

COMPAGNIE IMMOBILIERE LIMITEE

ANNUAL REPORT 2018



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NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of **Compagnie Immobilière Limitée** ("the Company") will be held at the Boardroom of Le Nénuphar, 1st Floor, Arcades Currimjee, 256, Royal Road, Curepipe on the **26th of June 2019 at 14.00 hours** to transact the following business:

1. To adopt the Minutes of the Annual Meeting of Shareholders held on 29th June 2018 as true proceedings of the meeting.
ORDINARY RESOLUTION I
"RESOLVED that the Minutes of the Annual Meeting of Shareholders held on 29th June 2018 be adopted as true proceedings of the meeting."
2. To consider the Annual Report for the year ended 31st December 2018.
3. To receive the Auditors' Report for the year ended 31st December 2018.
4. To consider and adopt the Audited Financial Statements for the year ended 31st December 2018.
ORDINARY RESOLUTION II
"RESOLVED that the Audited Financial Statements for the year ended 31st December 2018 be adopted."
5. To re-appoint Mr Bashirali A Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders, in accordance with Section 138(6) of the Companies Act 2001.
ORDINARY RESOLUTION III
"RESOLVED that Mr Bashirali A Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
6. To re-appoint Mr Carrim A Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders, in accordance with Section 138(6) of the Companies Act 2001.
ORDINARY RESOLUTION IV
"RESOLVED that Mr Carrim A Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
7. To re-appoint Mr Mazahir F E Adamjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders, in accordance with Section 138(6) of the Companies Act 2001.
ORDINARY RESOLUTION V
"RESOLVED that Mr Mazahir F E Adamjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
8. To re-appoint Mr Yusuf Hassam Aboo Baker as Director of the Company, to hold office until the next Annual Meeting of Shareholders, in accordance with Section 138(6) of the Companies Act 2001.
ORDINARY RESOLUTION VI
"RESOLVED that Mr Yusuf Hassam Aboo Baker be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
9. To re-appoint Mr Anil C Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.
ORDINARY RESOLUTION VII
"RESOLVED that Mr Anil C Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
10. To re-appoint Mr Ashraf M Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.
ORDINARY RESOLUTION VIII
"RESOLVED that Mr Ashraf M Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
11. To re-appoint Mr Raffi Currimjee as Director of the Company, to hold office until the next Annual Meeting of Shareholders.
ORDINARY RESOLUTION IX
"RESOLVED that Mr Raffi Currimjee be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
12. To re-appoint Mr Anwar Moollan as Director of the Company, to hold office until the next Annual Meeting of Shareholders.
ORDINARY RESOLUTION X
"RESOLVED that Mr Anwar Moollan be hereby re-appointed as Director of the Company, to hold office until the next Annual Meeting of Shareholders."
13. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the year ending 31st December 2019 and to authorise the Board of Directors to fix their remuneration.
ORDINARY RESOLUTION XI
"RESOLVED that Messrs PricewaterhouseCoopers be re-appointed as Auditors of the Company for the year ending 31st December 2019 and the Board of Directors be authorised to fix their remuneration."

By Order of the Board
07 June 2019



Currimjee Secretaries Limited
Per Ramanuj Nathoo
(Secretary)

Notes:

- a. A member entitled to attend and vote at this Annual Meeting may appoint a proxy, whether member or not, to attend and vote on his or her behalf. A proxy needs not be a member of the Company.
- b. The proxy forms, duly signed, to be effective, must be deposited at the Registered Office of the Company - Attention: the Secretary, at 38 Royal Street, Port Louis, not less than 24 hours before the Annual Meeting of Shareholders.
- c. 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 07 June 2019.
- d. The Minutes of the Annual Meeting of Shareholders held on 29 June 2018 are available for consultation by the Shareholders during office hours, at the Registered Office of the Company.

This Communiqué is issued pursuant to Rule 14 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of **Compagnie Immobilière Limitée** ('the Company') for the year ended 31 December 2018. This report was approved by the Board of Directors on 22nd March 2019.

On behalf of the Board of Directors, we invite you to join us at the Annual Meeting of the Company to be held on **26th June 2019 at 14:00 hours** at the Boardroom of Le Nénuphar situated on 1st Floor, Arcades Currimjee, 256, Royal Road, Curepipe.

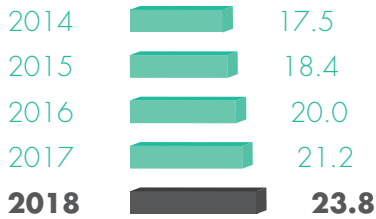
Sincerely,

Bashirali A Currimjee, G.O.S.K

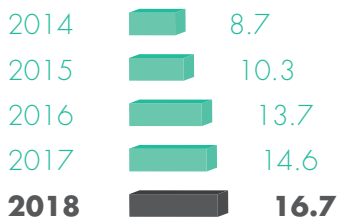
Chairman



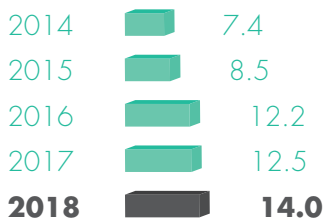
REVENUE - RS M



OPERATING PROFIT - RS M



NET PROFIT AFTER TAX - RS M



INVESTMENT PROPERTY VALUE - RS M



2014		289.9
2015		294.2
2016		299.4
2017		307.7
2018		309.1

SHARE PRICE - RS



2014		423.0
2015		423.0
2016		444.0
2017		549.0
2018		657.0

DIVIDEND YIELD - %



2014		4.5
2015		4.7
2016		4.7
2017		4.2
2018		4.6

OUR CAPITAL TO CREATE VALUE



Financial Capital – How balance sheet is managed and responding to business environment



Intellectual Capital
Experience, expertise and the brand



Relationship Capital
Relationship with stakeholders, tenants, partners and community at large



Manufactured Capital –
Arcades Currimjee developed as office and retail destinations



Social and Natural Capital
CSR contribution and investment in environmental projects

VALUE CREATION

Through a constant analysis of the market, business environments and customer needs, we work towards satisfying the needs and requirements of all the stakeholders around us.

We strive to provide a good experience to our customers and tenants and bring added value to the population living and/ or working in the town in which our property sits.

Achieving a healthy yield in a sustainable manner and providing a nice, safe and secure environment to our customers are one of our principal objectives.

OUTPUT AND OUTCOMES

Financial Capital

Dividend Yield – **4.6 %**
Gearing – **Nil**;
Net Profit After Tax – Rs **14m**

Intellectual Capital

Tenant Mix; **Food outlets 17%, Services 19%** and **Retail 65%**
Brand – **Distinctive brand identity (Arcades Currimjee)**

Relationship Capital

- Positive and constructive relationship with stakeholders
- Loyal tenants

Manufactured Capital

Net Leasable Area; **54,699 ft²**
Net Operating Income; **Rs 16.7m**
Investment Property Value: **Rs 309.1m**
Gross Yield; **7.7%**
Vacancy; **13%**

Social and Natural Capital

CSR contribution; **Rs 0.2m**
Environmental & Sustainability;

Facilitate the Recycling of supposed cooking oil of food outlets in Arcades Currimjee.
Photovoltaic set up to supply 50% of electricity consumption in common areas of the commercial precinct. It is planned to update the current system so as to supply 100% of the common areas.
Rain water harvesting – The Company is planning to increase the storage capacity to 13,500 litres.
100% LED light in the common areas.
Favour relationship with environmentally responsible suppliers and Green liers.



Dear Shareholder,

I am pleased to present to you the Annual Report of Compagnie Immobilière Limitée ("the Company" or "CIL") for the year 2018.

Arcades Currimjee, owned by CIL, is a landmark and historical building situated in the centre of Curepipe. It is a mixed-use destination with retail shops, restaurants, and offices. Since the launch of the food precinct in 2014, it has established itself as a preferred destination in Curepipe, given its strategic position and developments that are taking place in the immediate surroundings.

With continuous refurbishment of the existing areas and new offerings, Arcades Currimjee has strengthened its attraction as a favourite destination.

OVERVIEW OF THE BUSINESS ENVIRONMENT

The pace of economic growth in Mauritius was moderate in 2018, with the economy growing

by 3.8%, the same rate as in year 2017. This was mainly driven by the Financial and Insurance Services, Construction and Wholesale and Retail sectors.

The Consumer Price Index, stood at 102.8 in December 2018 (2017: 114.0). Consumption expenditure grew by 3.4% (2017: 2.7%). Inflation rate was at 3.2% (2017: 3.7%) and the unemployment rate at 6.9% (2017: 7.1%). All these factors contributed to the increased activity at Arcades Currimjee.

Investment grew by 6.6% (2017: 4.6%), as a result of a higher growth in public sector investment, whilst private sector investment grew by 3.1% in 2018.

The competitive landscape together with changing customer behaviours have led us to continually reviewing our product offerings and product mix for the benefit of our stakeholders. This has been successfully achieved in 2018 and the demand for space is strong at Arcades Currimjee.

OUR FINANCIAL PERFORMANCE

The dynamic business strategy adopted and investments made over the last few years together with cost control measures have contributed towards improving the performance of the Company. The revenue in 2018 reached Rs 23.8M, up by 12.1% on previous year.

The Company recorded a profit after tax of Rs 14M in 2018 as compared to Rs 12.5M, last year, representing an increase of 12%. The profit after tax was inclusive of a fair value gain of Rs 1.3M (2017: Rs 2.4M).

DIVIDEND

The Company declared and paid a dividend of Rs 30 per share in 2018 (Year 2017 – Rs 23 per share).

GOVERNANCE AND BOARD MATTERS

At CIL, we strongly believe that a robust governance framework contributes towards improving the efficiency of the Board, enhancing business performance, sustaining growth, maximizing returns to Shareholders and protecting their long term interests. We strive to ensure that the highest standards of corporate governance are upheld at all levels within the organisation and embedded in our culture.

I am delighted to report that the Company has applied all the principles of the National Code of Corporate Governance of Mauritius (2016) ("the Code") and has complied with the material aspects of the Code. The Corporate Governance Report that follows sets out how CIL is applying the Code's principles.

SUSTAINABILITY INITIATIVES

CIL has been awarded SEM Sustainability Index since 2015. It is also a member of the Green Building Council Mauritius since 2016.

The Company maximises the use of natural light and ventilation in the design and renovation of its various components. Since September 2016, Arcades Currimjee is lit with 100% LED lights. Currently nearly 50% of the electrical energy utilised in the common areas on the ground floor of the Arcades is produced through photovoltaic energy. Further investments have been initiated with a view to supplying 100% of common areas energy needs through solar energy.

Moreover, rainwater harvesting is being used for housekeeping purposes since 2015. The total rainwater harvesting capacity of 11,000 litres in

2018 is planned to be increased to 13,500 litres in 2019.

Segregation and safe disposal of waste is an equally important sustainability endeavour of the Company. In 2018, a new initiative was launched for the recuperation and recycling of used kitchen oil from Food outlets in the Arcades.

THE WAY FORWARD

The focus for this year would be to improve the revenue of the Company, working on bringing efficiencies at all levels, enhancing our relationship with the existing tenants, and also considering potential revenue streams hence improving yield.

