CAUDAN DEVELOPMENT

ANNUAL REPORT 2015

CAUDAN
DEVELOPMENT

Dear shareholder

The board of directors of Caudan Development is pleased to present its annual report for the year ended June 30th 2015.

The activities of the group continued throughout 2015 to be property development and investment and the provision of security services.

Caudan Development specialises in the ownership, promotion and development of Le Caudan Waterfront, a mixed commercial project on the waterfront of Port Louis. Apart from the waterfront project, the company also rents out industrial buildings situated at Pailles and Riche Terre.

Caudan, via a subsidiary, operates in the security business, and is involved in the sale of alarm equipment and the provision of security and property protection services.

The audited financial statements have been approved by the board on September 29th 2015.

Yours sincerely

Jean-Pierre Montocchio
Chairman

René Leclézio
Executive Director

financial highlights

	2015 MRs	2014 MRs
Group shareholders' funds	**2.922bn**	2.921bn
Group NAV per share	**3.565**	3.564
Share price	**1.39**	1.17
Earnings per share	**0.0013**	0.0526
Adjusted earnings per share	**0.0013**	0.0190

performance summary

	2015 %	2014 %
Group net asset return	**0.03**	0.90

The growth in net assets plus dividends declared expressed as a percentage of the net assets at the beginning of the year.

Total shareholder return	**18.8**	15.2

The growth in the share price plus dividends received during the year as a percentage of the share price at the beginning of the year.

Group annualised returns to June 30th 2015

5 years *	**1.0**
10 years	**5.8**

Compound annual total return in terms of increase in net assets plus dividends.
** Net assets as at July 1st 2010 have been restated in respect of prior year adjustments reflected in the accounts.*

Caudan Development
which is listed on the Stock Exchange of Mauritius
is a subsidiary of Promotion and Development
which holds an effective 62.9% stake in the company

corporate information

directors

Jean-Pierre Montocchio
Chairman
Arnaud Dalais
Deputy Chairman
Bertrand de Chazal
Gilbert Gnany
René Leclézio
Iqbal Mallam-Hasham
resigned January 2015
Jocelyne Martin
Seedha Lutcheemee Nullatemby
appointed June 2015
Antoine Seeyave
Adolphe Vallet
Bernard Yen

corporate governance committee

Arnaud Dalais
Chairman
Bertrand de Chazal
René Leclézio
Jean-Pierre Montocchio

audit committee

Bertrand de Chazal
Chairman
Gilbert Gnany
Bernard Yen

management company

Promotion and Development Limited

company secretary

Jocelyne Martin

auditors

BDO & Co
10 Frère Félix de Valois Street,
Port-Louis, Mauritius

registrar and transfer office

MCB Registry and Securities Limited
Raymond Lamusse Building
Sir William Newton Street
Port Louis, Mauritius

registered office

MCB Centre
11–15 Sir William Newton Street, Port Louis

postal address

Dias Pier, Le Caudan Waterfront
Port Louis, Mauritius

Telephone +230 211 94 30
Fax +230 211 02 39
Email corporate@promotionanddevelopment.com

date of incorporation

February 17th 1989

Dear Shareholder

Subdued trading conditions and heightened competitive pressures have characterised the year under review. As predicted, 2015 has been a particularly tough year for Caudan. Our results though they may appear depressing at first glance must be analysed in conjunction with the special conditions in which they were incurred. We are continuing our development and refurbishment programme, which unfortunately affects our current performance but is necessary to reposition us for growth tomorrow.

Our goal is to drive sustained financial outperformance over the longer term for shareholders and generate good solid capital and income growth. The straitened economic conditions have prevented us lately from fulfilling our income growth objective. Whilst we are wary about the short term, we remain confident that with our exceptional assets, we will be able to enhance your return and long term earnings growth.

results

Our profit for the year stood at MRs1.1m (2014: MRs43.1m). Last year's results however included a net positive adjustment of MRs27.5m, representing the revaluation adjustment on investment property net of the related deferred tax thereon. In order to compare the underlying performance of the business on a year to year basis, it is helpful to focus on the adjusted earnings. We show below a different presentation of the income statement which separately highlights its major components.

income statement

June 30th MRs m	**2015**	2014
Net property operating income	**52.5**	87.0
Net security operating income	**5.2**	1.7
Eliminate inter company	**(0.3)**	(0.1)
Net operating income	**57.4**	88.6
Net finance costs	**(55.1)**	(58.5)
Adjusted profit before tax excluding associate	**2.3**	30.1
Share of loss of JV/associate	**(0.0)**	(8.4)
Adjusted profit before tax	**2.3**	21.7
Taxation	**(1.2)**	(6.1)
Adjusted profit for the year	**1.1**	15.6
Fair value surplus (net of deferred tax)	**-**	27.5
Reported profit for the year	**1.1**	43.1

Adjusted profit before tax and excluding the result of associates, stood at MRs2.3m, so that year on year our underlying profit registered a hefty 92.4% decrease, reflecting the difficult environment in which we had to operate. The closure of the foodcourt for renovation works from July to mid-December, costs incurred for the launching, major repair works undertaken to quay walls, refurbishment works to the shopping centre are all factors which impeded further a situation already hampered by high levels of vacancy and reduced rentals. The adverse impact of these factors was however offset to some extent by the improved performance of our security segment and a reduction in finance costs pursuant to the fall in interest rates.

No loss has been recognised in respect of our associate, LCW Casino, and our investment therein has been maintained at nil as it is still in an operating loss situation. Since January 2015, however, a pick-up in business activity has been noted. Nevertheless, the financial situation of casinos in Mauritius is still cause for concern. A new manager with ample experience in the management of casinos was appointed to redress the situation. The authorities have announced that they are creating two new casinos, to which some of the supernumerary staff employed will be redeployed. A VRS

scheme has also been proposed to qualifying employees. Once, a consensus has been reached with the employees and syndicates, the casino should be able to restart from a more solid standpoint and move back to a profitable situation. At Caudan, we remain confident of the strong upside potential of the LCW Casino.

Since the start of financial year 2016, we have made good progress and seen an increase in the level of leasing activity leading to reduction in vacancy rates. The effect may not be seen immediately in the 2016 results as tenancy will not start until the later part of the financial year. Nevertheless, this leaves us better positioned for the future.

The underlying net asset value (NAV) of Caudan's shares held up well, at MRs3.57 (2014: MRs3.56), reflecting the quality and uniqueness of our assets. The market value (MV) of Caudan shares, increased by 18.8% over the financial year to close at MRs1.39 at 30 June 2015, such that the shares were trading at a 61% discount to their NAV. Looking back over the last five years, our compound annual return in terms of increase in net assets per share plus dividends stands at 1.0%, over a period dominated by the economic turmoil.

Le Caudan Waterfront

There is a strong shopping centre culture in Mauritius. We have seen over the recent years a proliferation and extension of shopping centres. Given the size of the client population (both local and tourist) and its limited purchasing power, demand is not expected to absorb immediately the additional supply of gross leasable area created and retail demand is expected to polarize towards the most successful retail locations.

There's not the slightest shadow of a doubt that Le Caudan Waterfront (LCW) will be able to compete with other shopping centres which might lately have seemed more attractive and popular. I'll tell you why. LCW is endowed with unique features: a spectacular location, the waterfront dimension with the harbour and the sea, its striking architecture, its historical and cultural heritage and its strategic location in the heart of Port Louis. The seafront location also has the unrivalled advantage of bringing together locals and tourists. These are to me attributes which enable us to affirm that LCW is well-positioned to outsmart other shopping centres in due course.

With regards to office property at LCW, the position of Port Louis as a true global city endures. Major changes to the road infrastructure have made LCW more accessible, although there is still a lot more to be done. With the judiciary and the banks, within reach, Port Louis will continue to appeal to occupiers, offering the capabilities and opportunities of a global financial centre.

We are also working with the government on an urban re-generation programme to transform Port Louis into a smart city and a cultural destination and to re-affirm its capital dimension. Apart from the numerous advantages associated with smart cities, this strategy will help LCW in easing traffic congestion and improving connectivity between the waterfront and the city. We are very excited about this project and look forward to our collaboration with the government and local authorities for its successful implementation.

property operations

Gross rental income for the year was MRs207m, some MRs10.1m or 4.7% down on the MRs217.1m for the year ended 30 June 2014. Property operating expenses were up 18.8% to MRs154.5m (2014: MRs130.1m). Net rental operating income as a result decreased from MRs87.0m to MRs52.5m during the year. Our property segment results as we saw earlier were adversely impacted by a number of factors of a one-off nature. Notwithstanding, our results also reflect the poor economic environment which continued to hinder retail sales, the drag that vacancies have on rents and the continuous pressure applied by tenants to reduce rentals. Increasing levels of rent arrears and deterioration in the rent collection rates have also led to a significant increase in bad debt provision, which has impaired our performance.

Over the past year, the winners versus the losers trend became increasingly apparent. Pressure on margins has reduced profitability for many retailers and smaller retailers have found it harder to combat rising costs and many have been squeezed out of business as a consequence. Looking long term, there will always be winners and losers in the retail sector and regrettably, we will have to part with some of our tenants. However, at LCW, we are lucky to have a diversified tenant base, with no tenant concentration to minimise the impact on revenue if a major tenant falls. Our challenge is to be dynamic and work closely with our tenants and that means ensuring we provide good space, where shoppers return again and again, at good rates.

There has been a notable shift in the shopper mindset. Shopping has become more experiential and consumers are taking a more considered approach – eating, being entertained and living the shopping experience taking on prominence. Thus we have devoted a lot of time and effort to a distinctive programme of events, designed to delight and surprise our shoppers, meaning there is always something new to capture their attention and drive frequency of visits. Our shopping centre has also a strong presence on social media platforms such as Facebook, Twitter, and Youtube.

At the start of the financial year, our vacancy rate was relatively high at 16%. This however gave us the opportunity to replace underperforming tenants and refigure space to provide the right size of units. Some units had to be removed from generating income while we reconfigured the centre to maximise rental potential on completion. In some cases, we have preferred to stay empty – rather than chasing a target level of occupancy and letting at potentially lower rents or to tenants who did not fit our desired retail mix. We have concentrated on being selective and ensuring that we have the right tenants in the right space. Our long term approach to tenant mix also implies that the optimum balance does not always lead to the highest level of rent. It took some time but our occupancy rate has improved to 92%, when taking into account signed lettings to date.

With regards to our offices, we are pleased to report that after many years of sluggish demand, things are looking better. An additional c.3.500 sq ft were let during the year; furthermore, we signed a new lease with Axys for c.24,000 sq ft. The fitting works are currently in progress and our new tenant is scheduled to occupy the premises as from November 2015.

refurbishment and development programme

Our strategy is to continuously improve and maintain the quality of our property through refurbishments. These are undertaken continuously to refresh and upgrade existing facilities and contribute to improved environmental efficiencies when necessary. During the year, we embarked on several major renovations to modernise the shopping centre in line with evolving customer and retailer needs.

2015 saw us complete the foodcourt redevelopment, which opened in December 2014. The development has involved an investment of around MRs49m. It has been a great success specially at lunch time; we now have a more clearly defined and repositioned catering offer, which has elevated the overall food service proposition. I am glad to report that following the opening, footfall, dwell time and spend have all increased. However, there is room for improvement as far as evenings and Sundays are concerned. We are actually addressing this issue and working with the tenants to identify our best course of action to redress the situation for the benefit of all.

The first floor of our Barkly Wharf building has been granted an important uplift. Major works were undertaken during the year, including extensions, which were tenant-driven enlargements of existing stores and refits upon the entry of new stores.

Entertainment, we saw, has become an important and pertinent parameter of the shopping centre. We decided to undertake a thorough renovation of our cinemas and are proud to announce that the concept of luxury cinema is being launched at LCW. We extended the seating platforms, replaced

all the seats and refurbished all three cinemas completely. The cinemas, when they reopen, will house two business class rooms, with larger and more comfortable seats and a star premium VIP room with reclining leather chairs. Every effort has been made for the benefit of the moviegoer and to make his visit to the cinema an enjoyable and memorable one.

We also requested our architect to redesign the Pavillon. Major upgrade works are currently in progress which once completed, should contribute to modernise and refresh the appearance and ambiance of the centre and improve our property environment.

We have finally received the planning permit and consent of the authorities to proceed with the covered walkway along the pedestrian alley which runs parallel with our Dias Pier building and the Coasters Wharf building of Port Louis Waterfront. The development which is due to start shortly will improve the look of the waterfront by offering a friendlier and livelier environment for visitors and at the same time provide shade for pedestrians using the alley.

The regeneration of the centre is proving popular and will put LCW back on the shopping map. We have a pipeline of other projects which will be implemented in a structured manner and which will further help to enhance overall customer experience, drive income and boost returns over the coming financial years. We mentioned last year our apartments project on the peninsula and our Phase 3 project. They are still valid; we already have the architect's drawings and we are just waiting for the right timing. The precise nature and design of these developments are fluid and the speed of delivery will be dependent on a variety of factors including planning permission, demand, anchor tenant negotiations and raising of finance.

security operations

I am pleased to report this year a threefold increase in the operating profitability of our security segment from MRs1.7m to MRs5.2m. Gross security income increased by 6% with income generated from outside the group up by some 5% to reach MRs259.4m at June 30th 2015 (2014: MRs247.2m), following an increase in the level of activities during the year. Expenses were well contained with the cost to income ratio marginally lower than in the previous year. The security business remains extremely difficult with very low margins achieved.

