(10,311)
Administrative expenses		(201,816)	(295,460)	(113,007)	(113,405)
Other operating income	30	57,102	59,825	-	-
Operating profit before movement in consumable biological assets		27,719	17,563	125,948	115,295
Movement in consumable biological assets	17	53,093	(81,880)	-	-
Operating profit/(loss)		80,812	(64,317)	125,948	115,295
Fair value adjustments on held for trading securities	20	13,341	11,050	-	-
Amortisation of deferred expenditure and milling rights		(73,355)	(73,080)	-	-
Profit/(loss) on disposal and winding up of investments		3,568	1,455	(1,000)	(459)
Profit on disposal of land and buildings		29,452	219,174	-	-
Fair value gain arising on business combination		65,414	-	-	-
Goodwill written off		(146,046)	-	-	-
Impairment		-	(837)	-	-
Fair value gain on revaluation of investment properties		1,790,335	-	-	-
Fair value adjustment of financial liabilities		157	-	-	-
Relocation costs of poultry		(75,505)	-	-	-
Share of profits less losses of associates and jointly controlled entity net of tax		527,667	290,909	-	-
Finance costs	31	(197,345)	(160,413)	(31,610)	(4,235)
Profit before taxation	32	2,018,495	223,941	93,338	110,601
Taxation charge	33	(65,125)	(18,679)	(2,173)	(406)
Profit for the year		1,953,370	205,262	91,165	110,195
<b>Other comprehensive income:</b>					
Fair value adjustments on available for sale financial assets		67,963	(52,500)	1,199,696	76,208
Other movements		1,267	-	-	-
Release on disposal and winding up of investments		8,041	-	(1,652)	-
Revaluation of property, plant and equipment		2,300,913	-	6,563	-
Deferred tax arising on revaluation of property, plant and equipment		(807,200)	(4,400)	(823)	-
Currency translation differences		2,423	(1,115)	-	-
Share of other comprehensive income of associates		111,533	509,390	-	-
	34	1,684,940	451,375	1,203,784	76,208
<b>Total comprehensive income for the year</b>		<b>3,638,310</b>	<b>656,637</b>	<b>1,294,949</b>	<b>186,403</b>
<b>Profit attributable to:</b>					
Owners of the company		1,233,896	135,816	91,165	110,195
Non-controlling interests		719,474	69,446	-	-
		1,953,370	205,262	91,165	110,195
<b>Total comprehensive income attributable to:</b>					
Owners of the company		2,321,148	433,481	1,294,949	186,403
Non-controlling interests		1,317,162	223,156	-	-
		3,638,310	656,637	1,294,949	186,403
Earnings per share	36	Rs. 865.53	95.27	63.95	77.30

The notes on pages 66 to 120 form an integral part of these financial statements.  
Auditors' report on pages 58 and 59.

# Statement of Changes in Equity

Year ended June 30, 2011

## THE GROUP

Note	Attributable to owners of the parent									
	Share capital Rs'000	Treasury shares in a subsidiary company Rs'000	Fair value, revaluation and other reserves			Retained earnings		Total Rs'000	Non- controlling interests Rs'000	Total Rs'000
			Holding company and subsidiaries Rs'000	Associated companies Rs'000	Holding company and subsidiaries Rs'000	Associated companies Rs'000				
At July 1, 2010	14,256	(2,295)	5,109,340	951,935	762,108	1,183,858	8,019,202	4,562,953	12,582,155	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	296,815	296,815	
Treasury shares cancelled	-	2,295	-	-	-	-	2,295	-	2,295	
Acquisition of subsidiaries	-	-	-	-	-	-	-	23,218	23,218	
Change in shareholding in subsidiaries and associated companies	-	-	49,306	-	(4,697)	2,928	47,537	(6,077)	41,460	
Transfer on sale of land and disposal of associated companies	-	-	(550,096)	-	540,027	10,069	-	-	-	
Total comprehensive income for the year	-	-	1,014,594	171,402	952,605	182,547	2,321,148	1,317,162	3,638,310	
Dividends	35	-	-	-	(114,048)	-	(114,048)	-	(114,048)	
Dividends paid by subsidiaries and associates to non controlling shareholders	-	-	-	-	-	-	-	(78,359)	(78,359)	
<b>Balance at June 30, 2011</b>	<b>14,256</b>	<b>-</b>	<b>5,623,144</b>	<b>1,123,337</b>	<b>2,135,995</b>	<b>1,379,402</b>	<b>10,276,134</b>	<b>6,115,712</b>	<b>16,391,846</b>	

Note	Attributable to owners of the parent									
	Share capital Rs'000	Treasury shares in a subsidiary company Rs'000	Fair value, revaluation and other reserves			Retained earnings		Total Rs'000	Non- controlling interests Rs'000	Total Rs'000
			Holding company and subsidiaries Rs'000	Associated companies Rs'000	Holding company and subsidiaries Rs'000	Associated companies Rs'000				
At July 1, 2009	14,256	-	5,444,820	592,893	467,708	1,113,721	7,633,398	4,404,234	12,037,632	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	48,366	48,366	
Shares in subsidiary bought back by the group	-	(2,295)	-	-	-	-	(2,295)	-	(2,295)	
Change in shareholding in subsidiaries and associated companies	-	-	20,052	-	46,321	(26,219)	40,154	(33,971)	6,183	
Transfer on sale of land	-	-	(319,741)	-	319,741	-	-	-	-	
Total comprehensive income for the year	-	-	(35,791)	359,042	13,874	96,356	433,481	223,156	656,637	
Dividends	35	-	-	-	(85,536)	-	(85,536)	-	(85,536)	
Dividends paid by subsidiaries and associates to non controlling shareholders	-	-	-	-	-	-	-	(78,832)	(78,832)	
<b>Balance at June 30, 2010</b>	<b>14,256</b>	<b>(2,295)</b>	<b>5,109,340</b>	<b>951,935</b>	<b>762,108</b>	<b>1,183,858</b>	<b>8,019,202</b>	<b>4,562,953</b>	<b>12,582,155</b>	

\* Following the amalgamation of The Savannah Sugar Estates Company Limited with Mon Desért Alma Limited (MDA), all MDA shares were cancelled. Shares for a total consideration of Rs2.3m were bought back from a dissenting shareholder of MDA and held as treasury shares. The shares were cancelled after year end.

The notes on pages 66 to 120 form an integral part of these financial statements.  
Auditors' report on pages 58 and 59.

## Statement of Changes in Equity

Year ended June 30, 2011

### THE COMPANY

	Notes	Share capital Rs'000	Fair value, revaluation and other reserves Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at July 1, 2010		14,256	9,223,005	1,051,085	10,288,346
Total comprehensive income for the year		-	1,203,784	91,165	1,294,949
Dividends	35	-	-	(114,048)	(114,048)
<b>Balance at June 30, 2011</b>		<b>14,256</b>	<b>10,426,789</b>	<b>1,028,202</b>	<b>11,469,247</b>
Balance at July 1, 2009		14,256	9,146,797	1,026,426	10,187,479
Total comprehensive income for the year		-	76,208	110,195	186,403
Dividends	35	-	-	(85,536)	(85,536)
<b>Balance at June 30, 2010</b>		<b>14,256</b>	<b>9,223,005</b>	<b>1,051,085</b>	<b>10,288,346</b>

*The notes on pages 66 to 120 form an integral part of these financial statements.  
Auditors' report on pages 58 and 59.*

# Statements of Cash Flows

Year ended June 30, 2011

	Notes	THE GROUP		THE COMPANY	
		2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>Operating activities</b>					
Cash generated from operations	37(a)	168,378	102,289	74,706	112,913
Income tax refunded		-	294	-	294
Tax paid		(28,742)	(13,945)	(3,337)	(107)
Net cash generated from operating activities		139,636	88,638	71,369	113,100
<b>Investing activities</b>					
Expenses in respect of parcelling of land		-	(17,292)	-	-
Voluntary retirement scheme and centralisation costs		(84,215)	(45,798)	-	-
Purchase of property, plant and equipment		(118,865)	(105,064)	(7,956)	(9,178)
Purchase of intangible assets		(11,718)	(27,699)	(925)	(1,523)
Purchase of investment properties		(160,550)	(6,780)	-	-
Deposit on property, plant and equipment and software		-	(510)	-	(510)
Purchase of shares in subsidiaries from non-controlling shareholders		(24,182)	(2,544)	(667,488)	(7,043)
Acquisition of subsidiary		15,623	-	-	-
Purchase of investments in associated companies		(696,024)	(2,621)	(250)	(1,200)
Purchase of investment in available for sale financial assets		(60,348)	(275,092)	-	-
Purchase of held for trading securities		(92,513)	(4,006)	-	-
Purchase of bearer biological assets		(7,782)	(32,945)	-	-
Procured loan		-	(338,397)	-	-
Advances on investment		(27,905)	-	-	-
Deposits on investment		(20,714)	(52,892)	(11,393)	-
Interest received		-	1,485	-	-
Proceeds from disposal of property, plant and equipment and investment properties		29,534	14,547	3,323	3,423
Proceeds from disposal of intangible assets		129	93,007	129	-
Proceeds from disposal and liquidation of investments		40,496	29,607	-	2,321
Net proceeds from disposal of land		982,513	442,052	-	-
Receipts from prepaid lease rentals		29,302	-	-	-
Relocation costs of poultry		(1,189)	-	-	-
Loans refunded		(1,607)	8,750	40,464	83,500
Loans granted		857	(29,782)	-	(90,106)
Interest received		18,965	472	2,580	4,304
Dividends received		28,293	50,517	-	-
Net cash used in investing activities		(161,900)	(300,985)	(641,516)	(16,012)
<b>Financing activities</b>					
Issue of shares to non-controlling shareholders		235,549	39,404	-	-
Shares in subsidiary bought back by the group		-	(2,295)	-	-
Proceeds from long term borrowings		2,969,030	1,401,910	835,000	-
Payments on long-term borrowings		(1,972,355)	(788,489)	-	-
Loan received from other companies		-	63,500	-	-
Loan repaid to other companies		-	(15,000)	-	-
Finance lease principal payments		(55,038)	(33,089)	(4,761)	(7,341)
Interest paid		(195,269)	(160,120)	(30,859)	(3,793)
Dividends paid		(114,048)	(71,280)	(114,048)	(71,280)
Dividends paid by subsidiaries to non-controlling shareholders		(62,668)	(70,892)	-	-
Net cash generated from/(used in) financing activities		805,201	363,649	685,332	(82,414)
<b>Increase in cash and cash equivalents</b>		<b>782,937</b>	<b>151,032</b>	<b>115,185</b>	<b>14,674</b>
<b>Movement in cash and cash equivalents</b>					
At July 1		(435,226)	(586,371)	25,037	10,805
Effects of exchange rate changes		(5,718)	113	(751)	(442)
Increase		782,937	151,032	115,185	14,674
At June 30,	37(c)	341,993	(435,226)	139,471	25,037

The notes on pages 66 to 120 form an integral part of these financial statements.  
Auditors' report on pages 58 and 59.

# Notes to the Financial Statements

Year ended June 30, 2011

## 1 GENERAL INFORMATION

ENL Limited is a limited liability company incorporated and domiciled in Mauritius. Its holding company is L'Accord Ltd, incorporated in Mauritius. Both companies have their registered office at 7th Floor, Swan Group Centre, Intendance Street, Port Louis. The ultimate holding entity is Société Caredas, a 'Société Civile' registered in Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming annual meeting of shareholders of the company.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented unless otherwise stated.

### (a) Basis of preparation

The financial statements of ENL Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements include the consolidated financial statements of the holding company and its subsidiaries (the group) and the separate financial statements of the holding company (the company). The financial statements are prepared under the historical cost convention except that:

- (i) some property, plant and equipment are carried at revalued amounts;
- (ii) investment properties are stated at fair value;
- (iii) available-for-sale and held for trading securities are carried at their fair values; and
- (iv) consumable biological assets are stated at their fair values.

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

Amendments to IFRS 1, 'Additional Exemptions for First-time Adopters', exempt entities that use the full cost method for oil and gas properties from retrospective application of IFRSs. It also exempts entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining whether an arrangement contains a lease'. The amendment is not expected to have any impact on the group's financial statements.

Amendments to IFRS 2, 'Group Cash-settled Share-based Payment Transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. This amendment is not expected to have any impact on the group's financial statements.

Amendment to IAS 32, 'Classification of rights issues', addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. This amendment is not expected to have any impact on the group's financial statements.

Amendment to IFRS 1 Limited Exemption from Comparatives IFRS 7 Disclosures for First-time Adopters provides first-time adopters relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment is not expected to have any impact on the group's financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. This IFRIC will not have any impact on the group's financial statements.

# Notes to the Financial Statements

Year ended June 30, 2011

## (a) Basis of preparation (continued)

### Improvements to IFRSs (issued 16 April 2009)

IAS 1 (Amendment), 'Presentation of Financial Statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment is not expected to have any impact on the group's financial statements.

IAS 7 (Amendment), 'Statement of Cash Flows', clarifies that only expenditure that results in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

IAS 17 (Amendment) 'Leases', clarifies that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with IAS 17's general principles. Prior to the amendment, IAS 17 generally required a lease of land with an indefinite useful life to be classified as an operating lease, unless title passed at the end of the lease term. A lease newly classified as a finance lease should be recognised retrospectively.

IAS 18 (Amendment), 'Revenue'. An additional paragraph has been added to the appendix to IAS 18, providing guidance on whether an entity is acting as principal or agent.

IAS 36 (Amendment), 'Impairment of Assets', clarifies that for the purpose of impairment testing, the cash-generating unit or groups of cash-generating units to which goodwill is allocated should not be larger than an operating segment (as defined by IFRS 8, 'Operating segments') before aggregation.

IAS 38 (Amendment), 'Intangible Assets', clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment removes the exceptions from recognising intangible assets on the basis that their fair values cannot be reliably measured. Intangible assets acquired in a business combination that are separable or arise from contractual or other legal rights should be recognised. The amendment specifies different valuation techniques that may be used to value intangible assets where there is no active market.

IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement' clarifies that the scope exemption within IAS 39 only applies to forward contracts that will result in a business combination at a future date, as long as the term of the forward contract does 'not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction'. The amendment removes reference to transactions between segments as being hedgeable transactions in individual or separate financial statements and clarifies that amounts deferred in equity are only reclassified to profit or loss when the underlying hedged cash flows affect profit or loss. The amendment is not expected to have an impact on the group's statement of comprehensive income.

IFRS 5 (Amendment), 'Non-current Assets Held for Sale and Discontinued Operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRS 8 (Amendment), 'Operating Segments', clarifies that the requirement for disclosing a measure of segment assets is only required when the chief operating decision maker reviews that information.

### Improvements to IFRSs (issued 6 May 2010)

IFRS 3 (Amendment), 'Business Combinations', clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by IFRS. The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IAS 27 (Amendment), 'Consolidated and Separate Financial Statements', clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

# Notes to the Financial Statements

Year ended June 30, 2011

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of preparation (continued)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2011 or later periods, but which the group has not early adopted.