ACKNOWLEDGEMENTS

I take this opportunity to thank my fellow Directors and Board Committee Members for their unflinching support, guidance and advice during the year.

I further extend my appreciation to our Management team for their continued hard work and dedication to the Company and our valued stakeholders and shareholders for their continuous support.



Bashirali A Currimjee G.O.S.K

Chairman

22 March 2019



WHO WE ARE

Compagnie Immobilière Limitée is a Development and Enterprise Market (DEM) listed company which has also been awarded the SEMSI award on the Stock Exchange of Mauritius with respect to Arcades Currimjee. The Company owns Arcades Currimjee in Curepipe and part of an undeveloped portion of land situated in Rose Hill. Arcades Currimjee is a landmark and historical building situated in the centre of Curepipe. It is a mixed-use destination with restaurants, retails, services and offices.



Directors of the Company

Chairman & Non-Executive Director

Mr. Bashirali A Currimjee, G.O.S.K.

Non-Executive Directors

Mr. Carrim A Currimjee, G.O.S.K.

Mr. Anil C Currimjee

Mr. Ashraf M Currimjee

Mr. Mazahir F E Adamjee

Mr. Raffi Currimjee

Mr. Anwar Moollan, SC

Mr. Yusuf Hassam Aboo Baker, SC

Secretary

Currimjee Secretaries Limited

Registered Office

38, Royal Street

Port Louis

Principle Place of Business

Les Arcades Currimjee, 256 Royal Road

Curepipe

External Auditor

PricewaterhouseCoopers

PwC Centre,

Avenue de Telfair,

Telfair 80829,

Moka

Bankers

The Mauritius Commercial Bank Ltd

SBI (Mauritius) Ltd

Dear Shareholders

The Board of Directors is pleased to present the Annual Report of **COMPAGNIE IMMOBILIERE LIMITEE** ("the Company") for the year ended 31 December 2018.

Legal Form and Principal Activity

The Company was incorporated on 06 December 1950 as a public company and was listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM) on 04 August 2006. Its principal activity consists of rental of property and has remained unchanged during the year.

Results

The Company recorded an increase in revenue from Rs 21.2m to Rs 23.8m for the year ended 31 December 2018 compared to year 2017. This is mainly due to annual increase in rental rates and lease renewals at higher rates.

The increase in revenue has contributed to an increase in profit after tax from Rs 12.5m to Rs 14.0m for the year ended 31 December 2018. The Company recorded a fair value gain of Rs 1.3m (Year 2017 - Rs 2.4m) on revaluation of investment properties.

The basic and diluted earnings per share of the Company increased from Rs 46.85 to Rs 52.59.

The Company declared a dividend of Rs 30 per share in 2018 (Year 2017 – Rs 23 per share) representing a dividend yield of 4.6% (Year 2017 – 4.2%).

Statement of Directors' responsibilities in respect of the 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 flows of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 financial statements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

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

Auditor

The auditor, PricewaterhouseCoopers has expressed its willingness to continue in office and a resolution for its re-appointment will be considered at the Annual Meeting.

The fees paid to the Auditor were as follows:

	2018 Rs	2017 Rs
Audit fees	242,000	230,000
Tax fees	45,502	35,450
	287,502	265,450

The tax fees represent professional fees paid to PricewaterhouseCoopers in relation to tax compliance services. The tax department consists of a separate team, which is independent of the audit team. There was thus no conflict with the audit work being provided.

Acknowledgements

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their work done and commitment to the Company.

Signed on behalf of the Board of Directors on 22 March 2019.



Mazahir F E Adamjee
Director



Anil C Currimjee
Director



Introduction

The Board of Directors affirms that the Company is a Public Interest Entity (“PIE”) as defined by the Financial Reporting Act 2004. The Board has followed the guidance notes of the National Code of Corporate Governance of Mauritius 2016 (“the Code”) and strives to be as transparent and complete as possible in its disclosures and reporting requirements. This report outlines the Company’s governance framework under the Code and provides explanations for any deviation from its recommendations.

The Company does not have a Website. The Board believes that sufficient information is available to shareholders and stakeholders through (i) publication of the quarterly Abridged Financial Statements on the DEM and in the Newspapers, and (ii) the Annual Report & Financial Statements filed at the Registrar of Companies, which is in the public domain.

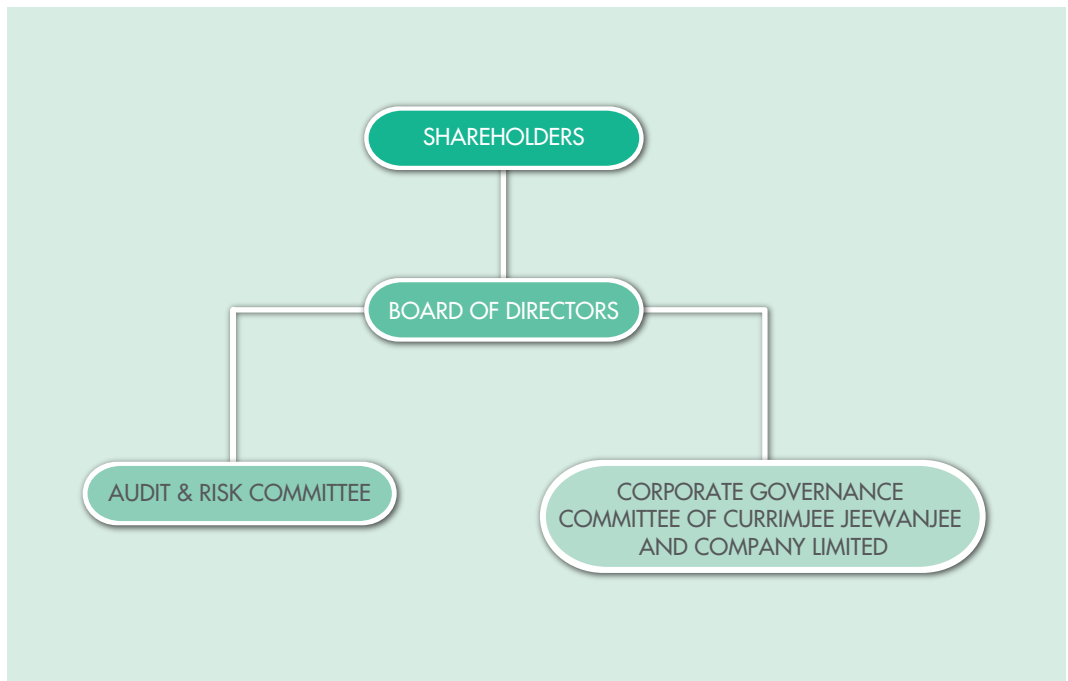
Principle 1 – Governance Structure

The Board

Statement of Accountabilities

The Board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. It is accountable for the performance and affairs of the Company and for achieving growth in a sustainable manner. The Board is also responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of Shareholders.

The Board operates within a defined governance framework, through effective delegation to established Board Committees, having formal Terms of Reference, as set out in the chart below. This enables the Board to discharge its duties more effectively.



The Terms of Reference of the Audit & Risk Committee provides for a review thereof of an annual basis.

The Board has not yet adopted a Board Charter. The Board is of the view that its contents are found in the Constitution and the prevailing legislation, rules and regulations. However, the Company shall in due course endeavour towards adopting a Board Charter.

The Company has a Code of Conduct, which ensures that the Directors and the Officers of the Company are clear on the ethical, behavioural and professional standards that are expected from them to adhere to.

Key Senior Governance Positions and responsibilities

The Board of Directors operates under the Chairmanship of Mr Bashirali A Currimjee. Although the Company has not appointed a Managing Director, a clear reporting structure has been put in place to effectively manage the day-to-day affairs of the Company. The Company also has a Management Agreement with Currimjee Property Management and Development Limited ("CPMD") which manages the Company's properties and its operations. CPMD is a subsidiary company of Currimjee Jeewanjee and Company Limited ("CJ&CO Ltd"). The Property Manager of CPMD, Mr Gilbert Sunglee, reports to the Managing Director of CJ &CO Ltd and to the Board of the Company.

Company Secretary

The Company Secretary is Currimjee Secretaries Limited, represented by Mr. Ramanuj Nathoo.

Mr Nathoo is a fellow Member of the Institute of Chartered Secretaries and Administrators, UK ('ICSA') and also holds a MBA from the University of Leicester. He is a Fellow Member of the Mauritius Institute of Directors and the ICSA Mauritius Branch.

The Board has approved the Position Statements of the Chairman and Company Secretary.

Profile of Directors

The profile of Directors is set out as below. The Board has decided to only disclose directorships in listed companies. Details of their other directorships are available at the Company's registry.

Mr Bashirali A Currimjee, G.O.S.K – Mauritian Citizen and Resident - Chairman

Qualifications:

- B.A. Arts, Major in Economics and Government, Tufts University, USA.
- OPM, Harvard Business School, USA.

Experience:

- Former President of Mauritius Chamber of Commerce and Industry, Association of Mauritian Manufacturers and Joint Economic Council (now Business Mauritius).
- Former Director of Bank of Mauritius and SBM Bank (Mauritius) Ltd.
- Held key executive positions within the Currimjee Group.
- Honorary Consul General for the Republic of Turkey in Mauritius from 1985 to 2016.
- Currently Chairman of numerous companies within the Currimjee Group and Managing Director of Emtel Ltd

Directorship in listed companies: Chairman of Margarine Industries Limited, Quality Beverages Limited and Soap & Allied Industries Limited.

Profile of Directors (Continued)

Mr Carrim A Currimjee, G.O.S.K - Mauritian Citizen and Resident -Non-Executive Director

Qualifications:

- B.Sc. Economics 1956, London School of Economics and Political Sciences, London, UK.

Experience:

- Former President of Mauritius Chamber of Commerce and Industry.
- Former Director of The Mauritius Commercial Bank Ltd.
- Held key executive positions in Currimjee Group Companies since 1956.
- Former Chairman of CJ & CO Ltd from 1977 to 1998 and of other Companies within the Currimjee Group.
- Non-Executive Director of some companies within the Currimjee Group.

Directorship in listed companies: None

Mr Anil C Currimjee – Mauritian Citizen and Resident - Managing Director

Qualifications:

- B.A. Liberal Arts, Williams College, Massachusetts, USA.
- MBA, London Business School, UK.

Experience:

- Former President of the Mauritius Chamber of Commerce & Industry.
- Former Director of The Mauritius Commercial Bank Ltd.
- Honorary Consul General of Japan in Mauritius from 2004 to 2016.
- Chairman of Joint Business Council Mauritius-India.
- Managing Director of CJ&CO Ltd and Director of numerous companies within the Currimjee Group.

Directorship in listed companies: Margarine Industries Limited, Quality Beverages Limited and Sanlam Africa Core Real Estate Investments Limited.

Mr. Ashraf M Currimjee – Mauritian Citizen and Resident - Non-Executive Director

Qualifications: B.A. Economics, Williams College, Massachusetts, USA.

Experience:

- Managing Director of Soap & Allied Industries Limited, a company listed on the Stock Exchange of Mauritius.
- Director of a number of companies within the Currimjee Group.

Directorship in listed companies: Margarine Industries Limited, Mauritius Oil Refineries Limited and Quality Beverages Limited.