We are a labour intensive business, with a workforce of around 1,000 employees. Heavy dependence on staff brings in its wake the usual problems of shortages, absenteeism and fatigue. Going forward, we will need to re-invent the business with technological tools to reduce the required man-power while enticing the customer with a better overall price for the security services he has been used to. A change in culture is therefore required; although, this might be a long process, it is one that we cannot circumvent if we want to succeed.

Our vision with regards to our security segment is to be the obvious choice for safety and security solutions and our mission is to commit to the peace of mind of our clients through our excellence in service delivery. We aim to increase sales on activities by looking for technology-oriented solutions and diversify our field of activities and services. Our approach is based on a close collaboration with strategic international partners so as to benefit from their expertise and know-how and be able to offer innovative products. We continue our business association with SBV Services Pty Ltd, to provide world class cash in transit and cash processing management services. During the year, we entered into a joint venture agreement with FS Systems International for integrated intrusion, access control, fire detection and suppression solutions. With regard to the security systems and equipment that we market, we undertake a thorough investigation of the quality and adequacy of the brands that we represent.

indebtedness

At June 30th 2015, our group borrowings increased to MRs812.5m (2014: MRs777.0m). Cash balances totalled MRs0.6m (2014: MRs0.2m) resulting in reported group net debt of MRs811.9m (2014: MRs776.8m).

During the year, we negotiated with the bank for additional debt facilities and the refinancing of our existing facilities by rescheduling capital repayments and extending our loans over a longer time frame. The group continues to operate in a tight cash situation with debt financing gobbling up operating profits. The outgoings in respect of investment property of MRs51.5m relate mainly to expenditure incurred in respect of the foodcourt renovation works. In order to improve our liquidity and financial strength, we disposed of one office unit at Barkly Wharf, thus generating proceeds of MRs12.5m. Suspension of the 2014 dividend payments was equivalent to a saving of MRs33m on the basis of 2013 dividend.

Interest cover based upon adjusted profit before interest and tax for the year decreased to 1.04 times (2014: 1.4 times). Gearing expressed as a percentage of debt to equity currently stands at 27.8% (2014:26.6%).

corporate social responsibility

Corporate responsibility is woven into the fabric of our business. Throughout the year, we continued to provide free accommodation to a variety of fundraising and community events. To create a point of differentiation and a local identity, we have also organized several events aimed at promoting arts and culture.

The report on page 26 details the progress we have made in our commitment towards corporate social responsibility.

In addition, we also aim to meet or exceed minimum health and safety standards. In partnership with health and safety advisers, we work with our employees and supply chain to improve performance at our properties. We give close attention to environmental issues in our business planning and the way we design the buildings. We constantly monitor our energy and water consumption with a view to eliminate all wastage.

Our security strategies are proactively reviewed to ensure we adopt the latest technologies, effectively deploy current resources, identify and address vulnerable areas and collaborate with tenants, the Police force and the authorities.

We carry out rigorous audits and assessments, reviewing any incidents that occur on our sites, so that, wherever possible, we can prevent such occurrences in the future. We aim to help people to achieve their goals as safely as possible.

prospects and outlook

Looking forward to the next financial year, uncertainties and fragility remain. The economic outlook is still not supportive of a definitive upturn in consumer confidence and we expect trading conditions to remain very challenging in the year ahead. We are however encouraged by our increased occupancy and improving footfall. The enhancements in our retail and leisure mix as well as retenanting and renovation works is transforming the business both in terms of quality and resilience and will start to deliver results. Short term income reductions in parts of the centre undergoing redevelopment will however still impinge next year's results and prevent us from achieving our full potential. Nevertheless, we will continue to focus on margin and expense management, working capital control and cash flow monitoring with the existing operations.

I will not shield the truth from you; we still have some rough patch ahead of us. Available space is in large supply. There is a lot to be done in order to improve customer perception, reposition LCW and help it regain its lost impetus and popularity. Traffic congestion especially during the peak periods is still a real problem. However we have assets with unique features, we have the determination and the skills to succeed and remain confident that if no stones are left unturned, valuable benefits will be reaped in the long run.

Going forward, increased occupancy and the edging up of rental rates to a more reasonable level will enable our costs to be absorbed over a larger turnover base. In addition, given that Caudan currently has undeveloped land within its investment property portfolio, there are more prospects for improved margins to be achieved in the longer term as overheads are amortised over a greater developed surface.

We want the Caudan brand to send a simple and powerful message of excellence and LCW to be a leading retail destination attractive to both retailers and consumers. Our aim is to be top of the list when retailers are looking for new space and when shoppers are looking for a place to visit. We want to distinguish Caudan from our competitors, create a vibrant hub for the community and make a significant economic contribution to the region.

I would like to acknowledge and express my sincere appreciation to all those people who contribute to the group's success. I would particularly like to thank our highly committed staff who provided excellent work under pressure. Their unwavering dedication and loyalty has helped us to steer through these difficult and trying times and we are grateful to them. I would also like to thank my board colleagues for their invaluable sage advice and strategic direction, the customers who visit LCW, the tenants and their staff and the shareholders for their continued trust and confidence during yet another tumultuous year.

Yours sincerely

Jean-Pierre Montocchio

Chairman
September 30th 2015

compliance statement

The company is committed to the highest standards of business integrity, transparency and professionalism in all activities to ensure that the activities within the company are managed ethically and responsibly to enhance business value for all stakeholders. As an essential part of this commitment, the board strives to apply principles of good governance throughout the group.

group structure as at June 30th 2015

The holding structure up to and including Promotion and Development Limited, the ultimate parent, is shown overleaf.

common directors

common directors within the holding structure of the company

at June 30th 2015	Promotion and Development
Jean-Pierre Montocchio	›
René Leclézio	›
Bertrand de Chazal	›
Arnaud Dalais	›
Gilbert Gnany	›
Jocelyne Martin	›
Adolphe Vallet	›
Bernard Yen	›

holding structure

At June 30th 2015, the capital structure of the company was MRs819,520,000, represented by 819,520,000 ordinary shares of MRe1.00 each and there were 3,081 shareholders on the registry.

shareholders holding more than 5% of the share capital of the company at June 30th 2015

shareholder	number of shares	% held
Promotion and Development	435,450,209	53.14
Ferryhill Enterprises	80,000,000	9.76
Fincorp Investment	43,758,300	5.34

Subsidiaries and associates of the company are listed in notes 6 and 7 respectively of the financial statements.

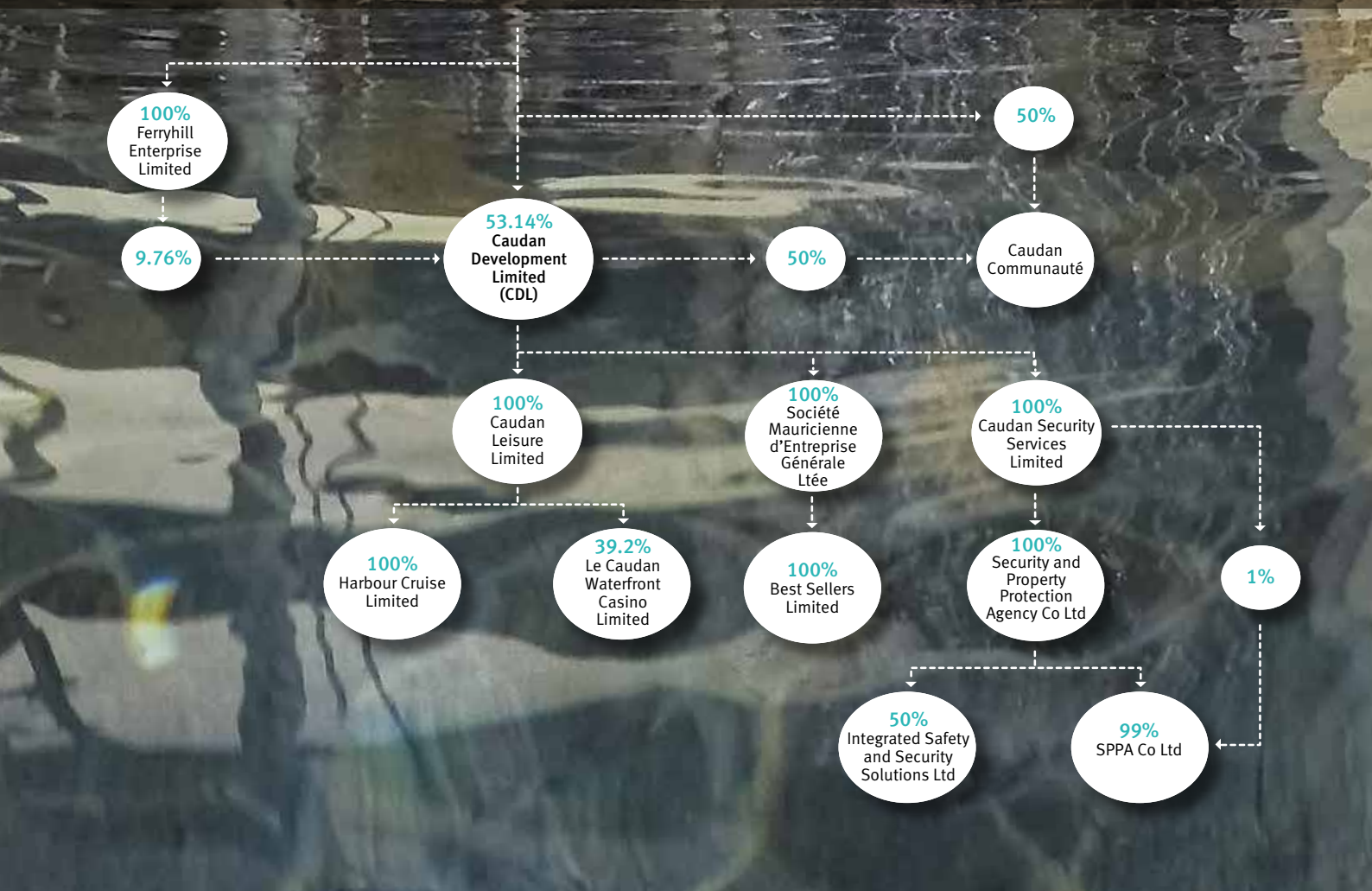
dividend policy

The company aims to provide its shareholders with ongoing returns in the form of stable dividends. Directors ensure that dividends are paid out only if the company, shall upon distribution being made, satisfy the solvency test. Having regard to the company's future commitments and financial requirements, no dividend was declared in respect of this financial year also.

trend over the past five years

year	dividend per share cents
2015	**-**
2014	-
2013	4.0
2012	4.0
2011	4.0

Promotion and Development Limited (PaD)



the board of directors

Composition

The company's articles provide that the board of the company shall consist of a minimum of 5 and a maximum of 14 directors.

At year end, the board consisted of two executive directors, six non-executive directors including the chairman and deputy chairman and two independent directors. The directors come from diverse business background and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgments on various key issues relevant to the business of the company independent of management.

All directors are expected to attend all meetings of the board, and of those committees on which they serve, and to devote sufficient time to the group's affairs to enable them to properly fulfill their duties as directors. However, on occasion, it may be necessary to convene meetings at short notice which may preclude directors from attending. The board met six times during the year to consider all aspects of the company's affairs and any further information which it requested from management. The directors are required to carry out an individual and a board evaluation and to report any shortcomings identified. The Board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

attendance at the board and its committee meetings

2015	board of directors	sub-committees	
		corporate governance	audit
Jean-Pierre Montocchio	5	1	n/a
René Leclézio	6	1	n/a
Bertrand de Chazal	5	1	4
Arnaud Dalais	2	1	n/a
Gilbert Gnany	4	n/a	5
Iqbal Mallam Hasham*	-	n/a	n/a
Jocelyne Martin	6	n/a	n/a
Seedha Lutcheemee Nullatemby**	-	-	-
Antoine Seeyave	2	n/a	n/a
Adolphe Vallet	3	n/a	n/a
Bernard Yen	4	n/a	5
total meetings held	6	1	5

*Resigned January 2015 ** Appointed June 2015

In accordance with the articles of the company, directors are subject to retirement and re-election by shareholders as follows: one third of the directors or if their number is not three or a multiple of three, the number nearest one third shall retire from office and be eligible for re-election. New directors are appointed to the board on recommendation of the nomination committee. They are briefed on key information relating to the group and the sector in which it operates.

The board is accountable not only to the company's shareholders for the good conduct of the company's and its subsidiaries' affairs but is also responsible to its other stakeholders for the effective control and proper management of the Caudan group. The company's internal procedures are regularly reviewed and updated by the board and the various relevant board committees.

The board has a schedule of matters reserved to it and discusses and makes decisions relating to, but not limited to strategy and management, structure and capital, financial measures and performance, financial reporting and internal controls, contracts, communication, board membership and other appointments, remuneration, delegation of authority, corporate governance matters and policies, significant acquisitions and disposals of assets and development approvals. The board delegates authority to the board sub-committees and to executive management in respect of certain transactions within defined, limited parameters.

The executive directors meet with management on a monthly basis to discuss business, operational and other issues and keep the board regularly informed about the company, its subsidiaries, its activities, performance and its projects, particularly including any significant variances from a planned course of progress.