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

Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement

IAS 24 Related Party Disclosures (Revised 2009)

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1)

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7)

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

IFRS 9 Financial Instruments

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits (Revised 2011)

#### **Improvements to IFRSs (issued 6 May 2010)**

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements

IAS 34 Interim Financial Reporting

IFRIC 13 Customer Loyalty Programmes

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

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

### (b) Investments in subsidiary companies

#### *Separate financial statements of the investor*

Investments in subsidiary companies are carried at fair values. The carrying amount is reduced to recognise any impairment in the value of individual investments.

#### *Consolidated financial statements*

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

## Notes to the Financial Statements

Year ended June 30, 2011

### (b) Investments in subsidiary companies (continued)

#### *Consolidated financial statements (continued)*

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration transferred, being the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly on the statement of comprehensive income.

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

#### *Transactions and non-controlling interests*

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

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

### (c) Investments in associates

#### *Separate financial statements of the investor*

Investments in associated companies are carried at fair values. The carrying amount is reduced to recognise any impairment in the value of individual investments.

#### *Consolidated financial statements*

An associate is an entity over which the group has significant influence but not control, or joint control.

Investments in associates are accounted for under the equity method.

The group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate less any impairment in the value of individual investments.

The results of associated companies acquired or disposed of during the year are included on the consolidated statement of comprehensive income from the date of their acquisition or up to the date of their disposal.

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

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

# Notes to the Financial Statements

Year ended June 30, 2011

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Investments in associates (continued)

*Consolidated financial statements (continued)*

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

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

### (d) Investment in jointly controlled entity

*Separate financial statements of the investor*

Investment in jointly controlled entity is carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investment.

*Consolidated financial statements*

A jointly controlled entity is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investment in jointly controlled entity is accounted for under the equity method of accounting. Equity accounting involves recognising on the statement of comprehensive income the group's share of the jointly controlled entity's profit or loss for the year. The group's interests in the jointly controlled entity is carried on the statement of financial position at an amount that reflects its share of the net assets of the entity. Goodwill is included within the carrying amount of the jointly controlled entity and tested yearly for impairment.

### (e) Financial instruments

#### (i) Financial assets

*Categories of financial assets*

The group classifies its financial assets in the following categories: held for trading securities, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

##### (a) Held for trading securities

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management.

##### (b) Non-current receivables

Loans and advances are classified as originated loans and are measured at cost less provision for impairment. Provisions for impairment are made on identified risk loans and are calculated as the shortfall between the outstanding balances and their recoverable amounts.

Loans and advances are written down to their estimated realisable values when there is no realistic prospect of recovery. They are included in current assets when maturity is within twelve months after the end of the reporting period or non current assets for maturities greater than twelve months.

##### (c) Available-for-sale financial assets

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

*Initial measurement*

Investments are recognised on a trade-date basis and are initially measured at cost.

*Subsequent measurement*

Available-for-sale and held-for-trading financial assets are subsequently carried at their fair values. Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale securities are recognised in other comprehensive income. When financial assets classified as available-for-sale securities are sold or impaired, the accumulated fair value adjustments are included on the statement of comprehensive income as gains or losses on financial assets.

# Notes to the Financial Statements

Year ended June 30, 2011

## (e) Financial instruments (continued)

### (c) Available-for-sale financial assets (continued)

#### *Subsequent measurement (continued)*

Unrealised gains and losses arising from changes in the fair value of financial assets classified as held for trading securities are recognised on the statement of comprehensive income.

The fair values of some quoted investments are based on current bid prices. If the market for the financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, adjusted net asset value, capitalised earnings method, dividend yield method and market prices refined to reflect the issuer's specific circumstances.

#### *Impairment of financial assets*

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

## (ii) Trade and loans receivables

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

## (iii) Bank borrowings

Borrowings are recognised net of direct issue costs.

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

## (iv) Trade payables

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

## (v) Share capital

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction from proceeds.

## (vi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

## (f) Foreign currencies

### (i) *Functional and presentation currency*

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

### (ii) *Transactions and balances*

Transactions during the year are converted into Mauritian rupees at the rates of exchange ruling at the transaction date. Monetary assets and liabilities expressed in foreign currencies are translated into Mauritian rupees at the rates of exchange ruling at the end of the reporting period and exchange differences arising are accounted for on the statement of comprehensive income.

# Notes to the Financial Statements

Year ended June 30, 2011

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Foreign currencies (continued)

#### (ii) Transactions and balances (continued)

On consolidation, the assets and liabilities of the group's overseas entities are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences, if any, are classified as other comprehensive income. Such translation differences are recognised on the statement of comprehensive income in the period in which the operation is disposed of.

### (g) Intangible assets

#### (i) Goodwill

Goodwill represents the excess of cost of acquisition over the group's interests in the fair value of the net identifiable assets of the acquired subsidiary, associate or jointly controlled entity at the date of acquisition. Any net excess of the group's interests in the net fair value of acquiree's net identifiable assets over cost is recognised on the statement of comprehensive income. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

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

#### (ii) Other intangible assets

Other intangible assets are initially recorded on the basis of cost and amortised using the straight line method over their estimated useful lives.

The estimated useful lives of the intangible assets are:

	Years
Computer software	3-4
Land derocking	7
Prepaid lease rentals	99
Milling rights	10

The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment when it is considered necessary.

Land conversion rights will be released to income upon conversion and disposal of land.

### (h) Investment properties

Investment properties, which are properties held to earn rentals and capital appreciation, are stated at fair value, representing open market value determined by external valuer. Changes in fair values are included on the statement of comprehensive income.

### (i) Property, plant and equipment

All property, plant and equipment are initially recorded at cost, some of which are subsequently shown at revalued amount less depreciation. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation are credited to revaluation reserves in other comprehensive income. Decreases that offset previous increases of the same asset are charged against the revaluation surplus, directly in equity. All other decreases are charged to the statement of comprehensive income.

# Notes to the Financial Statements

Year ended June 30, 2011

## (i) Property, plant and equipment (continued)

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

	Years
Buildings and yard	10 - 50
Machinery and equipment	5 - 10
Motor vehicles	4 - 5
Furniture, fittings and others	4 - 20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included on the statement of comprehensive income. On disposal of revalued assets, amounts in revaluation surplus relating to these assets are transferred to retained earnings.

## (j) Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

## (k) Bearer biological assets

Cane replantation costs are capitalised and amortised over a period of seven years, one year after the expenses are incurred. Anthurium plants are accounted for at cost.

## (l) Consumable biological assets

Consumable biological assets are measured at their fair values, which is the present value of the expected net cash flows discounted at the relevant market determined pre-tax rate.

## (m) Deferred expenditure

### *Voluntary retirement scheme (VRS)*

This represents the costs of VRS paid together with the costs of land and infrastructure which have been capitalised and are being amortised over a maximum of 5 years. The amortisation is reviewed and reassessed yearly to ascertain the adequacy of the yearly charge. Any profits realised on sale of land under the VRS are credited to the deferred expenditure account up to the total amount standing on this account. Any surplus is credited to the statement of comprehensive income.

### *Land parcelling expenses*

Costs associated with the parcelling of land are capitalised and subsequently released to the statement of comprehensive income in the period in which the sale of land is realised.

### *Centralisation costs*

These costs relate to the centralisation of the Highlands sugar mill and the Rose Belle sugar mill with those of Mon Désert Alma Sugar Milling Co. Ltd and The Savannah Sugar Milling Co. Ltd respectively. The cash compensation together with the cost of land and infrastructure have been capitalised as deferred expenditure and are being amortised over a maximum of 20 years.

## (n) Finance leases

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

# Notes to the Financial Statements

Year ended June 30, 2011

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (n) Finance leases (continued)

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. Finance charge is charged to the statement of comprehensive income over the lease period. Plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the asset.

### (o) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reasonably estimated.

### (p) Deferred income taxes

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

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

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

### (q) Revenue recognition

Revenue for the group is based on the invoiced value (net of value added taxes) of all sales of goods and services less discounts, allowances and returns and after eliminating intra group revenues.

- Revenue also includes rental income, interest and dividend receivable, gross proceeds of sugar, molasses and bagasse. Sugar, molasses and bagasse prices are based on the final prices received from the Mauritius Sugar Syndicate and the Mauritius Molasses Co. Ltd.
- Rental income is accounted for as it accrues unless collectability is in doubt;
- Interest income is taken to the statement of comprehensive income as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount;
- Dividend income is accounted for when the shareholder's right to receive payment is established.

### (r) Dividend distribution

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

### (s) Retirement benefit obligations

#### *Defined benefit plans*

The holding company and some of its subsidiaries contribute to defined benefit plans for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries who carry out a full valuation of plans regularly.

Cumulative actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligations are spread to income over the remaining working lives of the related employees.

# Notes to the Financial Statements

Year ended June 30, 2011

## (s) Retirement benefit obligations (continued)

### *Defined contribution plans*

The holding company and some subsidiaries operate defined contribution retirement plans for all qualifying employees. Payments to defined contribution retirement plans are charged as expense as they fall due. For certain of these subsidiaries, these contributions are topped up for staff grade employees with an insurance company such that the scheme operates as defined benefit schemes. The assets of the funds are held independently and administered by an insurance company.

### *Gratuity on retirement*

For employees who are not covered under a pension plan, the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated and provided for. The obligations arising under this item are not funded.

Cumulative actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments in excess of 10% of the retirement obligation are spread to income over the average remaining lives of the related employees.

### *Profit-sharing*

Certain subsidiary companies recognise a liability and an expense for bonuses and profit-sharing. The subsidiary companies recognise a provision when a contractual obligation has arisen.

## (t) Impairment

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

## (u) Non-current assets classified as held for sale

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

## (v) Segment reporting

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

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The group's activities expose it to a variety of financial risks, including:

- Market risk (including currency risk, price risk and cash flow and fair value interest risk);
- Credit risk and;
- Liquidity risk;

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

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

# Notes to the Financial Statements

Year ended June 30, 2011

## 3 FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk

##### (i) Currency risk

Some of the group's subsidiaries deal in foreign currencies and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, the US dollar, Japanese Yen, South African Rands ( ZAR), Malagasy Ariary and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The group has also some investments in foreign operations, whose net assets are exposed to foreign currency translation risk which will affect the value of investment and fair value reserves.

One of the subsidiary is exposed to foreign exchange risk as follows:

Fluctuations of exchange rate have an impact on the price of sugar as detailed in price risk.

##### *The Group*

At June 30, 2011, if the rupee had weakened/strengthened by 5% against the ZAR/US dollar/Euro/ Japanese Yen/ Malagasy Ariary/GBP with all other variables held constant, the net impact on post-tax profit for the year would have been Rs.7.941m (2010: Rs.2.291m) arising mainly on the translation of trade receivables, trade payables and borrowings denominated in the above mentioned currencies.

##### (ii) Price risk

##### *Equity*

The group is exposed to equity securities price risk because of investments held by the group classified on the statement of financial position as investments in financial assets.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done according to the limits set by the group.

##### *Sensitivity analysis*

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

#### THE GROUP

	Impact on profit		Impact on equity	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>Categories of investments:</b>				
Available-for-sale investments in financial assets	-	-	52,540	52,587
Held for trading securities	2,569	1,953	-	-

#### THE COMPANY

	Impact on profit		Impact on equity	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>Categories of investments:</b>				
Available-for-sale investments in financial assets	-	-	3	1
Held for trading securities	-	-	-	-

##### *Sugar*

One of the subsidiaries is exposed to price risk due to fluctuation in the price of sugar. The risk will affect both the crop proceeds and the standing cane valuation.

# Notes to the Financial Statements

Year ended June 30, 2011

## 3.1 Financial risk factors (continued)

### Commercial

The group is exposed to market risk in respect of residential units for sale and commercial units for rental. Management monitors the demand and supplies of the market and decides accordingly to initiate projects.

The group is exposed to fluctuation in prices of residential units and rates for rental of commercial space. Management monitors the rate applicable on the market and prices its products accordingly.

### (iii) Cash flow and fair value interest risk

The group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The group's interest rate risk arises from long term borrowings at variable rates.

At June 30, 2011, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

### Rupee-denominated borrowings

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Effect higher/lower on post tax profit	3,440	1,869	418	-

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

## (b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the company and the group. The company's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet its obligations, the trade will fail.

The subsidiaries' credit risk is primarily attributable to their trade receivables. The amounts presented on the statement of financial position are net of allowances for doubtful receivables, estimated by the group's management based on prior experience and the current economic environment. The subsidiaries have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The group has policies in place to ensure that sales of products and services are made with an appropriate credit history.

In respect of the subsidiary operating in the sugar sector, the risk with the sales of sugar from the operations in Mauritius is remote as the subsidiary exports its entire production through the Mauritius Sugar Syndicate.

## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The group aims at maintaining flexibility in funding by keeping committed credit lines available.

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

The group's financial liabilities analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date has been disclosed in note 23. All trade and other payables are due within one year.

# Notes to the Financial Statements

Year ended June 30, 2011

## 3 FINANCIAL RISK MANAGEMENT (continued)

### 3.2 Fair value estimation

The fair value of investments in financial assets traded on active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily of quoted equity instruments classified as trading securities or available for sale and valued at their market prices. The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, adjusted net asset basis and dividend yield where applicable and makes assumptions that are based on market conditions existing at end of each reporting period. These instruments are included in level 3. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of the group's and the company's financial assets would be an estimated Rs. 8.127 m (2010: Rs 5.026m) and Rs.0.047m (2010: Nil) lower/ higher respectively in the event the fair values were increased/decreased by 5%.

The fair value of those financial assets and liabilities not presented on the group's statements of financial position at their fair values are not materially different from their carrying amounts.

### 3.3 Capital risk management

The group's objectives when managing capital are:

- to safeguard the entities' ability to continue as going concerns so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

The group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total borrowings (as shown on the statements of financial position) less cash and bank balances. Adjusted capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained earnings and revaluation, fair value and other reserves).

The debt-to-adjusted capital ratios at June 30, 2011 and at June 30, 2010 were as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Total debt	<b>2,904,536</b>	2,355,101	<b>843,221</b>	11,171
Less: cash and bank balances	<b>(483,899)</b>	(153,932)	<b>(139,471)</b>	(25,037)
Net debt	<b>2,420,637</b>	2,201,162	<b>703,750</b>	N/A
Total equity	<b>16,386,655</b>	12,582,155	<b>11,469,247</b>	10,288,346
Debt-to-adjusted capital ratio	<b>0.15</b>	0.17	<b>0.06</b>	N/A

# Notes to the Financial Statements

Year ended June 30, 2011

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### 4.1 Critical accounting estimates and assumptions

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

#### (a) Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2(g)(i). These calculations require the use of estimates and assumptions.