Profile of Directors (Continued)

Mr Mazahir F E Adamjee – Mauritian Citizen and Resident - Non-Executive Director

Committee Membership: Chairman of Audit & Risk Committee

Qualifications: Fellow Member of the Institute of Chartered Accountants in England and Wales.

Experience:

- Former Chairman of Mauritius Export Processing Zone Association.
- Former Director of Bramer Banking Corporation Ltd.
- Former Deputy Managing Director of the Company.
- Former Managing Director of Bonair Group of companies.
- Former Managing Director of Quality Beverages Limited, a company listed on the Stock Exchange of Mauritius Ltd.
- Held key executive positions within the Currimjee Group.
- Non-Executive Director in numerous companies within the Currimjee Group.

Directorship in listed companies: Margarine Industries Limited, National Investment Trust Ltd, Quality Beverages Limited and Soap & Allied Industries Limited

Mr. Raffi Currimjee – Mauritian Citizen and Resident - Non-Executive Director

Committee Membership: Audit & Risk Committee

Qualifications: BSE Mechanical Engineering and Applied Mechanics, University of Pennsylvania, USA

Experience:

- Has held key executive positions in the Food and Beverages Cluster of the Currimjee Group for the last 20 years.
- Managing Director of Margarine Industries Limited, a company listed on the Stock Exchange of Mauritius

Directorship in listed companies: Quality Beverages Limited and Soap & Allied Industries Limited.

Mr. Anwar Moollan, SC – Mauritian Citizen and Resident - Non-Executive Director

Qualifications:

- MSc Mechanical Engineering, Ecole Centrale de Nantes, France
- BA (Hons) Law, Cambridge, England
- Called to the Bar in Mauritius in 1996
- Recipient of the Sir Raymond Hein QC Award, Bar Examinations, Mauritius

Experience: Practising Barrister at the Chambers of Sir Hamid Moollan QC - Senior Counsel

Directorship in listed companies: Harel Mallac & Co Ltd

Profile of Directors (Continued)

Mr Yusuf Hassam Aboo Baker, SC - Mauritian Citizen and Resident - Non Executive Director

Qualifications:

- BA (Hons) Economics, Delhi University, India
- Called to the Bar in England in 1971 and Mauritius in 1972
- Elevated to the rank of Senior Counsel in 2003

Experience:

- Specialization in civil and commercial matters, appearing in all the courts of justice in Mauritius.
- Former Chairman of the Bar Council of Mauritius
- Former Member of the Law Reform Commission, the National Economic and Social Council and the Compliance and Enforcement sub-committee of the National Corporate Governance Committee.
- Chairman of Electoral Supervisory Commission and Electoral Boundaries Commission.

Directorship in listed companies: None

Profile of Property Manager

Mr. Gilbert Sunglee

Qualifications:

- Diploma Chemical Sugar Technology, University of Mauritius, Mauritius.
- B-Tech (Hons) Sugar Engineering, University of Mauritius, Mauritius.
- Property Development Programme, Graduate School of Business, University of Cape Town, South Africa.

Experience:

- Former Shift Engineer at Mon Desert Alma Milling Co. Ltd.
- Former Design and Process Engineer and Production Manager at Mon Desert Alma Milling Co. Ltd.
- Former Technical Manager at Fishmeal Producers Ltd (Ireland Blyth Ltd).
- Former Factory Manager at Marine Biotechnology Products Ltd (Ireland Blyth Ltd).
- Former Business Development Engineer at Currimjee Property Management and Development Ltd.
- Former Centre Manager at Phoenix Les Halles.
- Property Manager, Currimjee Property Management and Development Limited since 2011.

Principle 2 – The Structure of the Board and its Committees

The Company is directed by a unitary Board of eight Non-Executive Directors, including the Chairman.

The Non-Executive Directors come from diverse backgrounds and provide objective oversight to constructively challenge Management and contribute to effective decision-making at the Board.

The Board is in the process of reviewing its composition.

Where necessary in the discharge of their duties, Directors have the right to seek independent professional advice at the expense of the Company. They also have access to the records of the Company.

Principle 2 – The Structure of the Board and its Committees (Continued)

The Board has considered / approved, amongst other items, the following key matters:

Financial Matters

- Approval of the Annual Report for the year ended 31 December 2017.
- Quarterly review of the performance of the Company against budget, including operational and financial highlights.
- Approval of the annual operating plan for year 2019 and 3-Year Plan for the Company.
- Declaration and payment of final dividend for the year ended 31 December 2018.

Governance

- Monitoring of implementation plan for the Code.
- Receive Reports from Chairman of Board Committees.
- Approval of Corporate Governance Report for the financial year 2017.
- Approval of the process for evaluation of the Board.

Audit and Risk Committee

The Audit and Risk Committee is chaired by Mr Mazahir F E Adamjee. The other Members are Messrs. Raffi Currimjee and Reshan Rambocus. The latter has been nominated as co-opted member to the Committee. The following officers of CJ&CO Ltd, the holding company also attend Committee meetings: Mr M Iqbal Oozeer, Chief Finance Officer, Mr Ismael Soodeen, Chief Risk Officer and Mr Sattar Carrim, Chief Internal Auditor.

The Chairman of the Committee is not an Independent Director. Although he is a non-Executive Director, the Board is of the view that Mr Adamjee is duly qualified to act as Chairman of the Audit and Risk Committee.

The Audit and Risk Committee is responsible, *inter-alia*, for the following:

- Monitoring the integrity of the financial statements and annual report and review significant financial reporting issues and judgements therein;
- Reviewing the Company's internal controls related to financial reporting and disclosure controls and procedures and monitoring the effectiveness of the internal audit function;
- Reviewing the internal audit recommendations and monitoring their implementation;
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the External Auditor;
- Agreeing with the External Auditor on the terms of their engagement, the scope of the audit and their fees (whether for audit or non-audit services);
- Assessing annually the independence and objectivity of the External Auditor, their expertise and resources and the effectiveness of the audit process;
- Focusing the risk areas of the Company's operations to be covered in the scope of the internal and external audits;
- Monitoring of the "Related Party Transaction Policy" as established by the Board.

Corporate Governance Committee

The Corporate Governance functions have been assigned by the Board of the Company to the Corporate Governance Committee set up at the level of CJ&CO Ltd, the holding company. This Corporate Governance Committee is chaired by Mr Mazahir F E Adamjee and the other Members are Messrs Bashirali A Currimjee, Ashraf M Currimjee, Azim F Currimjee, Geerja S Ramdaursingh and Mrs Aisha Timol.

The Committee is responsible, *inter-alia*, for the following:

- Recommending the Board on the Corporate Governance provisions to be adopted so that the Board remains effective and complies with prevailing Corporate Governance principles;
- Ensuring that the reporting requirements and disclosures made, with regard to Corporate Governance, whether in the Annual Report or on an ongoing basis, are in accordance with the principles of the Code;
- Determining, agreeing and developing the Company's general policy on Corporate Governance in accordance with the Code;
- Reviewing the Company's Corporate Governance Policy and any other issues related to Corporate Governance and making requisite recommendations to the Board for consideration and approval.

Attendance at Board Meetings and Board Committees

The table below gives the records of attendance at the Board and Committee meetings for the year under review:

	Board Meeting	Audit & Risk Committee
Directors		
Number of meetings during Year 2018	5	4
Mr. Bashirali A Currimjee	-	N/A
Mr. Carrim A Currimjee	5	N/A
Mr. Anil C Currimjee	5	N/A
Mr. Ashraf M Currimjee	1	N/A
Mr. Mazahir F E Adamjee	5	4
Mr. Raffi Currimjee	4	4
Mr. Anwar Moollan	3	N/A
Mr. Yusuf Hassam Aboo Baker	-	N/A
Co-opted Member at Committee Meeting		
Mr. Reshan Rambocus	N/A	3

Principle 3 – Director Appointment Procedures

Appointment and re-election

The Nomination and Remuneration Committee is set up at the level of Currimjee Limited. Currimjee Limited acts as a Supervisory Board and oversees the businesses forming part of the Currimjee group through a defined governance framework.

The Nomination and Remuneration Committee is responsible *inter-alia* for making recommendations to the Board on the appointment of new Directors, taking into consideration the Board's needs in terms of skills, experience, diversity and size.

Appointments of new Directors are made in a formal and transparent manner and is matter for the entire Board, based on the recommendations by the Nomination and Remuneration Committee. As provided in the Constitution of the Company, each Director is eligible for re-election at the Annual Meeting.

Induction and orientation

No Director has been appointed during the year under review. Newly appointed Directors undergo a formal induction programme, facilitated by the Company Secretary, including meetings and business presentation sessions with Key Executives. Newly appointed Directors also receive a comprehensive induction pack outlining the Company's purpose, mission and values, the Board governance structure and key governance policies.

Professional Development & Succession Planning

Following the introduction of the Code, the Directors have been updated on its requirements and implications for the Company. Audit & Risk Committee members are also regularly updated on changes in accounting standards.

The Board assumes the responsibilities for succession planning of Directors and affirms that a succession plan will be developed as when and required.

Principle 4 - Director Duties, Remuneration and Performance

All Directors are fully apprised of their fiduciary duties as laid out in the Companies Act.

The Board has approved a "Related Party Transaction Policy", to ensure due and timely identification, approval process, disclosure and reporting of transactions between the Company and any of its Related Parties. It also ensures transparency in the Conduct of Related Party Transaction(s) in the best interest of the Company and the Shareholders. The Audit & Risk Committee has been assigned responsibility to monitor and report related party transactions to the Board. The Board ensures that all related party transactions are carried out at arm's length.

The Company Secretary also maintains an interest register, which is available to Shareholders upon written request to the Company Secretary.

Information

The Chairman, with the assistance of the Management Team of CPMD, ensures that Directors receive necessary information for them to perform their duties and that the Board has sufficient time for consultation and decision making.

The Directors have access to the Management Team of CPMD.

Information Technology ('IT') and Information Security Governance

The Company follows the IT operational policies of CJ&CO Ltd. Information Technology policies have been created based on ISO standard 27001:2013. An Information Security Policy has been devised to ensure that the Company's core and supporting business operations continue to operate with minimal disruptions and to protect the organisation's information assets. Policies have been implemented to control the usage, access and security of Information Technology tools. A Business Continuity Policy exists and a Disaster Recovery site is available for all critical services.

A Private Cloud System has been implemented in year 2018.

All significant investments on information technology, based on the business needs for the financial year, are provided for in the annual budget of the Company and approved by the Board.

In view of ensuring compliance with the Data Protection Act 2017 and the EU General Data Protection Regulations, the Company is endeavouring to reinforce its security measures to protect the data it collects, stores and processes and the Board is in the process of introducing a number of policies.

Board, Board Committees & Individual Director evaluation

A Board evaluation has been carried out for the financial year under review through the circulation of a questionnaire to each Director to obtain their feedback on the effectiveness of the Board, its procedures and practices during the year 2018. The questionnaire assessed the behavioural attributes that contribute to Board effectiveness, their corresponding importance to the Company and the Board's current performance on those behaviours.

The results would be analysed and appropriate action plans with clear road maps would be established in view of further enhancing Board performance.

The Board is in the process of carrying out the Board Committee and Individual Director evaluation.