The company maintains directors' and officers liability insurance, which is reviewed annually.

directors' profiles

Jean-Pierre Montocchio

Chairman and non-executive director

Notary public. Has participated in the National Committee on Corporate Governance. Director of various listed companies including MCB Group, Fincorp Investment, Promotion and Development, Rogers, New Mauritius Hotels, Les Moulins de la Concorde and ENL Land.

Arnaud Dalais

Deputy chairman and non-executive director

Mr P. Arnaud Dalais is the Chairman of CIEL , CIEL Textile, Sun Resorts and Alteo. He joined the CIEL Group in August 1977 and was nominated Group Chief Executive in November 1991 and Group Chairman in 2010. Under his leadership, the company and the CIEL Group at large, has grown through an important growth both locally and internationally. He also plays an active role at the level of the Mauritian private sector and has assumed the chairmanship of a number of organisations including the Joint Economic Council from 2000 to 2002. Director of Promotion and Development.

Bertrand de Chazal

Non-executive director

Fellow member of the Institute of Chartered Accountants of England and Wales and Commissaire aux Comptes. Worked during his career with Touche Ross, Paris and West Africa; retired as senior financial analyst of the World Bank. Director of Promotion and Development, Mauritius Union Assurance, La Prudence, MCB Equity Fund and MCB Capital Markets.

Gilbert Gnany

Non-executive director

Holds a Master's degree in Econometrics from the University of Toulouse and a DESS in Management/ Micro Economics from Paris-X. Currently Chief Strategy Officer of MCB Group. Worked as senior advisor on the World Bank Group's executive board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors. Prior to joining the World Bank, was the MCB Group Chief Economist after having been the Economic Advisor to the Minister of Finance. Has also been involved in various high-profile boards/committees. Amongst others, chaired the Stock Exchange of Mauritius, the Statistics Advisory Council and the Statistics Board as well as having been a director, of the Board of Governors of the Mauritius Offshore Business Activities Authority and of the Board of Investment. Was also a member of the IMF Advisory Group for sub-Saharan Africa (AGSA). Whilst being Chairperson or board member of several companies of the MCB Group, he is currently a member of the Senate and of the Court of the University of Mauritius. Was appointed Director of MCB Group Ltd in April 2014. He is also a member of its Risk Monitoring Committee. Director of Promotion and Development.

René Leclézio

Executive director

Degree in Chemical Engineering, Imperial College and MBA, London Business School. Worked as a manager at Lloyds Merchant Bank, London, before joining the company as its general manager in 1988. Director of several private and public companies including Promotion and Development, Medine, Mauritius Freeport Development, Swan Life and Swan General.

Jocelyne Martin

Executive director

BSc (Econ), London School of Economics. Member of the Institute of Chartered Accountants of England and Wales. After several years of experience in the UK, worked at De Chazal Du Mée before joining Promotion and Development as Group Financial Controller in 1995. She is also the Company Secretary. Director of Promotion and Development and Medine.

Seedha Lutcheemee Nullatemby

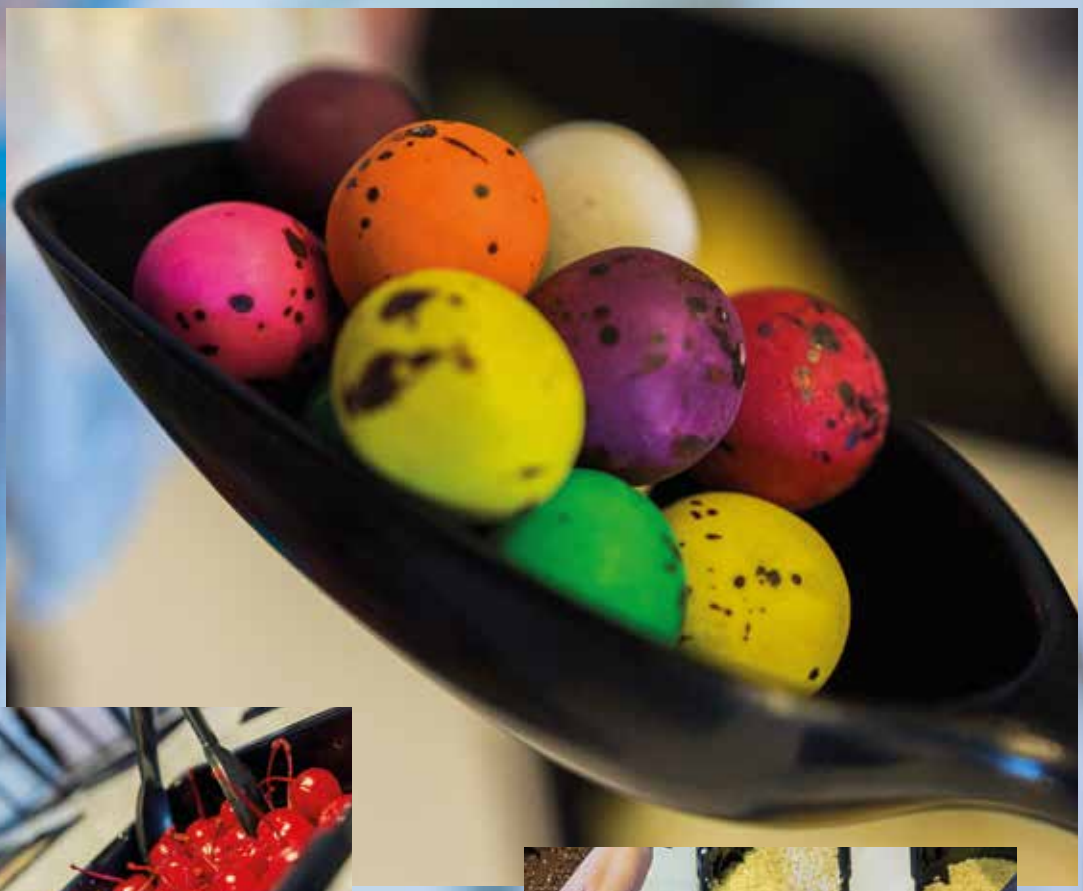
Independent director

MBA, Fellow of the Institute of Chartered Secretaries and Administrators, London, UK. Director of several private companies including Sun Casinos and Lafarge Mauritius.

Antoine Seeyave

Independent director

Chairman of Happy World and director of Ipro Growth Fund. Sloan fellow of the London Business School.



Adolphe Vallet
Non-executive director
Worked for The Mauritius Commercial Bank and Roger Fayd'herbe, before The Constance and La Gaieté Sugar Estate. Has acted as chairman of the MCB, the Chamber of Agriculture, IBL and of Constance Group. Director of several companies including Livestock Feed and Promotion and Development.

Bernard Yen
Non-executive director
Fellow of the UK Institute and Faculty of Actuaries. Currently the Managing Director of Aon Hewitt, providing actuarial, pensions and other services in Mauritius and the African region. Has 30 years' international consulting experience including 15 years with Mercer in Europe. Serves as the African representative on the Committee of Actuaries advising the UN staff pension fund since 2007. Director of a number of other companies including Promotion and Development, MCB Capital Partners and Mauritian Eagle Leasing.

directors' interests in shares

The directors are aware of the contents of the Model Code on Securities Transactions by Directors (appendix 6 of The Mauritius Stock Exchange Listing Rules 2000).

interests of the directors in the share capital of the company and its subsidiaries at June 30th 2015

number of shares	direct	indirect
Jean-Pierre Montocchio	-	131,000
Arnaud Dalais	300,000	-
Bertrand de Chazal	-	-
Gilbert Gnany	-	-
René Leclézio	-	125,000
Jocelyne Martin	65,000	-
Seedha Lutcheemee Nullatemby	-	-
Antoine Seeyave	-	-
Adolphe Vallet	-	16,400
Bernard Yen	60,000	-

transactions during the year	direct	indirect
number of shares sold		
Arnaud Dalais	-	50,000

senior executives profile

The profiles of Mr René Leclézio and Mrs Jocelyne Martin appear in the Directors' Profiles section.

related party transactions

For related party transactions, please refer to note 27 of the financial statements.

board committees

The board has established a number of committees, each of which has written terms of reference which deal clearly with their authorities and duties. The most important committees are listed below:

The corporate governance committee
The committee which incorporates the nomination and remuneration committee is chaired by Mr P. Arnaud Dalais and comprises two further non-executive directors (Messrs Bertrand de Chazal and Jean-Pierre Montocchio) and one executive director, Mr René Leclézio. The main objects and functions of the committee are to determine, agree and develop the company's general policy on corporate governance, advise and make recommendations to the board on all aspects thereof.

The audit committee
The audit committee monitors the adequacy of the financial information reported to shareholders, and monitors the group's internal financial controls. The audit committee reviews the draft interim and annual reports and associated results announcements prior to their submission to the board for approval.

The committee also provides a forum for communication between the board and the external auditors; in particular, it reviews their effectiveness, objectivity and independence and considers both the scope of their work and the fees paid to them for audit and non-audit services.

The committee currently comprises Mr Bertrand de Chazal, Chairman and Messrs Gilbert Gnany and Bernard Yen. The committee consists solely of

non-executive directors. All members of the audit committee are financially literate. The chief executive and the group finance director are invited to attend all meetings. The audit committee chairman reports the outcome of the committee meetings to the board. The committee meets with external auditors in the absence of management at least once each year.

Internal control and risk management policies

The board has ultimate responsibility for the system of internal control across the group and for reviewing its effectiveness and for identifying, evaluating and managing the group's significant risks.

Risk issues are systematically addressed at the Audit and Corporate Governance Committees. Some of the operational risks to which the company is exposed are:

- physical: losses due to fire, cyclone, explosion etc.
- human resources: losses arising from acts inconsistent with employment, health and safety laws.
- business continuity: losses resulting from breakdown in systems, failure of internal processes, inadequate back-ups and loss of data.
- compliance: failure to comply with laws, regulations, codes of conduct and standard of good practice relevant to the group's business environment.

The group is also exposed to financial risks such as market risk, credit risk and liquidity risk. The management of these risks is further discussed in note 1 of the financial statements.

The group's system of internal control is designed to safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records, provide reliable financial information and ensure compliance with relevant legislation and regulations. Such a system however can provide only a reasonable rather than absolute assurance against material misstatement or loss.

There is a regular review process throughout the year of the effectiveness of the group's systems of internal controls, including financial, operational and compliance controls and risk management. The risk management procedures involve the analysis, evaluation and management of the key risks to the group and include plans for the continuance of the company's business in the event of unforeseen interruption. The board considers that it has clear and robust procedures for monitoring the signing of all documents within the group and the approval of all transactions, no matter what their size, through formal board committees and formally delegated authority limits.

In view of its size and the nature of the business, the group does not have an internal audit function; The key elements of the group's systems of internal control are as follows:

- regular meetings of the board and the respective committees whose overall objectives are set out above;
- a management structure that is designed to enable effective decision making with clearly defined responsibilities and limits of authority. The monthly meetings of the executive directors with the management team are an important part of this structure;
- the formulation of policies and approval procedures in a number of key areas;
- the measurement of the group's financial performance on a regular basis against budgets.

The audit committee also reacts on external auditor reports regarding any recommendations for improvements in controls or processes identified in the course of their work. The auditors also evaluate all aspects of internal control of the company and its subsidiaries. Furthermore, an independent review of the internal control system of the group is carried out on a periodical basis.

code of ethics

The company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

sustainability reporting

The company is committed to the development and implementation of social health and safety and environmental policies and practices in line with existing legislatives and regulatory framework.

carbon reduction commitment

Throughout its development and whenever the improvement of its overall premises and amenities has been made, Caudan Development has always committed itself to the principles of sustainable development, particularly when it comes to the preservation and embellishment of the environment. Environment consciousness is among one of the most important business practices of the company. Furthermore, Le Caudan Waterfront is recognised by the public as offering a reasonable natural and clean physical environment. The company wishes to go further in the strengthening and affirmation of Le Caudan Waterfront's identity as an eco-friendly destination by building on several ad hoc 'green' initiatives that have been taken over a certain period of time, like the use of eco-friendly and biodegradable detergents when it comes to the cleaning of the premises and recycling of used oils among others. The company is also working towards reducing our paper consumption through the elimination of paper invoices by sending invoices electronically.

The most visible and ambitious action taken at this level is the inculcation of environmental awareness to all visitors and tenants via the implementation of selective separation and sorting of waste with the provision of adapted bins.