#### (b) Impairment of available-for-sale financial assets

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

#### (c) Investment in sugar sector

The Government of Mauritius has submitted a Multi-Annual Adaptation Strategy (2006 - 2015) plan to the European Union in the view of the negotiations for the accompanying measures. The aim of the plan is to reengineer the sugar industry so as to reduce production costs and enable Mauritius to retain a competitive sugar sector after the price reduction becomes fully effective.

#### (d) Biological assets

The fair value of consumable biological assets was arrived at by discounting the present value (PV) of expected net cash flows at the relevant market determined pre-tax rate.

#### (e) Pension benefits

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

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

Other key assumptions for pension obligations are based on past and current market conditions. Additional information is disclosed in note 25.

#### (f) Revaluation of investment properties and property, plant and equipment

The group carries its investment properties at fair value, with changes in fair value being recognised on the statement of comprehensive income. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The group appointed independent valuation specialists to determine fair value. Valuation was made on an open market basis. The valuation exercise requires the use of assumptions.

# Notes to the Financial Statements

Year ended June 30, 2011

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (g) Depreciation policies

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

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

#### Asset lives and residual values

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

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

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

The fair value of securities not quoted on an active market is determined by the group using valuation techniques. These valuation methods involve the use of judgement and estimates. Changes in assumptions about these factors affect the reported fair value of investments.

## Notes to the Financial Statements

Year ended June 30, 2011

### 5 PROPERTY, PLANT AND EQUIPMENT

#### (a) THE GROUP

##### (i) 2011

	Freehold land Rs'000	Buildings & yard Rs'000	Machinery & equipment Rs'000	Motor vehicles Rs'000	Furniture, fittings & others Rs'000	Total Rs'000
<b>Cost and Valuation</b>						
At July 1, 2010	7,095,396	437,477	443,034	382,019	107,672	8,465,598
Additions	-	84,299	20,953	67,755	22,806	195,813
Acquisition through business combination	32,000	8,023	95,408	32,384	15,358	183,173
Disposals	(858,431)	(5,623)	(1,969)	(65,489)	(4,341)	(935,853)
Write offs	-	-	(22,927)	(17,940)	(5,021)	(45,888)
Revaluation adjustments	2,232,402	50,282	-	-	-	2,282,684
Transfer to non current assets classified as held for sale	(165,762)	-	-	-	-	(165,762)
Transfer to investment properties	(1,358,810)	(47,769)	-	-	-	(1,406,579)
Transfer to VRS infrastructure	(14,245)	-	-	-	-	(14,245)
<b>At June 30, 2011</b>	<b>6,962,550</b>	<b>526,689</b>	<b>534,500</b>	<b>398,729</b>	<b>136,474</b>	<b>8,558,941</b>
<b>Depreciation</b>						
At July 1, 2010	-	69,805	385,409	227,177	76,744	759,135
Charge for the year	-	20,867	28,173	54,883	13,640	117,563
Acquisition through business combination	-	789	49,440	20,967	8,857	80,053
Disposals adjustments	-	(1,060)	(1,721)	(47,049)	(2,046)	(51,876)
Write offs	-	-	(22,867)	(17,907)	(4,783)	(45,557)
Revaluation adjustments	-	(18,230)	-	-	-	(18,230)
Transfer to non current assets classified as held for sale	-	(4,286)	-	-	-	(4,286)
<b>At June 30, 2011</b>	<b>-</b>	<b>67,885</b>	<b>438,434</b>	<b>238,071</b>	<b>92,412</b>	<b>836,802</b>
<b>Net Book Values</b>						
<b>At June 30, 2011</b>	<b>6,962,550</b>	<b>458,804</b>	<b>96,065</b>	<b>160,657</b>	<b>44,062</b>	<b>7,722,139</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 5 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) THE GROUP (continued)

(ii) 2010

	Freehold land Rs'000	Buildings & yard Rs'000	Machinery & equipment Rs'000	Motor vehicles Rs'000	Furniture, fittings & others Rs'000	Total Rs'000
<b>Cost and Valuation</b>						
At July 1, 2009	7,512,748	402,850	442,017	362,344	116,535	8,836,494
Additions	-	81,471	20,291	50,729	13,973	166,464
Translation difference	-	-	(24)	-	(88)	(112)
Disposals	(461,043)	(44,643)	(18,841)	(31,054)	(21,943)	(577,524)
Write offs	-	(2,201)	(409)	-	(805)	(3,415)
Transfer from non current assets classified as held for sale	43,691	-	-	-	-	43,691
<b>At June 30, 2010</b>	<b>7,095,396</b>	<b>437,477</b>	<b>443,034</b>	<b>382,019</b>	<b>107,672</b>	<b>8,465,598</b>
<b>Depreciation</b>						
At July 1, 2009	-	49,942	375,194	214,588	84,105	723,829
Charge for the year	-	23,405	25,244	37,525	11,561	97,735
Translation difference	-	-	(24)	-	(88)	(112)
Disposals adjustments	-	(1,645)	(15,005)	(24,936)	(18,062)	(59,648)
Write offs	-	(1,897)	-	-	(772)	(2,669)
<b>At June 30, 2010</b>	<b>-</b>	<b>69,805</b>	<b>385,409</b>	<b>227,177</b>	<b>76,744</b>	<b>759,135</b>
<b>Net Book Values</b>						
<b>At June 30, 2010</b>	<b>7,095,396</b>	<b>367,672</b>	<b>57,625</b>	<b>154,842</b>	<b>30,928</b>	<b>7,706,463</b>

(iii) Additions include Rs.45.1m (2010: Rs.20.6m) in respect of assets held under finance lease.

(iv) Leased assets included in property, plant and equipment comprise of:

	THE GROUP	
	2011 Rs'000	2010 Rs'000
<b>Machinery and equipment</b>		
Cost	60,408	7,281
Accumulated depreciation	(26,074)	(2,797)
Net book values	34,334	4,484
<b>Motor vehicles</b>		
Cost	152,917	148,222
Accumulated depreciation	(71,732)	(58,370)
Net book values	81,185	89,852
<b>Furniture, fittings &amp; others</b>		
Cost	2,651	1,943
Accumulated depreciation	(933)	(736)
Net book values	1,718	1,207
<b>Total</b>	<b>117,237</b>	<b>95,543</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 5 PROPERTY, PLANT AND EQUIPMENT (continued)

- (v) Plant and machinery were revalued in 1995 by Engineering Technical & Management Services Ltd on a going concern basis at the depreciated replacement cost.

The freehold land and buildings were revalued during the year by International Valuers Limited (Mr Noor Dilmohamed - Certified Practising Valuer). The valuation was made on the basis of open market value and 75% of the value was booked in the financial statements.

The value of the property, plant and equipment was adjusted to its revalued amount and the resulting surplus was credited to revaluation and other reserves.

If property, plant and equipment were stated at historical cost, the amounts would be as follows:

	Freehold land Rs'000	Buildings & yard Rs'000	Total Rs'000
<b>2011</b>			
Cost	215,683	322,650	538,333
Accumulated depreciation	-	(97,484)	(97,484)
Net book values	215,683	225,166	440,849
<b>2010</b>			
Cost	212,151	291,036	503,187
Accumulated depreciation	-	(114,970)	(114,970)
Net book values	212,151	176,066	388,217

Depreciation charge of Rs.121m (2010: Rs.98m) has been accounted for in other operating expenses.

- (vi) Bank borrowings are secured on some of the property, plant and equipment.

### (b) THE COMPANY

#### (i) 2011

	Building Rs'000	Motor vehicles Rs'000	Furniture, fittings & others Rs'000	Office equipment Rs'000	Total Rs'000
<b>Cost and Valuation</b>					
At July 1, 2010	30,000	43,851	12,494	4,113	90,458
Additions	-	7,900	527	1,428	9,855
Disposals	-	(5,772)	(1,209)	(1,246)	(8,227)
Revaluation adjustment	4,688	-	-	-	4,688
Write offs	-	-	(211)	-	(211)
<b>At June 30, 2011</b>	<b>34,688</b>	<b>45,979</b>	<b>11,601</b>	<b>4,295</b>	<b>96,563</b>
<b>Depreciation</b>					
At July 1, 2010	938	19,996	10,532	2,540	34,006
Charge for the year	937	8,287	343	665	10,232
Disposals adjustments	-	(3,952)	(282)	(765)	(4,999)
Revaluation adjustments	(1,875)	-	-	-	(1,875)
Write offs	-	-	(120)	-	(120)
<b>At June 30, 2011</b>	<b>-</b>	<b>24,331</b>	<b>10,473</b>	<b>2,440</b>	<b>37,244</b>
<b>Net Book Values</b>					
<b>At June 30, 2011</b>	<b>34,688</b>	<b>21,648</b>	<b>1,128</b>	<b>1,855</b>	<b>59,319</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 5 PROPERTY, PLANT AND EQUIPMENT (continued)

#### (b) THE COMPANY

##### (ii) 2010

	Building Rs'000	Motor vehicles Rs'000	Furniture, fittings & others Rs'000	Office equipment Rs'000	Total Rs'000
<b>Cost and Valuation</b>					
At July 1, 2009	30,000	42,324	11,046	3,995	87,365
Additions	-	7,013	1,448	899	9,360
Disposals	-	(5,486)	-	-	(5,486)
Write offs	-	-	-	(781)	(781)
<b>At June 30, 2010</b>	<b>30,000</b>	<b>43,851</b>	<b>12,494</b>	<b>4,113</b>	<b>90,458</b>
<b>Depreciation</b>					
At July 1, 2009	-	14,332	10,292	2,535	27,159
Charge for the year	938	7,946	240	753	9,877
Disposals adjustments	-	(2,282)	-	-	(2,282)
Write offs	-	-	-	(748)	(748)
<b>At June 30, 2010</b>	<b>938</b>	<b>19,996</b>	<b>10,532</b>	<b>2,540</b>	<b>34,006</b>
<b>Net Book Values</b>					
<b>At June 30, 2010</b>	<b>29,062</b>	<b>23,855</b>	<b>1,962</b>	<b>1,573</b>	<b>56,452</b>

(iii) Bank borrowings are secured on some of the property, plant and equipment.

(iv) The building was revalued during the year by International Valuers Limited (Mr Noor Dilmohamed - Certified Practising Valuer).

The valuation was made on the basis of open market value and 75% of the value has been booked in the financial statements.

The value of the property, plant and equipment was adjusted to its revalued amount and the resulting surplus was credited to revaluation and other reserves.

If the building was stated at historical cost, the amount would be as follows:

	2011 Rs'000	2010 Rs'000
Cost	26,426	26,426
Accumulated depreciation	(6,607)	(5,947)
Net book values	19,819	20,479

(v) Additions include Rs. 4,105,000 (2010: Rs. Nil) of assets leased under finance lease. Leased assets comprise of motor vehicles as follows:

	THE COMPANY	
	2011 Rs'000	2010 Rs'000
<b>Motor vehicles</b>		
Cost	28,603	24,498
Accumulated depreciation	(17,041)	(7,727)
Net book values	11,562	16,771

(vi) Depreciation charge of Rs.10.2m has been accounted for in other operating expenses (2010: Rs.9.9m).

## Notes to the Financial Statements

Year ended June 30, 2011

### 6 INVESTMENT PROPERTIES

	THE GROUP	
	2011 Rs'000	2010 Rs'000
<b>(a) Cost</b>		
At July 1,	22,778	26,313
Additions	192,512	6,780
Transfer from property, plant and equipment	1,406,579	-
Transfer from intangible assets	95,200	-
Fair value gain	1,790,335	-
Transfer from deferred expenditure	4,664	-
Transfer from non current assets classified as held for sale	6,256	3,952
Disposals	-	(14,267)
<b>At June 30,</b>	<b>3,518,324</b>	<b>22,778</b>
<b>Depreciation</b>		
At July 1,	4,733	10,559
Transfer from property, plant and equipment	4,286	-
Charge for the year	658	754
Disposals adjustments	-	(6,580)
<b>At June 30,</b>	<b>9,677</b>	<b>4,733</b>
<b>Net Book Values</b>		
<b>At June 30,</b>	<b>3,508,647</b>	<b>18,045</b>

(b) The following amounts have been recognised on the statement of comprehensive income.

	2011 Rs'000	2010 Rs'000
Rental income	31,775	17,630
Direct operating expenses arising on the investment properties	6,013	573

(c) The investment properties were valued during the year on an open market basis by International Valuers Limited (Mr Noor Dilmohamed - Certified Practising Valuer).

The group has pledged the investment properties to secure general borrowings facilities.

### 7 DEFERRED EXPENDITURE

#### THE GROUP

	2011				2010	
	Land development expenses Rs'000	Voluntary retirement scheme costs Rs'000	Centralisation costs Rs'000	Land parcelling expenses Rs'000	Total Rs'000	Total Rs'000
At July 1,	152,033	122,491	112,760	39,179	426,464	432,964
Additions	1,379	-	-	9,462	10,841	80,995
Transfer from non current assets classified as held for sale	42,106	-	-	-	42,106	(634)
Transfer to investment properties	(4,664)	-	-	-	(4,664)	-
Release to profit and loss	(107,085)	-	-	(15,605)	(122,690)	(28,395)
Amortisation charge	-	(48,997)	(9,468)	-	(58,465)	(58,466)
<b>At June 30,</b>	<b>83,769</b>	<b>73,494</b>	<b>103,292</b>	<b>33,036</b>	<b>293,592</b>	<b>426,464</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 8 INTANGIBLE ASSETS (continued)

#### (a) THE GROUP

##### (i) 2011

	Computer software Rs'000	Goodwill and trading rights Rs'000	Land derocking Rs'000	Prepaid lease rentals Rs'000	Land conversion rights Rs'000	Milling rights Rs'000	Total Rs'000
<b>Cost</b>							
At July 1, 2010	32,736	11,073	99,733	3,906	534,426	153,314	835,188
Acquisition through business combination	837	137,321	-	-	-	-	138,158
Negative goodwill released	-	1,283	-	-	-	-	1,283
Additions	5,388	-	6,040	-	-	-	11,428
Transfer to investment properties	-	-	-	-	(95,200)	-	(95,200)
Release on disposal of land	-	-	-	-	(175,834)	-	(175,834)
Disposals	(327)	-	-	-	-	-	(327)
<b>At June 30, 2011</b>	<b>38,634</b>	<b>149,677</b>	<b>105,773</b>	<b>3,906</b>	<b>263,392</b>	<b>153,314</b>	<b>714,696</b>
<b>Amortisation</b>							
At July 1, 2010	19,907	400	39,282	391	-	36,413	96,393
Acquisition through business combination	496	-	-	-	-	-	496
Charge for the year	5,418	396	12,591	39	-	14,890	33,334
Disposals adjustments	(254)	-	-	-	-	-	(254)
<b>At June 30, 2011</b>	<b>25,567</b>	<b>796</b>	<b>51,873</b>	<b>430</b>	<b>-</b>	<b>51,303</b>	<b>129,969</b>
<b>Net Book Values</b>							
<b>At June 30, 2011</b>	<b>13,067</b>	<b>148,881</b>	<b>53,900</b>	<b>3,476</b>	<b>263,392</b>	<b>102,011</b>	<b>584,727</b>

Impairment tests for goodwill: goodwill is allocated to the group's cash generating units identified to business segment.