Remuneration Philosophy

The main responsibility of the Nomination and Remuneration Committee is to make recommendations to the Board for determining, developing and agreeing the Company's general policy on remuneration of Directors and on the appointment of new Directors.

The remuneration of the Directors at Board Committees is also determined by the Nomination and Remuneration Committee. The remuneration of the Directors of the Company is approved by the Board of Currimjee Limited and the Company with due consideration given to the competitive market for skills, knowledge and experience.

As approved by the Board, remuneration and benefits received by Directors during the financial year under review from the Company were as follows. The remuneration of the directors is based on a fixed fee and the number of meetings attended during the year under review:

Name of Director	Category of Director	Year 2018	Year 2017
Mr Bashirali A Currimjee	Non-Executive	NIL	NIL
Mr Carrim A Currimjee	Non-Executive	NIL	NIL
Mr Anil C Currimjee	Non-Executive	NIL	NIL
Mr Ashraf M Currimjee	Non-Executive	NIL	NIL
Mr Mazahir F E Adamjee	Non-Executive	NIL	NIL
Mr Raffi Currimjee	Non-Executive	NIL	NIL
Mr Anwar Moollan	Non-Executive	Rs 150,000	Rs 130,000
Mr Yusuf Hassam Aboo Baker	Non-Executive	Rs 120,000	Rs 140,000

The Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance and there are currently no long term incentive plans.

Directors' Service Contracts

None of the Directors has a service contract with the Company.

Directors' & Officers' Liability Insurance

A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company.

Directors' Interests and Dealings in Shares

The Directors are aware of the principles of the Model Code on Securities Transactions by Directors as detailed in Appendix 6 of the Mauritius Stock Exchange listing rules.

The Company Secretary maintains a Register of Interests, which is updated with every transaction entered into by the Directors and their closely related parties.

All new Directors are required to notify in writing to the Company Secretary their holdings in the Company's shares as well as those in related companies.

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

The following table details the interests of the Directors in the share capital of the Company as at 31 December 2018:

	Interests in the Company's shares	
	Direct	Indirect*
Mr. Bashirali A Currimjee	-	-
Mr. Carrim A Currimjee	-	-
Mr. Anil C Currimjee	50	9,058
Mr. Ashraf M Currimjee	-	11,799
Mr. Mazahir F E Adamjee	-	-
Mr. Raffi Currimjee	-	7,618
Mr. Anwar Moollan	-	-
Mr. Yusuf Hassam Aboo Baker	-	-

*Indirect interest includes shares held in the Company through the ultimate holding company and the Directors' associates.

Principle 5 - Risk Governance and Internal Control

Risk Governance

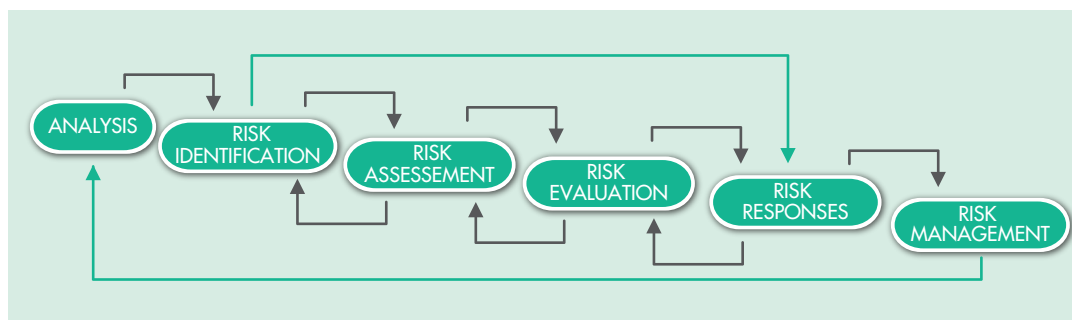
The management of risk is the overall responsibility of the Board, including the development of risk management strategies and the development of an ongoing risk assessment system for the reduction of risks, taking into account the objectives of the Company.

The Risk Management Framework falls under the supervision of the Audit & Risk Committee to ensure adequate and effective risk governance. The responsibility for identification and monitoring of risk is assigned to CPMD.

A robust documented process is in place to review Internal Control over Financial and non-financial reporting with a purpose of minimizing the risk of not achieving the business objectives and of providing reasonable assurance that the financial statements are free from material mistakes.

Risk Governance (Continued)

The Risk Management Framework at Compagnie Immobilière Limitée consists of a systematic approach to identify risks faced by the Company. The risk management process is as follows:



The key risks identified by the Company are:

Risk Factor	Mitigating actions
Competitiveness of our properties and competition	<ul style="list-style-type: none"> - Regular assessment of the market environment and customer needs. - Maintenance of our properties. - Focus on higher quality tenants. - Regular contact with various stakeholders to be aware of new projects that might influence our properties. - Investment in properties and product mix.
Delay in project implementation and cost overrun	<ul style="list-style-type: none"> - Close monitoring by Head of Projects and/ or Property Manager on consultants and contractors in fortnight meetings. - Regular meeting with Management.
General Hazards and calamities	<ul style="list-style-type: none"> - Regular internal and external assessments followed by corrective actions if needed. - Ensure that Standard Operating Procedures are up to date and refresher course delivered annually. - Data recovery plan in place for Real Estate Cluster data.
Compliance with Law	<ul style="list-style-type: none"> - Regular site inspections of properties to assess compliance with law (by CPMD & consultant). - Internal audit are carried out in a timely manner. - Refresher training on health & safety once a year. - Yearly training in different departments on standards and norms. - Code of conduct, HR policies, Environmental & Sustainability CJ Charter.
Financial Risk	<ul style="list-style-type: none"> - The financial risks are disclosed under notes 3 of the financial statements.

Internal Control

The Board is responsible for monitoring the system of internal control and should satisfy itself that the system is functioning effectively. CPMD is responsible for the design, implementation and monitoring of the internal control system. Appropriate processes, procedures and policies incorporating relevant internal controls, have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

Internal Control (Continued)

The Board has delegated the authority to the Audit & Risk Committee for monitoring and reviewing the effectiveness of the Company's internal control and compliance systems. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems and make recommendations to CPMD and to the Audit & Risk Committee for appropriate actions. The approved internal audit plan ensures that all significant areas of the Company's activities are duly covered in turn over a pre-determined timeframe.

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Whistleblowing policy

The Company has adopted a Whistleblowing Policy, which has been communicated to the Directors and all employees. The Company expects its Directors, employees and anyone associated with the Company, who have concerns about any aspect of malpractices encountered within the Company to come forward and voice those concerns within a defined process without fear of reprisals.

The whistleblowing policy ensures that the whistleblower's identity is treated with confidentiality. However, under certain circumstances and depending on the case, the employee may need to come forward as a witness to assist in the investigation.

Principle 6 - Reporting with Integrity

Health and Safety

The Company ensures that its operations are compliant with the Occupational Safety and Health Act 2005.

Environment & Sustainability

The Currimjee Group has adopted an Environmental and Sustainability Statement which sets out the Group's key commitments and objectives. The Statement aims at raising the environmental and sustainability consciousness of all the staff and to support their environmental and ecological engagements.

The environmental and sustainability commitments convey that through leadership, staff involvement and effective management, the Group shall:

- Endeavour to preserve the environment and manage our operations in a sustainable manner for the well-being of future generations.
- Consider environmental and sustainability aspects as an integral part of our business strategy and operating methods.
- Continually monitor and improve our environmental performance and support customers', employees', partners', and other stakeholders' environmental and sustainability progress.

The Company spearheaded various initiatives to meet the objectives set in the Environment & Sustainability Statement. These focused on judicious energy management, rainwater collection, responsible procurement and disposal of waste, minimisation of ecological footprint and enhancement of staff and stakeholder awareness. Some key initiatives and their outcome are detailed below:

Sustainability Recognition

The Company is listed on the Stock Exchange of Mauritius on the Development & Enterprise Market (DEM) and has been awarded SEM Sustainability Index since 2015. It is also a member of the Green Building Council Mauritius since 2016.

Energy Management

The Company is fully compliant with the Environmental and Sustainability charter of Currimjee Group of companies and is also denoted as a Sustainable Company (SEMSI) on the Stock exchange of Mauritius.

The Company favours the use of natural light and natural ventilation in the design and renovation of the various components of Les Arcades Currimjee.

The Company also uses energy efficient electrical equipment and accessories and a number of energy saving devices. Since September 2016, Les Arcades Currimjee is operating with 100 % LED lighting.

An off-grid Photovoltaic System has also been installed in May 2017 to supply 50% of the electrical consumption in the common area of the ground floor of Les Arcades Currimjee. A study is being done in 2019 so as to increase its capacity up to 100%.

Rainwater Collection

Rainwater harvesting and utilization for the housekeeping of the common areas of Les Arcades Currimjee is operational since 2015. Flushing tanks of toilets have also been connected to the rainwater circuit thereby lowering the CWA water usage by 10 %. The existing rain water collection capacity has been increased by 4,000 Litres in April 2017. The Company is now operating with a total Rain Water Harvesting capacity of 11,000 Litres. Moreover, the installation of water meters for each of the tenants of the Food Hall in March 2017 has optimized the monitoring of the water usage for these tenants. In 2019, the company is looking forward to increase the RWH storage capacity by 2,500 Lt.

Paper Usage

The Company is continuously working on reducing its paper consumption. Apart from monitoring of day-to-day utilisation, documents for meetings in general including Management and Board meetings, are circulated electronically. A number of measures have also been introduced in 2017 to improve communication within the Group and also to ease access to specific Company and Group documents and policies.

Procurement

The Company follows the Group's purchasing policy whereby environmentally responsible suppliers and Green Suppliers are favoured.

A Green Suppliers Directory has been adopted by Currimjee Jeewanjee and Company Limited, the holding company. It is being circulated to all purchasing functions and staff, and it is already being implemented at units' level. In particular, recurring green items purchased include paper with ISO 14001 certification / Forest Stewardship Council (FSC) label, and IT products labelled Energy Star. Regarding paper procurement specifically, the process of centralized purchase of eco-certified paper across units has been initiated.

Staff Involvement

Environment & Sustainability Statement awareness sessions are regularly conducted across the Group, including the Company. Additionally, environmental signage plates have been displayed across the Company, bearing messages such as 'Be responsible - Turn off the taps after use & save water'.

The staff involvement in the Environment and Sustainability actions were also important in 2018.

The World Environment Day was celebrated with the stakeholders in 2018. The Company staff along with SensiBio, followed an awareness session on recycling.

Plants were distributed among the staff for the creation of vegetable garden at home.

An exhibition was organised in collaboration with SensiBio on the recycling for special vegetable garden, edible flowers an 'jardinières d'aromatiques' amongst others. The staff also had a full 'oxygen day' during which they had an awareness session on gardening, composting and biodiversity taking part in manual and creative activities (i.e: semi planting in the kitchen garden, knowledge games on seeds and plants quiz and visit in the forest with a botanist guide).

Three staff members attended the awareness session 'Lets save our endangered endemic species' programme' conducted by the Mauritian Wildlife Foundation and six staffs visited Ile aux Aigrettes with a guide.