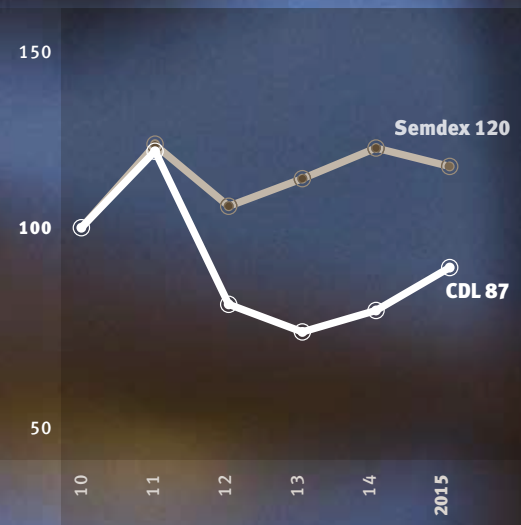
In the coming year, the company will continue to work towards bringing consistency to its environment-friendly policy and actions in view of putting up a structured and full-fledged project that would strengthen our commitment towards sustainable development, thus enabling it to meet international standards with regard to environmental consciousness.

important events

forthcoming annual meeting of shareholders	December 2015

share price information

evolution of the company's share price compared to the Semdex over the past five years



directors' service contracts

There are no service contracts between the company or its subsidiaries and the directors.

directors' indemnity insurance

The company has contracted an indemnity insurance cover for the directors' liability.

directors' remuneration

remuneration and benefits received and receivable from the company and its subsidiaries

	THE COMPANY		SUBSIDIARIES	
MRs000	**2015**	2014	**2015**	2014
Full time executive directors	**60**	60	**-**	-
Non-executive directors	**427**	494	**60**	60
	487	554	**60**	60

The directors' fees and remuneration are in accordance with market rates. They have not been disclosed on an individual basis due to the sensitive nature of the information.

contract of significance

During the year under review, there was no contract of significance to which the company was a party and in which a director was materially interested either directly or indirectly.

auditors' fees

fees payable to the auditors for audit and other services, year ended June 30th 2015

	THE GROUP		THE COMPANY	
MRs000	**2015**	2014	**2015**	2014
BDO & Co				
Audit services	**585**	574	**265**	260
Other services	**-**	-	**-**	-
	585	574	**265**	260

material clauses of the constitution

There are no clauses of the constitution deemed material to be disclosed.

shareholders agreement

There is currently no shareholders agreement affecting the governance of the company by the board.

third party management agreement

There were no such agreements during the year under review.

statement of remuneration philosophy

The company's remuneration philosophy concerning directors provides that:

- there should be a retainer fee for each director reflecting the workload, size and complexity of the business as well as the responsibility involved. It should be the same for all directors whether executive or non-executive directors;
- the chairman having wider responsibilities should have higher remunerations;
- there should be committee fees for directors. The chairperson should have higher remuneration than members.

The remuneration philosophy for management and staff is based on meritocracy and ensures that:

- fairness is promoted throughout the organisation and;
- opportunity is given to staff members to benefit from the financial result and development of the company.

Eligible staff members are entitled to receive a bonus based on the performance of the company and their own rated performance appraisal during the year.

Generally, the finalisation of remuneration packages is based on a number of factors including qualifications, skills and experience, past performance, personal potential, market norms and practices, and levels of responsibilities.

donations

	THE GROUP		THE COMPANY	
MRs000	**2015**	2014	**2015**	2014
Corporate social responsibility	**416**	870	**5**	429
Other	**-**	1,201	**-**	1,171
	416	2,071	**5**	1,600

No political donations were made during the year (2014: nil).

corporate social responsibility

The group has always been committed in providing voluntary support to Non-Governmental Organisations (NGOs) on request and sponsorship to individuals and associations for the promotion of education, arts and culture and sport activities. Le Caudan Waterfront has indeed always been actively involved in empowerment through the provision of free mall space and the promotion of local arts and crafts, artistic exhibitions and cultural as well as sports events.

The commitment of the group towards corporate social responsibility was strengthened with the incorporation of Caudan Communauté, a special purpose vehicle (SPV) which was incorporated in 2010 to implement the specific CSR programme of the group. Its main responsibilities consist of financing and working closely in partnership with all stakeholders of the community: the public through NGOs engaged in social work, other foundations which have similar objectives and the authorities, namely the national corporate social responsibility committee (NCSRC).

The management of Caudan Communauté has been entrusted to a committee composed of representatives of the group to translate the philosophy and vision of the group in all CSR activities. The field of intervention of Caudan Communauté is as follows :

- promotion of socio-economic development, including poverty alleviation and the improvement of gender and human rights;
- promotion of development in the fields of health, education and training, leisure and environment;
- intervention and support during and following catastrophic events and;
- undertaking or participation in programs approved by the National Corporate Social Responsibility (NCSR) Committee.

Since its operation, Caudan Communauté has contributed in the following areas namely:

- support to vulnerable groups: children, women in distress and handicapped;
- education: literacy programmes and training;
- health: support to the rehabilitation of patients suffering from mental disorder, inadapted children and fight against AIDS;
- human values: fight against corruption;
- arts and culture: opportunities for development of talented musicians;
- sports: promotion of sports events;
- environment: creation of green spaces outside the work place and;
- empowerment of women and children.

During the year, the highlights of the CSR programme have been the sponsorship of:

- awareness campaign towards human rights and empowerment of chagossian women and the fight for the elimination of poverty;
- salaries of educators helping mentally handicapped persons through Association Dominique Savio;
- two-days exposition at Le Caudan Waterfront whereby adolescents from the ANFEN were given opportunity to display their talents and skills;
- Neuro-rehabilitation programme for diabetics;
- food and sculpture classes for educational support for children from very poor families during school days;
- four week-ends residential community to empower youth to combat HIV/AIDS through life skill management program.

statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International 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 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 Companies Act 2001. The directors are also responsible to ensure that:

- an effective system of internal control and risk management has been maintained and;
- the code of corporate governance has been adhered to.

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

Approved by the board of directors
on September 29th 2015
and signed on its behalf by

René Leclézio
Director

Bertrand de Chazal
Director

company secretary's certificate

I certify that to the best of my knowledge and belief the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

Jocelyne Martin

Company Secretary

September 29th 2015

statement of compliance

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

name of company

Caudan Development Limited

Reporting Period

Year ended June 30th 2015

We, the Directors of Caudan Development Limited, confirm to the best of our knowledge, that the company has complied with all its obligations and requirements under the code of Corporate Governance except for Section 2.8.2 of the Code, as explained on page 24 of the Corporate Governance Report.

Approved by the board of directors on September 29th, 2015 and signed on its behalf by

René Leclézio

Director

Bertrand de Chazal

Director

independent auditors' report
to the members

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

report on the financial statements

We have audited the group financial statements of Caudan Development Limited and its subsidiaries (the group) and the company's separate financial statements on pages 32 to 70 which comprise the statements of financial position at June 30th 2015, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

directors' responsibility for the financial statements

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

auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

opinion

In our opinion, the financial statements on pages 32 to 70 give a true and fair view of the financial position of the group and company at June 30th 2015 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

report on other legal and regulatory requirements

Companies Act 2001

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

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

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

Financial Reporting Act 2004

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

In our opinion, the disclosure in the annual report is consistent with the requirements of the code.

BDO & Co
Chartered Accountants

per Ameenah Ramdin FCCA ACA
licensed by FRC

September 29th 2015, Port-Louis, Mauritius

financial statements

statements of financial position

		THE GROUP		THE COMPANY	
MRs000	note	**2015**	2014	**2015**	2014
Assets					
Non-current assets					
Investment property	2	**3,669,165**	3,631,517	**3,321,184**	3,329,329
Prepaid operating leases	3	**463**	469	**463**	469
Property, plant and equipment	4	**174,759**	179,746	**48,718**	47,213
Intangible assets	5	**4,037**	4,373	**94**	56
Investments in subsidiary companies	6	**-**	-	**14,247**	14,247
Investments in associate and jointly controlled entities	7,8	**-**	-	**-**	-
Deferred tax assets	15	**5,845**	3,496	**-**	-
Trade receivables	11	**4,834**	-	**-**	-
		3,859,103	3,819,601	**3,384,706**	3,391,314
Current assets					
Inventories	10	**9,546**	14,237	**2,489**	3,086
Trade and other receivables	11	**118,459**	100,381	**229,748**	145,624
Cash and cash equivalents		**592**	158	**96**	119
		128,597	114,776	**232,333**	148,829
Total assets		**3,987,700**	3,934,377	**3,617,039**	3,540,143
Equity and liabilities					
Capital and reserves attributable to owners of the parent					
Share capital	12	**819,520**	819,520	**819,520**	819,520
Other reserves	18	**2,850**	2,862	**2,862**	2,862
Retained earnings	13	**2,099,306**	2,098,638	**1,665,912**	1,660,388
Total equity		**2,921,676**	2,921,020	**2,488,294**	2,482,770
Liabilities					
Non-current liabilities					
Borrowings	14	**636,500**	419,317	**636,500**	419,317
Deferred tax liabilities	15	**129,966**	128,996	**90,396**	88,353
Retirement benefit obligations	16	**26,011**	23,526	**7,818**	7,437
		792,477	571,839	**734,714**	515,107
Current liabilities					
Other payables	17	**96,132**	83,079	**235,233**	225,475
Current tax liabilities		**1,444**	708	**-**	-
Borrowings	14	**175,971**	357,731	**158,798**	316,791
		273,547	441,518	**394,031**	542,266
Total liabilities		**1,066,024**	1,013,357	**1,128,745**	1,057,373
Total equity and liabilities		**3,987,700**	3,934,377	**3,617,039**	3,540,143
MRs					
Net assets per share		**3.565**	3.564	**3.036**	3.029
Number of shares		**819,520,000**	819,520,000	**819,520,000**	819,520,000

These financial statements have been approved for issue by the board of directors on September 29th, 2015 and are signed on its behalf by

René Leclezio *Director*

Bertrand de Chazal *Director*

The notes on pages 36 to 70 form an integral part of these financial statements. The auditors' report is on page 29.

statements of profit or loss and other comprehensive income

		THE GROUP		THE COMPANY	
MRs000	note	**2015**	2014	**2015**	2014
Revenue	1	**461,611**	459,439	**160,805**	161,638
Net (loss)/gain from fair value adjustment on investment property	2	**-**	(12,874)	**-**	46,009
Operating expenses		**(404,153)**	(370,842)	**(106,981)**	(85,754)
Operating profit	19	**57,458**	75,723	**53,824**	121,893
Finance costs	20	**(55,643)**	(58,661)	**(54,714)**	(57,343)
Finance income	20	**507**	152	**8,980**	8,301
Share of loss of joint venture	8	**(10)**	-	**-**	-
Share of loss of associate	7	**-**	(8,418)	**-**	-
Profit before income tax		**2,312**	8,796	**8,090**	72,851
Taxation	21	**(1,212)**	34,298	**(2,134)**	25,858
Profit for the year attributable to owners of the parent		**1,100**	43,094	**5,956**	98,709
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligations	16	**(508)**	(6,103)	**(508)**	(528)
Deferred tax on remeasurement of retirement benefit obligations	15	**76**	915	**76**	79
Items that may be reclassified subsequently to profit or loss					
Group's share of other comprehensive income of associate	7	**-**	(12,207)	**-**	-
Exchange difference on translating foreign operation		**(12)**	-	**-**	-
Other comprehensive income for the year attributable to owners of the parent		**(444)**	(17,395)	**(432)**	(449)
Total comprehensive income for the year attributable to owners of the parent		**656**	25,699	**5,524**	98,260

MRe			
Earnings per share	22A	**0.0013**	0.0526
Adjusted earnings per share	22B	**0.0013**	0.0190

The notes on pages 36 to 70 form an integral part of these financial statements. The auditors' report is on page 29.

statements of changes in equity

Attributable to owners of the parent MRs000	share capital	other reserves	retained earnings	total equity
				THE GROUP
Balance as at July 1st 2013	819,520	2,862	2,072,939	2,895,321
Profit for the year	-	-	43,094	43,094
Other comprehensive income	-	-	(17,395)	(17,395)
At June 30th 2014	819,520	2,862	2,098,638	2,921,020
Balance as at July 1st 2014	819,520	2,862	2,098,638	2,921,020
Profit for the year	-	-	1,100	1,100
Other comprehensive income	-	(12)	(432)	(444)
At June 30th 2015	**819,520**	**2,850**	**2,099,306**	**2,921,676**
				THE COMPANY
Balance as at July 1st 2013	819,520	2,862	1,562,128	2,384,510
Profit for the year	-	-	98,709	98,709
Other comprehensive income	-	-	(449)	(449)
At June 30th 2014	819,520	2,862	1,660,388	2,482,770
Balance as at July 1st 2014	819,520	2,862	1,660,388	2,482,770
Profit for the year	-	-	5,956	5,956
Other comprehensive income	-	-	(432)	(432)
At June 30th 2015	**819,520**	**2,862**	**1,665,912**	**2,488,294**

The notes on pages 36 to 70 form an integral part of these financial statements. The auditors' report is on page 29.