Amortisation charge of Rs.33.6m (2010: Rs.30m) has been accounted for in other operating expenses.

##### (i) 2010

	Computer software Rs'000	Goodwill and trading rights Rs'000	Land derocking Rs'000	Prepaid lease rentals Rs'000	Land conversion rights Rs'000	Milling rights Rs'000	Total Rs'000
<b>Cost</b>							
At July 1, 2009	24,596	11,073	80,276	3,906	534,426	217,994	872,271
Additions	8,242	-	19,457	-	-	-	27,699
Disposals adjustments	(102)	-	-	-	-	(64,680)	(64,782)
<b>At June 30, 2010</b>	<b>32,736</b>	<b>11,073</b>	<b>99,733</b>	<b>3,906</b>	<b>534,426</b>	<b>153,314</b>	<b>835,188</b>
<b>Amortisation</b>							
At July 1, 2009	15,819	-	28,407	352	-	21,799	66,377
Charge for the year	4,111	400	10,875	39	-	14,614	30,039
Disposals Adjustments	(23)	-	-	-	-	-	(23)
<b>At June 30, 2010</b>	<b>19,907</b>	<b>400</b>	<b>39,282</b>	<b>391</b>	<b>-</b>	<b>36,413</b>	<b>96,393</b>
<b>Net Book Values</b>							
<b>At June 30, 2010</b>	<b>12,829</b>	<b>10,673</b>	<b>60,451</b>	<b>3,515</b>	<b>534,426</b>	<b>116,901</b>	<b>738,795</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 8 INTANGIBLE ASSETS (continued)

#### (b) THE COMPANY

##### (i) 2011

	Computer software Rs'000
<b>Cost</b>	
At July 1, 2010	2,590
Additions	1,166
Disposal	(227)
<b>At June 30, 2011</b>	<b>3,529</b>
<b>Amortisation</b>	
At July 1, 2010	914
Charge for the year	777
Disposal adjustment	(155)
<b>At June 30, 2011</b>	<b>1,536</b>
<b>Net Book Values</b>	
<b>At June 30, 2011</b>	<b>1,993</b>

##### (ii) 2010

	Computer software Rs'000
<b>Cost</b>	
At July 1, 2009	1,067
Additions	1,523
<b>At June 30, 2010</b>	<b>2,590</b>
<b>Amortisation</b>	
At July 1, 2009	479
Charge for the year	435
<b>At June 30, 2010</b>	<b>914</b>
<b>Net Book Values</b>	
<b>At June 30, 2010</b>	<b>1,676</b>

### 9 INVESTMENTS IN SUBSIDIARY COMPANIES

#### THE COMPANY

	2011				2010
	Official market Rs'000	DEM listed Rs'000	Unquoted Rs'000	Total Rs'000	Total Rs'000
<b>At July 1,</b>	8,305,803	1,762,413	50,058	10,118,274	10,027,295
Additions	638,199	-	21,557	659,756	14,772
Disposals	-	-	(2,652)	(2,652)	(2)
Transfer from associates	-	-	37,927	37,927	-
Transfer to non-current assets classified as held for sale (note 21)	(1,493,756)	-	(160,270)	(1,654,026)	-
Fair value adjustments	1,048,969	86,968	63,760	1,199,697	76,209
<b>At June 30,</b>	<b>8,499,215</b>	<b>1,849,381</b>	<b>10,380</b>	<b>10,358,976</b>	<b>10,118,274</b>

# Notes to the Financial Statements

Year ended June 30, 2011

## 9 INVESTMENTS IN SUBSIDIARY COMPANIES

(a) The list of the group's subsidiaries at June 30, 2011 were as follows:

Name of company	Class of shares held	Stated capital Rs '000	Year end	2011		2010		Debt Securities Rs '000	Country of incorporation and operations	Main business
				Proportion of ownership interest %	The company Subsidiaries %	Proportion of ownership interest %	The company Subsidiaries %			
<b>Corporate services</b>										
ENL Portfolio Managers Limited	Ordinary	25	June 30, 2011	100.00	-	100.00	-	-	Mauritius	Management company
ENL Foundation	Ordinary	1	June 30, 2011	25.00	75.00	25.00	75.00	-	Mauritius	CSR
<b>Investment:</b>										
ENL Commercial Limited	Ordinary	29,173	June 30, 2011	46.34	14.77	45.74	14.77	-	Mauritius	Investment holding
ENL Investment Limited	Ordinary	1,612,984	June 30, 2011	39.84	24.90	39.84	40.03	-	Mauritius	Investment holding
Société Reunion	Parts	8,620	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Investment holding
<b>Commercial:</b>										
Axess Limited	Ordinary	150,000	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Sale and servicing of motor vehicles
Enex (Mauritius) Limited	Ordinary	290	June 30, 2011	99.12	0.88	99.12	0.88	-	Mauritius	Dormant
Esptailier Noel	Ordinary	390	June 30, 2011	100.00	-	100.00	-	-	Mauritius	Dormant
International Limited	Ordinary	64,099	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Joinery contracting
Grewals Contracting Ltd	Ordinary	74,432	June 30, 2011	-	98.96	-	98.96	-	Mauritius	Saw millers and timber merchants
Grewals (Mauritius) Limited	Ordinary	400	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Dormant
Grewals Rodrigues Ltd	Ordinary	6,000	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Courier service
Rennel Limited	Ordinary	300	June 30, 2011	-	100.00	-	100.00	-	Mauritius	Dormant
Savishop Ltd	Ordinary	23,725	June 30, 2011	100.00	-	100.00	-	-	Mauritius	Distribution and servicing of water purifiers
Versatech Limited	Ordinary	30	June 30, 2011	-	100.00	-	-	-	Mauritius	Providing interior decorating services

# Notes to the Financial Statements

Year ended June 30, 2011

## 9 INVESTMENTS IN SUBSIDIARY COMPANIES

(a) The list of the group's subsidiaries at June 30, 2011 were as follows:

Name of company	Class of shares held	Stated capital Rs'000	Year end	2011		2010		Debt Securities Rs'000	Country of incorporation and operations	Main business
				The company %	Percentage held Subsidiaries %	The company %	Percentage held Subsidiaries %			
<b>Industry:</b>										
Cogir Liméte	Ordinary	11,000	June 30,	-	56.00	-	35.00	-	Mauritius	Construction
Emballages Limited	Ordinary	1,100	June 30,	-	-	-	99.77	-	Mauritius	Manufacture of stationery products
Pack Plastics Limited	Ordinary	3,100	June 30,	-	99.93	-	99.97	-	Mauritius	Manufacture of plastic product
Plastinax Austral Liméte	Ordinary	73,202	June 30,	-	89.67	-	83.50	10,000	Mauritius	Manufacture of sunglasses
<b>Sugar and agricultural diversification:</b>										
Agrex Limited	Ordinary	1,000	June 30,	-	100.00	100.00	-	-	Mauritius	Sale of anthurium flower
Soled Limited	Ordinary	25	June 30,	-	100.00	-	100.00	-	Mauritius	Cultivation and sale of anthurium flower
Mon Desert Alma Sugar Milling Company Limited	Ordinary	218,017	June 30,	-	80.00	-	80.00	-	Mauritius	Sugar miller
Exotifors Limited	Ordinary	1,000	June 30,	-	100.00	-	100.00	-	Mauritius	Dormant
Enquickix Limited	Ordinary	1	June, 30	-	100.00	-	-	-	Mauritius	Facility management for offices and commercial centres
ENL Land Ltd (Previously The Savannah Sugar Estates Company Limited)	Ordinary	96,488	June 30,	60.31	7.18	60.27	7.18	-	Mauritius	Sugar cane planter
The Savannah Sugar Milling Company Limited	Ordinary	138,188	June 30,	-	80.00	-	80.00	-	Mauritius	Investment in a milling société
Company Limited	Ordinary	10,000	June 30,	40.00	40.00	40.00	40.00	-	Mauritius	Lanscaping services
ESP Landscapers Ltd										
<b>Property:</b>										
ENL Property Limited (Previously ENL Property Services Limited)	Ordinary	2,000	June 30,	100.00	-	100.00	-	-	Mauritius	Property development services
Packetate Limited	Ordinary	1,278	June 30,	-	100.00	-	100.00	-	Mauritius	Rental of industrial buildings
Société Du Courlis Parts	Ordinary	7,000	June 30,	33.33	66.67	33.33	66.67	-	Mauritius	Rental of bungalows
Enfynn Management Limited	Ordinary	4	June 30,	-	100.00	-	100.00	-	Mauritius	Management company
Esporal International Ltd	Ordinary	500	June 30,	100.00	49.50	1.00	49.50	-	Mauritius	Real Estate Marketing
Espral Limited	Ordinary	1,000	June 30,	30.00	50.00	30.00	50.00	-	Mauritius	Land development services
Kendra Saint Pierre Limited	Ordinary	0.1	June, 30	-	50.10	-	-	-	Mauritius	Owner of property
MDA Properties Ltd	Ordinary	853,711	June 30,	-	55.20	-	55.20	-	Mauritius	Land and property development
Gardens of Bagatelle (Mauritius) Limited	Ordinary	1	June 30,	-	100.00	-	100.00	-	Mauritius	Property developer
Ensejour Limited	Ordinary	500	June 30,	-	100.00	-	100.00	-	Mauritius	Operation of a guest house
Helvetia Sport Ltd (Previously Moka Sports Club Limited)	Ordinary	17,500	June 30,	14.29	71.43	14.29	71.43	-	Mauritius	Management of sports complex
Bagaprop Limited	Ordinary	1	June 30,	-	100.00	-	100.00	-	Mauritius	Investment holding
International Valuers Limited	Ordinary	25	June 30,	-	95.10	-	95.00	-	Mauritius	Provision of valuation services
Savannah Properties Ltd	Ordinary	1	June 30,	-	64.84	-	100.00	-	Mauritius	Land and property development
Anthurium & Orchids Limited	Ordinary	7,000	June 30,	-	100.00	-	100.00	-	Mauritius	Rental of office and shade houses
Enstyle Management Limited	Ordinary	2	June 30,	100.00	-	50.00	-	-	Mauritius	Management of IRS
The Old Factory Limited	Ordinary	0.1	June 30,	-	100.00	-	-	-	Mauritius	Rental of offices
Valetta Locoched Offices Ltd	Ordinary	0.1	June 30,	-	100.00	-	-	-	Mauritius	Rental of offices
Les Allées D'Helvetia Commercial Centre Limited	Ordinary	0.1	June 30,	-	100.00	-	-	-	Mauritius	Rental of commercial space
Robin's Nest Interiors (Mauritius) Ltd	Ordinary	260	June 30,	-	60.00	-	-	-	Mauritius	Providing interior decorating services to villas

(i) Emballages Limited was amalgamated with Pack Plastics Limited during the year, with Pack Plastics Limited remaining as the amalgamated company.

(ii) Cogir Liméte, Enstyle Management Ltd and Robin's Nest Interiors Ltd, previously associates of the group, are now subsidiaries.

(iii) Charabia Ltd, Helvetia Sport Ltd, Les Allées d'Helvetia Commercial Centre Ltd, Robin's Nest Interiors Ltd, The Old Factory Limited and Valetta Locoched Offices Ltd are new subsidiaries.

(iv) The fair value of investments in subsidiary companies was determined at June 30, 2011 by Ernst & Young. The valuation was based on a combination of adjusted net assets, capitalised earnings and discounted cash flow basis.

(v) Bank borrowings are secured on some investments of the group.

## Notes to the Financial Statements

Year ended June 30, 2011

### 10 INVESTMENTS IN ASSOCIATES

#### (a) THE GROUP

	2011 Rs'000	2010 Rs'000
<b>Available for sale</b>		
At July 1,	3,924,638	3,219,139
Additions	30,089	2,621
Disposals	(7,500)	-
Goodwill arising during the year	167,052	-
Goodwill written off	(147,329)	-
Share of results of associates	254,933	193,488
Movement in net assets of associated companies	43,345	509,390
At June 30,	<b>4,265,228</b>	3,924,638
	2011 Rs'000	2010 Rs'000
Made up as follows:		
Share of net assets	4,244,541	3,923,674
Goodwill	20,687	964
	<b>4,265,228</b>	3,924,638

#### (b) THE COMPANY

	2011 Rs'000	2010 Rs'000
<u>Unquoted</u>		
At July 1,	38,057	36,857
Additions	-	1,200
Transfer to subsidiary companies	(37,927)	-
At June 30,	<b>130</b>	38,057

- (c) The value of unquoted securities was determined at June 30, 2011 by Ernst and Young based on a combination of adjusted net assets, discounted cash flows and capitalised earnings.