Three staff members participated during the course of the year in the Citadelle Endemic Restoration project.

Waste Management

Recyclable wastes are segregated in terms of paper, IT and organic waste. As from April 2018, F&B tenants in Arcades Currimjee are recycling their used oil through Bio-oil Ltd.

Corporate Social Responsibility

The Company has contributed an amount of Rs 222,863 for the year 2018 (2017: Rs 198,425).

Donations

The Company did not make any political, non-political or charitable donations during the year under review (year 2017: nil).

Principle 7 – Audit

The internal audit service is provided by CJ & CO Ltd, which delivers the service through its internal audit department. Headed by a Chief Internal Auditor, CJ & CO Ltd's internal audit department is adequately staffed with qualified personnel and certified internal auditors. The internal audit department operates in line with an Internal Audit Charter and adopts a risk-based methodology that enables it to provide assurance on controls that address high risk areas.

Principle 7 – Audit (Continued)

The Chief Internal Auditor reports independently to the Chairman of the Audit & Risk Committee and the Chairman of the Board on all internal audit issues. He is responsible for providing assurance to the Audit & Risk Committee regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by internal audit in line with an internal audit plan, as approved by the Audit & Risk Committee. The audit plan ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

The Internal Auditor has unrestricted access to the Company's accounting records, the Chairman of the Company, the Chairman of the Audit & Risk Committee, the office of CPMD and employees, for the effective performance of his duties.

Following the completion of internal audit engagements, salient internal audit observations are reported to the office of CPMD in a closing meeting. The Internal Auditor presents its internal audit reports to the Audit & Risk Committee, to apprise the Committee of significant audit findings as well as proposed action plans from the office of CPMD. The Chief Internal Auditor also regularly conducts follow-up audits to monitor progress on the implementation of internal audit recommendations by the office of CPMD, and reports back to the Audit & Risk Committee thereon, for monitoring purposes. The Chief Internal Auditor works closely with and shares his internal audit findings with the external auditors.

During the year 2018, the Internal Auditor's main audit assignments for the Company consisted in Audit of internal controls over accounting and reporting, audit of repairs and maintenance and Regulatory Compliance audit. The services of the internal auditor are also solicited to carry out special reviews or investigations at the request of the Chairman, Audit & Risk Committee or Board of Directors.

External Audit

One of the principal responsibilities of the Audit & Risk Committee is to review and report to the Board on the clarity and accuracy of the Company's financial statements. When conducting their reviews, the Committee consider the following:

- the accounting policies and practices applied
- material accounting judgements and assumptions made by management or significant issues or audit risks identified by the external Auditor; and
- compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code of Corporate Governance

PricewaterhouseCoopers has been providing external audit services to the Company since year 2013. The Audit & Risk Committee has recommended their re-appointment as external auditors, on the basis of their continued performance, effectiveness and independence. An external audit tender exercise has not been conducted. Nevertheless, the External Audit Partners are periodically rotated.

The Audit & Risk Committee has not had any meeting with the external auditor without the presence of management. Nonetheless, the Chairman of the Audit & Risk Committee regularly consults the External Audit Partner.

External Audit (Continued)

The fees paid to the External Auditors for audit services or other services were as follows:

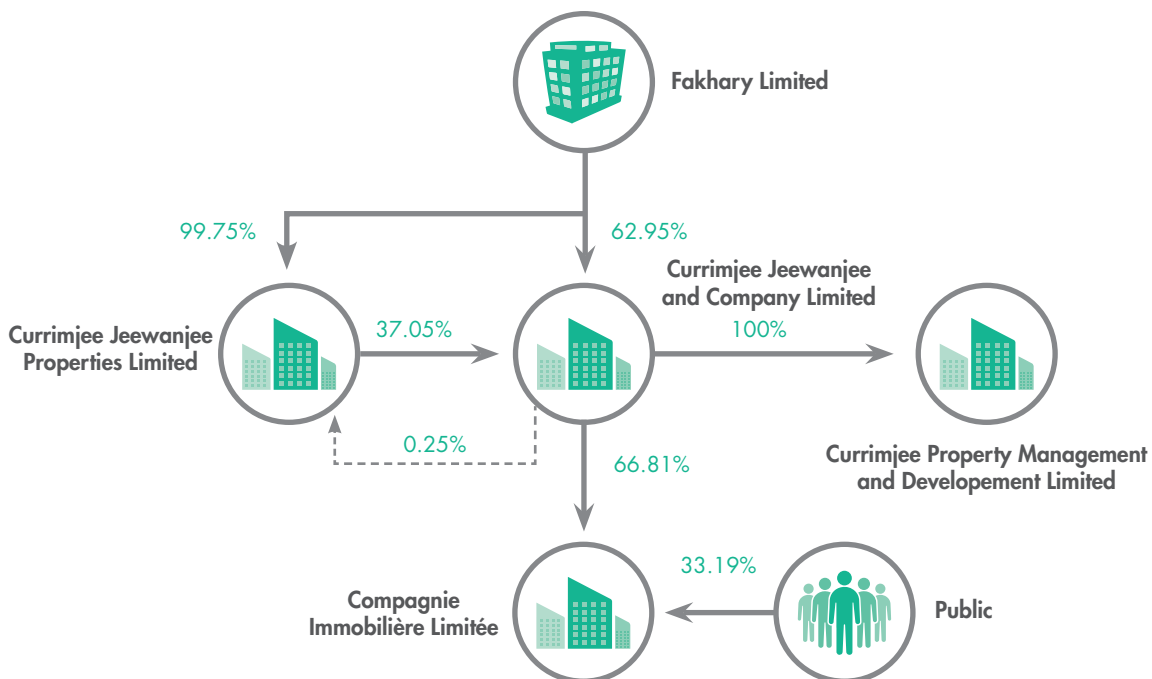
	Year 2018 Rs	Year 2017 Rs
Audit	242,000	230,000
Non-audit	45,502	35,450

When the services of the External Audit Firm are solicited for providing non-auditing services, the Board ensures that such non-audit services are provided by a team of officers that is completely independent from the external audit team, to ensure that the Auditor’s objectivity and independence are safeguarded.

Principle 8 - Relations with Shareholders and Other Key Stakeholders

Ownership Structure

The stated capital of the Company consists of 266,400 Ordinary Shares of Rs 10 each. The shareholding structure of the Company as at 31 December 2018 was as set out below:



The Company’s Key Stakeholders are its employees, Tenants, Banks, Regulatory / Government, Suppliers, Local Community and Shareholders.

Shareholders' Agreement

To the knowledge of the Company, there was no such agreement with any of its Shareholders for the year under review.

Share Registry and Transfer Office

The Share Registry is managed by the Company Secretary and the Company had 185 registered Shareholders as at 31 December 2018.

Shareholding Profile

The share ownership and the category of Shareholders as at 31 December 2018 are set out below:

Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
152	1-500 shares	13,325	5.00
17	501-1,000 shares	11,789	4.43
12	1,001-5,000 shares	21,106	7.92
1	5,001-10,000 shares	8,512	3.20
2	10,001-50,000 shares	33,676	12.64
1	50,001-250,000 shares	177,992	66.81
185	Total	266,400	100%

Number of Shareholders	Category of Shareholders	Number of Shares Owned	% of Total Shares Issued
24	Other Corporate Bodies	230,510	86.53
157	Individuals	32,482	12.19
3	Investment & Trust Companies	3,308	1.24
1	Pension & Provident Funds	100	0.04
185	Total	266,400	100%

Shareholders Communication and Key Events

The Board of Directors of the Company understands that communication to Shareholders about matters pertaining to the Company is of great importance and ensures that information is delivered in an open, transparent and meaningful manner. Press communiqués, disclosures in the Annual Report and the Annual Meeting of Shareholders are means availed by the Board in keeping the communication line with Shareholders open.

The Company, forming part of the Currimjee Group, also communicates through the website: www.currimjee.com.

Share Price Information

The shares of the Company have a nominal value of Rs 10 and the Company's share price evolution over the last 5 years is as follows:



The calendar of key events is as follows:

Financial Year End	31 December 2018
Annual Meeting of Shareholders	June 2019
Publication of results:	
Annual Report for the year ended 31 December 2018	March 2019
Abridged Unaudited Financial Statements for the quarter ending 31 st March 2019	May 2019
Abridged Unaudited Financial Statements for the quarter ending 30 th June 2019	August 2019
Abridged Unaudited Financial Statements for the quarter ending 30 th September 2019	November 2019

Employee Share Scheme

There is no Employee Share Scheme in place at the Company's level.

Dividend Policy

The Company is committed to provide increased value to its Shareholders. Firstly, it aims to reach a reasonable return on the assets employed. It also provides its Shareholders with ongoing returns in the form of dividends on a yearly basis.

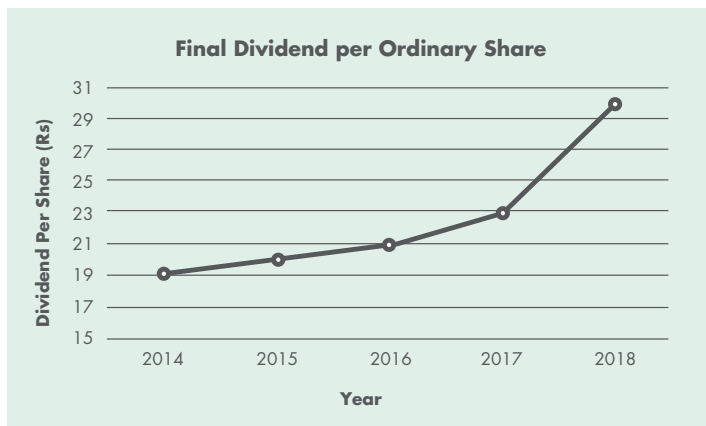
Dividend Policy (Continued)

The Company has had a satisfactory growth in profitability. The Directors have adopted a dividend policy based on the following criteria:

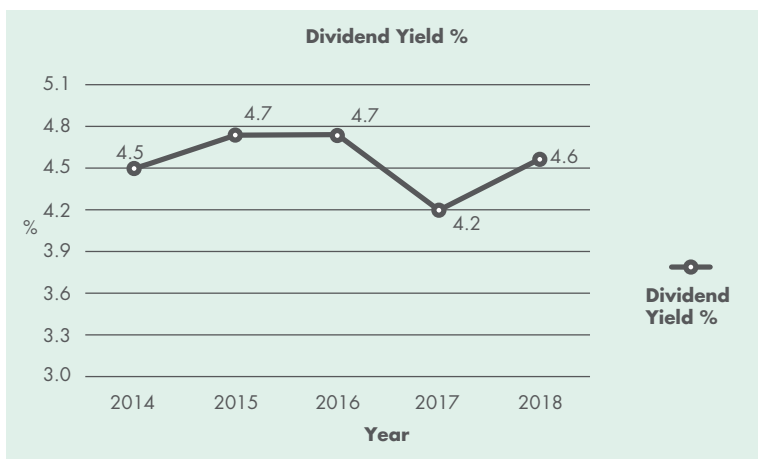
1. Distribution of approximately 50% of the profits (excluding fair value gain and exceptional items) subject to the Company keeping its debt level at a conservative level;
2. Ensuring that there are enough funds for the maintenance and continuous upgrading of the facilities; and
3. Satisfaction of the solvency test in accordance with the Companies Act 2001.