statements of cash flows

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Cash flows from operating activities				
Cash received from tenants	**185,383**	214,516	**145,156**	179,818
Security fees received	**251,605**	249,635	**-**	-
Cash payments net of other operating receipts	**(368,061)**	(351,566)	**(87,158)**	(93,040)
Cash generated from operations	**68,927**	112,585	**57,998**	86,778
Interest paid	**(55,583)**	(58,932)	**(54,654)**	(57,572)
Interest received	**507**	166	**8,980**	8,301
Income tax refund	**6,611**	12,487	**5,187**	9,684
Income tax paid	**(9,795)**	(11,901)	**(6,001)**	(6,388)
Net cash generated from operating activities	**10,667**	54,405	**11,510**	40,803
Cash flows from investing activities				
Purchase of property, plant and equipment	**(11,956)**	(18,551)	**(3,038)**	(8,739)
Purchase of intangible assets	**(157)**	(36)	**(82)**	(31)
Payments in respect of investment property	**(51,534)**	-	**(9,364)**	-
Net amount (granted to)/paid by subsidiary companies	**-**	-	**(65,817)**	11,688
Amount paid on behalf of joint venture	**(96)**	-	**-**	-
Investment in joint venture	**(10)**	-	**-**	-
Proceeds from disposals of property, plant and equipment	**-**	542	**-**	252
Proceeds from disposals of investment property	**12,536**	-	**12,536**	-
Other cash inflows/(outflows)	**5,621**	(3,195)	**6,179**	(517)
Net cash (used in)/generated from investing activities	**(45,596)**	(21,240)	**(59,586)**	2,653
Cash flows from financing activities				
Loan received from bank	**220,552**	-	**220,552**	-
Repayments of bank borrowings	**(35,877)**	(69,508)	**(35,877)**	(69,508)
Net loan repaid to parent	**-**	(96,184)	**-**	(76,704)
Net loan repaid to related companies	**-**	(187)	**-**	(187)
Loans received from other institution	**163**	-	**-**	-
Loans (repaid to) /received from subsidiary company	**-**	-	**(11,078)**	11,078
Dividends paid	**-**	(32,781)	**-**	(32,781)
Net cash generated from/(used in) financing activities	**184,838**	(198,660)	**173,597**	(168,102)
Net increase/(decrease) in cash and cash equivalents	**149,909**	(165,495)	**125,521**	(124,646)
Cash and cash equivalents at beginning of the year	**(288,065)**	(122,539)	**(247,164)**	(122,485)
Effect of foreign exchange rate changes	**(60)**	(31)	**(59)**	(33)
Cash and cash equivalents at end of the year	**(138,216)**	(288,065)	**(121,702)**	(247,164)
Analysis of cash and cash equivalents disclosed above				
Bank and cash balances	**592**	158	**96**	119
Bank overdrafts	**(138,808)**	(288,223)	**(121,798)**	(247,283)
	(138,216)	(288,065)	**(121,702)**	(247,164)

The notes on pages 36 to 70 form an integral part of these financial statements. The auditors' report is on page 29.

general information

Caudan Development Limited is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is MCB Centre, 11–15 Sir William Newton Street, Port Louis. The Company is listed on the official market of the Stock Exchange of Mauritius. These consolidated financial statements have been approved for issue by the board of directors on September 29th 2015 and will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the Company.

1 significant accounting policies

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

Basis of preparation

The financial statements of Caudan Development Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs000), except when otherwise indicated. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- investment properties are stated at their fair value and;
- relevant financial assets and financial liabilities are stated at their fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in the process of applying the company's accounting policies. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity are disclosed in note 1A.

Amendments to published standards and interpretations effective in the reporting period

Amendments to IAS 32

'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the group's financial statements.

Amendments to IFRS 10, IFRS 12 AND IAS 27

'Investment Entities', define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the group is not an investment entity, the standard has no impact on the group's financial statements.

IFRIC 21 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what obligating event that gives rise to pay a levy and when should a liability be recognised. The group is not subject to levies so the interpretation has no impact on the group's financial statements.

Amendments to IAS 36

'Recoverable Amount Disclosures for Non-financial Assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the group's financial statements.

Amendments to IAS 39

'Novation of Derivatives and Continuation of Hedge Accounting', provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendment has no impact on the group's financial statements.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.

Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the group's financial statements.

Annual Improvements to IFRSs 2010–2012 cycle

IFRS 2

'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the group's financial statements.

IFRS 3

'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the group's financial statements.

IFRS 8

'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the group's financial statements.

IFRS 13 (amendment)

'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the group's financial statements.

IAS 16

'Property, plant and equipment' and IAS 38, 'Intangibles' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the group's financial statements.

IAS 24

'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the group's financial statements.

Annual Improvements to 2011–2013 Cycle

IFRS 1

'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the group's financial statements, since the group is an existing IFRS preparer.

IFRS 3

'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the group's financial statements.

IFRS 13

'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the group's financial statement.

IAS 40

'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the group's financial statements.

Standards, amendments to published standards and interpretation issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2015 or later periods, but which the group has not early adopted.

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

IFRS 9	Financial instruments
(Amendments to IAS 19)	
	Defined Benefit Plans: Employee Contributions
IFRS 14	Regulatory Deferral Accounts
(Amendments to IFRS 11)	
	Accounting for Acquisitions of Interests in Joint Operations
(Amendments to IAS 16 and IAS 38)	
	Clarification of Acceptable Methods of Depreciation and Amortisation
IFRS 15	Revenue from Contract with Customers
(Amendments to IAS 16 and IAS 41)	
	Agriculture: Bearer Plants
(Amendments to IAS 27)	
	Equity Method in Separate Financial Statements
(Amendments to IFRS 10 and IAS 28)	
	Sale or Contributions of Assets between an Investor and its Associate or Joint Venture
Annual Improvements to IFRSs 2012–2014 cycle	
(Amendments to IFRS 10, IFRS 12 and IAS 28)	
	Investment Entities: Applying the Consolidation Exception

(Amendments to IAS 1) Disclosure initiative

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

Investments in subsidiary companies

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised immediately in profit or loss as per last year.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all the policies adopted by the group.

Transactions and non-controlling interests

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

Separate financial statements of the company

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

Disposal of subsidiaries

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

Investments in associates

An associate is an entity over which the group has significant influence, through participation in the financial and operating policy decisions but not control.

Investments in associates are accounted for using the equity method of accounting, except when classified as held-for-sale, and are initially recognised at cost and adjusted by post acquisition changes in the group's share of net assets of the associate. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post acquisition profits or losses is recognised in profit or loss, and its share of post acquisition movements in reserves is recognised in reserves.

The carrying amount of the investment is reduced to recognise any impairment in the value of the individual investments. When the group's share of losses exceeds its interest in an associate, the group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

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

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

Investments in joint venture

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

Joint venture is accounted for using the equity method and, under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the profit or loss of the joint venture after the date of acquisition. The group's share of its joint venture post acquisition profits or losses is recognised in the statement of profit or loss and its share of post-acquisition movements in reserves in other comprehensive income. Goodwill arising on the acquisition of a joint venture entity is included with the carrying amount of the joint venture and tested annually for impairment. When the group's share of losses exceeds the carrying amount of the investment, the latter is reported at nil value. Recognition of the group's share of losses is discontinued except to the extent of the group's legal and constructive obligations contracted by the joint venture. If the joint venture subsequently reports profits, the group's resumes recognising its share of those profits after accounting for its share of unrecognised past losses. Unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the group's share of the net identifiable assets and liabilities of the acquired subsidiary company or associate at the date of acquisition. Goodwill on acquisitions of subsidiary companies is included in intangible assets. Gains on bargain purchases represent the excess of the fair value of the group's share of net assets acquired over the cost of acquisition and are recognised in profit or loss.

Goodwill on acquisitions of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (not exceeding five years). Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software controlled by the group and that will generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Customer list

Customer list acquired during the year with an indefinite useful life is not amortised but is tested annually for impairment, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Investment property

Investment property, which is property held for long-term rental yields and/or capital appreciation, and is not occupied by the companies in the group, is initially measured at cost, including transaction costs. Subsequent to initial recognition, it is stated at its fair value at the end of the reporting period. Gains or losses arising from changes in fair value of investment property are included in profit or loss for the period in which they arise. Property that is under construction or development to earn rentals or for capital appreciation or both is accounted as investment property.

The investment properties are valued annually on June 30th at fair value comprising the best estimate of market value by the directors. These valuations are reviewed periodically every five years by external independent valuers. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Prepaid operating lease payments

Land held under an operating lease (including land on which the investment property is located) is accounted for as an operating lease. Where upfront payments for operating leases of land are made, these upfront payments are capitalised as non-current assets and in subsequent periods are presented at amortised cost so as to record a constant annual charge to the profit or loss over the lease term. These non-current assets are not revalued.

Property, plant and equipment

All plant and equipment, as well as property, which are occupied by the group companies, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

Buildings	1%
Equipment, furniture and fittings	5–33$^{1}/_{3}$%
Motor vehicles	11%
Land is not depreciated	

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

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowings costs are expensed in the period in which they are incurred.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the leases.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Operating leases - lessor

Assets leased out under operating leases are included in plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the basis of either weighted average price or on a first-in, first-out (FIFO) method. Costs comprise direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

Spares and accessories included under inventories consist of items which are regularly used for repairs, maintenance and new installations.

Financial instruments

Financial assets

Categories of financial assets

The group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods and services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the original effective interest rate. The amount of the loss is recognised in profit or loss. Long term receivables without fixed maturity terms are measured at cost. If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value (PV) of estimated cash flows discounted at the current market rate of return of similar financial assets.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is

objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

Bank borrowings

Borrowings are recognised initially at fair value being their issue proceeds 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 group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade payables

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

Share capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

Current and deferred income tax

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

Current tax

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

Deferred tax

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Retirement benefit obligations

Defined contribution plan

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The company and its subsidiaries operate a defined contribution retirement benefit plan for qualifying employees. Contributions are recognised as an employee benefit expense when they fall due.

Gratuity on retirement

The net present value of gratuity on retirement payable under the Employment Rights Act 2008 (as amended) has been provided for in respect of those employees who are not covered or who are insufficiently covered by the above retirement benefit plan. The obligations arising under this item are not funded.

The Employment Rights Act stipulates that the Gratuity paid on Retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payment) of the employee. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26).

Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Mauritian rupees, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

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

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, which it is probable, will result in an outflow of resources that can be reasonably estimated. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation.

Turnover

Turnover consists of rental income, commissions and income from security activities.

Revenue recognition

Rental income is recognised on the accruals basis.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate, and continues unwinding the discount as interest income.

Income from security activities is recognised in the year in which the services are rendered.

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

Income from security activities comprises the sale of goods and services, net of value-added tax, rebates and discount. Sales of goods are recognised when goods are delivered and title has passed. Sales of services are recognised in the accounting year in which services are rendered.

Dividend distribution

Dividends are recorded in the financial statements in the period in which they are declared by the board of directors.

Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment reporting is shown in note 23.

Transfer pricing

The group has presently no policy in respect of transfer pricing.

Related parties

Related parties are individuals and enterprises where the individual or enterprise has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest risk and price risk), credit risk and liquidity risk.

The audit committee monitors closely the group's significant risks. All risks issues are systematically addressed both at the audit committee and at the board level. The group's exposure is managed and reviewed regularly.

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

Risk management is carried out by treasury department under policies approved by the board of directors.

Market risk

Currency risk

The group has foreign currency denominated cash balances and is exposed to foreign exchange risk arising from foreign currency exposure.

The impacts on post-tax profit are insignificant since the group holds small amount of foreign currency-denominated cash balances.

Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates. The group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest-rate risk. The group's interest rate risk is closely monitored by management on a regular basis which is then approved by the audit committee and the board of directors. Management systematically analyses the interest rate exposure and assesses the potential impact on the financial position of the group. Various scenarios are considered such as rescheduling of existing loans, early repayment options and renegotiating favourable interest rates. The risk is also managed by maintaining an appropriate level of debt and monitoring the gearing ratio.

At June 30th 2015, if interest rates on borrowings had been 50 basis points higher/lower during the year with all other variables held constant, post-tax profit for the year would have been MRs3.4m (2014: MRs3.3m) lower/higher for the group and MRs3.3m (2014: MRs3.3m) for the company, mainly as a result of higher/lower interest expense on floating rate borrowings.

Price risk

The group is exposed to equity securities price risk because of investments held by the group in subsidiary companies, and associated company. The company's subsidiaries are unquoted and are carried at cost in the separate financial statements. Impairment tests are performed regularly on these investments. The group is not exposed to commodity price risk.

Credit risk

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

The group has no significant concentration of credit risk, with exposure spread over a large number of customers and tenants. The group has policies in place to ensure that properties are rented and services provided to customers with an appropriate credit history. Close monitoring is carried out on all trade receivables.

Liquidity risk

Prudent liquidity management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The group is exposed to calls on its available cash resources from maturing loans.

Analysis of the group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date

YEARS	less than 1	between 1 & 2	between 2 & 5	over 5
MRs000				THE GROUP
2015				at June 30th
Borrowings	**175,971**	**37,000**	**133,500**	**466,000**
Other payables	**96,132**	**-**	**-**	**-**
2014				
Borrowings	357,731	69,508	208,523	141,286
Other payables	83,079	-	-	-
MRs000				THE COMPANY
2015				at June 30th
Borrowings	**158,798**	**37,000**	**133,500**	**466,000**
Other payables	**235,233**	**-**	**-**	**-**
2014				
Borrowings	316,791	69,508	208,523	141,286
Other payables	225,475	-	-	-

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of quoted equity investments classified as trading securities or available-for-sale. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Capital risk management

The group's objectives when managing capital are:

- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to reduce the cost of capital.

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

Consistently with others in the industry, the group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt adjusted for cash and cash equivalents and adjusted capital comprises all components of equity.

There were no changes in the group's approach to capital risk management during the year.

The debt-to-adjusted capital ratios

MRs000 at June 30th	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Total debt	**673,663**	488,825	**673,500**	488,825
Cash and cash equivalents	**138,216**	288,065	**121,702**	247,164
Net debt	**811,879**	776,890	**795,202**	735,989
Total equity	**2,921,676**	2,921,020	**2,488,294**	2,482,770
Debt to adjusted capital ratio	**0.28**	0.27	**0.32**	0.30

1A Critical accounting estimates and judgments

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

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The fair value of available-for-sale financial assets and investment property may therefore increase or decrease, based on prevailing economic conditions.