# Notes to the Financial Statements

Year ended June 30, 2011

## 10 INVESTMENTS IN ASSOCIATES (CONT'D)

(d) The group's interests in its principal associates at June 30, 2011, of which all were unquoted, were as follows:

	2011						2010						
	Year end Rs'000	Assets Rs'000	Liabilities Rs'000	Revenues Rs'000	Profit/(loss) Rs'000	Assets Rs'000	Liabilities Rs'000	Revenues Rs'000	Profit/(loss) %	Country of incorporation %	The company Subsidiaries %	Percentage held The company Subsidiaries	
<b>Investment</b>													
Societe Amstramdram	June 30,	8,711	-	1,568	1,567	8,711	-	1,568	1,567	Mauritius	-	49.00	49.00
<b>Sugar and Agricultural diversification</b>													
Emerald (Mitus) Limited (dormant) **	June 30,	-	10,071	-	(13)	-	10,058	-	(13)	Mauritius	-	50.00	50.00
Sun Souvenir Limited	June 30,	1,370	383	-	-	1,370	383	-	-	Mauritius	25.00	-	-
SB Cattle Limited	June 30,	6,539	7,881	116	(309)	7,384	4,090	-	(933)	Mauritius	-	50.00	50.00
<b>Commerce</b>													
Formation Recrutement et Conseil en Informatique Limitee	June 30,	92,952	78,474	121,979	7,397	66,702	51,792	107,934	6,776	Mauritius	-	47.14	47.14
Docufile Ltd	June 30,	3,964	5,291	9,467	81	N/A	N/A	N/A	N/A	Mauritius	-	35.00	-
Hyperdist (I/O)	Dec 31,	3,776	5,843	29,268	(7,571)	61,244	55,676	98,937	(4,511)	Mauritius	-	45.00	45.00
Interex S.A.	June 30,	4,783	2,845	8,263	(1,893)	2,538	2,982	6,874	(3,052)	Madagascar	-	50.00	50.00
Miano Holding Ltd **	June 30,	133	319	-	-	133	319	-	-	Mauritius	-	50.00	50.00
Plastinox Austral (Com) Ltd **	June 30,	-	-	-	-	-	-	-	-	Mauritius	-	24.50	49.00
Rogers Consolidated Shareholding Limited *	Sep 30,	26,145,800	12,227,000	10,585,000	485,300	23,103,000	11,127,300	8,301,300	253,500	Mauritius	-	50.00	50.00
Societe Clean Sweep **	June 30,	-	-	-	-	-	-	-	-	Mauritius	44.29	-	-
Superdist Ltd	Dec 31,	148,133	110,828	390,148	(11,075)	251,037	202,657	534,821	(2,192)	Mauritius	-	45.00	45.00
Blue Frog Limited	June 30,	6,903	7,258	7,543	(693)	2,155	1,817	8,546	(604)	Mauritius	25.00	-	-
<b>Industry</b>													
Alu Systems Limitee	June 30,	43,764	4,235	36,210	3,735	N/A	N/A	N/A	N/A	Mauritius	-	20.70	20.70
Cogir Limitee **	June 30,	N/A	N/A	N/A	N/A	326,805	251,657	478,538	15,070	Mauritius	-	56.00	35.00
Management and Development Company Limited	June 30,	4,150,803	1,774,581	5,304,096	239,816	3,634,041	1,503,849	4,920,651	150,119	Mauritius	-	49.00	49.00
Sud Concassage Limitee	June 30,	61,045	17,468	108,983	20,443	56,921	19,286	71,709	9,483	Mauritius	-	25.00	25.00
Food and Allied Industries Limited	June 30,	1,972,945	635,065	2,539,254	164,549	1,780,912	538,987	1,655,735	203,658	Mauritius	-	49.30	49.30
<b>Property</b>													
B.R.E Ltd	June 30,	189,197	127	-	7,048	142,902	90	-	(8,888)	Mauritius	29.79	-	-
Enatt Limited	June 30,	30,485	28,532	66,744	1,753	890	691	5,363	197	Mauritius	-	50.00	50.00
Enstyle Management Limited ***	June 30,	N/A	N/A	N/A	N/A	14,833	57,357	49,922	12,273	Mauritius	100.00	-	-
Etwaro and Associates	June 30,	19,309	15,383	29,427	11,259	N/A	N/A	N/A	N/A	Mauritius	-	30.00	-
Les Villas De Bel Ombre Ltd	June 30,	1,557,692	1,290,169	1,553,155	172,458	N/A	N/A	N/A	N/A	Mauritius	-	40.00	-

For companies with non co-terminous year end, accounts to June 30 have been accounted for in the consolidated financial statements.

\* Management accounts for period ended to March 31, 2011 have been used for consolidation in respect of Rogers Consolidation Shareholding Limited.

\*\* The above companies have ceased operations.

\*\*\* The above companies have been accounted as subsidiaries following additional acquisition by the group during the year.

# Notes to the Financial Statements

Year ended June 30, 2011

## 11 INVESTMENT IN JOINTLY CONTROLLED ENTITY

### (a) THE GROUP

	2011 Rs'000	2010 Rs'000
At July 1,	274,414	-
Additions	716,601	276,196
Share of results for the year	176,794	(1,782)
At June 30,	<b>1,167,809</b>	274,414
Made up as follows:		
Share of net assets	<b>1,167,809</b>	274,414

(b) The group's interests in its unquoted jointly controlled entity at June 30, 2011 is as follows:

Year end	2011				Percentage held	
	Assets Rs'000	Liabilities Rs'000	Revenues Rs'000	Profit/(loss) Rs'000	The company %	Subsidiaries %
Mall of (Mauritius) at Bagatelle Ltd	June 30, 3,819,975	1,489,019	-	352,882	-	50.1

Mall of (Mauritius) at Bagatelle Ltd is incorporated in Mauritius.

## 12 INVESTMENTS IN FINANCIAL ASSETS

### (a) THE GROUP

	2011 Rs'000	2010 Rs'000
(i) <b>At July 1,</b>	<b>1,431,478</b>	1,209,086
Additions	48,478	275,092
Acquisition through business combination	19,390	-
Disposals	(29,327)	(200)
Fair value adjustments	67,963	(52,500)
<b>At June 30,</b>	<b>1,537,982</b>	1,431,478

### (ii) At June 30, 2011

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale investments	1,050,895	-	487,087	1,537,982

At June 30, 2010

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale investments	1,059,059	-	372,419	1,431,478

Investments included in level 1 comprise quoted equity investments valued at their market prices. If all significant inputs required to fair value an investment are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3. Further information is presented in note 3.2.

## Notes to the Financial Statements

Year ended June 30, 2011

### 12 INVESTMENTS IN FINANCIAL ASSETS (continued)

#### (b) THE COMPANY

	2011 Rs'000	2010 Rs'000
(i) <b>At July 1,</b>	<b>30</b>	31
Additions	<b>250</b>	-
Fair value adjustments	<b>(1)</b>	(1)
<b>At June 30,</b>	<b>279</b>	30

#### (ii) At June 30, 2011

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale investments	<b>29</b>	-	<b>250</b>	<b>279</b>

#### At June 30, 2010

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale investments	30	-	-	30

(c) The table below shows changes in level 3 instruments for the year ended June 30, 2011 and 2010.

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Opening balance	<b>372,419</b>	70,335	-	-
Additions	<b>31,763</b>	275,092	<b>250</b>	-
Acquisition through business combination	<b>12,245</b>	-	-	-
Gain recognised in other comprehensive income	<b>70,660</b>	26,992	-	-
Closing balance	<b>487,087</b>	372,419	<b>250</b>	-

#### (d) Available-for-sale financial assets

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Available-for-sale financial assets include the following:				
Equity securities at fair value:				
- Official market	<b>911,914</b>	948,136	<b>29</b>	30
- DEM listed	<b>138,985</b>	110,923	-	-
- Unquoted	<b>487,083</b>	372,419	<b>250</b>	-
	<b>1,537,982</b>	1,431,478	<b>279</b>	30

(e) The fair value of the securities was determined at June 30, 2011 by Ernst & Young. The listed securities were valued based on adjusted market prices taking into consideration the size of the holding. The unquoted securities were valued based on a mix of adjusted net assets, discounted cash flows and capitalised earnings appropriate to each individual investment. Some of the quoted securities have been valued at their market price.

(f) Investments in financial assets are denominated in Mauritian rupees.

(g) Bank borrowings are secured on some investments of the group.

(h) None of the financial assets are impaired.

## Notes to the Financial Statements

Year ended June 30, 2011

### 13 DEPOSIT ON INVESTMENTS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>At July 1,</b>	<b>62,190</b>	9,237	<b>9,237</b>	9,237
Transfer to investment in subsidiaries	<b>(52,953)</b>	-	-	-
Additions during the year	<b>20,714</b>	52,953	<b>11,393</b>	-
<b>At June 30,</b>	<b>29,951</b>	62,190	<b>20,630</b>	9,237

The deposit on investments represents advances which will be converted into shares.

### 14 BEARER BIOLOGICAL ASSETS

	THE GROUP	
	2011 Rs'000	2010 Rs'000
<b>Cost</b>		
At July 1,	<b>280,154</b>	285,770
Additions	<b>7,750</b>	32,945
Assets fully amortised written-off	<b>(32,751)</b>	(38,561)
At June 30 ,	<b>255,153</b>	280,154
<b>Amortisation</b>		
At July 1,	<b>147,244</b>	152,828
Charge for the year	<b>33,121</b>	32,977
Assets fully amortised written-off	<b>(32,751)</b>	(38,561)
At June 30,	<b>147,614</b>	147,244
<b>Net Book Values</b>		
At June 30,	<b>107,539</b>	132,910

### 15 NON-CURRENT RECEIVABLES

	THE GROUP	
	2011 Rs'000	2010 Rs'000
Others - 8% debentures	<b>36</b>	36
Procured loan	<b>294,979</b>	338,397
	<b>295,015</b>	338,433

The debentures are unsecured and have no fixed terms of repayment.

Procured loan represents a long term loan bearing interest at a rate of 4% above LIBOR and with repayment terms to be resolved by the board of directors. The loan is denominated in USD.

## Notes to the Financial Statements

Year ended June 30, 2011

### 16 INVENTORIES

	THE GROUP	
	2011 Rs'000	2010 Rs'000
Raw materials, consumables and spare parts (cost/net realisable value)	269,845	201,175
Work in progress (cost)	45,761	9,466
Finished goods (cost/net realisable value)	132,672	122,519
Livestock (net realisable value)	960	960
Goods in transit (cost)	141	9,070
	<b>449,379</b>	<b>343,190</b>

Bank borrowings are secured by floating charges on part of the inventories of the group.

### 17 CONSUMABLE BIOLOGICAL ASSETS

#### THE GROUP

	2011			2010	
	Standing crop Rs'000	Palm trees Rs'000	Nursery Rs'000	Total Rs'000	Total Rs'000
At July 1,	227,361	5,456	9,999	242,817	324,697
Changes in fair value	52,573	880	(361)	53,093	(81,880)
At June 30,	<b>279,935</b>	<b>6,337</b>	<b>9,638</b>	<b>295,910</b>	<b>242,817</b>

### 18 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Trade receivables	734,402	438,496	-	-
Less provision for impairment	(26,582)	(27,917)	-	-
	<b>707,820</b>	410,579	-	-
Prepayments and other receivables	190,502	180,800	14,229	22,672
	<b>898,322</b>	591,379	<b>14,229</b>	22,672

As at June 30, 2011, trade receivables of Rs.45.72 m (2010: Rs.46.75m) for the group were past due, out of which Rs.26.58m (2010: Rs.27.92m) were impaired. The amount of the provision was Rs.26.58m (2010: Rs.27.92m) for the group.

The individually impaired receivables related mainly to debtors with overdue balances. It was assessed that a proportion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
3 to 6 months	13,114	11,419	-	-
Over 6 months	32,606	35,333	-	-
	<b>45,720</b>	46,752	-	-

As at June 30, 2011, trade receivables of Rs. 281.5 m (2010: Rs.49.5m) for the group were past due but not impaired.

## Notes to the Financial Statements

Year ended June 30, 2011

### 18 TRADE AND OTHER RECEIVABLES (continued)

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
3 to 6 months	195,211	43,425	-	-
Over 6 months	86,286	6,075	-	-
	<b>281,497</b>	49,500	-	-

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Rupee	793,109	533,642	4,485	9,035
US Dollar	91,999	49,592	-	-
Euro	12,591	7,339	-	-
Other currencies	623	806	-	-
	<b>898,322</b>	591,379	<b>14,229</b>	22,672

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	27,917	27,993	-	-
Provision for impairment	4,231	3,044	-	-
Bad debts written off	(5,566)	(2,737)	-	-
Bad debts recovered	-	(383)	-	-
At June 30,	<b>26,582</b>	27,917	-	-

The other classes within trade and other receivables do not contain impaired assets.

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

### 19 RECEIVABLE FROM GROUP COMPANIES

#### THE COMPANY

	2011			2010
	Loans Rs'000	Others Rs'000	Total Rs'000	Total Rs'000
Subsidiary companies	-	149,443	149,443	114,767

As of June 30, 2011, no amount receivable from group companies was past due nor impaired. The carrying amount of receivables from group companies approximate their fair values.

Amounts receivable from group companies are denominated in Mauritian rupees. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

## Notes to the Financial Statements

Year ended June 30, 2011

### 20 HELD FOR TRADING SECURITIES

#### (a) THE GROUP

	2011			2010	
	Official market Rs'000	DEM listed Rs'000	Unquoted Rs'000	Total Rs'000	Total Rs'000
(i) <b>At July 1,</b>	<b>17,262</b>	<b>26,011</b>	<b>4,619</b>	<b>47,892</b>	55,734
Additions	92,513	-	-	92,513	4,645
Disposals	(459)	-	-	(459)	(23,516)
Write offs	-	-	-	-	(21)
Fair value adjustments	8,773	4,568	-	13,341	11,050
<b>At June 30,</b>	<b>118,089</b>	<b>30,579</b>	<b>4,619</b>	<b>153,287</b>	47,892

#### (ii) At June 30, 2011

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Held for trading securities	148,668	-	4,619	153,287

At June 30, 2010

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Held for trading securities	43,273	-	4,619	47,892

#### (b) THE COMPANY

	2011			2010
	Official market Rs'000	Unquoted Rs'000	Total Rs'000	Total Rs'000
(i) <b>At July 1,</b>	-	699	699	3,499
Disposals	-	-	-	(2,779)
Write off	-	-	-	(21)
<b>At June 30,</b>	-	699	699	699

#### (ii) At June 30, 2011 and 2010

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Held for trading securities	-	-	699	699

#### (c) The table below shows the changes in level 3 instruments for the year ended June 30, 2011 and 2010.

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Opening balance	4,619	8,933	699	3,478
Disposals	-	(4,314)	-	(2,779)
Closing balance	4,619	4,619	699	699

#### (d) The fair value of the securities was determined at June 30, 2011 by Ernst & Young. Market prices of listed investments were used to determine their fair values while the dividend yield method was used to value the unquoted securities.

## Notes to the Financial Statements

Year ended June 30, 2011

### 20 HELD FOR TRADING SECURITIES (continued)

- (e) The carrying amount of held for trading securities would be an estimated Rs.15.3m lower/higher for the group and Rs.0.07m higher/lower for the company were the basis of valuation to differ by 10% from management estimates.
- (f) Changes in fair values of held for trading securities are recorded on the statement of comprehensive income.
- (g) Held for trading securities are denominated in Mauritian rupees.
- (i) None of the financial assets are impaired.

### 21 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2011 Rs'000	2010 Rs'000
<b>The Group</b>		
At July 1,	16,278	60,864
Additions	13,319	5,713
Transfer from property, plant and equipment (Note 5 (a))	165,762	(43,691)
Transfer to deferred expenditure (Note 7)	(42,106)	(634)
Transfer to investment properties (Note 6)	(6,256)	(3,952)
Release for the year	-	(2,022)
<b>At June 30,</b>	<b>146,997</b>	<b>16,278</b>
	<b>2011 Rs'000</b>	<b>2010 Rs'000</b>
<b>The Company</b>		
Transfer from investments in subsidiary companies and at June 30 (note 9)	1,654,026	-

At a board meeting held on 22 August 2011, it was resolved that the company will dispose of its non-core investments in the next financial year. These investments have been reclassified to non current assets classified as held for sale.

### 22 SHARE CAPITAL

	Number of shares	2011 & 2010 Rs'000
Ordinary shares of Rs.10 each	1,125,781	11,258
Participating preference shares of Rs.10 each	299,819	2,998
	1,425,600	14,256

The total authorised number of shares is 1,425,600 (2010: 1,425,600) with a par value of Rs.10 each. All issued shares are fully paid.