For the year under review, the Company declared a dividend of **Rs 30** per share (2017: Rs 23 per share).

The trend in dividend per share over the previous 5 years has been as shown below:



The trend in dividend yield over the last 5 years has been as follows:



Dividend Policy (Continued)

The dividend yield for year 2018 was calculated based on dividend per share of Rs 30 and market price per share of Rs 657.

Approved by the Board of Directors and signed on its behalf on 22nd March 2019.



Mazahir F E Adamjee
Director



Anil C Currimjee
Director

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): Compagnie Immobilière Limitée

Reporting Period: 01 January 2018 to 31 December 2018

We, the Directors of **Compagnie Immobilière Limitée**, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance 2016 save and except that:

Website disclosures

The Company does not have a Website. The Board believes that sufficient information is available to shareholders and stakeholders through (i) publication of the quarterly Abridged Financial Statements on the DEM and in the Newspapers, and (ii) the Annual Report & Financial Statements filed at the Registrar of Companies, which is in the public domain.

Principle 1: Governance Structure

Board Charter

The Board has not yet adopted a Board Charter. The Board is of the view that the contents are found in the Constitution and the prevailing legislation, rules and regulations. However, further consideration will be given in due course whether a Charter will be adopted.

Profile of Directors

The Board has decided to disclose only directorships in listed companies. Details of other directorships are available at the Company's registry.

Principle 2: The Structure of the Board and its Committees

No Executive Director appointed

Although the Company has not appointed a Managing Director, a clear reporting structure has been put in place to effectively manage the day-to-day affairs of the Company. The Company also has a Management Agreement with Currimjee Property Management and Development Limited ("CPMD") which manages the Company's properties and its operations. CPMD is a subsidiary company of Currimjee Jeewanjee and Company Limited ("CJ&CO Ltd"). The Property Manager of CPMD, Mr Gilbert Sunglee, reports to the Managing Director of CJ & CO Ltd and the Board of the Company.

No independent Director

As per the Code, one Director who was previously qualified as an Independent Director, is now considered as a Non-Executive Director since he has served the Board for more than nine continuous years from the date of his first election.

Board Diversity

The Board is in the process of reviewing its composition.

Chairman of the Audit & Risk Committee

The Chairman of the Committee is not an Independent Director. Although he is a non-Executive Director, the Board is of the view that Mr Mazahir F E Adamjee is duly qualified to act as Chairman of the Audit and Risk Committee.

Principle 4: Director Duties, Remuneration and Performance

Board, Board Committees & Individual Director evaluation

The Board is in the process of carrying out the Board Committee and Individual Director evaluation.

SIGNED BY:

Names:



Mazahir F E Adamjee
Director



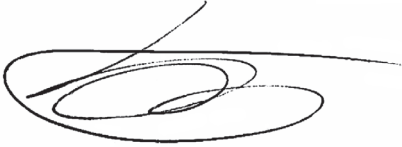
Anil C Currimjee
Director

Date: 22 March 2019

CERTIFICATE FROM THE COMPANY SECRETARY

UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2018, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.



Currimjee Secretaries Limited
Per Ramanuj Nathoo (Mr)
Secretary

Date: 22 March 2019



COMPAGNIE IMMOBILIERE LIMITEE

Financial Statements
for the year ended 31 December 2018

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Compagnie Immobilière Limitée (the "Company") as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Compagnie Immobilière Limitée set out on pages 41 to 64 comprise:

- the statement of financial position as at 31 December 2018;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF COMPAGNIE IMMOBILIERE LIMITEE (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Investment Properties</p> <p>The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in property valuations could result in a material change, warrants specific audit focus in this area.</p> <p>As described in note 11, the Company holds investment properties which amounted to Rs 309,075,000 as at 31 December 2018 (2017: Rs 307,700,000). During the year ended 31 December 2018, the Company recognised a fair value gain of Rs 1,334,662 (2017: Rs 2,438,950) on its investment properties.</p> <p>The investment properties consist primarily of commercial properties which are leased out to a wide range of tenants and also a vacant land. The fair valuation of these commercial properties and the land at 31 December 2018 has been performed by an independent valuer, Noor Dilmohamed & Associates. The fair valuation of the Company's investment properties is dependent on market conditions and key assumptions made. The sales comparison approach has been used as the method of valuation. Sales prices of comparable land and buildings in close proximity have been adjusted for differences in key attributes such as property size. The most significant inputs that have been used in the valuation approach are the price per square metre (for building) and price per arpent (for land).</p> <p>The determination of these assumptions is complex and requires the exercise of management judgement with the support of the independent valuer.</p>	<p><i>Assessing the valuer's expertise and objectivity</i></p> <p>We assessed the valuer's qualifications and expertise and found no evidence to suggest that the objectivity of the valuer in its performance of the valuation was compromised.</p> <p>We read the valuation report for the properties and obtained assurance over the appropriateness of the assumptions applied in calculating the fair values of the investment properties by:</p> <ul style="list-style-type: none"> • verifying the data inputs such as the size of the properties used in the valuation by agreeing these to the contracts and title deeds; • reviewing the methodology applied, the inputs and assumptions used such as the price per square metre (for building) and price per arpent (for land) against sales prices of comparable properties in close proximity; • comparing the ratio of the market capitalisation to the net asset value of the Company with other comparable companies; and • discussing with management about the methodology and assumptions used.

Other Information

The Directors are responsible for the other information. The other information comprises the financial highlights, the corporate information, the report from the Board of Directors, the corporate governance report, the statement of compliance and the certificate from the Company Secretary but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

In addition to the responsibilities described above and our work undertaken in the course of the audit, the Financial Reporting Act 2004 requires us to report certain matters as described below.

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the financial statements and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the financial statements, the Company has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Responsibilities of the Directors for the Financial Statements

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

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

The Directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

Report on Other Legal and Regulatory Requirements

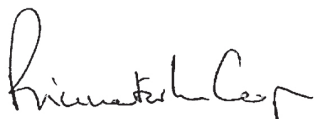
Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers

27 March 2019



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 Rs	2017 Rs
Revenue (Note 4)	23,800,646	21,237,085
Other operating income	596,539	420,062
Fair value gain on investment properties (Note 11)	1,334,662	2,438,950
Administrative expenses	(9,052,538)	(9,460,754)
Operating profit (Note 5)	16,679,309	14,635,343
Finance income (Note 7)	51,234	203
Finance costs (Note 7)	(122,700)	(92,674)
Finance costs – net (Note 7)	(71,466)	(92,471)
Profit before income tax	16,607,843	14,542,872
Income tax expense (Note 8)	(2,597,956)	(2,061,609)
Profit for the year	14,009,887	12,481,263
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss</i>		
Remeasurement of post-employment benefit obligation (Note 16)	16,000	15,000
Total other comprehensive income	16,000	15,000
Total comprehensive income for the year	Rs 14,025,887	12,496,263
Basic and diluted earnings per share (Note 9)	Rs 52.59	46.85

The notes on pages 45 to 64 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	2018 Rs	2017 Rs
ASSETS		
Non-current assets		
Equipment (Note 10)	138,344	212,968
Investment properties (Note 11)	309,075,000	307,700,000
Deferred tax assets (Note 8)	8,609	12,493
Post-employment benefits (Note 16)	37,000	-
	309,258,953	307,925,461
Current assets		
Trade and other receivables (Note 12)	1,494,124	1,351,585
Cash and cash equivalents (Note 13)	1,406,277	3,305,469
	2,900,401	4,657,054
Total assets	Rs 312,159,354	312,582,515
EQUITY AND LIABILITIES		
Equity		
Stated capital (Note 14)	2,664,000	2,664,000
Share premium	36,007,074	36,007,074
Retained earnings	267,453,766	261,345,287
Total equity	306,124,840	300,016,361
Liabilities		
Non-current liabilities		
Borrowings (Note 15)	-	3,841,442
Post-employment benefits (Note 16)	-	39,000
	-	3,880,442
Current liabilities		
Trade and other payables (Note 17)	4,857,513	5,420,506
Borrowings (Note 15)	-	1,295,423
Current tax liability (Note 8)	546,843	118,211
Dividend payable	630,158	1,851,572
	6,034,514	8,685,712
Total liabilities	6,034,514	12,566,154
Total equity and liabilities	Rs 312,159,354	312,582,515

Approved and authorised for issue by the Board of directors on 22 March 2019 and signed on its behalf by:



Mazahir F E Adamjee
Director



Anil C Currimjee
Director

The notes on pages 45 to 64 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Stated capital Rs	Share premium Rs	Retained earnings Rs	Total equity Rs
At 01 January 2017	2,664,000	36,007,074	254,976,224	293,647,298
Profit for the year	-	-	12,481,263	12,481,263
Other comprehensive income for the year	-	-	15,000	15,000
Total comprehensive income for the year	-	-	12,496,263	12,496,263
Transactions with owners				
Dividend declared (Note 18)	-	-	(6,127,200)	(6,127,200)
At 31 December 2017	2,664,000	36,007,074	261,345,287	300,016,361
Profit for the year	-	-	14,009,887	14,009,887
Other comprehensive income for the year	-	-	16,000	16,000
Total comprehensive income for the year	-	-	14,025,887	14,025,887
Transactions with owners				
Unclaimed dividend	-	-	74,592	74,592
Dividend declared (Note 18)	-	-	(7,992,000)	(7,992,000)
	-	-	(7,917,408)	(7,917,408)
At 31 December 2018	Rs 2,664,000	36,007,074	267,453,766	306,124,840

The notes on pages 45 to 64 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 Rs	2017 Rs
Cash flows from operating activities		
Profit before income tax	16,607,843	14,542,872
Adjustments for:		
Increase in retirement benefit obligations (Note 16)	48,000	60,000
Fair value gain on investment property (Note 11)	(1,334,662)	(2,438,950)
Loss on disposal of equipment	3,523	18,598
Additional provision for bad debts (Note 12)	26,873	9,963
Depreciation of Equipment (Note 10)	71,101	125,111
Interest expense (Note 7)	122,700	92,674
Interest income (Note 7)	(51,234)	(203)
Operating profit before working capital changes	15,494,144	12,410,065
Increase in trade and other receivables	(169,412)	(168,552)
(Decrease)/ Increase in trade and other payables	(562,993)	2,904
Cash generated from operations	14,761,739	12,244,417
Interest paid (Note 7)	(122,700)	(92,674)
Income tax paid (Note 8)	(2,165,440)	(1,925,166)
Retirement benefit paid (Note 16)	(108,000)	(321,000)
Net cash generated from operating activities	12,365,599	9,905,577
Cash flows from investing activities		
Purchase of investment properties (Note 11)	(40,338)	(5,861,050)
Interest received (Note 7)	51,234	203
Net cash generated from/(used in) investing activities	10,896	(5,860,847)
Cash flows from financing activities		
Proceeds from bank borrowings	-	5,000,000
Repayment of bank borrowings	(5,136,865)	(1,229,372)
Dividend paid (Note 18)	(9,138,822)	(4,785,949)
Net cash used in financing activities	(14,275,687)	(1,015,321)
Net (decrease)/increase in cash and cash equivalents	(1,899,192)	3,029,409
Cash and cash equivalents at beginning of year	3,305,469	276,060
Cash and cash equivalents at end of year (Note 13)	Rs 1,406,277	3,305,469

The notes on pages 45 to 64 form an integral part of the financial statements.