Estimate of fair value of investment properties

The group carries its investment properties at fair value, with change in fair value being recognised in the profit or loss. The fair value is determined by directors' valuation based on independent valuer's valuation.

For the purpose of the valuation carried out as at June 30th, 2014, the sales comparison approach has been used to reflect the current state of the market and has been cross-checked using the income capitalisation approach.

Limitation of sensitivity analysis

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

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account the residual values which are assessed annually and may vary depending on a number of factors such as technological innovation, maintenance programmes and future market condition. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

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

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

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgments in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgment in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

Revenue arising from maintenance and repair work in progress is recognised on the percentage of completion basis.

Impairment of assets

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

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the directors reviewed the group's investment property portfolio and concluded that the investment properties, excluding undeveloped land, are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

2 investment property

THE GROUP MRs000	freehold Le Caudan Waterfront	freehold land & other buildings	level 2 long leasehold buildings	total 2015	total 2014
Fair value					
At July 1st	**3,379,067**	**103,000**	**149,450**	**3,631,517**	3,644,391
Net loss from fair value adjustment on investment property	**-**	**-**	**-**	**-**	(12,874)
Additions	**50,184**	**-**	**-**	**50,184**	-
Disposals	**(12,536)**	**-**	**-**	**(12,536)**	-
At June 30th	**3,416,715**	**103,000**	**149,450**	**3,669,165**	3,631,517
THE COMPANY					
Fair value					
At July 1st	**2,982,137**	**197,742**	**149,450**	**3,329,329**	3,283,320
Net gain from fair value adjustment on investment property	**-**	**-**	**-**	**-**	46,009
Additions	**1,164**	**3,227**	**-**	**4,391**	-
Disposals	**(12,536)**	**-**	**-**	**(12,536)**	-
At June 30th	**2,970,765**	**200,969**	**149,450**	**3,321,184**	3,329,329

Basis of valuation

› Investment property comprises a number of offices, commercial and industrial properties rented to third parties. › The directors have reassessed the fair value of the investment properties at June 30th 2015. On the basis of current economic and property environment and after consultation with the independent valuers, the directors are satisfied that the carrying value of the investment properties reflects their fair value at the reporting date. Hence, no adjustment has been reflected in this year's accounts. › A full independent valuation of the properties was last performed at June 30th 2014 by Broll Indian Ocean Ltd, chartered valuers, using the sales comparison approach and cross-checked using the income approach. The values of Le Caudan Waterfront determined by the valuers were adjusted downwards to reflect the prevailing economic conditions whilst values in respect of all other properties were reflected in full. Each year the values are reviewed and updated by the valuers so as to identify whether there has been any material fluctuation in the fair value of the investment properties. › Bank borrowings are secured by floating charges on the assets of the borrowing companies including investment property (note 14). › Borrowings costs of MRs0.39m (2014:nil) were capitalised during the year and are included in 'Additions'. › A capitalisation rate of 7.00% was used representing the actual borrowing cost used to finance the project. › Rental income from investment property amounted to MRs202.2m (2014:MRs212.3m) for the group and MRs160.8m (2014:MRs161.6m) for the company. Direct operating expenses arising on the income generating investment property in the year amounted to MRs149.6m (2014:MRs123.1m) for the group and MRs104.3m (2014:MRs80.8m) for the company. No cost was incurred in respect of the non-income generating investment property.

3 prepaid operating lease payments

MRs000	GROUP AND COMPANY 2015	2014
Cost		
At July 1st and June 30th	**602**	602
Amortisation		
At July 1st	**133**	127
Charge for the year	**6**	6
At June 30th	**139**	133
Net book values		
At June 30th	**463**	469

› Amortisation charge for the group and the company has been included in operating expenses.

4 property, plant and equipment

THE GROUP MRs000	land and buildings	furniture and equipment	motor vehicles	total
Cost				
At July 1st 2013	134,924	101,694	36,726	273,344
Additions	-	12,784	5,743	18,527
Disposals/amount written off	-	(3,522)	(1,152)	(4,674)
At June 30th 2014	134,924	110,956	41,317	287,197
At July 1st 2014	134,924	110,956	41,317	287,197
Additions	3,227	8,566	2,794	14,587
Amount written off	-	(5,213)	-	(5,213)
At June 30th 2015	**138,151**	**114,309**	**44,111**	**296,571**
Depreciation				
At July 1st 2013	6,858	64,516	22,220	93,594
Charge for the year	1,076	11,682	4,992	17,750
Disposal/amount written off adjustments	-	(3,197)	(696)	(3,893)
At June 30th 2014	7,934	73,001	26,516	107,451
At July 1st 2014	7,934	73,001	26,516	107,451
Charge for the year	1,075	13,197	4,863	19,135
Amount written off adjustments	-	(4,774)	-	(4,774)
At June 30th 2015	**9,009**	**81,424**	**31,379**	**121,812**
Net book values				
At June 30th 2015	**129,142**	**32,885**	**12,732**	**174,759**
At June 30th 2014	126,990	37,955	14,801	179,746

4 property, plant and equipment *continued*

THE COMPANY MRs000	buildings	furniture and equipment	motor vehicles	total
Cost				
At July 1st 2013	39,942	21,753	4,657	66,352
Additions	-	7,289	1,450	8,739
Disposals/amount written off	-	(2,166)	(670)	(2,836)
At June 30th 2014	39,942	26,876	5,437	72,255
At July 1st 2014	39,942	26,876	5,437	72,255
Additions	-	5,039	-	5,039
At June 30th 2015	**39,942**	**31,915**	**5,437**	**77,294**
Depreciation				
At July 1st 2013	4,636	18,492	1,250	24,378
Charge for the year	407	2,161	607	3,175
Disposal/amount written off adjustments	-	(2,159)	(352)	(2,511)
At June 30th 2014	5,043	18,494	1,505	25,042
At July 1st 2014	5,043	18,494	1,505	25,042
Charge for the year	407	2,521	606	3,534
At June 30th 2015	**5,450**	**21,015**	**2,111**	**28,576**
Net book values				
At June 30th 2015	**34,492**	**10,900**	**3,326**	**48,718**
At June 30th 2014	34,899	8,382	3,932	47,213

› Bank borrowings are secured by floating charges on the assets of the group including property, plant and equipment (note 14). › Depreciation charge of MRs19.135m for the group (2014:MRs17.750m) and MRs3.534m for the company (2014:MRs3.175m) has been included in operating expenses.

5 intangible assets

THE GROUP MRs000	computer software	other	total
Cost			
At July 1st 2013	3,323	4,178	7,501
Additions	36	-	36
At June 30th 2014	3,359	4,178	7,537
At July 1st 2014	3,359	4,178	7,537
Additions	157	-	157
At June 30th 2015	**3,516**	**4,178**	**7,694**
Amortisation			
At July 1st 2013	1,671	957	2,628
Amortisation charge	536	-	536
At June 30th 2014	2,207	957	3,164
At July 1st 2014	2,207	957	3,164
Amortisation charge	493	-	493
At June 30th 2015	**2,700**	**957**	**3,657**
Net book values			
At June 30th 2015	**816**	**3,221**	**4,037**
At June 30th 2014	1,152	3,221	4,373

THE COMPANY	
Cost	
At July 1st 2013	376
Additions	31
At June 30th 2014	407
At July 1st 2014	407
Additions	82
At June 30th 2015	**489**
Amortisation	
At July 1st 2013	294
Amortisation charge	57
At June 30th 2014	351
At July 1st 2014	351
Amortisation charge	44
At June 30th 2015	**395**
Net book values	
At June 30th 2015	**94**
At June 30th 2014	56

› Other intangible assets relate to consideration paid in respect of the acquisition of a customer list. › Amortisation and impairment charges of MRs0.493m (2014:MRs0.536m) for the group and MRs0.044m (2014:MRs0.057m) for the company are included in operating expenses.

6 investments in subsidiary companies

THE COMPANY MRs000	2015	2014
Cost		
At July 1st	**4,347**	4,347
Deposit on shares	**9,900**	9,900
At June 30th	**14,247**	14,247

› The deposit represents amount not yet converted into shares at June 30th, 2015.

Subsidiaries of Caudan Development Limited	class of shares	year end	stated capital and nominal value of investment MRs000	direct holding %	indirect holding %	main business
Best Sellers Limited	ordinary	June	25	-	100	dormant
Caudan Communauté	limited by guarantee	December	1	50	-	management of CSR fund (not consolidated)
Caudan Leisure Limited	ordinary	June	1,000	100	-	leisure & property
Caudan Security Services Limited	ordinary	June	100	100	-	security
Harbour Cruise Limited	ordinary	June	300	-	100	dormant
Security & Property Protection Agency Co Ltd	ordinary	June	25	-	100	security
Société Mauricienne d'Entreprise Générale Ltée	ordinary	June	3,000	100	-	dormant
SPPA CO Ltd	ordinary	June	26	-	100	security

› Société Mauricienne d'Entreprise Générale Ltée, Harbour Cruise Limited and Best Sellers Limited did not trade during the year. › All the subsidiaries are incorporated and domiciled in the Republic of Mauritius except SPPA CO Ltd which is incorporated in the Republic of Seychelles. › None of the subsidiaries have debt securities. › SPPA CO Ltd was acquired during the year.

7 investments in associate

A

THE GROUP MRs000	2015	2014
Share of net assets	**-**	-
Goodwill	**-**	-
At June 30th	**-**	-
Cost		
At July 1st and June 30th	**19,076**	19,076
Share of post acquisition reserves		
At July 1st	**(19,076)**	1,549
Share of loss for the year	**-**	(8,418)
Other equity movements	**-**	(12,207)
At June 30th	**(19,076)**	(19,076)
At June 30th	**-**	-

7 investments in associate *continued*

B The associated company of Caudan Development Limited

Details of the associate at the end of the reporting period	class of shares	year end	nature of business	principal place of business	country of incorporation	proportion of ownership interest and voting rights direct %	indirect %
2015 and 2014							
Le Caudan Waterfront Casino Limited	ordinary	December	leisure	Mauritius	Mauritius	39.20	39.20

› The above associate is accounted for using the equity method. › Since the associate has a different reporting date, management accounts have been prepared as at June 30th, 2015.

C Summarised financial information

Summarised financial information in respect of the associate

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	loss for the year	other comprehensive income for the year	total comprehensive income for the year
2015								
Le Caudan Waterfront Casino Limited	**19,952**	**35,975**	**62,168**	**66,749**	**165,989**	**(23,059)**	**(22,020)**	**(45,079)**
2014								
Le Caudan Waterfront Casino Limited	31,215	44,407	63,938	39,593	167,778	(26,358)	(31,142)	(57,500)

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

D Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount in the financial statements:

MRs000	opening net assets July 1st	loss for the year	other comprehensive income for the year	closing net assets	unrecognised losses and other comprehensive income	ownership interest	interest in associates	goodwill	carrying value
2015									
Le Caudan Waterfront Casino Limited	**(27,909)**	**(23,059)**	**(22,020)**	**(72,988)**	**(49,964)**	**39.2%**	**-**	**-**	**-**
2014									
Le Caudan Waterfront Casino Limited	29,591	(26,358)	(31,142)	(27,909)	(4,885)	39.2%	-	-	-

8 investments in joint venture

A

THE GROUP MRs000	2015
Share of net assets	-
Cost	
Additions	10
At June 30th	10
Share of post acquisition reserves	
Share of loss for the year	(10)
At June 30th	(10)
At June 30th	-

B **Details of the joint venture at the end of the reporting period, are as follows:**

	class of shares	year end	nature of business	principal place of business	country of incorporation	proportion of ownership interest and voting rights direct %
2015						
Integrated Safety and Security Solutions Ltd	ordinary	June	security	Mauritius	Mauritius	50.00

› Integrated Safety and Security Solutions Ltd was incorporated during the year and started its operations in June 2015. It is a jointly controlled entity by Security and Property Protection Agency Co Ltd and FS Systems International, a company incorporated in Mauritius as a GBL Category 1 company. It is accounted for using the equity method.

C **Summarised financial information**

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

MRs000	current assets	current liabilities	revenue	loss for the year	other comprehensive income for the year	total comprehensive income for the year
2015	10	96	-	(106)	-	(106)

› The summarised financial information above represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs adjusted for equity purposes such as fair value adjustments accounting made at the time of acquisition and adjustments for differences in accounting policies.

D Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount in the financial statements:

MRs000	opening net assets July 1st	issue of share capital	loss for the year	other comprehensive income for the year	closing net assets	unrecognised losses	ownership interest	interest in joint venture
2015	**-**	**20**	**(106)**	**-**	**(86)**	**(86)**	**50.0%**	**-**

Classification of Integrated Safety and Security Solutions Ltd as a joint venture
Integrated Safety and Security Solutions Ltd is a limited liability company whose legal forms confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement that indicates that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Integrated Safety and Security Solutions Ltd is classified as a joint venture.

E Commitments and contingent liabilities

There are no contingent liabilities relating to the group interest in the joint venture.