## Notes to the Financial Statements

Year ended June 30, 2011

### 23 BORROWINGS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Bank overdrafts	141,896	589,158	-	-
Bank and other loans	867,772	696,491	-	-
Obligations under finance leases (see note (c) below)	48,582	28,389	3,905	3,917
	<b>1,058,250</b>	1,314,038	<b>3,905</b>	3,917
<b>Non-current</b>				
Bank and other loans (see note (b) below)	1,738,907	969,346	835,000	-
Debentures	10,000	10,000	-	-
Obligations under finance leases (see note (c) below)	92,188	61,717	4,316	7,254
	<b>1,841,095</b>	1,041,063	<b>839,316</b>	7,254
<b>Total borrowings</b>	<b>2,899,345</b>	2,355,101	<b>843,221</b>	11,171

- (a) The borrowings include secured liabilities (leases and bank loans) amounting to Rs. 2,899m for the group and Rs.843m for the company (2010: Rs2,355m for the group and Rs.11m for the company). The bank borrowings are secured by floating charges on the assets of the group including inventories, investment properties and property, plant and equipment and some investments. The rates of interest on these loans vary between Libor one month plus 2.00% and 12.00%. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

(b) **Bank and other loans**

The maturity of non current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
<b>Bank loans</b>				
Repayable by instalments				
- after one year and before two years	270,074	134,817	150,000	-
- after two years and before three years	178,999	216,325	58,274	-
- after three years and before five years	441,570	267,283	195,714	-
- after five years	848,264	350,921	431,012	-
	<b>1,738,907</b>	969,346	<b>835,000</b>	-
<b>Debentures</b>				
Repayable by instalments				
- after one year and before two years	1,805	-	-	-
- after two years and before three years	1,983	4,000	-	-
- after three years and before five years	4,008	6,000	-	-
- after five years	2,204	-	-	-
	<b>10,000</b>	10,000	-	-

## Notes to the Financial Statements

Year ended June 30, 2011

### 23 BORROWINGS (continued)

(c) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
- not later than 1 year	60,482	37,183	5,563	5,198
- after one year and before two years	49,656	33,218	3,899	5,166
- after two years and before three years	25,126	28,623	1,156	4,462
- after three years and before five years	29,187	12,251	625	1,922
- after five years	2,046	-	-	-
	<b>166,497</b>	111,275	<b>11,243</b>	16,748
Future finance charges on finance leases	<b>(25,727)</b>	(21,169)	<b>(3,022)</b>	(5,577)
Present value of finance lease liabilities	<b>140,770</b>	90,106	<b>8,221</b>	11,171
Representing lease liabilities:				
Current	<b>48,582</b>	28,389	<b>3,905</b>	3,917
Non-current can be analysed as follows:				
- after one year and before two years	43,073	27,104	2,588	4,083
- after two years and before three years	21,454	22,806	1,054	2,461
- after three years and before five years	25,013	11,807	674	710
- after five years	2,648	-	-	-
	<b>140,770</b>	90,106	<b>8,221</b>	11,171

The group leases some plant and equipment, motor vehicles and furniture and fittings under finance leases. The leases have purchase options on termination. There are no restrictions imposed on the group by lease arrangements.

(d) The carrying amounts of the borrowings are denominated in the following currencies.

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Mauritian rupee	2,868,111	2,342,357	843,221	11,171
Euro	10,283	718	-	-
US Dollar	20,951	12,026	-	-
	<b>2,899,345</b>	2,355,101	<b>843,221</b>	11,171

(e) The effective interest rates at the end of the reporting period were as follows:

	2011			2010	
	USD %	Euro %	Rs %	USD %	Rs %
Bank overdrafts	6.35	-	8.375-16.875	-	8.625-16.875
Bank borrowings	2.185-4.00	4.00	7.25-15.00	2.18	8.00-15.00
Other loans	-	-	10.435-14.00	-	10.435-14.00
Debentures	-	-	5.00	-	5.00
Finance lease liabilities	-	-	9-13.8	-	9.75-13.80

(f) The exposure of the group's borrowings to the interest rate changes and the contractual repricing dates are less than 6 months.

## Notes to the Financial Statements

Year ended June 30, 2011

### 23 BORROWINGS (continued)

(g) Non current borrowings can be analysed as follows:

	THE GROUP	
	2011 Rs'000	2010 Rs'000
- after one year and before five years		
Bank borrowings	890,643	617,992
Other loans	-	433
Debentures	7,796	10,000
	<b>898,439</b>	<b>628,425</b>
- after two years and before three years		
Bank borrowings	178,999	216,158
Other loans	-	167
Debentures	1,983	4,000
	<b>180,982</b>	<b>220,325</b>
- after three years		
Bank borrowings	1,289,834	618,190
Other loans	-	14
Debentures	6,212	6,000
	<b>1,296,046</b>	<b>624,204</b>

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

### 24 DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at a rate of 15% for the company and the subsidiaries (2010: 15%).

Deferred tax assets are recognised for tax losses carried forward only to the extent that the realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment.

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Deferred tax assets	1,527	832	-	-
Deferred tax liabilities	(852,022)	(4,821)	(823)	-
Net deferred tax liabilities	<b>(850,495)</b>	<b>(3,989)</b>	<b>(823)</b>	-

The movement in the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	(3,989)	(3,162)	-	-
Charged to the statement of comprehensive income (note 33)	(38,139)	(827)	-	-
Tax effect on revaluation	-	-	-	-
Acquisition through business combination	(1,167)	-	-	-
Charged to equity	(807,200)	-	(823)	-
At June 30,	<b>(850,495)</b>	<b>(3,989)</b>	<b>(823)</b>	-

## Notes to the Financial Statements

Year ended June 30, 2011

### 24 DEFERRED INCOME TAXES (continued)

Deferred tax assets and liabilities, deferred tax charge on the statement of comprehensive income and deferred tax charged to equity are attributable to the following items:

#### THE GROUP

	At July 1, 2010 Rs'000	Acquisition of subsidiaries Rs'000	Charged to other comprehensive income Rs'000	Charged to statement of comprehensive income Rs'000	At June 30, 2011 Rs'000
<b>Deferred income tax liabilities</b>					
Accelerated tax depreciation	(15,331)	(3,445)	-	(1,522)	<b>(20,298)</b>
Asset revaluations	2,713	-	(807,200)	(38,347)	<b>(842,834)</b>
Retirement benefit obligations	(79)	-	-	-	<b>(79)</b>
	<b>(12,697)</b>	<b>(3,445)</b>	<b>(807,200)</b>	<b>(39,869)</b>	<b>(863,211)</b>
<b>Deferred income tax assets</b>					
Accelerated tax depreciation	7,120	-	-	1,113	<b>8,233</b>
Retirement benefit obligations	2,968	2,278	-	617	<b>5,863</b>
Assets revaluation	(1,380)	-	-	-	<b>(1,380)</b>
	<b>8,708</b>	<b>2,278</b>	<b>-</b>	<b>1,730</b>	<b>12,716</b>
<b>Net deferred tax liabilities</b>	<b>(3,989)</b>	<b>(1,167)</b>	<b>(807,200)</b>	<b>(38,139)</b>	<b>(850,495)</b>

#### THE COMPANY

	At July 1, 2010 Rs'000	At Charged to equity Rs'000	At June 30, 2011 Rs'000
<b>Deferred income tax liabilities</b>			
Asset revaluations	-	(823)	<b>(823)</b>

The deferred income tax charged to equity during the year is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Fair values and other reserves in shareholders' equity				
- Buildings	<b>807,200</b>	-	<b>823</b>	-

### 25 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Amounts recognised on the statement of financial position				
Pension schemes	<b>111,668</b>	105,402	<b>(748)</b>	(1,181)
Other post retirement benefits	<b>143,080</b>	118,121	<b>21,505</b>	23,687
	<b>254,748</b>	<b>223,523</b>	<b>20,757</b>	<b>22,506</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 25 RETIREMENT BENEFIT OBLIGATIONS (continued)

#### (a) Pension schemes

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Present value of funded obligations	345,232	317,498	62,560	66,706
Fair value of plan assets	(206,815)	(189,960)	(57,455)	(54,471)
	138,417	127,538	5,105	12,235
Unrecognised actuarial losses	(26,749)	(22,136)	(5,853)	(13,416)
Liability on the statement of financial position	111,668	105,402	(748)	(1,181)

(ii) The amounts recognised on the statement of comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Current service cost	13,846	12,983	2,995	2,708
Cost of insuring risk benefits	766	908	567	674
Interest cost	33,485	30,151	6,500	7,013
Scheme expenses	168	213	163	208
Expected return on plan assets	(20,084)	(17,619)	(5,898)	(6,200)
Effect of immediate recognition in liability	-	479	520	249
Actuarial loss recognised	697	110	-	-
Effect of curtailment/settlements	(1,131)	-	-	-
Total included in staff costs	27,747	27,225	4,847	4,652
Actual return on plan assets	20,489	24,055	8,374	4,392

(iii) Movement in the liability recognised on the statement of financial position:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	105,402	104,350	(1,181)	(32)
Other adjustments	5,783	-	-	-
Total expense	27,747	27,225	4,847	4,652
Contributions paid	(27,264)	(26,173)	(4,414)	(5,801)
At June 30,	111,668	105,402	(748)	(1,181)

(iv) The principal actuarial assumptions used for accounting purposes were as follows:

	THE GROUP		THE COMPANY	
	2011 %	2010 %	2011 %	2010 %
Discount rate	10.0	10.0 - 10.5	10.0	10
Expected return on plan assets	10.0-10.5	10.5	10.0	10.5
Future salary increases	7.0-8.5	7.0 - 8.5	8.0	8
Future pension increases	3.0-4.0	4.0	-	-

## Notes to the Financial Statements

Year ended June 30, 2011

### 25 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Pension schemes (continued)

(v) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	317,498	305,600	66,706	69,261
Current service cost	13,846	12,983	2,995	2,708
Interest cost	33,485	30,151	6,500	7,013
Employees contributions	-	1,281	-	-
Benefits paid	(23,739)	(30,886)	(9,074)	(14,319)
Liability loss/(gain)	8,040	(1,631)	(4,567)	2,043
Transfer in	131	-	-	-
Effect of curtailment/settlements	(4,029)	-	-	-
<b>At June 30,</b>	<b>345,232</b>	<b>317,498</b>	<b>62,560</b>	<b>66,706</b>

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	189,960	170,927	54,471	59,478
Expected return on plan assets	20,084	17,619	5,898	6,200
Employer contributions	27,264	26,173	4,415	5,801
Scheme expenses	(168)	(213)	(163)	(208)
Cost of insuring risk benefits	(766)	(908)	(567)	(674)
Benefits paid	(17,446)	(30,886)	-	(14,319)
Employee contributions	1,442	1,281	-	-
Transfer in	(13,385)	-	(9,075)	-
Asset gain/(loss)	238	5,967	2,476	(1,807)
Effect of curtailment/settlements	(408)	-	-	-
<b>At June 30,</b>	<b>206,815</b>	<b>189,960</b>	<b>57,455</b>	<b>54,471</b>

(vii) Distribution of plan assets at end of period

	THE GROUP		THE COMPANY	
	2011 %	2010 %	2011 %	2010 %
<i>Percentage of assets at end of year</i>				
Local equities	32	39	37	37
Property	13	8	5	5
Loans and fixed deposits	7	-	-	-
Overseas bonds and equities	20	16	23	23
Fixed interest	25	27	35	35
Other	3	10	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Where the plan is funded, the overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield differences on other types of assets held.

For certain subsidiaries, the asset of the plan is equivalent to the value of deferred annuity contracts which have been invested in the life fund of The Anglo Mauritius Assurance Society Limited.

## Notes to the Financial Statements

Year ended June 30, 2011

### 25 RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Pension schemes (continued)

(viii) Amounts for the current year and previous four years are as follows:

#### THE GROUP

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Fair value of plan assets	206,815	189,960	170,927	191,496	208,597
Present value of defined benefit obligations	(345,232)	(317,498)	(305,600)	(293,865)	(294,877)
Deficit	(138,417)	(127,538)	(134,673)	(102,369)	(86,280)
Asset experience gain/(loss) during the year	238	5,967	(37,576)	(10,515)	19,090
Liability experience (gain)/loss during the year	(8,040)	(1,631)	(5,281)	18,789	(9,163)

#### THE COMPANY

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Fair value of plan assets	57,455	54,471	59,478	60,497	50,744
Present value of defined benefit obligations	(62,560)	(66,706)	(69,261)	(74,474)	(57,033)
Deficit	(5,105)	(12,235)	(9,783)	(13,977)	(6,289)
Asset experience gain/(loss) during the year	2,476	(1,807)	(3,733)	1,029	(150)
Liability experience loss/(gain) during the year	4,567	2,043	(7,261)	9,533	4,574

(ix) The expected employer contributions for the year ending June 30, 2012 are Rs.24m for the group.

(b) Other post retirement benefits

Other post retirement benefits comprise of gratuity on retirement payable under the Employment Rights Act 2008 and other benefits.

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

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Present value of unfunded obligations	144,270	112,739	21,599	23,781
Unrecognised actuarial gains	(1,190)	5,382	(94)	(94)
Liability on the statements of financial position	143,080	118,121	21,505	23,687

(ii) The amounts recognised on the statement of comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Current service cost	5,844	3,677	10	10
Cost of insuring risk benefits	-	-	-	-
Interest cost	13,167	10,346	2,297	2,364
Actuarial (gain)/loss	(1,128)	(564)	(1,270)	(595)
Curtailment	(575)	(548)	-	-
	17,308	12,911	1,037	1,779

## Notes to the Financial Statements

Year ended June 30, 2011

### 25 RETIREMENT BENEFIT OBLIGATIONS (continued)

(b) Other post retirement benefits (continued)

(iii) Movement in liability recognised on the statement of financial position:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	118,121	102,359	23,687	25,375
Other adjustment	-	7,823	-	-
Transfer	-	(17)	-	-
Amount written off	-	(206)	-	-
Arising on business combination	15,171	-	-	-
Total expense	17,308	12,911	1,037	1,779
Contributions paid	-	-	(3,219)	-
Direct benefits paid	(7,520)	(4,749)	-	(3,467)
<b>At June 30,</b>	<b>143,080</b>	<b>118,121</b>	<b>21,505</b>	<b>23,687</b>

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

	THE GROUP		THE COMPANY	
	2011 %	2010 %	2011 %	2010 %
Discount rate	10.0	10.0-10.5	10.0	10.0
Future salary increases	6.0-8.5	6.0-8.0	8.0	8.0
Future pension increase	3.0-4.0	-	-	-

(v) The movement in the present value of unfunded obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	112,739	97,161	23,781	25,497
Other adjustment	-	7,823	-	-
Acquisition of subsidiary	16,343	-	-	-
Transfer	-	(17)	-	-
Amount written off	-	(193)	-	-
Current service cost	5,844	3,677	10	10
Interest cost	13,167	10,346	2,297	2,364
Benefits paid	(7,520)	(4,749)	(3,219)	(3,467)
Liability loss/(gain)	4,122	(805)	(1,270)	(623)
Effect of curtailment/settlements	(425)	(504)	-	-
<b>At June 30,</b>	<b>144,270</b>	<b>112,739</b>	<b>21,599</b>	<b>23,781</b>

(vi) History of obligations, assets and experience adjustments

THE GROUP	2011	2010	2009	2008	2007
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligations	(144,270)	(112,739)	(97,161)	(92,665)	(183,919)
Deficit	(144,270)	(112,739)	(97,161)	(92,665)	(183,919)
Liability experience loss/(gain) during the year	4,122	(805)	1,082	982	(1,586)

## Notes to the Financial Statements

Year ended June 30, 2011

### 25 RETIREMENT BENEFIT OBLIGATIONS (continued)

(b) Other post retirement benefits (continued)

(vi) History of obligations, assets and experience adjustments (continued)

#### THE COMPANY

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Present value of unfunded obligations	(21,599)	(23,781)	(25,497)	(25,126)	(23,909)
Deficit	(21,599)	(23,781)	(25,497)	(25,126)	(23,909)
Liability experience (gain)/loss during the period	1,270	(623)	1,431	1,600	11

(vii) The expected employer contributions for the year ending June 30, 2012 are Rs.3m for the group.