1 GENERAL INFORMATION

Compagnie Immobilière Limitée (the "Company") is a public company incorporated in Mauritius and is listed on the Development Enterprise Market (DEM) of Mauritius.

Its main activity is the rental of property.

Its registered office is situated at 38, Royal Street, Port Louis, and the principal place of business is at 256 Royal Road, Curepipe.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS. The financial statements also comply with the Mauritian Companies Act. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements is the valuation of the investment properties.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The investment properties were revalued on 31 December 2018 by an independent valuer, Noor Dilmohamed & Associates.

The best evidence of fair value is the current price in an active market for similar properties. In making its judgement, the valuer considers information from a variety of sources including direct market evidence for land and comparable sales for commercial buildings in the retail sector. The fair values are within the level 2 of the fair value hierarchy.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company.

The Company has applied the following standards and amendments for the first time for the financial year end beginning on or after 01 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI without recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) *New and amended standards adopted by the Company. (Continued)*

It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous

documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 01 January 2018. Early adoption is permitted. The Company has changed its accounting policies following the adoption of IFRS 9. No retrospective adjustments were made, as the impact is not material. The expected credit loss is Nil since the tenants have 3 months' rent deposit available with the Company.

At 31 December 2018, the lifetime expected loss provision for trade receivables is as follows:

	Current	Between	Between	Between	Greater	Total
	Rs	30 to 60	60 to 90	90 to 180	than 180	Rs
At 31 December 2018	Rs	Days	Days	Days	Days	Rs
Expected loss rate	1%	5%	15%	25%	50%	
Gross carrying amount	246,416	3,560	29,981	-	-	279,957
Loss provision	2,464	178	4,497	-	-	7,139
Specific provision						19,734
Total						26,873

- IFRS 15 Revenue from Contracts with Customers

The Company has adopted the IFRS 15 with effect from 01 January 2018.

IFRS 15 sets out the requirements for recognising revenue that applies to all contracts with customers (except for contracts that are within the scope of the standards on Leases, Insurance contracts and Financial Instruments).

IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that the Company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

To recognise a revenue, the Company would apply the following five step models:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognise revenue when the entity satisfies the performance obligation.

The main impact of the new methodology introduced by IFRS 15 are highlighted as follows:

The Company has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The company principally generates revenue from renting of premises. The length of a contract varies between one to three years.

The management consider that there is no financial impact in Revenue for the year 2017 and 2018 upon the adoption of IFRS 15.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New standards and interpretations not yet adopted

There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

Foreign currency translation

- Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Mauritian rupees (Rs) which is the functional and presentation currency.

Equipment

Equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives. The annual rates used are:

Equipment	20%
Computer equipment	33 1/3%
Electrical installation	20%
Furniture and fittings	10%

The residual values and useful lives are reviewed and adjusted if necessary, at each financial year end. Plant and equipment are

reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment properties. Investment properties comprises freehold land and commercial building.

Investment properties are measured initially at cost, including transaction and project costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated on the basis of recent transactions in similar properties adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation of property, plant and equipment under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the

extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss and receivables. The classification depends on the purpose for which the financial assets were acquired. The directors determine the classification of its financial assets at initial recognition.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New standards and interpretations not yet adopted (Continued)

- Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Company's receivables comprise of 'trade and receivables' and 'cash and cash equivalents' in the statements of financial position.

Financial assets – recognition and measurement

Regular purchases and sales of investments are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Financial assets – Impairment of assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset

or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Trade receivables

Trade receivables are amounts due from customers for rental services offered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New standards and interpretations not yet adopted (Continued)

Cash and cash equivalents

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

Stated capital

Ordinary shares are classified as 'Stated Capital' within equity.

Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Post-employment benefits

The Company has both defined benefit and defined contribution plans. Typically, defined

benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

- Defined benefit pension

Companies operate various pension schemes for employees eligible for a defined benefit schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

- Defined benefit pension (Continued)

Where employees are not covered under defined pension scheme, the present value of severance allowances calculated on the basis of the enacted laws in the countries where the respective entity operates has been provided for. The present value of severance allowances has been disclosed within unfunded obligations under retirement benefit obligations.

- Defined contribution plan

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities, that is, rental income. Revenue is shown net of value added tax.

Rental income

Rental income from investment properties is recognised in profit or loss on an accrual basis in accordance with the substance of the relevant agreement.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (whereby it is mainly exposed to interest rate risk), credit risk and liquidity risk. Risk management is carried out under policies approved by the Board of Directors.

(a) *Market risk*

- Currency risk

The Company is not exposed to currency risk as all the financial assets and financial liabilities are denominated in Mauritian rupee.

- Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of the assets. The Company's policy is to maximise returns on interest-bearing assets.

The Company's interest rate risk arises from cash and cash equivalents and bank loans and overdrafts which bear interest at variable rates.

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

- Interest rate risk (Continued)

The interest rate profile of the financial assets and financial liabilities at 31 December was:

	Floating interest rate	
	2018	2017
Cash at bank	1.9%	2.3%
Loan receivable from related parties	-	-

Financial liabilities

	Floating interest rate	
	2018	2017
Bank loan	-	6.5%

Interest rate analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers including outstanding receivables. For cash and cash equivalents, the Company manages credit risk by banking with reputable financial institutions. The Directors assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are based on a client basis. The utilisation of credit limits is regularly monitored. The maximum exposure to credit risk at 31 December 2018 is the carrying amount of the financial assets.

The Company's trade receivables are broken down as follows:

	2018	2017
	Rs	Rs
Neither past due nor impaired	275,848	88,518
Past due but not impaired	-	-
Past due and impaired	(26,873)	-
Total	248,975	88,518

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash. In addition, the Company has recourse to its parent company for its financial needs.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year Rs	Between 1 and 2 years Rs	Between 2 and 5 years Rs	Total Rs
At 31 December 2017				
Trade and other payables	5,420,506	-	-	5,420,506
Borrowings	1,599,305	1,838,940	2,300,128	5,738,373
	7,019,811	1,838,940	2,300,128	11,158,879
At 31 December 2018				
Trade and other payables	4,857,513	-	-	4,857,513

(d) Fair values

The carrying amounts of trade and other receivables, cash and cash equivalents, and trade and other payables and borrowings approximate their fair values. The fair value of the Company's investment properties at 31 December 2018 and 31 December 2017 has been arrived at on the basis of valuation carried out on the respective dates by Noor Dilmohamed & Associates, independent valuers not related to the Company.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 11 for disclosures of the investment properties that are measured at fair value.

(e) Financial instruments by category

All financial assets fall under the loans and receivables category and all financial liabilities fall under the category of financial liabilities at amortised cost.

(f) Capital risk management

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

3 FINANCIAL RISK MANAGEMENT (Continued)

(f) Capital risk management (Continued)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown on the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown on the statement of financial position plus net debt.

	2018 Rs	2017 Rs
Total borrowings (Note 15)	-	5,136,865
Less: cash at bank and in hand (Note 13)	(1,406,277)	(3,305,469)
Net debt	(1,406,277)	1,831,396
Total equity	306,124,840	300,016,361
Total capital	Rs 304,718,563	301,847,757
Gearing ratio	0%	0.61%

4 TURNOVER

Turnover is made up as follows:

	2018 Rs	2017 Rs
Rental income	23,800,646	21,237,085

The principal activity of the Company is that of Land Promoter and Property Developer.

Turnover is based on the invoiced values net of Value Added Tax, discounts and allowances.

5 OPERATING PROFIT

	2018 Rs	2017 Rs
The following items have been charged in arriving at operating profit:		
Fees paid to the auditor for:		
- audit services	242,000	230,000
- other services	45,502	35,450
Depreciation of Equipment (Note 10)	71,101	125,111
Secretarial fees	410,000	396,950

6 EXPENSES BY NATURE

	2018 Rs	2017 Rs
Salaries and wages	1,441,617	1,551,700
Repairs and maintenance	853,772	1,123,150
Rates and taxes	254,518	471,595
Advertising & Marketing	123,280	4,160
Insurances	112,034	113,874
Electricity, water and telephone	661,206	396,273
Printing, postages and stationery	221,029	187,886
Management fees	3,744,000	3,744,000
Legal and professional charges	887,536	970,765
Bank charges	15,307	74,573
Licences	136,933	134,502
General expenses	356,332	375,130
Parking fees	147,000	198,000
Provision/ (Reversal) for bad debts (Note 12)	26,873	(9,963)
Depreciation on equipment (Note 10)	71,101	125,111

7 FINANCE COSTS

	2018 Rs	2017 Rs
Finance income:		
Interest income	51,234	203
	51,234	203
Finance costs:		
Interest on bank loans	(122,700)	(92,674)
Rs	(122,700)	(92,674)
Finance costs – net	Rs (71,466)	(92,471)

8 INCOME TAX

(a) Income tax expense

The 17% tax rate consists of 15% corporate income tax and 2% Corporate Social Responsibility.

	2018 Rs	2017 Rs
Current income tax charge for the year	2,611,470	1,887,147
Over provision of current income tax charge in previous year	(17,398)	(46,092)
Deferred income tax expense/(credit)	3,884	220,554
Income tax expense for the year	Rs 2,597,956	2,061,609

(b) Income tax reconciliation

	2018 Rs	2017 Rs
Profit before income tax	16,607,843	14,542,872
Tax at the rate of 17%	2,823,333	2,472,288
Over provision in income tax in prior year	(17,483)	(46,092)
Non-allowable expenses	(207,894)	(364,587)
	Rs 2,597,956	2,061,609

(c) Deferred tax asset

	2018 Rs	2017 Rs
At 1 January	12,493	233,047
Movement for the year	(3,884)	(220,554)
At 31 December	Rs 8,609	12,493

Deferred income tax assets arise from the following:

	At 1 January 2018 Rs	(Credit)/ Charge to statement of profit or loss Rs	At 31 December 2018 Rs
Accelerated capital allowances	5,863	(1,164)	4,699
Provision for bad debts	-	-	-
Post-employment benefit	6,630	(2,720)	3,910
Deferred income tax assets	12,493	(3,884)	8,609
	At 1 January 2017 Rs	(Credit)/ Charge to statement of profit or loss Rs	At 31 December 2017 Rs
Accelerated capital allowances	(4,228)	(1,635)	(5,863)
Provision for bad debts	(176,459)	176,459	-
Post-employment benefit	(52,360)	45,730	(6,630)
Deferred income tax assets	(233,047)	220,554	(12,493)

8 INCOME TAX (Continued)

(d) Income tax in statement of financial position

	2018 Rs	2017 Rs
At 1 January	118,211	202,322
Income tax charge	2,594,072	1,841,055
Less: Tax deduction at source (TDS) paid	(820,920)	(418,825)
Less: Tax paid under APS	(1,149,514)	(1,332,720)
Less: CSR paid	(195,006)	(173,621)
Rs	546,843	118,211

9 EARNINGS PER SHARE

The calculation of earnings per share is based on profit after tax of **Rs 14,009,887** (2017: Rs 12,481,263) and on 266,400 ordinary shares outstanding for the two years ended 31 December 2018 and 2017.