9 financial instruments by category

The accounting policies for financial instruments have been applied to the items below

THE GROUP

MRs000	loans and receivables
2015	
Assets as per statements of financial position	
Trade receivables	**154,949**
Cash and cash equivalents	**592**
	155,541

MRs000	other financial liabilities
Liabilities as per statements of financial position	
Borrowings	**812,471**
Other payables	**96,132**
	908,603

MRs000	loans and receivables
2014	
Assets as per statements of financial position	
Trade receivables	133,961
Cash and cash equivalents	158
	134,119

MRs000	other financial liabilities
Liabilities as per statements of financial position	
Borrowings	777,048
Other payables	83,079
	860,127

9 financial instruments by category *continued*

THE COMPANY

MRs000	loans and receivables
2015	
Assets as per statements of financial position	
Trade receivables	**48,111**
Cash and cash equivalents	**96**
	48,207

MRs000	other financial liabilities
Liabilities as per statements of financial position	
Borrowings	**795,298**
Other payables	**235,233**
	1,030,531

MRs000	loans and receivables
2014	
Assets as per statements of financial position	
Trade receivables	35,106
Cash and cash equivalents	119
	35,225

MRs000	other financial liabilities
Liabilities as per statements of financial position	
Borrowings	736,108
Other payables	225,475
	961,583

10 inventories

	THE GROUP		THE COMPANY	
MRs000	**2015**	2014	**2015**	2014
Spares and accessories (at cost)	**2,489**	3,086	**2,489**	3,086
Consumables (at cost)	**981**	813	**-**	-
Work in progress	**779**	807	**-**	-
Goods for resale (at cost)	**5,297**	9,531	**-**	-
	9,546	14,237	**2,489**	3,086
Costs of inventories recognised as expense and included in				
Cost of sales	**12,413**	10,304	**-**	-
Operating expenses	**5,942**	7,703	**2,117**	2,653

› The bank borrowings are secured by floating charges over the assets of the group including inventories (note14).

11 trade and other receivables

A

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Trade receivables	**154,949**	133,961	**48,111**	35,106
Less provision for impairment of receivables	**(73,911)**	(62,248)	**(28,568)**	(16,827)
Trade receivables - net	**81,038**	71,713	**19,543**	18,279
Prepayments	**3,560**	3,696	**1,505**	937
Payments made on account	**5,322**	4,015	**879**	1,505
Receivables from subsidiary companies less impairment	**-**	-	**84,002**	6,844
Receivables from joint venture	**96**	-	**-**	-
Loan to subsidiary company receivable at call	**-**	-	**100,000**	100,000
Income tax receivable	**12,761**	11,353	**9,733**	8,934
Other receivables	**20,516**	9,604	**14,086**	9,125
	123,293	100,381	**229,748**	145,624
Less non-current portion				
Trade receivables	**(4,834)**	-	**-**	-
	118,459	100,381	**229,748**	145,624

› The fair value of trade and other receivables equals their carrying amount. The carrying amounts of the group's trade and other receivables are denominated in mauritian rupee.

B Ageing analysis of these trade receivables

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Current	**33,018**	24,792	**7,046**	7,100
1 to 3 months	**36,621**	32,415	**8,948**	8,032
4 to 6 months	**9,061**	9,931	**5,193**	3,785
Over 6 months	**76,249**	66,823	**26,924**	16,189
	154,949	133,961	**48,111**	35,106

C Trade receivables past due but not impaired

› At June 30th 2015, trade receivables of MRs19.744m (2014:MRs16.599m) for the group and MRs2.621m (2014:MRs2.352m) for the company were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
1 to 3 months	**18,000**	15,997	**2,621**	2,352
4 to 6 months	**1,744**	602	**-**	-
	19,744	16,599	**2,621**	2,352
Fair value of collateral				
1 to 3 months	**2,525**	2,235	**2,015**	2,164

The collaterals include cash deposits and bank guarantees received from tenants.

D Trade receivables past due and impaired

As of June 30th 2015, trade receivables of MRs102.187m (2014: MRs92.570m) for the group and MRs38.444m (2014:MRs25.654m) for the company were impaired. The amount of the provision was MRs73.911m (2014:MRs62.248m) for the group and MRs28.568m (2014:MRs16.827m) for the company. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
1 to 3 months	**18,620**	16,418	**6,325**	5,680
4 to 6 months	**7,317**	9,329	**5,194**	3,785
Over 6 months	**76,250**	66,823	**26,925**	16,189
	102,187	92,570	**38,444**	25,654
Fair value of collateral				
1 to 3 months	**619**	2,322	**498**	1,598
4 to 6 months	**965**	1,433	**453**	1,342
Over 6 months	**5,445**	2,134	**3,236**	1,136
	7,029	5,889	**4,187**	4,076

Movement in the provision for impairment of trade receivables

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
At July 1st	**62,248**	51,571	**16,827**	13,654
Net provision for impairment	**16,296**	11,517	**13,677**	3,173
Receivables written off during the year as uncollectible	**(4,633)**	(840)	**(1,936)**	-
At June 30th	**73,911**	62,248	**28,568**	16,827

The creation and release of provision for impaired receivables have been included in operating expenses in the statements of profit or loss and other comprehensive income. Amounts are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

12 share capital

MRs000	2015	2014
Authorised 1,000m ordinary shares of MRe1 each	**1,000,000**	1,000,000
Issued and fully paid 819.52m ordinary shares of MRe1 each	**819,520**	819,520

13 retained earnings

MRs000	the company	subsidiaries	associates	consolidation adjustment	the group
At July 1st 2014	1,660,388	483,528	(19,076)	(26,202)	2,098,638
Profit attributable to shareholders	5,956	(3,982)	-	(874)	1,100
Other comprehensive income for the year	(432)	-	-	-	(432)
At June 30th 2015	**1,665,912**	**479,546**	**(19,076)**	**(27,076)**	**2,099,306**

14 borrowings

MRs000	note	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Bank overdrafts	A	**138,808**	288,223	**121,798**	247,283
Bank loan	B	**673,500**	488,825	**673,500**	488,825
Other loan		**163**	-	**-**	-
		812,471	777,048	**795,298**	736,108
Current					
Bank overdrafts		**138,808**	288,223	**121,798**	247,283
Bank loan		**37,000**	69,508	**37,000**	69,508
Other loan		**163**	-	**-**	-
		175,971	357,731	**158,798**	316,791
Non-current					
Bank loan		**636,500**	419,317	**636,500**	419,317
Total borrowings		**812,471**	777,048	**795,298**	736,108

A Bank overdrafts

› The bank overdrafts are secured by floating charges over the assets of the group

B Bank loan

› Bank loans mature in December 2019 and December 2025 and bear interest at 6.90% annually at June 30th 2015 (2014:7.00%/8.00% p.a) › Bank loans are secured by a floating charge over the assets of the group including inventories, investment property and property, plant and equipment.

The group's borrowings are denominated in mauritian rupee. The carrying amounts of borrowings are not materially different from their fair values.

The exposure of the borrowings to interest rate changes at the end of the reporting period

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2015
Within one year	**175,971**	357,731	**158,798**	316,791
After one year and before two years	**37,000**	69,508	**37,000**	69,508
After two years and before three years	**41,500**	69,508	**41,500**	69,508
After three years and before five years	**92,000**	139,015	**92,000**	139,015
After five years	**466,000**	141,286	**466,000**	141,286
	812,471	777,048	**795,298**	736,108

15 deferred tax

Deferred tax liability/(asset)

MRs000	at July 1st 2014	charge/ (credit) to statement of profit or loss	credit to statement of other comprehensive income	**at June 30th 2015**
THE GROUP				
Accelerated capital allowances	3,005	(853)	-	**2,152**
Provisions	(6,501)	(1,496)	-	**(7,997)**
Deferred tax assets	(3,496)	(2,349)	-	**(5,845)**
Accelerated capital allowances	33,884	4,296	-	**38,180**
Provisions	(6,882)	(1,643)	(76)	**(8,601)**
Fair value gains	101,994	-	-	**101,994**
Tax losses	-	(1,607)	-	**(1,607)**
Deferred tax liabilities	128,996	1,046	(76)	**129,966**
Net deferred tax	125,500	(1,303)	(76)	**124,121**

Deferred tax liabilities

THE COMPANY				
Accelerated capital allowances	33,598	4,038	-	**37,636**
Provisions	(4,108)	(1,919)	(76)	**(6,103)**
Fair value gains	58,863	-	-	**58,863**
	88,353	2,119	(76)	**90,396**

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

MRs000	THE GROUP **2015**	THE GROUP 2014	THE COMPANY **2015**	THE COMPANY 2014
Deferred tax assets	**(18,205)**	(13,383)	**(6,103)**	(4,108)
Deferred tax liabilities	**142,326**	138,883	**96,499**	92,461
	124,121	125,500	**90,396**	88,353

› Deferred income taxes are calculated on all temporary differences under the liability method at 15%.

MRs000	note	THE GROUP **2015**	THE GROUP 2014	THE COMPANY **2015**	THE COMPANY 2014
The movement in the deferred income tax account					
As July 1st		**125,500**	164,540	**88,353**	114,961
(Credit)/charge to profit or loss	21	**(1,303)**	(38,125)	**2,119**	(26,529)
Credit to other comprehensive income	21	**(76)**	(915)	**(76)**	(79)
At June 30th		**124,121**	125,500	**90,396**	88,353

16 retirement benefit obligations

MRs000		THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Amounts recognised in the statements of financial position					
Other post retirement benefits (gratuity on retirement)		**26,011**	23,526	**7,818**	7,437
Amounts recognised in the statements of profit or loss and other comprehensive income					
Release in respect of leavers		**(1,441)**	(1,056)	**-**	(41)
Provision for the year		**4,445**	5,536	**700**	594
Total included in employee benefit expense	19A	**3,004**	4,480	**700**	553
Movement in the liability recognised in the statements of financial position					
At July 1st		**23,526**	13,932	**7,437**	7,091
Gratuity on retirement paid		**(292)**	(254)	**(92)**	-
Benefits paid		**(735)**	(735)	**(735)**	(735)
Amount charged to other comprehensive income		**508**	6,103	**508**	528
Expense for the year		**3,004**	4,480	**700**	553
At June 30th		**26,011**	23,526	**7,818**	7,437

› Other post retirement benefits comprise of gratuity on retirement payable under the Employment Rights Act 2008 (as amended).

17 other payables

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Amounts owed to parent	**908**	910	**757**	676
Amounts owed to subsidiary companies	**-**	-	**181,146**	178,317
Social security and other taxes	**5,948**	5,824	**1,716**	1,739
Defined contribution plan	**701**	1,282	**141**	286
Advance monies	**34,522**	27,598	**28,376**	22,280
Other payables and accrued expenses	**54,053**	47,465	**23,097**	22,177
	96,132	83,079	**235,233**	225,475

› Other payables are interest free and have settlement dates within one year. The carrying amounts of other payables approximate their fair values.

18 other reserves

MRs000	share premium	THE GROUP translation reserve	total
At July 1st 2014	2,862	-	2,862
Currency translation differences	-	(12)	(12)
At June 30th 2015	**2,862**	**(12)**	**2,850**

MRs000	THE COMPANY share premium
At July 1st 2014 and June 30th 2015	2,862

Share premium
The share premium account includes the difference between the value of shares issued and their nominal value.

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

19 operating profit

MRs000	note	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Operating profit is arrived at after crediting					
Rental income		**202,175**	212,282	**160,805**	161,638
Sale of goods		**14,221**	13,043	**-**	-
Sale of services		**245,215**	234,114	**-**	-
Profit on disposal of property, plant and equipment		**-**	82	**-**	-
and after charging					
Depreciation on property, plant and equipment	4	**19,135**	17,750	**3,534**	3,175
Amortisation of intangible assets	5	**493**	536	**44**	57
Amortisation of prepaid operating lease payments	3	**6**	6	**6**	6
Loss on disposal of property, plant and equipment		**-**	-	**-**	66
Property, plant and equipment written off		**439**	321	**-**	6
Operating lease rentals - land		**4,382**	4,382	**4,382**	4,382
Corporate Social Responsibility		**416**	870	**5**	429
Employee benefit expense	19A	**221,767**	213,980	**25,364**	24,092

A Analysis of employee benefit expense

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Wages and salaries	**200,494**	192,344	**22,139**	21,131
Social security costs	**10,622**	10,169	**1,126**	1,037
Pension costs				
Defined contribution plan	**7,647**	6,987	**1,399**	1,371
Other post retirement benefits	**3,004**	4,480	**700**	553
	221,767	213,980	**25,364**	24,092

20 finance income and costs

MRs000	note	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Finance costs					
Interest expense					
Bank overdrafts		**10,523**	13,767	**9,195**	12,883
Bank loan		**43,340**	40,716	**43,340**	40,716
Other loans at call		**2,093**	4,049	**2,093**	3,606
Foreign exchange loss		**60**	31	**59**	33
Other		**17**	98	**27**	105
		56,033	58,661	**54,714**	57,343
Less interest capitalised	2	**(390)**	-	**-**	-
		55,643	58,661	**54,714**	57,343
Finance income					
Interest income		**(507)**	(152)	**(8,980)**	(8,301)
Net finance costs		**55,136**	58,509	**45,734**	49,042

21 income tax expense

MRs000	note	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Based on the profit for the year, as adjusted for tax purposes, at 15%		**2,514**	3,828	**14**	671
Underprovision/(overprovision) of tax in previous year		**1**	(1)	**1**	-
Deferred income tax movement for the year	15	**(1,303)**	(38,125)	**2,119**	(26,529)
Charge/(credit) to statement of profit or loss		**1,212**	(34,298)	**2,134**	(25,858)
Deferred income tax (credit)/charge					
Accelerated capital allowances		**3,443**	4,346	**4,038**	5,434
Provisions		**(3,215)**	(3,014)	**(1,995)**	(502)
Fair value gains		**-**	(40,372)	**-**	(31,540)
Tax losses		**(1,607)**	-	**-**	-
		(1,379)	(39,040)	**2,043**	(26,608)

› Reconciliation between the applicable income tax rate of 15.0% for the group and company and the effective rate of income tax of the group of 52.4% (2014:(389.9%)) and the company of 26.4% (2014:(35.5%)).