### 26 DEFERRED INCOME

#### THE GROUP

	2011		2010	
	Land conversion rights Rs'000	Prepaid lease rentals Rs'000	Total Rs'000	Total Rs'000
At July 1,	244,400	29,263	273,663	273,491
Additions	-	28,853	28,853	462
Release to statement of comprehensive income	-	(472)	(472)	(290)
At June 30,	244,400	57,644	302,044	273,663

### 27 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Trade payables	375,453	206,669	-	-
Other payables and accruals	808,384	744,469	5,929	18,261
	1,183,837	951,138	5,929	18,261

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

### 28 PAYABLE TO GROUP COMPANIES

#### THE COMPANY

	2011			2010
	Loans Rs'000	Others Rs'000	Total Rs'000	Total Rs'000
Subsidiary companies	-	16,450	16,450	3,038

The carrying amounts of group payables approximate their fair values.

## Notes to the Financial Statements

Year ended June 30, 2011

### 29 OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Sugar estate other operating expenses	559,117	575,808	-	-
Sugar insurance premiums	9,744	18,725	-	-
Others	276,150	204,567	11,009	10,311
	<b>845,011</b>	799,100	<b>11,009</b>	10,311

### 30 OTHER OPERATING INCOME

	THE GROUP	
	2011 Rs'000	2010 Rs'000
Sugar estate other operating income	10,152	6,226
Sugar insurance compensation	531	15,572
Others	46,419	38,027
	<b>57,102</b>	59,825

### 31 FINANCE COSTS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Interest expense				
- Bank overdrafts	36,015	35,719	-	-
- Bank and other loans repayable by instalments	167,169	112,846	-	-
Debentures	500	-	-	-
Loans at call	-	2,106	-	-
Other loans	2,519	7,814	29,279	2,163
Finance leases	10,424	6,131	1,579	1,630
	<b>216,627</b>	164,616	<b>30,859</b>	3,793
Foreign exchange (gains)/losses	(19,282)	(4,203)	751	442
	<b>197,345</b>	160,413	<b>31,610</b>	4,235

## Notes to the Financial Statements

Year ended June 30, 2011

### 32 PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Profit before taxation is arrived after:				
<b>Crediting:</b>				
Fair value gain on held for trading securities	13,341	11,050	-	-
Profit on sale and winding up of investments	3,568	1,455	-	-
Income from investments - Official market	21,378	35,370	135,337	84,891
- DEM listed	3,343	2,946	34,375	41,250
- Unquoted	5,961	6,851	1,864	49
Interest receivable	26,687	1,912	2,290	4,567
Rental income	23,122	16,493	3,432	-
Profit on disposal of land and buildings	29,452	219,174	-	-
Profit on disposal of property, plant and equipment, intangible assets and investment properties	7,653	7,297	64	219
Increase in fair value of investment properties	1,790,335	-	-	-
<b>and charging:</b>				
Loss on sale and winding up of investments	-	-	1,000	459
Depreciation on property, plant and equipment				
- owned assets	76,800	70,413	6,061	4,734
- leased assets under finance leases	40,763	27,322	4,171	5,143
Depreciation of investment properties	658	754	-	-
Amortisation of intangible assets	33,334	30,039	777	435
Employee benefit expense (see note (a) below)	534,762	511,240	70,978	79,682

(a) Employee benefit expense

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Wages and salaries	471,063	454,517	61,009	69,064
Social security and other costs	18,644	16,587	4,085	4,187
Pension costs - defined benefit plans	27,747	27,225	4,847	4,652
- other post retirement benefits	17,308	12,911	1,037	1,779
	534,762	511,240	70,978	79,682

### 33 INCOME TAX

(a) CHARGE

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Current tax on the adjusted profits for the year*	18,415	17,702	-	406
Under provision in previous years	1,652	150	2,173	-
Capital gains tax	6,919	-	-	-
	23,986	17,852	2,173	406
Deferred tax charge (note 24)	38,139	827	-	-
Charge for the year	65,125	18,679	2,173	406

\* The tax rate applicable is 15 % for the company and its subsidiaries (2010: 15%).

## Notes to the Financial Statements

Year ended June 30, 2011

### 33 INCOME TAX (continued)

#### (b) LIABILITY

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
At July 1,	16,981	9,973	811	218
Acquisition of subsidiary	1,059	-	-	-
Under provision in prior years	1,652	150	2,173	-
Charge for the year	22,334	17,702	-	406
Tax overpaid under APS	1,675	2,807	-	-
Paid during the year	(28,742)	(13,945)	(3,337)	(107)
Income tax refunded	371	294	353	294
At June 30,	15,330	16,981	-	811

- (c) The tax on the group's and company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the group and the company as follows:

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Profit before taxation	2,018,495	223,941	93,338	110,601
Tax calculated at a rate of 15% (2010: 15%)	302,774	33,591	14,001	16,590
Tax effect of:-				
Income not subject to tax	(362,351)	(189,272)	(25,746)	(19,540)
Expenses not deductible for tax purposes	92,076	58,761	8,357	5,576
Other tax allowances	-	-	-	-
Capital gains tax	6,919	-	-	-
Tax arising on fair value gain on investment properties	31,200	-	-	-
Tax losses generated in the year	12,074	14,364	-	-
Tax losses for which no deferred tax asset was recognised	44,944	102,632	3,388	-
Tax losses not previously recognised	-	(16)	-	-
Excess of depreciation over capital allowances	1,354	-	-	-
Adjustment for land transfer tax on deferred tax computation	(2,389)	-	-	-
Deferred tax not recognised	-	109	-	-
National residential property tax	-	323	-	-
Under provision in prior year	1,652	150	2,173	-
Utilisation of previously unrecognised tax losses	(4,821)	(2,240)	-	(2,220)
Tax losses unutilised	-	(10)	-	-
Consolidation adjustments	20,843	43,923	-	-
Effect of tax on associated companies	(79,150)	(43,636)	-	-
Tax charge	65,125	18,679	2,173	406

The unused tax losses of the group and of the company are Rs.548m (2010: Rs.1,433m) and Rs.24m (2010: Rs.11m) respectively. No deferred tax asset has been recognised in the accounts as the recoverability is remote. Further information about deferred tax is presented in Note 24.

## Notes to the Financial Statements

Year ended June 30, 2011

### 34 OTHER COMPREHENSIVE INCOME

#### (a) THE GROUP

	Revaluation and other reserves Rs'000	Fair value reserves Rs'000	Translation of foreign operations Rs'000	Revenue reserves Rs'000	Non- controlling interests Rs'000	Total Rs'000
<b>2011</b>						
Fair value adjustments on available for sale financial assets	-	44,194	-	-	23,769	67,963
Revaluation of land	1,484,607	-	-	-	816,306	2,300,913
Deferred tax adjustments	(520,567)	-	-	-	(286,633)	(807,200)
Currency translation differences	-	-	1,877	-	546	2,423
Share of other comprehensive income of associates	171,402	-	-	(98,787)	38,918	111,533
Release on disposal of investments	5,214	-	-	-	2,827	8,041
Other movements	(729)	-	-	41	1,955	1,267
<b>Other comprehensive income for the year</b>	<b>1,139,927</b>	<b>44,194</b>	<b>1,877</b>	<b>(98,746)</b>	<b>597,688</b>	<b>1,684,940</b>

	Revaluation and other reserves Rs'000	Available- for-sale fair value Rs'000	Translation of foreign operations Rs'000	Revenue reserves Rs'000	Non- controlling interests Rs'000	Total Rs'000
<b>2010</b>						
Fair value adjustments on available for sale financial assets	-	(33,175)	-	-	(19,325)	(52,500)
Deferred tax adjustments	(2,237)	-	-	-	(2,163)	(4,400)
Currency translation differences	-	-	(378)	(211)	(526)	(1,115)
Share of other comprehensive income of associates	359,042	-	-	(25,376)	175,724	509,390
<b>Other comprehensive income for the year</b>	<b>356,805</b>	<b>(33,175)</b>	<b>(378)</b>	<b>(25,587)</b>	<b>153,710</b>	<b>451,375</b>

#### (b) THE COMPANY

	Revaluation and other reserves Rs'000	Fair value reserves Rs'000	Total Rs'000
<b>2011</b>			
Fair value adjustments on available for sale financial assets	-	1,199,696	1,199,696
Revaluation of property, plant and equipment	6,563	-	6,563
Deferred taxation on surplus of revaluation	(823)	-	(823)
Release to income on disposal and winding up of investments	(1,652)	-	(1,652)
<b>Other comprehensive income for the year</b>	<b>4,088</b>	<b>1,199,696</b>	<b>1,203,784</b>
<b>2010</b>			
Fair value adjustments on available for sale financial assets			76,208
<b>Other comprehensive income for the year</b>			<b>76,208</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 35 DIVIDENDS

	2011 Rs'000	2010 Rs'000
Ordinary shares		
- Interim paid Rs.50/share (2010-paid Rs.30/share)	56,289	33,773
- Final proposed Rs.30/share (2010-proposed Rs.30/share)	33,773	33,773
Participating preference shares		
- Interim paid Rs.50/share (2010-paid Rs.30/share)	14,991	8,995
- Final proposed Rs.30/share (2010-proposed Rs.30/share)	8,995	8,995
	<b>114,048</b>	85,536

### 36 EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2011	2010	2011	2010
Net profit attributable to shareholders	Rs.'000	1,233,896	135,816	91,165	110,195
Number of shares in issue		1,425,600	1,425,600	1,425,600	1,425,600
Basic earnings per share	Rs.	865.53	95.27	63.95	77.30

## Notes to the Financial Statements

Year ended June 30, 2011

### 37 NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
(a) <b>Cash generated from operations</b>				
Reconciliation of profit before taxation to cash generated from operations:				
Profit before taxation	<b>2,018,495</b>	223,941	<b>93,338</b>	110,601
Adjustments for:				
Depreciation of property, plant and equipment	<b>117,563</b>	97,735	<b>10,232</b>	9,877
Amortisation of intangible assets	<b>33,334</b>	30,039	<b>777</b>	435
Amortisation of deferred expenditure	<b>58,465</b>	58,466	-	-
Depreciation of investment properties	<b>658</b>	754	-	-
Goodwill written off	<b>146,046</b>	-	-	-
Property, plant and equipment written off	<b>331</b>	746	-	33
Fair value adjustment of financial liabilities	<b>(157)</b>	-	-	-
Investment income	<b>(30,682)</b>	(45,167)	-	-
Interest expense	<b>216,627</b>	164,616	<b>30,859</b>	3,793
Interest income	<b>(26,687)</b>	(1,912)	<b>(2,290)</b>	(4,567)
Investment written off	-	21	-	21
Loan written off	<b>109</b>	299	-	-
Receivable from subsidiary written off	-	-	<b>2,875</b>	-
Reversal of land expenses	-	34	-	-
Share of results of associated undertakings net of dividends	<b>(464,993)</b>	(227,020)	-	-
Provision for retirement benefit obligations	<b>7,310</b>	16,814	<b>(1,749)</b>	(2,837)
Fair value gain on revaluation of investment properties	<b>(1,790,335)</b>	(11,050)	-	-
Fair value adjustments on held for trading securities	<b>(13,341)</b>	-	-	-
Prepaid lease rentals	<b>(309)</b>	(290)	-	-
(Gains)/losses on exchange	<b>(20,781)</b>	(3,281)	<b>751</b>	442
Amortisation of bearer biological assets	<b>33,121</b>	32,977	-	-
(Profit)/loss on disposal of and winding up of investments	<b>(3,568)</b>	(1,473)	<b>1,000</b>	459
Profit on deemed disposal of associate	<b>(65,414)</b>	-	-	-
Profit on sale of land and buildings	<b>(29,452)</b>	(219,174)	-	-
Profit on sale of intangible assets	<b>(58)</b>	(8)	<b>(58)</b>	-
Profit on disposal of property, plant and equipment and investment properties	<b>(7,595)</b>	(7,289)	<b>(6)</b>	(219)
Profit on deemed disposal of subsidiary	<b>(900)</b>	-	-	-
Relocation costs of poultry	<b>75,505</b>	-	-	-
	<b>253,292</b>	109,778	<b>135,729</b>	118,038
Changes in working capital:				
- inventories	<b>(15,314)</b>	(36,480)	-	-
- consumable biological assets	<b>(53,093)</b>	81,880	-	-
- trade and other receivables	<b>(96,222)</b>	(68,958)	<b>(10,065)</b>	(240)
- receivable from group companies	-	-	<b>(59,952)</b>	(10,400)
- trade and other payables	<b>73,976</b>	11,750	<b>(4,418)</b>	4,278
- payable to group companies	-	-	<b>13,412</b>	1,237
- movement in non-current assets classified as held for sale	<b>5,739</b>	4,319	-	-
Cash generated from operations	<b>168,378</b>	102,289	<b>74,706</b>	112,913

#### (b) Major non-cash transactions

Non-cash transactions relate to the acquisition of property, plant and equipment under finance leases.

# Notes to the Financial Statements

Year ended June 30, 2011

## 37 NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

### (c) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Bank overdrafts	(141,896)	(589,158)	-	-
Cash at bank and in hand	483,889	153,932	139,471	25,037
Cash and cash equivalents	341,993	(435,226)	139,471	25,037

## 38 CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2011 Rs'000	2010 Rs'000	2011 Rs'000	2010 Rs'000
Authorised by the directors but not contracted for	-	18,910	-	-

## 39 SEGMENT INFORMATION

The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The group evaluates the performance on the basis of profit or loss from operations before tax expense. The group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e., at current market prices.