10 EQUIPMENT

	Equipment Rs	Computer equipment Rs	Electrical Installation Rs	Furniture and fittings Rs	Total Rs
COST					
At 31 December 2016	3,018,075	129,583	5,191,629	4,262,887	12,602,174
Disposals	(18,598)	-	-	-	(18,598)
At 31 December 2017	2,999,477	129,583	5,191,629	4,262,887	12,583,576
Disposals	(586,332)	(129,583)	(4,321,293)	(3,779,118)	(8,816,326)
At 31 December 2018	Rs 2,413,145	-	870,336	483,769	3,767,250
DEPRECIATION					
At 31 December 2016	2,879,091	129,583	5,191,629	4,045,194	12,245,497
Charge for the year	74,258	-	-	50,853	125,111
At 31 December 2017	2,953,349	129,583	5,191,629	4,096,047	12,370,608
Disposals	(586,332)	(129,583)	(4,321,293)	(3,775,595)	(8,812,803)
Charge for the year	20,545	-	-	50,556	71,101
At 31 December 2018	Rs 2,387,562	-	870,336	371,008	3,628,906
NET BOOK VALUE					
At 31 December 2018	Rs 25,583	-	-	112,761	138,344
At 31 December 2017	Rs 46,128	-	-	166,840	212,968

11 INVESTMENT PROPERTIES

	2018 Rs	2017 Rs
At 01 January	307,700,000	299,400,000
Additions	40,338	5,861,050
Fair value gain	1,334,662	2,438,950
At 31 December	Rs 309,075,000	307,700,000

The fair value of the Company's investment properties at 31 December 2018 and 31 December 2017 has been arrived at on the basis of valuation carried out on the respective dates by Noor Dilmohamed & Associates, independent valuers not related to the Company. They have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation was arrived at with reference to open market values.

	Quoted prices in active markets for identical assets (Level 1) Rs	Significant other observable inputs (Level 2) Rs	Significant unobservable inputs (Level 3) Rs
At 31 December 2018			
Recurring fair value measurements - Developed Land	-	127,800,000	-
- Building	-	154,275,000	-
- Bare Land	-	27,000,000	-
Price per arpent - Developed Land	-	142,000,000	-
Average Price per square metre - Building	-	21,105	-
Price per arpent - Bare Land	-	77,000,000	-
At 31 December 2017			
Recurring fair value measurements - Developed Land	-	127,800,000	-
- Building	-	153,125,000	-
- Bare Land	-	26,775,000	-
Price per arpent - Developed Land	-	142,000,000	-
Average Price per square metre - Building	-	20,947	-
Price per arpent- Bare Land	-	76,500,000	-

Level 2 fair values of land and retail units have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

11 INVESTMENT PROPERTIES (Continued)

The following amounts have been recognised in profit or loss:

	2018 Rs	2017 Rs
Rental income	23,800,646	21,237,085
Direct operating expenses arising from investment properties that generate rental income	(3,622,448)	(3,731,990)
Direct operating expenses arising from investment properties that did not generate rental income	(5,430,090)	(5,728,764)

12 TRADE AND OTHER RECEIVABLES

	2018 Rs	2017 Rs
<i>Current</i>		
Trade receivables	275,848	88,518
Provision for bad debts	(26,873)	-
Trade receivables- net	248,975	88,518
Amounts due from related parties	623,842	717,685
Other receivables	621,307	545,382
Total	Rs 1,494,124	1,351,585

The carrying value of trade and other receivables approximate their fair values due to their short-term nature.

Amount due from related parties is broken down as follows:

	2018 Rs	2017 Rs
Receivables from related parties (Note 19)	623,842	717,685

The receivables from related parties relate mainly to prepaid deposits made with related parties in respect to management fees. These are receivable upon termination of the management contract.

The loans to related parties are repayable on call with an interest rate of 6.5% per annum.

The ageing analysis of the trade receivables is as follows:

	2018 Rs	2017 Rs
Up to 3 months	275,848	88,518

At 31 December 2018, trade receivables of Rs 26,873 (2017- Rs NIL) were impaired and provided for in line with the Company's policy.

12 TRADE AND OTHER RECEIVABLES (Continued)

Movements on the Company's provision for impairment of trade receivables are as follows:

	2018 Rs	2017 Rs
01 January	-	1,037,996
Addition/ (Reversal) provision during the year	26,873	(9,963)
Bad debts written off	-	(1,028,033)
At 31 December	Rs 26,873	-

13 CASH AND CASH EQUIVALENTS

	2018 Rs	2017 Rs
Cash at bank and in hand	Rs 1,406,277	3,305,469

14 STATED CAPITAL

	2018 Rs	2017 Rs	2018 Number	2017 Number
<i>Authorised:</i>				
Ordinary shares of Rs 10 each	Rs 2,664,000	2,664,000	266,400	266,400
<i>Issued and fully paid:</i>				
Ordinary shares of Rs 10 each				
At 01 January and 31 December	2,664,000	2,664,000	266,400	266,400

15 BORROWINGS

	2018 Rs	2017 Rs
Current		
Bank borrowings repayable in equal and consecutive monthly instalments	-	1,295,423
Non-current		
Bank borrowings repayable in equal and consecutive monthly instalments	-	3,841,442
Total borrowings	Rs -	5,136,865

16 POST-EMPLOYMENT BENEFITS

The plan exposes the Company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk (where the plan is funded): The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

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

Longevity risk (where the plan is funded and an annuity is paid over life expectancy): The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

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

There has been no plan amendment, curtailment or settlement during the year except for data adjustments.

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

	2018 Rs	2017 Rs
At the start of the year	39,000	315,000
Amount recognised in profit or loss	48,000	60,000
Amount recognised in other comprehensive income	(16,000)	(15,000)
Less employer contributions	(108,000)	(321,000)
At the end of the year	Rs (37,000)	39,000

(ii) **The amounts recognised in profit or loss is as follows:**

	2018 Rs	2017 Rs
Current service cost	66,000	50,000
Past Service cost	(16,000)	-
Net interest on defined benefit liability	(2,000)	10,000
	Rs 48,000	60,000

16 POST-EMPLOYMENT BENEFITS (Continued)

(iii) *The amounts recognised in Other Comprehensive Income:*

	2018 Rs	2017 Rs
Return on plan assets above interest income	2,000	(3,000)
Liability experience gain	(2,000)	(32,000)
Liability (loss)/gain due to change in financial assumptions	(16,000)	20,000
Rs	(16,000)	(15,000)

(iv) *Movement in liability recognised in statement of financial position:*

	2018 Rs	2017 Rs
Reconciliation of Present Value of Defined Benefit Obligation		
At the start of the year	145,000	348,000
Current service cost	66,000	50,000
Interest cost	5,000	15,000
Past service cost	(16,000)	-
Liability experience gain	(2,000)	(32,000)
Liability (loss)/gain due to change in financial assumptions	(16,000)	20,000
Less Benefits paid	(78,000)	(256,000)
At the end of the year	104,000	145,000
Reconciliation of Fair Value of Plan Asset		
At the start of the year	106,000	33,000
Interest income	7,000	5,000
Employer contribution	108,000	321,000
Benefits paid	(78,000)	(256,000)
Return on plan assets excluding interest income	(2,000)	3,000
At the end of the year	141,000	106,000
Net defined benefit (asset)/ liability at the end of the year	(37,000)	39,000

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

	2018	2017
Discount rate	6.1%	5.5%
Inflation rate	3.5%	3.0%
Future long term salary increase	4.0%	4.0%
Average retirement age	63	63
Average life expectancy for:		
- Male	12.3 years	17.3 years
- Female	13.5 years	21.7 years

16 POST-EMPLOYMENT BENEFITS (continued)

Post-employment benefits have been based on the report dated 25 February 2019 submitted by AON Hewitt Ltd. The Company is expected to contribute Rs Nil to the pension scheme for the year ended 31 December 2018.

The weighted average duration of the defined benefit obligation is 3 years.

(vi) **Sensitivity analysis on defined benefit obligation at end of period:**

	2018 Rs	2017 Rs
Increase due to 1% decrease in discount rate	14,000	21,000
Decrease due to 1% increase in discount rate	12,000	17,000

The above sensitivity analysis has been carried out by calculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged.

Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

Future Cash flows:

-The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

Expected employer contribution for the next year	Rs 29,000
Weighted average duration of the defined benefit obligation	14 years

Plan assets are comprised as follows:

	2018			2017		
	Quoted Rs	Unquoted Rs	Total Rs	Quoted Rs	Unquoted Rs	Total Rs
Local equities	62,040	5,640	67,680	40,280	-	40,280
Loan	9,870	26,790	36,660	6,360	8,480	14,840
Overseas bonds and equities	23,970	-	23,970	15,900	-	15,900
Others	12,690	-	12,690	34,980	-	34,980
	108,570	32,460	141,000	97,520	8,480	106,000

17 TRADE AND OTHER PAYABLES

	2018 Rs	2017 Rs
Trade payables	60,168	48,743
Amounts due to related companies (Note 19)	18,400	1,645
Rental deposits	3,885,316	3,771,361
Other payables and accruals	893,629	1,598,757
Rs	4,857,513	5,420,506

The amounts due to related parties and holding company are unsecured, interest free and have no fixed repayment terms. The average credit period of trade payables is 1-3 months. The company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Rental deposits include an amount of **Rs 967,942** (2017: Rs 1,158,206) due to related parties.

18 DIVIDEND PER SHARE

The dividends declared in 2018 and 2017 were **Rs 7,992,000 (Rs 30 per share)** and Rs 6,127,200 (Rs 23 per share) respectively. The dividends paid in 2018 – **Rs 9,138,822** (2017 - Rs 4,785,949) relates to part of dividend declared for 2018 amounting to **Rs 7,378,650** and part dividend declared in year 2017 amounting to Rs 1,760,172. Unclaimed dividend for year 2018 is **Rs 74,592** (2017 - Rs Nil).

19 RELATED PARTIES

During the year ended 31 December 2018 the following transactions were carried out with related parties.

The Company is part of the Currimjee Jeewanjee group and as such all entities of the Currimjee Jeewanjee group are deemed to be related parties.

Receipts of services

	2018 Rs	2017 Rs
Management, secretarial and other services from related companies	Rs 4,154,000	4,140,950
Key management compensation:		
Directors' remuneration	Rs 270,000	270,000
Rendering of services		
Rent of building to related companies	Rs 8,000,266	6,571,734
Outstanding balances		
Payable to related companies	Rs 18,400	1,645
Trade and other receivables from related companies	Rs 623,842	717,685
Rental deposits from related parties	Rs 967,942	1,158,206

20 PARENT AND ULTIMATE PARENT

The Directors regard Currimjee Jeewanjee and Company Limited as the parent and Fakhary Ltd as the ultimate parent and controlling party. Both companies are incorporated in the Republic of Mauritius.

COMPAGNIE IMMOBILIÈRE LIMITÉE

Registered Office and Registry
38, Royal Street, Port Louis,
Mauritius

BRN: C06000766