As a percentage of profit before income tax

%	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Income tax rate	**15.0**	15.0	**15.0**	15.0
Impact of				
Associate's results reported net of tax	**-**	14.4	**-**	-
Disallowable items	**67.9**	13.7	**10.3**	1.2
Other allowable items	**(2.5)**	-	**-**	-
Other differences	**1.0**	(354.5)	**1.1**	(42.1)
Exempt income	**(2.1)**	(78.5)	**(0.6)**	(9.6)
Balancing (allowance)/charge	**(0.4)**	-	**0.6**	-
Unrecognised deferred tax assets in prior years	**(27.3)**	-	**-**	-
Effect of different tax rates	**0.8**	-	**-**	-
Average effective income tax rate	**52.4**	(389.9)	**26.4**	(35.5)

22 earnings per share

A

› Earnings per share is calculated on the basis of the group profit for the year and the number of shares in issue and ranking for dividends during the two years under review.

THE GROUP MRs000	2015	2014
Profit attributable to owners of the parent	**1,100**	43,094
Number of ordinary shares in issue (thousands)	**819,520**	819,520

B

› Adjusted earnings per share is calculated on the basis of the group profit for the year, excluding fair value adjustments and the number of shares in issue and ranking for dividends.

THE GROUP MRs000	2015	2014
Profit attributable to owners of the parent	**1,100**	43,094
Net loss from fair value adjustment on investment property	**-**	12,874
Deferred income tax thereon	**-**	(40,372)
Adjusted profit attributable to owners of the parent	**1,100**	15,596
Number of ordinary shares in issue (thousands)	**819,520**	819,520

23 segment information

2015

MRs000	property	security	eliminations	total
Revenues				
External sales	202,175	259,436	-	461,611
Intersegment sales	4,800	20,202	(25,002)	-
Total revenue	206,975	279,638	(25,002)	461,611
Segment result	52,502	5,165	(209)	57,458
Share of loss in joint venture	-	(10)	-	(10)
Finance income	264	243	-	507
Finance costs	(54,300)	(1,343)	-	(55,643)
Profit before income tax	(1,534)	4,055	(209)	2,312
Taxation	(1,062)	(150)	-	(1,212)
Profit attributable to owners of the parent	(2,596)	3,905	(209)	1,100
Segment assets	3,882,557	105,143		3,987,700
	3,882,557	105,143		3,987,700
Segment liabilities	1,001,948	62,632		1,064,580
Current tax liabilities	-	1,444		1,444
	1,001,948	64,076		1,066,024
Capital expenditure	6,386	8,358		14,744
Depreciation and amortisation	4,891	14,743		19,634

› All activities of the group are carried out in Mauritius.

› **Products and services from which reportable segments derive their revenues**

In prior years, segment information reported externally was analysed on the basis of activities undertaken by each of the group's operating divisions and the same information was provided to management. The group's reportable segments under IFRS8 are as follows:

Segment	Activity
Property	rental income
Security	security and property protection services and sales of equipment

› The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intersegment sales and transfers are accounted as if the sales or transfers were to third parties at current market prices.

› **Factors that management used to identify the entity's reportable segments**

Reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

› **Geographical information**

No material revenues were derived from customers outside Mauritius. All of the non current assets are found in Mauritius.

2014

MRs000	property	security	unallocated	eliminations	total
Revenues					
External sales	212,282	247,157	-	-	459,439
Intersegment sales	4,800	16,590	-	(21,390)	-
Total revenue	217,082	263,747	-	(21,390)	459,439
Segment result before fair value adjustment on investment property	86,984	1,697	-	(84)	88,597
Net loss from fair value adjustment on investment property	(12,874)	-	-	-	(12,874)
Segment result after fair value adjustment on investment property	74,110	1,697	-	(84)	75,723
Share of loss of associate	-	-	(8,418)	-	(8,418)
Finance income	145	7	-	-	152
Finance costs	(56,479)	(2,182)	-	-	(58,661)
Profit before income tax	17,776	(478)	(8,418)	(84)	8,796
Taxation	33,975	323	-	-	34,298
Profit attributable to owners of the parent	51,751	(155)	(8,418)	(84)	43,094
Segment assets	3,826,557	107,820	-		3,934,377
	3,826,557	107,820	-		3,934,377
Segment liabilities	934,083	78,566	-		1,012,649
Current tax liabilities	-	708	-		708
	934,083	79,274	-		1,013,357
Capital expenditure	8,702	9,861	-		18,563
Depreciation and amortisation	4,080	14,206	-		18,286

24 commitments and contingencies

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Capital				
Commitment in respect of future capital expenditure authorised by the directors and not provided in the financial statements	**47,740**	46,467	**20,500**	6,708

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Future minimum lease payments under non-cancellable operating leases				
Not later than 1 year	**8,248**	8,248	**4,382**	4,382
Later than 1 year and not later than 2 years	**9,640**	8,248	**6,741**	4,382
Later than 2 years and not later than 5 years	**20,225**	23,124	**20,225**	20,225
	38,113	39,620	**31,348**	28,989

› The leases are in respect of land, at Le Caudan Waterfront which is for a further period of ten years expiring on June 30th, 2024 and is renewable for three further periods of ten years, and at Riche Terre which is for a further period of twenty years expiring on May 31st, 2031 and is renewable for a period of twenty years and another period of thirty nine years. › The group also leases equipment. › Rental income derived from rental of industrial building at Riche Terre amounts to MRs9.607m (2014:MRs11.363m).

Operating leases

MRs000	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
Future minimum lease payments receivable under non-cancellable operating leases				
Not later than 1 year	**158,407**	140,629	**123,443**	113,064
Later than 1 year and not later than 5 years	**207,201**	154,693	**163,298**	158,689
Later than 5 years	**97,516**	95,566	**158,811**	161,210
	463,124	390,888	**445,552**	432,963

› The leases have varying terms, escalation clauses and renewal rights. There are no restrictions imposed on the group by the lease arrangements.

Contingencies

MRs000	THE GROUP 2015	THE GROUP 2014
Contingent liabilities		
Bank guarantees to third parties	**3,575**	3,924

25 parent and ultimate parent

The directors regard Promotion and Development Limited, which is incorporated in the Republic of Mauritius, as the parent, ultimate parent and ultimate controlling party.

26 three-year summary of published results and assets and liabilities

THE GROUP MRs000	**2015**	2014	2013
Statements of profit and loss and other comprehensive income			
Turnover	**461,611**	459,439	487,870
Profit before income tax	**2,312**	8,796	52,331
Share of (loss)/profit of associate	**-**	(8,418)	296
Taxation	**(1,212)**	34,298	(8,595)
Profit attributable to owners of the parent	**1,100**	43,094	43,736
Other comprehensive income for the year	**(444)**	(17,395)	-
Adjusted profit attributable to owners of the parent	**1,100**	15,596	43,736
Total comprehensive income attributable to owners of the parent	**656**	25,699	43,736
Net assets value per share	**3.565**	3.564	3.533
Rate of dividend (%)	**-**	-	4.00
Dividend per share (MRe)	**-**	-	0.04
Earnings per share (MRe)	**0.0013**	0.0526	0.0534
Adjusted earnings per share (MRe)	**0.0013**	0.0190	0.0534

Statements of financial position	**2015**	2014	2013
Non-current assets	**3,859,103**	3,819,601	3,850,349
Current assets	**128,597**	114,776	142,306
Total assets	**3,987,700**	3,934,377	3,992,655
Total equity	**2,921,676**	2,921,020	2,895,321
Non-current liabilities	**792,477**	571,839	667,532
Current liabilities	**273,547**	441,518	429,802
Total equity and liabilities	**3,987,700**	3,934,377	3,992,655

27 related party transactions

Transactions carried out by the group with related parties

2015 MRs000	purchase of property plant & equipment	rental/ other income	payment in respect of invest-ment property	operating expenses	manage-ment fees	interest expense	loan received from	loan repaid to	emolu-ments and benefits
Parent	**-**	**8**	**1,125**	**3,932**	**15,079**	**2,093**	**168,820**	**168,820**	**-**
Associate	**-**	**20,815**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**22,950**	**531**	**1,552**	**-**	**-**	**-**	**-**	**-**
Shareholders with significant influence	**-**	**8,763**	**-**	**3,808**	**-**	**53,863**	**220,552**	**35,877**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**20**	**1,855**	**-**	**90**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**422**	**-**	**-**	**-**	**-**	**-**	**-**	**10,585**
2014									
Parent	-	-	-	3,932	12,267	4,049	214,923	311,107	-
Associate	-	22,211	-	-	-	-	-	-	-
Associate of parent	-	15,337	-	1,076	-	-	-	-	-
Shareholders with significant influence	-	4,369	-	1,793	-	54,483	-	69,508	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	-	-	667	-	-	-	-	-
Key management personnel and directors	-	547	-	-	-	-	-	-	9,882

Key management personnel compensation

MRs000	THE GROUP **2015**	THE GROUP 2014	THE COMPANY **2015**	THE COMPANY 2014
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**9,876**	9,260	**6,134**	5,610
Post employments benefits	**709**	622	**395**	387
	10,585	9,882	**6,529**	5,997

Transactions carried out by the company with related parties

2015 MRs000	purchase of property, plant & equipment	rental/ other income	payment in respect of invest-ment property	operating expenses	manage-ment fees	interest expense/ (income)	loan received from	loan repaid to	emolu-ments and benefits
Parent	**-**	**-**	**109**	**3,932**	**11,886**	**2,093**	**168,820**	**168,820**	**-**
Associate	**-**	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**-**	**-**	**738**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**2,000**	**15,206**	**-**	**11,940**	**-**	**(5)**	**-**	**-**	**-**
Shareholders with significant influence	**-**	**2,418**	**-**	**438**	**-**	**52,535**	**220,552**	**35,877**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**20**	**1,855**	**-**	**90**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**9**	**-**	**-**	**-**	**-**	**-**	**-**	**6,529**
2014									
Parent	-	-	-	3,932	10,042	3,606	129,214	205,918	-
Associate	-	363	-	-	-	-	-	-	-
Associate of parent	-	-	-	761	-	-	-	-	-
Subsidiary companies	254	14,428	-	10,816	-	-	-	-	-
Shareholders with significant influence	-	2,790	-	511	-	53,599	-	69,508	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	-	-	667	-	-	-	-	-
Key management personnel and directors	-	32	-	-	-	-	-	-	5,997

› The related party transactions were carried out on normal commercial terms and at prevailing market prices. › There is a management service fee contract between the company and Promotion and Development Limited (PAD) which is the ultimate parent. The management fees paid to PAD are equivalent to (1) 5% of the net income after operating costs, but before interest, depreciation and tax, (2) 2.5% of the cost of construction and capital works, excluding professional fees, government fees and interest and (3) agents fees equivalent to 2 months' basic rental on securing new tenants, one month's basic rental on new contracts with existing tenants and 2% of gross consideration in respect of sales of property. › The key management personnel compensation consists only of salaries and employment benefits. None of the investments in associates have been impaired during the year. › There have been no guarantees provided or received for any related party receivables or payables. › Loan from related parties are unsecured and bears interest at 6.90% per annum at June 30th, 2015. › For the year ended June 30th, 2015, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

27 related party transactions *continued*

THE GROUP

Outstanding balances in respect of related party transactions at the end of the reporting period

2015 MRs000	receivables from related companies	borrowings payable to related companies	payables to related companies
Parent	**-**	**-**	**908**
Associate	**30**	**-**	**-**
Associate of parent	**10,469**	**-**	**105**
Joint venture in which the group is a venturer	**96**	**-**	**-**
Shareholders with significant influence	**1,475**	**812,308**	**100**
Key management personnel and directors	**189**	**-**	**-**
2014			
Parent	-	-	910
Associate of parent	3,266	-	123
Shareholders with significant influence	495	777,048	1,081
Key management personnel and directors	18	-	-

28 currency

The financial statements are presented in thousands of Mauritian Rupees.

29 directors of subsidiaries

Directors of subsidiary companies holding office at the end of the accounting period

Caudan Leisure Limited
René Leclézio
Jocelyne Martin

Caudan Security Services Limited
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

Security and Property Protection Agency Co Ltd
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien
Deepak K. Lakhabhay
Bertrand de Chazal
Dhunpathlall Bhima

SPPA CO Ltd
Mooroogassen Soopramanien
Deepak K. Lakhabhay

Harbour Cruise Limited
Philippe de Labauve d'Arifat
René Leclézio

Société Mauricienne d'Entreprise Générale Ltée & Best Sellers Limited
Arnaud Dalais
René Leclézio

Caudan Communauté
René Leclézio
Jocelyne Martin

Design Caroline Leclézio + Caudan Development ⋆ Photography Oxedio ⋆ Printed in Mauritius by **Précigraph** 11.15

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