### THE GROUP

	Sugar and agricultural diversification MUR 000's	Commerce MUR 000's	Industry MUR 000's	Property MUR 000's	Investment MUR 000's	Corporate services MUR 000's	Total MUR000's
<b>2011</b>							
Total segment revenues	639,933	1,550,970	1,109,171	560,810	458,098	98,168	4,417,150
Inter-segment revenues	(3,076)	(40,778)	(2,588)	(222,876)	(400,694)	(90,535)	(760,547)
Revenue from external customers	636,857	1,510,192	1,106,583	337,934	57,404	7,633	3,656,603
Profit/(loss) before finance costs	(30,917)	211,513	172,010	1,817,278	89,838	(43,882)	2,215,840
Finance costs	(27,629)	(39,741)	(15,851)	(4,733)	(106,678)	(2,713)	(197,345)
Profit/(loss) before taxation	(58,546)	171,772	156,159	1,812,545	(16,840)	(46,595)	2,018,495
Taxation charge	(2,993)	(7,253)	(503)	(52,105)	(97)	(2,174)	(65,125)
Profit/(loss) for the year	(61,539)	164,519	155,656	1,760,440	(16,937)	(48,769)	1,953,370
Interest revenue	24,963	835	-	810	-	79	26,687
Interest expense	87,183	41,516	9,686	7,737	39,648	30,857	216,627
Depreciation and amortisation	50,543	45,757	14,340	32,040	-	11,009	153,689
Material items of income:							
- Profit on disposal of land and buildings	17	6,447	347	721	-	63	7,595
Additions to non-current assets	49,672	65,436	11,578	275,366	-	11,020	413,072
Segment assets	7,972,752	1,182,600	597,931	4,693,603	1,831,793	230,224	16,508,903
Investment in associates and jointly controlled entity	250,157	2,627,315	1,323,670	1,200,336	31,559	-	5,433,037
Segment liabilities	1,745,544	525,932	510,544	740,492	1,119,110	913,663	5,555,285

# Notes to the Financial Statements

Year ended June 30, 2011

## 39 SEGMENT INFORMATION (continued)

### THE GROUP

	Sugar and agricultural diversification MUR 000's	Commerce MUR 000's	Industry MUR 000's	Property MUR 000's	Investment MUR 000's	Corporate services MUR 000's	Total MUR000's
<b>2010</b>							
Total segment revenues	672,115	1,301,396	226,899	364,148	411,454	137,882	3,113,894
Inter-segment revenues	(631)	(16,247)	(891)	(46,564)	(351,073)	(126,615)	(542,021)
Revenue from external customers	671,484	1,285,149	226,008	317,584	60,381	11,267	2,571,873
Profit/(loss) before finance costs	(166,560)	173,132	164,833	192,235	14,708	6,006	384,354
Finance costs	(38,814)	(16,119)	(10,501)	(7,075)	(83,669)	(4,235)	(160,413)
Profit/(loss) before taxation	(205,374)	157,013	154,332	185,160	(68,961)	1,771	223,941
Taxation charge	(1,105)	(7,192)	(1,421)	(8,481)	(72)	(408)	(18,679)
Profit/(loss) for the year	(206,479)	149,821	152,911	176,679	(69,033)	1,363	205,262
Interest revenue	-	-	-	-	1,912	-	1,912
Interest expense	103,676	17,540	10,604	4,352	24,651	3,793	164,616
Depreciation and amortisation	113,648	41,840	13,986	7,208	-	10,312	186,994
Material items of income: - Profit on disposal of land and buildings	21,094	-	-	198,080	-	-	219,174
Additions to non-current assets	49,520	102,801	15,708	27,744	-	10,883	206,656
Segment assets	7,322,288	916,567	205,127	2,097,190	1,582,200	127,726	12,251,098
Investment in associates and jointly controlled entity	243,787	2,437,433	1,234,640	274,414	8,778	-	4,199,052
Segment liabilities	1,536,345	471,023	196,425	420,430	1,147,317	96,455	3,867,995

# Notes to the Financial Statements

Year ended June 30, 2011

## 40 RELATED PARTY TRANSACTIONS

(a) During the year, the group had the following significant transactions with related parties:

	Purchases of goods and services		Sale of goods and services		Interest expense		Interest income		Management fees		Loans receivable		Amount owed by related parties		Amount owed to related parties		Option on Land sale		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
<b>THE GROUP</b>																			
Associated companies	1,890	8,466	87,838	22,128	-	61	20,216	-	2,280	8,972	294,379	-	8,920	285,975	132	18,206	-	-	
Directors and key management personnel	-	-	-	-	-	-	-	-	-	5,463	-	-	-	-	-	-	-	70,000	25,700
<b>THE COMPANY</b>																			
Subsidiary companies	-	-	-	-	-	-	2,211	4,512	75,492	97,747	-	42,763	149,443	72,004	16,450	3,038	-	-	-
Associated companies	-	-	-	-	-	-	-	-	2,280	8,972	-	-	-	-	-	-	-	-	-
Directors and key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The sales to and purchases from related parties were made at normal market prices. Outstanding balances at the year end are unsecured, interest free (except for loans receivable) and settlement occurs in cash. No guarantees have been given or received except as disclosed in note 42.

For the year ended June 30, 2011, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2010: nil). The company has written off an amount of Rs.2.9m receivable from a subsidiary company.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2011	2010
	Rs'000	Rs'000
<b>Key management personnel compensation</b>	<b>26,682</b>	<b>25,496</b>
Salaries and short-term employee benefits	1,443	1,974
Post-employment benefits	28,125	27,470

## Notes to the Financial Statements

Year ended June 30, 2011

### 41 BUSINESS COMBINATIONS

(a) **Acquisition**

During the year, the group made the following acquisitions:-

- (1) On July 1, 2010, the group acquired a further 21 % of the share capital of Cogir Limitée for Rs. 52.8 million and obtained control of the latter. Cogir is engaged in construction and was previously an associate of the group.
- (2) On June 30, 2011, the group acquired 100% of the share capital of Charabia Ltd, a company providing interior decorating services for Rs.20 million.
- (3) On December 31, 2010, the group acquired 100% of the share capital of Enstyle Ltd, a company providing management services for IRS and its subsidiary, Robin's Nest interiors (Mauritius) Limited, for Rs. 0.9 million.

The goodwill of Rs.137 million arising from the acquisition is attributable to acquired customer base and economies of scale and synergies expected from combining the operations of the group and the above acquired companies.

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for the acquisition of Cogir Limitée, Charabia Ltd and Enstyle Limited and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest.

<b>Consideration</b>	<b>2011 Rs'000</b>
Cash	20,877
Transfer from deposit	52,892
Fair value of equity interest held before the business combinations	70,877
<b>Total consideration</b>	<b>144,646</b>
<b>Acquisition-related costs</b>	<b>-</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	47,943
Property, plant and equipment	103,120
Intangible assets	341
Investment in associates	8,631
Investment in financial assets	19,416
Deferred tax assets	-
Inventories	44,131
Trade and other receivables	158,791
Trade and other payables	(221,906)
Borrowings	(86,229)
Retirement benefit obligations	(16,343)
Taxation	(1,060)
Dividend	(15,000)
Deferred tax liabilities	(1,167)
<b>Total identifiable net assets</b>	<b>40,668</b>
<b>Non-controlling interests</b>	<b>(33,343)</b>
<b>Goodwill</b>	<b>137,321</b>
	<b>144,646</b>

# Notes to the Financial Statements

Year ended June 30, 2011

## 41 BUSINESS COMBINATIONS (continued)

Net cash outflow on acquisition of subsidiaries	Rs'000
Consideration paid in cash	20,877
Cash and cash equivalents acquired	(36,500)
	<hr/>
	(15,623)

In 2011, the business acquired contributed revenues of Rs.899 million and net profit of Rs.18 million to the group.

If the acquisition had occurred on 1 July 2010, the group's revenues and profits for the year would have been Rs. 110 million and Rs.8 million higher respectively.

## 42 EVENTS AFTER REPORTING PERIOD

At a board meeting on May 12, 2011, it was resolved that one of the subsidiaries of the group will purchase 100% of L'Epongerie Limitée. The purchase was effected on 1st July 2011.

At a board meeting held on August 22, 2011, it was resolved that one of the subsidiaries of the group purchases 5.2% of Rogers & Co Ltd for a consideration of Rs. 367 million.

## 43 CONTINGENT LIABILITIES

The holding company has provided a sponsor support agreement to make good the funding shortfall on an IRS project with a maximum exposure of Rs 45 million.

A financial guarantee of Rs. 15 million to a banking institution was given by a subsidiary company in respect of additional finance contracted by another subsidiary.

One of the group's subsidiaries has provided a guarantee support to the main lender of a jointly-controlled entity building a commercial centre to cover eventual cost overruns and delays in construction works.

The same subsidiary is being sued by one of its former employee for Rs 100 million on the grounds of having provided unsafe working conditions.

One of the subsidiaries of the group is being sued by its former general manager for Rs 10.2 million on grounds of unfair dismissal.

A subsidiary is being sued by a client for breach of contract in respect of works carried out being faulty.

## Notes to the Financial Statements

Year ended June 30, 2011

### 44 FINANCIAL SUMMARY

#### (a) THE GROUP

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
<b>Statements of comprehensive income</b>					
Turnover	3,656,603	2,571,873	2,512,366	2,496,529	2,450,527
Share of profit of associates and jointly controlled entity	527,667	290,909	515,939	371,450	110,961
Profit before taxation	2,018,495	223,941	1,124,355	186,411	147,319
Taxation charge	(65,125)	(18,679)	(14,550)	(13,921)	(23,710)
Profit for the year	1,953,370	205,262	1,109,805	172,490	123,609
Other comprehensive income for the year	1,684,940	451,375	2,984,450	1,135,359	1,016,280
Total comprehensive income for the year	3,638,310	656,637	4,094,255	1,307,849	1,139,889
<b>Profit attributable to:</b>					
Owners of the parent	1,233,896	135,816	849,268	71,011	46,579
Non-controlling interests	719,474	69,446	260,537	101,479	77,030
	1,953,370	205,262	1,109,805	172,490	123,609
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	2,321,148	433,481	2,580,237	914,003	757,080
Non-controlling interests	1,317,162	223,156	1,514,018	393,846	382,809
	3,638,310	656,637	4,094,255	1,307,849	1,139,889
Rate of dividends	60.00	60.00	40.00	29.94	30.00
Earnings per share	Rs. 865.53	95.27	595.73	49.81	32.83
<b>Statements of financial position</b>					
<b>ASSETS</b>					
Non-current assets	19,514,156	15,054,662	13,938,422	10,561,896	9,174,053
Current assets	2,280,787	1,379,210	1,243,235	1,232,600	1,249,439
Non current assets classified as held for sale	146,997	16,278	60,864	-	-
<b>Total assets</b>	<b>21,941,940</b>	<b>16,450,150</b>	<b>15,242,521</b>	<b>11,794,496</b>	<b>10,423,492</b>
<b>EQUITY AND LIABILITIES</b>					
Capital and reserves	10,276,134	8,019,202	7,633,398	5,111,550	4,264,105
Non-controlling interests	6,115,712	4,562,953	4,404,234	2,746,330	2,347,600
Total equity	16,391,846	12,582,155	12,037,632	7,857,880	6,611,705
<b>LIABILITIES</b>					
Non-current liabilities	3,249,909	1,543,070	1,413,873	1,671,441	1,835,877
Current liabilities	2,300,185	2,324,925	1,791,016	2,265,175	1,975,910
<b>Total equity and liabilities</b>	<b>21,941,940</b>	<b>16,450,150</b>	<b>15,242,521</b>	<b>11,794,496</b>	<b>10,423,492</b>

## Notes to the Financial Statements

Year ended June 30, 2011

### 44 FINANCIAL SUMMARY (continued)

#### (b) THE COMPANY

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
<b>Statements of comprehensive income</b>					
Turnover	249,964	239,011	199,023	188,328	182,861
Profit before taxation	93,338	110,601	869,179	19,168	72,824
Taxation charge	(2,173)	(406)	(36)	(637)	(3,533)
Profit for the year	91,165	110,195	869,143	18,531	69,291
Other comprehensive income					
for the year	1,203,784	76,208	2,252,701	2,546,724	2,288,335
Total comprehensive income for the year	1,294,949	186,403	3,121,844	2,565,255	2,357,626
Rate of dividends	60.00	60.00	40.00	29.94	30.00
Earnings per share	Rs. 63.95	77.30	609.67	13.00	48.60

	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
<b>Statements of financial position</b>					
<b>ASSETS</b>					
Non-current assets	10,441,327	10,223,726	10,134,214	7,600,064	5,036,619
Current assets	303,842	163,175	133,774	197,136	114,708
Non current assets classified as held for sale	1,654,026	-	-	-	-
<b>Total assets</b>	<b>12,399,195</b>	10,386,901	10,267,988	7,797,200	5,151,327
<b>EQUITY AND LIABILITIES</b>					
Capital and reserves	11,469,247	10,288,346	10,187,479	7,122,659	4,623,960
<b>LIABILITIES</b>					
Non-current liabilities	860,896	29,760	40,140	314,698	324,299
Current liabilities	69,052	68,795	40,369	359,843	203,068
<b>Total equity and liabilities</b>	<b>12,399,195</b>	10,386,901	10,267,988	7,797,200	5,151,327

# Proxy Form

ENL Limited

I/We

[Redacted]

of

[Redacted]

being a member/s of **ENL Limited**, do hereby appoint

[Redacted]

of

[Redacted]

as my/our proxy or failing him/her

[Redacted]

of

[Redacted]

to vote for me/us on my/our behalf at the Annual Meeting of the Company to be held at 1400 hours on **December 7, 2011** and at any adjournment thereof. The proxy will vote on the under-mentioned resolutions, as indicated:

## Resolutions

(Please indicate with an X in the spaces below how you wish your votes to be cast)

		For	Against	Abstain
3	"Resolved that the audited financial statements of the Company for the year ended June 30, 2011 be hereby approved."			
4	"Resolved that Mr Edouard Espitalier-Noël be hereby elected/re-elected as director of the Company."			
5	"Resolved that Mr Eric Espitalier-Noël be hereby elected/re-elected as director of the Company."			
6	"Resolved that Mr Gilbert Espitalier-Noël be hereby elected/re-elected as director of the Company."			
7	"Resolved that Mr Philippe Espitalier-Noël be hereby elected/re-elected as director of the Company."			
8	"Resolved that Mr Christian Espitalier-Noël be hereby elected as director of the Company."			
9	"Resolved that Mr André Espitalier-Noël be hereby elected as director of the Company."			
10	"Resolved that BDO & Co. be appointed as auditors until the conclusion of the next Annual Meeting of the Company and that the Board be authorised to fix their remuneration."			

Signed this [Redacted] day of [Redacted] 2011

Signature [Redacted]

## Notes

- 1 A member may appoint a proxy of his own choice. Insert the name of the person appointed proxy in the space provided.
- 2 If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- 3 In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
- 4 If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
- 5 To be valid, this form must be completed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, Mauritius, not less than 24 hours before the time fixed for holding the meeting or adjourned meeting.









ENL Limited

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